

IMPACT OF CONSUMER SOPHISTICATION ON PREFERENCE FOR IMPORTED GOODS IN NIGERIA

Damian-Okoro Inetimi Roseline (PhD)

roseline.damian-okoro@ust.edu.ng

**Department of Marketing, Faculty of Administration and Management,
Rivers State University, Port Harcourt, Nigeria**

ABSTRACT

This study investigates the impact of consumer sophistication on the preference for imported goods in Nigeria, focusing on the role of consumer knowledge, awareness, and discernment in shaping purchasing decisions. With the growing exposure to global markets and international brands, Nigerian consumers have become more sophisticated, exhibiting higher levels of awareness and critical thinking when evaluating products. The research explores how these factors influence the increasing preference for imported goods. The research employs quantitative methods, using surveys and statistical analyses to assess the causal relationship between consumer sophistication and the preference for imported goods in Nigeria. The researcher collected data from 773 consumers in Nigeria, using both online and offline methods via a questionnaire designed in Likert 5 – point scale. Regression Analysis was used to ascertain the impacts of impacts of consumer sophistication on preference for imported goods by assessing the extent to which consumer knowledge, awareness, and discernment impact preference for imported goods in Nigeria. The study highlights that consumer knowledge plays a significant role in driving the preference for imported goods, as consumers associate foreign products with superior quality, innovation, and reliability. Additionally, consumer awareness of global trends, ethical production, and sustainability influences their purchasing behavior, often making them gravitate toward internationally recognized brands. Consumer discernment, characterized by the ability to critically evaluate product claims and distinguish between local and imported options, further shapes these preferences. The findings reveal that sophisticated Nigerian consumers are more likely to favor imported goods due to their perceptions of higher quality and global prestige, while also emphasizing the role of digital media and globalization in shaping their preferences. The study concluded that Nigerian consumers' growing sophistication, spurred by better access to information and exposure to international brands, has led to an increased demand for foreign products. The research also suggests recommendations for local manufacturers and policymakers to enhance the competitiveness of Nigerian products through quality improvement, innovation, and consumer education.

Keywords: Consumer sophistication, consumer knowledge, consumer awareness, consumer discernment, imported goods, Nigeria.

BACKGROUND TO THE STUDY

In recent years, consumer sophistication has become an influential factor in shaping purchasing behaviors in many emerging economies, including Nigeria. Consumer sophistication, characterized by the depth of knowledge, awareness, and preferences of consumers, has become a significant determinant of purchasing behavior in global markets. In Nigeria, a rapidly growing economy with a young and increasingly educated population, consumer sophistication is playing a crucial role in shaping preferences for imported goods. As the country experiences economic growth and greater exposure to global trends, Nigerian consumers are becoming more discerning in their product choices, often preferring foreign brands that offer perceived higher quality, prestige, and innovation.

The rise in consumer sophistication in Nigeria has been influenced by several factors, including increased access to information, exposure to international media, and the growth of the middle class (Eke, 2017). This heightened awareness has led to a greater demand for imported goods, as Nigerian consumers associate these products with superior quality, advanced technology, and international status (Nwankwo, 2013). However, this trend is not solely driven by product attributes; it also reflects a complex interplay of social, cultural, and economic factors that shape consumer attitudes towards foreign products. While sophisticated consumers are inclined towards imported goods, their preferences are also shaped by factors such as brand perception, national identity, and the influence of social networks (Okonkwo, 2010).

This article explores the impact of consumer sophistication on the preference for imported goods in Nigeria. It particularly examines how Nigerian consumers' preference for imported goods is influenced by their depth consumer knowledge, awareness, and discernment. By understanding the role of consumer sophistication, businesses and marketers can better tailor their strategies to meet the needs of an evolving Nigerian market.

CONCEPTUAL FRAMEWORK

As shown in the conceptual framework, consumer sophistication is the predictor variable and customer experience is the criterion variable. Consumer sophistication is operationalized into consumer knowledge, consumer awareness, and consumer discernment whilst preference for imported goods is a one-dimensional variable.

