ENVIRONMENTALAND SOCIAL RISK ANALYSISOF BANGLADESH

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Abstract

This study aimed to analyze the environmental and social risks in Bangladesh along with the attitude of Bangladeshi people towards foreign products offered by multinational companies. Analyses were mostly qualitative in nature. However, quantitative approach involving survey was used to explore the attitude of people and to compare their attitude in respect of gender and age. A structured, close-ended questionnaire having forty questions under eight variables (quality, price, promise, differentiation, trust and credibility, self expressive benefits, foreign culture attraction and satisfaction and loyalty) measured on Likert scale has been used. Convenience sampling method has been applied to collect data from 200 respondents. For data analysis purposes descriptive statistics, independent sample t-test, one-way ANOVA and internal correlation have been applied. Reliability of instrument has been judged by applying cronbach's alpha. The study found that there are both positive and negative aspects in environmental and social components of Bangladesh and the people of this country have an overall favorable attitude towards foreign products.

Keywords

Environmental risk, Social risk, Bangladesh

1. Introduction:

Risk is an inevitable word in business and investment. It goes simultaneously with the expectation of return. Mostly cited risks in business are economic, financial and political. However, two other types of risks have been a matter of headache to both the domestic and the multinational corporations (MNCs): environmental and social. Domestic firms automatically have some ideas about the environmental and social aspects of risks in their countries. But, MNCs have to go through a detailed analysis of environmental and social risks of the countries into which they intend to operate. Environmental awareness and climate change have swelled up to a high priority throughout the world (KPMG International, 2008). It has created an extra pressure for the firms, especially for MNCs to care about the ways how they will conduct businesses. Besides, the natural and infrastructural environment often causes MNCs to modify their standard procedures of operations that can boost up costs and increase risks. Moreover, demographic and psychographic characteristics of the country or its population,that means, the society can also have significant impact on the international business (Kasperson et al., 1988 and Ellis, 2008). Companies may face tremendous challenge from the part of society that can raise social and political vulnerabilities due to population pressure, age and gender structure (Madsen et al., 2010 and Hou, 2011), poverty, illiteracy, income inequality, unemployment, lower per capita income and so on. All these factors may influence the overall macroeconomic and social environment of the country, which may in turn affect smooth business practices (Bouchet et al., 2003). Again, consumer ethnocentrism may affect the acceptance of foreign products. Therefore, in addition to other types of risk assessments, MNCs are now considering environmental and social risk analyses very sensitively.

Bangladesh is today one of the most attractive targets for MNCs within the least developed countries because of her low regulatory burden (Rahman, 2003) and immense opportunities and growth potential (Bhowmick, 2013). However, this country is prone to natural disasters and climate change impacts (Climate Change Cell Department of Environment, 2007). Therefore, it is required to have a detailed analysis of the environmental and social opportunities and threats of Bangladesh for MNCs. But, there is no study conducted focusing the environmental and social risks of this country in detail. Considering such

importance, this study attempts to analyze the environmental and social risks that MNCs may confront during investment in Bangladesh. As an indicator of social risk, this study also focuses on the attitude of Bangladeshi people towards foreign products offered by MNCs and compares their attitude with regard to gender and age of the respondents.

2. Literature Review:

Environmental and social risks are unquantifiable risks but have severe impact on business performance in a country, therefore are needed to be observed sensitively. Environmental risks refer to the natural phenomena (seismicity, weather) that may negatively impact the business conditions like earthquake and other natural disaster. Natural risk and probable loss arising from these may be influenced by environmental and natural factors of a country like geographic situation, land area, natural resource endowment, and physical infrastructure etc. (Bouchet et al., 2003). These risks are generally thought to arise from natural disasters but also include components of business environment as well like availability of natural resources, raw materials and infrastructure. Social risk refers to the challenges arising from real or perceived business impacts on a broad range of issues related to human welfare like, working conditions, environmental quality, health, economic opportunity etc. These may cause collective actions from organizations concerned with human rights in formal ways such as trade unions, non-governmental organizations (NGOs) as well as from informal sets of people (Bouchet et al., 2003; Bekafi et al., 2006 &Helbing, 2010).That meanssocial risk occurs due to the overall demographic, economic and sociopolitical condition of a country that may affect smooth business progress. Social risk may cause brand and reputation damage, heightened regulatory pressure, legal action, consumer boycotts, operational stoppage; not impossible to take the form of physical aggression of foreign employees or even kidnapping and a firm can be obliged to disinvest from certain countries under the pressure of world public opinion (Bouchet et al., 2003 &Bekafi et al., 2006).

Quantitative approach to analyze risk may be praised to be objective, precise and accurate but it has some shortcomings too. In addition to unavailability of complete and correct data in time and interpretation problem with contradictory indicators, comparison of countries solely based on quantitative results may be distorting because two countries may have similar ratios and indicators but may have different socio-economic structures and internal as well as regional volatility. Therefore, besides quantitative analysis, foreign investors analyze long-term trends in their targeted countries. It includes development prospects and market scope- all of which are examined qualitatively (Bouchet et al., 2003). Therefore, environmental and social risks of Bangladesh have been analyzed mostly in qualitative approach. Only one perspective of social risk has been analyzed qualitatively.There is a correlation between decent standard of living and country risk. Consequently, an enabling environment (KPMG International, 2008) including access to education, nutrition and health services, political and cultural freedom, and a sense of participation in decision-making, sound growth in population and life expectancy is the fundamental for building up a solid development base which reduces risk for an international firm (WBCSD, 2013). All these indicators have direct impact on long-term market prospects, government's budget, infrastructure, social dynamism, economics, geopolitics and demand for social services (Wagner et al., 2013). Businesses don't operate in vacuum, rather within the society. International firms enter into different countries obviously to make profits, not for charity. But whatever they produce, either goods or services are consumed by the society (Porter and Kramer, 2006). On the other hand, these firms can't dream the same congenial natural and business environment in all countries (Greening and Turban, 2000). Therefore, besides other kinds of risk analysis, such as economic, political or financial, it is also necessary to inquire about the soundness of institutional framework to development as well as the longer-term trends in the targeted country that are rooted in basic environmental, social and development indicators (Bekefi and Epstein, 2006 & Ellis, 2008).Different scholars have focused on environmental and social risks from different viewpoints. Some discussed how these risks affect business activities, while some others pointed on individual aspects of these two major categories of risks.

