

# **St. Mary's University**



## **GRADUATE PROGRAM**

### **FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR TOWARDS FAST MOVING CONSUMER GOODS /FMCG/ IN ADISS ABABA.**

**By**

**Mahlet Mekbib**

**Advisor: Getie Andualem (PhD)**

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**FACTORS INFLUENCING CONSUMER BUYING BEHAVIOR OF FAST  
MOVING CONSUMER GOODS (FMCG) IN ADDIS ABABA**

**BY: MAHLET MEKBIB**

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF  
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**SCHOOL OF GRADUATE STUDIES**  
**FACULTY OF BUSINESS**

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**Approved by Board of Examiners:**

_____	_____	_____
<b>Chairman, department</b>	<b>signature</b>	<b>date</b>
_____	_____	_____
<b>Advisor</b>	<b>signature</b>	<b>date</b>
_____	_____	_____
<b>Examiner</b>	<b>signature</b>	<b>date</b>
_____	_____	_____
<b>Examiner</b>	<b>signature</b>	<b>date</b>

## DECLARATION

I, Mahlet Mekbib , hereby declare that this Thesis titled “Factors Influencing Consumer Buying Behavior of Fast Moving Consumer Goods in Addis Ababa” is my original work. I have carried out the present study independently with the guidance and support of the research advisor, **Getie Andualem (PhD)**. Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution.

**Mahlet Mekbib**

\_\_\_\_\_

**Signature**

\_\_\_\_\_

**Date**

## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

**Advisor:**

**Signature & Date**

**Getie Andualem (PhD)**

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## **List of Abbreviations**

**CPG - Consumer Packaged Goods**

**ETB-Ethiopian Birr**

**FMCG- Fast Moving Consumer Goods**

**SPSS- Statistical Package for Social Sciences**

## **Abstract**

*With the intent of studying consumers who are at the core of everything marketers do, this study was directed at the fast moving consumer goods (FMCG) segment. Through the development of a conceptual model that contains five independent variables, the purpose of the study to distinguish the most important factors affecting the consumer's decision and buying behavior of Bottled water in Addis Ababa. It was hypothesized in this study that product quality, price, availability, advertisement and brand equity significantly influence buying behavior of consumers in Addis Ababa. The independent variables were developed through exploratory research method and adoption of major theoretical foundations. Data was collected through structured questionnaires from shoppers and consumers of the products under investigation to put the conceptual model in to the empirical test. Descriptive and inferential statistics analysis was performed using SPSS version 21 software to analyze the data and arrive at its findings.*

*The finding indicates that the influencing variables of buying behavior all of the variables was significant but, brand equity, product quality and advertisement was the most significant and the demographic profile of shoppers indicates that the market is highly dominated by the purchasing decisions of females within the households in Addis Ababa plus Tv and Radio advertising, Retailer's recommendation, as well as exposure to brands in shops have been identified as the most important sources of information.*

*An important implication for marketers is the development of marketing strategies based on the right knowledge of the decision maker and shopper. Results also gives direction for companies and marketers of such products to give attention to consumers behavior to be successful, to focus on the identified target market while devising their strategy and to give priority for the issue of brand awareness.*

**Key Words:** *Consumer Behavior, Fast Moving Consumer Goods, Brand Choice.*

*Abstract*



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The field of marketing is innately linked to the needs of all human and social beings. The essence of marketing is to view offerings, products and services from the consumer's point of view- seeing that the right offerings reach the right customer, at the right place, at the right time and at the right price (Sarangapani, 2009). Schiffman and Kanuk (2010) also underline that at the heart of the marketing orientation concept- in place since the 1950s was the realization of businesses to giving more attention to consumers and their preferences. This critical element of successful marketing- consumer satisfaction- does not usually happen arbitrarily, bringing us to the central notion of this study- consumer behavior. According to Sarangapani (2009), the key to consumer satisfaction lies in understanding the consumer.

Kahn (2006, Page no. 4) defines consumer behavior as "the behavior consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs". Consumer behavior focuses on how individual consumers and families or households make decisions to spend their available resources on consumption related items.

The importance of studying the consumer is unanimously agreed by scholars in the field. In order to succeed in any business and especially in today's dynamic and rapidly evolving marketplace, marketers need to know everything they can about consumers. Peter and Olson (2010) outline the importance of consumer behavior for marketing strategies by

iterating that achieving marketing objectives depends on knowing, serving, and influencing consumers.

Marketers also realize that their effectiveness in meeting consumer needs directly influences their profitability. They think that the better they understand the factors underlying consumer behavior, the better they will be able to develop effective marketing strategies to meet consumer needs (Assael, 2001).

A deeper insight has been sought after into the consumer of Addis Ababa with focus on FMCG. Menke (2007) defines FMCG as those goods which have very low prices and are manufactured at low cost as well. They are produced in high volume and it is aimed to achieve high profit through economies of scale. FMCG, also referred to as consumer packaged goods (CPG) by Cox (2003), have a short shelf life, either as a result of high turnover or because of the product perishability. They are generally replaced or fully used up over a short period of days, weeks, or months, and within one year (Smith, 2010). Examples of FMCG include soaps and detergents, soft drinks, dairy products, confectionaries and deodorants.

The focus of this study is the buying behavior of consumers in Addis Ababa with in the Fast Moving Consumer Goods (henceforth referred as FMCG) industry. An attempt is made to study the urban consumer profile, buying behavior and the factors behind their choices.

## **1.2 Statement of the Problem**

With the established fact that the study of consumer behavior is the most important factor for developing and executing a successful marketing strategy, the researcher will present Theoretical and observational gaps to clearly establish the importance of this study. Fast Moving Consumer Goods industry is a well-studied and explored sector in most markets. There are countless studies undertaken within the sector by various scholars (Rasool, 2012; Venkata, 2013; Guru et al., 2009). In these studies the perspectives of branding, brand management and advertising strategies, brand loyalty, impact of advertisement, brand awareness and other issues related to FMCG have been addressed. Research activity is not

only limited to these perspectives of FMCG, there are also studies undertaken with the centerpiece of buyer behavior and the factors behind their choices, which is the focus of this study (Priyalatha & Mathi, 2011; Alex & Menon, 2013; Ullah & Prince, 2006; Ali, et al., 2012; Mahalingam & Kumar, 2012; Srivastava, 2013). However, all these studies are undertaken in different socio-cultural and economic environments of countries like India, Pakistan and Bangladesh. The researcher's inability to find such studies in this market is indeed one of the basic reasons for the study. Of course, there are few studies in the Ethiopian context, that focus on some of the other innumerable aspects of FMCG (Getaneh, 2012; Tekleab, 2012; Teshome, 2012; Matheos, 2013; Yalew, 2013; Million, 2013). These studies explored FMCG from the perspectives of packaging attributes, sales promotion practices, distribution system and customer based brand equity. A single study on factors of brand choice in FMCG (only on bottled water) was found (Gedamnesh, 2013), which again had a focus on branding. Let alone a clear understanding of the specific factors behind buying behavior for FMCG; an overall understanding of the Ethiopian FMCG market is yet to be established. And as a result of this low level understanding, marketers of FMCG find themselves in the crossroads to develop and implement the appropriate marketing strategy.

Therefore, this research looked into the major factors influencing buying behavior in FMCG market. Hence, with the importance of understanding consumer's buying behavior (Schiffman and Kanuk, 2010; Peter and Olson, 2010; Bhagat, 2012), as well as the ubiquitous nature of FMCG, an inquiry into the area will have a strategic importance and implications. Furthermore, the FMCG market is witnessing high growth in Ethiopia as a result of the key drivers like urbanization and rising incomes being witnessed in the country (Ali, 2013). The entrance of global FMCG companies into the market is also another indication of the sector's growth. Hence, manufacturing and pushing products into the market will no longer be a feasible strategy, necessitating an understanding of the consumer and implementation of a strong marketing strategy based on that knowledge for a sustainable growth and success. This research is undertaken with the consideration of all



these- necessity of having a deeper understanding of the consumer for FMCG marketers; limited body of extant knowledge in the area as well as the growing importance of the sector in the country. Thus this study is undertaken to examine the major factors influencing of consumer behavior of fast moving consumer goods.

### **1.3 Research Questions**

To understand and explain the problem being discussed, this study raised the following questions.

1. What are the underlying factors influencing consumers' buying behavior of FMCG in Addis Ababa?
2. which brand of bottled water is the most influential in Addis Ababa?
- 3 which source of information is the most important for brand awareness of bottled water?

### **1.4 Objectives of the study**

#### **1.4.1. General Objective**

This study primarily aimed at distinguishing the most important factors affecting the consumer's decision and buying behavior of FMCG on the case of bottled water in Addis Ababa.

#### **1.4.2. Specific Objectives**

- 1) To identify the most influential brand among the set of bottled water brands available in the country.
- 2) To examine if there is a difference among the demographic profile of consumers.
- 3) To identify the most important source of information for brand awareness of bottled water.

### **1.5 Significance of the Study**

This was a study undertaken in the Ethiopian market. In this market the practice of marketing has much to mature and become an advance discipline and practice. Hence, this research contributed for the development of the discipline in this environment.

