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Bachelor Thesis

Market survey of specialized stores focused on imported food from Middle East and Central Asian countries: Case study of Prague Metro area, Czech Republic

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Declaration

I hereby declare that this thesis entitled "Market survey of specialized stores focused on imported food from Middle East and Central Asian countries: Case study of Prague Metro area, Czech Republic" is my own work and all the sources have been quoted and acknowledged by means of complete references.

In Prague, 25 April 2014

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Barbora Jirsáková

Acknowledgement

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Finally, I would like thank to the respondents who participated in my survey, willingly shared their precious time during the process of interviewing.

Abstrakt

Bakalářská práce zdokumentovala celkem 27 specializovaných obchodů nabízejících potraviny ze zemí Blízkého východu a střední Asie, s cílem (i) zdokumentovat výskyt těchto obchodů v Praze, (ii) zjistit socioekonomický profil vlastníků a jejich postoje k podnikání a (iii) preference zákazníků, kteří tyto obchody navštěvují vůči nabízeným produktům. Z celkového počtu 27 identifikovaných specializovaných prodejen bylo ochotno spolupracovat pouze 23. Sběr dat probíhal od listopadu 2013 do ledna 2014 pomocí semi-strukturovaných rozhovorů, které se zaměřily na tři základní oblasti: důvody k podnikání v oboru a specifické problémy s tím spojené, profil a chování zákazníků a portfolio nabízených produktů. Bylo zjištěno, že majitelé pocházejí zejména ze zemí bývalého Sovětského svazu (Ukrajina, Rusko) a tomu i odpovídá počet obchodů s výrobky ze střední Asie (19). Je to zapříčiněno i tím, že většina imigrantů žijících v Praze pochází právě z těchto zemí. Důvodem podnikání v České republice byl především původ podnikatelů, fakt že jsou odporníky na dané produkty a jejich dodavatelé mluví jejich mateřským jazykem. Své výrobky dovážejí z německých skladů, pouze pár podnikatelů importuje své produkty přímo ze zemí původu. V případě prodejen výrobků ze zemí Blízkého východu byla většina zákazníků (73,6%) tvořená Čechy, kteří se s obchodníky radili o své koupi. Více než tři čtvrtiny (76%) pak lze považovat za stálé zákazníky. U prodejen zaměřených na produkty ze střední Asie, tvořili Čeští zákazníci pouze 54,6%. Stálých zákazníků bylo zhruba podobně (71,1%). Dle vyjádření představitelů obchodů, zákazníci celkově preferují jak kvalitu výrobku, tak i jeho původ. Mezi nejvíce oblíbené produkty patří kaviár, rýže a koření, které byly dováženy z Ruska, Ukrajiny, Turecka a Libanonu.

Klíčová slova: dovoz potravin, průzkum trhu, preference zákazníků, střední Asie, Blízký východ, Praha, Česká republika

Abstract

Bachelor thesis documented 27 specialized stores focused on imported food products from Middle East and Central Asian countries. The aim was (i) to document the situation and occurrence of such small shops in Prague, (ii) to observe the socio-economic status of the retailers and their attitudes towards running a business, and (iii) to document the preferences of customers regarding to products offered. Out of total number 27 specialised stores in Prague, only 23 of them were willing to cooperate in our survey. Data were collected from November 2013 until January 2014 via semi-structured interviews consisted of questions focused on reasons for running their business and connected problems, social profile and attitudes of the respondents and the structure of products offered. Our survey documented that majority of store representatives were from former Soviet Union (Ukraine, Russia), which corresponds to on the number of offered products from Central Asia (19). This could be explained by number of immigrants from these countries that nowadays live in Prague. Driving forces to run a business was origin of the vendors, fact that they know products from their home countries very well and that their suppliers mostly speak the same language. Majority of products were transported from warehouse in Germany, only few businessmen imported products directly from the country of product's origin by their own. The stores with products from Middle East were visited mostly by Czechs (73.6%), who consulted the purchase of the product with vendors. Majority of customers (76%) can be considered as regular. In comparison to stores selling products from Central Asia, Czechs represented only 54.6%. Share of regular customers was similar to Central Asian stores (71.1%). Generally, consumers perceived particularly quality and origin of the product. The most popular products were caviar, rice and spices, which were imported from Russia, Ukraine, Turkey and Lebanon.

Keywords: imported food products, market survey, consumers attitudes, Central Asia, Middle East, Prague, the Czech Republic

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List of abbreviations

CDPCR	Chamber of Deputies Parliament of the Czech Republic
CSO	Czech Statistical Office
EU	the European Union
MICR	Ministry of the Interior of the Czech Republic
USA	the United States of America

1 Introduction

The power of hypermarkets is increasing in the Czech Republic. Czech clients often choose places to buy food on account of selecting a product range, discounts and overall price levels in stores (Incoma GfK, 2014). However, the small stores have an important role as well. The evidence underlines the fact that small and independent stores are vital for the social and economic health of society (Clarke and Banga, 2009). After the fall of communism in the Czech Republic, businessmen, chiefly from abroad, focused on import of foreign origin spread throughout the country. They target business on specific customer groups, who are mostly foreigners in the Czech Republic (Machek, 2012).

2 Literature review

Due to increasing immigration and perception of different culture as well as due to better economic situation of potential buyers, demand for alternative, usually imported food products is increasing worldwide, especially in countries with high immigration, e.g. Australia or the USA (Luomala, 2006).