Mahmoudi et al. (2013) combined social impact assessment and social risk assessment to develop a hybrid model for analyzing social risk. They also proposed three stages for this analysis, such as, impact

identification, impact assessment, and impact management. Their risk assessment included social impact of risky projects along with natural hazards and disasters.Agrawala and Aalst (2008) analyzed how climate change can affect country's achievement of many development objectives by influencing the efficiency with which development resources are invested. They examined the synergies and trade-offs involved in integrating adaptation to climate change in development cooperation activities and identified key barriers to such integration in Bangladesh, Egypt, Tanzania, Uruguay, Nepal and Fiji. Henderson (1993) examined whether population pressurecontributes to political repression. Population pressure is measured by population density and rate of natural increase.The study included both developed and developing countries. Population pressure was found to have an important impact on political repression. Kobrin (1976) attempted to explore the relationship between foreign direct investment (FDI) and the economic, social, and political aspects of the environment using the techniques of quantitative cross-national research. The study found strong relationship between FDI and market related variables but could not establish any relationship between FDI and variables based upon political event data. Cutteret al. (2003) applied factor analysis approach using county-level socioeconomic and demographic data to construct Social Vulnerability Index (SoVI) for the United States based on 1990 data. They found some distinct spatial patterns in the SoVI, and concluded that some components increase vulnerability; others moderate the effects.

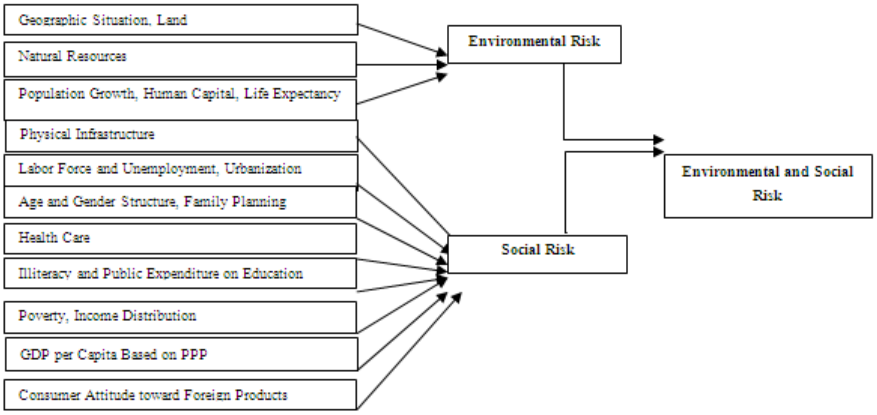
Shankarmahesh (2006) attempted to provide an integrative review of the antecedents and consequences of consumer ethnocentrism (CET).The study identified four categories of antecedents from the literature. Those are: socio-psychological, political, economic and demographic. Through relevant mediators and moderators, direct consequences and indirect consequences were also identified.Gathering data from 361 consumers in Australia Josiassen et al. (2011) identified how consumer's willingness to buy is influenced by their demographic characteristics and ethnocentrism. Regression analysis with interactions and post hoc slope analysis have been used for data analysis. The result implied that customer characteristics strongly influence consumer ethnocentrism and willingness to buy. Among the consumer characteristics they found that age and gender are found mostly important moderators.Sharma et al. (1995) identified the theoretical antecedents of consumer ethnocentrism and its impact on evaluations of importing products. They also identified are factors that have moderating effect on ethnocentric tendencies influencing consumers' attitudes toward importing products. This empirical test was conducted using data collected in Korea.Focusing Turkey and the Czech Republic, Balabanis et al. (2001) investigated the impact of patriotism, nationalism and internationalism as antecedents to consumer ethnocentrism. Outcomes indicated that patriotism in Turkey and nationalization in the Czech Republic influences consumer ethnocentrism. Internationalization was not found to be a significant factor in either of these two countries.

Balabanis and Diamantopoulos (2004) examined the preference patterns of U.K. consumers for domestic products and specific foreign countries' products using a multidimensional unfolding approach. Analysis result for eight product categories signified that consumer ethnocentrism is linked to the observed variability in preferences. Wang and Chen (2004) investigated how quality judgment of domestic products and conspicuous consumption plays moderating role in the relationship between consumer ethnocentrism and willingness to buy domestic products. Taking China for analysis the study found that, when quality is lower and consumers hold higher conspicuous consumption value, impact of ethnocentrism on consumer willingness to buy is weaker. Supphellen and Rittenburg (2001) analyzed attitudes and beliefs of 218 Polish consumers for one domestic and two foreign gas station brands. Applying the CETSCALE they found that where foreign brands are superior to domestic ones, consumer ethnocentrism is displayed in more positive perceptions of the domestic brand. In such situation little or no effect on perceptions of foreign brands were identified. Pecoticha and Rosenthala (2001) investigated the impact of consumer ethnocentrism, brand, quality and country of origin in a multi cue experimental context. Taking a sample of 640 for analysis they found that there was a strong significant main effect for quality but not for country of origin. When presented in conjunction with a strong national brand image and highly patriotic respondents, the country cue was found to be most effective.Moona and Jain (2002) explored the impact of country-of-origin perceptions, consumer ethnocentrism, and country attitudes on the responses and attitudes toward foreign advertisements and advertised products. Findings of the study designated positive effects of consumers' country attitudes on their responses to the creative presentation of international advertising. It also indicated

positive effects of consumers' country-of-origin perceptions on their responses to the buying proposal of international advertising. Durvasulaab et al. (1997) compared the CETSCALE's psychometric properties and mean values between the U.S. and Russia. The scale's unidimensionality, reliability, discriminant and nomological validity were supported by the results from both countries. The study found a significantly greater mean value on the CETSCALE in case of U.S. than Russia. The results also demonstrated that Russians had significantly more favorable beliefs and attitudes toward foreign products than the U.S. Tian et al. (no date) analyzed the effect of demography on trade. They applied the gravity equation with the working-age ratios of the trading partners for 176 countries from 1970 to 2006. The authors found strong empirical evidence supporting their theoretical predictions controlling for multilateral resistance. These findings were proved to be robust to econometric methods and different specifications.Gallupet al. (1999) focused on how geography can influence economic development. They identified that location and climate impact on transport costs, disease burdens, and agricultural productivity and thereby affect income levels and income growth. Geography also correlates with economic policy choices, high population densities and rapid increases in population. Hou (2011) investigated how population aging can affect the Chinese economy. The author opined that because of such population aging China might become a net importer of goods and services losing the advantage of its labor force. Moreover, both the Chinese government itself and the pension system sponsored by it might face great financial constraints. Several measures to face this situation and to create business opportunities for both domestic and international marketers have been proposed.

