THE INFLUENCE OF CONSUMER ETHNOCENTRIC TENDENCY ON THE ATTITUDE TOWARDS LOCALLY MANUFACTURED AND IMPORTED CLOTHES.

BY

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DECLARATION

This thesis is my original work and has not been presented for a degree in another university

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DEDICATION

This project is dedicated to those who have dreams and have made sacrifices towards their achievement.

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Abstract

This study focuses on the consumer ethnocentrism and its relationship with attitude towards locally manufactured and imported products. It analyses ethnocentrism as an innate component of every society and individual as a result of their socialization and surrounding. The analysis of ethnocentrism is carried out on the basis of both second hand and new locally manufactured products. Attitude towards a product on the other hand is analyzed as the sum of attitude towards it components following the multi attribute attitude model proposed by Fishbein. The study confirms that:

a) Nairobi consumers have less than average ethnocentric scores on the ethnocentrism scale. However they exhibit a greater level of ethnocentrism with respect to new locally manufactured products.

b) Nairobi consumers have less positive attitude towards locally manufactured clothes compared to both imported and second hand clothes, mainly because they believe the product does not offer the right level of desired attributes.

c) There is a direct positive relationship between consumer ethnocentrism score and attitude towards locally manufactured clothes.

1.0 CHAPTER ONE

BACKGROUND

The continuing economic liberalization, divestiture from state corporations in Kenya and the rapid globalization of trading relationships between organizations and countries has transformed the structure and nature of competition that local organizations have to deal with. The existing players in the various manufacturing sectors have had to cope with a greater consumer focus directed to their products and services in comparison to not only their internal competitors in the industry, but also to those from wider international sources. To the consumer on the other hand, the wider supplier base has provided greater choice of product quality, price, and brand image in every consumption situation. Naturally, in former controlled economies, the greater availability of a wider product range to satisfy a particular consumer need has progressively tipped over the advantage scale from the producer's side as it was, to the consumer's side (Buzzel et al. 1995). As a result only those supplier relationships and products that clearly offer the optimal utility to the customer and that are developed with the customer as the focal point have remained competitive and profitable.

The Kenyan consumer culture has equally matured with the developments in the market. The local consumers have become more educated and conscious of their own utility needs in any consumption situation, (sometimes) to the extent that they have been accused of positive bias towards imported products. Producers in particular realize that Kenya is not an exception in the developing trend in the globalization process that exposes worldwide consumers to a greater selection and a wider range of foreign brands than ever before. As a result, they have a greater need to understand the factors related to consumer perception and attitude toward imported good vis-à-vis domestic product.

While there may exist real advantages in the consumption of imports, including better brand names, favorable country of origin image, better attribute quality and production and distribution circumstances that give cost advantages reflected in lower prices to the consumer (Levitt, 1983), it is thought that these are only part of the big picture. The real cause of this bias is thought to be the negative perception consumers have towards locally produced goods. The current depressed state of the Kenyan economy and the resultant drop in purchasing power has added a critical dimension to this perceived consumer apathy.

The impact of imports on the overall performance of Kenya's economy is far-reaching and widespread. This is perhaps put in better perspective by the presidential address to the 'Marketing Kenya Forum' in July 1999;

> "Please find out why the Kenyan psyche is such that only imported products are of any appeal. Let me know what happened to those successful 'Buy Kenya, Build Kenya' campaigns of yesteryears. Let me know why our communication media have become effected peddlers of foreign influence to the detriment of national identity; and let me know why our electronic media are blaring with foreign music and programs most of the time" (Sokoni, 1999)

The development and sustenance of domestic manufacturing depends on consumer acceptance of goods manufactured in that country either by indigenous or regional concerns of global organizations. Of even greater challenge to domestic manufacturers is imported brands' dominance in the local market, that threaten to turn the local economies into distribution rather that industrializing economies. This trend could be attributed in part to the rudimentary and inefficient status of the local manufacturing and the fact that consumers view those domestic products as inferior in quality to those from advanced countries. In most sectors of the economy, reduced outputs, redundancies, corporate restructuring and total collapse of firms or even a sub-sector have been the inevitable consequences. Preference for foreign products, many which are inferior to similar goods manufactured locally is threatening the local industries and therefore presents one of the biggest challenges to industrialization driven economic development paradigm shared by a number of developing countries (Okechuku and Onyemah 1999). The subsequent effect of this preference for foreign products on jobs for Kenyan workers, their purchase power and living conditions of consumers has been very significant and has created a vicious circle of low demand, stagnation in industrial growth and poverty.

Consumption is a function of income and a low level of the latter is often an incentive to search for high utility consumption options. The search for these options have been enhanced by the increased awareness, through internet, television and generally improved communications worldwide of goods available to consumers in developed countries and which they are interested to own. Studies of consumer behavior show that buying decisions are chiefly influenced by – product attribute evaluations, brand name, product price, and perceived quality of the product (Schiffman and Kanuk 1996). For imported products, country of origin effect adds an important dimension to the equation. Studies have shown that attribute and related judgments of imported products are dependent measures of country image and that each of these variables will independently or jointly influence the consumer buying decision (Klein, et al 1998). In the international marketing arena, managers often leverage and exploit both country of manufacture and brand name to enhance consumer perception of their offerings for competitive advantage.

In Kenya today, the label 'imported' has become a positive selling point for most products and could even be used on domestic products to gain better acceptance. The extent of this apathy towards domestic products across demographic segments of the Kenyan consumer is arguable. However, the need to understand the factors behind this psyche that negatively impacts on the actual growth and prosperity of domestic industries and manufacturing enterprises cannot be overemphasized. The urgency of this need is perhaps better emphasized by the statement in the presidential address highlighted above:

> "Any marketing campaign must therefore address the Kenyan consumer as well and educate him on the relationship between buying goods made in Kenya and availability of jobs locally" (Sokoni (1999)

The most widely used construct for understanding consumer purchase behavior towards domestic products vis-à-vis imported alternatives is the Consumer Ethnocentrism Scale developed by Shimp and Sharma (1987) and measured by

CETSCALE. In this study, consumer ethnocentrism refers to the belief held by consumers about the morality and propriety of purchasing foreign goods as opposed to locally manufactured alternatives. In general, studies indicate an inverse relationship between CETSCALE scores and consumer purchase willingness and quality perceptions of foreign products, cultural openness, education and income. CETSCALE can therefore be looked at as a measure of a consumer's pride in his or her identity and culture both at an individual and national level, sense of patriotism and galvanized focus to support collective national growth, projected in the consumption of domestic products, the tangible results of which are jobs and better livelihood for all.

1.1. Statement of the Problem.

Many Kenyan firms have used promotional themes that exploit nationalistic sentiments with mixed results; East African Breweries (Tusker), Kenya Airways, British American Tobacco (Sportsman), Mumias Sugar among others. This promotional approach which exploits consumer nationalism has been widely used (and successfully) by firms in other countries to promote their products both in their internal and external markets. German vehicle manufacturing firms and Japanese electronic manufacturing firms provide examples of successful use of positive country of origin image to penetrate both their internal and external markets. Still locally, we see Italian Men's Wear and German Men's Wear, prominent retail outlets that exploit positive country of origin image and aims to project it into the product quality judgment and attribute rating for competitive advantage.

Positive country of origin image is a reflection of a consumer's positive feeling and willingness to identify with that country and demonstrated through positive perception and purchase intention for products from that country. Han (1989) reports that Country of Origin is viewed as a halo through which product attributes are evaluated, therefore, positive country of origin image often reflect in positive attribute evaluation, and underlying such evaluation exists the innate individual sense and willingness to identify with that country.

Country of origin studies conducted in developed countries indicate preference for domestic products first and foremost, followed by those from other developed countries and lastly for those from developing countries (Okechuku and Onyemah 1999). This strong preference for domestic products has been found in countries where there is strong patriotism, national pride or ethnocentrism. Unfortunately however, this preference tends to be weaker in under-developed economies. Mexicans have been reported to be obsessed with American products, Indians too exhibit strong demand for western products, while in China local products have been passed as western imports in a practice commonly referred as Maoyan'g (Okechuku and Onyemah 1999). Similarly strong sentiments among key stakeholders in the Kenyan economy suggest strong demand for foreign products at the expense of domestic substitutes. Whether these fears are real or imaginary is however open to debate.

Although many studies have been carried out to address the fundamental issue of 'country of origin effect' a meta-analysis of this effect concludes that the construct is 'only somewhat generalizable' (Peterson and Jolibert (1995). Therefore, the conditions under which Country of Origin effect can be said to account for perceptions, attitudes and purchase intentions are not fully delineated, and the need for empirical research that builds on the present understanding and takes into account the variety of consumption circumstances still exist. In addition, the available studies of consumer ethnocentrism have been done mostly in the developed and developing countries of the east and west. This research seeks to put consumer ethnocentrism in the Kenyan consumer context by relating it directly to their attitude toward a specific locally manufactured vis-à-vis imported product. It proposes to answer four questions namely;

a) What is the ethnocentric tendency of Nairobi consumers?

b) Does their ethnocentric tendency change in respect to second hand products?

c) What is their relative attitude towards the 'locally manufactured' and imported clothes.

d) Is this attitude related to the degree of ethnocentrism?

1.2. Objectives of the Study.

The overall objective of this study is to determine the ethnocentric tendency of Nairobi consumers and how it influences their attitude towards a specific locally manufactured and imported product. This overall objective is achieved through the following specific objectives:

1) To determine the ethnocentric tendency of Nairobi consumers.
2) To determine whether there is a difference in the degree of ethnocentrism in relation to new and second hand products.
3) To determine the consumer attitude towards the following categories of clothing:
   i) locally manufactured clothes
   ii) Imported new clothes
   iii) Second hand clothes in general
4) To determine the relationship between consumer ethnocentrism and the attitude toward locally manufactured and imported clothes among Nairobi consumers.

1.3 Importance and Justification of the Study.

Kenya's plan for economic growth puts a high premium on industrialization, since historically, industry has shown a greater potential to stimulate economic growth. The 1997 to 2001 development plan therefore identifies both agriculture and manufacturing as the twin engines for rapid economic growth. However, the country cannot hope to develop efficient manufacturing infrastructure without supporting consumer base whose needs form the basis of their innovative products and services.