More specifically, research endeavors are limited within the FMCG market. This study, which was undertaken in the area of consumer behavior in FMCG, contributed to the development and effective implementation of marketing strategies by FMCG companies. Wiid and Diggines (2009) also underline the importance of sufficient and relevant information for planning and making successful decisions about a marketing strategy. Additionally, this research served as a point of departure for further research by marketers and academicians. This is because the researcher was not able to find an account of a scientific study on the area with similar or related route as adopted in this study.

## **1.6 Scope and Limitation of the Study**

### **1.6.1 Scope of the Study**

The scope of this study is focusing to the exploration and explanation of the Addis Ababa consumer buying behavior of FMCG/bottled water/. It identified the underlying factors behind the buying behavior of the city's consumers with regards to the widespread sector of Consumer Packaged Goods (CPGs). This study focused on **five key influence factors** selected from models of buying behavior in FMCG proposed by Abbas et al. (2012) and Ullah and Prince (2006). These are: **Product Quality, Price, Availability, Advertisement and Brand Equity**. Influence of these factors on buying behavior of consumers in Addis Ababa is tested with the selected product of bottled water.

### **1.6.2 Limitation of the Study**

Two major limitations of the study were related to its scope. The number of factors explored in the study. There was a myriad of factors that could go into the consumers' mind to influence buying behavior, but was not left out to stand true to one of the basic principles in research - focus.

Hence, the researcher believes this study should further be undertaken on a wider range of FMCG products, incorporating more factors of consumer buying behavior as well as on more regions of the country to ensure the comprehensive analysis and reporting of factors influencing buying behavior for the whole country. the other is Respondents 'bias and

subjectivity can also be considered as a limitation. Moreover, unwillingness of consumers to participate in the study and negligence of some respondents to respond to the questionnaire appropriately might affect the validity of the study findings. Thus, further and more comprehensive study is required to understand fully on this area of research.

### **1.7 Definition of Terms**

**Fast Moving Consumer Goods (FMCG):** also referred to as Consumer Packaged Goods (CPGs), are those goods that have relatively low prices, are produced in high volume to achieve high profit through economies of scale, have a short shelf life and are purchased by the consumers frequently (Menke, 2007, Cox, 2003).

**Consumer Behavior:** the process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants. The study of consumer behavior does not only include reasons for buying but also the consumption process of the consumer at large (Blackwell et al., 2001)

**Buying Behavior:** is slightly different from consumer behavior as it emphasizes on the actual buying (purchasing) behavior of the consumer and the factors influencing the decision making process. This is inferred by Solomon et al. (2006) in their explanation of consumer research broadening from its original focus on buying behavior to its focus into the general consumer behavior also taking into consideration what happens before and after the purchase.

**Brand Equity:** refers to the concept as presented by Keller (2004) to be composed of two building blocks which are brand awareness and brand image.

## **1.8 Organization of the Study**

The study is organized under five chapters. **Chapter one** includes background of the study, statement of the problem, basic research questions, objectives of the study, hypothesis, definition of terms, significance of the study, scope and limitations of the study.

**Chapter two** includes review of relevant related literature. In this second chapter, theoretical and empirical foundations of the study are presented. The conceptual model as well as the hypotheses of the study are laid out in this chapter.

**Chapter three** encompasses research design and methodology which includes description of the population, sampling, data collection and data analysis methods. **In chapter four** results and discussion of the study are presented in detail.

**The last chapter** presents the summary, conclusions and recommendations of the study. The summary of findings was made based on the results discussed under chapter four. The conclusions were drawn from the summary of findings with practical recommendations at the

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter the theoretical and empirical foundation of the study are outlined. The conceptual model as well as the hypotheses of the study is advanced.

#### **2.2 Theoretical Framework**

##### **2.2.1 Consumer Behavior: Definition**

The marketing concept has long been argued and established as the appropriate philosophy of doing business. This concept states that an organization should satisfy consumer needs to make profit (Peter & Olson, 2010). This establishes understanding of the consumer at the center of the marketing concept and the necessity of research into consumers behavior.

The American Marketing Association (AMA) (1995) defines consumer behavior as "the dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives." In other words, consumer behavior involves the thoughts and feelings people experience and the actions they perform in consumption processes. It also includes all the things in the environment that influence these thoughts, feelings, and actions.

Peter and Olson (2010) forwarded insightful framework that links all the elements of this important definition. Marketing strategies are outcomes of the constant relationships and interdependences between the consumers' affect and cognition, their actions and their environment in the Wheel of Consumer Analysis Model by the authors. As such, consumer behavior reflects the actions of the consumer that prevail as a result of the consumers' knowledge and feelings as well as the consumer's environment. On top of the marketing concept, this framework also indicates that effective marketing strategies are at the core of understanding the consumer (his/her cognition, affect and

behavior). Solomon et al. (2006) also indicate that up-to-date knowledge of consumer characteristics plays an important role in many marketing applications as consumer behavior also has dynamism. This importance of consumer behavior and its dynamic nature brings the key role of continuous consumer research laying the foundation of this study. Starting from the pioneer book by Engel, Kollat and Blackwell, *Consumer Behavior* (1968), there have been extensive research and progressive developments in the field. The host of theoretical and empirical data that could be consulted throughout this work of study is, however, limited within the Ethiopian marketing environment. In fact, this was reported in the first chapter and the purpose of this study is to try to fill this strategic gap of limited research work in this market.

Consumer Buying Behavior Kahn (2006, Page no. 4) defines consumer behavior as "the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services". As this implies, consumer behavior is a general and broad construct that takes into consideration what happens before and after the purchase. For the purpose of this study, however, the researcher will only dwell on consumer buying behavior which refers to the decision-making process and the successive physical activity of buying goods and services.

Research on consumer's buying behavior has been the focus of various scholars and marketing practitioners resulting in the identification of a host of various influencing factors and the development of different models. Personal, cultural, socio-demographic and psychological factors are placed at the broader level (Kotler & Armstrong, 2014) with situational factors like time of the day or product characteristics also influencing buying behavior (Wright, 2006). In this chapter, the researcher presents theoretical and empirical review of consumer's buying behavior to finally arrive at a model of factors influencing buying behavior in FMCGs.

## **2.2.2 Theories of Consumer Behavior**

This section presents a summary of the theoretical foundations in the field of consumer buying behavior. Summary of the most important models of consumer behavior is presented to guide and establish a useful framework within which this study of buying behavior in FMCGs was undertaken. This section, in addition to the focus group discussion with researchers, marketing and brand managers in the FMCG sector of this market which is discussed in the next chapter, is at the core of the researcher's attempt to conceptualize and build the model which is employed in the study. The researcher's decision to forward and use a conceptual framework based on previous studies is based on the fact that there are many varying models to select from. As Peter and Olson (2010) also described it, there is no any single approach fully accepted, nor is it likely that a single, grand theory of consumer behavior can be devised that all researchers would agree on.

### **I. Traditional Models of Consumer Behavior**

Consumer behavior is a relatively new field of study with no historical body of its own research. As such, it is a sub-field within the discipline of marketing which has heavily borrowed from other scientific disciplines like economics, psychology and sociology (Schiffman & Kanuk, 2010). Below are the earliest models as borrowed from these other disciplines.

#### **a. The Economic Man Model**

Utility maximizing behavior of rational and well informed consumers is the concept at the foundation of this model. The neo-classical economist Alfred Marshall (1890) formulated the first model of consumer behavior based on the theory of marginal utility. Marshall's utilitarian economic consumer seeks to get the most utility for his or her money spending the minimum amount for maximum gains in the different scenarios of price, substitute products and income accordingly. This model is often criticized for its assumptions of full and relevant information, homogeneity between consumers and the consistency of rational behavior.

## **b. Psychological Models**

For psychologists, attributes that include perception, motivation, learning, attitude and personality were more important and these have been presented in varying models that can depict buying behavior. Three of the most important models are:

- **Hierarchy of Needs Model:** Abraham Maslow (1954) came up with a theory of motivation in the form of a hierarchy of needs. This model suggests that consumers' buying behavior will be influenced by the specific need state at a particular time from the physiological, safety, social, ego and/or self-fulfillment needs. This need will convert into motivation which will direct the purchasing process and behavior of consumers for psychologists.
- **The Conditioned Consumer (Learning) Model:** this is based on the stimulus-response model of human psychology. Ivan Pavlov's classical conditioned consumer learns through a passive, low-involvement process of responding automatically to frequently repeated cues and rewards. This model suggests that much of our behavior is automatic, unthinking, knee-jerk reactions to environmental stimuli. For this model the consumers' buying behavior is influence by their association of a specific stimulus to a specific response.
- **Freud's Theory of Consumer Behavior:** for Sigmund, the emotional, hedonic, psychoanalytical consumer is driven by sub-conscious motives, personality traits, unreasoned instincts, symbolic motives and the need for pleasure. This suggests that marketers shall use motivation research to discover and act on such motives that consumers are ordinarily unable or unwilling to discuss and then appeal to them in marketing communications.