2.1 Perception of origin of the products and customer preferences

Food and eating are, by their very nature, dynamic phenomena full of changing psychological, culture, social and economic meanings (Hirschman et al., 2004). Origin of the product is one attribute that affects the meanings consumers, who associate it with food. The affective meanings associated with food origin involve feelings and emotions attached to different geographic origins, and to cultural and symbolic messages of food products originating from certain locations. Customers evaluate food products more favourably when a low cultural distance or an interest in foreign cultures prevails, compared to consumers who have a high cultural distance or a lack of interest in foreign cultures (Luomala, 2006). From the marketing perspective, country image is defined as the overall product perception which customers form in light of the perceived marketing and production related superiority and inferiority of the country where the products are from (Romeo and Roth, 1992). Using origin information may facilitate consumers, who have low experience with those products, to infer the quality of the products through halo mechanism (Han, 1989). Feelings consumers associate with different geographic regions and their inhabitants may be positive, negative, or even mixed as in the case of the relationship between Canada and the USA. These emotional associations can derive from historical events, political economic, friendships, vacation memories, ethnical reasons, family relations and impressions formed through films, literature, art or education (Luomala, 2006). Customers mostly prefer products from developed countries than similar products from less developed countries; they perceive to them higher quality. Moreover higher price of foreign product is for them negative attribute (Juric and Worsley, 1998). Nevertheless, the number of shops is continuously increasing in Australia and Europe or other developed countries, which are populated by immigrants from less developed countries, who run business there. They attract people, who are immigrants as well, but also tourist and local population seeking for new, alternative, healthier or just other tasty food (Collins et al., 1995).

2.2 Marketing strategies of small shops focused on imported food

Marketing strategies play an important role in retail. First advantage is that businessmen can focus on one special product. Consequently, they target on specific customer groups and they are in close contact with them. This contact affords information about consumer needs and requirements, which businessmen use for improving the quality of services and their products. The assumptions are faster reaction on customer wishes and solving their problems (Srpová and Řehoř, 2010). For example ground paprika from Hungarian stores, which has more intensive flavour than ground paprika in hypermarkets and for consumers is popular (Bendlová, 2013). Second advantage is a low number of interlinks between company management and their consumers. It helps with fast troubleshooting and operational solutions of problems. The stores are flexible in case of changes in marketing. Small business can anticipate easily and react faster on problems than big company. Disadvantage is scarcity of recourses. Firstly, the financial resources, if they are use on marketing, it is necessary the cost-effectiveness, it means that profits must be apparent as soon as possible. Secondly, human recourses, small business sometimes do not have skilled employees with adequate experiences. Owners of these stores are experts on their business (Srpová and Řehoř, 2010).

2.3 Role of the small shops in the Czech Republic

The retail industry in the Czech Republic has changed dramatically over last two decades and it has become a model of successful transformation for emerging market. During the communism, state owned companies dominated local markets and consumers had access to a limited offer of products of very low quality. It changed after the fall of communist regime; most businessmen could run a business with foreign food products (Machek, 2012). But nowadays, discounts outlet and hypermarkets are preferences for Czech customers. Small stores are the main place to shop for foods for 12% of Czech households, the lowest amount in 16 years, while in 1997 it was 62% of households (Incoma GfK, 2014). Large discount stores that have large variety, low prices and freestanding shops on the outskirts of town contrast with small speciality shops, which have limited variety, higher prices and are located downtown or on major streets (Brennan and Lundsten, 2000).

However, the small stores, oriented on imported food and food supplement of foreign origin, play role in society, wider economy and particularly make a unique contribution by providing for the needs of a variety of clients (Dawson and Kirby, 1979; Clarke and Banga, 2009). The decline of the small store sector is not inevitable when economic and social role is fully understood, valued and supported by regulators, planners and the communities they serve (Clarke and Banga, 2009). Stores in Prague are visited by Czech customers and foreigners, whose total number was in 2012 in the Czech Republic 438,000. Three quarters of them are from third countries (they are not a member of the EU), predominantly from Russia, Vietnam and Ukraine and half of them have lived in Prague (CSO, 2013).

Closure of small community stores has been shown to lead to a reduction in social contact (Hare et al., 2001) and more fragile local economies, predominately in inner-city communities (Guy and Duckett, 2003). They can serve valuable role in meeting the needs of foreigners through specialist suppliers (Clarke and Banga, 2009). The owners or employees spend more time with customers than personnel in supermarkets, they give them an advice on the quality and meaning of the product, but they offer higher prices, which can discourage customers (Groves, 2001; Hilton, 1998; Brennan and Lundsten, 2000). However, many Czech people travel abroad and miss typical products in the Czech Republic, which they tasted on their vacation, so they look for them. Most stores sell products from frequented countries (Greece, Bulgaria). Conversely, stores where sell products from not so popular countries for Czechs, their clients consist of foreigners (Korea, Great Britain). Nevertheless, the increasing popularity can be influenced by many factors, e.g. Jamie Oliver, on the base of his popularity in the Czech Republic, Czechs started to buy more products from the United Kingdom (Bendlová, 2013). Many stores in Prague formed due to increasing interest of Prague´s customers in products of foreign origin. Nowadays, consumers can find products, which are not so extended (Charvát, 2012).

2.4 Driving forces of vendors to run a business

Australia is a multi-culture country and according to article "Shop full of dreams: ethnic small business in Australia", were found driving forces to run a business. In many cases the businesses were set up in premises previously owned by local shopkeepers (Collins et al., 1995). One of the main reasons to run a business is because of many immigrants live in this country; therefore entrepreneurs can focus their business on specific society. Many immigrants want to buy special products, which have origin in their home country and they are willing to travel long way for those products and speak or consult in mother language. Later, most businesses started to be popular for local people. The stores contribute to the diversity of products and culture flavors. Many people from developing countries, run business because of vision of better future for their families through extra money earned, especially for children, for whom they want to provide good education and better job opportunities (Collins et al., 1995).