To quote the Kenya Association of Manufacturers Chairman:

> 'This country (Kenya), like any other in the world cannot develop by embracing cheap foreign products at the expense of its citizens and indigenous industries' ('Daily Nation' Business Weekly, Tuesday July 11th, 2000)

The small size of the domestic market is in itself a constraint to industrial expansion. Consumption of imported products at the expense of their local equivalents therefore compounds this constraint. The consumption of imported products and in particular, second hand products is symptomatic of economic hardships and poverty in society. The greatest effect of this trend has been felt in the Leather and the Textile sub-sectors. This study hopes to enhance the understanding of domestic consumer attitude towards locally manufactured products and to provide an important background to developing better products and services that enhance the country's competitive position.

The textile industry is one of the most affected by the importation of both new and second hand products into the country. This impact has been felt right from the small scale cotton farmer who cannot find a ginnery to sell their picks to collapsing textile firms that have no where to sell finished clothes. The demoralization of the farmer is further demonstrated by the fact that Kenya has moved from a net exporter of lint in the 1970s to a net imported, with the current domestic production accounting for only 10 to 15% of 1000 tons monthly requirement (KAM Textile Sub-sector Position Paper 1999). The textile sub-sector experienced real growth in the 1970's achieving an overall domestic over-capacity. The liberalization of the textile market in the early 1980's, that made the importation process simpler only served to compound their woes by exposing their competitive weaknesses (Phelps 1970). This problem is demonstrated by the shrinking employment opportunities in the sub-sector (estimated at 85000 in 1980's compared to 15,000 currently). In addition, the current installed capacity utilization stands at a meager 40%. This Sub-sector therefore provides an ideal case that demonstrates the full impact of liberalization.

The effects of importation of second hand and new textiles and clothing into the country is perhaps put into better perspective by the significant drop in the quantity index of textile and clothing manufactured between 1991 and 1995 and the drop in the number of large textile and clothing manufacturing firms in the same period. These are demonstrated on Tables 1 and 2

Table: 1- Quantity Index for Manufacturing Production

Year/Product	1991	1992	1993	1994	1995
Textiles	218.5	218.5	252.2	186.9	136.5
Clothing	323.6	320.6	292.4	183.9	153.0

Quantity in Million Sq. Meters

Source: Republic of Kenya Statistical Abstracts 1996

Table: 2– Number of Textile and Clothing Manufacturing Firms

Years/ Type of Manufacturing Firm	1991	1992	1993	1994	1995
Textile Manufacturing Firms	58	60	42	40	50
Clothing Manufacturing Firms	76	76	57	42	54

Source: Republic of Kenya Statistical Abstracts 1996

Both tables show a decline in both production capacity and actual output. Only the leather and footwear sub-sector, similarly faced with competition from new and second hand imports experienced a greater decline in the same period. The supporting market for the clothing and textile sub-sector over this period has been the increased exports particularly to the North American markets. In light of the above, this study would help:

a) the players in the textile sub sector to recognize short comings in the sector and the viable options to address them.
b) Government and private sector policy makers to formulate an integrated approach to address consumer apathy towards locally manufactured products.

1.4. Scope of the Study

This study analyses consumer ethnocentrism as a general construct and relates it to attitude as object specific concept. While it may lead to recommendations and conclusions, it does not focus on the discovery of the reasons behind the tendency or attitudinal orientation.

This study focuses on the attitude of the final consumer and not the trade. However, since the trade is dependent on the final consumer, some of the observations may be generalized to include them.

2.0. CHAPTER TWO

LITERATURE REVIEW

Rapid globalization of the world economy and the resultant availability of foreign brands and wider consumption options for consumers have continued to expand the competitive scope and intensity for all business participants. Advances in technology has continued to proletarianize transport, communication and travel making isolated people and places eager for modernity, as a result, almost everyone everywhere wants the things they have seen, heard or experienced through technology (Bussel and Quelch, 1995). No region or product is therefore exempt from the new republic of technology whose supreme law is convergence and commonality of preferences. The competitive drive in this transformed market thrives on standardization of offers across all markets, manufacturing and institutions of trade and finance that lead to the best combinations of price, quality, reliability and shortest delivery lead times for the consumer (Levitt, 1983). From marketing perspective, the reality of dominant foreign brands in the local markets and the exploitation of foreign consumption opportunities are no longer a subjects of speculation but have become dominant realities and elements of day to day operations. The specter of global competition therefore spells doom for domestic territoriality and by extension competitive strategies that may be built on this background. Accordingly, marketers have shown a growing interest in understanding the factors that relate to consumer evaluation and selection of imported products, in particular the development of measures that are useful in assessing and predicting consumer attitudes and preferences for both domestic and foreign products (Klein, at al (1998) and Netemeyer, at al (1991).

Ethnocentrism is a purely sociological concept which distinguishes between in and out groups and therefore describes a sense of belonging of an individual in society. This concept was introduced into the study of sociology more than 90 years ago by Sumner, an American Sociologist (Shimp and Sharma 1987). Although the use of ethnocentrism in the study of consumer behavior had been recognized in the past, no known work had been carried out to reformulate the concept specifically to suit the study of marketing and consumer behavior (Shimp and Sharma 1987). A psychometrically rigorous measure of consumer ethnocentrism as a construct adapted from the general concept of ethnocentrism, with specific reference to consumer behavior studies was developed by Shimp and Sharma in 1987. The measuring instrument for this construct is termed as the CETSCALE or Consumer Ethnocentric Scale. It is a measure of tendency – a general disposition to act in a particular fashion with respect to foreign products in toto (Shimp and Sharma 1987). This global construct describes a general attitude and provides a useful predictive tool for the likely behavior of consumer(s) towards locally manufactured vis-à-vis imported products.

Because of expanded scope of international consumer research, the need to understand and validate measures of consumer behavior across countries that actively trade with one another is paramount. For multinational organizations, such measures would not only facilitate their marketing strategies in foreign countries but also help in positioning new products appropriately. Validation studies of the CETSCALE confirm its structural validity and reliability (Natemeyer, et al 1991). The same study further confirm the consistency of correlation between the CETSCALE and attitude, beliefs and ranking of variables across countries studied. These studies of consumer ethnocentrism confirm a general inverse relationship between CETSCALE scores and the willingness to purchase foreign products (Shimp and Sharma 1987, Netemeyer, et al 1991). Studies of Consumer Ethnocentrism are intricately linked to Country of Origin studies except the origin of the stimulus of judgement in one case is the respondent's own country. In deed, Peterson and Jolibert (1995) report in their Meta- analysis of Country of Origin studies that the Country of Origin effect tends to be larger where the origin of the stimulus product is the same as the respondent's own country. However, these studies have only tended to provide a basis to infer a similar relationship between consumer ethnocentrism and country of origin image without directly establishing that such specific relationship exists. It can therefore be argued that such relationships and their nature could only be product or country specific and can only be assumed to exist and that, the nature is open to empirical investigation on a case by case basis.

Consumer ethnocentrism plays an important summarizing construct in consumption circumstances whose justification involves a product attribute evaluation process in which country of origin plays a mediating or generalizing influence. Shimp and Sharma (1987) suggest that CETSCALE could form international firms' studies of consumer attitudes in both the domestic and external markets. However, because of its summarizing nature, Klein and colleagues (1998) argue that the knowledge of consumer ethnocentrism of a given region may be of limited help to international organizations if there are other country specific variables that may affect attitudes towards product acceptance or consumption. The usefulness of the CETSCALE can therefore be enhanced by understanding the product or country specific mediators of it's manifestation.

Country of origin image and brand popularity have been sited as the key variables affecting the long term success of brands and firms in the global market place (Kim and Chung 1997). Therefore, the capacity of organizations to track attitudes and the mediating factors in their domains of operation is a major concern. Such factors may be a general country image problem with no distinguishable cause or that related to remnants of antipathy based on historical military or economic conflicts (Klein, et al 1998).

Most studies of consumer ethnocentrism have been conducted in the developed and developing economies of the east and west. Only one related study has been recorded in sub Saharan Africa (Okechuku and Onyemah 1999). This study however focussed more on the influence of country of origin on consumption of imported viz-a-vis locally manufactured products without specific reference to the level of consumer ethnocentrism in the country of study. It confirms the specific preference for products from more economically advanced foreign sources at the expense of locally manufactured products (Okechuku and Onyemah 1999) as opposed to measuring the general attitude toward the two categories of products.

While all the existing analyses of consumer ethnocentrism considered only cases of new imported products, in the Kenya scenario, some manufacturing sectors have far greater problem posed by second hand imported products. Therefore, it would be of greater relevance to our national circumstance to establish whether a new or used product has any influence on the measure of consumer ethnocentrism and therefore if the perceived positive predisposition towards foreign products is despite the fact that they may be second hand. Of even greater concern is the fact that in the past decade, it has been obvious that under-developed economies have become increasingly important as secondary markets for both consumer durables and non durables. This has become a deepening concern area for government and non government policy makers whose aim is the creation of enabling environments for the development of domestic manufacturing competencies as an engine for economic growth.

2.1. Conceptual Framework

Consumer ethnocentrism is an underlying belief at both societal and individual level. It is conceptualized as an innate influence on the consumer behavior and decision making process based on his or her socialization. The manifestation of consumer ethnocentrism summarized diagrammatically in figure 1. It demonstrates that consumer ethnocentrism is part of an underlying societal and individual culture that serves to direct the consumption behavior of members particularly where a choice has to be made between locally manufactured and imported products. As an underlying characteristic, consumer ethnocentrism influences the interpretation of all external marketing efforts, individual pre-purchase information search, product choice and the post consumption learning process that follows. Attitude on the other hand is a psychological expression of like or dislike towards an object developed over time and through experience. Therefore, because the formation of attitude towards an object takes place through experience with the product – (through direct consumption, information acquired from others, and exposure to mass media), it involves all stages of the consumer decision making process.