## **c. Sociological Model**

The role, status, interaction, group influence, social class and others do have an influence on the buying behavior of consumers. As part of the society a consumer's buying behavior is influenced by the various groups in society. Primary groups of family, friends and close associates exert a lot of influence on an individual's buying behavior.

Thorstein Veblen's social psychological consumer (Veblen, 1899) is concerned with



conspicuous consumption which is a buying behavior entirely related to public display of economic power.

## **II. Contemporary Models**

The earliest discipline-specific models of buying behavior laid the foundations of today's advanced field of consumer behavior. Counting on these models to practically explain the buying behavior will not be correct as this call for a multi-disciplinary approach to incorporate and explain all the multifaceted set of entities involved in consumer's buying

Behavior. Consequently, some of the best-known comprehensive consumer decision-making models were developed in the 1960s and 1970s as part of a developing discipline of consumer behavior. Among these are models by Howard and Sheth; Nicosia; Engle, Roger and Blackwell; and Kotler (Tyagi & Kumar, 2004).

### **a. Howard-Sheth Model**

Utilizing the learning theory thoroughly and systematically John Howard has come out with the 1<sup>st</sup> truly integrative model of buyer behavior in 1963 (Du Plessis et al, 1991). He introduced the difference between problem solving, limited problem solving and automatic response behavior as the three levels of decision making.

A more meaningful elaboration has been provided in Theory of Buyer Behavior (1969) by Howard and Sheath. This model is considered an important landmark in the development of the theory of buyer behavior by considering three key variables - perception, learning and attitude formation (Prasad, 2009). It is one of the earliest depictions on the configuration of behavioral, situational and economic variables affecting consumer decision processes. The model is essentially an attempt to explain brand choice behavior over time and therefore,

is especially pertinent to this research study. The model relies on four major components stimulus inputs, hypothetical constructs, response outputs and exogenous variables. The Input Variables: Consumers learn by finding out the relevant information about products from two sources of information, the commercial and social sources. The information is used for comparison of alternative brands according to various choice

criteria. The commercial sources of information focus on the attributes of a product or brand (i.e. quality, price, distinctiveness, service and availability). And the information from the buyer's social environment come from family, reference groups and social class- and these influences must be internalized by the consumer before they can affect the decision process. Hypothetical Constructs: are psychological variables such as motives, attitudes, perception and learning which influence the consumer decision process by setting the frameworks within which the consumer receives and interprets the stimuli from above.

Output Variables: these are the five observable responses from the buyer with the ultimate output of actual purchase. It flows sequentially from attention to brand comprehension to brand attitude to purchase intention before the final action of purchasing. Exogenous Variables: The model also includes some exogenous variables which influence all or some of the constructs explained above and through them, the output. They influence the consumer indirectly and vary from one consumer to another. These are the individual's own personality traits, social class, importance of purchase and financial status.

#### **b. Nicosia Model**

Francesco Nicosia, one of the prominent motivation researchers, published an influential comprehensive model of buyer behavior in 1966 (Nicosia, 1966). Nicosia divided the model into four basic parts or fields as he termed them.

Of the four fields outlined in this model, field one comprise product attributes and communication on the one hand and consumer characteristics on the other. As the message is received and reacted upon, it leads to the formation of a product or brand attitude. This attitude serves as an input for field two, the reaction field, where the consumer goes for research and evaluation. Field three is the act of purchase or the decision making. Field four highlights the post-purchase behavior and use of the product, its storage and consumption.

The feedback from field four is fed into the firm's attributes or field one, and the feedback from the experience is responsible for changing the pre-disposition of the consumer and later his/her attitude towards the product.

### **c. EKB (Engel-Kollat-Blackwel) Model**

These scholars (Engel et al., 1969) applied the term 'multidimensional' to their model to refer to the fact that many processes intervene and mediate between exposure to stimuli and final outcome of behavior. The model consists of four components:

- ✓ Information Processing: incoming marketing and non-marketing stimuli are processed through the distinct sequential phases of exposure, attention, comprehension and retention.
- ✓ Central Control Unit: this is the individual's own command center including memory and basic facilities for thinking and directing behavior such as information, experience, evaluative criteria and attitudes each of which is affected by personality.
- ✓ Environmental Influences: These are the environmental influences of income, social class, family influences, physical influences and other considerations. All these factors may favor or disfavor the purchase decisions.
- ✓ (Consumer) Decision Process: consist problem recognition, internal and external search, evaluation, purchase and post-purchase behavior. This key part of the model makes the foundation of the five stage model of consumer's decision making. The decision process may not always pass through the complete sequential chain in which case is a limited or habitual decision process.

### **d. Kotler's Behavioral Choice Model**

The inputs or buying influence in this model include communication about available brands, their prices, qualities, availability, service, options and images. The channels through which the information reaches the buyer are advertising media, sales men, acquaintances, the buyer's family and observation. After processing of the inputs in the buyer's mind ('black box'), the buyer's responses will be manifested in the form of decisions regarding product choice, dealer choice, quantities to buy and frequency of purchase.

This model can be viewed in terms of the three stages involved: stimuli, buyer's black box and buyer's response. The consumer gets the input from the marketing effort of the firm (4 Ps) and other stimuli which will be processed within the specific characteristics of the buyer.

### **2.2.3 Fast Moving Consumer Goods**

FMCG, also referred to as Consumer Packaged Goods are low-involvement products which have relatively low prices and short shelf life (Menke, 2007, Cox, 2003). These products include body care, home care, food and beverage products bought frequently and with great routine (Laurent & Kapferer, 1985). According to a book, Selling FMCGs, (Gough, 2003), main segments of FMCG are:

1. Personal Care- which include toothpaste, hair-care, skincare, soap, cosmetics and paper products such as tissues and sanitary towels;
2. Household Care-fabric wash (laundry soaps and synthetic detergents) and household cleaners (such as dish/utensil cleaners, air fresheners and insecticides);
3. Branded and packaged food and beverages- soft drinks, packaged milk, cereals, biscuits, snack food, chocolates, ice cream, tea, coffee, vegetables, meat, bottled Water, etc. This study investigates factors influencing buying behavior within these sub-categories of FMCG. A single, most important product is selected from each of these sub-categories: toothpaste, laundry bar soap and packaged milk respectively. The rationales being:

- Generalization of buying behavior in FMCG can reasonably be made if at minimum all the major sub-categories or segments are addressed with selected products;
- Comparison of buying behavior across the product categories of FMCG can be made and more useful recommendations can be made.
- A research (Alex & Menon, 2013) had concluded that the FMCG category should not be treated as a single sector, as a result of the findings that revealed consumers to behave differently between the various sub-categories for the researchers.

Doing the study on three varied products made the data collection and analysis more difficult and time consuming on the researcher. However, the researcher accepted this in order to be able to reasonably generalize about factors influencing buyer behavior within the

whole category of FMCG. This had also enabled the study to draw comparative conclusions about factors influencing buyer behavior across the sub-categories. The researcher has already mentioned

that the attempt to find a study with such magnitude in this market was not fruitful.

#### **2.2.4 Consumer Behavior in Fast Moving Consumer Goods**

An important point from the above models that the researcher further discusses is the level of consumer's involvement in the product and/or purchase process. Since it was first analyzed within marketing by Engel et al. (1969), product involvement has been extensively used as a mediating variable in consumer behavior (Dholakia, 1998). It is commonly defined as a consumer's enduring perceptions of the importance of the product category based on inherent needs, values and interests (Mittal, 2004). Pride and Ferrell (2010) consider level of involvement as the degree of interest in a product and the importance the consumer places on that product.

Level IK of involvement determines the depth, complexity and extensiveness of cognitive and behavioral processes impacting the process as well as the type of the consumer's decision making or buying behavior (Chakravarti & Janiszewski, 2003). Therefore, level of involvement is a vital framework for understanding consumer buying behavior. Starting from earlier works (e.g. Engle et al., 1969) till the recent ones (e.g. Neshat et al., 2013), involvement is considered as a significant variable explaining consumer buying behavior. Its impact is reflected on the determination of the type of decision making route the consumer will be taking: routinized response behavior, limited problem solving or extended problem solving (Pride & Ferrell, 2010).

A consumer uses routinized response behavior when buying frequently purchased, low-cost items that require very little search-and-decision effort. Buyers engage in limited problem solving when they buy products occasionally or when they need information about an unfamiliar brand in a familiar product category. Third type of problem solving, the complex one, occurs when purchasing unfamiliar, expensive or infrequently bought goods- a car or home for instance. These routes are determined by level of involvement

which depends on situational and environmental variables as well as characteristics of products and consumers. Our focus in this study- FMCG-are inexpensive, rapidly consumed, frequently purchased products with minimal purchasing effort (Dibb et al., 2006). For Kotler and Keller (2009), likewise, FMCGs are low involvement products which are purchased by consumers very frequently without spending much time on decision making process. This doesn't mean that consumers will buy these products arbitrarily, or without any factors influencing their purchase behavior. It rather leaves out the extended problem solving decision process and its attributes such as the need for lots of information, complex set of evaluative criteria, high potential risk as well as long time for decision making (Bulmer, 1998; Fill, 2005; Tanner & Raymond, 2010). Marketers of low-involvement products often use price and sales promotions to stimulate product trial (Kotler et al., 2005). Key buying influence factors for such products include brand awareness, visibility in store, availability and advertising (McDonald & Christopher, 2003). The factors hypothesized to influence buying behavior in this study are results of these previous studies. The researcher hypothesizes that more apparent cues like price, quality, advertisement, availability and brand awareness will fall within the sphere of influencing routinized buying behavior.

