Willingness to Pay for Imported Versus Locally Made Furniture in Dar Es Salaam and Arusha Regions, Tanzania

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Abstract: *There is little understanding on consumers' willingness to pay for imported versus locally-made furniture. This study assessed, the amount of money and factors influencing consumers' willingness to pay for imported and locally made furniture in Dar es Salaam and Arusha cities in Tanzania. Cross-sectional design was employed, data were collected from furniture consumers in the study area. Multistage sampling method was used to sample a total of 134 furniture consumers out of that 87 and 47 were for Dar es salaam and Arusha respectively. Descriptive statistics as well as ordinary least squares (OLS) regression analysis was used to analyze data. The study found significant differences on the level of willingness to pay for furniture items (t = -10.76; at p<0.05). Imported furniture were seemed to be far ahead than the locally one. The mean amount was TZS 858 475 and TZS 1 174 517 for locally made and imported furniture respectively. The amount that consumers are ready to pay for imported furniture is a bit high in Dar es Salaam than Arusha. The major differences in consumers' willingness to pay for imported against locally made furniture were due to the quality, design and brand of the furniture products. It is concluded that consumers are willing to pay more for imported furniture because of quality and designs. Small scale furniture manufacturers need to come out with innovative designs and improve finishing and quality to respond to changes in consumer willingness to pay.*

Keywords: Willingness to pay; Imported Furniture; Locally made furniture, Consumers, Tanzania.

1.0 Introduction

It is shown that Tanzania generally imports more than it exports. For instance, in the years 2005 to 2016 the nation's imports were worth US$ 64 861 519 979 while exports were worth US$ 37 472 298 145 (Fig. 1). A comparable state is realized for the importation of furniture, whereby, between 2005 and 2016 the country's furniture imports were worth US$ 1 440 744 804, whereas exports were worth just US$ 411 365 676. About 46% of imported furniture came from the United Arab Emirates and 39% were from China. The rest 15% were from the United Kingdom, the United States of America, Malaysia, India, South Africa, and other countries (TRA, 2016).

The massive import of furniture had a hostile consequence on furniture that are domestically manufactured (Kizito, 2009, Ogaya, 2018). According to URT (2012), Tanzania's small-scale sector was challenged by global rivalry (mainly from Asian products), which caused the shutting of numerous industries furniture industries inclusive as well as a decline in productivity and output (Page *et al.*, 2016). This was because consumer's willingness to pay for locally made furniture is low. Despite the decline in productivity and output of furniture items, there is little understanding of what factors and mannerism induce consumers' willingness to pay for imported or local furniture. On this basis, there is a need to analyse the causes of consumers' willingness to pay for locally versus imported furniture. Hence this study analyses factors affecting the consumer's willingness to pay for foreign and domestically manufactured furniture in Dar es Salaam and Arusha regions of Tanzania.
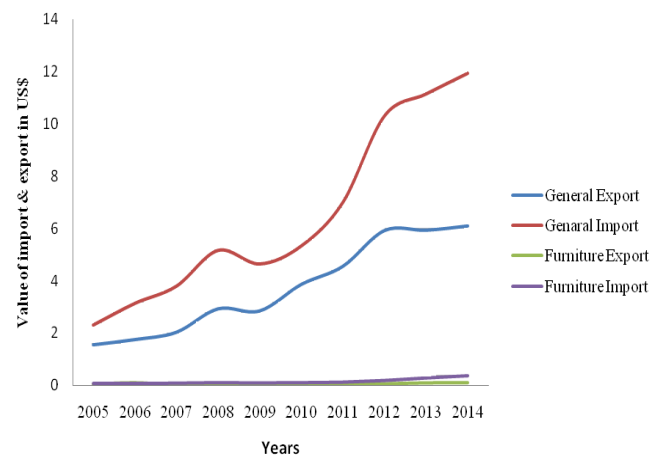

Figure 1: Tanzania import and export statistics
Source: TRA (2016)

2.0 Theoretical and Conceptual Framework

Consumer behavioural theories were used to analyze the purchase decisions of the consumer. According to Chaipornmelta (2012), consumer behaviour theory can be