Fishman (2010) pointed that population aging affect the way business in conducted everywhere. The globalization of the economy and the aging of the world are continuously affecting each other. These tangled dynamics are also impacting on the international competition for wealth and power. Population aging is increasing government expenditure and causing these countries to lose their economic and political footing and also lose work to younger countries.Kawsar (2012) evaluated the relationship between Economic Development and Urbanization with respect to Bangladesh. Author found that, though a country is expected to be benefited by the process of urbanization, Bangladesh is facing various negative externalities from rapid urbanization for last twenty years. The study also identified the underlying reasons and the measures to be taken for development. Madsen et al. (2010) pointed how age structure can affect the development. They divided countries into four types: very young, youthful, transitional and mature. They also discussed how this age structure influences development, governance, conflict, climate, environment, gender inequality and fertility. All of these factors are related to the macroeconomic environment of the international business.KPMG International (2008) investigated how climate change can affect business risks and causes economic impacts at sector level. In this study, business risks, economic impact, reputation and litigation risk remain underestimated. Four types of climate-change risks and industry wise risk propensities have been identified. Kasperson et al. (1988) developed a conceptual framework to systematically link the technical assessment of risk with psychological, sociological, and cultural perspectives of risk perception and risk-related behavior. They also presented models that depict the elements and linkages in the proposed conceptual framework.Recognizing the importance of managing social risks Jenkins (2005) described the growth of Corporate Social Responsibility (CSR) in the context of global deregulation and highlighted the key drivers to its adoptions. For analyzing the links between foreign direct investment and poverty, a framework was also developed. The study concluded that CSR is unlikely to play significant role in poverty reduction in development countries.Porter and Kramer (2006) also investigated the link between competitive advantage and corporate social responsibility. WBCSD (2013) provided a guide of measuring the socio-economic impact on business.On the other hand Bekafi et al. (2006) explained social risk as strategic risk.

From the review of literature, following conceptual framework has been developed for this study:



3. Methodology:

In this study, environmental and social riskiness has been analyzed mostly in qualitative way. Analysis of environmental risk has included geographic situation, land area, natural resource endowment, self-sufficiency in raw material and physical infrastructure like ports, telecommunications, roads, power and transportation. On the other hand, components of social risk factor have been population growth, human capital, life expectancy, labour force, unemployment, urbanization, age and gender structure of the population, family planning, health care, illiteracy, public expenditure on education, poverty, income distribution and GDP per capita based on PPP (factors taken from Bouchet et al., 2003). To assess the attitude of Bangladeshi people towards foreign products primary data has been collected through personal face-to-face interview and electronic survey (E-mail and Internet). A total of 200 respondents have been selected applying convenience sampling method from all 7 districts of Bangladesh regardless of their demographic profile. A structured, closed-ended questionnaire, having 40 questions under 8 variables, measured on five-point Likert scale (1 = strongly disagreed) to 5 = strongly agreed) has been used. Those variables are: product quality, price, promise, differentiation, trust and credibility, self-expressive benefits, foreign culture attraction and satisfaction and loyalty. Content validity has been judged by an expert. Descriptive statistics (mean and standard deviation) have been used to assess the overall attitude and to rank the variables, ANOVA and independent sample t-test have been used to compare the attitude in terms of age and gender of the respondents and internal correlation has been used to show the perceptual relationship of the respondents.

3.1. Reliability:

Reliability of the questionnaire has been assessed using cronbach's alpha. Alpha results for individual variables are 0.878 (quality), 0.613 (price), 0.822 (promise), 0.736 (differentiation), 0.650 (trust and credibility), 0.819 (self-expressive benefits), 0.650 (foreign culture attraction) and 0.615 (satisfaction and loyalty), average of individual factor's alpha is 0.723 and for the overall questionnaire it is 0.882 (all>.600), indicating the reliability of the questionnaire.

4. Environmental Risk Analysis

4.1. Geographic Situation, Land Area

Bangladesh is geographically located in South Asia with an area of 1,47,570 square kilometers, between 20'34 and 26'38 north latitude and between 88'01 and 92'41 east longitude. This country is bordered by India to the north, east and west, Myanmar to the south-east and the Bay of Bengal to the south (Islam and Peterson, 2013). Overlapping the Tropic of Cancer, it has a sub-tropical monsoon with a hot and rainy summer and a dry winter. January is the coolest month and April is the warmest. The climate of Bangladesh is one of the wettest in the world. Most places receive more than 1,525 mm of rain a year, and

areas near the hills receive 5,080 mm. Most rains occur during the monsoon (June-September) and very little in winter (November-February) (CIA World Factbook, 2013).

Most of the areas of Bangladesh lie within the broad delta formed by the Ganges and Brahmaputra rivers (World Vision, 2011). Lands are exceedingly flat, low-lying, and subject to annual flooding. Bangladesh has a land area of 1,33,910 square kilometers, 4,246 kilometers of land boundaries: 193 km with Myanmar, 4,053 km with India and a coastline of 580 km (UN ESCAP, 2013 & CIA World Factbook, 2013). 67% of its total land is arable land, 16% forest and woodland, 2% permanent crops, 4% meadows and pastures and 11% others. Height of land in the plain varies from 1 to 90 meters above the average sea level. The maximum elevation is 1,230 meters at Keocradang Hill district. The territorial waters of Bangladesh extend 12 nautical miles (22 km), and the exclusive economic zone of the country is 200 nautical miles (370 km). Eighty percent of its area consists of floodplains created by more than 300 rivers and channels, including three major rivers: the Ganges, the Brahmaputra, and the Meghna. It has a 710 km long coastal belt that is home to nearly 35 million people (Bangladesh Bureau of Statistics, 2013).Land area of Bangladesh is mainly characterized by plain fertile soil deposited by the floodwaters (World Vision, 2011). In the southeastern part of the country, Chittagong Hill Tracts is the only significant hilly terrain constituting less than one-tenth of the nation's territory and near the eastern and northern borders with India there are some small scattered hills (CIA World Factbook, 2013).

With a principally plain land and having a large open border to the sea, Bangladesh possesses a sound geographical set up for operating businesses. But its geographical location also makes it extremely vulnerable to natural disasters like floods, droughts and cyclones (World Vision, 2011). Global climate change has increased these vulnerabilities substantially (Climate Change Cell Department of Environment, 2007). Bangladesh is subject to devastating cyclones, originating over the Bay of Bengal, in the periods of April to May and September to November nearly every year (CIA World Factbook, 2013). Often accompanied by surging waves, these storms can cause great economic damage and loss of life which may increase the business risks in this country (Islam and Peterson, 2013).