### **2.3 Empirical literature review**

This part comprised prior researches that were done within this area in the past. It discussed the rationale of the researches, which have related concepts with the research questions of this study their findings, methodologies, implications and recommendations for researchers and practitioners has been discussed as well.

FMCG are those goods which have very low prices and are manufactured at low cost as well. They are produced in high volume and it is aimed to achieve high profit through economies of scale Menke (2007). FMCG, also referred to as consumer packaged goods (CPG) by Cox (2003), have a short shelf life, either as a result of high turnover or because of the product perishability. They are generally replaced or fully used up over a short period of days, weeks, or months, and within one year (Smith, 2010).

The American Marketing Association (AMA) (1995) defines consumer behavior as “the dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives.” In other words, consumer behavior involves the thoughts and feelings people experience and the actions they perform in consumption processes. It also includes all the things in the environment that influence these thoughts, feelings, and actions.

(Rasool, 2012; Venkata, 2013; Guru et al., 2009). In these studies the perspectives of branding, brand management and advertising strategies, brand loyalty, impact of advertisement, brand awareness and other issues related to FMCG have been addressed. Research activity is not only limited to these perspectives of FMCG, there are also studies undertaken with the centerpiece of buyer behavior and the factors behind their choices, which is the focus of this study (Priyalatha & Mathi, 2011; Alex & Menon, 2013; Ullah & Prince, 2006; Ali, et al., 2012; Mahalingam & Kumar, 2012; Srivastava, 2013).

Ali et al., 2012; Mahalingam & Kumar, 2012; Ullah & Prince, 2006) study Quality is one of the core factors hypothesized to influence buying behavior of FMCGs and according to (Jin & Yong, 2005) Product quality is a critical element for consumer decision making. Consumers always compare the quality of alternatives with regard to price within a category Alex and Menon (2013) found out that price perception plays an important role in purchase decision making in FMCG. Others like Miremadi & Faghani (2012), Ali et al. (2012), as well as Gedamnesh (2013) found out that prices have significant influence on buying behavior of FMCGs.

Jain and Sharma (2012) study brand awareness and consumer preference for FMCG products in rural market of Garhwal region in India. As per the study brand quality, Price, easy availability, family liking, were found to be the most important variables for buying behavior. Usha (2007) employ a randomly selected sample size of 180 respondents in Kolar District, in India, to study buying behavior of consumers towards instant food products. As per the study,

consumers considered best quality, retailers influence and ready availability for preferring particular brand of products.

Deliya, 2012 studied the importance of packaging design as a vehicle for communication for packaged FMCG products. This research utilized a focus group methodology to understand consumer behavior towards such products. The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding Consumer's behavior towards the packaging of FMCG products. When consumers search for the process information in-store, the product's package can contain relevant and useful information for the consumer. Product packaging forms the end of the 'promotion-chain' and is close in time to the actual purchase and may therefore play an important role in predicting consumer outcomes. Packages also deliver brand identification and label information like usage instructions, contents, and list of ingredients or raw materials, warnings for use and directives for care of product.

Nagaraja (2004) opined that, buying behavior is very much influenced by experience of their own and of neighbor consumers and his family. Above all, the quality of the product and its easy availability were the primary and the vital determinants of his buying behavior.

Most brands with high reported top of the mind statistics were also the same brands which Enjoyed high reporting of usually bought brands. This shows that brand awareness or familiarity is a primary selection criterion for brand choice and purchase. Hence, building Strong brand awareness and familiarity within the target market will be an important building block of building a brand in this market.



## **2.4 Conceptual Framework**

Forwarding a conceptual framework for use in this study is important because of a couple of reasons. Adopting any one of the above grand models will be inappropriate as these models consider the consumers mostly as rational people who spend a considerable amount of time on searching information, evaluating alternatives and then choosing the best product. However, for many products and especially for the category in this study, consumers will just spend a little time and effort without engaging in the sequential activities suggested (Bozinoff, 1982). These grand models have also been criticized for generalizing the decision-making process for any consumer product defying the fact that all consumers (or purchase situations) will not pass through the extensive five stages of decision making (Bums & Gentry, 1990). In fact scholars have even discussed that in many cases grand models complicate a situation that is quite straightforward (Erasmus et al., 2001). Others confirmed that a model that deals with all aspects of consumer behavior in complete detail may be theoretically sound but hopelessly complex in terms of its data requirements and potential for calibration (Lilien, Kotler & Moorthy, 2003). Various studies have used different models that emphasized on different factors that influence consumers' decision making. For instance, Ali et al. (2012) found out that retailers' recommendation, advertisement, price, product quality and reliability are the key influencing factors in rural purchase of FMCGs in India. For Ullah and Prince (2006), the primary factors in Bangladesh include sales promotion, unavailability of brand, product features, end of aisle display and in-store TVC. The adoption of models from other studies without any adjustments and revisions do also have its own downsides. An instance could be the inclusion of irrelevant factors such as in store TVC into a market where we don't observe this tool being employed by stores. In their critical review of consumer decision-making models, Erasmus et al (2001) have underlined that a study of consumer decision-making behavior should be context specific and product specific to provide new insights and to contribute to theory building in the domain of consumer science. According to Lilien et al. (2003), a buying behavior model that we use in a given situation shall depend on the objectives of the

model-builder, the important market phenomena and the availability of relevant theories and data to support the analysis. In fact, a model by its very nature is defined as a representation of some or all of the properties of a large system (Goodhope, 2013). Understanding of the decision making process and the establishment of theory are two of the important benefits from having a buying behavior model (Engel et al, 1995; Du Plessis et al, 1991). This study uses an adapted framework of the stimuli-black box-response model advanced by Kotler et al. (2005). This model will focus at its best on the marketing factors or stimuli part of the broader model which also incorporates cultural, social, personal and psychological sets of factors (Ibid) Scientific rationale behind the selection of the factors has been provided by Erasmus et al. (2001) who suggested that use of grand models for all circumstances will not be representative and practical on top of hardly being accepted by researchers (Peter & Olson, 2010).

#### **2.4.1 Product Quality**

Product quality is a critical element for consumer decision making. Consumers always compare the quality of alternatives with regard to price within a category (Jin & Yong, 2005). According to Davis et al. (2003), perceived quality is directly related to the reputation of the firm that manufactures the product. Perceived quality is also regarded as the degree to which a product provides key customer requirements and how reliably these requirements are delivered. Whereas Aaker (1991) and Zeithaml (1988) said that perceived quality is not the actual quality of the product, rather, it is 'the consumer's judgment about a product's overall excellence or superiority'. Product quality is conformance to requirements (Russel & Taylor, 2006) encompassing the features and characteristics of a product that satisfy stated needs. Quality is one of the core factors hypothesized to influence buying behavior of FMCGs in this study. Previous studies has investigated and found out that it is significantly related to buying behavior in FMCGs (e.g. Ali et al., 2012; Mahalingam & Kumar, 2012; Ullah & Prince, 2006). In the study, the hypothesized impact of perceived quality is measured by a scale developed based on theoretical definitions and empirical measurements from previous studies.

**H1:Product quality significantly influences buying behavior of FMCG consumers in Addis Ababa.**

### **2.4.2 Price**

Perceived price is how a consumer perceives a price as high, low or fair and it has a strong influence on purchase behavior. There is a significant amount of research that proves price consciousness as an important variable in consumer purchase decision making (e.g. Lichtenstein et al., 1993; Estalami & Lehman, 2001; Moon et al., 2006; Campbell, 2007). Within the category of FMCG, price has been one of the most hypothesized, tested and confirmed influencing variable of consumer's buying behavior, as well. Alex and Menon (2013) found out that price perception plays an important role in purchase decision making in FMCG. Others like Miremadi & Faghani (2012), Ali et al. (2012), as well as Gedamnesh (2013) found out that prices have significant influence on buying behavior of FMCGs. In this study, the influence of price will be investigated in the different product segments of FMCG.

**H2:Price significantly influences buying behavior of FMCG consumers in Addis Ababa.**

### **2.4.3 Advertisement**

Advertising is a core component of integrated marketing communications (IMC). IMC describes the process of developing and coordinating a communications program that allows a brand to reach a wide variety of consumers through the use of various media channels (Kotler et al., 2010; Eagle and Kitchen, 1999). Advertising has evolved to become a vital communications system to help consumers make every day purchase decisions in their lives (Belch & Belch, 2003).