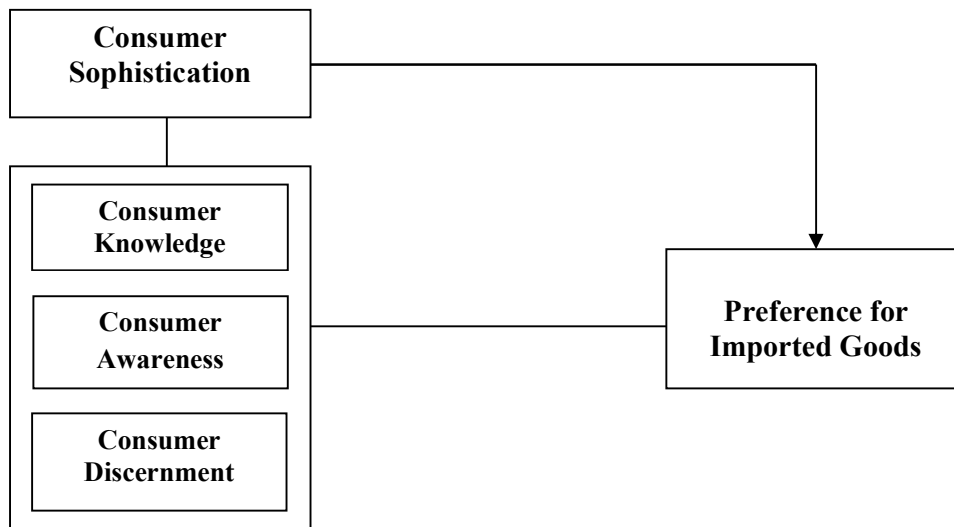


Figure 1: *Conceptual framework of the impact of impact of consumer sophistication on preference for imported goods in Nigeria*

PURPOSE OF THE STUDY

The purpose of this study was to investigate the impact of consumer sophistication on preference for imported goods in Nigeria. Specifically, the objectives were to:

- i. Explore the extent to which consumer knowledge impacts preference for imported goods in Nigeria.
- ii. Identify the extent to which consumer awareness impacts preference for imported goods in Nigeria.

- iii. Examine the extent to which consumer discernment impacts preference for imported goods in Nigeria.

THEORETICAL FOUNDATION: The Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), developed by Icek Ajzen in 1985, has been widely used to understand the factors influencing human behavior, particularly in the context of consumer decision-making. According to TPB, an individual's behavior is determined by three key components: attitudes, subjective norms, and perceived behavioral control. These elements shape the intention to engage in a specific behavior, which in turn influences actual behavior (Ajzen, 1991). In the context of consumer sophistication and preference for imported goods, TPB provides a robust framework for understanding how Nigerian consumers' attitudes toward foreign products, the influence of social norms, and their perceived control over purchasing decisions shape their preferences for imported goods.

Attitudes refer to the consumer's positive or negative evaluation of a product. In the case of sophisticated Nigerian consumers, their attitudes towards imported goods may be shaped by perceptions of superior quality, prestige, and innovation typically associated with foreign brands (Okonkwo, 2010). As consumer sophistication increases, individuals become more knowledgeable and discerning, leading to more favorable attitudes toward products perceived as high quality or exclusive, such as imported goods.

Subjective norms represent the influence of social pressures or societal expectations on behavior. In Nigeria, societal views on the value of imported goods, such as the belief that foreign products are of better quality and status-enhancing, can significantly influence consumer behavior. Nigerian consumers, particularly in urban areas, may feel societal pressure to align with global consumption trends, further reinforcing their preference for imported products (Nwankwo, 2013). As consumer sophistication grows, these subjective norms may be amplified by access to global media, social networks, and increased exposure to international brands, further encouraging the preference for foreign goods.

Perceived behavioral control involves the consumer's belief in their ability to make a purchase based on factors such as financial resources and availability. Sophisticated consumers in Nigeria are more likely to have the financial means and access to global markets, either through local retailers or online platforms, to purchase imported goods (Aker & Mbiti, 2010). This increased control over the purchasing process facilitates the preference for imported goods, as consumers feel empowered to make informed and deliberate choices.

Overall, TPB is highly relevant to the study of consumer sophistication and preference for imported goods in Nigeria, as it highlights how attitudes, societal norms, and perceived control interact to influence consumer behavior. The theory allows researchers to better understand the psychological and social factors that drive the increasing demand for imported products in Nigeria, especially among more sophisticated consumers.

CONSUMER PREFERENCES FOR LOCAL VS. IMPORTED GOODS IN NIGERIA

Consumer preferences in Nigeria, like in many emerging economies, are shaped by a variety of economic, social, and cultural factors. The growing demand for imported goods, often perceived as higher quality and more prestigious, contrasts with the continuing loyalty to local products that hold cultural and economic significance. Understanding these preferences is critical for businesses, policymakers, and marketers seeking to navigate Nigeria's dynamic consumer market.

In recent years, Nigerian consumers, especially those in urban centers, have shown a marked preference for imported goods, particularly in categories such as electronics, automobiles, and luxury goods. This preference is largely driven by perceptions of superior quality and modernity associated with foreign brands. Imported goods are often seen as symbols of prestige, associating the consumer with global trends and a higher social status (Okonkwo, 2010). Additionally, the rise in consumer sophistication, facilitated by increased access to global media and information, has heightened awareness of international brands and their perceived value. Foreign products, especially those from well-established brands like Apple, Samsung, and Nike, are regarded as superior in quality and innovation, which significantly influences Nigerian consumer choices (Nwankwo, 2013).

The theory of planned behavior (Ajzen, 1991) helps explain this preference by indicating that consumer attitudes towards imported goods—formed by their perceived value, quality, and social prestige—drive their purchasing intentions. Moreover, the increasing availability of international products through e-commerce platforms has made it easier for Nigerian consumers to purchase foreign goods, further reinforcing this preference (Aker & Mbiti, 2010). Despite the growing appeal of imported goods, local products continue to hold a significant place in Nigerian consumers' preferences. Local goods are often more affordable than imported alternatives, and price remains an important factor in purchasing decisions (Eke, 2017). Furthermore, Nigerian consumers exhibit strong national pride, which influences their preference for locally-made products, especially in categories such as food, fashion, and beauty products. Local products are often seen as more relatable and culturally appropriate, reflecting the values and traditions of Nigerian society (Nwankwo, 2013).