4.2. Natural Resources Endowment and Self Sufficiency in Raw Materials

Natural resources are most important for a country. There are many states which are straightly depends on natural resources. Bangladesh is a developing country and her area is small. Some of its natural resources are renewable and some are non-renewable.Natural resource determines the course of development. Natural resources of Bangladesh can be named as: land, water resources, fisheries, forest, mineral resources, marine resources, climate, rainfall, oil and natural gas, energy and power resources and topography. Land water and gas are the most important natural resources of Bangladesh. ***Water resources*** come from three sources-rainfall, stream flow and ground water storage (WARPO, 2013). ***Forest resources*** include flora and fauna and have a contribution of about 3% in the GDP of Bangladesh. Chittagong Hill Tracts, portions of the Madhupur Tract, and the Sundarbans are principal vegetation in Bangladesh. Commercially valuable trees in Bangladesh include Sundari, Gewa, Sal, and Garan, fruit trees (Mango and Jackfruit, etc.), date, areca palms and many varieties of bamboo. Bangladesh is rich with nearly 250 indigenous species of mammals, 750 types of birds, 150 kinds of reptiles and amphibians, and 200 varieties of marine and freshwater fish. Mostly cited animals are the Royal Bengal tiger, elephants, leopards, monkeys, gibbons, lemurs, mongoose, jackal, Bengal fox, wild boar, parakeet, vulture, swamp crocodile. There are a variety of birds (ECODIT, 2010). ***Fisheries and livestock Resources*** of Bangladesh contribute about 8% of the national income which is 32% of the total agricultural income (Ministry of Fisheries and Livestock, 2013). ***Mineral resources*** of this country are natural gas, coal, peat, petroleum, limestone, glass sand, white clay, hard rock, mineral sand, ilmenite, garnet, zircon, kyanite, magnetite, rutile, leucoxine, monazite (Energy and Mineral Resources Division, 2013). Among all these resources, natural gas (Asia Trade Hub, 2013) is considered as one of the driving forces of the economy as three-fourths of the total commercial energy is provided by natural gas. Since 1955, 23 gas fields have been discovered mostly in northeastern part of the country. Number of gas fields which are in production is 17 while the total reserve of extractable gas (proven and probable) is 20.5 trillion cubic feet (Amir & Amir Law Associates, 2011). There is a coalfield in the northwest and large peat beds underlie most of the delta. Limestone and pottery clays are found in the northeastern Bangladesh (World Vision, 2011).

The civilization, cultural patterns, agro-ecological system and production structure of Bangladesh have been shaped by its natural resources endowment. These resources provide raw materials for different industries and smooth the business operations. Bangladesh is not self sufficient in its natural resources in terms of required raw materials. But the available resources are used for electricity production, fertilizer production, cement production, household uses and also in some emerging industries like tourism and recreations. In a word, natural resources contribute to economic well being as well as ecological stability. Moreover, there are huge prospects of natural energy resources such as gas, coal and others. Bangladesh also possesses forest and agricultural resources. But, it lacks significantly in the areas of industrial raw materials. Overall the raw materials sufficiency is not up to the mark for the country and still a lot for improvement needed to be done to reach the global standard for attracting more foreign investments.

4.3. Physical Infrastructure

Physical infrastructure includes ports, roads and highways, telecommunications system, power and energy and transportation facilities. There are two major sea ***ports*** in Bangladesh: Mongla port and Chittagong port while another one named Payra sea port is very recently being constructed. Monglaport is situated on the east bank of Pussur River near the confluence of Pussur River and MonglaNulla at channel distance of 71 nautical miles from the fairway buoy situated in the Bay of Bengal. On the other hand, Chittagong port which is the principle port of Bangladesh is situated on the right bank of the river Karnafuli at a distance of 9 nautical miles from the shore line of the Bay of Bengal. Major imports through Mongla port are food grain, bulk cement, clinker, fertilizer, machinery, motor vehicle, general cargo etc. and major exports are jute, jute goods, shrimp, frozen food, general cargo etc. Through the Chittagong port, major imports are food grain, cement clinker, sugar, salt, fertilizer, general cargo, iron materials, chemicals, coal and edible oil etc. and major exports are ready made garments, knitwear, fertilizer, jute & jute products, hides and skins, tea, naphtha, molasses, frozen foods etc. (Mongla Port Authority, 2013 and Chittagong Port Authority, 2013).***Telecommunication*** is now one of the biggest sectors of Bangladesh. In urban areas, Bangladesh Telecommunication Company Limited (BTCL) is the only sate owned land phone provider. Being a populous country, Bangladesh with a huge market has attracted many foreign investors to invest in telecommunication sector. There are 6 mobile phone operators (5 private) in Bangladesh. There are also 328 internet service providers (ISPs) (BTRC, 2013). However, in spite of rapid growth in users of internet in Bangladesh, internet speeds in not that good till today. Here, some internet service providers are also providing WiMAX facilities. Moreover, Bangladesh is connected to SEA-ME-WE 4 or South-East Asia – Middle East – Western Europe 4 submarine cable and also a member of the proposed SEA-ME-WE-5 (BSCCL, 2013).

Total length of ***roads and highways*** in Bangladesh is 27,815.80 Km. In includes 3,612.09 Km of national highway, 4,957.03 Km of regional highway and 19,246.68 Km of zilla roads. There are 6236 bridges and 13751 culverts in Bangladesh at present (Ministry of Communication, 2013). ***Power and energy*** infrastructure of Bangladesh is quite small, insufficient and poorly managed. This country has one of the lowest per capita energy consumption in the world. Over half of the country's energy consumption comes from noncommercial sources like wood, animal wastes, and crop residues while the source of commercial energy consumption is mostly natural gas (around 66%), followed by oil, hydropower and coal (EIA, 2013). However, Bangladesh has 15 MW solar energy capacities through rural households and 1.9 MW wind power in Kutubdia and Feni. This country has also planned to produce 5% of total power generation by 2015 & 10% by 2020 from these renewable energy sources like air, waste & solar energy (Chowdhury et al., 2012). Electricity sector has also been much developed in Bangladesh today with a total established capacity of 10,213 MW and per capita electricity consumption of 321 KWH (Power Cell, 2013). In addition, this country is setting up 1,000 MW nuclear power plant, 400 KW solar power plant and 1,320 MW coal-based power plant (Current Affairs, 2013). Apart from roads and highways, transportation system of Bangladesh also includes railroads, airways and waterways. About 32% of the total area of Bangladesh is effectively covered by railways. Total network of railway is 2,835.04 km with a total of 440 stations. It also connects Bangladesh and India. Besides, there are now 13 operational airports and Short Take-off and Landing (STOL) ports in Bangladesh along with airlines connection of Dhaka to 27 major cities of the world. On the other hand, total length of inland waterways of the riverine country Bangladesh is around

24,000 km. (Board of Investment Bangladesh, 2013).Physical infrastructure is one of the major concerns of international investors before stating business in a country. It is important for carrying supplies and finished goods to different locations and parties as well as for connecting with customers and business partners through different media. Bangladesh is not fully developed in its infrastructure rather is quite poor because of financial, environmental and administrative constraints, but this country is rapidly developing especially in telecommunication, roads and highways as well as power and energy sectors. Physical infrastructure of Bangladesh is moving from limitation to a promising aspect for international businesses today.