Impact of advertising on behavior of consumers in FMCG has been the focus of numerous researchers who found out that consumers are highly influenced by advertising in their preference to a brand of FMCG (e.g. Shukla et al., 2012; Rasool et al., 2012;Rahman, 2012). Consumers take the "peripheral route" to persuasion when they are dealing with

purchase decision in low-involvement products (Bian & Moutinho, 2011). In other words, consumers will base their buying behavior for FMCG products on superficial analysis of readily available and salient factors presented to them through advertisement or other form of marketing communication. This leads to our third hypotheses.

**H3: Advertisement significantly influences buying behavior of FMCG consumers in Addis Ababa.**

#### **2.4.4 Availability**

Consistency of supply and availability at convenient locations are vital for choice of a brand. According to Lin and Chang (2003) convenience of a brand has a significant impact on consumers' brand choice of any product. More specifically, Dechernatory and Mcdonald (2003) expound consumers are not motivated to search out for low involvement products. Any out of stock situation results in consumers switching to alternative brands. This usually happens in FMCGs as also reflected in the solid work of FMCG marketers to ensure wide availability of their brands. A global ranking of most chosen consumer brands (Kantar World Panel, 2013), revealed that strongest brands have the best distribution networks reaching out existing and new consumer segments. Corsten and Gruen (2013) found out the impact of availability on buying behavior of FMCG consumers. Peter and Donnelly (2007) also indicated in their book that when consumers are seeking low involvement products, they are unlikely to engage in extensive search, making easy accessibility and availability an important factor. On top of these, the researcher believes that Ethiopia has much to grow to become a competitive, branded market place for FMCGs. The absence or the late entrance and announcement of FMCG MNCs just this time (Bloomberg, 2014; Diageo, 2012) reflects stage of the market where distribution networks are yet to be built and strengthened. Hence, accessibility and availability of products is hypothesized to influence buying behavior of consumers.

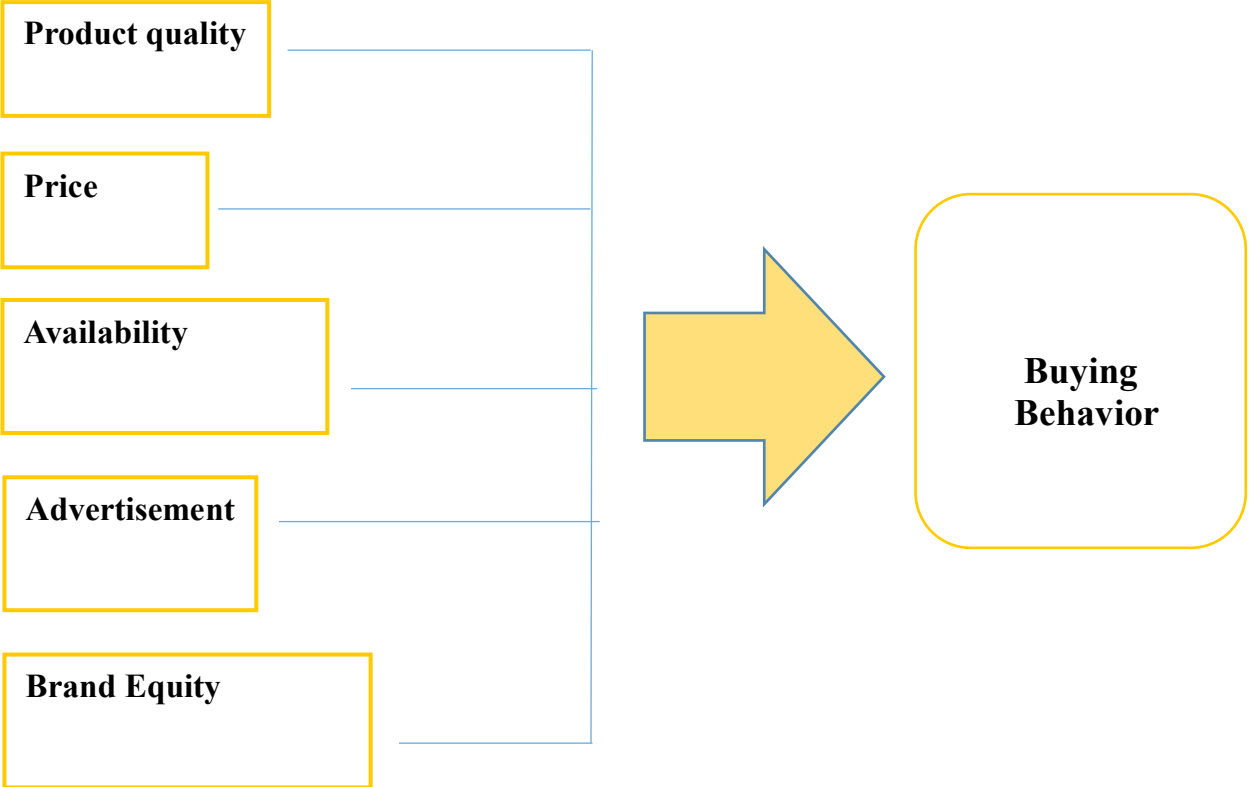
**H4: Availability significantly influences buying behavior of FMCG consumers in Addis Ababa.**

### **2.4.5 Brand Equity**

An authoritative scholar, Kevin Keller (1993) has developed the construct and its measurements in an influential article. The two building blocks of brand equity are brand awareness and brand image. Brand awareness which is further classified into brand recognition and recall doesn't guarantee purchase intentions, if not coupled with positive and favorable association which Keller called brand image. Brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand from the perspective of the consumer. In relation to the current study, researchers have also been focusing on brand equity as one influence on buying behavior. For instance, Mahalingam & Kumar (2012) found out that in addition to product quality, brand awareness is also the most important factor in buying behavior. Brand awareness is said to precede all other steps in the buying process (Rossiter & Prey, 1987).

**H5: Brand Equity significantly influences buying behavior of FMCG consumers in Addis Ababa**

**Conceptual framework of the study**



**Fig. 2.2: Conceptual Model based on the Adaptation of Kotler et al. (2005)**

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

The relevant theoretical and empirical foundations of this study has been discussed and the conceptual framework for the study was developed. The hypotheses of the study which will be tested and reported in the next chapter have also been forwarded in the previous chapter.

In this chapter, the appropriate research design, sampling techniques, data collection and analysis methods will be presented.

#### **3.2 Research Design**

As a plan and framework of a research project, the research design guides the data collection and analysis procedures to ensure that the study was ultimately address the relevant problem (Wiid & Diggins, 2009). This study primarily adopted a quantitative approach.

The study employed a mix of research designs to attain its objectives. This exploratory design was also used for the selection of relevant variables hypothesized to influence the buying behavior of FMCG consumers as well as to propose the important product sub-categories of FMCG.

In addition to the use of related literature, the researcher conducted a focus group discussion (FGD) to reach at the relevant, market specific variables of buying behavior and to select the products for investigation. This FGD moderated between FMCG marketing practitioners in this market environment with the intention of validating the argument from the theoretical and empirical literature. This was followed by a descriptive analysis of the cross-sectional primary data collected through questionnaires to accomplish the objective of presenting the profile of FMCG consumers as well as most influential sources of information for brand awareness in Addis Ababa.

Causal analyses between the dependent and independent variables was undertaken for the product based on the primary data collected.

### **3.3 Population and sampling technique**

#### **3.3.1 Population**

Population is defined as “the complete set (units) of analysis that are under investigation, while element is the unit from which the necessary data is collected” (Davis 2000, pp. 220). The target population (unit of analysis) of this study is comprise individual consumers who are occasional and regular users of bottled water in Addis Ababa, that has at least a basic education and are eighteen years or older.

#### **3.3.2 Sample Size and Sampling Techniques**

Determining sample size is very important issue because samples that are too large may waste time, resource and money. While samples that are too small may lead to inaccurate results. Consumers of bottled water in Addis are numerous in number. Therefore, to gather the information needed for the research on the given time and resource the resulting sample in this study was determined as follows.

For a very large size of sample population, where a comprehensive survey would be difficult, a scientific sample must be taken out of the population. Naturally the requirement is that the sample must be as representative of the population as possible (Wiid & Diggins, 2009).

In 2004, Kothari explained that there are two approaches for the determination of sample size. One of these approaches is capable of giving a mathematical solution and as such is a frequently used technique for determining a sample size. This calculation gives a sample size that ensures a desired level of precision rate and confidence level.

For this study a 95% confidence level was taken with a confidence interval of  $\pm 5$ . According to the 2007 CSA Census, the population of Addis Ababa is 3,430,000.



With a 95% confidence level and a confidence interval of plus or minus 5, the sample size of this research was 384 respondents following the Kothari way of sample size calculation which follows the following formula  $n = \frac{Z^2 P(1-P)}{d^2}$

$$n = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 384$$

Where,

n = size of sample

d = acceptable error (the precision)

p = standard deviation of population

z = standard variant at a given confidence level.

### **3.3.3 sampling technique**

Sampling technique is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. As a priori, the researcher must decide the number of sample or sample size that he or she is going to use for the study. The sampling process is to choose the sampling frame, which is the list of elements from which a sample may be drawn: also called the working population (Zikmund 2000).

