

IMPORT DECISION BEHAVIOR:  
AN EMPIRICAL STUDY OF TWO COUNTRIES' IMPORT MANAGERS

Kyung-il Ed Ghymn, University of Nevada-Reno

The U.S. balance of trade deficits and the decline of the U.S. dominance of world market have drawn much attention to the need for a greater knowledge of the export process and its management. Since exporting is an important issue for international marketers as well as government officials, it has been the focus of many studies in the literature.

Equally important, however, is an understanding of the import process and its management. International marketing should be a tool available to both exporters (sellers) and importers (buyers) in theory as well as in practice. Therefore, international marketing should include the study of importing process and its management (11). In the past, however, international marketing strategies were examined primarily as a tool that deals with problems of exporting and profits in the global marketplace (4).

This paper explores the purchasing behavior of import managers of the two Pacific Rim countries, U.S. and Korea, the senenth largest U.S. trading partner.

A structured questionnaire for both mail and in-depth interviews was the main device for data collection. The questionnaire contains 17 import related dependent variables and its main purpose was to determine what variable(s) were perceived to be most important in relative terms when making import purchasing decision and what seemed to be the most difficult problems.

Table 1 shows the mean scores(5 point scale) for the study sample and a portion of the group difference analysis(ANOVA). Overall findings show that Korean import managers seem to be either quite prudent or quite confused in determining what information is more useful and what is not when they make decisions on importation. The mean score of all the variables were distinctly higher than that of U. S. managers indicating that all variables measured are either "important" or "very important".

For specific variables, Korean managers rate the product quality variable as number one in importance followed by the price, the timely delivery and the long-term supply dependability variables.

Findings on the relative importance of import decision variables as perceived by both the U.S. and Korean managers reveal quite an interesting comparison and they also offer very practical answers to importers and exporters. But the important value of this study lies in that this empirical study provides a foundation for further study which would serve to improve the theory of firm's purchasing behavior. The existing theories and models of organizational buying behavior have been neglecting the cross-cultural variables in their discussions.

REFERENCES

- [1] Cateora, Philip R., International Marketing, fifth ed., Homewood, IL: Irwin, 1983, p. 407.
- [2] Cateora, p. 408.
- [3] Carvsgil, S Tamer, and John R. Nevin, "The State of the Art in International Marketing: An Assessment," Review of Marketing, 1981, p. 51.
- [4] Douglas, Susan P., and Samuel C. Craig, International Marketing Research, Prentice-Hall, 1983, p. 16 and p. 18.
- [5] Douglas and Craig, p. 17.
- [6] Ghymn, Kyung-il, "The Relative Importance of Import Decision Variables," Journal of Academy of Marketing Science, Vol. 11, No. 3, Summer 1983, pp. 304-312.
- [7] \_\_\_\_\_ "Import Decision Behavior," Business Journal, Vol. 7, No. 2, 1982, pp. 22-24.
- [8] \_\_\_\_\_ "What Factors Influence U.S. Import Managers," Proceedings, Academy of Marketing Science, 1982, p. 176.
- [9] \_\_\_\_\_ "Characteristics of Exporting Firms in Nevada and Their Employment Contribution," Nevada Review of Business and Economics, Vol. V, No. 3, 1980, p. 122.

[10] Jain, Subhash C. and Lewis R. Tucker, Jr.,  
International Marketing: Managerial Perspectives, 2nd  
 ed., Kent Publishing Co., 1986, p. 12.

TABLE 1  
 IMPORT DECISION VARIABLES WITH  
 MEAN SCORES AND RANK

	<u>Korean Managers</u>			<u>U.S. Managers</u>		
	(n=121)			(n=198)		
	MEAN	(STD)	RANK	MEAN	(STD)	RANK
1 Product quality	4.67	(.88)	1	3.71	(.72)	6
2 Price	4.56	(.91)	2	4.05	(.94)	2
3 Timely delivery	4.44	(.88)	3	4.06	(.84)	1
4 Dependability for long-term supply	4.39	(.84)	4	4.00	(.73)	3
5 Product Style/Feature	4.23	(.85)	5	2.78	(1.08)	11
6 Payment method	4.22	(.89)	6	3.41	(.89)	8
7 Length of association	4.17	(.70)	7	3.58	(.90)	7
7 Ordering Shipping Procedure	4.17	(.71)	8	3.81	(.71)	5
9 Product Safety	4.05	(1.09)	9	1.85	(.69)	15
10 Home gov't regulations/laws	4.04	(.91)	10	NA*		
11 Packaging	3.93	(.88)	11	2.80	(.91)	10
12 Product demand at home	3.87	(1.18)	12	3.31	(.98)	9
13 Transportation cost	3.72	(.91)	13	3.99	(1.10)	4
14 Brand name reputation	3.61	(1.10)	14	2.35	(1.81)	13
15 Host gov't regulation/laws	3.60	(1.13)	15	NA*		
16 Promotion help from suppliers	3.49	(1.04)	16	2.11	(1.09)	14
17 Product uniqueness	3.24	(1.15)	17	2.46	(1.22)	12

NA: These two variables were not included in the previous study about U.S. import managers.

\*: ANOVA significance at alpha = 0.07