5. Social Risk Analysis

5.1. Population Growth, Human Capital and Life Expectancy

Population is the primary discussion point among the demographic variables of every country. Population can be both blessings or curse for a country. Adequate and skilled population is said to be human resources. On the other hand, a country which is overly populated with unskilled people considers its population as burden. Similarly, low level of population can make a country fall short of human resources that may cause it to spend behind labor or human capital import. According to The World Bank (2012), population of Bangladesh totaled 154.7 million in 2012. Bangladesh is undoubtedly an overpopulated country burdened with unskilled manpower and high dependency ratio. Again, the growth rate of population was 1.37 (Bangladesh Bureau of Statistics, 2013). Population growth rate represents the average annual percentage change in the population, which results from a surplus (or deficit) of births over deaths and the balance of migrants entering and leaving a country. This rate is a very important indicator because it helps to predict the changing needs of its people for infrastructure (schools, hospitals, housing, roads, etc.), resources (food, water, electricity, etc.), and jobs. On the other hand, life expectancy at birth of the people of Bangladesh is 69.2 years according to UNDP (Talukdar and Zaman, 2013). Life expectancy at birth is the number of years a new born baby is expected to live. Therefore, it is the number of years a person is expected to live on an average. All these demographic aspects are important for an investor to analyze before staring up a new business. Population represents the market for business. High population growth simply may indicate a larger market. However, in an overpopulated country, purchasing power of its residents remains low because of lower per capita income and per capita resources. Poverty and illiteracy may be high resulting unskilled but huge labor force fighting with unemployment problem, all of which can be translated to a negative environment for business. On the other hand, low life expectancy may indicate poor standard of living in a country and other social problems that again represents social risks for business.

5.2. Labor Force and Unemployment, Urbanization

In general the labor force includes the employed, unemployed, and first-time job-seekers, but excludes homemakers and other unpaid and informal sector's workers. Bangladesh is gradually moving from an agrarian to a more industry and services sector based economy (World Vision, 2011). This structural change availed Bangladesh an impressive growth in Gross Domestic Product (GDP) but with a growing population and relatively small size of economy, adequate employment opportunities have not been created. According to The World Bank (2012) Bangladesh is the only country in South Asia where growth in labor force outpaced growth in employment during the last decade. The size of labor force totaled 75.42 million in 2012 according to CIA World Factbook (2013). Although unemployment rate remained remarkably low in Bangladesh, only at 4.5% in 2010, it would be 24.0% if underemployment is added to unemployment rate (Basak, 2013).However the share of women in labor force increased dramatically (World Vision, 2011) from 21.1% in 2000 to 30.3% in 2010. During this time, there was 39.3% growth in overall labor force and 38.7% growth in total employment, but female labor force doubled and their employment grew by 105.1%. Besides, during FY6 to FY10, there were 2.9 million migrant workers of Bangladesh who constituted about 40.2% of the incremental labor force during this period (International Labor Organization, 2012). Again, Bangladesh is experiencing one related problem of rapid urbanization of its population (Zaman et al., 2010). One prime reason behind this shift of rural population to major cities is their search for work. During 2010, as many as 3,94,82,811 people who are around 28% of total population were reported to be lived in urban areas by The World Bank (2012)and the urbanization growth rate was 2.85% (Kawsar, 2012).A country with huge unemployment problem may seem lucrative for cheap labor

but there is always a possibility of social unrest which may result to numerous sociopolitical crises. In addition, faster rate of urbanization may impose pressures to limited urban resources as well as opportunities and create social imbalances in cities. These situations add social risks for businesses.

5.3. Age and Gender Structure, Family Planning

Age structure provides the distribution of the population according to age. On the other hand, ***gender structure***, which is commonly expressed as gender ratio, indicates the number of males for each female in different age groups. According to The Bangladesh Literacy Survey 2010, age structure of the population of Bangladesh is: 0-14 years: 36.45%, 15-24 years: 17.38%, 25-54 years: 36.5%, 55-64 years: 5.38% and 65 years and over: 4.29% of the total population and gender structure is 0-14 years: 0.98, 15-24 years: 0.97, 25-54 years: 0.94, 55-64 years: 1.12, 65 years and over: 1.22 and for total population: 100.3 male(s)/female (Bangladesh Bureau of Statistics, 2011).Another important issue directly related to population growth and structure is ***family planning***. In spite of having poor socioeconomic conditions, Bangladesh has experienced a dramatic decline in its fertility rate. Total fertility rate of a country represents the number of children given birth by a woman which has declined from 6.3 per woman in 1975 to 2.3 per woman in 2011. At this same time the national contraceptive prevalence rate (CPR) has increased from 8% in 1975 to 61% in 2011. Over last 35 years the decline in fertility has averted 10.5 million births, 30 thousand maternal deaths and 30 million populations (Afroza, 2013). However, all of the divisions have not achieved uniform success. Only 3 out of 7 divisions have achieved replacement level fertility. Rich-poor differential in total fertility rate (TFR) is also existent. TFR among poorest woman is 3.1 while among richest woman it is 1.9 children. Despite rapid improvement in female education woman age at the time of marriage has not been significantly changed. Percentage of women aged 20 to 24, who were first married by age 18 was 73 during 1989 which is 65 in 2011(Habib, 2013).The age and gender structure of a country's population is an important social indicator because it affects a nation's key socioeconomic issues and provides insights about political and social stability, as well as economic development. A country's investment need in education, health sector expenditures, governance, conflict level and potential political environment may be influenced by the rapid growth of young adult who will be searching for employment. In Bangladesh more than one third of its population is in their working age that is related to the country's unemployment problem. Another 40% of its population is economically dependent on others who imposes extra social burden. In addition, if a country's population is well distributed among different age groups then it is likely to attract all types of business irrespective of their target market (Madsen et al., 2010). Again gender ratio of Bangladesh represents more female (mostly in working age people) than male population which can be seen as social problem because in third world countries female are supposed to earn less than male. Gender ratio of Bangladesh indicates a large portion of the total population is not earning well, thus signifies lesser consumer power and is not a lucrative destination for investment. All these above situations indicate social riskiness for businesses in Bangladesh although progress in family planning is a positive side to lessen social risks in future.

5.4. Health Care

In Bangladesh, poverty, malnutrition, poor water quality, arsenic contamination, and prevalence of infectious diseases are the major causes of inopportune health care system. Bangladesh has developed nationwide network of 59 medical colleges, 13 nursing colleges, 69 nursing institute, 17 medical assistant training schools, and 16 institute of health technology. The total expenditure on healthcare as a percentage of the GDP was only 3.35% in 2009, according to a World Bank report published in 2010. The number of hospital beds per 10,000 populations was 4. The General government expenditure on healthcare as a percentage of total government expenditure was only 7.9% as of 2009 (National Web Portal of Bangladesh, 2013).Since independence Bangladesh has made significant progress in health sector and the government has been pursuing a policy of health development that ensures provision of basic services to the entire population, especially in reducing fertility, reducing infant mortality, providing vaccines to children and mothers, reducing vitamin A deficiency, and others, particularly to the under-served population in rural areas (World Vision, 2011). Bangladesh had shown commendable development in the pharmaceutical sector. Currently, the local pharmaceutical production meets about 97% of the overall local demand for

drugs and 100% of that for the essential drugs. The internal market for pharmaceutical products is worth annually approximately US$ 740 million and Bangladesh exported to 76 countries in 2009 amounted to approximately USD 49 million (National Web Portal of Bangladesh, 2013). Again government has taken significant initiatives for improvement of Health Information System (HIS) at all levels. Initiatives for development of new health policy, revitalization of primary health care by making all community clinics functional with required human resource, supplies and logistics, recruitment and appropriate deployment of human resource for health and gradual extension of e-health services to the rural areas are some of the examples for health development in the country (World Health Organization, 2013).A country with healthy citizens represents healthy workforce and happy social environment which in turn results in overall development of a country and reduces riskiness for business. Though Bangladesh has not yet attained such healthy social condition, but it is advancing in a good pace with required development initiatives.

