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**FACTORS AFFECTING CONSUMER PREFERENCES OF
DOMESTIC GARMENTS IN ETHIOPIA
(CASE STUDY OF ADDIS ABABA)**

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**Jimma University
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May, 2011

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DOMESTIC GARMENTS IN ETHIOPIA
(CASE STUDY OF ADDIS ABABA)**

**A RESEARCH PAPER SUBMITTED FOR THE PARTIAL
FULFILLMENT AS A REQUIREMENT FOR THE AWARD
OF DEGREE IN MASTERS OF BUSINESS
ADMINISTRATION**

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Abstracts

*A consumer preference is a predisposition of consumer to choose one thing over the other (one product over the other). Consumers' behavioural factors such as social, personal and psychological factors affect consumers on their purchase decisions. Apart from consumers' behaviour, product attributes such as price, quality, style and fashion are also determinant factor for consumers' preferences. Based on these concepts, the objective of the study is to identify and analyze factors that affect consumer preferences of domestic garments such as T-shirts, Shirts, Trousers, Sweaters, Knitted under wears and jackets. This study was conducted on factors affecting consumer preferences of domestically produced Garments. The basic reason to conduct the study is the declining trend of sales performance of domestically produced garments in domestic markets from 85% in 2006 to 70.8% in 2008, and from 70% to 59% from 2009 to 2010 on average. The reason that caused the decline of demand in local market for such product was the curiosity behind the study. Hypotheses were formulated to test for how significantly the presumed factors affect consumer preferences. Hypothesis one was tested using one sample z-test while the rests were tested using one sample t-test. Various literatures and research works are reviewed about these factors to get the understanding of the theoretical framework. The primary source of data for the study were consumers found in Addis Ababa that were encountered during the study time, and domestic garment producers which are found in Addis Ababa and within 60 km radius of Addis Ababa. Garment Shops from seven major market areas such as Merkato are judgementally selected, and a sample size of 331 consumers who were conveniently available, but by selecting randomly the 3rd entrant, keeping separate for male and female was selected. Data were collected through scheduled questionnaires from consumers where enumerators fill the response on questionnaires. But from 16 sample producers, it was collected through **semi-structured interview**. Data were analysed using SPSS version 17 (Statistical Package for Social Science) and presented using tables and pie charts. The study found that product attributes such as garment quality, design and color are the major factors negatively affecting consumer preferences of domestic garments. From behavioural factors, self-concept plays a major role in affecting their preference of local garments followed by friends' influence. The study recommended that the garment manufacturers and the government should work on access to input to combat the delay of these input that extremely affects the garment quality.*

Abbreviations

ACP-EU	African, Caribbean and Pacific European Union
AGOA	African Growth and Opportunity Act
COMESA	Common Market for Eastern and Southern Africa
DBE	Development Bank of Ethiopia
EBA	Everything But Arms
EPA	Economic Partnership Agreement
EU	European Union
FTA	Free Trade Area
GDP	Gross Domestic Product
GNP	Gross National Product
H1a	Hypothesis one a (similar interpretations to other hypothesis too)
LDCs	Least Developed Countries
MoTI	Ministry of Trade and Industry
NBE	National Bank of Ethiopia
n	Sample size
N	number of cases in the analysis
PLC	Private Limited Company
p-value	probability Value
Sig.	Significance
US	United States
WTO	World Trade Organization

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CHAPTER ONE

Introduction

1.1. Background of the Study

Business organizations are continually challenged because of the constant change in their environment. They all are competing for quality, market position and good will which are the base for the success of their objectives; which is getting profit and smartly operating in the competitive environment. In country like Ethiopia where most of the consumer goods are imported from developed and developing countries, the marketing challenge for domestic producers of goods like garments is influential. It is a sound marketing strategy with other strategy of the firm that built by considering what affects consumer preferences to sustainably operate the business.

Nowadays, the increase in the emergence of new technology such as production, design, and information communication affects business organization in one or another way. Globalization is also one of the factors that either challenges or smoothes their operations. It has a paramount impact on consumer preferences of product choice such as garment where fashion, design, style and other product features have value in the eyes of consumers.

As much as there is competition, the fittest companies influence the survival of the newly emerging, financially and technologically weak companies through invading their markets. This can be true through offering products that consumers need and are conscious of and there by considering other product attributes too.

It is mostly seen that third world (developing) countries are among those affected by the companies of developed nations, which are the fittest in technology, finance and skill.

In search for market, most strong companies are invading the domestic market of developing nations through their innovative and low cost products. Ethiopia is also one of those countries which are consuming largely foreign made products such as garments, textiles and other items. Even though domestic companies in such sector are striving to win consumers' preferences, still there is a room for doing so.

Consumer preferences may be affected either due to the consumer behavioral aspects or product attributes. A number of factors affect consumer preferences, and some of which a marketers cannot control, such as cultural, social, personal and psychological factors (Kotler et al, 2005:179). Culture is a most basic cause of a person's wants and behavior. The social class is also another factor affecting consumer preferences. Conspicuous and status revealing products are most likely to be purchased (Schiffman and Kanuk, 1997:327).

In addition to these factors, psychological factors also play an important role. Motivation to buy, perception, learning and attitudes are the major factors. When people experience new things, change takes place in their behavior in learning new things. This results in change in attitudes that affect buying behavior (Kotler and Armstrong, 2004:195-197; Boone and Kurtz, 1995:271; Schiffman and Kanuk, 1997:194). Marketers are expected to investigate the attitude of consumers towards domestically produced garments.

Apart from consumers' behavior, product attributes such as price, quality, style and fashion are also determinant factor for consumers' preferences. As Aaker (1991:85) stated, the consumers' perception of overall quality or superiority relative to other alternatives determine preference. Attributes such as product price, income, education and other attributes contribute to purchase or repurchase decision of a product in addition to quality (Andaleeb and Cownway, 2006:3-11) and consumers select the supplier offering the lowest price for similar offerings (M.J. Baker, 1996:323).

All these points describe how a consumer preference takes place, and indirectly they are talking about what marketers have to consider for successful operation of their business.

The reason behind the study (statement of purpose) is the decreasing trend of Garments Factories' sales performance from 85% in 2006 to 70% in 2008, as per the study made by Development Bank of Ethiopia. The producers' sales performance on garment from 2008 to 2009/10 has declined from 70% to 59% on average. In addition, the study indicated the existence of demand problem in domestic market for the Garment products of T-shirts, Shirts, Sweaters, Jackets, Trousers and Knitted Underwear.

Based on this starting point, the study was conducted in Addis Ababa city, collecting primary data through scheduled questionnaires from consumers found at major garment market areas and retailers (shop), who are conveniently available at the time of data collection, but by selecting randomly the 3rd entrant, keeping separate for male and female. The data was analyzed using SPSS Version 17 (statistical package for social science). The major factors that negatively affect consumers' preferences of domestic garments are found to be garment quality and design. Color bleeding in wash, fading easily, non-stretchy, and stiff are the major quality defects of domestically produced garments. But cotton content is good quality of domestic garments identified by consumers.

According to the interview made with garment producers, the major identified problems are shortage of local raw cotton supply, demand problem, low quality of fabrics, shortage of chemicals and absence of backward linkages with textile producers as an input for garment producers negatively affects the quality of garment and the sales performance of producers.

1.2. Overview of the Textile and Garment Sector

Ethiopia is one of the Horns of Africa countries, consisting of more than 73 million populations, of which more than 80% are in agricultural sector. The capital city of Ethiopia is Addis Ababa, with a population of more than 3.5 million according to the central statistical agency (CSA, 2009).

The history of modern textile industry in Ethiopia goes back to the 1930s with the establishment of the first textile factory in Dire Dawa by the Italians. After the Italian occupation joint venture investments with Italian, Japanese and British companies were prominent in the early development of the Ethiopian textile industry. The modern garments industry started over 34 years ago, with the establishment of Addis Garment Factory (commonly known Augusta/Addis-garment) by three Italians in 1965. At the time of nationalization, there were three garment factories. In 1992, Ethiopia's largest garment factory, Nazareth garment, became operational.

Textiles and garments are among the priority areas of government for economic implications, and comprise a unique industry in the global economy. Even though most of

the Developed Countries have used this industry as the spring board for their development, Least Developed Countries (LDCs) are also stepping up the development ladder on the basis of their textile and garment industry.

Like most of LDCs, the production of textile and garment in Ethiopia is characterized by highly labor intensive nature, based on more of unskilled labour, less sophisticated technology and largely depend on locally available raw materials. It consists of integrated textile and spinning mills, thread and garment factories (involving in spinning, weaving and finishing of textiles). But the industry is facing a problem of reliable supply of raw cotton from domestic supplier. This is also the result from exporting domestic cotton to foreign for better sales proceeds.

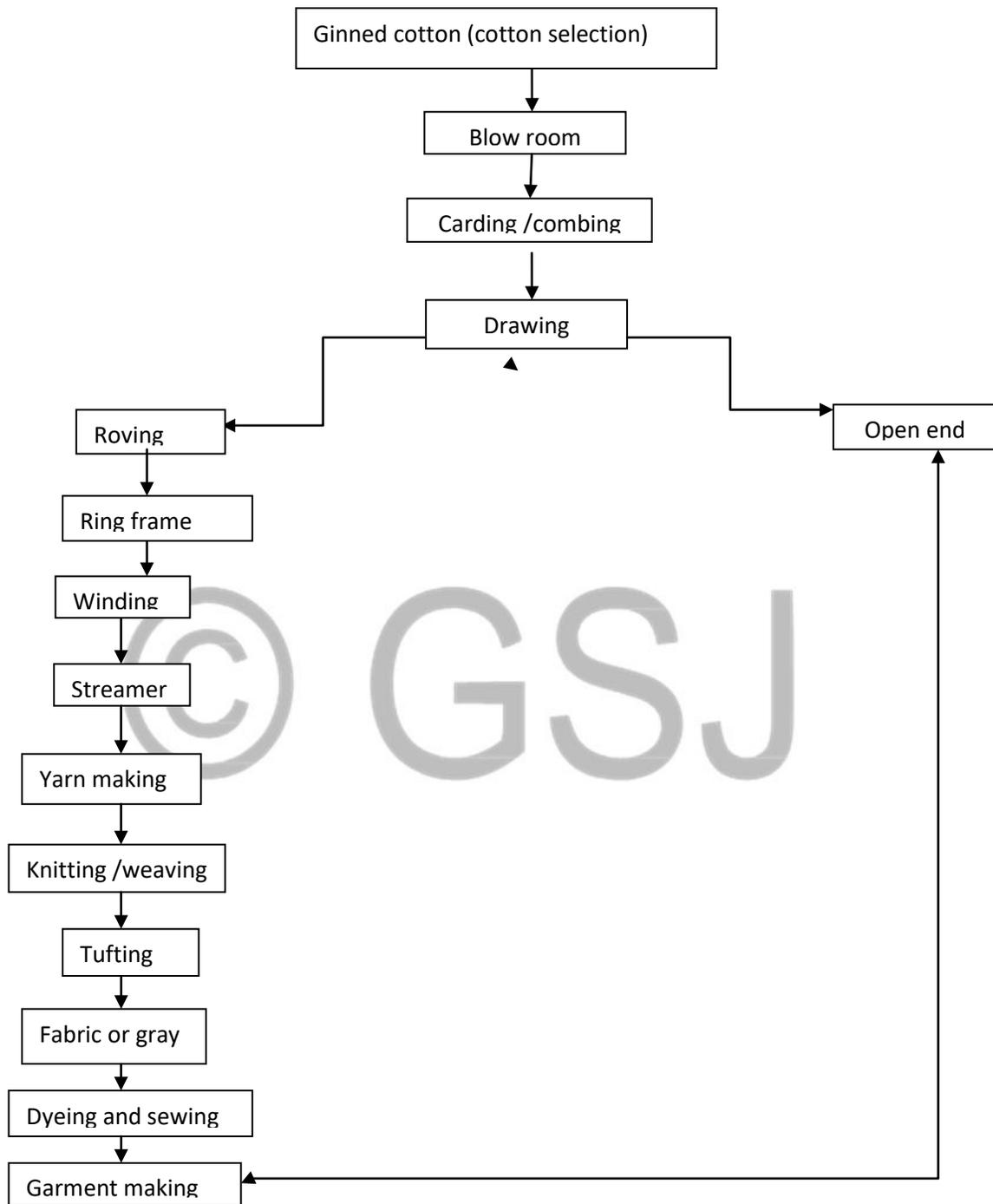
As the sector importance, the Ethiopian Government is designing different privileges and incentives for investors working in the production and export of textile and garments to increase foreign exchange earning of the country, and also creation of employment opportunity. These incentives include *exemption from income tax for 2 to 5 years, export trade duty incentives scheme, exemption from customs duty on capital goods for construction up to 15% of the total volume of capital goods, and financing by loan amounting to the project 70% capital investment for engaging in this sector.*

Currently, Ethiopia has 41 Textile and 32 Garment Factories except those under implementation. The regional distribution of Textile and Garment Factories shows that due to infrastructure and other facilities, more than 50% found in Addis Ababa, followed by Oromia and Tigray regions each accounting for 16% and 9%, respectively (MoTI, 2009/10). Daily production capacity of all these factories stands at 106 tonnes of yarn, 59 tonnes of knitted fabrics and 264,000 meters of woven fabrics. To enhance the Textile and Garment capacity, projects like ELSE Addis, AYKA Addis, Saygen –Dima and Spintex of Turkish and Indian companies are recently joined the sector.

Product Description

Textile is a Latin word originated from ‘texere’; it means “to weave”. A textile was originally a woven fabric, but the term textile and the plural ‘textiles’ are now also applied

Fig. 1.1: Flow chart of Textile and Garment Production



(Source: DBE Report, Sectoral Study on Textiles and Garments, 2009)

to fibers, filaments, and yarns that are naturally existing or manufactured. After finishing all various stages of process for converting raw fibers into textile, the finished textile is step up to the apparel (garment), which is a complex process.

As per international quality standards, the cotton grown in Ethiopia is somehow lower in quality compared to the American and Egyptian cotton in terms of staple or fiber, length, color, brightness and content impurities. These quality levels have significant impact on the final output-the garment products, which is the end result of textile products. Look at Fig. 1.1 about the flow chart for production of textile and garment, which applies to any type of textile and garments.

Garment is the end result of textile product process, in which the dyed and finished fabrics are designed based on the required input for the desired design using accessories such as buttons, needles, threads and other materials such as printing and dyeing chemicals and packing materials, the required garment come out.

Currently, different types of garments such as T-shirts, Shirts, Sweaters, Jackets, Trousers, Overcoats and Overalls, and Pajama are produced by domestic garment producers. Figure 1.1 shows the chain of Textile and Garment process discussed above. The current problem, when seen from this sector, is that the problem of product diversification, low output capacity, declining domestic sales performance, and marketing (demand) problems are the major one, as per the Development Bank sectoral project study and MoTI (Ministry of Trade and Industry Annual Report of 2009/10).

Lists of Some Domestic Garment Producers

Some of the domestic Garment producing Factories, Addis Ababa, are listed below.

- Almeda Textile and Garment Factory
- Yirgalem Addis Textile S.C.
- Trio–craft Plc.
- G.G. Super Garment Factory Plc. (Debre Zeit)
- Augusta Garment Factory
- Mulat Garment Plc.

- ASBM Industrial Plc
- MA Garment
- OasisAbyssinia Garment
- Dolina Industrial Plc.
- Axum Garment
- GarmentEvolution
- Concepts International Ethiopia
- Creative Textile plc.
- GMM Garment
- Knit-to -finish Plc
- Yonas Garment are the major domestic origin garment producers (MoTI, 2009/10)

GDP Contribution of the Sector to the National Economy

It is shown below in Table 1.1 that the contribution of the textile and garment sector to the country's GDP for the period of 2002/03-2006/07 was estimated at an average of Birr 175.2 million which is about 5.4% of the total manufacturing industries.

Table 1.1: Contribution of the Textile and Garment sector to the National Economy (in "000" Birr)

Year	Number of establishment		GDP		Employment in Number	
	Total manufacturing industries	Textile and garment	Total manufacturing industries	Textile and garment	Total manufacturing industries	Textile and garment
2002/03	965	70	2,567,799	129,917	102,202	26,269
2003/04	1074	75	2,838,629	141,190	106,151	26,754
2004/05	1207	69	3,024,605	191,539	110,160	23,373
2005/06	1244	73	3,676,781	146,006	119,397	26,259
2006/07	1443	73	4,923,455	267,394	136,043	29,336

(Source: Birritu, quarterly magazine report No.105 June 2009, published by NBE)

This sector has considerable contribution towards the economic development of the country. To gain benefits from the sector, the contribution of all the stakeholders is important.