Additionally, consumer culture theory (CCT) suggests that consumer preferences are shaped by social identity and cultural values (Arnould & Thompson, 2005). Many Nigerian consumers align their purchasing choices with local cultural identity, prioritizing locally-produced goods to support domestic industries and maintain national pride. For many Nigerian consumers, the decision to purchase imported or local goods is not always binary. Instead, it reflects a balance between the perceived value of imported products and the benefits of supporting local industries. Sophisticated consumers, for instance, may mix imported goods with local ones based on specific needs, where imported products fulfill certain quality expectations, while local goods are selected for everyday use due to affordability and cultural resonance.

The preferences for local vs. imported goods in Nigeria are influenced by a complex interplay of factors, including perceptions of quality, affordability, social status, and cultural identity. While imported goods often dominate in sectors associated with prestige and technological innovation, local products remain crucial due to their cultural relevance, affordability, and national pride. Understanding these preferences provides valuable insights for businesses and policymakers seeking to engage the Nigerian consumer effectively.

THE CONCEPT OF CONSUMER SOPHISTICATION

Consumer sophistication refers to the ability of consumers to make informed and rational decisions based on their understanding of products, brands, and the market environment (Hansen & Schultz, 2018). As consumer knowledge and access to information improve, their preferences are shaped by a more critical evaluation of product quality, value, and the emotional benefits associated with goods (Dube & Chandon, 2020). This shift in consumer behavior is particularly evident in emerging markets, where technological advancements, such as the

internet and social media, have empowered consumers with a wealth of information. In these markets, consumers are no longer passive recipients of products but active participants in their purchasing decisions, influenced by factors like brand reputation, product innovation, and global trends (Keller, 2019).

One of the key characteristics of sophisticated consumers is their heightened awareness of global products and brands. In Nigeria, for instance, the growth of digital media has allowed consumers to easily access information about foreign products, increasing their exposure to international brands (Oladimeji & Oloruntoba, 2021). This exposure often leads to a preference for imported goods, as they are perceived to offer superior quality, prestige, and technological advancement compared to locally produced alternatives (Akinmoladun & Olanrewaju, 2020). As a result, local manufacturers face challenges in competing with foreign products, especially in sectors such as electronics, fashion, and automobiles, where consumers place a premium on brand reputation and quality (Adewale & Olayemi, 2021).

However, while consumer sophistication often leads to increased demand for imported goods, it can also present opportunities for businesses to enhance their products and marketing strategies. Companies can cater to this sophisticated consumer base by offering higher-quality products, transparent information, and tailored customer experiences that resonate with consumers' evolving expectations (Hansen & Schultz, 2018). In this way, consumer sophistication not only influences preferences but also drives market innovation and competition.

DIMENSIONS OF CONSUMER SOPHISTICATION

Consumer sophistication is marked by several key indicators that reflect the growing awareness, knowledge, and decision-making capabilities of consumers. One of the primary indicators of consumer sophistication is the ability to assess and prioritize product quality (Hansen & Schultz, 2018). Sophisticated consumers are highly discerning when it comes to product quality. Additionally, sophisticated consumers are able to assess various attributes such as durability, reliability, and performance (Hansen & Schultz, 2018). Increasingly, sophisticated consumers are considering ethical factors such as sustainability, environmental impact, and corporate social responsibility in their purchasing decisions (Dube & Chandon, 2020).

More also, sophisticated consumers utilize multiple sources such as product reviews, expert opinions, social media, and online forums to compare and contrast different options (Hansen & Schultz, 2018). Consumers with high sophistication levels tend to be more sensitive to global trends and emerging innovations (Akinmoladun & Olanrewaju, 2020). While sophisticated consumers may be willing to pay premium prices, they also possess a strong sense of value (Adewale & Olayemi, 2021). In this study however, consumer knowledge, consumer awareness, and consumer discernment are examined with respect to consumer sophistication.

Consumer Knowledge

Consumer knowledge is a crucial factor that shapes purchasing decisions in today's marketplace. It refers to the awareness and understanding that consumers possess about the products or services they consider buying, including their features, benefits, and relative value (Jacoby, 2020). As consumers become more knowledgeable, they are able to make better-informed choices, which significantly influence their preferences, satisfaction, and brand loyalty (Hansen & Schultz, 2018). Consumer knowledge can be categorized into three types: product knowledge,

price knowledge, and store knowledge, each of which impacts different stages of the decision-making process.