5.5. Illiteracy and Public Expenditure on Education

Current rate of literacy in Bangladesh is 57.53%. This means 42.47% people now can't read or write.However, there is a severe disparity in literacy rates with respect to gender and dwelling places and areas (Bangladesh Bureau of Statistics, 2011). Intention of Bangladesh to provide with a quality education to all of its citizens is clearly stated in the 2010 National Education Policy. Reducing regional and gender based disparities in education is another aim of this policy. It also has a separate section emphasizing on women's education like other modern countries. Bangladesh governments have always rightly prioritized education (World Vision, 2011). To encourage girls to start and continue education and to reduce gender and region based disparities, government has taken stipend programs. Bangladesh spends 2.3% of its GDP on education while the international average is 3.5% of GDP. Education expenditure in Bangladesh has increased from Tk.120 billion in 2006 to Tk.192 billion in 2012 (Cooke, 2013). Illiteracy is a curse to the social development of any country. Illiterate persons are unaware of their rights, blind to the world of knowledge and burden to the carriage of development. Simply speaking, a country with higher literacy rate is very natural to be developed and generally has better standard of living. With good progress in increasing its literacy rate, Bangladesh is lowering its social risks for international investors.

5.6. Poverty and Income Distribution

As per the announcement of The World Bank in June 2013, in Bangladesh number of people living in poverty had reduced the from nearly 63 million in 2000, to 55 million in 2005, and then 47 million in 2010 (Bhowmick, 2013). Its number of poor people has been reduced by 26% in 10 years with a uniform and steady decline rate of 1.8% annually between 2000 and 2005, and 1.7% annually between 2005 and 2010. Since the 1990s, there has been a declining trend of poverty by 1% each year (World Bank, 2013). Around 17.6% of the population was found to live below poverty line according to the 2010 Population and Household Census by the Bangladesh Bureau of Statistics (2011). Growth in formal and informal labor income, demographic changes,woman participation in workforce has caused this improvement (International Labour Organization, 2012 & The World Bank, 2013).There is no doubt that poverty is falling. But the average reduction of poverty rates which is about 1% annually with GDP growth averaging 5.5% means that very little of the growth is actually going to the poor people (Eusha, 2013). In Bangladesh, income inequality increased sharply during 1991-92, 1995-96 and continued to 2005 causing her to be regarded as a country with high income inequality (Islam, 2013).At present Bangladesh has a value of 32.1 in GINI index. The wealthiest 20% had an increase of about 4% in their share of income. Again this rough increase in share of income held all went to the richest 1% of the population who currently receives about 13 % of the national income. In other words, if an average person from the lowest 10% of the population earns Tk 2400, an average person from the richest 1% earns Tk 78,000 (Kawsar, 2012 & Fattah, 2013). Progress in poverty reduction and increment of income inequality is specifying two opposing direction of social risk for Bangladesh. Poverty reduction is a sign of social advancement which is reducing its social risks but increasing income inequality is adding to its social risks because it is indicating imbalanced social development which can create social unrest and poorer standard of living of the mass population of the country.

5.7. GDP per Capita Based on PPP

Purchasing power parity (PPP) is a technique used to estimate the exchange rate between two currencies that would make the purchasing power of those two currencies to be in equilibrium (Apte et al., 2001&Taylor and Taylor, 2004).PPP exchange rates help to avoid misleading international comparisons that can arise with the use of market exchange rates. Another important use of PPP rates is the international comparison of income and consequently standard of living particularly for less developed countries, because it compensates for the weakness of local currencies in the international markets (Dornbusch, 1985).The IMF reported USD 2,039.477 as GDP per capita in PPP terms for Bangladesh during 2012 while GDP per capita in market exchange rate of US dollar was only USD 817.950 (International Monetary Fund, 2013).GDP per capita calculated with PPP rates of a country is better indicator for analyzing social risks by international investors. Clearly, GDP per capita based on PPP is much higher than its GDP per capita based on market rate of US dollar. Therefore it indicates a better socioeconomic condition implying lower risks for business.

5.8. Attitude of Bangladeshi People toward Foreign Products:

Products are produced for selling them to consumers. In international business, the job is to sale products to foreign consumers. Whatever the mode of international business is, it is of no meaning if the consumers of host country don't accept those products and make purchases. Therefore, at the time of taking foreign investment decisions, MNCs do consider the tendency of host country people toward foreign products. Their tendency may though differ from country to country. However, MNCs consider these host country people's loyalty toward the local products and the attitude toward the MNC's home country. In this study, an overall assessment of Bangladeshi people's attitude toward the acceptance of foreign products has been made. Here the term foreign product has been used just like a brand or image, not specific product of any specific industry or of any specific country. This is an assessment of how is the reaction of Bangladeshi people to the words "foreign product".Mean scores and standard deviations of responses for eight variables are: 3.59 and 0.74 (quality), 2.82 and0.78 (price), 3.56 and 0.67 (promise), 3.59 and 0.63 (differentiation), 3.57 and 1.18 (trust and credibility), 3.40 and 0.73 (self-expressive benefits), 2.88 and 0.85 (foreign culture attraction) and 3.12 and 0.89 (satisfaction and loyalty). It signifies that Bangladeshi people hold a positiveattitude toward the foreign products. Results indicate that people of this country are neither addicted to foreign products nor hostile to them. Analyzing deep into the variables it can be found that, people are more or less satisfied with the quality, promise, differentiation, trustworthiness and credibility and self-expressive benefits offered by foreign products. Moreover, they are likely to be the consistent purchaser of the foreign products they are currently purchasing. Although people are not that much satisfied with the price level and not heavily attracted to foreign culture, there are ample opportunities for foreign companies to convince the people of Bangladesh to purchase their products focusing on these above mentioned variables.

Table 5.8.1represents the result of independent sample t-test that measures whether there is any difference in attitude of respondents in terms of their gender. From the table it is evident that, there is no statistically significant difference in the attitude of respondents towards seven variables with respect to their gender. It is true for quality {t (198) = 1.003, p = .317}, price {t (198) = 1.097, p = .274}, promise {t (198) = .594, p = .553}, trust and credibility {t (198) = -.754, p = .452}, self expressive benefits {t (198) = .456, p = .649}, foreign culture attraction {t (198) = .250, p = .803} and satisfaction and loyalty {t (198) =.033, p = .973}. On the other hand, statistically significant difference has been found for attitude towards differentiation {t (198) =2.110, p = .036} and gender.Again, table 5.8.2represents the result of one way ANOVA that measures whether there is any difference in attitude of respondents in terms of their age. The results indicate that for all the eight variables, quality {F (4,195) = .508, p = .730}, price {F (4,195) = .550, p = .699}, promise {F (4,195) = .474, p = .754}, differentiation {F (4,195) = .187, p = .945}, trust and credibility {F (4,195) = 1.583, p = .181}, self expressive benefits {F (4,195) = 2.048, p = .090}, foreign culture attraction {F (4,195) = .878, p = .478} and satisfaction and loyalty {F (4,195) = .251, p = .909}, there are no statistically significant differences in respondents attitude and age.