The meaning of chain migration is that some members of family start to do business abroad and later; they employ relatives, who gradually save up capital and learn skills required to run a small business. Few years later, they will run own business. Most immigrants prefer a freedom in their employment; they want to have no boss or foreman above them, to be able to set their own work rhythms, to have autonomy in choice of tasks and methods of work and products (Collins et al, 1995). Metropolitan areas, where are many specialist stores owned by immigrants or their direct descendants are referred as ethnic enclaves (Shinnar et al., 2011). Ethnic enclaves are defined as a spatial concentration of immigrants who organize a variety of enterprises to serve their own ethnic market and the general population (Bach and Portes, 1985).

2.5 Running business in the Czech Republic

Business of foreigners is influenced in the Czech Republic by many market factors in public, non-profit and private sectors, for example supporting programs. Programs, targeted directly on small scale enterprise of immigrants and ethnic minority, help to develop their business through language and retraining courses, courses focused on business skills as marketing and bookkeeping (Čermáková et al., 2011). Those programs are very efficient in Germany, Belgium or the United Kingdom (Oliveira and Rath, 2008). The Czech Republic mostly concentrates on integration of foreigners in the labour market (Čermáková et al., 2011). Firstly, the situation at the beginning of the nineties was not so affable for foreigners. They did not have same options as Czech businessmen, who had approach to financial capital from local banks and were entitled to government grant (Benáček, 1994). Secondly, after the fall of communism, only 35,000 of foreigners had lived in the Czech Republic, it means that the business of immigrants could not be primarily focused on filling a demand of foreigners. Later, with increasing number of immigrants and their specific demand, they could run a business primarily with special products (Čermáková et al., 2011). If immigrants want to do business in the Czech Republic on the base of trade permission, they have to execute same requirements as Czech businessmen, but in addition they have to have residence permit in the Czech Republic or visa for over 90 days (CDPCR, 1991). Most of sole traders from former Soviet Union are women (Drbohlav, 2010). Vendors can have problems with running business in the Czech Republic, e.g. language barrier or different tastes of customers (Collins et al., 1995). If consumers perceived the country origin positively, vendors can capitalize this fact. In case of negative reaction, businessmen have to develop possibilities to minimize the effect of consumer attitudes. It might be done by localizing the product in the export, for example using well established distributors or through domestication of their firm by shifting production location or businessmen can offer products and services on value-added basis (Juric and Worsley, 1998; Brennan and Lundsten, 2000). Larger variety usually means a larger shop. For most businessmen, this is not viable or desirable option because of the costs associated with bigger space and the cost of added inventory. The tools that show the most promise for a small retailer involve focusing on those fewer customers, who value the specialty goods and more satisfying service mix possible in a small shop (Brennan and Lundsten, 2000). The concentrations of relatively homogeneous ethnic group create an increased demand for services and ethnic products that offer many opportunities to run a business for foreign businessmen and as well as for Czechs (Shinnar et al., 2011). Thus, it is evident that scientific data on market survey of specialized stores are lacking in the Czech Republic. It is necessary to carry out a survey about who are the respondents/businessmen, driving forces to run and experience with business, origin of the products and consumer attitudes.

3 Objective of the thesis

The main objective of the thesis is to (i) document the situation and occurrence of small shops that supply Prague market with imported food products from Middle East and Central Asian countries, (ii) to find out who are retailers and their driving forces to run a business, and (iii) driving forces purchasers to buy those products.

4 Methodology

4.1 Study site

Prague is a capital of the Czech Republic with total population 1,112,850 (MICR, 2013). According to statistical data of the Ministry of the Interior of the Czech Republic, 151,353 (13.58%) are foreigners, particularly from Ukraine and Vietnam, most of them live in Prague 4 and Prague 5 (see Figure 1) (MICR, 2014).

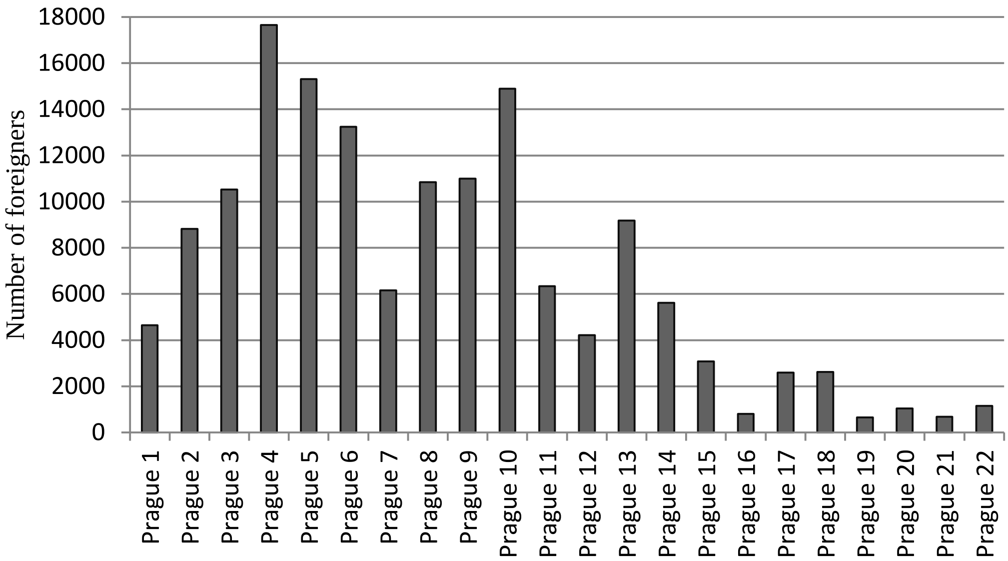

Fig. 1: Population of foreigners in different parts of Prague

Source: Ministry of the Interior of the Czech Republic, 2014

Prague is the most developed region in the Central and Eastern Europe (CEE), measured by per capita income and with developed sphere of private enterprise (CSO, 2013; CSO, 2004). Administratively, Prague consists of 112 cadastral areas and 57 districts, whose structure is in terms of size and urban character very diverse (CSO, 2004).