Product knowledge is perhaps the most recognized aspect of consumer knowledge. Consumers with high levels of product knowledge tend to evaluate products more critically, understanding the features, uses, and potential drawbacks (Dube & Chandon, 2020). This expertise helps them make choices that align more closely with their needs and expectations, often leading to greater satisfaction post-purchase. Such knowledge can be developed through direct experience with the product, as well as through information obtained from external sources such as online reviews, advertisements, or expert opinions (Hansen & Schultz, 2018).

Price Knowledge is another essential component of consumer knowledge. Consumers who are well-informed about prices and market trends tend to be more strategic in their purchasing behavior. They are better equipped to recognize when a price is too high or too low in comparison to the product's quality or market value (Akinmoladun & Olanrewaju, 2020). This knowledge often leads to price-conscious decision-making, where consumers seek discounts, compare prices across retailers, or wait for sales to ensure they are getting the best deal (Jacoby, 2020).

Store Knowledge refers to consumers' awareness of where to find certain products and the reputation of different retailers. Consumers with high store knowledge are more likely to choose stores that offer superior customer service, reliable return policies, and consistent product availability (Keller, 2019). In this context, familiarity with a store's offerings and policies can be just as important as the product itself. Ultimately, the more knowledge consumers have, the more likely they are to make choices that reflect their preferences and values, which significantly influences market dynamics (Dube & Chandon, 2020).

Consumer Awareness

Consumer awareness refers to the understanding and knowledge that individuals possess about products, services, their features, and the broader marketplace. It involves the ability to assess and evaluate products in terms of quality, price, brand reputation, and ethical considerations, which ultimately influences consumer decision-making (Dube & Chandon, 2020). As markets become more complex and information flows more freely through digital platforms, consumer awareness has grown significantly. This heightened awareness has transformed how consumers interact with brands and retailers, demanding transparency and higher levels of corporate responsibility (Hansen & Schultz, 2018).

A key component of consumer awareness is the ability to recognize and differentiate between various products and brands based on their qualities, prices, and unique selling propositions (Keller, 2019). In an age where access to information is ubiquitous, consumers are increasingly informed about the characteristics of the products they buy, including their origin, ingredients, manufacturing process, and environmental impact (Oladimeji & Oloruntoba, 2021). This awareness leads to more informed purchasing decisions, where consumers are less likely to be swayed by misleading advertising or overinflated claims about product benefits.

In addition to product knowledge, consumer awareness also extends to ethical considerations. Modern consumers are more likely to consider factors such as sustainability, corporate social responsibility, and fair trade practices when making purchasing decisions (Adewale & Olayemi, 2021). With increasing concerns about the environment and social justice, consumers are

demanding that brands not only provide high-quality products but also align with values such as environmental protection and human rights. This shift has been especially pronounced among younger, more socially conscious demographics, who are more likely to support brands that prioritize ethical practices (Dube & Chandon, 2020).

Furthermore, consumer awareness is facilitated by digital technologies, with the proliferation of online reviews, social media, and comparison platforms allowing consumers to gather detailed information before making decisions (Hansen & Schultz, 2018). As consumers become more empowered, their expectations of transparency and accountability from businesses continue to rise, reshaping the way companies approach marketing, product development, and customer engagement.

Consumer Discernment

Consumer discernment refers to the ability of individuals to critically assess products, services, and brands, making decisions based on informed judgment and personal preferences. This concept goes beyond basic purchasing decisions, involving a deeper evaluation of product quality, value for money, brand reputation, and ethical considerations (Hansen & Schultz, 2018). As consumer markets become increasingly complex and competitive, discernment has become a vital skill, especially with the rise of information overload and pervasive marketing techniques.

A key characteristic of consumer discernment is the ability to evaluate product claims and separate factual information from exaggerated or misleading advertising. Consumers who are discerning are less likely to be swayed by emotional appeals or superficial marketing strategies and instead rely on logical reasoning and facts (Dube & Chandon, 2020). For instance, a discerning consumer will scrutinize the nutritional content of food products, assess the ingredients used in cosmetics, or compare the technical specifications of electronic devices to make informed choices. This analytical approach stems from the increasing availability of product information through digital channels, which has empowered consumers to make better-informed decisions (Keller, 2019).

Furthermore, consumer discernment is also linked to the growing demand for transparency and corporate responsibility. As awareness of environmental and social issues increases, discerning consumers are more likely to choose products that align with their ethical values, such as sustainability, fair labor practices, and environmental stewardship (Adewale & Olayemi, 2021). These consumers evaluate not only the product's performance but also the brand's commitment to ethical practices, which in turn influences their purchasing behavior. For example, a discerning consumer might opt for a brand with transparent sourcing practices or one that is committed to reducing its carbon footprint.

The rise of social media and online reviews has further enhanced consumer discernment. Platforms like Yelp, Amazon, and social media allow consumers to access firsthand reviews and experiences from other buyers, enabling them to discern the true quality and reliability of products before making a purchase (Hansen & Schultz, 2018). This shift toward shared, crowd-sourced information has made consumer discernment an essential aspect of modern purchasing behavior.