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used to analyse the purchase decision of the consumer. Consumer behaviour theory requires a multidisciplinary approach in analyzing consumer behaviour. The approach ranges from economics to psychology and from sociology to marketing (Deshpande, 2015). To cover aspects that go from economics to psychology, this study used consumer utility theory. The theory explains that the consumers are lucid individuals intended at the maximization of their total utility and, consequently, bearing in mind the budget restraint, as a matter of fact, the boundary of the expenditures that can be incurred, knowing the income and the prices of the goods, they choose to realize this target (Hoff & Stiglitz, 2016). The demand of a product, in a particular moment and on a specified market, is, thus, a function of the price, likes, income, prices of other goods replaced it or which are complementary to it (Begg *et al.,* 2000).

It is apparent that, considering the decreasing marginal utility law, when the product price differs, the needed quantity of it varies indirectly. It is, however, factual that each customer being diverse from another, in the demand collective function, the demanders' reactivity must be assessed to the variation of each of the measured variables. It is obvious that the limit of the consumer utility theory which studies the consumers' behaviour continuously considers their likes fixed though they are, conversely, changeable. In general, the consumer utility theory focuses on customers' decisions on the choice of product based on customers' income and price of the product but ignores other factors such as socio classes.

To cover the aspects that go from sociology to marketing, this study used the reasoned action theory. The theory postulates that the consumer's choice is regarded as a still choice if one of the variables adjusts itself, though others do not alter. The motives which induce customers to select an item rather than another are numerous: deliberate and unintentional, exotic and internal reasons. As a result, consumers do not constantly do their purchase founded on the pure utilitarian estimation, rather they are influenced, for instance, by an emulative spirit (Deshpande, 2015), which, permits subjects, through a specified product acquisition to show those they consider of lower in status their power, since, they are not satisfied by their social class, their purpose being recognised by a superior one. The procured product serves, in such a way, a reputation symbol. In other words, the consumers' behaviour is co-dependent from that of the others creating their social cluster and they incline to express it.

3.0 Methodology

The study was done in two cities of Tanzania specifically Dar es Salaam and Arusha. The two cities were purposively selected since they are among the biggest cities in Tanzania and are the main receiver of foreign furniture (Ogawa, 2018). This study utilized a cross-sectional design. The multistage sampling technique was employed to select the consumers. In the first phase, study wards were chosen. Ten (out of 90) wards of Dar es salaam and 3 out of 17 wards in Arusha were purposively designated to participate in the study. In each ward, hamlets were randomly chosen from the list of wards given by the Ward Executive Officer (WEO). Households within hamlets were systematically picked.

Individual participants within domiciliary were designated purposively, aiming at those who had the duty of buying furniture and at least bought domestic or foreign furniture in the last 5 years since is easy for one to remember and share his/her purchasing experience.

The formula by Fisher *et al.* (1991) was employed to estimate sample size. The sample size for consumers in Dar es Salaam and Arusha was done based on the proportion of consumers in both cities as per the National Population and Housing Census (URT 2013). Therefore, Out of 134 consumers, 87 were from Dar es Salaam and 43 from Arusha.

In this study, both primary and secondary data were collected through questionnaires and documentary reviews. It was essential to utilize a mixture of data to complement each other and to get adequate and strong data for the study. In this study, the dependent variable is continuous thus ordinary least squares (OLS) method was used. The OLS model was used to estimate the determinants of the amounts that consumers are willing to pay for domestically made and imported furniture. Since the respondents were also asked to specify the maximum amount he/she is willing to pay for, the model is based on the studies by Mycoo (2005) and Asgary *et al.* (2004). According to Mycoo (2005) data from the willingness to pay using bid game is continuous and linear. Therefore, the specification model for this study was as follows,

$$WTP = \beta_0 + \beta_1 AGE + \beta_2 SEX + \beta_3 EDC + \beta_4 HHS + \beta_5 MAS + \beta_6 INC + \beta_7 BRD + \beta_8 KNW + \beta_9 DISG + \beta_{10} DIS + \beta_{11} TM + \beta_{12} QUA + \varepsilon_i \dots\dots\dots\dots 7$$