1.3.Statement of the Problem

The success of the business becomes real if it satisfies its consumers and win competition which resulted from strategically operating the business with coordinated resources of the organization. Especially where there are numerous competitors, the marketer has to strive to overcome the problem that might arise because of not satisfying consumers.

The marketing philosophy states that, “achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors do” (Kotler and Armstrong, 2004:12). This philosophy states what the marketer has to do to succeed in business. The same can be applied to domestic garment producers in Ethiopia.

In any marketing (segment), consumers are one of the determinant factors for the success of the company. Whatever the marketer produces should be sold if it is based on need identification that will be backed with willingness and ability to buy. This generates revenue to marketer. To have substantial revenue, there should be consumers that prefer the product of the specific producer to competitors. But this consumer preference depends on how they satisfied with that product, keeping other factors into consideration.

Coming to the study focal point, the garment producers’ sales performance is decreasing from year to year in local market even though it shows an increase in export market. The qualitative study of Development Bank of Ethiopia (Textile and Garment Sectoral Study, 2009/10) shows that the local market sales show decreasing trends from 85% in 2006 to 70.8% in 2008, while the export sales show an increase from 15% in 2006 to 29% in 2008. Further, the producers’ sales performance on garment from 2008 to 2009/10 is declining from 70.8% to 59% on average (MoTI, 2009/10, and Survey result with producers).

The aggregate planned sales during 2006-2008 were Br. 2.6 Billion, while actual sales were only Br.440.5 million, and declining to 59% in 2009/10. So, where the problem lies? That is the reason behind the study focusing on local market. Furthermore, the Development Bank of Ethiopia claims that clients could not repay the loan for garment production as per the schedule. The study (pilot study conducted by DBE) finds out that one reason is poor

market performance. **This results from low local market demand, which is one of the management problems.** Even though these are some slightly pointed factors, factors that can affect consumers' preferences for domestically produced garments are not assessed. On the bases of this, the hypotheses are developed relevant to testing the proof of the factors behind affecting consumers' preferences that result in the declining demands of domestic garments from local consumers' side.

Based on these facts, the study tried to address the following questions:

- Do consumers prefer domestic garments?
- What are the products attributes that affect consumer preferences of garments?
- What is the social, personal and psychological factor that affects consumer preferences of garments?
- Is quality and price of garments the main factor that negatively affects consumer preferences of domestic garments?
- How is the quality of domestic garments when compared to imported garments?
- How is the price of domestic garments when compared to imported garments?
- Do the domestic garments are widely available in local market?
- Do consumers have awareness about domestic garments availability in local market?
- Do the domestic garments are sufficiently advertised in local market?

1.4.Objectives of the Study

The objective of the study is divided in to general and specific objectives.

General Objective: The general objective of the study is to identify and analyze factors that affect consumer preferences of domestic garments in Ethiopia.

Specific objectives:The specific objectives of the study are stated as follows.

- To identify whether consumers prefer domestic garments or not.
- To identify and analyze the product attributes such as price, quality and design that affect consumer preferences of domestic garment.

- To assess the social, personal and psychological factors that affect consumer preferences of domestic garments.
- To identify and analyze whether or not the quality and price of garments are the main factors that affect consumer preferences of domestic garments.
- To compare and analyses the quality of domestic garments with that of imported garments.
- To compare and analyses the price of domestic garment with that of imported garments.
- To assess whether the domestic garments are widely available or not in local market, and the consumers' awareness about domestic garments availability in local market.
- To identify whether or not the domestic garments are sufficiently advertised in local market.
- To conclude and recommend potential solutions for the identified problems.

1.5. Hypothesis

Hypothesis is an unproven proposition or possible solution to a problem, which is a guess. It is helpful in making clear about the study expectation, and it is also an importance spice in determining the types of data required in analysis (W. G. Zikmund, 1997:552).

To answer some of the research questions, the following hypotheses are claimed.

H1a: The proportions of consumers who do not prefer domestic garments are significantly more than those who prefer domestic garments.

H1b: Garment quality is significantly affecting consumer preferences of domestic garments negatively as the main factor.

H1c: Garment price is significantly affecting consumer preferences of domestic garments negatively as the main factor.

H1d: Reference groups have significance influence on consumer preferences of domestic garments.

H1e: Self-concept has significance influence on consumer preferences of garments.

H1f: When compared to imported garments, quality of domestic garments is significantly bad, so it affects consumer preferences of domestic garments negatively.

H1g: When compared to imported garments, price of domestic garments is significantly higher, so it affects consumer preferences of domestic garments negatively.

H1h: There is no sufficient advertisement of domestic garments in local market.

H1i: Majority of consumers do not have sufficient awareness of domestic garments wide availability in local market.

The statistically significant majority of respondents to the questions are taken as a proof where the mean score is significantly different from 3 (which is the test value for the scale data in this study except for H1a). The hypotheses were developed only for the questions that limit the responses of consumers to the lickert scale questions that do not inquire further reasons of the respondents, which are developed on the suitability for hypothesis testing without ignoring the aim of the study.

1.6. Statistical Models Used to Test the Hypotheses

The descriptive and inferential statistics were used to test the developed hypothesis. These tools were chosen after checking the normality assumptions of the model. The non-parametric one sample z-test for binomial distribution was used to test H1a since the variable is dichotomous and violates the assumption of normal distribution as shown in Appendix A that its skewness is 1.465. This test is used to investigate the statistically significance difference between the sample percentage and the test value in the analysis of a frequency distribution for categorical, multinomial or dichotomous data ((Argyrous, 2005:293) where sample size is large ($n \geq 30$)).

One sample t-test was used to test the rest hypotheses of the study. It is used for the test of how sample mean is significantly different from the test value using degrees of freedom (df) when the population standard deviation and population mean are unknown (Argyrous, 2005:233-239; Morgan et al, 2004:135). In this paper, the test value is 3 for all hypotheses, except for H1a, since the questions are developed based on 5-scale.

Except H1a, all of the hypotheses were tested using one-sample t-test which is useful when the distribution is normal or approximately normal for scale data. If the ordinal data with 5 or more levels have skewness between plus or minus one (+/-1), they are considered scale variables and normally distributed (Morgan et al, 2004:57). The distribution was checked for normality and found between +/-1 (see appendix A). The normality of the distribution is measured by checking for skewness. To say the distribution is normal, the skewness should be between +/- 1(Morgan et al, 2004:57-84).

All of the hypotheses are one tailed. But the SPSS displays only two tailed test. To convert to one tailed test in this case, the significance value for one tailed test was multiplied by 2(Argyrous, 2005:228-229) and interpretation was made accordingly.

1.7.Scope of the Study

The study was conducted on domestically produced garments which are the following:

- T-shirts
- Shirts
- Sweaters
- Knitted under wears
- Trousers
- Jackets

Men's wears and ladies' wears of these garments are the item of the study. The basic reason to choose these wears is that they are the only domestically produced casual wear garments in Ethiopia for which demand is on the declining stage, excluding cultural clothes and Textiles. The raw materials which are more than 75% of the contents are used from Ethiopia (MoTI Annual Report, 2009).

The study did not take into account ready-made garments which are found in Ethiopia, since they are manufactured in foreign and imported, and sewed in Ethiopia. The study population is limited to Addis Ababa since time and cost has to be considered. All possible variables specified in the questions raised, and those which were provided by respondents (consumers) in open-ended questions were considered as per the study objective. Interview with garment producers was also considered as supplement to the study.

1.8.Significance of the Study

In business activity, marketing research is found to be one of the most important activities expected to be done by marketers and managers to best operate in business environment.

Without knowing what consumers need and what they expect from specific product, product may not result in profit. A good marketer is the one who best serve and satisfy the need of consumers.

This study will serve the garment producers as insight about what consumers say, and expect from garment producers on their products. It gives a hint about local consumers' needs of local garments, so that they can look back to their marketing activities from consumers' side. Since consumers do not prefer products that do not match their needs, the garment producing sector can understand about consumers' responses through this study.

The current trend in Ethiopia is giving emphasis to strength local companies. So, this study can serve the Ethiopian Textile Industry Development and other stakeholders such as Development Bank of Ethiopia as a starting point to deal with the prevailing problem of garment manufacturers and consumer preferences of domestic garments.

1.9. Limitations of the Study

The major limitations of this study are:

- The sample size cannot fully represent the view of the total population.
- As far as this paper is for academic purpose, it is not free of financial and time constraints.
- In some cases, the subjective approach of enumerators towards collecting from some of the respondents after the refusal of other respondents can affect the findings
- Misunderstanding of questions by respondents, and exaggeration of response on some of the questions can affect the accuracy of the finding. Further, the unwillingness of some of the consumers to complete the questions after responding to some questions were the major difficulties encountered.

1.10. Operational Definitions of Variables

The following definitions were given to the variables considered in the study.

Attitude-a complex mental state of consumers involving beliefs and feelings and values and dispositions to act in certain ways towards garment

Awareness- knowledge of consumers on the existence of domestic garments in local market

Color- a visual attribute of garments that results from the light they emit

Color bleed in wash- lose color in water while washed

Comfortable-providing or experiencing physical well-being or relief

Consumer- a person who uses domestic garments

Consumer preferences- consumers' choices of domestic garments

Design- a decorative or artistic work for the garment

Durability- garment capacity of withstanding wear and tear and decay

Domestic garments- garments which are produced domestically by domestic factories through the processing of raw material inputs. It does not include those imported and sewed locally

Easily fade - garment loss of freshness and color shortly after used

Fashion- the latest and most admired style in garments

Finishing- a decorative texture or appearance of the garment

Firm-strong

Garment (Apparel)- an article of clothing such as T-shirt, shirt, trousers, sweater, Knitted under wears and jackets

No color bleeds in wash- color of garment does not diffused in water

No fade- no Lose of freshness of garments after wash

Non-stiff- garment operate freely while dressed

Non-Wrinkles- garment does not gather or contract into wrinkles or folds; no pucker

Not durable- garment weak capacity of withstanding wear and tear and decay

Not stretchy- garment not capable of resuming former size after wash

Producers- those who manufactures domestic garments

Quality- the ability of a garment to perform its functions, including the products overall durability and reliability and other overall valued attributes by consumers

Rough- not smooth garment

Sleazy- thin and loosely woven garment

Smooth- garment free of free from roughness

Stiff- garment not operate freely while dressed

Stretchy- garment capacity of resuming former size after wash

Uncomfortable- experience physical discomfort while dressed

Wrinkles- garment gather or contract into wrinkles or folds; pucker

1.11. Organization of the Paper

This paper is organized in the following manner.

Chapter One: This chapter deals with the background of the study, over view of the textile and garment industry in Ethiopia and statement of the problem. Objectives of the study, hypotheses and statistical models used to test the hypotheses, scope of the study, and significance of the study, limitations of the study and operational definitions of the variables are discussed in this chapter.

Chapter Two: This chapter discusses the theoretical background and the reviewed literature on previous studies on consumer preferences, product attributes and consumer behaviors. The impact of imported garments on domestic garment producers and market access opportunities for Ethiopian producers are also discussed in this chapter.

Chapter Three: In this chapter, all about materials and methods of the study are discussed. The source and location of the population for the study, sampling method and techniques, method of data analysis and presentation are discussed.

Chapter Four: The results of the study are analyzed and discussed in this chapter. The findings on how significantly product attributes and behavioral factors affect consumer preferences are discussed for the claimed hypotheses. Results of the study based on the responses from consumers of garments and producers of garments are discussed

Chapter Five: The summary of major findings, conclusions and recommendations made based on the analysis are provided in this chapter.

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CHAPTER TWO

Literature Review

2.1. Consumer Preferences

According to the definition given by Wikipedia based on different disciplines such as Psychology, preferences could be conceived of as an individual's attitude towards a set of objects, typically reflected in an explicit decision-making process. It can also mean judgment in the sense of liking or disliking an object which is the most typical definition (<http://en.wikipedia.org/wiki/Preference>).

The consumer markets amounts to more than 6(six) billion people, and thus there is a great demand for variety of goods and services. It is an opportunity for producers of goods and services who can win consumer preferences by offering what consumer needs and wants. It is more profound as far as consumers differ from one another in terms of gender, age, education, level, income level and tastes. Kotler et al(2004:183-189) stated that the relationships between different consumers as well as their interactions with their surrounding elements of the world affect differently their choice of products, services, and companies.

Consumers may buy different products for numerous different reasons. According to Armstrong (2005:143), the reason consumers buy what they buy is often rooted in their minds. Consequently, consumers do not truly know what influences their purchase as “ninety-five percent of the thought, emotion, and learning (that derive our purchase) occur in the unconscious mind which is without our awareness”.

Consumer preference is defined as the subjective (individual) taste, as measured by utility of various bundles of products which is affected by a number of factors. Some of these cannot be controlled by marketers. These factors are cultural, social, personal, and psychological factors which a marketer has to take into consideration in order to reach the target market in effective manner (Kotler et al, 2005:255-256).

2.1.1. Cultural Factors

Culture is defined as “a set of basic values, perception, wants and behaviors learned by a member of society from family and other important institutions”(Kotler et al, 2004:180) which can be divided into subculture, consisting of people with shared value system, life experiences and situations and which includes nationality, religion, racial groups and geographic areas. It is also a basic cause of person’s wants and behaviors (Eric, N. Berkowitz et al, 2003:139). Different societal groups have their own culture that affect consumers’ behavior of buying. But the extent to which it influences their behavior might vary from nation to nation. According to the study by Rajagopal (2010:19-23), the cultural and social values are characteristics that significantly leads consumers purchase intentions of apparel. The following figure describes these factors influencing consumer behavior.

Fig 2.1: Factors influencing consumer behavior (Kotler et al, 2005:256)



2.1.2. Social Factors

Almost every society has some forms of social class. It is the other social factors that affect consumer preferences. It constitutes variables such as occupation, education, income and wealth (Blackwell et al, 2005:679-680).

The social class consists of small groups, social roles and status, and family that affect every individual. Some of these factors have a direct influence on a person. Among these factors, for instance, membership groups- groups that a person can belongs to, and reference groups- which serves as direct (face-to-face) or indirect comparison or reference in forming persons attitudes or behaviors have an influence on consumer preferences (Kotler et al, 2004:183-184; Armstrong et al, 2005:148).

As Schiffman and Kanuk (1997:327) stated, “products that are conspicuous and status revealing (expressive) are most likely to be purchased with an eye to reactions of relevant others, which varies visually or verbally”. Murali et al (2005:165-167) also adds that people may experience a sense of belongingness when consuming the same product as of their friends, family and peers. This proves the impact of social factors on consumers’ behavior. Furthermore, due to socialization, people do change their preference as a result of interpersonal contact, where people preference change in the direction of the characteristics of the product that is consumed the most by one’s friends, peers and family. The involvement of consumers on product purchase depends not only on their own perceptions but also on peers’ response to personality. According to Kotler and Armstrong (2004:185-186), a wife, husband, or a child have strong influences on consumer and thus family is the vital consumer buying organization in a society.

Social norm is also one of the important factors in consumer buying process for what they prefer. With reference to this concept, Murali et al (2005:164-173) identified that consumers will seek for others who are significant to them for information or wish to associate or bond with, the group social norms with whom consumers aspire to establish a psychological associations (bonding) such as neighbor and friends.

According to a study conducted by Min Young Lee et al (2008:294-307) on Mexican College Students (n=256), most of them prefer apparel because of their friends influence and reference groups next to durability and quality attributes. YooKyoung Seok and Lauren R. Bailey (2009:161-181) found that Hispanic consumers in USA of South Eastern State (n=336) depends on the opinion of friends and family significantly in all age brackets to prefer apparel, but very high for the age of under 20. Further, a study on USA working Women shows (n=265) their apparel preference (Jackets) is significantly affected by their roles and status (SeulheeYoo, 1999:96-112).

2.1.3. Personal Factors

Personal factor is also one of the factors that influence consumer preferences. Kotler and Armstrong (2004:186) stated that personal characteristics such as age, occupation, economic condition, life-cycles stage, as well as personality and self-concept influences consumers buying behavior. Self-concept is a need for uniqueness-the totality of the

individual's thought and feeling having reference to himself as an object (Archana Kumar and Young Kyung Kim, 2009:510-526). The demand for product of a person shifts based on his/her occupation and financial situations as well as his/her life stage. Armstrong et al (2005:152) argued that a person's life style forms his/her world and the way he/she decides to act. Thus, a person's activities, interest and opinions constitute their life style, as well as affecting the choice of products.