Nigerians Preference for Imported Goods

Nigerians have historically demonstrated a strong preference for imported goods, a trend that is influenced by various economic, social, and psychological factors. This preference is driven

by perceptions of higher quality, prestige, and the allure of global brands. Over the years, many Nigerian consumers have come to associate foreign products, particularly from Western countries, with superior craftsmanship, innovation, and reliability compared to locally produced goods (Akinmoladun & Olanrewaju, 2020). This inclination toward imported goods is particularly evident in sectors like electronics, automobiles, fashion, and food products.

One of the key reasons for this preference is the perception that imported goods offer better quality and technological advancement. Many Nigerian consumers believe that foreign products, especially those from developed countries, are more durable and technologically superior (Oladimeji & Oloruntoba, 2021). For example, when it comes to mobile phones, electronics, or automobiles, foreign brands like Apple, Samsung, and Toyota are often favored over local alternatives due to their global reputation for quality and reliability. This consumer behavior can also be attributed to the limited trust in the ability of local manufacturers to meet the stringent quality standards set by international markets (Adewale & Olayemi, 2021).

Additionally, imported goods are often associated with status and social prestige. In Nigeria, owning foreign products is seen as a symbol of wealth and success, and consumers are willing to pay premium prices for the social status these products represent (Dube & Chandon, 2020). The influence of globalization and the proliferation of digital media, including social media platforms, have further amplified this preference by exposing Nigerians to international brands and lifestyles, making them more desirous of products from abroad.

However, this preference for imported goods also presents challenges for local industries. Nigerian manufacturers often struggle to compete with the perceived superior quality and global appeal of imported products. As a result, efforts are being made to improve local production standards and to encourage Nigerians to patronize homegrown goods through government policies aimed at boosting domestic industries (Oladimeji & Oloruntoba, 2021).

EMPIRICAL REVIEW

There are empirical studies similar to the study on the impact of consumer sophistication on preference for imported goods in Nigeria. Some of these studies are examined, highlighting the purpose, tools for analysis, findings and conclusion. For instance, Dube and Chandon (2020) investigated the role of consumer sophistication in purchasing decisions in emerging economies including India. The study aimed to understand the role of consumer sophistication in purchasing decisions, focusing on emerging economies. It examined how consumers' knowledge and awareness affect their preferences for imported goods. Structural Equation Modeling (SEM) was used to analyze data collected for the study. The study found that higher levels of consumer sophistication positively influenced the preference for international brands over local alternatives. Sophisticated consumers were more inclined to value product quality and brand reputation, which led them to favor imported goods. Hence, the study concluded that consumer sophistication is a significant predictor of preference for foreign goods, especially in emerging markets, where imported products are perceived as superior in quality.

Similarly, Akinmoladun and Olanrewaju (2020) investigated the impact of globalization on consumer preferences in Nigeria. The study explored the impact of globalization on consumer preferences in Nigeria. It aimed to assess how consumer sophistication influences the demand for imported goods, particularly in the context of Nigeria's evolving market. Regression Analysis was used to analyze data collected for the study. The study revealed that sophisticated Nigerian consumers were more likely to favor imported goods due to perceptions of higher quality, status, and innovation. Furthermore, globalization and exposure to international brands

amplified this trend. It was concluded that consumer sophistication significantly contributes to the preference for imported goods in Nigeria, highlighting the influence of global trends and brand perceptions.

Furthermore, Oladimeji and Oloruntoba (2021) examined consumer behavior and preferences for imported goods in Nigeria. The study examined how consumer behavior and sophistication affect the preference for imported goods over locally produced products in Nigeria. Factor Analysis and Correlation Analysis were used to analyze the data collected for the study. The study found that consumer sophistication, defined by knowledge, brand awareness, and perception of quality, significantly predicted a preference for imported goods. It also identified that higher educational levels and access to global information sources influenced consumer sophistication. The study concluded that Nigerian consumers' growing sophistication, spurred by globalization and information access, is a key factor driving the preference for foreign goods.

More also, Hansen and Schultz (2018) investigated the understanding consumer sophistication and its impact on market behavior in Germany. The research aimed to explore the impact of consumer sophistication on market behavior, specifically focusing on the influence of knowledge, awareness, and global exposure on product preferences. Structural Equation Modeling (SEM) was used to analyze the data collected for the study. The study showed that consumers with high levels of sophistication were more likely to purchase imported products, particularly those from countries with a reputation for quality, such as the United States and Japan. These consumers placed greater importance on product quality and innovation. The study concluded that consumer sophistication plays a critical role in shaping preferences for imported goods, with a significant impact in developed markets where access to global brands is widespread.

Again, Keller (2019) carried out a study on building strong brands in a modern, globalized world with focus on United States. The study aimed to investigate the relationship between consumer knowledge, sophistication, and the preference for imported goods in a globalized world, with a focus on the automotive industry. Regression and Path Analysis was adopted in the investigation which indicated that sophisticated consumers, who are more informed about product quality and brand reputation, show a stronger preference for foreign brands, especially in sectors like automotive, where perceived quality is crucial. It was concluded that consumer sophistication directly influences the preference for imported goods, with a stronger effect in industries where quality and brand trust are significant determinants of consumer choice.