At this point of the analysis, correlations among the variables have been analyzed. Table 5.8.3represents that there are statistically significant correlations between each of the pair of variables. Among these pairs, correlation is strong between quality and promise (r = .696), quality and self expressive benefit (r = .510), quality and satisfaction and loyalty (r = .579), price and satisfaction and loyalty (r = .515), self expressive benefit and foreign culture attraction (r = .576), self expressive benefit and satisfaction and loyalty (r = .592) and foreign culture attraction and satisfaction and loyalty (r = .690).Then the internal correlations between each pair of sub-variables under each of the eight variables have been analyzed. Table 5.8.4 represents internal correlations for the sub-variables of ***"Quality"***. Significant correlations between each pair of sub-variables have been found. However, respondents who think foreign products are of good quality and are harmless to use also strongly perceptive that foreign products can fulfill their expectations (r =.557 and .540 respectively).Table 5.8.5 represents ***"Price"*** variable. Here, statistically insignificant results indicatethat cost sensitive buyers who prefer foreign products don't perceive that the price of foreign products are reasonable (r = -.072, p = .346) and the price match quality level (r = .133, p = .084). Additionally, respondents who think that foreign products are cheaper don't strongly believe that their price match quality level (r = .142, p = .063).Third variable ***"Promise"*** is represented in table 5.8.6with the internal correlations of its sub-variables. Here, all the correlations are statistically significant. Moreover, the respondents who perceive that foreign companies make meaningful promises also indicated that they experienced no promise-performance mismatch (r = .504).

Next variable ***"Differentiation"*** is represented in table 5.8.7. Weak and insignificant internal correlation result specifiesthat respondents who consider foreign products unique don't observe them as easily available (r = .131, p = .088)and the companies to arrange attractive promotional campaign and advertisementfor those products (r = .004, p = .955).Furthermore, the respondents indicated that attractive promotion doesn't necessarily offer greater advantages (r = .029, p = .707).For ***"Trust and Credibility Variable"*** weak and insignificant correlations of the clear expression of cautionary facts have been found with honest communication (r = .082, p = .286) and people's good faith in foreign products (r = .135, p = .079). It means respondents who perceive foreign companies express cautionary facts clearly don't believe that those companies actually communicate honestly and these people don't have good faith in foreign products. Other than these, all correlations are found to be significant although not so strong as represented in table 5.8.8.The correlation results for***"Self Expressive Benefit"*** (table 5.8.9)represent that the respondents who feel that foreign products suit them as person don't strongly suppose that using foreign products they can attract the attention of others (r = .136, p = .076). Except this one, all other sub-variables are significantly correlated. Seventh variable is ***"Foreign Culture Attraction"***. Table 5.8.10represents that people who think that foreign products make life easier also believe that these products are more than just products, rather they are lifestyles (r = .563). Besides, who don't think that they should buy domestic products instead are also proud using foreign products (r = .501).Last variable ***"Satisfaction and Loyalty"***, represented in table 5.8.11 shows that people who think foreign products have met their expectations are highly satisfied with these products (r = .723). Again, people who are using foreign products for long time are willing to buy then next time as well (r = .556). Moreover, who are going to make such repeat purchases are reluctant to switch to the domestic products (r = .599).

6. Findings

This study found both positive and negative aspects among the social and environmental factors of Bangladesh. Geographical location of this country,with plain and fertile land helps business operation and growth, but natural calamities are also yearly matters to downgrade these progresses. Bangladesh doesn't possess adequate natural resources. This hinders its raw materials availability. However, there are huge prospects of available natural energy resources as well as forest and agricultural resources that can be used in different types of innovative and emerging businesses. Physical infrastructure of Bangladesh is still not fully developed but speedy advancement in telecommunication, roads and highways as well as power and energy sectors are taking place. Thus, infrastructure facility is being considered as a light of hope.Overpopulated Bangladesh represents a large market for foreign business. But it also symbolizes lower purchasing power, poverty and illiteracy. High population growth rate and low life expectancy are two other risk factors in the society of Bangladesh. Although overpopulation here offers enormous supply

of cheap labor force, consequent huge unemployment rate and rapid urbanization result in social unrest and imbalances. However, progress in family planning is a positive side to lessen this pressure. Age and gender structure of Bangladesh is not symmetrical. Here, age structure is in a condition to add to the unemployment problem and social burden. On the other hand, gender structure with greater portion of female population indicates lesser purchasing power.Health and education sectors are some other areas of Bangladesh that are developing very fast with a goal of providing healthy, skilled and knowledgeable workforce for business, happy social environment and better standard of living. Poverty is one of the mostly cited problems in Bangladesh. This country has reduced it poverty level in good extent and currently it also has a higher GDP per capita in PPP rate. However, income inequality has been increased than before. It may add to the social risks of Bangladesh creating social imbalances, unrest and poorer standard of living of the average population. Irrespective of these environmental and social risks, Bangladeshi people have a favorable attitude towards the foreign products. Such attitude is mostly formed because of quality, differentiation, trust and credibility and valuable promises of the foreign products. However, price of these products often negatively influence their perception. People of this country are also not that nagging to the foreign culture. Their preference or attitude doesn't differ with respect to their age. However, difference is found for "differentiation" quality of the foreign products with respect to gender. All other aspects have been found to be indifferent with respect to gender. Internal correlation results represent strong and significant as well as weak and insignificant relationship between different pairs of variables.

7. Conclusion

Bangladesh is a newly developing country that has just started to push the wheal of development. Till today, this country is beset with numerous environmental and social problems and risks. However, there are so many reasons why foreign investors should take these risks for other opportunities. Despite all these problems, tendency of Bangladeshi people toward foreign products is a positive aspects on the note. General people are not reluctant to accept foreign products if those products can meet their necessities and expectations. This is a big opportunity for MNCs because even only consumer barrier can make a targeted country invincible. Therefore, Governemnt and policy makers should take necessary steps to attract more foreign investment in this country. Again, future researches can be conducted focusing the specific risk and opportunities for specific business areas.

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Appendix

Table 5.8.1.: Analysis of Attitudinal Differences in Terms of Gender (Individual Sample t-test)

Levene's Test for Equality of Variances		t-test for Equality of Means							
								95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Quality	.223	.638	1.003	169	.317	.11873	.11840	-.11500	.35247
Price	.031	.862	1.097	169	.274	.13608	.12403	-.10877	.38092
Promise	.847	.359	.594	169	.553	.06369	.10720	-.14794	.27532
Differentiation	.661	.417	2.110	169	**.036**	.20938	.09923	.01349	.40527
Trust and Credibility	1.335	.249	-.754	169	.452	-.14158	.18768	-.51208	.22892
Self Expressive Benefit	.069	.793	.456	169	.649	.05339	.11698	-.17755	.28433
Foreign Culture Attraction	1.191	.277	.250	169	.803	.03412	.13622	-.23479	.30304
Satisfaction and Loyalty	.578	.448	-.033	169	.973	-.00471	.14123	-.28351	.27410

Source: Primary Data Collection Survey.