$WTP =$ Dependent variable (price) measured as the amount of money a person would be willing to pay for imported or locally made furniture (sofa set)

$\beta_i =$ Vector of respective parameters

$\chi_i =$ Vector of an explanatory variable

$\varepsilon_i =$ Independently distributed error term

The explanatory variables are:

$AGE =$ Age of head of household in (years)

$SEX =$ Sex of furniture firm owner (dummy, 1 for male and 0 if female)

$EDC =$ Education level of furniture firm owner (Measured by the number of years spent schooling)

$HHS =$ Total number of household members of the household)

$MAS =$ Marital status (Dummy, 1 if married, 0 if single)

$INC =$ Amount of money earned in a year)

$BRD =$ Brand (Dummy 1 if the product is locally made 0 if otherwise)

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$KNW =$ Knowledge (Dummy, 1 if consumers are knowledgeable on the product and 0 if not)

$DESN =$ Design (Dummy, 1 if the furniture is bought because of superior design, 0 if not)

$DIS =$ Distance (Number of kilometres to the buying point)

$TM =$ Time (Measured by **the** number of days taken to receive ordered furniture)

$QL =$ Quality (Dummy, 1 if furniture is of good quality, 0 if otherwise)

Before conducting regression analysis, multicollinearity was tested. Two major means were used to establish the incidence of multi-collinearity among independent variables. These practices included the determination of both a Tolerance test and Variance Inflation Factor (VIF) (Sivathaasan, 2013). Velnampy *et al.* (2014) and Menard (1955) recommended that a tolerance value less than 0.1 practically certainly specify a pressing collinearity problem. Additionally, Myers (1990) also proposed that a VIF value larger than 10 calls for concern. In this study, none of the Tolerance levels is less than 0.01 and VIF value is well below 10. Thus, the explanatory variables employed in this research do not show a multi-collinearity problem. Paired t-test was employed to determine the difference in amounts that consumers were willing to pay for locally made and imported furniture.

4.0 Findings and Discussion

4.1 Socio-Demographics and economic characteristics of the respondents

The findings revealed that 55 % of consumers were females and 45 % males. Concerning marital status, the findings revealed that the majority 52 % were married, location wise the study noted that 51% and 54% of consumers were married in Dar es Salaam and Arusha respectively, implying that the need of buying furniture items are quite high in matrimonial homes. It was further revealed that the majority of the consumers were employed. The average (mean) age was 34 years, in Dar es Salaam the mean age was 33 years while in Arusha 35 years. The average (mean) income was Tshs 2 608 000 whereas in Dar es Salaam mean income was Tshs 2 853 000 and Arusha Tshs 2,165,000. Concerning education level the mean years consumers spend schooling is 15 years, All respondents had personally been involved in a major furniture purchase within 1-5 years. Location-wise results show no difference in socio-economic characteristics in the two cities. The detailed socio-economic profile of the respondents is presented in Table 1.

Table 1: Socio-economic Profile of Respondents

n = 134					Dar es salaam n=87				Arusha n=47			
Variable	Min	Max	Mean	Std.d	Min	Max	Mean	Std.d	Min	Max	Mean	Std.d
Age	24	66	34	8.454	24	60	33.4	7.68	24	66	35	9.724
Education	7	17	15	2.359	7	17	15	2.44	11	17	15	2.20
Household size	1	9	4	1.834	1	8	3.9	1.823	1	9	4	1.87
Income	170	9.900	2.608	2485144	170	9,900	2,853	2525395	300	9,000	2,165	5556306
Sex	**Frequency**		**Percent**		**Frequency**		**Percent**		**Frequency**		**Percent**	
Female	74		55		51		59		23		49	
Male	60		45		36		41		24		51	
Marital status												
Married	69		52		44		51		25		54	
Single	65		48		43		49		22		46	
Employment status												
Not employed	20		15		10		12		10		21	
Employed	114		85		77		88		37		79	

4.1 Amount Consumers are Willing to Pay

Concerning the amount of money, consumers were willing to pay for local and imported furniture, it was revealed that the mean amount for locally made furniture (Sofa set) was TZS 858 475 whereas for imported furniture the amount was TZS 1 174 517. The results showed that the furniture consumers were consenting to pay extra for imported furniture than for locally made furniture. The reason for this is due to the fact that imported furniture had a positive image on furniture consumers because of superior design and quality. This is supported by the results of a study done by Quarterly and Abor (2011) who acclaimed that customers in third world countries prefer products and brands from the developed world.