These studies collectively demonstrate that consumer sophistication, which encompasses knowledge of product quality, brand awareness, and global exposure, plays a significant role in shaping preferences for imported goods across various countries and industries. The findings consistently suggest that as consumers become more informed and exposed to global brands, their preference for foreign products increases, often due to perceptions of superior quality and prestige. However, the following hypotheses were tested to achieve the objectives, and purpose of the study.

H₀₁: Consumer knowledge does not significantly impact preference for imported goods in Nigeria.

H₀₂: Consumer awareness does not significantly impact preference for imported goods in Nigeria.

H₀₃: Consumer discernment does not significantly impact preference for imported goods in Nigeria.

METHODOLOGY

The methodology of this study is rooted in the positivist research paradigm which relies on deductive logic, formulation and testing of hypotheses, offering operational definitions and mathematical equations, calculations, extrapolations and expressions to derive conclusions. Thus, a quantitative research design was employed by the researcher to establish the impact of consumer sophistication on preference for imported goods in Nigeria. The population of the study comprised customers in Nigeria. While the specific number of consumers in Nigeria is not stated, millions of Nigerians buy goods on daily basis. However, data were collected from 773 consumers who use both local and imported goods, using both offline and online data collection method. A semi-structured questionnaire consisting of 20 items was the instrument used in collecting the data. The instrument was designed in Likert 5–point scale of strongly agree to strongly disagree, i.e. strongly agree = 5; agree = 4; indifferent = 3; disagree = 2; strongly disagree = 1. Using online data collection method, the questionnaire was prepared in Google Form and administered to respondents who filled and submitted the Google Form via the Internet. In the offline method, the respondents were given questionnaire personally by the researcher, and all the responses were collated and analyzed.

Cronbach's (1951) alpha reliability test was conducted to determine the reliability of the study instrument. The test was to find out whether a comparable result could be realized if this study was carried out again. A threshold of 0.70 proposed by Nunally (1978) was adopted in determining the reliability of the research instrument. More so, Exploratory Factor Analysis (EFA) was conducted to ascertain whether variables in the study had discriminant validity. The results are shown in the factor loadings which are not less than 0.4 to indicate that the constructs had discriminant validity. Table 1 shows results of the Cronbach's alpha reliability and Exploratory Factor Analysis (EFA). Furthermore, Multiple Linear Regression Analysis was used to test the three null hypotheses stated in the study with a critical value of 0.05. All the analyses were done with the aid of the Statistical Package for Social Sciences (SPSS) version 25.

Table 1: Results of Reliability and Validity Tests

S/N	Variables	Number of Items	Cronbach's Alpha Coefficients	Factor Loadings
1	Consumer Knowledge	5	0.723	0.624
2	Consumer Awareness	5	0.706	0.725
3	Consumer Discernment	5	0.798	0.843
4	Preference for Imported Goods	5	0.801	0.750

Source: SPSS output form field data

Table 1 shows that, Cronbach's (1951) alpha reliability test was conducted and the results showed that all the variables in the study produced excellent and very high Cronbach's alpha coefficients. This means that, if this study is carried out again under a similar condition the results will be comparable to the results of this study. More so, results of the Exploratory Factor Analysis (EFA) revealed that all questionnaire items relating to preferences for imported goods loaded heavily on the variable, and consumer knowledge, consumer awareness, and consumer

discernment, loaded heavily on consumer sophistication. These loadings (no factor loading is less than 0.4) indicate that the constructs have discriminant validity.

TEST OF RESEARCH HYPOTHESES

Table 2: Model Summary of the impact of Consumer Knowledge, Consumer Awareness, and Consumer Discernment on Preference for Imported Goods in Nigeria

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 ^a	.716	.715	1.184

a. Predictors: (Constant), Consumer Discernment , Consumer Knowledge, Consumer Awareness

Source: SPSS output from field data

A multiple regression analysis was performed to predict the impacts of consumer knowledge, consumer awareness, and consumer discernment on preference for imported goods in Nigeria. As shown on Table 2, the variables have a very strong and positive impact on preference for imported goods which is evident in the multiple regression coefficient of 0.833. Again, the coefficient of determination (R Squared) is 0.716. This means that, approximately 72% of preference for imported goods was attributed to consumer knowledge, consumer awareness, and consumer discernment, while the remaining 28% were due to the impacts of external variables not included in the model.

Table 3: ANOVA^a of the impact of Consumer Knowledge, Consumer Awareness, and Consumer Discernment on Preference for Imported Goods in Nigeria

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4766.017	3	1588.672	1133.171	.000 ^b
	Residual	1078.115	769	1.402		
	Total	5844.132	772			

a. Dependent Variable: Preference for Imported Goods

b. Predictors: (Constant), Consumer Discernment , Consumer Knowledge, Consumer Awareness

Source: SPSS output from field data

The analysis of variance (ANOVA) in Table 3 shows that consumer knowledge, consumer awareness, and consumer discernment significantly contribute to preference for imported goods as shown in the probability value of $0.000 < 0.05$. Specifically, the results showed that, consumer knowledge, consumer awareness, and consumer discernment significantly contribute to preference for imported goods at $F(3, 769) = 1133.171$, $p = 0.000 < 0.05$, R Squared = 0.716. Thus, the analysis indicates that the regression model is a good fit for the data.