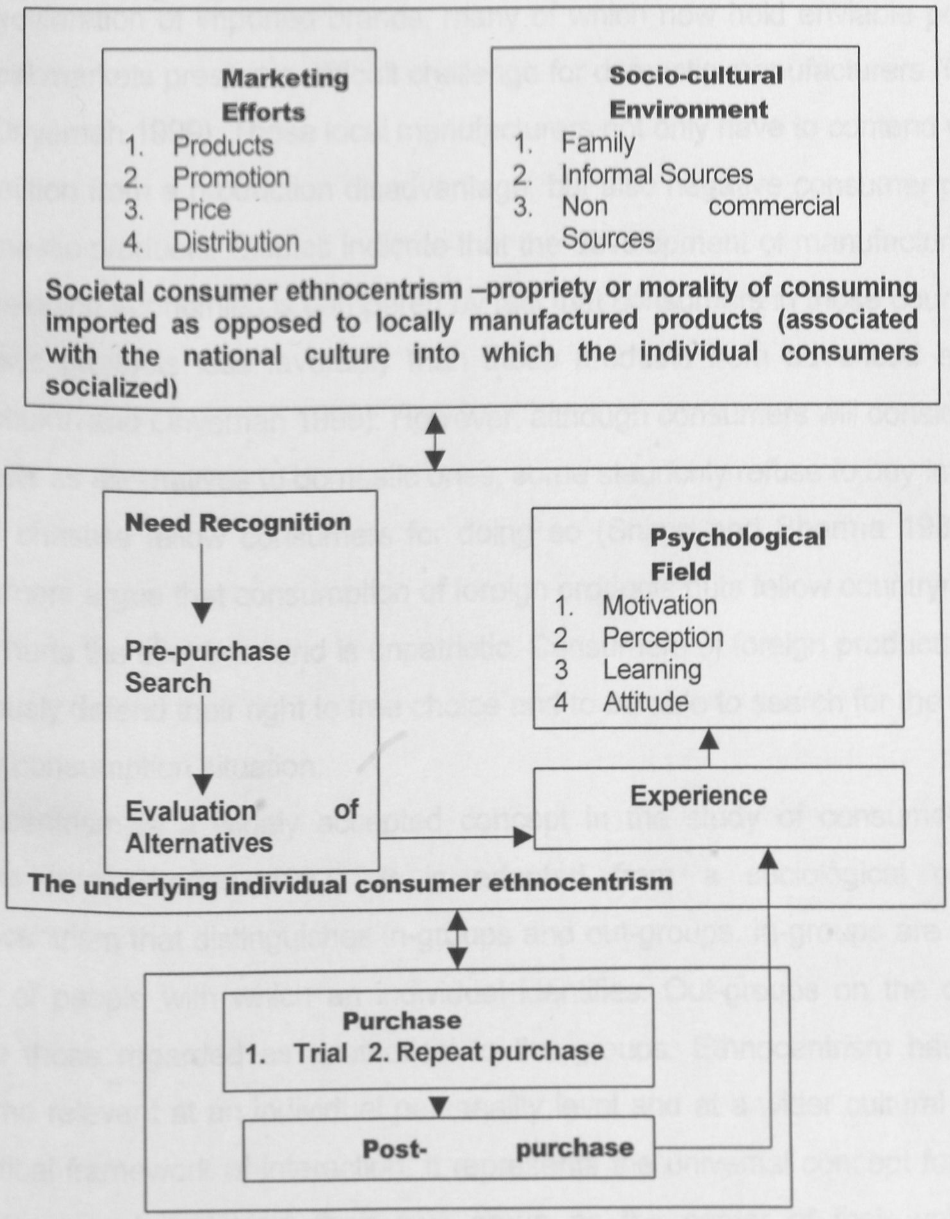


Figure 1: Model of Consumer Ethnocentric influence on consumer decision making, (Modified from Schiffman and Kanuk. 1996)

2.1.1 Consumer Ethnocentrism

The proliferation of imported brands, many of which now hold enviable positions in the local markets present a difficult challenge for domestic manufacturers (Okechuku and Onyemah 1999). These local manufacturers not only have to contend with direct competition from a production disadvantage, but also negative consumer perception of domestic products. Studies indicate that the development of manufacturing sector in developing economies is hampered by fact that consumers in those countries view domestic products less favorably than those products from advanced economies (Okechuku and Onyemah 1999). However, although consumers will consider foreign products as alternatives to domestic ones, some staunchly refuse to buy imports and would chastise fellow consumers for doing so (Shimp and Sharma 1987). These consumers argue that consumption of foreign products puts fellow countrymen out of work, hurts the economy and is unpatriotic. Consumers of foreign products, however vigorously defend their right to free choice and to be able to search for the best value in any consumption situation.

Ethnocentrism is a widely accepted concept in the study of consumer behavior (Shimp and Sharma 1987). It is adopted from a sociological concept of ethnocentrism that distinguishes in-groups and out-groups. In-groups are defined as a set of people with which an individual identifies. Out-groups on the other hand define those regarded as antithetical to the groups. Ethnocentrism has therefore become relevant at an individual personality level and at a wider cultural and social analytical framework of interaction. It represents the universal concept for people to tend to accept and view their own group as the center of their universe, the omnipotent. Ethnocentric people interpret their social unit from the perspective of their own and reject people who are culturally dissimilar. They take pride in their own values symbols and people, and therefore accept without question those who are culturally similar and their symbols and values become object of pride and attachment (Netermeyer, et al 1991).

Consumer ethnocentrism is used to refer to the belief held by consumers about the appropriateness and morality of purchasing foreign made products as opposed to the domestic equivalents (Netermeyer, et al 1991). From the perspective of the ethnocentric consumer, purchasing imported products is wrong because in their mind it, causes job losses, is plainly unpatriotic, and because the imported products are out-groups, they should be held in contempt. From the perspective of a non-ethnocentric consumer on the other hand, imported products should be evaluated in their own merit, without consideration of their origin or manufacture. In their view the product origin would even impart on it a positive attribute. Operationally, consumer ethnocentrism gives a consumer identity, sense of belonging, and an understanding of which purchase behavior is acceptable and which one is not. Studies of consumer ethnocentrism indicate an inverse relationship between its relative level and willingness to purchase imported products, cultural openness, education and income. This tendency is also observed to increase when products are perceived to be unnecessary or when consumers believe their personal or national well being is threatened by imports (Klein, et al 1998). Therefore, it can be argued that, because of their positive attitude toward domestic products in general, ethnocentric consumers have more attachment and positive image of their country as a product source vis-a-vis other countries.

2.1.2 Consumer Motivation

Motivation, perception, learning, beliefs and attitudes form the psychological characteristics that influence consumer purchase choices. A motive is a need that is sufficiently aroused to precipitate action intended to satisfy that need. Herzberg's two factor theory of motivation identifies factors that would shape future consumer intentions and behavior towards products (Kotler, 1994). He identifies satisfiers as product attributes, experiences and associations that motivates present and future consumption on the one hand and dissatisfiers being those that tend to discourage present and future consumption of a product or service. These two factors will be associated at different levels to products, brands, manufacturers and even country of origin depending on the consumption experience and reinforcements of each situation.

Sufficient motivation depending on the type of consumption (simple routine or complex decision making) leads consumers to information search. With the increased exposure of consumers to wider and different sources of information, there is a greater pool of knowledge, products and services from which to choose in the search for the attainment of the desired level of satisfaction (Russel et al 1995). Neng (1999) report that, both corporate bodies and individual consumers are motivated to consume imported products because of 5 main reasons;

a) Lack of domestic availability
b) The search for competitiveness or utility,
c) To access new technology, designs and styles
d) Pursuance of a global import strategy and reduction of costs
e) To enhance their utility from each purchase situation.

The initiation of any import process can be said to have an underlying motive of achieving a satisfying consumption and a rationalization of costs and benefits of a specific consumption. It can therefore be argued that a motive that requires a consumer choice between locally manufactured and imported products will have an innate ethnocentric influence in its perceptual and behavioral manifestation.

2.1.3 Consumer Perception.

Consumers are constantly bombarded with information, which they have to digest and make sense of in their daily lives. Perception refers to the process of gathering, organizing and interpreting information to form a coherent picture that leads to action (Schiffman and Kanuk 1996) In consumption process, stimuli are both intrinsic or concerning the product features and extrinsic or concerning communications about the product. The perception formed in every situation depends on the characteristics of the stimuli and the capacity to perceive the stimuli and the actions precipitated by their interpretation are mediated upon by environmental cues to which the consumers are exposed.

However, although the extrinsic stimuli are important in stimulating purchase, the ultimate determinant of consumer action in future is the experience with the product and the learning process associated with its consumption. Perception and action initiates a learning and reinforcement process that becomes a precursor to attitude-while attitude develop through a long term learning process reinforced by experience, perception development is about daily information gathering and processing. Consumers seek perceptual consistency between the messages processed and the belief developed over time about a stimulus (product). The importance of consistency of product communication and performance can therefore not be understated. Studies show for instance, that campaigns to persuade people to buy domestic products do not succeed particularly where products are perceived to be inferior to foreign products (Kotler. 1994). Similarly, Han (1989) report that, because consumers' true abilities to detect the true quality of products are not exhaustive, they use country of origin to infer quality of unknown products in a similar manner as price becomes a surrogate for other information in product evaluations.

Over time, consumers form product, brand, corporate or country of origin images that consolidates inferences from both internal experiences and external fantasies (Schiffman and Kanuk 1996). Positive firm and country of origin images reinforce positive perception of products from the firm or country. The reverse is observed for products from negatively perceived firms or country of origin. Perception and information processing about products and situations leads to the formation of beliefs and preferences which are the cognitive dimension of attitude formation. Just as there is a drive towards achievement of perceptual consistency in the messages processed and beliefs held, consumers also seek to strike a balance between those beliefs and the feelings or the evaluative dimension of attitude formation. Therefore, the beliefs about a product and the preference for product origins, must remain compatible with the reinforcing experience with it.

2.1.4 Consumer Attitude

An attitude is an expression of positive or negative predisposition towards an object (Kotler 1994). It is a result of inner psychological processes that are not directly observable and must therefore be inferred from actions and words. In consumer behavior perspective, attitude is a learned predisposition to behave in consistently unfavorable or favorable manner to a given stimulus (product or service). Models depict attitude towards a multidimensional object, as equivalent to the sum of attitudes toward its components. Myers and Alpert (1968), posit that attitudes are related to preferences and actual purchase decisions and are summations of attitudes toward various product features. Fishbain models attitude as a combination of beliefs and values such that:

$$A_o = \Sigma B_\iota a_\iota$$

Where A_o is the consumer attitude towards object o

B_ι = The strength of belief about o on attribute ι

a_ι = Value of the ιth attribute to the consumer

Σ = Summation of the combination over beliefs, attributes or dimensions

This model assesses attitude as the overall measure of affect for or against the attitude object derived from the presence or absence of and evaluation of certain product specific attributes or beliefs. The attribute evaluation is a subjective process of perception rather than controllable or directly measurable one. Although attitude is not as closely linked to behavior as intention, it provides a better explanation of behavior than intention and is related very closely to consumption disposition.

Similarly in the evaluation of worth, a product is viewed as a combination of part-worth based on analysis of trade off that is compatible with the consumer preference.