Most Indian consumers of apparel prefer apparel based on their self-concept (Archana Kumar and Young Kyung Kim, 2009:510-526) using self-concept on clothing as a means to convey their self-concept. A study made by Brenna Lee (2005:46-65) also shows a clothing preference of Female Baby Boomers (n=305) in America is significantly affected by self-concept.

2.1.4. Psychological Factors

There are four elements of psychological factors: motivation, perception, learning and beliefs & attitudes.

A person takes an action towards certain object because of some reason. A person takes action accordingly when he/she is motivated. The actions a person takes are affected by his/her perception of the situation. The process of selection, organization, and interpretation of the information which flows through people's sense and forming meaningful picture of this sense is called perception (Kotler and Armstrong, 2004:193).

When people experience new things, changes take place in their behavior so that they learn new things when they act. As a result, beliefs and attitudes are acquired and hence affect the buying behavior (Armstrong et al, 2005:154-156; Boone and Kurtz, 2004: 271; Schiffman and Kanuk, 1997:194). This buying behavior may be influenced for a variety of products among which garment is one item.

The purchase decision or preference of consumer of garment can be affected in different ways by many of the consumer behavioral variables. Consumer preference of apparel is influenced by quality perception and price perception (Pierre B., Marry A. M., and Ronald, E. Goldsmith, 1998:193-207). But marketers have no control over factors such as perception, but can influence in many ways such as advertisement.

2.2. Product Attributes

Consumer preference of a product cannot be objectively measured, but can be recognized the preference when his/her action is revealed towards an object. For this action, product attributes have significant role in influencing their action (preference) towards a product.

Attributes are product characteristics that affect consumer preferences. Consumers consider different product features while buying a product. Preference also affected due to different product features. For instance, color is one of the elements of the beauty in garment.

According to a study made by Jing Gao (2009:129) in China, from the three elements that constitute garment: fabric, color and style; color is the most eye-catching, the most active and sensitive so that it has incalculable value for product design and development. Apparel comfort, style, and color are among the first highest mean scorer in affecting consumer preferences (Zhiming Zhang et al, 2002:53-62).

Advertisement is also an important factor in affecting preference since it affect awareness too. Alicia Barroso (2008:20) found that awareness of consumer increase as a result of advertisement by 25%, but previous experience and information have significant role. According to the study findings of Rajagopal (2010:19-23) celebrity endorsement has a significance influence in affecting consumer preferences and attitudes. Michaela and Daniel (2010:31-33) also founds that an increase in advertisement increases awareness of consumers especially if consumers have low level of awareness, when firms improve their position relative to competitors.

As far as consumer preferences are different, producers have to consider these factors to catch up the preference of consumers to continue with profitable business.

2.2.1. Product Quality

Product quality is the ability of a product to perform its functions, including the products overall durability and reliability and other overall valued attributes by consumers(Kotler and Armstrong, 2004:283). Many companies today than ever have turned to customer driven quality into a potent strategic weapon. They create customer satisfaction and value by consistently and profitability meeting consumers' needs and preferences of quality and

other important attributes. But problems on one or two critical factors can kill the product even though the general quality is high (Eric, N. Berkowitz et al, 2003:280).

A study conducted by Susana et al (2010:411-415) found that garment quality and price are among the major influencing factors of preferences. Furthermore, garment comfort, style, model, cut, color, fibers, design and durability significantly affects consumer preferences.

Different product features can be used as competitive tools for differentiating the company's product from that of competitors(Kotler and Armstrong, 2004:283-289).Accordingly, those which consumers value either should be dropped, and value more in relation to cost should be added. Product quality is one of the product attribute that can affect consumer preferences.

Consumer evaluate product feature in terms of its quality and other important attributes and compare the benefit against its price. Acceptable quality in the eyes of consumer may be evaluated as free of defects or ability to perform the required objective. Marketers have to strategically think of such factors to achieve their goals, especially in a fierce competitive business environment.

2.2.2. Perceived Quality and Availability

Consumer perceives differently the quality of similar or different products. Perceived quality can be defined as “the consumers’ perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives” (Aaker, 1991:85). It is initially a consumer’s perception about a product, and thus is a tangible overall opinion about a brand. But this feeling is usually based on the basic dimensions of product features and performance.

Perceived quality is also differentiated from the actual quality, and can derive from product aesthetics. As a study findings by Zeithmal (1988: Cited in A.M. Fiore and M. L. Damhorst, 2002:169) aesthetic components of fabric and garment design can be a factor in perceived quality. According to Iglesias and Guillen (2004:373-379), consumers will go through five phases of purchase process and the first phase is that consumers perceives product considering its availability, quality, price and the marketing activities. This leads consumers to compare among different items, and decide whether to buy or not.

2.2.3. Product Design and Style

Dress has different values such as functional (fit and comfort) and symbolic values such as expressing ones beliefs and communicating personality (J.S. Megan, 2006:16) to external environment. Its aesthetic values such as color and style has a paramount importance for consumer.

Product style describes the appearance of a product, eye catching or yawn producing- just sensational attention and product pleasing aesthetics. But design goes to the very heart of a product which is more than its looks (Armstrong et al, 2005:284).

A product design and style can affect consumer preferences in different ways. Consumers form preferences about different product design in many aspects of their daily lives (J.S. Megan, 2006:13-14) since preference is formed for a product when a product has a clear social meaning that relates to a consumer's own identity.

Consumer apparel preference may also be influenced by apparel fashion, which constitutes an overall image sense. Due to a tremendous change in consumer preference as competition brings difference in offering, popularity is no longer a popularity of style or a type; it also includes colors, fabrics styles and many other elements (Jing Gao, 2009:130) which together forms the overall style including color fashion. Brenna Lee (2005:46-65) found that a clothing preference of Female baby Boomers (n=305) in America is significantly affected by clothing style and color next to self-concept.

2.2.4. Price

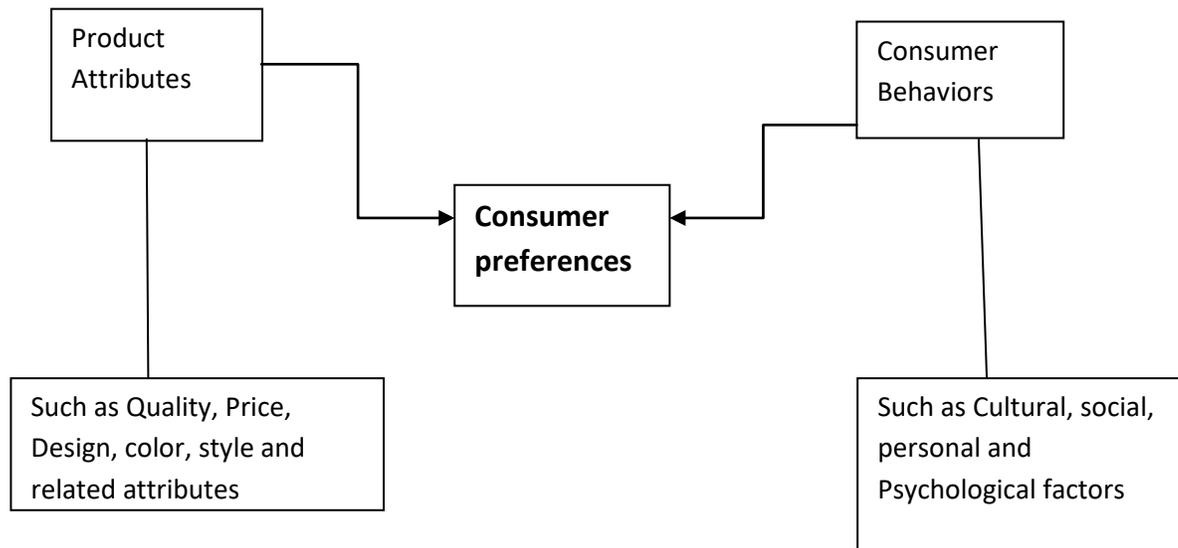
Price is an indicator of value. Consumer may associate price with value for a given product (Eric, N. Berkowitz et al, 2003: 345) so that creative marketers engage in value pricing (the simultaneous increase of product benefits and maintaining or decreasing price). Price is one of the product attributes (extrinsic cues) that affect consumer preferences. As Kotler and Armstrong (2004:345), price is stated as “the amount of money charged for a product or service or the sum of values that consumers exchange for the benefits of having or using the product or service”.

Consumers compare price of products to make decision on purchase. M.J. Baker (1996:323) argues that “buyers always select the supplier offering the lowest price, the market for many goods and services will contain a variety of different price for superficially of similar offering”. This shows that marketer has to consider its product’s price and also of competitors. It can use as a strategy to win competition more likely when consumers are price sensitive.

Consumer does not place purchase as one step shot prior to the purchase or repurchases intention. Consumer analysis a number of attributes in his/her choice sets. The attributes choice sets are placed according to importance and relevance. Among these attributes are price, comfort and durability. According to the research made on casual wear attributes in china, price is one of the most important attributes with high mean score (Zhiming Zhang et al, 2002:55-56) next to fit, color and style. Sirirat Sae-Jiu(2007:46-60) also found price, quality, durability, fashionableness, attractiveness and style as a major factor to prefer apparel.

Ernest and Retha (2002:34) found that many buyers would probably buy/prefer the cheaper to medium priced shirt that is comfortable but they argue that this may not always be the case- because the premium priced shirt may be more comfortable owing to excellent design and craftsmanship. Furthermore, when a product has attribute such as price, quality, style, etc..., these attributes and their associated levels represent the factors that can considerably affect consumer preferences. This can also help marketers to understand what affects consumer’s preferences about their product. Based on the study made in South Africa(n=150) by Ernest, Retha and Kotzie(2003:43-46) they found that price accounts for 60% while color is 13.3% as important apparel attribute that affects female preferences. Andaleeb and Cownway (2006:3-11) also argued that product price, income, education and other attributes contributes to purchase or repurchase decision of a product in addition to quality.

Fig. 2.2 Factors affecting Consumer Preferences



(Source: Adapted from the reviewed literature by researcher, and from Veena Chattaraman and Nanncy Ann Rudd (2006:51), Clothing and Textiles Research Journal, Vol.24 (1), Sage Publication.)

2.3. Do Consumers Prefer Domestic Garments?

Many researches had been made on consumer preferences of products whether consumers prefer locally made or imported products in developing and developed countries. The result shows that most of the developing nation consumers prefer imported products to locally produced (domestic) ones while the result for the developed nations is the opposite. According to a research conducted by B. Zafer Erdogan (2010:393-406) in Turkey, 50.4% prefer imported apparel from 283 usable sample size taken from a large city. But consumers in developed nations prefer domestically produced apparel.

According to a research made by Pierre B., M. A. Moore, and Ronald E. Goldsmith (1998:193-207) from a usable sample size of 285 respondents, the proportion of those who prefer domestic apparel is 89.61%, considering it is good quality and fair price, in Florida. But when we consider Australia, from a sample size of 174, more than 50% prefer local apparel (Paul Patterson and Siu-Kwan Tai, 1991:31-40) which is less than that of in Florida.

Consumers prefer imported product to domestic products for a variety of reasons. Quality is the major reasons why consumers prefer imported products in developing nations. A study made by Cheng Lu Wang and Zhen XiongChen(2004:391-400) on consumers selected from 4 China cities indicates that 55% of consumers prefer imported apparel assuming quality of imported is good, from 800 usable sample size.

Another study conducted in Thailand about apparel preference of local versus imported shows that the proportion of those who does not prefer local apparel is 56% (Sirirat Sae-Jiu, 2007:46-60) from a sample size of 194 in Bangkok. Durability, quality, attractiveness, fashion and style are the major reasons to prefer imported apparels each with high mean score. In addition, their price is also acceptable by consumers. The study made by Opoku and Akorh(2009:350-357) on Clothing and Textile, taking a sample size of 100 consumers from Accra City of Ghana found that 56% of them prefer foreign made apparel. Based on different literature, it is evidenced that consumers in developing countries do not prefer local products. But the study made on textile preference in Ghana, Accra city, taking 80 samples from 40 textile traders and 40 consumers of textile (Quartey et al,2010:58) shows that 53% prefer local textiles and 40% prefer imported textiles which contradicts the previous study in developing countries. But 48% claim that the quality of imported apparels is better.

2.4. The Impact of Imported Garments on Domestic Garments and Possible Ways of Banning

The imported products have benefits for consumers since consumers can get variety of products at competitive price. But for producers it is a challenge. According to Hill (2001:168), the new and infant manufacturing industries cannot initially compete with well established industries. As far as consumers prefer the foreign products, the domestic product preferences become decrease. Then the domestic producer becomes weak in competition.

It is also stated by Hill (2001:160-162), that domestic firms will face unfair foreign competition which harms the performance of domestic firms. But to prevent all these, government has an intervention mechanism. Government can use tariff (tax levied on

imports) which is either specific or value based tariff. Using subsidies to domestic producer is also another means to enhance domestic producers.

Government can also educate consumers to use domestic product, putting tight control over import which have substitutes from domestic, and encourage domestic producers, as in case of Indian government decided to produce soap and matches by cottage industries (Terpersta, V., 1999:153).

2.5. Market Access and Opportunities for Ethiopian Exporters

Ethiopian enjoys preferential market access by virtue of being a member of the COMESA (Common Market for Eastern and Southern Africa) which embraces 23 countries with a total population of about 380 million. A study commissioned by the government is underway to assess the implication of the zero-tariff regime under COMESA Free Trade Area (FTA) arrangement. Meanwhile, Ethiopian exporters are entitled to benefit from the customs duty reduction arrangement introduction before the establishment of FTA once they meet the COMESA rules of origin criteria.

COMESA is a preferential trading area which accelerates regional integration for Eastern and Southern Africa. To spur the growth, its strategy is economic prosperity through regional integration which forms a major market place for both internal and external trading. The member nations are offered with a wide variety of benefits such as a wide, harmonized, and more competitive market, increased agricultural production and food securities (<http://programme.comesa.int>).

According to the Ministry Of Foreign Affairs information, Ethiopia has embarked on the process of WTO (World Trade Organization) accession negotiation by submitting her “memorandum on the Foreign Trade Regime” to the organization. The successful completion of the process would render the country unfettered access to the market of the global body whose membership is increasingly assuming a universal character.

Ethiopia is also involved in the economic partnership agreement (EPA) negotiations among that aim at addressing reciprocal market access issues between ACP-EU (African, Caribbean and Pacific-European Union) and among ACP country blocks.

Furthermore, Ethiopia qualifies for a preferential market access to EU markets under Everything But ARMS (EBA) initiative and to the US markets under the African Growth Opportunity Act (AGOA).

EBA is a preferential market access given by EU markets to a group of least developed countries (LDCs) including Ethiopia, that allows the countries to export their product duty free and without quantitative restrictions, excluding Arms and Ammunitions. It is also stated in the Ministry of Foreign Affairs, Foreign Trade and Promotion Manual (2007) that AGOA is also part of the Trade and Development Act of the US (United States) government promulgated in 2000. This non-reciprocal trade act provides the African products meeting eligibility requirement will receive duty and quota free treatment up to 2015. Including Ethiopia, the ACT provides most sub-Saharan African countries with the most liberal access to US market available only to any country or region with which US does not have free trade agreement (Ministry of Foreign Affairs, Foreign Trade Promotion Manual, 2007). So these are an advantages brought to Ethiopian exporters.

AGOA provides duty-free and quota-free treatment for eligible apparel articles made in qualifying sub-Saharan African countries through 2015. Qualifying articles include: apparel made of US yarns and fabrics; apparel made of sub-Saharan African (regional) yarns and fabrics until 2015, subject to a cap; apparel made in a designated lesser-developed country of third-country yarns and fabrics until 2012, subject to a cap; apparel made of yarns and fabrics not produced in commercial quantities in the US; textile or textile articles originating entirely in one or more lesser-developed beneficiary sub-Saharan African countries; certain cashmere and merino wool sweaters; and eligible hand loomed, handmade, or folklore articles, and ethnic printed fabrics.

Preferential treatment for apparel took effect on October 1, 2000, but beneficiary countries must first establish effective visa systems to prevent illegal trans-shipment and use of counterfeit documentation, and that they have instituted required enforcement and verification procedures. Specific requirements of the visa systems and verification procedures were promulgated to African governments via US embassies on September 21, 2000. The Secretary of Commerce is directed to monitor apparel imports on a monthly basis to guard against surges.

CHAPTER THREE

Materials and Methods

To carry out the study, different materials and methods were used which are assumed to be appropriate to achieve the objective of the study. These are described in this section.