Table 4: Coefficients^a of the impact of Consumer Knowledge, Consumer Awareness, and Consumer Discernment on Preference for Imported Goods in Nigeria

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.902	.373		1.613	.107
	Consumer Knowledge	.337	.074	.344	4.548	.000
	Consumer Awareness	.434	.053	.452	6.444	.000
	Consumer Discernment	.702	.024	.672	24.743	.000

a. Dependent Variable: Preference for Imported Goods

Source: SPSS output from field data

In Table 4 the unstandardized coefficients indicate that 1% increase in consumer knowledge, consumer awareness, and consumer discernment will bring about 0.34%, 0.43%, and 0.70% increase respectively in preference for imported goods in Nigeria. The analysis further indicated that consumer discernment is the highest contributor to preference for imported goods with Beta Weight of 0.672. More also, consumer awareness is the second major contributor to preference for imported goods with Beta Weight of 0.452, whilst consumer knowledge is the least contributor to preference for imported goods as indicated by the Beta Weight of 0.344. Furthermore, the contributions of consumer knowledge, consumer awareness, and consumer discernment to preference for imported goods are significant as all the probability values are less than 0.05.

Based on the results of the analysis, the researcher rejected the null hypotheses which states that; consumer knowledge, consumer awareness, and consumer discernment do not significantly impact preference for imported goods in Nigeria. From Table 4, the regression equation can be formed, and the values substituted. Thus;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Substituting the values in the Table gives;

$$Y = 0.902 + 0.337X_1 + 0.434X_2 + 0.702X_3 + 0.074 + 0.053 + 0.024$$

Where:

Y = Preference for imported goods

X_1 = Consumer Knowledge

X_2 = Consumer Awareness

X_3 = Consumer Discernment

β_0 = Intercept (constant term).

$\beta_1, \beta_2, \beta_3,$ = Regression coefficients representing the impact of each independent variable on preference for imported goods.

ϵ = Error term (accounts for unexplained variations).

DISCUSSION OF FINDINGS

Results of the analyses revealed that, consumer knowledge, consumer awareness, and consumer discernment have a very strong and positive impact on preference for imported goods in Nigeria; evident in the multiple regression coefficient of 0.833. Additionally, the coefficient of determination (R Squared) is 0.716; indicating that approximately 72% of preference for imported goods was attributable to consumer knowledge, consumer awareness, and consumer discernment, while the remaining 28% were due to the impacts of external variables not included in the model.

More also, the results indicated that 1% increase in consumer knowledge, consumer awareness, and consumer discernment will bring about 0.34%, 0.43%, and 0.70% increase respectively in preference for imported goods in Nigeria. The analysis further showed that consumer discernment is the highest contributor to preference for imported goods with Beta Weight of 0.672. In addition, consumer awareness is the second major contributor to preference for imported goods with Beta Weight of 0.452, whilst consumer knowledge is the least contributor to preference for imported goods as indicated by the Beta Weight of 0.344. Furthermore, the contributions of consumer knowledge, consumer awareness, and consumer discernment to preference for imported goods are significant as all the probability values are less than 0.05. Based on the results of the analysis, the researcher rejected the null hypotheses which states that; consumer knowledge, consumer awareness, and consumer discernment do not significantly impact preference for imported goods in Nigeria.

These findings affirmed the findings of previous studies examined. For instance, the findings are consistent with the findings of Dube and Chandon (2020) who investigated the role of consumer sophistication in purchasing decisions in emerging economies including India, and found that higher levels of consumer sophistication positively influenced the preference for international brands over local alternatives. Additionally, sophisticated consumers were more inclined to value product quality and brand reputation, which led them to favor imported goods.

Similarly, the findings are consistent with the findings of Akinmoladun and Olanrewaju (2020) who investigated the impact of globalization on consumer preferences in Nigeria, and revealed that sophisticated Nigerian consumers were more likely to favor imported goods due to perceptions of higher quality, status, and innovation. The study further showed that, globalization and exposure to international brands amplified this trend. Furthermore, our findings are consistent with the findings of Oladimeji and Oloruntoba (2021) who examined consumer behavior and preferences for imported goods in Nigeria, and found that consumer sophistication, defined by knowledge, brand awareness, and perception of quality, significantly predicted a preference for imported goods. It also identified that higher educational levels and access to global information sources influenced consumer sophistication.

More also, our findings align with the findings of Hansen and Schultz (2018) who investigated the understanding consumer sophistication and its impact on market behavior in Germany, and showed that consumers with high levels of sophistication were more likely to purchase imported products, particularly those from countries with a reputation for quality, such as the United States and Japan. These consumers placed greater importance on product quality and innovation. Additionally, our findings are in concord with the findings of Keller (2019) who carried out a study on building strong brands in a modern, globalized world with focus on United States, and found that sophisticated consumers, who are more informed about product quality and brand reputation, show a stronger preference for foreign brands, especially in sectors like automotive, where perceived quality is crucial.