The total worth of a product to a consumer is therefore equivalent to the sum of its attribute utilities such that:

$U_\iota = \sum U_\iota f$

Where U_ι= Utility for the ιth brand

$U_\iota f$= Utility of the f th attribute of the ιth brand

The analysis of attitude toward a product as a summation of decomposed belief in product attribute and the value of that attribute to the consumer is in itself a reflection of the utility of that product to the consumer in a social dimension. Similarly, consumers form attitudes toward product country of origin, which form integral part of product evaluation in any purchase situation. Favorable country of origin attitude would reflect positively on the product and the reverse would be observed in a case of negative country of origin attitude.

2.1.5 Product Purchase Decision Process

Consumer purchase decisions can be analyzed along a continuum; from habitual to complex decision making processes. Habitual purchases in general tend to involve inexpensive frequently purchased low involvement products for which information search, evaluation and selection of alternatives would not be efficient. Purchases involving complex decision making on the other hand tend to involve expensive, less frequently purchased high involvement products to which a consumer has higher commitment and emotional connection. Such decision making involves simultaneous evaluation of attributes to reduce risks. In this process, there are particular product features which are considered to be more pre disposing to customer product preference, actual purchase or even making recommendations to others (Myers and Alpert 1968). These feature (which may include country of origin), determine purchase intentions and eventual purchase itself.

Marketers constantly work to develop brand loyal customers. Such loyalty is developed through attitude change and a learning process that one brand can consistently satisfy a particular need to the desired satisfaction. Such attitudes may be better re-enforced and to greater effect by focussing on enhancement of determinant attributes of a product Myers and Alpert 1968). Such loyalty may be seen through frequency of purchase and explained by probabilistic learning models. On the other hand behavior alone may not adequately explain loyalty, as there are many potential intervening variables involved.

Researches reveals that both behavioral and attitudinal measures better account for loyalty among customers (Kotler 1994, Schiffman and Kanuk 1996). Customers therefore exhibit true loyalty to products through repeat purchases based on cognitive, evaluative, affective and dispositional propriety. These define positive attitude that becomes the precursor for intention and behavioral action. A consumer that exhibits true brand loyalty and repetitive product purchase therefore must have a positive attitude towards that particular product. Therefore, just as loyalty is based on a positive brand name rather than tangible functional superiority of a product, positive attitude towards a country of origin as an extrinsic brand attribute, can also be used to reinforce that loyalty

2.1.6. Product Country-of-Origin.

Country of origin of a product refers to the country of creation, association, manufacture or final assembly of a product (Klein at al 1998). Country of origin in product choice is a widely investigated phenomenon, although most of the studies have been confined to developed countries (Okechuku and Onyemah 1999). These studies show that the influence of country of origin effect may be an informational influence on the product concept or a mediating influence in the interpretation of product attributes (Hong and Wyer 1990). Studies further show that consumers in developed economies have preference for products from their own countries, other developed countries and lastly from less developed economies in that order

(Okechuku and Onyemah 1999). However, the reverse tendency has been noted among the consumers in less developed economies. (Okechuku and Onyema 1999). Roth and Romeo (1992) propose hierarchy of product preference based on level of economic development, which shows a direct relationship between the perception of the product and the relative position of that country in the hierarchy (Okechuku and Onyemah 1999).

Country of origin effects on of consumer perception is an important variable in global trade as it offers non- product dependent option to build or fortify competitive advantage locally and abroad. Consumers have a desire to maximize their utility in each consumption situation, their search for alternative products therefore tend to be motivated by the need to reduce cost and reduce associated risk. Okechuku and Onyema (1999) have shown in their study that for consumer durable products, superior reliability and technological advancement are the key reasons for the preference of imported products. Even in less developed countries where incomes are generally low, price becomes a secondary consideration to country of origin in consumer choice. Success for domestic products as options for consumers is therefore dependent on their offer of similar or better quality price trade-off relative to imported products.

Consumers' preference for domestic products has been shown to be directly related to the degree of patriotism, national pride or ethnocentrism. This trend which has been emphasized in the studies of developed economies is however lacking in less developed economies (Shimp and Sharma 1987; Netemeyer, et al 1991; Okechuku and Onyemah 1999). Although country of origin studies have focussed more on consumer durables whose, consumption decision process is assumed to be much more complex owing to the higher perceived risks involved, Quester at al (1996) report that the influence of country of origin may still be dominant in fast moving consumer products circumstances if the country of origin information is provided. Further, Peterson and Jolibert (1998) confirm in their analysis that country of origin effect is a significant contributor to perception formation in consumer products. In this context, the country of origin information would be used as a summary construct or a surrogate indicator of quality to ease evaluation process

3.0. CHAPTER THREE:

RESEARCH METHODOLOGY

This research aims to examine a relationship that exist between ethnocentrism and the attitude of residents of Nairobi toward the purchase of imported and domestic products, with a special focus on clothes as a category of products. The independent factor in the study is level of ethnocentric tendency while attitude as one of the determinants of purchase likelihood is the dependent variable.

3.1 Study Population.

The target population of study is the residents of Nairobi. Nairobi is defined as the area composed of eight (8) administrative divisions set in Table 3 below.

Table 3. Geographical Distribution of the Study Population.

Administrative Unit	Coverage
1. Dagoretti	Waithaka, Kawangware, Kangemi, Riruta and Mutuini.
2. Kibera	Kibera, Woodley, Karen, Langata, Kenyatta, Golf Course, Mugumoini and Nairobi West
3. Central	Ngara West and East, Starehe, Pangani, City Square, Nairobi Central
4. Parklands and Westlands	Parklands, Kilimani, Kileleshwa, Muthngari and Masuwa
5. Pumwani	Pumwani, Bahati, Eastleigh, Kamikunji
6. Makadara	Hamza, Lumumba, Harambee, Kaloleni, Maringo, Viwanda
7. Embakasi	Njiru, Mihango, Dandora
8. Kasarani	Mathare, Kariobangi, Kahawa, Kasarani, Roysambu.

Source: Kenya population census map 1989

The provisional result of the 1999 national census estimates the population of Nairobi as defined above to be 2.137 million with a projected growth rate of 4.8%.

This population was selected because of three major reasons namely:

i) The cosmopolitan nature of the population (in cultural origin, education, and incomes) would remove the influence of ethnicity.

ii) Nairobi, being the business center of the country sets pace for the other parts of the country in many areas, not least in fashion and dressing.

iii) Their accessibility to the researcher.

3.2 Research Design

This is a survey research and therefore survey research design was used in order to cover as many respondents from the relevant population as possible. The questionnaire used as the data collection instrument was administered to the sample respondents, mostly on a 'drop and collect later' basis. The respondents were identified through known individuals in the specified geographical areas of the city. These individuals formed the initial sample units through who contact with qualified respondents in the localities was established.

3.3 Sampling

Because of non-availability of a complete ready sampling frame with details of the residents of Nairobi as defined in the census map and the limitation of time, only a non-probability sample was possible in the study. The administrative divisions were used as regions from which a number of respondents were subjectively selected as specified in section 3.2. This sampling method was used to achieve the widest and most representative population necessary for the research. In total, 400 questionnaires were distributed to the selected respondents. This number compares well with those used in similar studies carried out in the past (Okechuku and Onyema (1999), Klein et al (1998), and Shimp and Sharma (1987)).

3.4 Data Collection

The main data collection instrument was the questionnaire. A mixture of open-ended questions and a seven (7) point likert scale was used to capture independent thought, demographic information and specific decomposed elements of attitude and ethnocentrism scale. The scales were either constructed from a combination of relevant researches by combining different scales used in each case or adapted from existing validated measures used elsewhere in the past. In the construction of attitude scale for instance, scales used in the study of attitude towards specific consumer durable and non durable products were combined to achieve a proper balance in attributes for the product under study (Okechuku and Onyema (1999), Nagashima (1970)).

3.5. Operationalization of Variables in the Data Collection Instrument

This research focuses on two key constructs, namely:

3.5.1 Consumer Ethnocentrism

Consumer ethnocentrism is measured by Consumer Ethnocentric Scale (CETSCALE)- a measure of tendency that identifies the likelihood of consumers to reject or accept foreign made products. The scale is a measure of tendency rather than attitude since the latter is more object specific (Shimp and Sharma 1987). It captures the general disposition to act in a certain manner toward foreign products in toto. In this research the CETSCALE used is a 17 point questionnaire adopted from the original work by Shimp and Sharma (1987). It was administered in two parts with the adaptation of the wording to take into account the new and used clothing. The adapted CETSCALE can be seen in appendix 1 of the report. The scores on the scale is expected to range between 17 and 119.

3.5.2 Attitude toward Clothing

A product is a bundle of attributes and therefore a preference for a specific product and not similar substitutes is largely based on the belief that the product offers the best comparative level of attribute cost trade-off. A product's worth to a consumer is therefore a summation of the 'part worth' of its attributes to the consumer. The product under study is therefore decomposed into its constituent attributes that make up its total worth to a consumer and which affect a consumer's favorable or unfavorable disposition (attitude) towards its purchase. Analysis of attitude towards clothes is therefore possible through the analysis of belief that they have a consumer's desired level and combination of attributes and the higher the proportion contributed by the country of origin to the total worth the more close consumers are likely to be drawn toward a product from a positively perceived country of origin.

Attitude toward clothing construct is measured using a questionnaire that focuses on the importance of selected attributes and the belief that the products (clothes) possess the right level of this attribute. Although the attributes that appeal to consumers of clothes are diverse and would be best measured by a profile created through a decomposed model, which allows each respondent to define the desired attributes and the utilities attached to them based their own needs, this research uses attribute combination derived from previous researches that combines both consumer durables and non- durables. The measuring instrument adopted is therefore a combination of studies which, though not directly related to the one at hand, have a significant direct relationship with this study in terms of products attribute analysis (Okechuku and Onyemah 1999; Nagashima 1970)

3.6 Data Analysis

The data collected was organized into tables for further analysis. The analysis was done with the aid of SPSS 7.5 for Windows. The analysis methods used to meet the objectives of the research are:

3.6.1 Measures of Central Tendency and Dispersion.

Tables of means and standard deviations are used to summarize both the attitude and ethnocentric scales used. Comparisons of the means are subsequently used to test the significance of the differences observed.

3.6.2 Paired T Analysis

Paired sample analysis was used to establish the relative importance of each attribute as a component in the overall attitude formed toward the categories of clothes in the study. Through this analysis, the significance of country of origin in relation to the other product attributes in attitude formation could be established.

Through paired analysis of consumer belief that the categories of clothing under investigation possess the desirable attributes in the right proportion possible conclusions could be drawn regarding their causes significance in shaping up attitudes towards these products. Paired t analysis has been found suitable for this comparison since it concerns a single statistic that is normally distributed in the population. In addition, the comparison is being carried out within a single population, but with varying objects as the determinants of the varying levels of the statistic of interest.