On the aspect of geographic location, the findings showed that the average amount of money that the consumers were willing to pay for imported furniture (sofa set) was TZS 1 198 452 and 1 130 213 in Dar es Salaam and Arusha respectively, whereas for locally made furniture (sofa set) the amounts were TZS 865 811 and 844 894 in Dar es Salaam and Arusha correspondingly. The findings reveal that there was a slight difference in terms of the amount the customers were willing to pay for imported and locally made furniture across the cities. However, the amount that consumers were willing to pay for imported furniture was a little bit high in Dar es Salaam. This implies that consumers in Dar es Salaam are more attracted to imported products than consumers in Arusha. Table 2 presents the results.

Table 2: Amount Consumers are Willing to Pay for Imported and Locally Made Furniture (n=134)

Statistics	WTP* imported	WTP locally made	Dar es Salaam		Arusha	
			WTP imported	WTP locally made	WTP imported	WTP locally made
n	134	134	87	87	47	47
Minimum	623333	530000	623333	530000	623333	530000
Maximum	2010000	1036667	2010000	1036666	2010000	1036666
Mean	1174517	858475	1198452	865811	1130213	844894
Std. Dev	441970	138434	420030.7	127633	481509.5	157043

*WTP means Willing to Pay

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4.2 Test for Difference in Amount Consumers are Willing to Pay

The paired t-test results (Table 3) further confirm that there was a statistically significant difference in amounts that consumers were willing to pay for locally made and imported furniture (t = -10.76; at p<0.05). The implication of these findings suggests that the amounts consumers are willing to pay for local and imported furniture differ significantly. In the light of these results, it can be argued that the impression of consumers on the standard of foreign products is still high compared to the domestic products.

Table 3: **Amount Consumers are Willing to Pay for Imported and Locally Made Furniture (Sofa set) Paired t-test Comparison**

Mean Amount Imported	Local	Mean Difference	Std. Dev	Std. Error Mean	t-value	df	Sig. (2-tailed)
1174517	858475	-316042	339865	29359	-10.764	134	.000

p<0.05

4.3 Predictors of Consumers' Willingness to Pay for Furniture

In this study, regression analysis was performed to predict the amount of money consumers were willing to pay (WTP) based on twelve (12) independent variables. The independent variables were age, education level, sex, marital status, household size, quality, design, brand, knowledge, price, income, and distance. The results of the regression assessment, model summary show that R square was 0.488 for locally made and 0.702 for imported furniture. This means that 48.8% and 70.2% of the variance in willingness to pay could be predicted by the variables included in the models for local and imported furniture respectively. The fact that R-square was 48.8% might be attributed to the fact that there might be other variables that affected the dependent variable but were not covered in this study. Furthermore, the overall fit of the models (F-test = 5.7 for locally and F-test = 22 for imported at p = 0.000) was statistically significant, which means that the model had sufficient expressive power to envision variation in willingness to pay (Table 4).

Table 4: Results of Regression Analysis (Coefficients) (n=134)