3.1. Materials

These are data, some related literature and supplementary materials used for the study purpose.

3.1.1. Location of the Source Population for Primary Data

The location of the source population is Addis Ababa, the capital city of Ethiopia. The reason for choosing this source population is that more than 70% of the garment factories are found in Addis Ababa (MoTI, 2009/10 Annual Report). Furthermore, the population found in Addis Ababa has more access to both of local garments and imported garments. All consumers of garments were considered as sampling frame for this research purpose. Producers of Garments which are found in Addis Ababa and around Addis Ababa were taken as a sample frame.

3.1.2. Sampling Method

A sample is an item or respondents that are selected from a population of interest that can represent a total population from which it is selected in order to produce a miniature cross-section (C.R. Kothari, 2004:55).

The sampling design is an important aspect of the study. The survey has to be conducted using sample from the population through some rules. C.R. Kothari (2004:55-56) stated that the selected respondents, which are a sample, are selected through a process called sampling technique.

For this study, judgmental sampling technique which is one of non-probabilistic sampling method, was used to select the garment stores from the area where large garment market is concentrated in Addis Ababa city, according to the information from Addis Ababa City

Administration. According to Ranjit Kumar (2005:197), judgmental sampling is used based on the judgment of the researcher considering who can best provide the information to achieve the objective of the study. For this study, they are the garment shops that were judgmentally selected. According to their concentration, seven (7) large market areas of garments were selected. These are Merkato Area, 22 Area, Mexico Area, Piazza Area, Megenagna Area, Saris Area and Teklehaimanot Areas were selected.

From non-probabilistic sampling method, convenience sampling technique which involves selecting haphazardly those which are easiest to obtain, such as interviewing at random in a shopping center (Saunders M., Lewis Ph. and Thornhill A., 2007:234) was used to select respondents from consumers because there is no complete list of the study population and no other best alternative to select sample from consumers. But 50% chance was given for each gender type out of the total sample size of 340 to avoid inclination towards one gender type while data collection.

As stated by W.G. Zikmund (1997:424), “convenience sampling (also called haphazard or accidental sampling) refers to the sampling procedure of obtaining the people or units that are most conveniently available”. To approximate to probability sampling, every 3rd entrant to the shop, considering separately for male and female, consumers who appear at the garment shops at the time of data collection was selected assuming consumers randomly enter the garment shop and entry is normally distributed. So that is how the convenient respondents were selected by adapting this method from Opoku and Akorli (2009:352).

Based on this concept, 9 (Nine) garment shops were selected from each 6(six) market areas, and 5 (five) conveniently available respondents were randomly selected from each shops. But since Merkato Area is the largest Commercial center, 12 garment shops were taken and about 6 to 7 respondents were taken as a sample (amounting to 70 respondents) while they approach the garment shops for purchase. These amounts to the total sample size of 340 (i.e. $9 \times 6 \times 5 = 270$ from other six areas, plus 70 from Merkato which total 340).

The sampling technique used to select respondents from garment producers was a probabilistic method which is simple random sampling was applied using lottery method which is selecting sample at random from sampling frame (Saunders M., Lewis Ph. and

Thornhill A., 2007:215) from the total of 32 garment factories. Based on this method, 16 garment producers were selected for interviews which are 50% of the garment producers.

3.1.3. Sample Size and Sample Size Determination

The determination of sample size is a crucial element of research. “Sample size is the number of students, families or any other respondents from whom you can obtain the required information and is usually denoted by letter (n)” (Ranjit Kumar, 2005:165). Thus, sample size is the number of (quantity) or respondents from which the required information is collected to make an inference.

To determine sample size, different information is required. Information such as whether the population of interest is finite or infinite, the confidence level and standard deviation or margin of error is the issues to be considered. Considering the infinite population or population of size 500,000 to infinity (W.G. Zikmund, 1997:466-467), the sample size n for a proportion was determined as:

$$n = \frac{z^2 \cdot p \cdot (1-p)}{E^2}$$

Where: n= number of items in sample (sample size)

Z^2 = square of the confidence interval in standard error units

P = estimated proportion of success

1-p = estimated proportion of failure

E^2 = square of the maximum allowable for error between the proportion and sample proportion

Based on the above formula, the sample size for this study was determined as follows:

At 95% of confidence level, 67% of failure rate and 33% of success, with 5% of margin of error, the sample proportion is calculated as:

$$n = \frac{Z^2 \cdot p(1-p)}{E^2} = \frac{(1.96)^2 \cdot 0.67 \cdot 0.33}{(0.05)^2}$$
$$n = 339.751104 \approx 340$$

The 33% success rate of sample proportion was determined based on the pilot study of the subject matter. Out of 75 respondents, about 25(33%) preferred domestically produced garments, and about 50(67%) did not prefer as responded to the pilot questionnaires. The sample size determined based on consumers who have ever bought domestic garments (69%) results in smaller sample size, and its standard deviation is also lower. So that is why the proportion that result in higher sample size and have higher standard deviation was selected.

But for garment producers, 16 factories were selected as a sample from the total of 32 garment factories where more than 50% of the population is required in case of small population size (W. G. Zikmund, 1997:467).

3.1.4.Sources of Data

Primary Sources: The primary sources of data for this study were consumers of garments and domestic garment producers. Consumers of garments which are available at the time of study at the selected garment shops were taken as a sample for the primary data sources. Concerning producers of garments, those which are found in Addis Ababa and around Addis Ababa with in 60 km radius were taken as sources of primary data.

Secondary Sources: Schiffman and Kanuk (1997:28) stated, “Secondary data is any data originally generated for some purpose other than the present study (research) objective”. The main sources of secondary data for this study were the report of Development Bank of Ethiopia, Ministry of Trade and Industry, and Ethiopian Textile Industry Development Institute about the garment and textile project performance. The data was used only to support as a reference to start the study in identifying the prevailing problem. Based on the data, the statement of the problem and research questions for this particular study was developed.

3.1.5. Method of Data Collection

Primary data collection tool: Questionnaire, which is scheduled, was the tool for primary data collection. According to Ruane (2005:123), a questionnaire can be divided into two: structured-which entails multiple choices, dichotomous questions, or a scale, where as unstructured question which is an open-ended question in which respondents answer in their own words.

Having these characteristics, the scheduled questionnaire was used for this study purpose to collect data from consumers of garments. The scheduled questionnaire was being filled by enumerators, who are specially appointed for the purpose. These enumerators, according to C.R. Kothari (2004:104), along with the schedules, go to respondents, put them the question from the proforma in the questions are listed and record the replies in the space meant for the same in the proforma.

This tool was chosen because; the questions raised are not about sensitive issues such as drug use, sexuality or criminal case, in which respondents are reluctant to respond (Ranjit Kumar, 2005:132-135). The questions were developed based on the guidelines in Saunders M., Lewis Ph. and Thornhill A., (2007:354-365), Schiffman and Kanuk (1997:243-253), W.G. Zikmund, (1997:328-337), Ruane (2005: 123-129)and previous researches (cited in the paper) but also considering the prevailing problems in the garment industry.

The questionnaire was designed in English language. Since the data was collected by enumerator, there is no need of translation to other language. Before administering the survey, the questionnaires were pre-tested on a sample of 15 consumers of garments. The purpose of pre-test was to check for the understandability and unambiguity, and correction was made on its logical, suitability and validity.

For the purpose of collecting data from garment producers, **semi-structured interview** was used. According to Saunders M., Lewis Ph. and Thornhill A.(2007:312), **semi-structured interview or called non-standardized interview is** a type of interview by which a researcher will have a set of list of themes and questions to be covered.

Time of the study (data collection): The primary data were collected from January 20, 2011 to February 15, 2011.

3.1.6. Method of Data Analysis

The raw data was coded to transform into information. Descriptive analysis is the method of transforming raw data into a form that will make them easy to understand and interpret; rearrange, ordering, and manipulating data to generate descriptive information (W.G. Zikmund, 1997:522).

The statistical package which is SPSS version 17(Statistical Package for Social Science) was used as a method of analysis. Based on the question type, frequency table and cross tabulation were used in the analysis method. The SPSS was used to compute statistical scores and test the hypotheses. Statistics such as percentages, one-sample z-test and one-sample t-tests are the main tools of analysis used at 5% of significance level for the entire hypothesis.

3.1.7. Method of Data Presentation

The findings are presented in the form of tables and charts (such as pie charts). According to W.G. Zikmund (1997:661), tables are the most useful for presenting numerical information. The results of this study are presented using tables and charts based on the data type.

CHAPTER FOUR

Results and Discussions

The result of the study is discussed in this part. The study used scheduled questionnaires to elicit information on factors affecting consumer preferences of domestic garments. The usable questionnaires (sample size) are 331, which is 97.35% response rate out of the total sample size of 340 respondents of garment consumers. The remaining 9 (2.65% non-response rate) questionnaires were not appropriate to use due to insufficient responses.

The sample population was taken from Addis Ababa city, Ethiopia, based on convenience sampling with the approach of systematic random sampling from consumers found at the judgmentally selected garments stores from 7 large market areas in the city. From manufacturers of garments, 16 (50% of the total) sample respondents were selected based on random sampling technique.

After checking for the normality distribution of the data used to test the hypothesis, all of the hypotheses are tested using one-sample t-test except H1a which was tested using the non-parametric one sample z-test.

4.1. Demographic Profiles of the Respondents (Consumers)

Demographic variables include gender, age, education, income, occupation and religion in the study. The consumers' characteristic about their demographic profiles is shown in table 4.1 below. In table 4.1., it is described that 50.2% (166) of the respondents are males, and 49.8% (165) are females. Majority of the respondents, that is 55.9% (185) found in the age range of 21 -30 years which are the younger population, and followed by the age range between 31-40 years which are accounted for 16.9% (56) and, less than 20 years which are accounted for 15.7% (52) from the usable sample size of 331 respondents.

The educational level of most respondents (37.2 % (123)) are twelve complete or below. The second rank is taken by those who are having college diploma accounted for 30.2% (100) and followed by B.SC. or B.A. holders accounted for 28.1% (93).

Table 4.1: Demographic Profiles of Respondents

S.N	Profile	Frequency(N=331)	Percent	
1	Gender	Male	166	50.2
		Female	155	49.8
		Total	331	100
2	Age	Under 20 years	52	15.7
		21-30	185	55.9
		31-40	56	16.9
		41-50	31	9.4
		Over 50	7	2.1
	Total	331	100	
3	Education Level	12 complete or below	123	37.2
		College Diploma	100	30.2
		B.Sc. or B.A.	93	28.1
		P.G. or above	9	2.7
		Illiterate	6	1.8
	Total	331	100	
4	Occupation	Civil Servant	82	24.8
		Merchant	43	13
		Self-employed	125	37.8
		Student	48	14.5
		NGO	20	6
		Unemployed	13	3.9
	Total	331	100	
5	Income Level	Below Br. 1000	27	8.2
		1001-2000	158	47.7
		2001-3000	98	29.6
		3001 and above	48	14.5
		Total	331	100
6	Religion	Orthodox	219	66.2
		Protestant	42	12.7
		Muslim	52	15.7
		Jehovah	3	0.9
		Catholic	15	4.5
	Total	331	100	

(Source: Researcher's Survey questionnaire, 2011)

Looking at occupation, 37.8 % (125) are self-employed, 24.8% (82) civil servants are while 14.5% (48) are students.

The income level of most respondents (47.7% (158)) lies between Br. 1001 to Br. 2000 per month. Those with income level of Br. 2001-3000 per month are accounted for 29.6% (98), followed by those with above Br. 3000 per month accounted for 14.5% (48).

The last demographic profile is religion. Ethiopian Orthodox religion followers shares the major percentage which is 66.2% (219) and followed by Islamic religion follower respondents accounted for 15.7% (52). The Protestantism followers accounts for 12.7% (42). Catholic and Jehovah accounted for 4.5% (15) and 0.09 % (3), respectively.

From this result, it is shown that majority of the respondents are in the age range of 21-30 years old which are mostly influenced by garment features in terms of design, color, fashionableness and other garment features.

4.2. Analysis of Consumers' Responses on Domestic Garments

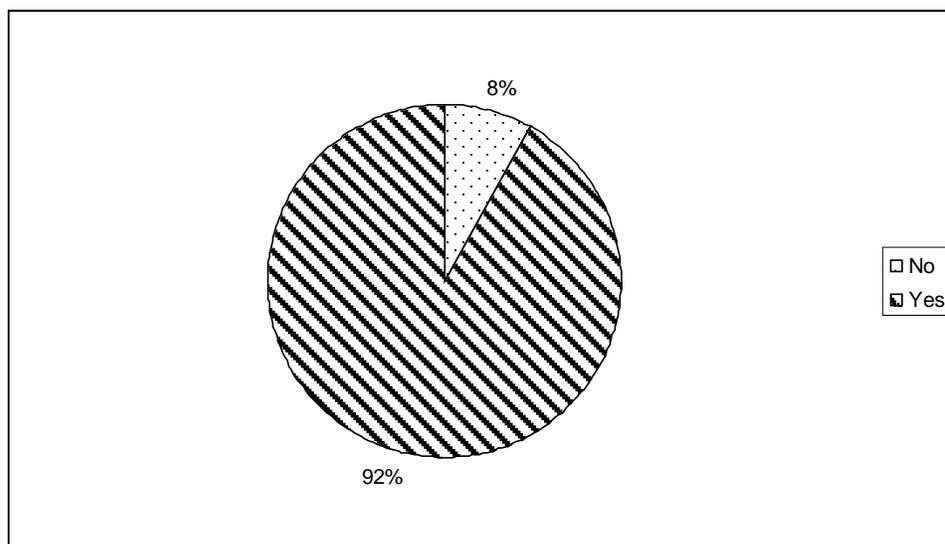
In this section, consumer's response about domestic garments are analyzed and discussed. Responses obtained through interview from manufacturers of garments are also discussed along with consumers' responses. Consumer preferences of domestic garments, factors affecting consumer preferences, and consumer attitudes towards domestic garments are among the topics. The claimed hypotheses are tested in their respective topics, and research questions which are not hypothesized are also discussed in detail.

4.2.1. Consumers' Purchase Experience of Domestic Garments

The question about whether consumers have ever bought or not bought the domestic garments were raised and which garment types they have ever bought. The result is shown in Chart 4.1 and Table 4.2, respectively. Note that the response for Table 4.2 is multiple responses from a single consumer about the garment type.

In Chart 4.1, it is shown that 92% (306) of the respondents bought domestic garments while 8% (25) did not buy. Note that percent figures in this chart were rounded as 92.4% \approx 92% and, 7.6% \approx 8% because of Pie chart.

Chart 4.1: Consumers' Purchase Experience of Domestic Garments



(Source: Researcher's Survey questionnaire, 2011)

The analysis for Table 4.2 was made based on multiple responses of a respondent about the types of garments purchased. From those who bought garments, T-shirt is with highest frequency of 75.8% (232), followed by knitted under wears (33.7% (103)) and sweater (20.6% (63)). The least purchased garment type is Jacket which accounted for 2.6% (8).

Table 4.2: Types of Garments Purchased

Description	Response	Frequency(N=306)	Percent
Which garment type have you ever bought?	T-shirt	232	75.8
	Shirt	46	15
	Sweater	63	20.6
	Knitted underwear	103	33.7
	Trouser	32	10.5
	Jacket	8	2.6

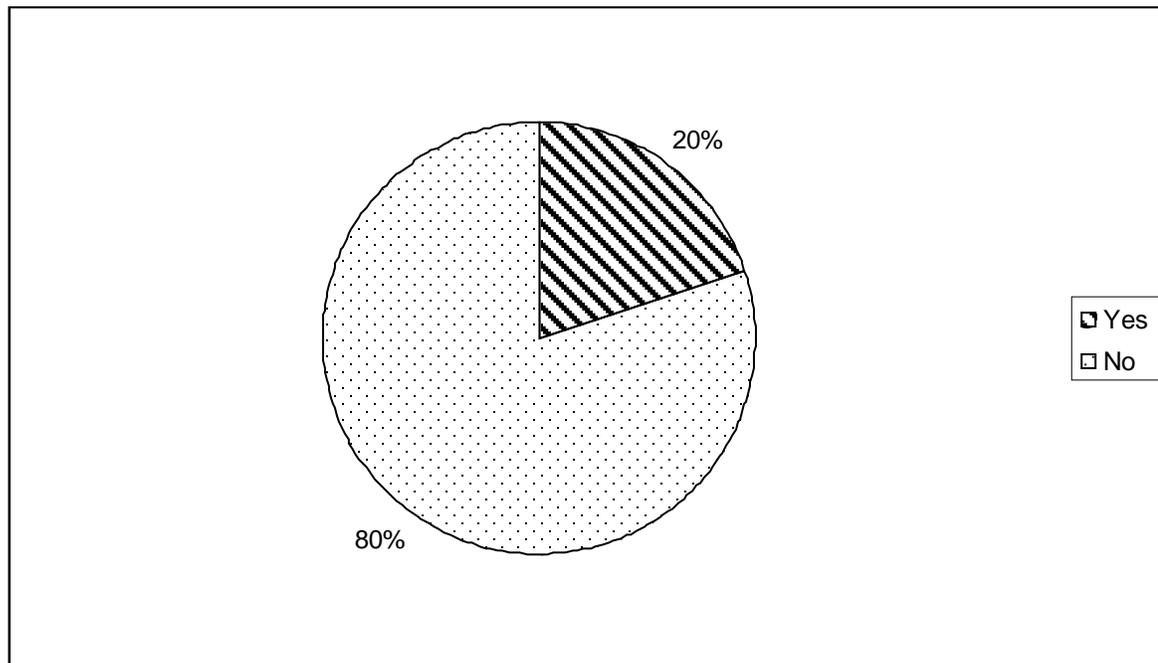
(Source: Researcher's Survey questionnaire, 2011)

The most purchased garments are T-shirt and knitted underwear. Since majority (92.4% (306)) purchased domestic garments, they can easily judge about the features of domestic garments and their preferences too.