Population of this research is the population of Addis Ababa, even though the researcher believes some degree of inferences was made about the buying behavior of consumers elsewhere in the country based on results. The sampling frame includes consumers of FMCG in the city. And the sample units chosen based on the non-probability sampling method of convenience sampling, as the sample units found dispersed across the city.

The researcher employed the judgment that respondents found conveniently at shopping centers and kiosks around the sub-cities was highly be representative of the study's sample frame and adopted this procedure in distributing the questionnaires.

Adopting convenience sampling in which the population elements are selected based on ease of access (Kothari, 2004) the researcher selected respondents based on their availability to the survey. The researcher also coupled this sampling method with the expert judgment that the respondents was those who either consumer or purchase the products under consideration. 384 respondents was selected and was interviewed during or just after an actual shopping activity. This was useful in alleviating the memory bias (Xu & Griffiths, 2008) as well as in improving the strength of the sample representativeness as the sample selection was undertaken in kiosks/shopping centers across all the ten sub cities of Addis Ababa.

For the collection of data from actual consumers of FMCG dispersed all over the city, the calculated sample size was further broken down into the 10 sub cities based on the method of proportional allocation explained by Kothari (2004). This method allocated the sample size in such a way that the sizes of the samples from the different strata are kept proportional to the sizes of the strata. The following table shows this configuration of sample size distributio

**Table 3.1: Sample Size Distribution across the 10 Sub-Cities of Addis Ababa**

<b>Sub-City</b>	<b>Population</b>	<b>Sample size</b>	<b>Sub-city</b>	<b>Population</b>	<b>Sample size</b>
Addis Ketema	255092	36	Kofe	428654	60
Arada	212009	30	Nifas silk	316108	44
Lideta	201613	28	Yeka	346484	49
Kirkos	220991	31	Bole	308714	43
Gulele	267381	37	Akaki kaliti	181202	25

**Source : survey data 2019**

### **3.4 Data Collection Methods**

The two most important research instruments for collecting primary data, the questionnaire and focus group discussion (Wiid & Diggines, 2009) was employed in the survey research. The questionnaire was carefully developed in a way that measure the impact of the proposed independent variables on the dependent variable. The type of questions, form, wording and sequences was also considered carefully. It was translated into Amharic to help easy comprehension and accurate response of respondents.

The collection of primary data was carried out during or immediately after an actual shopping of FMCG by respondents across all the 10 sub-cities using these structured questionnaires. The questionnaire was developed based on the hypotheses of the study. The questionnaire consist a set of descriptive items that measure the dimensions of the hypothesized factors which have been borrowed from the model of CBBE (Keller, 1993) and other related studies Gedamnesh, 2013, Yalew, 2013, Getaneh, 2012, Alex & Menon, 2013). These items was characterized by high reliability and validity in measuring the constructs they are supposed to measure as demonstrated in earlier research studies.

This self-administered questionnaire was developed for each of the three products with a five point Likert scale was distributed to the sample units through the researcher and some field assistants.

The second important source of primary data, focus group discussion (FGD) was also employed for validating the conceptual framework designed based on the literature review. The FGD was conducted between a group of FMCG Marketers including a handful of Brand Managers, Marketing Managers and Market Researchers within the Ethiopian market.

A discussion guide was prepared and appropriate scientific procedures was followed to garner an unbiased and useful data from this discussion.

In addition to investigating relevance of the conceptual model, this primary data was also used to decide on the 3 products of FMCG that appropriately represent the whole category. This enabled he research findings to be generalizable across FMCG and described the divergences between sub-categories.

As discussed, secondary data was also used to primarily construct the basic framework of the study before proceeding to primary data.

### **3.5 Method of Data Analysis**

For the analysis of the primary data, descriptive and inferential statistical analysis techniques were employed. With regards to the descriptive analysis percentages, means, standard deviations and frequencies was calculated. This analysis revealed the demographic profile of FMCG shoppers and consumers in the city, the list of most influential variables on buying behavior as well as differences in buying behavior between the three categories of FMCG products.

With regards to inferential statistics, correlation as well as a regression analysis was used to investigate the most important questions and objectives of this study and to arrive at the core findings of the study with regards to the hypotheses forwarded. The correlation analysis reported on the magnitude and direction of relationships between variables in the study. These variables are the five independent variables and the dependent variable (buying behavior)

A multiple regression analysis was employed in order to investigate the impact of the hypothesized factors on the buying behavior or decision making process of FMCG consumers in Addis Ababa. This enabled hypotheses testing revealing which of the hypothesized independent variables had a statistically significant influences on the decision of the buyer in each of the three products. The regression analysis also revealed the amount of variance explained by the conceptual framework forwarded.

### **3.6 Reliability Analysis**

The internal consistency or reliability of the measurement items under each variable or construct is an important test of sound measurement. Cronbach's Alpha values greater than 0.7 indicate higher degrees of internal consistency (Zikmund, Babin & Griffin, 2010). This

coefficient was calculated for all items under each variable and the results was shown an acceptable level of reliability as shown in table 3.2

**Table 3.2: Reliability of Measurement Items**

Variables	Cronbach's Alpha	Number of Items
Product Quality	.476	3
Perceived Price	.559	3
Availability	.867	3
Advertisement	.633	3
Brand Equity	.751	3
FMCG Buying Behavior	.276	5
Collective All Variables	.594	20

**Source: Survey Data (2019)**

### 3.7 Validity Analysis

The content validity of measuring instruments provided the assurance that the instruments give adequate coverage of the construct under study (Kothari, 2004). Accordingly its determination is primarily judgmental and intuitive, and as a result the researcher validated the content of the measuring instruments in the questionnaire through help from the research advisor and discussion and reviews with peer researchers.

The other type of validity, which is construct validity, was validated through the analysis and calculation of Pearson Correlation. It confirmed the constructs under study do confirm to predict correlations according to the theoretical propositions from other empirical studies.

With these validity tests and confirmations, the researcher was confident that the measuring instruments employed for the study was valid and resulted in precise measurements.

### **3.8 Ethical Consideration**

During data collection all norms and socially accepted values and rights were considered and were respected by interviewers. Respondents were asked politely to give the needed information and at the end of each interview respondents were thanked well.

## **CHAPTER FOUR**

### **ANALYSIS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the data analysis and discussion of the research findings. Both descriptive, focusing on the description of the sample population as well as inferential statistics, which makes inferences about the population based on the data from the sample population, are presented in this chapter. The data analysis was undertaken with the help of computer statistics package (IBM SPSS version 21). The demographic profile of the study sample, consumers brand awareness on FMCG (bottled water), source of information and the underlying factors behind their buying behavior are discussed in this chapter.

This chapter is organized in a format to present the characteristics of the sample population, the most important findings of the study and the summary of findings for the FMCG sub category of bottled water.

To test the hypotheses and achieve objectives of the study, a multiple linear regression analysis was employed. Pearson's Correlation Coefficients were also calculated to observe the relationships between the various variables influencing buying behavior and to see the internal consistency of the measures.

The data collected from the sample population was screened for missing values, extreme responses and only complete questionnaires were considered for the data analysis. Out of the total 384 questionnaires distributed, a response rate of 87% was achieved with 50 questionnaires being discarded because of missing values. For the analysis and findings of this study 334 questionnaires were used.

## 4.2 Demographic Profile of Respondents

The researcher made sure before giving out questionnaires that respondents do actually involve in the purchasing and consumption of the products under consideration. Hence, the profile of respondents can be taken as being representative of FMCG shoppers and Consumers in Addis Ababa. 54 % of these shoppers are females and people between 26 and 50 years of age comprise almost 90% of the shoppers.

Summary of the respondents' demographic profile is presented in Table 4.1 below. It shows the distribution of the sample respondents based on gender, age, educational level as well as monthly income.

**Table 4.1: Summary of Demographic Profile of Respondents**

#	Demographic Characteristic	Frequency	Percentage
1	Gender		
	Female	183	54.8
	Male	151	45.2
	Total	334	100
2	Age in Years		
	18-25	56	16.77
	26-35	135	40.42
	36-50	127	38
	Above	16	4.8
	Total	334	100
3	Education Level		
	Under 12th Grade	98	29.35
	Completed High school	89	26.65
	Diploma	64	19.17



	B.A. Degree and Above	83	24.85
	Total	334	100
4	Monthly Income		
	Below 1000	59	17.67
	1001-2500	87	26.07
	2501-5000	105	31.44
	Above 5001	83	24.85
	Total	334	100

**Source: Survey Data (2019)**

### **4.3 Descriptive Analysis**

#### **4.3.1 Brand Awareness and Source of Information**

Respondents were asked to identify the first brand that comes to their mind so that the study can gauge the level of awareness on FMCG products. They also distinguished the sources of information where they've heard or get introduced with these brands. The following table summarizes the findings with this regards.

**Table 4.2: First Brand that comes to Your Mind**

Bottled water Brand	Frequency	Percentage
Yes	139	39.84
Aqua Adiss	82	19.26
Eden	49	17.12
Wow	36	12.84
One	17	6.15
Others	11	4.82

**Source: Survey Data (2019)**

As this table summarizes, the awareness of brands in the consumer's mindset is highly concentrated on one brand

The following table gives indication of the top three well-known brands of FMCG by the three sub-categories of the industry- Home Care, Food & Beverage and Personal Care.