3.6.3 Regression and Correlation analysis.

Regression analysis was used to establish the relationship between the ethnocentric tendency and attitude toward domestic and imported clothing. This analysis enables the nature of relationship between ethnocentric tendency and attitude toward locally produced and imported clothing to be established. This relationship has been plotted on a graph and the best fitting linear relationship established. The linear relationship established is in the general form:

$$Y = a + bx$$

Y= Dependent variable – attitude toward locally manufactured / imported clothes.

x= Independent variable – ethnocentric tendency

a = The value of the dependent variable when the independent variable is zero

b = The slope of the linear line of best fit

Correlation analysis has been used to establish the joint variation and the strength of the relationship between ethnocentric tendency and attitude.

These two analysis methods were used simply to measure the degree of association or co-variation and not to express a statement of causality.

4.0 CHAPTER FOUR

RESEARCH FINDINGS

4.1 Sample Statistics

A total of 400 questionnaires were distributed to respondents either directly or using electronic and normal mail. The completed questionnaires were then collected after two to three weeks. In addition paid interviewers were used to conduct direct interviews with the respondents who could not respond to the questionnaire on their own. A total of 250 completed and usable questionnaires were received (collected) from the respondents. This represents a response rate of 62.5% comparable to rates observed in similar studies elsewhere, (Okechuku and Onyema (1999), Klein et al (1998), Shimp and Sharma (1987)). The details of the sample parameters are presented in Table 4 below.

Table 4 : Sample Parameters

Parameters		Values
Sex	Male	50.3%
	Female	49.7%
Marital Status	Married	37.8%
	Single	62.2%
Age	Oldest	60 years
	Youngest	18 years

Source: Primary Data

4.2. Ethnocentric Tendency

The first objective of the research outlined in chapter one was to determine the ethnocentric tendency of Nairobi consumers. The tendency was measured using a 7 point CETSCALE composed of 17 questions with a minimum score (least ethnocentric) of 17 and a maximum score (most ethnocentric) of 119. The scored for each respondent was summarized and the average for the sample calculated. This is presented in Table 5 below. The observed average tendencies for both new and second-hand products (58.65 and 64.31 respectively) are lower than the scale average, which stands at 68. However the ethnocentric tendency in respect of second hand product is comparatively lower. These measures of ethnocentric tendencies compare favorably with those observed in similar studies else where. For instance, studies carried out in the United States by Shimp and Sharma (1987) recorded means of 68.58 and standard deviation of 25.9 in Detroit, 61.28 and 24.1 in Carolina, 57 and 26.1 in Denver and 56 and 26 in Los Angeles respectively.

Table 5: Analysis of Overall Consumer Ethnocentric Tendency

	Minimum Score	Maximum Score	Mean	Standard Deviation
Ethnocentric Tendency (Second-Hand Products)	21.0	108.0	58.65	16.5
Ethnocentric Tendency (New Products)	22.0	115.0	64.31	18.28

Source: Primary Data

The ethnocentric tendency scores can also be related to the demographic parameters of the sample population. This is presented on Table 6 below.

Table 6: Age factor in ethnocentric tendency

Age Group	Average CETSCALE Score (Second Hand Products)	Average CETSCALE Score (New products)
Under 20 years	55.8	73.2
21 to 25 years	56.87	60.4
26 to 30 years	58.5	62.27
31 to 35 years	55.5	61.27
36 to 40 years	63.2	67.1
41 to 45 years	66.2	71.44
46 to 50 years	65.0	77.4
51 to 55 years	57.8	72.2
Over 56 years	64.5	67.5

Source: Primary Data

The above table (Table 6) indicates that the average ethnocentric tendency (represented by the CETSCALE score) increases with increasing age of the respondents. It shows that the older consumers tend to exhibit a higher relative level of ethnocentric tendencies associated with conservatism in their consumption patterns and relative degree of cultural openness (Netermeyer et al. 1991). Pearsons correlation coefficient for between age and the two CETSCALE scores are 0.136 and 0.138 for old and new products respectively. This confirms a positive correlation between the two factors at 5% significance level.

The second objective of the research sought to determine whether there is a significant difference in the consumer ethnocentrism score in respect of new and second-hand products. This was established by carrying out a paired sample T test of the individual ethnocentrism scores relating to the two categories of products. The result is illustrated in Table 6 below.

Table 7. Paired Sample T test of Mean Difference

Paired Variables	**Paired Differences**			**95% Confidence Interval of the difference**		**T**	**Sig. (2 tailed)**
	Mean	Standard Deviation	Std error of mean	Low	Upper		
Ethnocentrism(O) Vs Ethnocentrism (N)	-5.6	13.51	1.03	-7.6	-3.5	5.4	0.00

Source: Primary Data

The test indicates that the calculated t is outside the 95% confidence interval, hence the difference between the mean ethnocentric tendency scores is significant at 95% confidence level. The level of ethnocentric tendency recorded on the CETSCALE using new products is therefore significantly higher than that recorded when second hand products are used.

4.3. Summary of Consumer Attitude toward Various Categories of Clothes

The third objective of the research sought to determine the consumer attitude towards the three categories of clothes under study, namely, locally manufactured, imported and second hand clothes. The attitude was measured using a seven point multi attribute attitude scale that determined the relative importance to the consumer of selected attributes of clothes and the belief that each category possessed the right level of these attributes. The contribution of each attribute and the overall attitude towards the product was calculated using Fishbein's multi attribute attitude model discussed in the conceptual framework in chapter 2. This summary of attitude towards the three categories of clothes calculated as summation of beliefs and attribute levels is represented in Table 8.

The attribute combination used in the analysis of attitude towards clothing include:

i) Durability

ii) Fashion

iii) Country of Origin – COO

iv) Comfort

v) Finish

vi) Price

vii) Brand Name

This attribute combination has been defined from related studies of attitudes towards products and Countries of Origin (Nagashima (1970), Okechuku and Onyemah (1999))

Table 8: Summary of Attitude towards Categories of Clothes

	Minimum Attitude Score	Maximum Attitude Score	Mean attitude score	Standard Deviation
Attitude towards Locally manufactured Clothes	23	291	129.88	55.65
Attitude towards Imported New Clothes	25	308	178.22	49.76
Attitude towards Second Hand Clothes	25	302	152.71	59.75

Source: Primary Data

From the above table, it can be seen that the general attitude towards locally manufactured clothes is significantly less favorable as compared to both imported new clothes and second hand clothes. However, there is less variability from the mean attitude score that signifies the differences in the individual attitudes that the people hold towards locally manufactured, imported and second hand clothes. It shows that the general attitude towards imported clothes is most favorable followed by that towards second hand products. The finding is in line with general attitudes of consumers from less developed countries to prefer imported products particularly from more developed economies (Okechuku and Onyemah 1999). Table 9 below shows that the relative importance attached to each of the attributes is consistent for all the categories of clothes both in ranking and the relative scores. Therefore, it can be argued that the belief that each category has the desired attribute level is the biggest determinant of the overall attitude. In each case, durability and comfort are the most important attributes in consumer choice, while brand names and country of origin are the least important. In the case of imported and second-hand clothes, price is ranked higher in importance than is the case in locally manufactured clothes although the score is virtually similar. It could therefore be argued that, since price is a measure of value, this could indicate that consumers look for greater value in these clothes than from the locally manufactured clothes.

Table 9: Mean attribute rating in Consumer choice of Clothing

Attributes	Mean Attribute Rating			S.d		
	Locally Man. Clothes	Imported Clothes	Second Hand Clothes	Locally Man. Clothes	Imported Clothes	S.Hand Clothes.
Durability	6.16	6.16	6.16	1.23	1.23	1.23
Comfort	6.02	5.98	5.98	1.12	1.18	1.18
Finish	5.74	5.73	5.73	1.48	1.51	1.51
Price	5.74	5.74	5.74	1.49	1.49	1.49
Fashion	5.33	5.33	5.33	1.60	1.60	1.60
Brand Name	3.9	3.9	3.9	2.07	2.07	2.07
COO	3.35	3.38	3.38	2.09	2.1	2.1

Note: Importance rating is measured on a scale of 1 to 7.

Source: Primary Data

Table 10 shows the relative attribute importance in attitude formation. This is derived from the proportionate contribution of each attribute to the overall attitude towards the product. This can be seen as the part contribution of each attribute to the overall attitude towards the categories of clothes under study. It confirms the consistency of attribute evaluations across all categories of clothes investigated.

Table 10: Relative Attribute Importance

Attribute	Relative Importance		
	Locally Man. Clothes	Imported Clothes	Second hand Clothes
Durability	0.17	0.17	0.17
Comfort	0.17	0.16	0.16
Finish	0.16	0.16	0.16
Price	0.16	0.16	0.16
Fashion	0.15	0.15	0.15
Brand Name	0.10	0.11	0.11
Country of Origin	0.09	0.09	0.09
Total	1	1	1

Source: Primary Data

Table 11 shows the comparative beliefs of consumers regarding the extent to which the various categories of clothes possess the desired attributes. It shows that consumers believe that locally manufactured clothes have the lowest level of durability, fashion, value for money, comfort, finish and brand name compared to both imported and second hand substitutes. However, the consumers have greater pride in the fact that they are locally made and therefore familiar. Therefore the fact that clothes are imported does not necessarily impart to them a positive image among consumers. In their own merit, locally manufactured clothes are considered durable and fashionable although their scores are still lower than the nearest substitutes. Consumers purchase second hand clothes because of their belief that they have a good finish and a friendly price tag. On the other hand, the attitude toward imported clothes is positive because of their high fashion and good finish.

Table 11: Comparative consumer belief in attribute possession by Clothes Category

Attributes	Mean belief Rating			S.d		
	Locally Man. Clothes	Imported Clothes	Second Hand Clothes	Locally Man. Clothes	Imported Clothes	S. Hand Clothes
Durability	3.87	5.11	4.11	1.66	1.38	1.97
Comfort	3.59	4.73	3.95	1.61	1.55	1.70
Finish	3.49	5.44	4.51	1.70	1.48	1.71
Price	3.67	4.35	4.48	1.72	1.65	1.80
Fashion	3.80	5.45	4.37	1.62	1.41	1.84
Brand Name	2.92	5.02	3.98	1.57	1.85	1.82
COO	3.06	2.64	2.58	1.53	1.54	1.50

Note: The belief rating is measured on a scale of 1 (lowest) to 7 (highest)

Source: Primary Data

In general, if all other factors are kept constant:

a) Locally manufactured clothes would be bought or differentiated by their Kenyan label.

b) Imported new clothes would be bought or differentiated by their high fashion, and brand names.

c) Second hand clothes would be bought or differentiated by their good finish and low price.