4.2.2. Consumer Preferences of Domestic Garments

Consumers were asked about whether they prefer domestic garments or not. As shown in Chart 4.2, 79.5%(263) reacted negatively as “No” and 20.5%(68) responded “Yes”.

Chart 4.2: Consumer Preferences of Domestic Garments



(Source: Researcher’s Survey questionnaire, 2011)

Note that percent figures in this chart were rounded as 79.5% ≈ 80% and, 20.5% ≈ 20% because of Pie chart.

To test about consumer preferences of domestic garments, hypothesis **H1a** was claimed as: **“The proportions of consumers who do not prefer domestic garments are significantly more than those who prefer domestic garments”**. This means majority of consumers do not prefer domestically produced garments. This hypothesis was claimed based on the previous studies results about consumer preferences of domestic garments in developing countries as shown in the literature review part. At 95% of confidence level, the critical value for right tail z-test is 1.645. The value for z_{sample} was calculated as:

$$Z_{\text{sample}} = \frac{(P_s - 0.5) - P_u}{\sigma_p} \text{ where } P_s > P_u$$

σ_p

$$\sigma_p = \sqrt{\frac{Pu(1 - Pu)}{n}}$$

P_s = sample percentage (0.795 in this study)

P_u = the hypothesized population percentage (0.5 in this study)

σ_p =Standard error of the proportion

The subtraction of 0.5 is a continuity correction factor for binomial distribution to make it approximately normal (Argyrous, 2005:292-293).

Based on these formula, $\sigma_p = \sqrt{\frac{50(1 - 50)}{331}} = 2.748$

$$Z_{\text{sample}} = \frac{(79.5 - 0.5) - 50}{2.748}$$

2.748

$Z_{\text{sample}} = 10.55$

The calculated $Z_{\text{sample}} = 10.55$ is in the rejection region of the null hypothesis which evidences that significant number of consumers do not prefer domestically produced garments.

As per the previous studies conducted on consumer preferences of domestic garments in developing countries, it was found that most consumers do not prefer domestic garments. For instance, consumers in developing countries such as Turkey (50.4%), China from four cities (55%), Thailand (56%) and Ghana (75%) do not prefer domestic garments in the study made in the capital and major cities of these countries (refer section 2.3 of this paper for details).

The above result shows that when compared to other developing countries, Ethiopian consumers (Addis Ababa) do not prefer domestic garments. The finding of this study is consistent with previous study results. It shows that the previous research results in developing countries are supported, which means consumers in developing countries do not prefer domestic garments.

4.2.3 Factors Affecting Consumer Preferences of Domestic Garments

4.2.3.1 Product Attributes

Consumer preferences for garments are affected by different reasons. Among these, product quality, design, price and consumer behavioral factors play an important role. Consumers were asked about why they do not prefer domestic garments. The result for multiple responses of respondents is shown in Table 4.4 below.

Table 4.4: Consumers’ Reasons for not Preferring Domestic Garments

Description	Response	Frequency(N=263)	Percent
If Not prefer domestic garments, what is/ are your reason (s) not to prefer?	Quality problem	224	85.2
	Poor design	176	66.9
	Finishing problem	94	35.7
	No color choice	141	53.6
	High price	39	14.8
	Not Fashionable	162	61.6
	Lack of awareness	13	4.9
	I don’t like them	3	1.2

(Source: Researcher’s Survey questionnaire, 2011)

In Table 4.4 above, it is shown that quality problem accounted for 85.2% (224) which is the major reason not to prefer domestic garments. The second factor is poor design which accounted for 66.9% (176). Non-fashionable of domestic garments is accounted for 61.6% (162). No color choice and finishing problems are accounted for 53.6% (141) and 35.7% (94), respectively. Price reason is accounted only for 14.8%(39) as a reason not to prefer domestic garments. Lack of awareness and “I don’t like them” reasons are the least two factors each accounted for 4.9% (13) and 1.2% (3), respectively.

From this result, the major factors are quality, design, not fashionable and absence of color choice that negatively affects preference of consumers on local garments. But these garment attributes are the most important factors in influencing consumer preferences positively if good, and negatively if bad as evidenced from previous studies. Unacceptable garment attributes are negatively affecting consumer preferences according to this study

which is consistent with previous studies on consumer preferences as cited in the literature review part.

Whether or not they prefer, respondents were asked about factors that negatively affect their preferences of domestic garments. The result for the open-ended question is shown below based on multiple response analysis.

Table 4.5: Other Product Attributes Affecting Consumer Preferences Negatively

Description	Response	Frequency(N=331)	Percent
State any factors you think that can affect your domestic garments preference	Not widely available	37	11.1
	Not stylish	10	3
	Not attractive	7	2.1
	No advertisement	3	0.9

(Source: Researcher’s Survey questionnaire, 2011)

The above Table 4.5 shows that not widely available is accounted for 11.1% (37) in affecting consumer preferences of domestic garments. The least identified factor is no advertisement which accounted for 0.9% (3). The above result indicates that the impact of these factors in negatively affecting consumer preferences of domestic garments not significant.

Hypotheses about quality and price of garments were developed about how significantly they negatively affect consumer preferences of domestic garments.

The hypothesis about quality as a factor was tested using one sample t-test. The likert scale question which has five scale as 1= Strongly disagree, 2= Disagree, 3= Neutral, 4=Agree, and 5= Strongly agree was developed. The result of consumers’ response about quality supports the results in Table 4.4 above.

Hypothesis **H1b** was claimed as:

”Garment quality is significantly affecting consumer preferences of domestic garments negatively as the main factor”.

This means the mean score of consumers who responded as quality is the main factor affecting consumer preferences is greater than 3, taking 3 as a mean value on five levels of likert scale. The null hypothesis is about the mean score is at most 3. The result is shown in the following table. The hypothesis was tested using one-sample t-test. The critical value at 95% of confidence level is 1.645 for right tail test. See Appendix A at the end of the paper for checking the normality.

Table: 4.6 One-Sample Test for Quality of domestic Garments

Table 4.6a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Quality is the main factor that negatively affecting my domestic garments preference	331	3.8489	1.44647	.07950

Table 4.6b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Quality is the main factor that negatively affects my domestic garments preference	10.68	330	.000	.84894	.6925	1.0053

(Source: Researcher's Survey questionnaire, 2011)

In the above table, t-value is 10.678 (greater than 1.645) where sig. value is approximately zero which means the mean score is significantly different from 3, indicating it is greater than 3. The sample mean is found to be 3.8489 (Table 4.6a). In Table 4.6b, it is also shown that the lower limit of .6925 and upper limit of 1.0053 indicates the t-value is not between these two points. Based on the above table, at 95% of confidence level, we have sufficient evidence to reject the null hypothesis. So quality of garment is the main reason affecting consumer preferences negatively. The significance (p-value) approximately equal to zero is multiplied by two to get the significance value for one tail test, which is done in the same manner for the rests of hypotheses in this study.

According to the interview result conducted with domestic garment manufacturers, the following points are raised as the major reasons for low quality of domestic garments by almost all of the manufacturers. These are Low level of technology especially for the garment factories, Shortage and high cost of imported chemicals, accessories and spare parts negatively affect quality of garments. Shortage of working capital in order to make bulk purchase and import the required items in time, and inadequate skills on design of garments are the major problems.

Low level of technology cannot allow producing the right product required by consumers as far as there is competition from foreign made high quality garments that attracts consumers. Shortage of imported chemicals does not allow producers to produce good quality product since there is stoppage of production process while there is work in progress. This also reduces the profit that in turn harms domestic garment producers' competitiveness. Shortage of working capital affects the operation especially for semi-processed items which are mostly work in progress. This is because of shortage of finance. Inadequate skill on design reduces garment attractiveness which negatively affects consumer preferences. These are the major problems that affect the garment quality.

Hypothesis **H1c** about price was also tested at 95% of confidence level. The claim was made as: *“Garment price is significantly affecting consumer preferences of domestic garments negatively as the main factor”*.

This means the mean score of consumers who responded as price is the main factor affecting consumer preferences is greater than 3, taking 3 as a mean value on five levels of likert scale. The critical value for right tail test is 1.645. Using one-sample t-test, the test result is shown in Table 4.7. See Appendix A for checking the normality of the data distribution for this variable.

The mean score is found to be 2.2115 in Table 4.7a, which is less than the test value of 3. As shown in the following table, the null hypothesis is true that price is not the main factor affecting consumer preferences of domestic garments.

Table 4.7: One-Sample Test for price of Domestic Garments

Table 4.7a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Price is the main factor that negatively affects my domestic garments preference	331	2.2115	1.08040	.05938

Table 4.7b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Price is the main factor negatively affecting my domestic garments preference	-13.278	330	.000	-.78852	-.9053	-.6717

At 95% confidence level, the p-value (sig.) is found to be approximately zero indicating the mean score is significantly different from 3, which means it is less than 3 and t-value is -13.278 that is by far less than the critical value 1.645. This means the claim (H1c) is not supported.

Note that the one sample t-test provides evidence that the sample mean score is significantly different from the test value (in this case it is 3) in both direction. It does not only provide the difference, but also it provides to which direction it is different that points out the expectation of the researcher or the situation and what we do with the test result (Argyrous, 2005:221-229).

According to Argyrous, it does not mean rejecting the null hypothesis when the test value results in areas beyond the critical values, but the null hypothesis acceptance depends on the direction of test specified in the alternative hypothesis which determines what to do with the test results. For instance, the test result falls to the left of the critical value (-1.645) in **H1c** of the hypothesis for price. The result shows that the sample mean is significantly different from the test value (test value=3). This does not mean we reject the null

hypothesis; rather the acceptance of the null hypothesis depends on the alternative hypothesis.

So, even though the test result is in the significant difference, based on the alternative hypothesis (expectation) we accept the null hypothesis that the mean score on price is significantly different from the test value but to the left where it is opposite to the alternative hypothesis that result in the acceptance of the null hypothesis. Throughout this paper, all decisions similar to H_1 were made based on this argument according to the guidelines by Argyrous(2005:228-231).

4.2.3.2. Behavioral Factors Affecting Consumer Preferences

In this section, family influence, friends influence, reference groups, roles and status, and self- concepts are analyzed. Each is shown in Table 4.8 below.

From Table 4.8, we can see the major influence comes from friends which is 33.2% (110), and from this, those who are negatively influenced are 91.8% (101).

Family influence is accounted to 6.3% (21) from which 76.2% (16) influenced positively and the rest negatively.

The other factor is that consideration of roles and status to purchase the locally produced garments. Only 6.3% (21) consider their roles and status, of which 90% (18) consider their work (position) to purchase domestic garments.

From this result, what can be understood is that friends are the major social factor that affects consumer preferences negatively. The word of mouth and communication among consumers about domestic garments is influenced negatively which also creates bad attitude of individuals on domestic garments.

Table 4.8: How Family, Friends, Reference groups, Roles and Status Influence Consumer Preferences

Item	Response	Frequency(N=331)	Percentage	Item	Response	Frequency	Percentage
Do your Families motivate to buy domestic garments?	Yes	21	6.3	How your families motivate you on purchase of domestic garments?	Positively	16	76.2
	No	310	93.7		Negatively	5	23.8
	Total	331	100		Total	21	100
Do your interactions with your Friends motivate you to buy domestic garments?	Yes	110	33.2	How friends' interactions motivate you on domestic garments purchase?	Positively	9	8.2
	No	221	66.8		Negatively	101	91.8
	Total	331	100		Total	110	100
Does your Preference for domestic garments affected by your reference groups?	Yes	4	1.2	How reference groups affect your preference of domestic garments?	Positively	2	50
	No	327	98.8		Negatively	2	50
	Total	331	100		Total	4	100
Do you Consider your roles and status while purchasing domestic garments?	Yes	21	6.3	What way do you consider?	Work related	18	90
	No	310	93.7		Something written on garments	2	10
	Total	331	100		Total	20	100

(Source: Researcher's survey questionnaire, 2011)

The hypothesis claimed to test about reference groups and self-concept influences are discussed below separately.

Hypothesis **H1d** was claimed as:

“Reference groups have significance influence on consumer preferences of domestic garments”.

This means consumer preferences for domestic garments is based on their reference groups, where the mean score is significantly more than 3 indicating they prefer domestic garments based on the influence of their reference groups. This hypothesis was tested using one sample t-test after checking the normality assumption (see Appendix A) that the score of consumers who responded as “I prefer dressing domestic garments because of my reference groups” based on the response in Likert Scale of 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree. The sample mean is found to be 1.9335 in Table 4.9a below. At 5% of significance level, the critical t-value for right tail test is 1.645. The calculated t-value is shown below in Table 4.9.

Table 4.9: One-Sample t-Test for Reference Groups Influence on Consumers’ Preferences

Table 4.9a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
I prefer dressing domestic garments because of my reference groups	331	1.9335	1.08786	.05979

Table 4.9b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I prefer dressing domestic garments because of my reference groups	-17.836	330	.000	-1.06647	-1.1841	-.9488

As shown in the Table 4.9b, the calculated t-value -17.836 is less than 1.654, which is in the acceptance region of the null hypothesis since p-value (sig.) is approximately zero. The p-value (sig.) is approximately zero indicates the mean score is significantly different from

3, but less than 3. So at 95% confidence level, we have sufficient evidence to accept the null hypothesis that a consumer preference of domestic garments is not significantly influenced because of reference groups.

To test about the influence of self-concept, hypothesis **H1e** was claimed as:

”Self-concept has significance influence on consumer preferences of domestic garments”.

After checking for the normality assumption (see Appendix A), one-sample t-test **was** used to test the hypothesis that the mean score of consumers who responded as *”I prefer domestic garments because of my self-concept”* is more than 3, based on the response in Likert Scale. The scale with 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree is used for the response. The critical t-value at 5% of significance level for right side test is 1.645. The result is shown in Table 4.10 for t-calculated.

Table 4.10: One-Sample t-test for self-concept Influence on Consumer Preferences

Table 4.10a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
I prefer domestic garments because of my self-concept	331	3.9486	1.30747	.07187

Table 4.10b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I prefer domestic garments because of my self-concept	13.200	330	.000	.94864	.8073	1.0900

Table 4.10a shows that the sample mean is 3.9486 which is greater than the test value of 3. As shown in the above table, the null hypothesis is rejected at 95% of confidence level. The t-value 13.20 (greater than 1.645) and p-value (sig.) approximately zero indicates that the mean score is significantly different from 3, showing that it is more than 3 which is

sufficient evidence to reject the null hypothesis. So consumers prefer domestic garments based on their own self-concepts. From the above two claims, it is clear that most of consumers prefer domestic garments because of self-concept. This shows if the product can express their self-concept (being unique), they buy it; if they need to buy, they consider their self-concept which expressed in terms of uniqueness while dressing good quality, design, color and fashionableness of a garment.

Consumer Preferences and Gender

Using cross tabulation, the difference on preference on the two gender type is analyzed.