The findings consistently suggest that as consumers become more informed and exposed to global brands, their preference for foreign products increases, often due to perceptions of superior quality and prestige. These studies collectively demonstrate that consumer sophistication plays a significant role in shaping preferences for imported goods across various countries and industries.

CONCLUSION

The study of the impact of consumer sophistication on the preference for imported goods in Nigeria highlights the significant role that consumer knowledge, awareness, and discernment play in shaping purchasing decisions. As Nigerian consumers become more sophisticated, they exhibit a heightened ability to evaluate products, not just in terms of their basic utility but also considering factors such as quality, brand reputation, and ethical production standards. This growing sophistication has made them more discerning about their choices, particularly in relation to imported goods.

Consumer knowledge is a crucial factor in this trend. As consumers in Nigeria become more informed about product features, manufacturing processes, and the global marketplace, their preference for imported goods grows. Many Nigerians associate foreign products with higher quality, advanced technology, and superior design, which further reinforce the preference for imports. This knowledge is increasingly driven by exposure to global brands and access to information through the internet, social media, and other digital platforms.

Consumer awareness also plays an integral role. With greater awareness of the environmental, social, and ethical implications of their purchases, Nigerian consumers are more likely to consider factors such as sustainability and fair trade practices when making decisions. The rising awareness of the benefits of consuming imported goods — such as their perceived higher quality and prestige — influences the preference for international brands over local alternatives.

Finally, consumer discernment — the ability to critically evaluate products and differentiate between competing alternatives — is central to the preference for imported goods. Sophisticated Nigerian consumers are less likely to fall for misleading marketing claims or superficial advertising. Instead, they tend to make decisions based on logical assessment and personal values, such as product durability, performance, and alignment with their lifestyle. This heightened discernment leads them to favor imported goods, which they often perceive as meeting these criteria better than locally produced options.

The interplay of consumer knowledge, awareness, and discernment significantly drives the preference for imported goods in Nigeria. As these factors continue to evolve, it is likely that Nigerian consumers will place even more emphasis on the quality, ethics, and prestige associated with imported goods, challenging local industries to improve their offerings in order to compete effectively in the market.

RECOMMENDATIONS

Based on the findings of the study on the impact of consumer sophistication on the preference for imported goods in Nigeria, the following recommendations can be made:

Enhance Local Product Quality and Innovation: Nigerian manufacturers should focus on improving the quality of locally produced goods to meet international standards. By investing in advanced technologies, research, and development, local brands can address the gap in perceived quality between imported and locally made products. Additionally, encouraging local manufacturers to innovate and offer unique features can help increase consumer interest in Nigerian products.

Promote Consumer Education and Awareness: To counter the preference for imported goods, Nigerian businesses and government agencies should invest in consumer education

programs. These initiatives should focus on promoting the benefits of supporting local industries, such as job creation and economic growth. Consumers should also be educated on the value and quality of locally produced products, which can help shift their perception of Nigerian goods and reduce the allure of imported alternatives.

Leverage Digital Platforms for Brand Building: With the rise of digital media, Nigerian businesses should leverage social media, websites, and e-commerce platforms to enhance brand visibility and connect with consumers. Providing information on the quality, benefits, and ethical practices behind Nigerian products can increase consumer trust. Brands can also use online reviews and influencers to showcase local products' superior value and appeal to the increasingly sophisticated Nigerian consumer.

Encourage Transparency and Ethical Practices: Nigerian manufacturers should prioritize transparency in their production processes, including sourcing, environmental impact, and labor conditions. Given the growing global concern for sustainability and ethical practices, consumers with higher levels of sophistication are increasingly attracted to brands that align with their values. Local companies should adopt sustainability initiatives and ethical sourcing to appeal to conscientious consumers.

Collaborate with Government for Policy Support: The Nigerian government should create policies that support local industries, such as subsidies, tax incentives, and grants for manufacturers who prioritize innovation, quality improvement, and sustainability. Additionally, promoting policies that reduce the reliance on imports and encourage domestic production of essential goods can help shift the balance toward locally produced alternatives.

Focus on Building Stronger Brand Loyalty: Local brands can increase consumer loyalty by offering superior customer service, rewards programs, and building a sense of community around their products. Emphasizing emotional connections between local products and Nigerian consumers can create stronger brand loyalty, which might encourage consumers to shift from imported goods to locally made alternatives.

Target Specific Consumer Segments: Different consumer segments may have varying levels of sophistication and preferences for imported goods. It is important for Nigerian manufacturers and retailers to segment the market and tailor their marketing strategies accordingly. For example, targeting younger, more globally aware consumers with premium, ethically produced, and innovative local goods could shift trends toward local preferences in the long term.

By addressing these recommendations, Nigerian businesses can not only boost the demand for local products but also position themselves strategically in a globalized market where consumer sophistication continues to grow.

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