### Top of the mind Brands of Bottled Water

1 Yes

2 Aqua Adiss

3 Eden

4 wow

Consumers of FMCG get acquaintance with these brands through a variety of information sources from their environment. The top three sources of information for FMCG specifically Bottled water according to the findings of this study are presented below.

**Table 4.3: Top Three Sources of Information**

FMCG	Sources of Information	Frequency	Percentage
Bottled Water	TV & Radio Ad	127	36.90
	Exposure in Store/Kiosk Display	86	24.87
	Retailer Recommendation	68	20.59
	Others	53	17.65

**Source: Survey Data (2019)**

The most important sources of information for brand awareness as presented in the above table, gave an interesting insight within the FMCG sector specifically Bottled Water in Addis

Ababa. Tv and Radio Advertisements of brands had been reported as the primary source of brand awareness by the respondents. Exposure in store/kiosk Display and the recommendation of the traditional small kiosk retailer were also present as influential source of information in the category.

### 4.3.2 Brand Choice and Underlying Factors

Shoppers of Bottled Water have identified their usually preferred brand of product in the survey. This preference of consumers has a noteworthy relationship with the awareness of the brands discussed above. That is the more a consumer is aware of a brand or the brand is at the top of his/her mind, the more likely is the consumer to usually buy that specific brand. Brands of Bottled Water that are mostly purchased by consumers in Addis Ababa are Yes , Aqua Adiss and Eden. This result is presented below in table 4.4.

**Table 4.4: Purchase (Consumption) Trends of Bottled Water by Brands**

Bottled water Brand	Frequency	Percentage
Yes	127	38
Aqua Addis	84	25.25
Eden	49	14.67
Wow	36	10.78
One	17	5
Others	21	6.29

**Source: Survey Data (2019)**

Accordingly, the Bottled Water Named YES which stands at the top of mostly purchased brands of Bottled Water has similarly been reported as the number one brand of Bottled Water when respondents were asked to name the first brand of Bottled Water that comes to their mind.

Proceeding further into the major underlying factors behind consumers' buying behavior in

Bottled Water, a descriptive analysis of means and standard deviation is calculated on each of the measurement items and variables in the study.

The mean indicates to what extent the sample population averagely agrees or does not agree with the different statements. The higher the mean, the more the respondents agree with the statement. The standard deviation, which is also presented in the following table for Bottled Water segment of FMCG, on the other hand indicates the variability of an observed response from a single sample.

**Table 4.5: Descriptive Analysis of Variables in Bottled Water Buying Behavior**

<b>Measurement Items and Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
<b>Perceived Product Quality</b>	11.24	.51672
I trust its quality	4.9880	.10894
I know it has very good quality	4.8772	.32865
I know it offers excellent features	4.1317	.71072
<b>Perceived Price</b>	6.4721	1.74090
Its price is affordable for me	2.9790	1.13218
Its price is fair	2.7784	.80091
Low price is my priority	2.1437	.58792
<b>Brand Availability</b>	7.3174	1.94221
It is widely available	2.9192	1.25061
It is always found in my neighborhood	3.0299	1.06218
If preferred brand is not available, I buy any other soap	4.1048	1.28205
<b>Advertisement</b>	8.7934	2.02904
I buy this brand because it is advertised on TV and Radio	3.6198	1.19899
I buy this brand because it has attractive and recognizable Ad	3.7964	1.08519

Ads have influence over the types of Bottled Water I buy	4.1317	.82783
<b>Brand Equity</b>	7.8024	1.69856
Because its features come to my mind quickly	3.1317	.82783
Because I am familiar with it	3.1737	.98628
Because I think it is the number one among competing brands	4.4910	.50067

**Source: Survey Data (2019)**

This analysis shows that quality of the product plays the most important role in influencing consumers' buying behavior. The mean of this variable is around 11.24 indicating that the average consumer agrees to the statement that product quality is an important consideration in his/her buying decisions. This can reasonably be deducted from people's perception of quality as the most important parameter when it comes to consumption of food and drink products. A study on buying behavior of bottled water (Gedamnesh, 2013) also confirms this finding of product quality as the foremost important quality in the category.

The second most important variable within the set of the consumer's buying behavior is Advertisement of the product or brand. The average consumer agrees to the importance of advertisement at 8.79 mean points, which makes this variable only slightly less important than product quality. Hence, it can be observed from these statistics that a well-advertised FMCG product does indeed influence the decision making process and buying behavior of consumers in Addis Ababa. The following variable which earned more of the average respondents' agreement is Brand Equity, which scored 7.8 mean points. This indicates that brand awareness and image are also within the list of important considerations the average consumer takes into account while buying packaged water.

brand availability also plays important role for Consumer's choice of packaged water which scored 7.31.

finally this finding showed that perceived price is the least important factor influencing buying behavior of consumers in packaged water because most of the products has the same price

#### 4.4. Correlation Analysis

A correlation is a measurement of the linear relationship between variables. The variables could be positively related, they could not be related at all, or they could be negatively related. Correlation analysis was performed to see the association between variables. Extensive literature review shows that correlations of 0.01 to 0.30 are considered small, correlations of 0.30 to 0.70 are considered as moderate, and correlation results that lie within 0.90 and 1.00 are considered very large.

The results of the study showed that there is significant positive relationship between the variables

A correlation analysis with Pearson's correlation coefficient ( $r$ ) was conducted on all variables to explore factors influencing consumer buying behavior on FMCG of bottled water. The result from the Pearson correlation revealed that Pearson correlation coefficient of the five variables: product quality, price, availability, advertisement and brand equity are 0.351, -0.246, 0.639, -0.222, 0.673 (See table 10 below).

All the five variables correlation is significant at 0.01 level of probability. A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). As per the guide line suggested by Field (2005), the strength of relationship 0.1-0.29 shows weak relationship; 0.3-0.49 is moderate;  $>0.5$  shows strong relationship between the two variables. From the result shown below table 4.10, there is strong relationship between the six variables (product quality, price, availability, advertisement and equity) and the dependent variable (buying behavior). To put the data in sequential order, the highest positive correlation is found to be product equity and buying behavior ( $r=0.673$ ,  $P<0.01$ ) and the moderate level of relationship is with availability and buying behavior ( $r=0.639$ ,  $p<0.01$ ).

**Table 4.6: Correlations Analysis**

		quality	Price	Availability	Advertisement	Equity	Buying Behavior
<b>Quality</b>	<b>Pearson correlation</b>	<b>1</b>					
	<b>Sig. (tailed)</b>						
	<b>N</b>	334					
<b>Price</b>	<b>Pearson correlation</b>	<b>.306</b>	<b>1</b>				
	<b>Sig. (tailed)</b>	<b>.000</b>					
	<b>N</b>	334	334				
<b>Availability</b>	<b>Pearson correlation</b>	<b>.029</b>	<b>-.529</b>	<b>1</b>			
	<b>Sig. (tailed)</b>	<b>.600</b>	<b>.000</b>				
	<b>N</b>	334	334	334			
<b>Advertisement</b>	<b>Pearson correlation</b>	<b>.325</b>	<b>.685</b>	<b>-.626</b>	<b>1</b>		
	<b>Sig. (tailed)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>			
	<b>N</b>	334	334	334	334		
<b>Equity</b>	<b>Pearson correlation</b>	<b>.035</b>	<b>-.485</b>	<b>.894</b>	<b>-.631</b>	<b>1</b>	
	<b>Sig. (tailed)</b>	<b>.524</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>		
	<b>N</b>	334	334	334	334	334	
<b>Buying Behavior</b>	<b>Pearson correlation</b>	<b>.351</b>	<b>-.246</b>	<b>.639</b>	<b>-.222</b>	<b>.673</b>	<b>1</b>
	<b>Sig. (tailed)</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>	
	<b>N</b>	334	334	334	334	334	334

\*\* . Correlation is significant at the 0.01 level (2-tailed)

## **4.5 Testing the assumption for regression analysis**

### **4.5.1 Normality Assumption**

Screening data for assessing the normalization of variables is a critical step in multivariate analysis (Hair, 2010). Normality refers to the shape of a normal distribution of the metric variable (Robert, 2006). Even though there are many testes for normality all having their advantage and disadvantages, in this study a statistical test skewness and kurtosis are used to assess normality of the data. Skewness refers to the symmetry of distribution and kurtosis refers to the peakness of distribution (Tobachinck and Fidell (2006) as cited by Ebrahim, A Study of Brand Preference: An Experiential View, 2013). For variables with normal distribution the values of skewness and kurtosis are zero, and any value other than zero indicates deviation from normality (Hair, 2010). According to Hair (2010) the most commonly acceptable criteria value for (kurtosis/skewness) distribution is  $\pm 2.58$ . For this study kurtosis and skewness of variables are calculated for items as shown in the appendix 2a they fall within acceptable range.