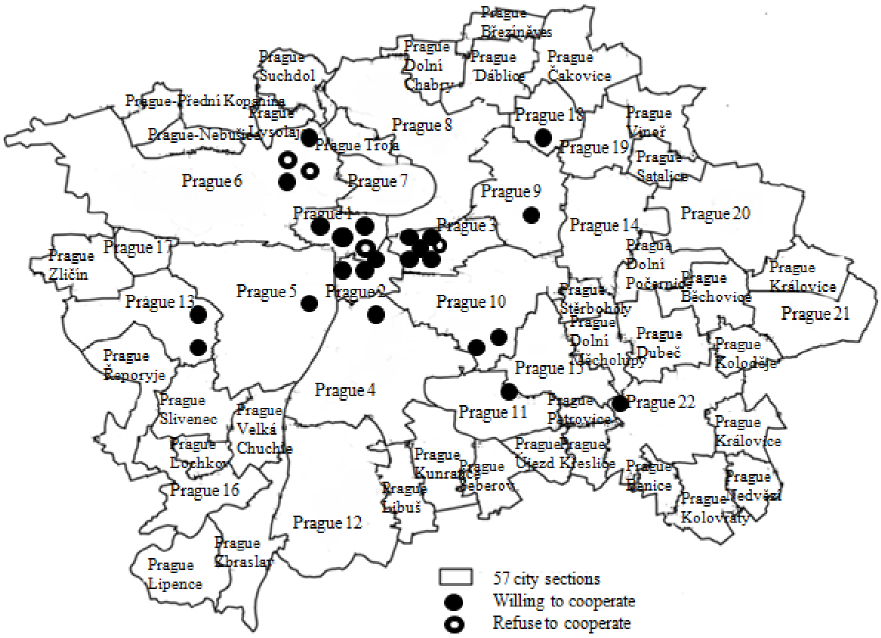

Fig. 2 Map of the shops

4.2 Data collection

Data were collected from November 2013 to January 2014 among 27 stores specialized on imported food from Middle East and Central Asian countries (see Figure 2). Shops were identified via internet search engine Google by using keywords “Russian food in Prague”, “Oriental food in Prague”, “Armenian food” and “Lebanese food”. All key words were entered in Czech language only. Identified stores were approached individually by researcher and their representative was asked for participation in our survey. Out of 27 identified shops, 23 confirmed their willingness to cooperate in our survey (85.2% response rate) (see Table 1). Geographical distributions of visited shops as well as the attitudes of their representatives on participation in our survey are shown in Figure 1. Data were collected through semi-structured interviews with store representatives, which consisted of fifteen both open-ended and closed questions. In the case of sensitive questions, researcher quitted immediately the interview in the case our respondent seemed to be reserved and/or not convenient to answer. This however happened very rarely. The semi-structure interview was inspired by research of Jon Hellin and Madelon Meijer: Guidelines for value chain analysis.

Tab. 1 List of the shops

	Name of the shop	Address	Contact	Cooperation
Prague 1	Obchodpotravin z Ruska	Vladislavova 13	-	Yes
	Farah food	Myslíkova 5	www.farahfood.cz	Yes
	Chez Amis	Spálená 15	www.chezamis.cz	No
	Vlaštovka	Na Můstku 16	www.ruskespeciality.cz	Yes
Prague 2	Gastronomdelikatesy	Mánesova 79	www.gastronomdelikatesy.cz	Yes
	Vlaštovka	Francouzská 16	www.ruskespeciality.cz	Yes
	RE	Korunní 43	www.repraha.cz	Yes
Prague 3	Vlaštovka	Rokycanova 39	www.ruskespeciality.cz	Yes
	Lahore	Husitská 33/34	www.lahorefoodshop.eu	Yes
	Shalamar	Lipanská 3	www.shalamar.eu	Yes
	Halal Meat	Bořivojova 76	www.halal-meat.cz	No
	Gurman	Jana Želivského 14	-	Yes
	Mandarin	Prokopova 11	-	Yes
Prague 4	Vlaštovka	Na Pankráci	www.ruskespeciality.cz	Yes
Prague 5	Gurman	Plzeňská 92	-	Yes
	Ebedou	Evropská 26	-	Yes
Prague 6	Kalinka	Puškinovonáměstí 17	www.kalinka.cz	No
	Ruskáchuť	Terronská 64	-	Yes
	Barakat	Puškinovonáměstí 14	www.barakat.cz	No
Prague 9	Ruské specialty 1	Vestibule of metro Prosek	www.1ruskespeciality.cz	Yes
Prague 10	Gurman	Průběžná 18	-	Yes
	Slovanskýtrh	Jesenická 58	-	Yes
Prague 11	Matrjoška	Vestibule of metro Opatov	-	Yes
Prague 13	Vlaštovka	Petržílkova 21	www.ruskespeciality.cz	Yes
	Kalinka	Volutova 2524	www.kalinka.cz	Yes
Prague 18	Gurman	Vestibule of metro Letňany	-	Yes
Prague 22	Deljkates	Přátelství 77	-	Yes