Variable	Locally made furniture					Imported furniture				
	Unstandardized Coefficients β	Std. Error	Std Coefficients β	t	Sig	Unstandardized Coefficients β	Std. Error	Std Coefficients β	t	Sig
Constant	12.913	0.365		35.360	0.000	12.397	0.563		22.023	0.000
Age	0.292	0.147	0.163	1.985	0.049*	-0.669	0.314	-0.139	-2.127	0.035*
Education level	-0.354	0.024	-0.165	-1.737	0.085	0.615	0.227	0.153	2.714	0.008*
Residential location	-0.049	0.028	-0.142	-1.736	0.085	-0.036	0.039	-0.075	-0.922	0.359
Sex	0.186	0.034	0.350	5.421	0.000*	-0.092	0.043	-0.118	-2.111	0.037*
Household size	0.134	0.038	0.343	3.569	0.001*	-0.235	0.044	-0.408	-5.305	0.000*
Quality	-0.077	0.028	-0.431	-2.767	0.007*	0.100	0.019	0.426	5.312	0.000*
Design	-0.053	0.026	-0.244	-2.060	0.042*	0.186	0.034	0.350	5.312	0.000*
Brand	0.087	0.030	0.386	2.901	0.004*	0.061	0.020	0.242	3.083	0.003*
Time	0.045	0.029	0.177	1.581	0.116	0.026	0.043	0.066	0.618	0.538
knowledge	0.055	0.012	0.528	4.524	0.000*	0.239	0.058	0.273	4.134	0.000*
Income	-0.131	0.030	-0.503	-4.407	0.000*	0.131	0.046	0.225	2.873	0.005*
Marital status	0.026	0.013	0.235	2.052	0.042*	0.051	0.046	0.101	1.110	0.269
Model				1					1	
R				0.699					0.838	
R Square				0.488					0.702	
Adjusted R Square				0.439					0.672	
Std. Error of the estimate				.0318967					.22131	

Model	Sum of Squares	df	Mean Square	F	Sig	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.431	12	0.119	5.786	0.000	13.743	12	1.145	22.383	0.000
Residual	2.453	119	0.021			5.828	119	0.049		
Total	3.884	131				19.571	131			

Dependent Variable: WTP (Measured by amount consumers are willing to pay)   *Significant at P < 0.05

4.3.1 The influence of age on willingness to pay

The influence of age on willingness to pay was tested at p < 0.05) and formed statistically significant results with t-value = 1.985, p-value = 0.049 and β = 0.292 for locally made and t-value = -2.127, p-value= .035 and β = -.669) for imported furniture. The findings (Table 4) reveal that, with every additional year of age, a consumer is willing to pay 0.292 cents more for locally made furniture. This means that, with a decrease in age, consumers are willing to pay 0.669 cents more for imported furniture. This implies that older consumers have a higher predisposition towards paying more for locally made furniture. This may be attributed to the fact that such consumers are not interested in fashioned products compared to young people who prefer more contemporary styled or fashioned furniture; that is, family responsibilities increase with age and thus reduce the tendency of aged customers to buy things for fashion. This finding is similar to findings of a study done by Tang *et al*. (2012) who found that there is a relationship between WTP and age. However, it is contrary to Haghjou *et al.* (2013) who noted that the variable age had no relevant effect on consumers' potential WTP.

4.3.2 The influence of sex on willingness to pay

The analysis also tested (at p < 0.05) if sex had an impact on willingness to pay for domestically produced and imported furniture. The findings exposed a highly statistical significant influence with β = 0.186, β = -0.092, t-value = 5.421 and = -2.111 at   p =0.000 and 0.037 for domestically produced and

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imported furniture, respectively. The findings (Table 4) show that male consumers were willing to pay 0.186 cents more for locally made and 0.092 cents less for imported furniture than female consumers. The possible explanation here might be that male consumers value furniture based on durability; hence they buy new items which last a long while, on the other hand, female consumers are interested in fashion or style. In addition, male consumers usually opt for cheap items to save money for other obligations. These findings are supported by findings of a study done by Shen (2012) and Kucher *et al.* (2019) who noted that men are more willing to pay for quality goods than fashionable ones compared to women. Akareem *et al.* (2012) also noted that willingness to pay for local products over imported ones is associated with sex difference. This is supported by Consumer Utility Theory which emphasizes that choices made by individuals have an impact on willingness to pay.