4.4. The Relationship Between Consumer Ethnocentrism and Attitude towards Locally Manufactured and Imported Clothes

The forth objective of the study was to establish the relationship between consumer ethnocentrism and attitude towards locally manufactured clothes. This was achieved by plotting the individual ethnocentrism scores (X- axis) against the corresponding attitude score (Y- axis) on a scatter graph and then establishing the line of best fit. This enables the trend of the relationship to be established. The resultant graph is represented in Diagram 2 below.

It shows a positive relationship between the ethnocentrism score and attitude towards both locally manufactured and imported clothes. However, the slope of the two curves differ, indicating that there is a more significant positive relationship between the locally manufactured clothes than with imported clothes. The observed positive relationship between ethnocentric score and attitude towards locally manufactured clothes confirms findings of similar researches conducted elsewhere (Shimp and Sharma (1987), Klein et al (1998), Netermeyer et al (1991). However, the positive relationship between the ethnocentrism score and attitude towards imported clothes is out of character with findings of earlier researches elsewhere. These studies have shown that, higher ethnocentrism scores are associated with unwillingness to purchase and negative quality perception of imported products (Netermeyer et al (1998), Shimp and Sharma (1987), Klein et al (1998)). This difference may be attributed to the sample used, the biasness of which may be reflected on the results. It also may represent the gap between attitude and the consummation of that attitude in the actual purchase process.

To establish the strength of the relationship between the two variables, Pearson's correlation coefficient (r) was calculated. This shows that the relationship between ethnocentrism and attitude towards the two categories of clothing is positive and significant at 95% confidence level. However the relationship between the ethnocentrism score and attitude towards locally manufactured clothing is greater and significant at 99% confidence level. These figures are presented in Table 12.

Table 12: Correlation between Ethnocentric Tendency and Consumer Attitude toward Categories of Clothes – Pearson Correlation Table.

	Ethnocentric Tendency	Sample Population
Attitude towards imported clothes	.152*	250
Attitude towards locally manufactured clothes	.455**	250

Source: Primary Data

* Correlation is significant at 0.05 level only

** Correlation is significant at .01 level only

Graphical Representation of the Relationship

Figure 2:Attitude Toward Locally Manufactured Clothes

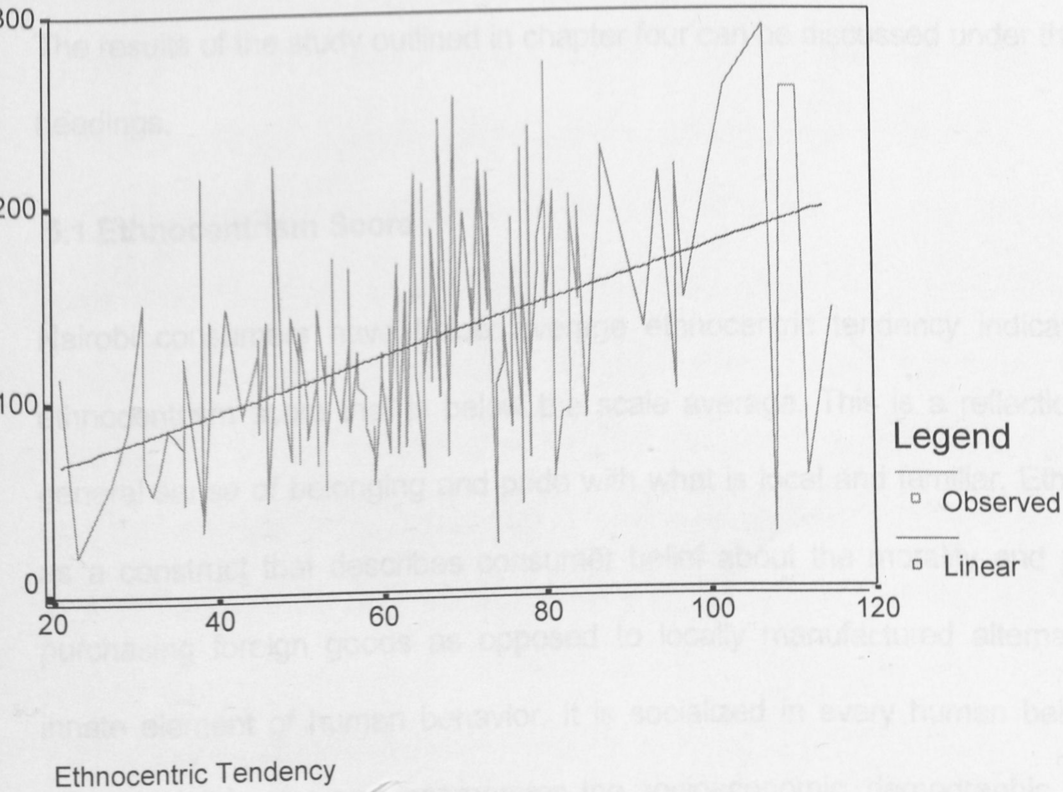
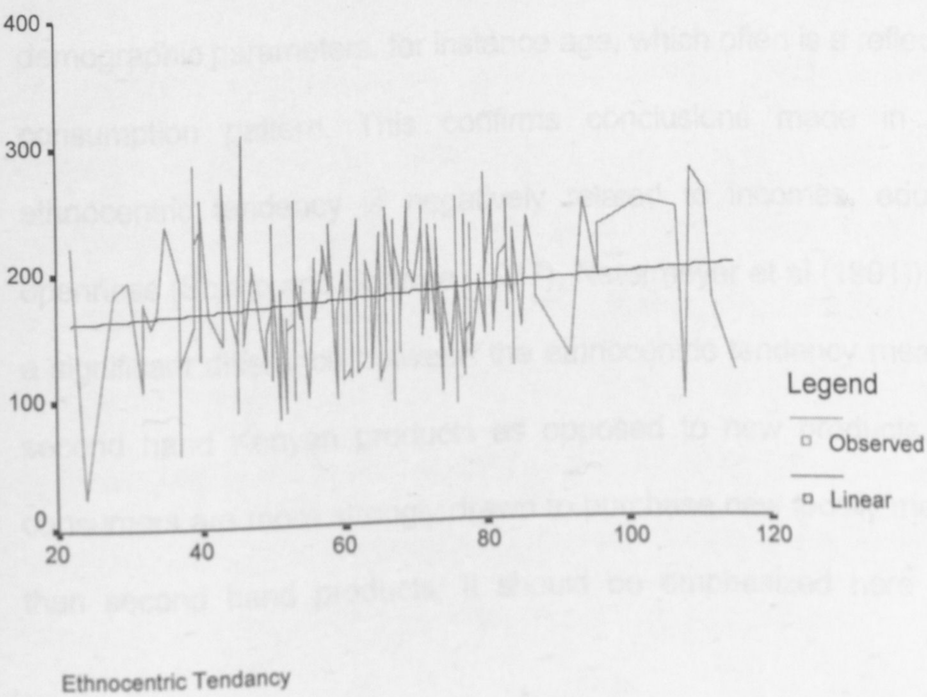


Figure:3 Attitude Toward Imported Clothes



5.0 CHAPTER FIVE

DISCUSSIONS OF THE RESULTS

The results of the study outlined in chapter four can be discussed under the following headings.

5.1 Ethnocentrism Score

Nairobi consumers have below average ethnocentric tendency indicated by the ethnocentrism score that is below the scale average. This is a reflection of a low general sense of belonging and pride with what is local and familiar. Ethnocentrism as a construct that describes consumer belief about the morality and propriety of purchasing foreign goods as opposed to locally manufactured alternatives is an innate element of human behavior. It is socialized in every human being like any other societal norm and incorporates the socioeconomic, demographic, geographic and regional economic circumstances of our environment (Shimp and Sharma 1987). The results also shows that ethnocentric tendency tends to change with some demographic parameters, for instance age, which often is a reflection of conservative consumption pattern. This confirms conclusions made in other studies that ethnocentric tendency is negatively related to incomes, education and cultural openness (Shimp and Sharma (1987), Netermeyer et al (1991)). The study confirms a significant difference between the ethnocentric tendency measurement based on second hand Kenyan products as opposed to new products. This indicates that consumers are more strongly drawn to purchase new locally manufactured products than second hand products. It should be emphasized here that the concept of

Kenyan second hand products is not well understood, as most consumers understand second hand products as external in origin. Studies of ethnocentric tendencies among different groups of people have shown that higher scores are recorded from those whose livelihood and wellbeing are under threat from foreign competition. These consumers are prone to biased judgements and accentuation of the positive aspects of domestic products while discounting the virtues of foreign made products (Klein et al. (1998). Under the present economic circumstances, Kenyans may well be expected to react negatively towards imported products this however has not been reflected on the CETSCALE scores for the sample used. This may be attributed to the affordability of imports which enables the ordinary consumer to enjoy the relatively similar products despite the falling purchasing power.

5.2 Consumer Attitude toward Clothing

The results in chapter four indicate that the consumers generally have a comparatively negative attitude towards locally manufactured clothes. The attitude towards imported clothes on the other hand is very positive. It shows that the consumers look for similar attributes irrespective of the three categories of clothes in question. However, the belief that the clothes possess the desired attribute combination to satisfy their needs is different. These beliefs are therefore the determinant of the overall attitude held towards a particular category of product (clothes in this case).

Attitudes are learned predisposition to behave negatively or positively towards a specific object. They are precursors to particular consumer choices, preferences and behaviors. Positive attitude towards a product increases the likelihood of its consumption by that particular consumer. It can therefore be argued from the results that all factors equal, Nairobi consumers would purchase imported clothes first, second hand clothes second and locally manufactured clothes last. This is because they believe that locally manufactured clothes do not have their desired level of durability, comfort, finish, prestige, brand name and price tag. Attitudes are directed to product features such that the overall attitude towards a given product is the sum of attitudes towards its features. Myers and Alpert (1968) posit that in the wide spectrum of the features a product possess, there are some that predispose consumers to action – preference, actual purchase or making recommendations to others. These are attitudes towards features that are most closely related to the consumer preference and purchase decisions. Collectively, these attitudes may be referred to as determinant attitudes. In this research, determinant attitudes can be considered as the attitudes towards the most important attributes that consumers consider in the purchase decision of clothing items. In the case of locally manufactured imported clothes, the attitude towards durability and comfort is more likely to determine the overall attitude towards them. In the case of second hand clothes on the other hand, attitude towards durability and price are likely to determine the overall pre-disposition towards their consumption.