Firstly, general information about business activities of store representative was obtained, i.e. how long they have run their business in the Czech Republic in general and for how long they have been running the particular chosen store, whether they use e-shop, the reason for running their business, and what are the most serious problems with running such business in the Czech Republic as foreigner. Secondly, products which have been sold in stores during regular opening hours were identified and the questions about their origin, process of import of those products to particular store and popularity among customers were gathered. Thirdly, consultation of consumers on specific features of particular products was requested as well as how important such consultation is to increase the consumer's attention and even willingness to purchase certain product. Furthermore, store representatives were asked to judge which indicators have direct impact on consumer's willingness to purchase certain products. The categories were quality, price, origin, quantity, and, packet. Representatives were also asked to rate the significance of those indicators on the scale: absolutely, rather yes, rather no, absolutely not. The last question was about future vision and their business development possibilities (see Table 2). Finally, social and demographic profile, i.e. gender, nationality, age, education, of shop's representative was obtained as well. Permanent resident in the Czech Republic was filled by foreigners.

Tab. 2: Semi-structured interview

Description	Question used	Answer odds
	How long have you run this store?	
	Is this the only one, which you own?	
About their	How long have you done business in the Czech Republic?	
business	Why do you do this business?	
	Do you have an e-shop?	
	Do you have problems with your business?	
	Please, enumerate five popular products, which you sell.	
About	What is the origin of the products?	
products	How do you import these products?	
	What is important for customers by purchase of products?	absolutely, rather yes
	○ Origin	rather no, absolutely not
	○ Quality	
	○ Quantity	
	○ Price	
	○ Packet	
	Do customers consult purchase with you?	Yes/No
About	Do they have any prejudices?	Yes/No
customers	Do you think that you have regular customers? How many percent?	
	How many percent consisted of Czech customers?	
	Do you have any future plans?	

4.3 Data analysis

Descriptive statistics were applied in order to analyse demographic and socioeconomic data about the representatives of the shops. Representative of the chosen shop can be described as owner itself or, in two cases, by shop assistants.

Fig. 3: Middle East and Central Asian stores in Prague 3

Photo by author

5 Results

5.1 Demographic and social characteristics of shop representatives

The market survey was mostly focused on owners, but the data were collected from employees of the stores as well. The total number of respondents was 23, 17 owners and 6 employees, mostly women.82.35% of respondents gained the university education and 17.65% high school degree education. The average age of the respondents was 45 years old and staying in the Czech Republic was 17 years. Most of respondents were born in former Soviet Union (see Figure 4), especially in Ukraine (40%) and Russia (20%).The typical owner is 47 years old woman from Ukraine, who gained the university education, has lived in the Czech Republic for 19 years and has done business for 9 years, but the stores are operated in average for 5 years. 52% of vendors own only one store, the most stores (5) own company Vlaštovka s. r. o. and 31% have online store, especially owners with more than one store. Many vendors (72.22%) have no future plan and want to still prosper, others would like to open more stores or expand product assortment.

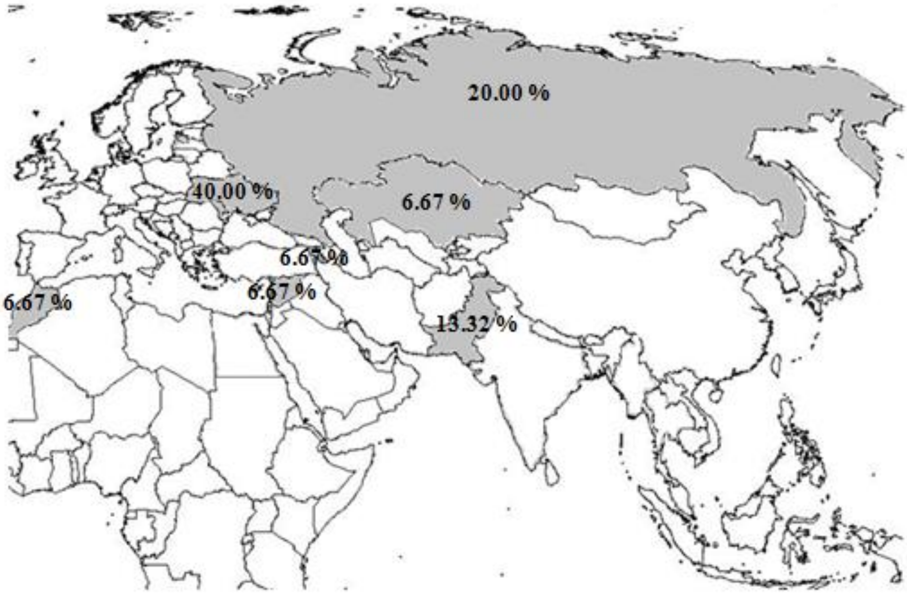

Fig. 4: Origin of the vendors

5.2 General information about business activities of store representative

According to our results, the main reason to run business in the Czech Republic was mostly the origin of shop representative (44%). Knowing of language and distribution channels allow them to do the business with their favourite products, which they usually miss after migration from their country. A previous experience with selling imported goods was the second most important reason (25% of respondents). Most owners (81%) responded stated that they did not perceive any problem with business in the time of data collection. However, 4% of them had problems in the past and they had to change location of their stores for not specified reasons. Furthermore, 14% of shop representatives perceived problems with competition, especially stores with headquarters in Prague 3, a district with the most concentration of these stores.

5.3 Origin of the products

The results were split into two categories. The first category focused on products imported from Central Asia, the total number of stores was 19 and second category consisted of products imported from Middle East, representing by 5 stores. The Armenian store called “RE” was used in both categories, because there are sold products from Middle East and Central Asia as well. Furthermore, according to the origin, the market survey identified 13 countries, which are located in Central Asia or Middle East. However, vendors, who sell products from Middle East, do not sell only products from these countries, but also from different parts of the world, especially from South or South-Eastern Asia (see Figure 5).