4.3.3 The effect of household size on willingness to pay

Household size was another strong predictor of willingness to pay. The findings were statistically significant at β = 0.134, t-value = 3.569 at p = 0.001 for locally made and β = -0.235, t-value = -5.305 at p = 0.000 for imported furniture. The negative sign (β = -0.235) indicates that, for one additional household member, the consumer was ready to pay 0.235 less for imported furniture. This means that for every additional person in the family a consumer was willing to pay 0.134 cents more for locally made furniture. This infers that the more the number of household members, the higher the inclination towards domestic items. This is so probably because a large family is associated with the high cost of running the family, hence willingness to pay, relative less to save money for other family obligations. This is reinforced by the results of a study done by Moffat *et al.* (2007) who observed that the larger the family size, the more complications are experienced in terms of pecuniary constraints, hence the decreased WTP. In addition, Coster and Otufale (2014) found that household size correlates with willingness to pay for quality goods. From Porter's perspective, consumers' influence shapes the competitive structure of an industry. That is, if the consumer is price sensitive regarding the product, he/she can influence the price of such a product to below. This is to say, consumers with large household sizes have high bargaining power on local furniture because they are sensitive to price. The Consumer Utility Theory also proposes that consumers maximize their utility within given budget constraints, Table 4 presents the results.

4.3.4 The influence of quality on willingness to pay

Another strong predictor of consumers' willingness to pay for locally made furniture and imported furniture was the quality of furniture. The findings were tested at p < 0.05 and formed statistically significant results β = -0.077 and 0.100, t-value = -2.767 and 5.312 and p = 0.007 and 0.000) for locally made and imported furniture, respectively. This indicates that quality influences consumers' willingness to pay more for imported furniture. This implies that consumers were willing to pay a premium of 0.100 cents more for imported furniture compared to local furniture. The reason may be that consumers perceive imported furniture has high quality compared to local furniture. This finding is similar to a finding by a study done by Zziwa *et al*. (2006) and Kashi

(2014) who confirmed that foreign products are ahead of domestic products in the thoughts of the consumers in terms of quality. Kizito (2009) observed that there is a high and positive correlation between the level of consumers' quality expectations and their level of satisfaction with furniture.

4.3.5 The influence of design on willingness to pay

Furniture design was another strong predictor of willingness to pay, statistically significant were produced at β= -0.053, t-value = -2.060 and p = 0.042 for locally made and β = 0.186, t-value = 5.312 and p = 0.000 for imported furniture. The negative coefficient specifies that consumers design expectation for locally made furniture was not met. That is, as the level of consumer's fashion consciousness increases, the willingness to pay for locally made furniture is reduced by 0.053 cents. This means that consumers express high satisfaction with imported furniture design because of the use of advanced technology in manufacturing imported furniture. This is true probably because locally made furniture is slightly fashioned compared to imported furniture. This supports the results of a study done by Arowosoge and Tee (2010) and Ratnasingam *et al.* (2019) who highlighted that the demand drivers for furniture depend significantly on the distinct product features such as its design. Porter (1998) argues that if clienteles notice a product or service as of good design, they become more willing to pay a supreme price comparative to the price they would pay for a low-quality design product. Table 4 presents the results.

4.3.6 The influence of the brand on willingness to pay

The effects of brand on willingness to pay for locally made furniture was tested at p < 0.05) and produced statistical significant result with t-value = 2.901 and 3.083, p = 0.004 and 0.003 and β = 0.087 and β = 0.061 for domestically made and foreign furniture, respectively. The results show that consumers who admitted to being familiar with the product brand were willing to pay 0.061 cents more for imported furniture and 0.087 cents for locally made furniture. That is awareness of the wood species used in making a furniture item influences an individual's readiness to pay for such an item. The possible explanation for this is that consumers are willing to pay higher for furniture made up of tree species known to be suitable for furniture production. Domie (2013) confirmed that persons were willing to pay for domestic furniture as a means to realize their traditional natural resources. On the contrary, Ismail *et al.* (2012) claimed that customers were found to be extremely prone to global brands.