Table 5.8.2.: Analysis of Attitudinal Differences in Terms of Age (ANOVA)

		Sum of Squares	df	Mean Square	F	Sig.
Quality	Between Groups	1.139	4	.285	.508	.730
Price	Between Groups	1.354	4	.339	.550	.699
Promise	Between Groups	.870	4	.217	.474	.754
Differentiation	Between Groups	.303	4	.076	.187	.945
Trust and Credibility	Between Groups	8.673	4	2.168	1.583	.181
Self Expressive Benefit	Between Groups	4.304	4	1.076	2.048	.090
Foreign Culture Attraction	Between Groups	2.569	4	.642	.878	.478
Satisfaction and Loyalty	Between Groups	.802	4	.200	.251	.909

Source: Primary Data Collection Survey.

Table 5.8.3.: Internal Correlation Results for the Variables

		Quality	PRI	PRO	DF	TC	SEB	FCA	SL
Quality	Pearson Correlation	1	.471**	.696**	.318**	.417**	.510**	.456**	.579**
Price	Pearson Correlation	.471**	1	.420**	.367**	.201**	.254**	.379**	.515**
Promise	Pearson Correlation	.696**	.420**	1	.482**	.387**	.417**	.362**	.474**
Differentiation	Pearson Correlation	.318**	.367**	.482**	1	.297**	.298**	.334**	.359**
Trust n Credibility	Pearson Correlation	.417**	.201**	.387**	.297**	1	.362**	.349**	.407**
Self Expressive Benefit	Pearson Correlation	.510**	.254**	.417**	.298**	.362**	1	.576**	.592**
Foreign Culture Attraction	Pearson Correlation	.456**	.379**	.362**	.334**	.349**	.576**	1	.690**
Satisfaction and Loyalty	Pearson Correlation	.579**	.515**	.474**	.359**	.407**	.592**	.690**	1
**. Correlation is significant at the 0.01 level (2-tailed).									

Source: Primary Data Collection Survey.

Table 5.8.4.: Internal Correlation Results for the Quality Variable

	GQ	HTU	CFE	PULT	EZD
Good quality	1	.396**	.557**	.499**	.218**
Harmless to use	.396**	1	.540**	.357**	.394**
Can fulfill expectations	.557**	.540**	1	.420**	.345**
Produced using latest technology	.499**	.357**	.420**	1	.231**
Experienced zero defects	.218**	.394**	.345**	.231**	1
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data Collection Survey.

Table 5.8.5.: Internal Correlation Results for the Price Variable

	RP	CTD	PMQ	CS	PDP
Reasonable price	1	.177*	.395**	-.072	.353**
Cheaper than domestic	.177*	1	.142	.387**	.232**
Prices match quality	.395**	.142	1	.133	.374**
Cost sensitive	-.072	.387**	.133	1	.286**
Price never Discourage purchase	.353**	.232**	.374**	.286**	1
*. Correlation is significant at the 0.05 level (2-tailed).**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data Collection Survey.

Table 5.8.6.: Internal Correlation Results for the Promise Variable

	MP	NPPM	CPAI	FGWIT	MI
Meaningful promises	1	.504**	.302**	.418**	.306**
No Promise and performance mismatch	.504**	1	.266**	.329**	.162*
Create Positive associations and images	.302**	.266**	1	.382**	.316**
Fulfill guarantees and warrantees in time	.418**	.329**	.382**	1	.345**
More innovative	.306**	.162*	.316**	.345**	1
**. Correlation is significant at the 0.01 level (2-tailed).*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Primary Data Collection Survey.

Table 5.8.7.: Internal Correlation Results for the Differentiation Variable

	MU	MA	ANTD	PA	AP
Foreign products are more unique	1	.441**	.131	.160*	.004
These products offer more advantageous	.441**	1	.241**	.276**	.029
I can get foreign products next to the door	.131	.241**	1	.334**	.155*
Packaging of foreign products are amazing	.160*	.276**	.334**	1	.170*
Attractive promotional campaign and advertisements	.004	.029	.155*	.170*	1
**. Correlation is significant at the 0.01 level (2-tailed).*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Primary Data Collection Survey.

Table 5.8.8.: Internal Correlation Results for the Trust and Credibility Variable

	TC	ECF	TCWC	CH	HGF
Foreign products are trustworthy and credible	1	.188*	.378**	.265**	.402**
They express any cautionary facts clearly	.188*	1	.216**	.082	.135
Terms and conditions are well communicated	.378**	.216**	1	.312**	.360**
Foreign companies communicate honestly	.265**	.082	.312**	1	.397**
I've great faith in foreign products	.402**	.135	.360**	.397**	1
*. Correlation is significant at the 0.05 level (2-tailed).**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data Collection Survey.

Table 5.8.9.: Internal Correlation Results for the Self Expressive Benefits Variable

	PWF	SAP	SB	EU	AA
By using foreign products I get positive and warm feeling	1	.441**	.360**	.471**	.280**
Foreign products suit me as a person	.441**	1	.349**	.412**	.136
I get social benefit using foreign brands	.360**	.349**	1	.457**	.423**
It makes me feel exclusive and unique	.471**	.412**	.457**	1	.388**
I can attract other people's attention while using foreign products	.280**	.136	.423**	.388**	1
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data Collection Survey.

Table 5.8.10.: Internal Correlation Results for the Foreign Culture Attraction Variable

	BFCB	MLE	LTP	UDPI	PUFP
I use foreign products because I believe foreign culture is better	1	.434**	.332**	.468**	.487**
Foreign products make life easier	.434**	1	.563**	.376**	.304**
Foreign products mean more as lifestyles than just products	.332**	.563**	1	.411**	.297**
I don't feel that I should use domestic products instead.	.468**	.376**	.411**	1	.501**
I am proud of using foreign products	.487**	.304**	.297**	.501**	1
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data Collection Survey.

Table 5.8.11.: Internal Correlation Results for the Satisfaction and Loyalty Variable

	EFM	SUFP	ULT	NTPFP	DWTS
My expectations are met fully when I use foreign products	1	.723**	.424**	.392**	.276**
I'm satisfied using foreign products	.723**	1	.437**	.432**	.336**
I'm using foreign products for long time	.424**	.437**	1	.556**	.333**
Next time I purchase anything I'm going to buy foreign products.	.392**	.432**	.556**	1	.599**
I don't want to switch to domestic brands	.276**	.336**	.333**	.599**	1
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data Collection Survey.