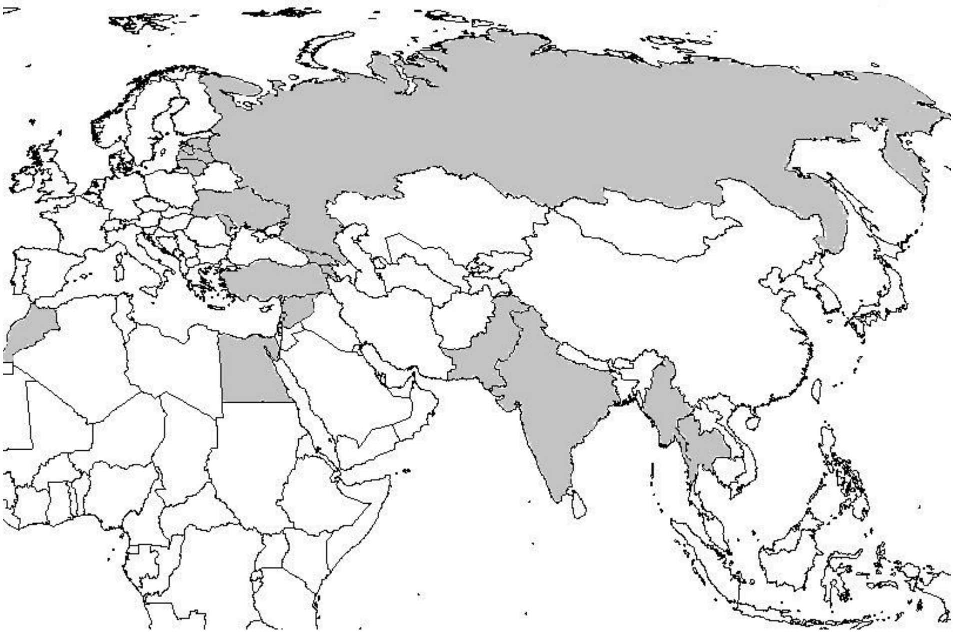

Fig. 5: Origin of the products

The products from Central Asia have origin predominantly from Russia or Ukraine (see Figure 6). Majority of those products are imported to Prague via warehouse in Germany (81.82%) and only 18.18% of vendors have their own suppliers. Only one shop owner imports some products directly, predominantly cognac from Armenia.

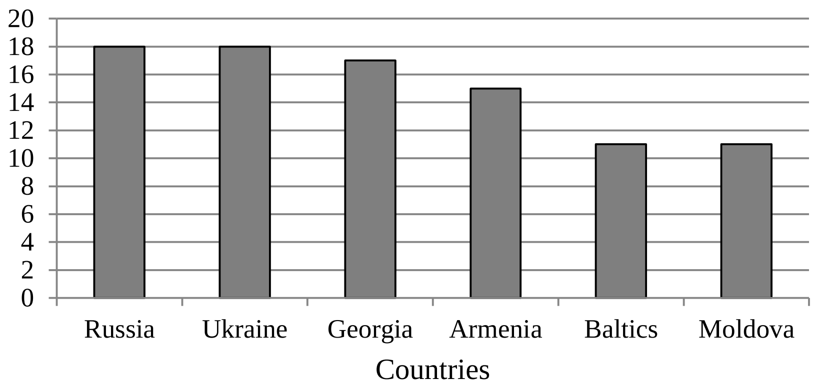

Fig. 6: Origin of the products from Central Asian countries (n=19)

Market survey identified caviar in first category as the most important product sold to consumers in the Czech Republic.18 respondents answered the question. *Pelmeni* and smoked fish are popular as well (see Figure 7).

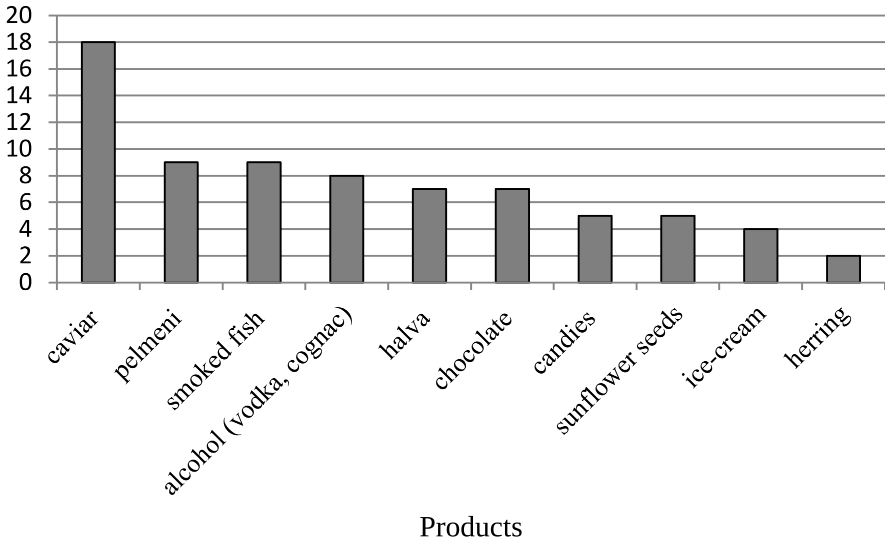

Fig. 7: Favourite products from Central Asia (n=19)

The customers are predominantly of Czech origin (54.61%), followed by 45.39% of clients from former Soviet Union, who however live in Prague. Interestingly, 71.11% of consumers were regular. The most popular products sold in Middle Asia countries are rice and spices (see Figure 8). Majority of the products are imported through Germany. However, there are still some products which are imported directly by the owners of the shops, especially rice. 3 of 5 vendors import them by this way.