Table 4.11: Consumer Preferences of Domestic Garments and Gender

		Gender			
		Male	Female	Total	
Do you prefer domestic garments?	No	Count	149	114	263
		% within prefer domestic garments	56.7%	43.3%	100.0%
		% within Gender	89.8%	69.1%	79.5%
		% of Total	45.0%	34.4%	79.5%
	Yes	Count	17	51	68
		% within prefer domestic garments	25.0%	75.0%	100.0%
		% within Gender	10.2%	30.9%	20.5%
		% of Total	5.1%	15.4%	20.5%
Total		Count	166	165	331
		% within prefer domestic garments	50.2%	49.8%	100.0%
		% within Gender	100.0%	100.0%	100.0%
		% of Total	50.2%	49.8%	100.0%

(Source: Researcher's survey questionnaire, 2011)

Based on gender as a variable, it is shown in Table 4.11 that 56.7% (149) of males and 43.3%(114) of females are from those who do not prefer domestic garments (263). But within gender, 89.8% (149/166) of males and 69.1% (114/165) of females do not prefer

domestic garments from total number of male and female respondents. Even though both genders show no preferences, it is pronounced more from male respondents.

Consumer Preferences and Income

Table 4.12: Consumer Preferences of Domestic Garments and Income

		Income level				Total	
		Below Br. 1000 per month	Br. 1001-2000	Br. 2001-3000	Above Br. 3000		
Do you prefer domestic garments?	No	Count	20	134	72	37	263
		% within prefer domestic garments	7.6%	51.0%	27.4%	14.1%	100.0%
		% within Income level	74.1%	84.8%	73.5%	77.1%	79.5%
		% of Total	6.0%	40.5%	21.8%	11.2%	79.5%
	Yes	Count	7	24	26	11	68
		% within prefer domestic garments	10.3%	35.3%	38.2%	16.2%	100.0%
		% within Income level	25.9%	15.2%	26.5%	22.9%	20.5%
	% of Total	2.1%	7.3%	7.9%	3.3%	20.5%	
Total		Count	27	158	98	48	331
	% within prefer domestic garments	8.2%	47.7%	29.6%	14.5%	100.0%	
	% within Income level	100.0%	100.0%	100.0%	100.0%	100.0%	
	% of Total	8.2%	47.7%	29.6%	14.5%	100.0%	

(Source: Researcher's survey questionnaire, 2011)

Income level is also one of the factors that determine to prefer a product. Consumers decide to purchase a product or not based on their income level which is related with the price of a product. Table 4.12 shows preference and income of consumers on domestic garments.

According to the result, in all income range of this study, more than 73% of the respondents do not prefer domestic garments.

Those who do not prefer domestic garments with income level of Br. 1001-2000 per month are accounted for 84.8% (134), above Br. 3000 per month accounted for 77.1% (37), Below Br. 1000 per month accounted for 74.1% (20) and those with income level of Br.2001-3000 per month accounted for 73.5% (72). This shows that majority of consumers in all income level do not prefer domestic garments.

4.2.4. Quality Dimensions of Domestic Garments

4.2.4.1. Good Quality of Domestic Garments

Consumers were asked about the good garment quality they encountered. The response is only from those who have ever bought domestic garments (N=306 number of cases), and the analysis is based on multiple responses, as shown in the following table.

Table 4.13: Good Quality of Domestic Garments Encountered by Consumers

Description	Response	Frequency (N=306)	Percent
If you have ever encountered good quality of domestic garments, choose from options (multiple answer is possible)	Durable	97	31.7
	No fade	51	16.7
	Stretchy	51	16.7
	Firm	78	25.5
	Non –stiff	45	14.7
	Non –wrinkles	48	15.7
	Comfortable	14	4.6
	No color bleed in wash	44	14.4
	Smooth	50	16.3
	Cotton content	244	79.7

(Source: Researcher’s survey questionnaire, 2011)

In Table 4.13, it is shown that the highest frequency is for cotton content which is 79.7% (244) and followed by durability (31.7% (97)) and firmness (25.5% (78)). The rests are small relative to the highest frequencies. But the result shows that cotton content is the quality content that is liked by most consumers of garments. As shown in the table, there

are garments with good quality. But, since they are not widely available and most of them are for export market, significant number of consumers in local market did not accessed them.

Cotton is the major raw material used by domestic garment manufacturers. There are three sources for the supply of textile and garment products in domestic markets: traditional handloom, domestic manufacturing industry and imports. Because of more than 75% of fabric is cotton which is available locally, manufacturers of garments intensively using cotton as a major input.

4.2.4.2. Quality Defects of Domestic Garments

Garment quality defects can be expressed in terms of fade, non-stretchy and other types of defects as shown in Table 4.14. As far as consumers have used domestic garments, those who purchased domestic garments can know what quality defects they encountered. Those who did not ever bought but prefer or not prefer the domestic garments are included.

Table 4.14: Quality Defects of Domestic Garments

Description	Response	Frequency(N=331)	Percent
If you have ever encountered quality defects of domestic garments, please choose from the options (multiple option is possible)	Not durable	215	65
	Easily fade	243	73.4
	Not – stretchy	243	73.4
	Sleazy	231	69.8
	Stiff	236	71.3
	Wrinkles	232	70.1
	Color bleed in wash	246	74.3
	Rough	232	70.1
	Uncomfortable	215	65

(Source: Researcher’s survey questionnaire, 2011)

But those who did not buy know from the experience of their family and friends as per their response as a reason for not ever buying. The frequency is high for all types of quality defects. In Table 4.14, the highest frequency for quality defect is color bleed in wash

(74.3% (246)) and followed by easily fading and not stretchy both accounted for 73.4% (243). Note that the responses are analyzed based on multiple responses of consumers about garment features.

Consumers have encountered multiple quality defects of domestic garments. The overall result shows that, 65% and more encountered all these quality defects which are the factors affecting consumer preferences. These quality defects negatively affect consumer preferences of domestic garments which also reduces demand for garments.

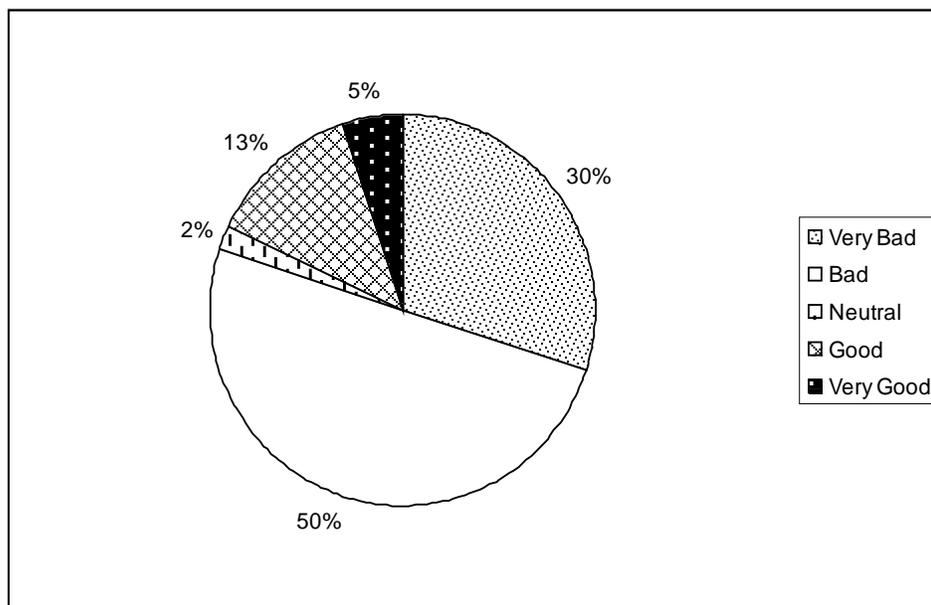
According to the responses from garment producers, majority of them produce garments for domestic market but some of them produce for export market also. The shortage of quality raw cotton, imported raw materials such as chemicals and the delay of these inputs delivery have significant impact in negatively affecting the quality of garments. To fulfill the export preferences of consumers, they manufacture different quality level of garments for domestic consumers and export markets. Manufacturers of garment do this, as per their response, to get more profit from export market. Shortage of chemicals also forces them to divert their attention on improving garment quality of export than for local market. The summative effects of all these problems cause the production of unacceptable quality of garments that causes no preferences for domestic garments.

4.2.5 Consumers' Attitude towards Domestic Garments

Consumer attitude is a complex mental state involving beliefs and feelings and values and dispositions to act in certain ways towards an object. In this study, consumer's attitude towards domestic garments is expressed as very good, good, bad, very bad or neutral.

As far as attitude has an impact on preference, consumers were asked about their attitude towards domestic garments. The result is shown in Chart 4.3 below (N=331 number of cases). In Chart 4.3, the sums of the respondents who have bad/very bad attitude towards domestic garments are accounted for 80% (265=165+99), while the sum of those who have very good/good attitude accounted for 18% (60=43+17) respondents. Those who have neutral attitude are accounted for 2% (7).

Chart 4.3: Consumers' Attitude towards Domestic Garments



(Source: Researcher's survey questionnaire, 2011)

This also witnesses the result in section 4.2.2 about Consumer preferences (79.5% who do not prefer domestic garments) that since they have bad attitude, consumers do not prefer domestic garments.

Consumers were asked about their reason if they have bad or very bad attitude towards domestic garments in the open-ended questions. They reveal three factors as a reason. Their response is shown in the following Table 4.15 based on the analysis of multiple responses by consumers.

Table 4.15: Consumers' Reasons for Bad /Very Bad Attitude towards Domestic Garments

Description	Response	Frequency(N=265)	Percent
State your reason if your answer is bad/very bad	Inferior quality	261	98.5
	No attractive design	107	40.4
	No good color	113	42.6

(Source: Researcher's survey questionnaire, 2011)

It is shown in the above table that, 98.5% (261) blamed quality as a reason for their bad attitude, 42.6% (113) and 40.4% (107) blamed color and design as the reasons, respectively. This result shows that quality is the main reason for their bad attitude, which

supports hypothesis H1b in section 4.2.3.1 that quality significantly affects consumers' preferences of domestic garments.

As supporting reason, consumers were asked about whether they proud of dressing domestic garments or not; and if not, to state their reason(s). As shown in Table 4.16, 78.2%(259) are not proud of dressing domestic garments. This result is relatively similar with that of the proportion of those who do not prefer domestic garments, which is 79.5% in section 4.2.2. It is also close to the proportion of those who have bad/very bad attitude towards domestic garments which is 80% (265) in Chart 4.3. The main reason is quality of garments which accounted for 97.7% (259) from those who are not proud of dressing domestic garments. Design problem as a reason is accounted for 43.6% (113).

Table 4.16: Consumer Proud and Reason for Not Proud of Dressing Domestic Garments

Description	Response	Frequency	Percent
Are you proud of dressing domestic garments?	Yes	72	21.8
	No	259	78.2
	Total	331	100
If not proud, why?	Quality problem	253(N=259)	97.7
	Design problem	113(N=259)	43.6
	Color problem	102(N=259)	39.4
	Fashion problem	51(N=259)	19.7

(Source: Researcher's survey questionnaire, 2011)

Color and fashion problems are accounted for 39.4% (102) and 19.7% (51), respectively in creating bad attitude of consumers on domestic garments. This result shows that consumers are not proud of dressing domestic garments and they ascribe their reasons as low quality, color, design and fashion problems of domestic garments are affecting their preferences, attitude and proud of domestic garments, which supports H1bin section 4.2.3.1.

From these results, one can understand that product attributes are the main factors that negatively affect consumer preferences. This also shows that the factors are controllable by marketers where improvement of these attributes is possible to get preferences for their products.

Gender and Attitude towards Domestic Garments

The analysis is shown about attitude and gender on cross tabulation. As shown in Table 4.17 in both genders type, more than 75%(the sum of bad and very bad % within gender) have bad/very bad attitude towards domestic garments. Consumers with bad/very bad attitude towards domestic garments are accounted for 84.9% (141/166) for males and 75.2% (124/165) for females.

Table 4.17: Gender and Attitude towards Domestic Garments

			Attitude towards Domestically Produced Garments					Total
			Very bad	Bad	Neutral	Good	Very Good	
Gender	Male	Count	57	84	6	15	4	166
		% within Gender	34.3%	50.6%	3.6%	9.0%	2.4%	100.0%
	Female	Count	46	78	3	27	11	165
		% within Gender	27.9%	47.3%	1.8%	16.4%	6.7%	100.0%
Total		Count	103	162	9	42	15	331
		% within Gender	31.1%	48.9%	2.7%	12.7%	4.5%	100.0%

(Source: Researcher's survey questionnaire, 2011)

Having bad/very bad attitude towards domestic garments is more pronounced for males than for females, as not preferring domestic garments is more pronounced by males as shown in Table 4.11. In the above table, it is shown that the total percent for male and female with very bad and bad attitude summed up to 80% (31.1%+48.9%), which is approximated with the percent of those who are not proud of dressing domestic garments (78.2% in Table 4.16). It is clear from this result that there is no difference in attitude of consumers on domestic garments among gender which pinpoints the existence of another variable affecting their preferences.

4.2.6 Comparison of Quality of Domestic versus Imported Garments

Consumers were asked to rate the quality of domestic garments with that of imported garments. The rating was made as: 5= Best, 4= Better, 3=Same, 2= Bad, & 1= Vey Bad. After checking for whether it is normally distributed or not, the response reveals that it is normally distributed (see Appendix A).

To test for the comparison of quality, hypothesis **H1f** was claimed as:

“When compared to imported garments, the quality of domestic garments is significantly bad, so it affects consumer preferences negatively”. This means the mean score of consumers responded on the comparison of garment quality feature is less than 3, indicating bad or very bad quality of domestic garments compared to imported garments. The critical t-value is -1.645 at 5% of significance level for left tail test.

Table 4.18: One-Sample t-test for Comparison of Quality of Domestic Garments with Imported Garments

Table 4.18a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Quality comparison of domestic garments with imported garments	331	2.4048	1.07556	.05912

Table 4.18b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Quality comparison of domestic garments with imported garments	-10.067	330	.000	-.59517	-.7115	-.4789

Using one-sample t-test, t-calculated is -10.067 with p-value (sig.) of approximately zero. As shown in Table 4.18, the p-value (sig.) is approximately zero which means the mean score of consumer response is significantly different from 3, which is less than 3. The mean

value is 2.4048 and Std. deviation=1.07556 (Table 4.18a). This indicates that quality of domestic garments is significantly less than that of imported garments (bad, very bad). Therefore, there is sufficient evidence to reject the null hypothesis that quality of domestic garments is significantly bad compared to imported garments, as per consumers' responses. This finding supports the result of H1b about quality in section 4.2.3.1. This also shows that due to low quality of domestic garments, consumers do not prefer them, and preference is for imported garments which in turn cause the decline of demand for domestic garments.

4.2.7 Comparison of Price of Domestic versus Imported Garments

Price comparison was made in the manner of having the rating of 5 =Very high, 4=Higher, 3=About the same, 2=Lower, and 1=Very low. The hypothesis **H1g** about the comparison of price was claimed as:

“When compared to imported garments, price of domestic garments is significantly higher, so it affects consumer preferences of domestic garments negatively”. This means the expected value of consumers responded as the price of domestic garments is higher is more than 3. The test value is shown below in Table 4.19.

Table 4.19: One-Sample t-Test for Comparison of Price of Domestic Garments with Imported Garments

Table 4.19a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Price comparison of domestic garments with imported garments	331	2.1178	.85706	.04711

Table 4.19b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Price comparison of domestic garments with imported garments	-18.726	330	.000	-.88218	-.9748	-.7895

Using one-sample t-test by approximating to normal (see Appendix A) the result shows t-calculated is -18.726 (Table 4.19b) while t-tabulated at 5% of significance level for right tail test is 1.645. The mean value is 2.1178 as shown in Table 4.19a. The p-value (sig.) is approximately zero. The p-value (sig.) zero indicates the mean score of consumers responded as price is higher is significantly less than 3. So, we accept the null hypothesis which means price of domestic garments is significantly lower than that of imported garments, which also supports the null hypothesis for H1c in section 4.2.3.1. From this evidence, we can confidently say that price of domestic garments is significantly lower compared to imported garments.

4.2.8. Domestic Garments Availability in Local Market and Consumer Preferences

Product availability is one of the product attribute. Consumers may prefer the more available product than which is difficult to get reach, if the product possesses the required feature. On the likert scale of 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree, consumers were asked about the wide availability of domestic garments, and if it is widely available, to indicate their preference which is shown in the following Table 4.20.