5.3 Relationship between Consumer Ethnocentrism and Consumer Attitude towards Locally Manufactured and Imported Clothes.

The results indicate a positive relationship between the consumer ethnocentrism score and attitude towards locally manufactured clothes. This indicates that the higher the ethnocentrism score, the more likely the respondents are to consume locally manufactured clothes. This is an expected trend confirmed by other studies of the two variables (Shimp and Sharma (1987) and which is in line with the interpretation of the ethnocentrism concept. More ethnocentric consumers are likely to identify with and to consume items considered as their own and are familiar in-groups, in this case, locally manufactured clothes. These consumers will however treat imported products as alien out-groups and would be reluctant to purchase them. This would result in a negative relationship between the ethnocentrism score and the consumer attitude towards imported clothes. However this negative relationship has not been isolated in this research possibly because of the sample used and possible differences between consumer attitude and actual consumption.

The results also indicate a strong relationship between these two variables, (ethnocentrism and attitude) as shown by Pearson's correlation coefficient.

6.0 CHAPTER SIX
RECOMMENDATIONS

In the newly industrialized nations of South East Asia, textile industries have become leaders in the nations' globalization drives. In South Korea for instance, textiles account for 10.8% of the country's exports and leads in the drive to modernize trading relationship through business – to – business electronic commerce (Korea Buyer Guide July 2000). The achievement of this growth has come about as a result of combined efforts of government through policies, capacity development and infrastructure, focussed management within the industry to exploit local advantages, and integrated marketing and tracking of fashion trends to remain on the edge of emerging international styles. The players in the textile sub sector in Kenya could borrow from the success achieved through public/ private sector partnership. The past performance of this sector attests to the unexplored potential that exists. This study confirms the existence of a gap in the consumer expectation and what the industry offers. This difference can be further analyzed in terms of product features (attributes) and product cost. In a depressed economy consumers look for value that enable them to enjoy the same products despite their falling incomes. Local consumers do not consider locally manufactured clothes as offering them the desired value for their money at both levels – attributes and cost. This is the major cause of the negative attitude they have developed towards the locally manufactured products. Addressing this problem requires an integrated effort of all players in the industry and the establishment of a linkage beyond customer/ supplier relationship between textile manufacturers, retail/fashion houses and the government policy makers that ensures common understanding that will serve the interest of all players. The focus in such an effort should address technological and operational efficiency and capacity to reduce cost; market re-orientation and focus to assimilate and utilize developing international trends and fashions that increasingly guide domestic consumption.

The promotion of consumption of Kenyan products lies at the heart of industrial development agenda that the government may have. In the National Poverty Eradication Plan (1999 – 2015), the government recognizes the role of rural economy and the optimal utilization of local land and human resource capacities. The realization of full potential of these capacities depends largely on the existence industrial capability to absorb the raw outputs from rural economy. The industries must in turn have local and international customer base to absorb higher value products created out of these primary outputs. The textile industries provide an important sink for the cotton outputs. However, they lack the consumer base to support their profitable operation capacities. It is currently estimated that the overall operation capacity of the sector stands at 40 %. This decline in capacity utilization has been attributed to lack of export markets compounded by increased 'unfair' competition from imported new and second hand clothes. The net result of this scenario is the fact that the country is a net importer of both raw cotton and finished textile products and apparels. Although the sector must find their place in the increasingly competitive domestic and international markets though innovation and global competitiveness, the interests of liberalization would be better served by rational and impartial application of tariff guidelines that does not necessarily disadvantage local production.

Promotion of Kenyan products – including textiles to Kenyan consumers is essential in order to gaining their full acceptance in the face of increased competition. This research indicates that Kenyans have a relative low preference for locally manufactured products (clothes). This preference reflects the relative performance of the local product in terms of attributes and value against the external competition. In deed, studies carried out elsewhere confirm that consumers will resist promotion of local products that they perceive to be inferior to imported substitutes (Kotler 1994). Apparels and textile manufacturers cannot therefore expect to sell or promote products that consumers feel are inferior merely on the basis that they are 'made in Kenya'. In order to assure themselves of success and loyalty, they must provide equally (or even more) competitive products, build a positive image out of this and use the Kenyan label to capture their loyalty.

The Kenyan manufacturers should endeavor to interact more closely with each other and with their consumers in order to know their views, thoughts and judgements of their products and services. Such interaction is possible through periodic market research. Dynamism in customer requirements and wider availability of products and service information has presented the consumer with greater options and only the supplier that keeps in touch with the evolving needs of their target consumers will continue to tap their loyal consumption. How many Kenyan Clothes manufacturers know whom their customers are, let a lone what they need? The retailers/ fashion houses on the other hand are content to use pirated designs or to act as distributors for established foreign fashion houses. How then can they aim to serve the long-term interest of developing a competitive textile sub sector?

6.1 Limitations of the Study

The limitations of this study can be summarized into three namely:

a) Respondents

The respondents in the study are all drawn from Nairobi, which has a very cosmopolitan residential composition. However generalization of the findings to the whole population would require a further study and a larger population that takes into account both demographic and regional differences.

b) Definition of the product under study

For the purposes of this study, all second hand clothes except where stated are treated to as all inclusive (from both internal and external sources). This is because the concept of second hand Kenyan manufactured clothes is largely abstract and unfamiliar to the respondents.

c) Resources

The limitations of time and resources dictated the sample size and depth of analysis carried out. This limitation is similarly reflected in the conclusions drawn.

6.2 Suggestions for Further Research

Ethnocentrism and consumer attitudes is a wide area of study and it's application in a cosmopolitan area like Nairobi may only provide results that focus on the circumstances of the respondents, therefore isolating the regional and socioeconomic positions of other regions. Additional research is necessary to extend this concept to other regions of the country.

The development of belief about a product is a complex developmental process that takes place over time and takes into account relevant experiences. Similarly, it takes time to change entrenched attitude towards an object. However, the key to the change process is the understanding of how the attitude was formed. A further investigation into attitude differences that exist in different segments of the population and how this may be related to the pre liberalization experiences would enhance the industry capacity to tackle the problem.

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Appendix 1

30th July 31, 2000

To Whom It May Concern:

Dear Friend,

I am conducting a study required for the completion of a course at the University of Nairobi. My purpose is to learn more about how people like you view and assess locally manufactured products vis-à-vis substitute imports and how these views and assessments are projected in your attitude toward clothing in particular. You have been selected to be one of the respondents in this study and your opinion will represent that of thousands other people much like yourself.

Enclosed, please find a copy of the questionnaire. While it is lengthy and may require 20 minutes to complete, I hope you will kindly take the time to complete it. The information you will provide will contribute to a better understanding of the local consumer attitude towards local and imported products.

I am aware of the need for confidentiality in such surveys. I therefore undertake to ensure that your name will not be revealed or associated with the response you have given, nor will anyone outside the survey be allowed access to your response.

I appreciate your willingness to help me in this research effort. I believe you will find the questionnaire both interesting and provocative.

Yours sincerely,

Thomas O. Kong'ong'o

QUESTIONNAIRE 1: Demograhic Description

1. Please indicate your name (optional) ……………………………………

2. Gender (sex).

   Male [ ] Female [ ]

3. Please indicate your marital status by ticking in the appropriate box.

   Married [ ] Single [ ] Other…………..(indicate)

4. Please indicate when you were born …….19………

5. Please indicate the religion you belong to ………………………………

6. Please indicate your level of education by ticking in the appropriate box.

Primary school [ ]
Secondary School [ ]
College [ ]
Polytechnic [ ]
University [ ]

7. What is your occupation ……………………………

8. Please indicate your earnings per month

Below Ksh 5,000	Between Ksh 5,001 and 10,000	Between Ksh. 10,001 and 15,000	Between Ksh 15,001 to 20,000	Over Ksh.20,000

9. Please indicate where you live ………………………………(Estate)

10. Do you own your house? Yes……/ No……..

11. Where were you living before you moved to your Current Estate?…………

12. For how long have you lived in Nairobi? ……………… (years)

Questionnair 2: The Consumer Ethnocentrism Scale (CETSCALE)

13. Please answer the following questions by ticking in the box that best describes your level of agreement or disagreement with each statement.

1 = Strongly Disagree; 2 = Disagree; 3 =Somewhat Disagree; 4 = Neither Agree nor Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree.

	1	2	3	4	5	6	7
a) Kenyan people should always buy Kenyan products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
b) Only those products that are not available in Kenya should be imported.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
c) Buy Kenyan made products, Keep Kenya working.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
d) Kenyan products first, last and foremost	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
e) Purchasing foreign made products is un Kenyan.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
f) It is not right to purchase foreign made products because it puts Kenyans out of work.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
g) A real Kenyan should always buy Kenyan made products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
h) We should purchase products made in Kenya instead of letting other countries get rich of us.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
i) It is always best to purchase Kenyan products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

	1	2	3	4	5	6	7
j) There should be little trading or purchasing of goods from other countries unless out of necessity.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
k) Kenyans should not buy foreign products because this hurts Kenyan businesses and causes unemployment.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
l) Curbs should be put on all imports.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
m) It may not cost me in the long run, but I prefer to support Kenyan products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
n) Foreigners should not be allowed to put their products in our markets.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
o) Foreigners should be taxed heavily to reduce their entry into Kenya.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
p) We should buy from foreign countries only those products that we cannot obtain from within our own country.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
q) Kenyan consumers who purchase products made in other countries are responsible for putting their fellow Kenyans out of work.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

14. Please answer the following questions by ticking in the box that best describes your level of agreement or disagreement with each statement.

1= Strongly Disagree; 2 = Disagree; 3=Somewhat Disagree; 4= Neither Agree nor Disagree; 5 = Somewhat Agree, 6 = Agree, 7 = Strongly Agree.