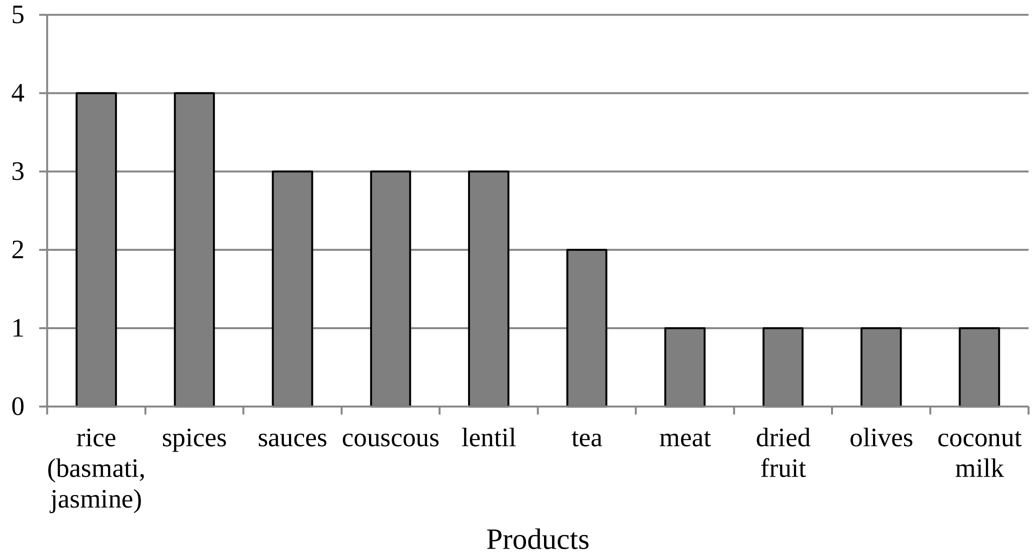

Fig. 8: Favourite products from Middle East (n=5)

Most of products are from Lebanon and Turkey (see Figure 9). Furthermore, vendors sell not only products from Middle East, many products, which are sold in these stores, have the origin from different countries of the world, especially from Pakistan and India. The stores are more popular for Czech customers than the stores with products from Central Asia. The Czech clients consisted of 73.6% and these stores have more regular customers as well (76%).

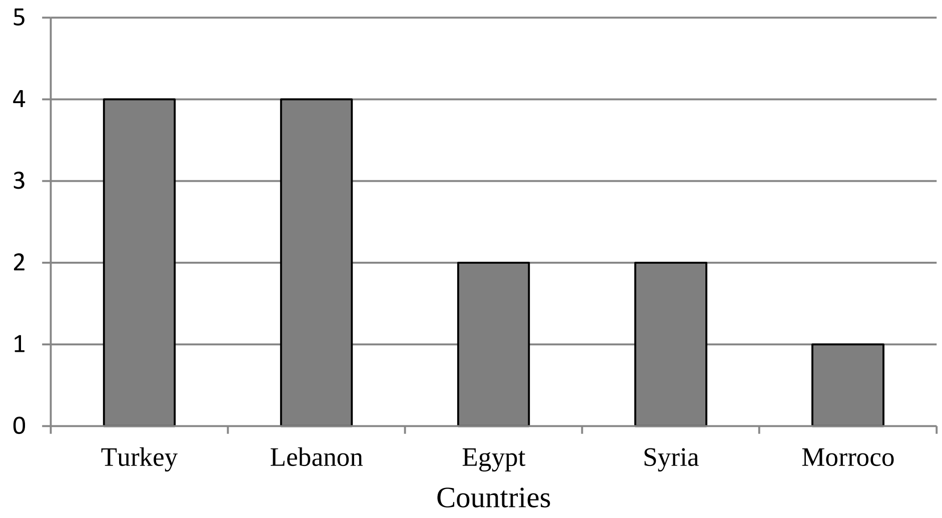

Fig. 9: Origin of products from Middle East (n=5)

5.4 Consumer attitudes

Vendors responded questions about customer´s preferences, what attracted the interests about products (packet, origin, quality, quantity and price). They could choose from four options: absolutely, rather yes, rather no, absolutely not. Market survey identified that 57.14% of consumer´s willingness to purchase any product was not influenced by price and demand elasticity could be consider as rather low (see Figure 10).

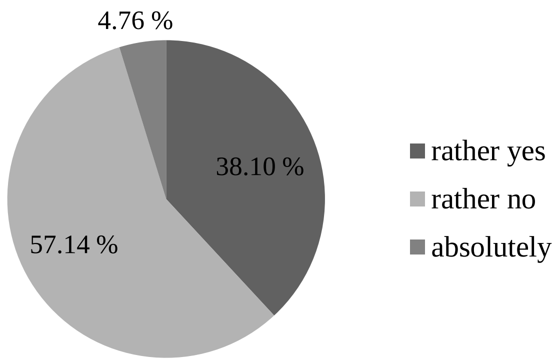

Fig. 10: Customer preference: price

Correspondingly, neither packet nor quantities of the products were important attributes for consumers as well (see Figures 11).