Table 4.20: Domestic Garments Availability in Local Market

Description	Responses	Frequency(N=331)	Percent
Domestic garments are widely available in local market	Strongly disagree	302	91.2
	Disagree	9	2.7
	Neutral	13	3.9
	Agree	4	1.2
	Strongly agree	3	0.9
	Total	331	100

(Source: Researcher's survey questionnaire, 2011)

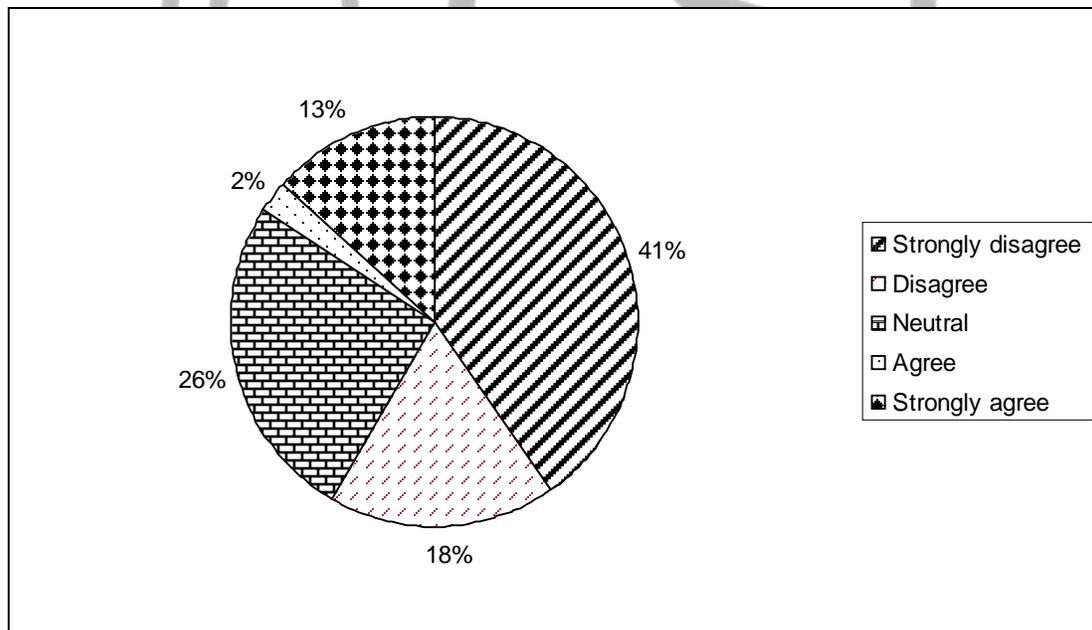
In Table 4.20 about wide availability of domestic garments, it is shown that majority of consumers, which means 91.2% (302), are strongly disagree with it. This does not mean that domestic garments are not available in local market, rather it shows domestic garments are not widely available as that of imported garments.

Interview was made with garment producers. According to the response from majority of garment producers, domestic garments are not widely available in local market. The major

reasons for this are that producers have limited output capacity constrained by shortage of chemical and other raw materials input and have very limited retail shops and show rooms. Further, the existing retail channel willingness to accept domestically produced garments is decreasing from time to time, and on the stage of not accepting at all, fearing that consumers have bad attitude towards domestic garments after trial purchase. The shortage of chemicals which are bought from foreign country such as India, European Nations and China also affect garment production because of the delivery delay that also affects production capacity utilization. These are the reasons that contribute to the unavailability of domestic garments in local market.

To check whether domestic garment availability affects preference or not, consumers were asked about whether or not they prefer if it is widely available, using the lickert scale question as 1= strongly disagree ,2= Disagree, 3= Neutral,4= Agree and 5= strongly agree. The result is shown in Chart 4.4 below.

Chart 4.4: Consumer Preference if Domestic Garments are Widely Available in Local Market



(Source: Researcher's survey questionnaire, 2011)

In the above Chart 4.4, it is shown that more than half (41+18 =59% (195)) will not prefer if domestic garments are widely available in local market, while 26% (86) are neutral about their preference. This shows that, as far as no quality, design and color improvement,

preference is not likely to come for domestic garments (see comments for this part in section 4.2.10). Since a consumer preference is negatively affected by quality, design and color, there is a consideration for an improvement of these attributes of domestic garments to prefer.

4.2.9. Advertisement of Domestic Garments in Local Markets and Consumers' Awareness

Advertisement is one means of promotion which is noticeable more by many audiences than other promotional tools. Due to this reason, question about domestic advertisement was raised to consumers. To answer the question of whether or not domestic garments are sufficiently advertised in local market, hypothesis **H_{1h}** was claimed as:

“There is no sufficient advertisement of domestic garments in local market”. This means the mean score of consumers responded as it is sufficiently advertised is less than 3. Based on the 5-scale question as 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= strongly agree, the result is normally distributed (see Appendix A). The test for this hypothesis was made using one-sample t-test as shown below.

Table 4.21: One-Sample t-Test Advertisement of Domestic in Local Market

Table 4.21a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Domestic garments are sufficiently advertised in local market	331	2.3988	1.32500	.07283

Table 4.21b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Domestic garments are sufficiently advertised in local market	-8.255	330	.000	-.60121	-.7445	-.4579

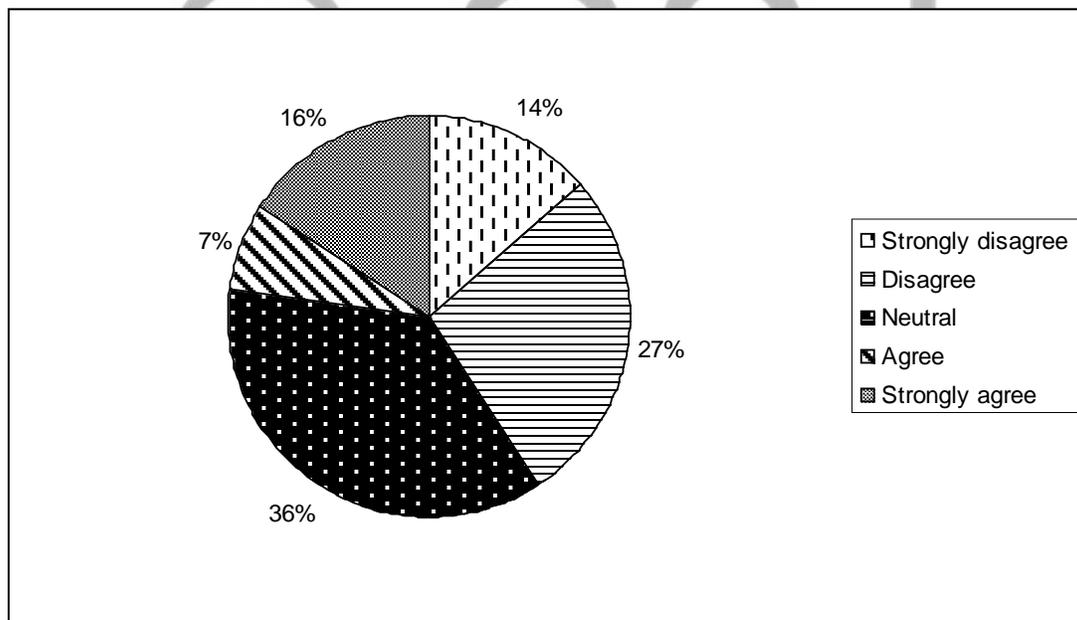
In the above table, it is found that t-calculated is -8.255 and p-value (sig.) approximately zero while t-tabulated is -1.645, which means the null hypothesis is rejected. The p-value (sig.) approximately zero indicates that the mean score of consumers responded as it is

sufficiently advertised is significantly less than 3 that shows the mean score in Table 4.21a (2.3988) is significantly less than 3. So, at 95% of confidence level, there is sufficient evidence to reject the null hypothesis. Note that domestic garments are not sufficiently advertised does not mean there is no advertisement at all.

According to the responses from the garment producers, advertisement on domestic garments (of their company's) is made once or twice per year in the time of public holidays such as New Year and Easter. There is no sufficient budget allocation for advertisement since there is shortage of finance for major production activities. Because of this, consumers encounter the advertisements of domestic garments very rarely.

To know whether advertisement on domestic garments can lead their preference to domestic garments or not, consumers were asked on 5 level likert scale showing their preference.

Chart 4.5: Advertisement Campaign and Consumers Preferences of Domestic Garments



(Source: Researcher's survey questionnaire, 2011)

The result shows that 36% (120) holds neutral, but the sum of strongly disagree and disagree is 41% (136), and those who agree & strongly agree is 23% (75). This shows that, as far as quality, design and color of garments are the main reasons, an improvement in

these factors can lead their preference to domestic garments. Consumers' comments on what basis they can prefer domestic garments are given in section 4.2.10.

To test about consumer awareness on domestic garments, hypothesis **H_{1i}** was claimed as:

“Majority of consumers does not have sufficient awareness about domestically produced garments availability in local market”. This means the mean score of consumers who responded as “I have sufficient awareness of domestic garments availability in local market” is less than 3. One sample t-test was used to test this hypothesis after checking for normality (see Appendix A). The critical value for t-tabulated is -1.645 at 5% level of significance.

Table 4.22: One-Sample t-Test for Consumer Awareness about Domestic Garments Availability

Table 4.22a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
I have sufficient awareness of domestic garments availability in local market	331	3.5770	1.28957	.07088

Table 4.22b: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I have sufficient awareness of domestic garments availability in local market	8.141	330	.000	.57704	.4376	.7165

In Table 4.22b, it is shown that t-value is 8.141 and p-value (sig.) is approximately zero. This means the null hypothesis is accepted. The p-value (sig.) approximately zero indicates that the mean score of consumers responded as “I have sufficient awareness of domestic garments availability in local market” is significantly different from 3, showing that it is more than 3 as shown in Table 4.22a which is 3.5770. So, at 95% of confidence

level, there is sufficient evidence to accept the null hypothesis that consumers have sufficient awareness about the domestic garments availability in local market.

4.2.10. Consumers’ Suggestions on Domestic Garments Product Attributes

Respondents were asked about their suggestion on domestic garments. As shown in Table 4.23, 68.9%(228) suggested that there should be an improvement in garment quality, color and the convincing ads (advertisement)should be applied to initiate consumers after quality improvement.

Table 4.23: Consumers’ Suggestions on Domestic Garments

Response	Frequency(N=331)	Percent
Quality, color improvement and convincing ads	228	68.9
Quality, design, availability and ads should be improved to prefer	202	61.0
Quality, design and convincing ads should exist to prefer	153	46.2

(Source: Researchers survey questionnaire, 2011)

Those who suggested as quality, design, availability and ads should be improved are accounted for 61% (202). Lastly those who suggested as the need of an improvement on quality, design and convincing ads are accounted for 46.2% (153). Consumers provided their suggestions on these product features based on what they expect from the product and what they encountered of garment quality defects. This indicates that if quality, color and design of garments are improved, there should also be convincing a (persuasive) ad that tells consumers to believe that garments are improved in terms of their features. The required condition to prefer based on quality and other factors is shown that even if ads and other things improved, it is garment quality, design and color improvement that leads their preferences as shown in section 4.2.7 and 4.2.8.

So far, many points about consumers’ preferences and factors affecting consumer preferences were discussed. The factor that significantly affects consumers’ preferences of domestic garment is found to be the product attribute, mainly quality, design and color. These shows the points of emphasis by producers to get good sales in domestic market

where they can run their business under relatively known environment compared to going abroad.

4.2.11. Interview Summary on Major Identified Problems of Domestic Garment Producers

Interview was conducted with garment producers to gain some understanding about what can affect their product features in the eyes of consumers from producers side. The following points are raised by all of the garment producers as the prevailing problem in garment industries with reference to their company.

a. Shortage of Raw Cotton Supply

Domestic garment producers are not accessing the required volume of raw cotton. Cotton is the main raw material for textile industries which accounts for the major proportion of the total raw materials input.

The existing textile industries utilizes from 70% - 100% and 30% of natural lint cotton and manmade fibers, respectively. But, the textile factories are facing a problem of getting a reliable supply of raw cotton in terms of quality and quantity from domestic producers as the production of cotton is characterized by inconsistent supply or its seasonal nature. Further, local cotton producers have started directly exporting quality grade one to other countries to get a better price and revenue which creates shortage for domestic garment and textile producers..

b. Shortage of Chemicals, Accessories and other Raw materials

Lack of quality and sufficient raw materials such as furnace oil to create steam, polyester, yarn, silk, nylon, fabric, packing and labelling materials, printing, dyeing and other input chemical items are not produced locally or sold in local market at sufficient level of quantity and quality. They are imported from abroad at higher price incurring high transportation cost, time consuming. Another difficult problem is the scarcity of working capital to buy all necessary chemicals and accessories with required quality and quantity.

c. Low quality of fabrics

Most of the textile factories, except some of the newly established ones, are old and use outdated technology since they were established many years back. As a result of low level

of technology, the plants are facing the finishing problem. Thus, they are producing low quality textile fabrics domestically, which makes difficult to supply inputs to the garment industries.

These factories are also inefficient in productivity in making garment which are suffering from fierce price competition in international market and imported garments from different countries.

d. Low productivity and Lack of Skilled Manpower

Productivity which mainly influenced by both the quantity and quality of raw material, labor and technology is an important determinant factor for the ability of a firm to set prices of its products to compete in the domestic and international markets.

The low quality of raw material utilization is one of the main factors causing low level of production in the garment industries. Raw materials supplied by old textile industries to garment industries are less quality due to outdated technology that resulted in low productivity of garments producers. Domestic garment producers' productivity is very low due to unskilled man power and low level of technology, which affect their operation. Shortage of skilled workers on areas like machine operator, design work, electrical, technical and production management is a critical problem.

e. Lack of Backward Linkage

The garment industry is lacking strong back ward linkage from textile sector. The productions of raw cotton, textile fabric manufacturing, finished garment products are not harmonized. Backward linkages are very important for a garment industry to reduce the lead time and remain competitive in the market. According to the response of garment producers, good quality cotton is directly exported. This creates shortage for textile and garment industries domestically and forces them to use poor quality cotton which resulted in producing poor quality textile fabric manufacturing as an input for garment manufacturing. The effect of all these factors come up with finished products that have low quality, poor design, overall unattractive features that are not wanted by end users.

CHAPTER FIVE

Summary, Conclusions and Recommendations

5.1. Summary of the Major Findings

The study used 331 usable sample sizes from consumers for the analysis. Convenience sampling was used to select respondents from the judgmentally selected garment stores at the major garment areas in Addis Ababa for consumers, and simple random sampling to select 16 samples from 32 producers of garments.

Both males and females are given equal chance for the selection as a sample, and 50.2% (166) are males & 49.8% (165) are females from usable sample size.

Majority of respondents (55.9% (185)) found in the age range of 21-30 years and followed by ages between 31 & 40 years (16.9% (56)). Looking at educational level, most respondents (37.2% (123)) are twelve complete or below. The second rank is for college diploma holders accounted for 30.2% (100).

About 37.8% (125) are self-employed which is the majority, and 24.81% (82) are civil servant.

The income level of majority of respondents (47.7% (158)) lies between Br. 1001 to Br. 2000 per month. Regarding religion, 66% (219) are Ethiopian Orthodox followers and the next rank is by Islamic religion followers which are accounted for 15.7% (52).

Response on domestic garments purchase experience shows that 92.4% (306) of consumers had purchased domestic garments, of which 75.8% (232) bought T-shirt, and followed by knitted under wear (33.7% (103)) and sweater (20.6% (63)).

Significant numbers of consumers do not prefer domestic garments which accounts for 79.5% (263) where the test result for H1a z_{sample} is 10.55 showing no preference.

The product attributes are found as the major factors in affecting consumer preferences of domestic garments. Quality is found to be the main reason not to prefer domestic garments which accounted for 85.2% (224/263)) which supports hypothesis H1b. Next to quality,

design is found to be 66.9% (176), not-fashionable accounted for 61.6% (162) and no color choice accounted for 53.6% (141). However, price of domestic garments is not negatively affecting consumer preferences. Shortage of quality raw cotton, chemicals, low technology utilization of garment and textile producers are the major reasons for the defects of these product attributes. But from behavioral factors, it is self-concept (t -calculated=13.200) and friends negative influence which accounted for 91.8% (101/110) that leads consumers on their preferences than reference groups, family, and roles & status. It is also evidenced that most consumers do not consider their roles & status which domestic garments purchase which accounted for 93.7% (310/331).

Considering gender and preference, both genders shows no preference for domestic garments, which is higher for males (89.76% (149)) than for Females as 69.09 % (149). The income and preference analysis shows similarity in that in all income levels, more than 73% do not prefer domestic garments.