	1	2	3	4	5	6	7
a) Kenyan people should always buy Kenyan Second hand products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
b) Only those second hand products that are not available in Kenya should be imported.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
c) Buy Kenyan made second hand products, Keep Kenya working.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
d) Kenyan second hand products first, last and foremost	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
e) Purchasing foreign made second hand products is Un Kenyan.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
f) It is not right to purchase foreign made second hand products because it puts Kenyans out of work.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
g) A real Kenyan should always buy Kenyan made second hand products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
h) We should purchase second hand products made in Kenya instead of letting other countries get rich of us.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
i) It is always best to purchase second hand Kenyan products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

	1	2	3	4	5	6	7
j) There should be little trading or purchasing of <u>second hand</u> goods from other countries unless out of necessity.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
k) Kenyans should not buy <u>second hand</u> foreign products because this hurts Kenyan businesses and causes unemployment.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
l) Curbs should be put on All <u>second hand</u> imports.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
m) It may not cost me in the long run, but I prefer to support Kenyan <u>second hand</u> products.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
n) Foreigners should not be allowed to put their <u>second hand</u> products in our markets.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
o) Foreigners should be taxed heavily to reduce their entry into Kenya.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
p) We should buy from foreign countries only those <u>second hand</u> products that we cannot obtain from within our own country.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
q) Kenyan consumers who purchase <u>second hand</u> products made in other countries are responsible for putting their fellow Kenyans out of work.	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

Questionnaire 3: The Attitude Scale

15 Section I. Please rank the following factors according to their level of importance to you in clothing purchase decision (1= least important; 7= most important)

	1	2	3	4	5	6	7
a) Durability:	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
b) Fashion	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
c.) Country of Origin	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
d) Comfort	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
e) Price	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
f) Finish	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
g) Brand Name	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

16 Section II. Please state your level of agreement or disagreement with the following statements about Locally Manufactured New Clothes. (1 = Strongly Disagree, 2 = Disagree, 3=Somewhat Disagree; 4= Neither Agree nor Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree)

	1	2	3	4	5	6	7
a) The Locally Manufactured New Clothes Are Durable:	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
b) The Locally Manufactured New Clothes Are fashionable	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

	1	2	3	4	5	6	7
c.) I buy locally Manufactured New Clothes Because they Are Kenyan	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
c) The Locally Manufactured Clothes are Comfortable	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
e,) The Locally Manufactured New Clothes Are Value for Money	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
f) The Locally Manufactured New Clothes Have a good Finish	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
g) The Locally Manufactured New Clothes Have good Brand Names	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

17 <u>Section III.</u> Please state your level of agreement or disagreement with the following statements about <u>Imported New Clothes.</u> 1= Strongly Disagree, 2= Disagree, 3=Somewhat Disagree.) 4= Neither Agree or Disagree; 5=Somewhat Agree; 6= Agree, 7= Strongly Agree.

	1	2	3	4	5	6	7
a) The imported New Clothes Are Durable:	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
b) The Imported New Clothes Are Fashionable	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
c) I buy Imported New Clothes Because they Are Imported	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
d) The imported New Clothes are Comfortable	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
e,) The imported New Clothes Are Value for Money	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
f) The imported New Clothes Have good Finish	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
g) The imported New Clothes Have good Brand Names	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

18 <u>Section IV.</u> Please state your level of agreement or disagreement with the following statements about Imported <u>Second Hand Clothes.</u> (1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree, 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree.

	1	2	3	4	5	6	7
a) The imported Second hand Clothes Are Durable:	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
b) The imported Second hand Clothes are Fashionable	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
c) I buy imported Second hand Clothes because They are Imported	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
d) The Imported Second hand Clothes are Comfortable	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
e,) The Imported Second hand Clothes are Value for Money	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
f) The Imported Second hand Clothes have Good finish	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
g.) The Imported Second hand Clothes have Good brand Names	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

Thank you for your contribution to this study.

APPENDIX 2:

LIST OF EXISTING TEXTILE MILLS IN KENYA

- Alpha Knits Ltd.
- Afro Spin ltd.
- Bedi Investments Ltd.
- Bhupco Textile Mills Ltd.
- Challenge Industries Ltd.
- Distinct Garments
- Fine Spinners ltd.
- Gopitex Knitwear Mills Ltd.
- Jaydees Knitting Mills Ltd.
- Kamyn Ltd.
- Ken-Knit Ltd.
- Kicomi 1993 Ltd.
- Kifaru Textile Mills Ltd.
- Londra Ltd
- Lamsons Limited
- Mega-Spin Ltd.
- Midco Textiles (E.A.) Ltd.
- Mombasa Towels Ltd.
- Nakuru Fibres Limited.
- Nakuru Industries Ltd.
- Nyanza Spinning and Weaving Mills Ltd.
- PeeDee Textiles Ltd.
- Heritage Woollen Mills Ltd.
- Rivatex Ltd. (in Receivership)
- Shawaz textile Mills Ltd.
- Sona Industries Ltd.
- Specialized Towels Ltd.
- Spin-Knit ltd.
- Spinners and Spinners Ltd.
- Summit Fibres Ltd.
- Sunflag group.
- Sunrise Textiles Ltd.
- Texco spinning Mills Ltd.
- Thika Cloth Mills Ltd.
- TSS Spinning and Weaving Mills Ltd.
- United Textile Industry Ltd.

NOTE: THE ABOVE LIST CONSISTS OF ONLY TEXTILE MILLS I.E. SPINNING AND WEAVING FACTORIES AND DOES NOT INCLUDE GARMENT FACTORIES.

Source: Kenya Association of Manufacturers.

APPENDIX 3:

LIST OF CLOSED TEXTILE MILLS.

- Ace Knits Limited.
- Acme Textiles Limited.
- Africa Synthethic.
- Bahari Mills Limited.
- Bunma Fashions.
- Capital Knitwear Limited.
- Coast Blankets Limited.
- East African Hosiery Manufacturers Ltd.
- Emirate Textile Mills Limited.
- Endi Textiles Limited.
- Fulana Limited.
- Kaza Limited.
- Kenwool Limited.
- Kenya Fibre Corporation.
- Kenya Rayon Limited.
- Kenya Taitex Mills
- Kenya Threads Limited.
- Kicomi
- Kyu Garments Limited.
- Manchester Outfitters Suiting Division Limited.
- Mombasa Textiles Mills Limited.
- Mountex
- Panty Hose Manufacturers Limited.
- Prime Textiles Limited.
- Tigra Knit Limited.
- Towel Industries Limited.

NOTE: THE ABOVE LIST CONSISTS OF ONLY TEXTILE MILLS I.E. SPINNING AND WEAVING FACTORIES AND DOES NOT INCLUDE GARMENT FACTORIES

Source: Kenya Association of Manufacturers

APPENDIX 4:

LIST OF MAJOR COMPETING COUNTRIES

- India
- Pakistan
- Indonesia
- Malaysia
- Thailand
- Taiwan
- South Korea
- China
- Comesa countries via trans-shipment.
- European Union
- U.S.A
- R.S.A (South Africa)

Source: Kenya Association of Manufacturers

APPENDIX 5:
CURRENT CAPACITY UTILIZATION IN THE SUB SECTOR

Name of Manufacturer	No. of spindles Ring spun (RS) Open-end (OE)	Type of yarn produced	Installed capacity per month.	Present Production per month.	Idle available Capacity.
Africa Synthetics. (Re-named)	Filament production	100% Polyester Texturized	200 tons	CLOSED	100%
Afro-Spin Ltd.	RS-9000	100% Cotton	75 tons	45 tons	40%
Bedi Investments	RS- 6880	Polyester and Viscose blends	90 tons	60 tons	35%
Blanket Manufacturers.	INFO	NOT	KNOWN.		
Canvas Manufacturers.	INFO	NOT	KNOWN.		
Coast Manufacturers.	INFO	NOT	KNOWN.		
Fine Spinners Limited.	RS-18000 OE-96	100% Cotton and Polyester blends. Sewing threads.	150 tons 20 tons	60 tons 15 tons	60% 25%
Jaydees Knitting	Filament production	100% Polyester Texturized	200 tons	POSSIBLE CLOSE DOWN.	100%
Ken-Knit	RS-3360 and Woollen-900	100% Acrylic and shoddy blanket yarn.	60 tons 200 tons	33 tons 70 tons	45% 65%
Kicomi	RS-15000	100% Cotton and polyester blends	120 tons	40 tons	65%
Londra	RS-2472 OE-600	100% Cotton and Polyester	25 tons 40 tons	20 tons 5 tons	20% 85%
Mega-Spin	RS-3600	100% Acrylic and shoddy blanket yarn	90 tons	80 tons	12%
Mombasa Towels	RS-6140	100% Cotton Polyester Blends	65 tons	30 tons	55%
Nakuru Fibres	Filament production	100% Polyester texturized yarn.	240 tons	80 tons	65%
Nakuru Industries	RS	Shoddy Blanket yarn	210 tons	70 tons	67%
Nyanza Spinning Mills	RS-15000	100% Cotton and Polyester	120 tons	40 tons	65%

Name of Manufacturer	No. of spindles Ring spun (RS) Open-end (OE)	Type of yarn produced	Installed capacity per month.	Present Production per month.	Idle available Capacity.
Raymonds	Woollen-630 Shoddy OE-28	Shoddy Blanket yarn			30% 100%
Rivatex	RS-18000	100% cotton and Polyester blends	200 tons	60 tons	70%
Sona Industries	INFO	NOT	KNOWN.		
Spin-Knit	RS-4884	100% Acrylic and shoddy blanket yarn.	150 tons	120 tons	20%
Spinners and Spinners.	INFO	NOT	KNOWN.		
Summit Fibres.	Filament yarn	100% Polyester Texturized	200 tons	50 tons	75%
Sunflag Spinning Mills.	RS-20000 Filament yarn	100% Cotton and Polyester Blends. 100% Polyester texturized yarn.	200 tons 200 tons	100 tons CLOSED.	50% 100%
Sunrise Textiles	INFO	NOT	KNOWN.		
Texco Spinning Mills	OE- 244	100% Cotton	45 tons	22 tons	50%
Thika Cloth Mills	RS-18000	100% Cotton Poly blends.	150 tons	90 tons	40%
TSS Spinning Mills	RS-18000	100% Cotton	150 tons	40 tons	75%
United Textile Industries.	INFO	NOT	KNOWN.		

Source: Kenya Association of Manufacturers

APPENDIX 6:

KENYA'S COMPETITIVE POSITION IN THE TEXTILE SECTOR

	Competition	Kenya
Electricity Cost	@ US Cents 5 / KW	@ US Cents 8/KW
Finance (interest)	@ 10% p.a	@ 25% p.a
Telephone (International)	@ US Cents 30 per minute	@ USD 3.00 per minute
Road Transport	@ Kshs 1 per Kg/Km	@ Kshs 4 per Kg/Km
Rail Transport	@ US Cents 2.5 per Km per ton.	@ US Cents 5.8 per Km per ton.
Inspection fees (IDF)	@ nil	@ 2.75%
Labour (Unskilled)	@USD 35 per month	@USD 45 per month

Source: Kenya Association of Manufacturers