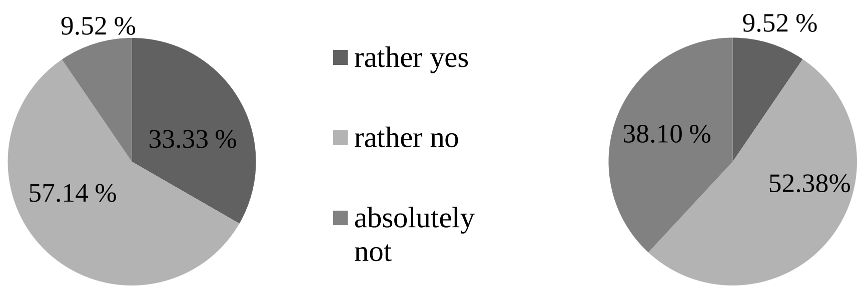

Fig. 11: Customer preferences: quantity and packet

On the contrary, quality and origin of products (see Figure 12) were identified as the main reasons for purchasing of particular product.

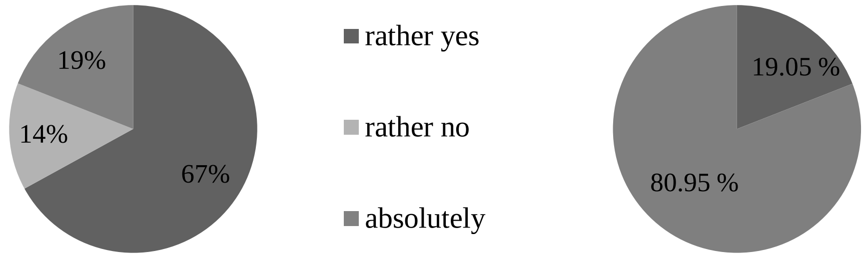

Fig. 12: Customer preference: origin and quality

Most of clients (86.96%) consult the purchase with vendors, while the majority of them were of Czech origin. Remaining consumers were predominantly people from the countries from which the products were imported and thus they usually know what to buy and why. All of vendors responded that the customers have no prejudices towards offered products.

6 Discussion

6.1 Consumer preferences and attitudes towards imported food

Many studies point out that the origin of the products influences consumer decision-making process, such as willingness to buy, preferences, attitudes, prejudices etc., in substantial and complex way (Akorli and Opoku, 2007; Cameron and Elliott, 1994). Correspondingly, customers who are defined by marketing terminology as individualistic could have a more critical attitudes towards domestic products (Gürhan-Canli and Maheswaran, 2000). Furthermore, customers evaluate products more favourably when a low cultural distance or an interest in foreign cultures prevails, compared to customers who have a high cultural distance or a lack of interest in foreign cultures (Luomala, 2006). Correspondingly, respondents, who have lower experience with imported food, often use country of origin to evaluate a new product and give minimal consideration to product attributes (Maheswaran, 1994). Furthermore, according to Juric and Worsley (1998), customers in New Zealand put into context their awareness about certain country to infer the quality of the imported product sold in specific stores, since they are otherwise not able to detect the quality of those products before purchase. As a result, they prefer products from developed countries rather than similar products from developing world, which are perceived as of lower quality and they are also more sensitive to higher prices of foreign food. However, those findings are all in contrast to the practise of Czech population as our market survey shows that product´s origin is one of the most important attribute for purchase. Czechs, the most frequent consumer in focused stores in Prague do not consider the distance of the countries as important compare to the situation observed in New Zealand (Juric and Worsley, 1998). Consumers in Prague have no prejudices towards products from both Middle East and Central Asian countries, moreover our survey emerges that consumers consider imported products as of high quality. On the other hand, according to Akorli and Opoku (1998), whose research from Ghana coincides with our market survey, Ghanaian customers prefer quality and origin of the products as well as Czechs.

6.2 Driving forces to run a business

According to Collins et al. (1995), the driving forces to run a store focused on imported food products are similar worldwide. The main reason of vendors from Prague was their origin, knowing the products and suppliers often speak their language. However, businessmen do not run business because of their families to whom they can financial resources to maintain livelihood in their home (countries).

6.3 Recommendation for policy makers and other stakeholders

This market survey can be useful for future foreign vendors who want to run their business in Prague with products from Middle East and Central Asian countries and as well as for Czech businessmen. They can utilize for example localization of these stores, consumer attitudes and favourite products. Further, it may be useful for consumers, who look for these specialized stores in Prague and they can be apprise of import of the products and their origin.

6.4 Recommendation for further research

It is assumed that by few years with increasing number of immigrants in the Czech Republic the number of such stores would increase as well. Future market surveys may be useful particular in order to better document the change over time in consumer perceptions of imported products as well as to continue in identifying of driving forces for such kind of business in the Czech Republic. As our data were not collected from customers of these stores, more complex study on socioeconomic profile and market preferences of the consumers should be carried out in the future.

6.5 Limitation of our survey

Our results should be perceived in the light of certain limitations. Firstly, language barrier, because all vendors were foreigners, can cause some, but not significant misunderstanding. Secondly, respondents might not truthfully answer to our questions, especially on those linked to the problems in establishing and running of their business.

7 Conclusion

Our survey identified 27 stores in Prague, while most of them are located in Prague 3. Origin of the products was Central Asia region and former Soviet Union, particularly Russia and Ukraine. Typical store representative was 47 years old woman from Ukraine with university degree. The driving force to run a business was the origin of the representative, favourable conditions to run such kind of business in Prague and good orientation in this branch of business. Generally, majority of products were imported through warehouse in Germany, particularly in case of product from former Soviet Union. Among the stores oriented on Central Asian products, the most favourite was caviar, mainly from Ukraine or Russia. Regular customers consisted of 71.1% and Czechs of 54.6%. Popular products from Middle East were spices and rice, which were mostly of Lebanese or Turkish origin. Majority of consumers were Czechs (73.6%) and 76% were regular customers. Main preferences were the quality and origin of the products. Furthermore, majority of customers consulted purchasing particular product with representatives of these stores, particular Czech population. Price, quantity and packet were not so important attributes for them.

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