From good quality of domestic garments, cotton content is the most important quality that encountered by consumers, accounted for 79.7% (244). But others are very low relatively. Concerning the domestic garment quality defects encountered by consumers, all defects encountered are more than 69.8%, in which color bleeding in wash is the highest (73.4% (246)). These defects are because of shortage of quality raw cotton, low quality of fabrics from textile producers, and shortage of coloring chemicals.

Consumer attitude towards domestic garments is found to be bad/very bad, which is 80% (265). The reason for bad attitude was attributed to garment quality problem as 98.5% (261), no attractive design as 40.4% (107) and absence of good garment color accounted for 42.6% (141). The response about consumer proud of dressing domestic garments shows that 78.2% (259) do not proud of dressing domestic garments, which is primarily attributed to quality amounting to 97.7% (253/259) as a reason. The cross tabulation for attitude and gender shows that both gender have bad attitude towards domestic garments which is 84.94% (141) for males & 75.15% (124) for females.

The comparison of quality of domestic garments with imported garments is tested using one-sample t -test and found that it is significantly bad (H_1 if t -calculated= -10.067). But

price of domestic garments is significantly lower than imported garments' price according to the test result of H1g with t-calculated equal to -18.726.

Domestic garments are not widely available in local market which response is accounted for 93.9% (311). This does not mean it is unavailable at all, but not widely available compared to imported garments. The basic reasons as per producers' response are limited output capacity which is constrained by delay in delivery and shortage of chemicals & other raw materials, limited retail shops of producers, and declining willingness of pre-established retail channels to accept domestic garments. Looking at consumer preference if it is widely available, 59% (195) shows disagreement while 26% (86) holds neutral as much as it depends on quality.

Concerning advertisement, the t-calculated test result for H1h is -8.255 showing that domestic garments are not sufficiently advertised. From producers' response, it is evidenced that producers conduct advertisement only ones or twice a year just to inform they are manufacturing garments because of shortage of finance. But regarding consumer awareness the test result for H1i t-calculated equal to 8.141, showing that majority of consumers have awareness about domestic garments available in local market.

Majority of consumers that accounted for 68.9% (228) gave their suggestions on the need for improvement on garment quality, color and conducting persuasive (convincing) advertisement to prefer domestic garments. Those who commented on the need of improvement on garment quality, design, availability and persuasive advertisement are accounted for 61% (202).

From all points discussed so far, it is garment quality that significantly affects consumer preferences of domestic garments followed by garment design, non-fashionableness and color.

As per the interview result from garment producers, the major problems that they are encountering are shortage of raw cotton supply, shortage of other raw materials, chemicals and accessories, low quality of fabrics, low productivity and lack of skilled manpower, lack of backward linkage, and low level of technology especially for the garment factories negatively affect quality of garments. In addition, shortage of working capital in order to

make bulk purchase and import the required items at one time, and inadequate skills on design of garments are the major problems related to garments.

The direct export of raw cotton forces domestic producers to use poor quality raw cotton which has a paramount negative effect on quality of garments. These contributed to the production of low quality garments which consumers do not prefer compared to imported garments. This in turn affects the sales performance of domestic garment producers.

5.2. Conclusions

Based on the results of the study, the following conclusions are drawn.

As far as most respondents (92.4% (306/331)) have purchased the domestic garments, they can express what they know about it. Majority of consumers in Ethiopia, Addis Ababa do not prefer domestic garments which are accounted for 79.5% (263/331) where the test result for H1a z_{sample} is 10.55 showing no preference. Garments quality, design and color are found to be the main reasons of consumers not to prefer domestic garments. These problems are due to shortage of quality of raw materials and cotton that reduces the quality of finished product, garment. Shortage of skilled labor in designing garments, shortage and delay of imported chemicals, and the utilization of low level of technology have also of paramount negative impact on the quality of garments. Since preference is not different among gender and age group, the main reasons are garment attributes for not preferring domestic garments.

Behavioral factors have minimal influence on consumers' preference except self-concept. Since consumer considers self-concept in garment purchase, quality gets priority, but they are encountering many quality defects. Compared to imported garments, consumers found low quality of domestic garments. Because of this, their preference is for imported garments. Once they have tested the domestic garments, they encountered quality defects, so drop preferring domestic garments. As their preference is for imported garments, demand in domestic market starts falling.

Domestic garments are not widely available in local market. This is due to the limited capacity of producers which is constrained by shortage of necessary inputs and absence of backward linkage that would have increased textile and garment industry performances.

The negative attitude of consumers towards domestic garments due to garment attributes and changing preferences negatively affect the revenue of pre-established retailers so that they are not willing to accept garments from domestic garment producers. This is also another important fact that limited domestic garments availability in local market. Even if garment quality had been improved, the advertisement types conducted by garment produced is not persuasive, rather it is only to create awareness of its existence in domestic market.

On the other hand, producers are suffering from the problem of shortage of raw cotton supply, shortage of other raw materials, chemicals and accessories, low quality of fabrics, and related problems. They are not capable of producing and supplying good quality and design garments to local markets as much as they give priority for export preferences for higher margin. These caused domestic sales falling in the last 5 years. As a result of no preferences of consumers because of unacceptable garment attributes, demand has declined; sales also declined from 85% to 59% in the year of 2006 to 2009/10 and most of the garment producers suffer from loss of revenue because of not competing with international garment producers. As a consequence, they failed to payback their loans in time, which also prohibit them for access of working capital that causes vicious circle of financial problems for expansion and product improvement through the access of better quality of raw materials and bulky purchases of necessary inputs in time.

5.3. Recommendations

The following points are forwarded as recommendations.

1. Since majority of consumers do not prefer domestic garments because of garment quality, design and color, garment producers are advised to correct quality defects such as durability problem, easily fade, not-stretchy, sleazy, stiff, wrinkles, color bleed in wash, rough and uncomfortable. These problems are due to using poor quality cotton, shortage of chemicals and necessary inputs. To reduce or avoid these quality defects, the producers have to acquire inputs with acceptable quality. This is possible by establishing trade credit agreement with suppliers of input because suppliers can serve as sources of finance in case of good relations exist. Establishing close relation with financial institutions to get better credit, and the facilitation of Letter of Credit for foreign purchase of inputs can also reduce the delivery delay of imported inputs.

2. Most consumers found cotton content as good quality of domestic garments. So producers have to use this as strength, and solving the weakness in quality, can grasp more sales because of shift in preferences of consumer to local garments.
3. The producers of garments are advised to provide off-the-job on practical, theoretical and on-the-job training on the design of garments and enhance the skills of workers in the operation on machine and electrical parts of the manufacturing plants. They are also advised to learn on how to make modern design of garments in terms of color, physical appearances and fit of garments through experience sharing with designers from developed nations and hiring designers **with the help of Ethiopian Textile Industry Development Institute**. Furthermore, to reduce or avoid lack of skilled workers that caused the design problems in this industry, there should be an involvement of government by designing the curriculum that provides educated personnel at technical and vocational schools and University level in such industry.
4. Since the existing fabrics and garment manufacturing machines are of outdated technology, replacing with new and efficient accessories of garment manufacturing machine can solve the finishing and quality problems. This can be done through credit from the Development Bank of Ethiopia or through buy back arrangement with the suppliers of such machineries.
5. Consumers favor the price of domestic garments. An improvement in the quality of garments associated with improved design, color and other garment features attracts consumers towards the purchase of domestic garments. So, producers can use this as an opportunity to generate good sales. This can be done if they get assistance from government. The government has recently started banning direct export of cotton by imposing high tariff rates up to 150% on export of raw cotton which is supported to continue. This increases the supply of raw cotton in domestic market since its absence adversely affects the textile and garment industry performance.
6. The textile and garment producing industries have to create a backward and forward linkage (as a supplier and a consumer of each other's output and input) among themselves and with textile mills, cotton ginneries and cotton farms which leads to low cost of production, high quality cotton, yarn, and fabric supply. This helps in the production of garment that can potentially meet the requirement of international and local markets demands in terms of quality and quantity.

7. Enhancing the establishment of support industries for the supply of caustic soda, starch, bleaching agents, dye stuffs, printing chemicals, accessories like button sewing threads, needles, packing material, furnace oil for steam generation, polyethylene bags, zippers, and other relevant spare parts, supported by laboratory and research service for quality control and upgrading product quality and production efficiency with the initiative of governments and investors can significantly reduce the prevailing problems in the quality of garments and production capacity. This is the main solution for garment quality defects caused by shortage of supply and delivery delay, poor raw material inputs and coloring problems that significantly affects garment quality.
8. Domestic garments are not widely available. Producers can abundantly distribute their products through indirect channels of distributions by convincing whole sellers and retailers through advertisement and giving the sample garments with improved quality and design if their output capacity is enhanced through financial and trade arrangements for inputs.
9. To reduce or avoid bad attitude of consumers towards domestic garments, persuading advertisement has to be made. This type of advertisement is useful to convince consumers that domestic garments quality, design, color and other related problems that have been affecting their preferences are avoided or improved to meet consumer needs. This possible if the prevailing problems related to garment attributes are solved by producers.
10. Since there is no sufficient advertisement, an increase in advertisement with garment quality and other garment features improvement can lead consumer preferences towards local garments. Celebrity endorsement can also reduce bad attitude of consumers towards local garments. This can be done through well known celebrities such as artists by producing garments on which their photographs are printed, and charming words about domestic garments showing ethnocentrism. Publicly accessible Medias such as Television, Newspapers, Magazines, and Radios are advisable means of advertisement Medias based on cost-benefit analysis of the marketing departments of garment producers. Further, trade fairs and bazaars are recommended means of advertisement for domestic garments.

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Appendix A: Skewness Statistics of Data for Normality of the Distribution

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Prefer domestically produced garments	331	.00	1.00	.2054	.40463	1.465	.134
Quality comparison of domestic garments with imported garments	331	1.00	5.00	2.4048	1.07556	.462	.134
Price comparison of domestic garments with imported garments	331	1.00	5.00	2.1178	.85706	.788	.134
I have sufficient awareness of domestic garments availability in local market	331	1.00	5.00	3.5770	1.28957	-.470	.134
I prefer dressing domestic garments because of my reference groups	331	1.00	5.00	1.9335	1.08786	.942	.134
I prefer domestic garments because of my self-concept	331	1.00	5.00	3.9486	1.30747	-.985	.134
Quality is the main factor that negatively affecting my domestic garments preference	331	1.00	5.00	3.8489	1.44647	-.876	.134
Price is the main factor that negatively affecting my domestic garments preference	331	1.00	5.00	2.2115	1.08040	.920	.134
Domestic garments are sufficiently advertised in local market	331	1.00	5.00	2.3988	1.32500	.267	.134
Valid N (listwise)	331						

Appendix B
JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
Masters of Business Administration

Questionnaires to conduct pilot study about the proportion of consumers preferring domestically produced garments.

Dear respondents,

This questionnaire is used only to determine the proportion of consumers preferring the domestically produced garments such as T-shirt, shirt, sweater, trouser, knitted under wears and jackets. Please provide your response on the question raised.

1. Do you prefer domestically produced garments of the described types?

Yes No

2. Have you ever bought domestic garments of the above type?

Yes No

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Appendix C

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Masters of Business Administration

Questionnaires to collect data about Domestically Produced Garments from consumers.

Dear respondents,

I am conducting a research work on the title “Factors Affecting Consumer preferences of Domestically Produced Garments” as a requirement for the Degree of Masters of Business Administration. I kindly request you to provide the genuine information about the garments. Your responses will be kept secret, and used only for the Academic Research purpose.

Thank you in advance, Addisu Yilma.

Note to Enumerators!

- ***Do not write respondents' name***
- ***Put a tick mark (✓) on the response***
- ***The study is only about these products -
T-shirt, shirt, Knitted underwear, sweaters, trouser and jackets.***

Part I: Questions Related to Consumers' Behavior and Product Attributes of Domestically Produced Garments

Instruction: put a tick mark on the choice of respondents

1. Do you prefer domestically produced garments?
Yes No
2. Have you ever bought the domestic garments specified in the first page?
Yes No
3. If yes in Q.2, which one of the following have you bought?
T-shirt Knitted underwear
Shirt Trouser
Sweater Jackets
4. If your response is No in Q1, what is /are your reason(s) not to prefer? (possible to choose more than one)
Due to their quality problem Finishing problem
Due to their price Lack of awareness
If others (specify) _____
5. Compared to imported garments, domestic garments quality is
Best Bad
Better Very Bad
Same
6. If you have ever encountered good quality of domestic garments, please choose from the following (possible to choose multiple options, and they are the opposite of Q6 above)
 Durable
 No fade
 Stretchy
 Firm (strong)
 Non-stiff (operate freely)
 Non-Wrinkles
 No color bleeds in wash
 Smooth
 Others
(specify) _____

7. If you have ever encountered quality defects of domestic garments, please choose from the following (possible to choose multiple options)

- Not durable- garment with no capacity of withstanding wear and tear and decay
- Easily fade –los freshness and color shortly after used
- Not stretchy –not capable of resuming former size after wash
- Sleazy -thin and loosely woven
- Stiff – not operate freely while dressed
- Wrinkles – garment gather or contract into wrinkles or folds; no pucker
- Color bleed in wash –lose color in water while washed
- Rough – not smooth
- Uncomfortable –experience physical discomfort while dressed
- Other

(specify)_____

8. Compared to imported garments, how do you evaluate the price of domestic garments?

Price of domestic garments is

- Very high Lower
- Higher Very low
- About the same

9. Are you proud of dressing domestic garments?

- Yes No

If No, why?_____

10. Does your family motivate you to buy domestic garments?

- Yes No

If Yes, how?

- Positively
- Negatively

11. Does your interaction with your friends motivate you on domestic garments purchase?

- Yes No

If Yes, how?

- Positively

Negatively

12. Does your preference of domestic garments motivated (influenced) by your reference groups?

Yes No

If Yes, how?

Positively Negatively

13. Have you ever considered your roles and status to purchase domestic garments?

Yes No

If yes, what way it affects you? _____

14. What is your attitude about domestic garments?

Very good Bad

Good Very bad Neutral

15. State your reason if your answer in Q14. is Bad or Very Bad

16. State any factor(s) you think that affects your domestic garments preferences _____

Part II: Instruction: In this part, questions about consumer preferences and consumers' evaluation of domestic garments on different factors are given. So, put a tick mark on the choice of agreement. You can only tick one option!

Response scale

5=Strongly Agree, 4=Agree, 3=Neutral,
 2=Disagree, 1=Strongly Disagree

S.No	Items	Response scale				
		1	2	3	4	5
1	I have sufficient awareness about domestic garments availability in local market					
2	I prefer dressing domestic garments because of my reference groups					
3	I prefer dressing domestic garments because of my own self-concept					
5	Quality is the main factor that negatively affecting my domestic garment preference					
6	Price is the main factor that negatively affecting my domestic garment preference					
7	I prefer domestic garments if they are widely available in local market					
8	Dressing domestic garments reflect my roles and status					
9	Domestic garments are widely available in local market					
10	Domestic garments are sufficiently advertised in local market					
11	Advertisement campaign of domestic garments can lead my preference to domestic garments					

12.If You have any suggestion, please specify?

Part III: Questions Relate to General Background Information

Instruction: Put a Tick mark (✓) for the following which match the choice of respondents
(family income will apply for student respondents)

1. Gender A. Male
B. Female
2. Age
A. Under 20 years
B. 21-30
C. 31-40
D. 41-50
E. Over 50 years
3. Educational level
A. 12 complete or below
B. College diploma
C. B.Sc. or B.A. degree
D. Post graduate or above
4. Occupation
A. Civil Servant
B. Merchant
C. Self-employed
D. Student
E. Other (specify) _____
5. Income level
A. Below Br. 1000 per month
B. Br. 1001-2000 per month
C. Br. 2001-3000 per month
D. Above Br. 3000
6. Religion _____

End!

Appendix D

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Masters of Business Administration

Interview Questions to collect data from Garment Manufacturers

1. What are the types of garments your company is producing now?
2. Are the products produced for local or export market?
3. Is there quality or any other difference on products produced for local and export market? If so why?
4. What does the sales (demand) trend (increasing or declining) in local and export market? For which product is less demand?
5. Is there any problem your company is encountering on garment design, raw material, labor skill, chemical or finance problems?
6. Does your company uses its own retails or pre-established market channel?
7. Does your company have good access of retailers and whole sellers?
8. Does the domestic garments (your company's products) are sufficiently advertised in local market and through which media types?
9. Do you think domestic garments (your company's products) are sufficiently available in local market? If no, why?
10. Generally what are the major problems your company is encountering (internally and externally) that affect its operations?