4.3.7 The influence of knowledge on willingness to pay

Knowledge of furniture products was another strong predictor of willingness to pay for locally made and imported furniture. The findings were tested at p < 0.05 and were statistically significant at β = 0.055, t-value = 4.524 and p-value of .000 for locally made and β = 0.239, t-value = 4.134 and p-value 0.000 for imported furniture. This means that an increase in prior knowledge on furniture items increases consumers' willingness to pay by 0.055 cents and 0.239 cents more for locally made and imported furniture. This is assumed logical because consumers' knowledge on items may be an important driver towards willingness to pay for

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such items. This is related to the findings of Oni *et al.* (2005), Ehmke *et al.* (2008), and Needham *et al.* (2018) who indicated that respondents' knowledge has a significant effect on their WTP. This is also consistent with Porter's views that consumers who have full information about a product will have high bargaining power for such products.

4.3.8   The influence of income on willingness to pay

Another strong predictor of consumers' willingness to pay for locally made furniture and imported furniture was income. The findings were tested at $p < 0.05$ and produced statistical significant results (β= -0.131, t-value = -4.407 and p-value 0.000 for locally made and β = 0.131, t-value = 2.873 and p-value 0.005 for imported furniture. The results indicate that with every additional TZS 1 of income an individual was willing to pay 0.131 cents more for imported furniture. The possible explanation could be that higher-income consumers are more inclined to stylish and quality items. This supports the results of a study done by Haghjou *et al.* (2013) who observed that people with higher income were ready to pay for luxurious goods. Coster and Otufale (2014), on the other hand, observed that low-earned consumers are willing to pay more for domestic services. This is consistent with the Consumer Utility Theory which dictates that an upsurge in revenue will raise the likely utility that the buyer can obtain in the market.

4.3.9   The influence of marital status on willingness to pay

Marital status was found to be statistically significant at β = 0.026, t-value = 2.052 and p-value of 0.042 for locally made furniture, but not for imported furniture. This implies that married people were willing to pay 0.026 cents more for locally made furniture. This is an indication that married respondents were more price-sensitive compared to single respondents who might be style conscious. This is different from findings of a study by Zakaria *et al.* (2014) and Tang *et al.* (2012) who observed that matrimonial status and situation within the household were not significantly influencing willingness to pay.

4.3.10 The influence of education on willingness to pay

Findings further show that education level significantly affects willingness to pay for imported furniture and not for locally made furniture. These results were tested at $p < 0.05$, and produced statistical significant results of β = .615, t-value = 2.714 and p-value = 0.008. This shows that, as the level of education increases, consumer's willingness to pay for imported furniture rises by 0.615 cents. The reason could be that more educated customers are more acquainted to modern items. In addition, it is logical to believe that education may favour a positive attitude towards change. Tang *et al.* (2012) confirmed that education level does not have a significant effect on WTP to domestic products.

4.3.11 The Influence of residential location on willingness to pay

Consumers' residential location was also used to test the willingness to pay for domestically manufactured and imported furniture. The results showed that residential location was not statistically significant in determining willingness to pay for locally made and imported furniture. This reveals that residential location does not influence consumers' willingness to pay for furniture. On the contrary, Coster and Otufale (2014) documented a positive association between willingness to pay and distance to the selling point. In addition, Agbemolege and Odubanjo (2001) noted that consumers' willingness to pay decreases with the increase of distance to the buying point.

4.3.12 The influence of time on willingness to pay

On the aspect of time, the findings showed that time did not impact willingness to pay for locally made and imported furniture. The implication of the findings is that willingness to pay for furniture is not associated with time from furniture order to time of receiving the furniture; customers are not time-sensitive and thus there could be other aspects that influence their willingness to pay for furniture. On the contrary, Heikamp (2013) noted that the time taken to deliver commodities affects consumers' willingness to pay for such commodities.

5. Conclusion and recommendations

This study concludes that there was a significant difference in the amount that consumers are willing to pay for furniture. Consumers are willing to pay more for imported furniture than locally made one. Therefore, the major variances in consumers' willingness to pay for furniture were due to the quality, design, and brand of the furniture products. This indicates that local small-scale furniture industries should emphasise appropriate skills, technology, and invention to produce competitive products and be able to boost the level of production. Small-scale furniture manufacturers need to become responsive to changes in willingness to pay. They need to adopt an approach of oriented marketing and engage in intensive marketing strategies through advertising and promotion campaigns, in addition, they need to study what quality and design are preferred, innovate, and capture the market.

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