### **4.5.2 Homoscedasticity Assumptions**

Is the test of equal variance between pairs of variables (Robert, 2006). In order to ensure the fulfillment of this relationship between independent variable and dependent variable, the variance of dependent variable values must be equal at each value of independent variables (Hair, 2010). The statistical test for assessing the homogeneity of variance Leven's test is used in many cases. For this study all constructs have insignificant level of  $p > 0.05$  of levene's test for equality of variance as showed in appendix (2a). Thus the assumption is reasonably supported in this study.



### 4.5.3 Multicollinearity Assumptions

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multicollinear, there is “overlap” or sharing of predictive power (Dillon, 1993). Thus, the impact of multicollinearity is to reduce any individual independent variable’s predictive power by the extent to which it is associated with the other independent variables. That is, none of the predictor variables may contribute uniquely and significantly to the prediction model after the others are included.

The multicollinearity in this study was checked using the Tolerance and VIF value. As it is showed in the table all independent variables have a Tolerance value greater than 0.1 and a VIF value less than 10. The VIF, which stands for variance inflation factor, is computed as “1/tolerance,” and it is suggested that predictor variables whose VIF values are greater than 10 may merit further investigation (Robert, 2006).

**Table 4.7: Collinearity Stastics**

Model	Colinearity statistics	
	Tolerance	VIF
(Constant)		
Quality	.767	1.303
Price	.493	2.027
Availability	.186	5.381
Advertisement	.371	2.698
Brand equity	.188	5.316

**Source: Survey Data (2019)**

## 4.6 Regression Analysis

Regression and correlation are closely related. Both techniques involve the relationship between two variables, and they both utilize the same set of paired scores taken from the same subjects. However, whereas correlation is concerned with the magnitude and direction of the relationship, regression focused on using the relationship for prediction. According to Marczyk et al, (2005), linear regression is a method of estimating or predicting a value on some dependent variable given the values of one or more independent variables. Unlike correlations, however, the primary purpose of regression is prediction. There are two basic types of regression analysis: simple regression and multiple regressions. In simple regression, we attempt to predict the dependent variable with a single independent variable. In multiple regressions we may use any number of independent variables to predict the dependent variable.

Hence, in this study, multiple regression analysis is used to know by how much the independent variables i.e. Quality, Price, Availability, Advertisement and Equity explain or influences the dependent variable which is Buying Behavior.

R is a correlation between the observed values of y, the values of y predicted by multiple regression models. Therefore, large values of the multiple R represent a large correlation between the predicted and observed values of the outcome. The model summary table reports the strength of relationship between the independent variable (Quality, price, Availability, Advertisement, and Equity) and the dependent variable (Buying Behavior)

**Table 4.8 model summary of buying behavior**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.772 <sup>a</sup>	.596	.590	.75614

The model in the above table 4.7 shows how much of the variance in the measurement of buying behavior is explained by the model. Based on this, model coefficient of determination or R<sup>2</sup> obtained indicates that 59.6% of the variation in the measurement (buying behavior) function can be explained by quality, price, availability, advertisement and brand equity. The

remaining 40.4% of variations on bottled water buying behavior are explained by other variables out of this model or variables which are not incorporated in this study such as lifestyle, personality...etc.

Table 4.9 ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	276.353	5	55.271	96.668	.000 <sup>b</sup>
	Residual	187.536	328	.572		
	Total	463.889	333			

a. Dependent Variable: Dependent

b. Predictors: (Constant), equity, quality, price, advertisement, availability

The ANOVA table presents result from the test of the null hypothesis that R-square is zero. An R-square of zero indicates no linear relationship between the predictors and dependent variable. The F value serves to test how well the regression model fits the data. If the probability associated with the F statistics is small, the hypothesis that R-square = 0 is rejected. For this analysis, the computed F statistic is 96.668, with an observed significance level of less than 0.001. Thus, the hypothesis that there is no linear relationship between the predictors and dependent variables is rejected.

#### 4.6.1 Multiple Regression Analysis Results (hypothesis testing)

In order to indicate how well a set of independent variables are able to predict the dependent variable and to analyze the conceptual framework, in this study five independent were entered to the multiple regression equation and one independent variable. This section reports the result of multiple regressions. Linear regression estimates the coefficient of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Robert, 2006). The multiple regression equation is:

$$Y' = A + B_1X_1 + B_2X_2 + \dots + B_nX_n$$

where  $Y'$  = the predicted dependent variable

$A$  = constant

$B$  = unstandardized regression coefficient

$X$  = value of the predictor coefficient

Thus, in this study the following multiple equations were used to predict the level of buying behavior from the five independent variables:

$$BB = A + B_1Q + B_2P + B_3AV + B_4AD + B_5E$$

Where: BB=Buying Behavior

Q =Quality

P =Price

AV =Availability

AD=Advertisement

E =Equity

$$Y = 0.255 + 0.617Q - 0.081P + 0.133AV + 0.162AD + 0.407E$$

For all the independent variables, coefficients of the predictor variables are statistically significant at less than five percent indicating a significant relationship of these variables to the dependent variable.

Table 4.10: Coefficients

Model	Unstandardized Coefficients		Coefficients Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.255	.919		.278	.782
Quality	.617	.092	.270	6.736	.000
Price	-.081	.034	-.120	-2.399	.017

Availability	.133	.049	.219	2.684	.008
Advertisement	.162	.049	.278	4.827	.000
Brand Equity	.407	.056	.585	7.231	.000

**Source: Survey Data (2019)**

The  $\beta$  values indicate the relationship between buying behavior and each predictor. If the value is positive, it shows that there is positive relationship between predictor and the outcome, whereas a negative coefficient represents negative relationship. For these data only price has negative  $\beta$  value the rest four predictors have positive  $\beta$  value which indicates positive relationship. As can be seen from the above table, quality, Advertisement, equity and availability have significant effect on customer satisfaction; whereas price have no significant impact on buying behavior.

The result shows that quality, availability, advertisement and equity have a positive relationship with buying behavior with significant level of .000, .008, .000 and .000 respectively. Accordingly, Hypothesis 1, Hypothesis 3 and Hypothesis 5 are failed to reject. However, price have a positive but weak relationship buying behavior with significance value of .017 which is greater than 5% confidence interval. This indicates that, the predictor is statistically not significant at less than five percent level of significance. Therefore, Hypothesis 2 is rejected.

The standardized beta value for Quality is 0.617. This indicates that, this this variable has relatively strong degree of importance on buying behavior of bottled water than the others. Brand Equity and Advertisement with standardized beta value of 0.407 and 0.162 respectively ranked second and third in influencing buying behavior of bottled water.

**Table 4.11: Summary of findings (hypothesis testing)**

Hypothesis	Beta	T	Sig	Decision based on the finding
H1 product quality has a significant and positive effect on consumer buying behavior	.617	6.736	.000	Accepted
H2 price has significant and positive effect on consumer buying behavior	-.081	-2.399	.017	Accepted
H3 Availability has significant and positive effect on consumer buying behavior	.133	2.684	.008	Accepted
H4 Advertisement has significant and positive effect on consumer buying behavior	.162	4.827	.000	Accepted
H5 Equity has significant and positive effect on consumer buying behavior	.407	7.231	.000	Accepted

## **4.7 Discussion of Findings on FMCG Buying Behavior**

By looking at the demographic profile of the shoppers and information source of brand awareness, two important points are worth discussing. The first point is that the market is mostly dominated by the purchasing decisions of females within the households in Addis Ababa. An important implication for marketers is the development of marketing strategies based on the right knowledge of the decision maker and shopper.

The other important point arises from the list of important sources of information for brand awareness. Tv and Radio advertising, Retailer's recommendation, as well as exposure to brands in shops have been identified as the most important sources of information. This informs the marketer about whose information is the most valuable and acceptable.

As brought to the reader in the fore heading section, the factors within the set of the consumer's decision making and buying behavior led to the acceptance of nearly all the hypothesized predictor variables. These variables were developed through the exploratory research and adoption of major theoretical foundations from the more advanced markets of such products like India, Bangladesh and western countries. The independent variables including product quality, perceived price, availability, advertisement as well as brand equity were found to be major influencing variables for FMCG category products..

For FMCG, of food and beverage, the researcher investigated buying behavior within the packaged water products. This market has been found as the most concentrated FMCG market where three brands seem to dominate the category. As for the influencing variables of buying behavior all of the variables was significant but, brand equity, product quality and advertisement was the most significant.

Similarly, a study within the bottled water product sub-category of FMCG undertaken within the Addis Ababan market (Gedamnesh, 2013) has forwarded perceived quality to be the most significant predictor of consumer's buying behavior.

Hence, it can be concluded that as with the findings and writings in most of the FMCG category, Advertisement has been found to play key role of influencing the buying behavior of consumers in Addis Ababa. On this study advertising was the second influencing factor of buying behavior of bottled water.

One of the major conclusions from the research by Alex and Menon (2013) was that the FMCG category should not be treated as a single sector, as they found out consumers to behave differently between the various sub-categories. However, this study find out that the most important factors influencing buying behavior of FMCG on the food and beverage sector category (bottled water).

Hence, the researcher believes that critical analysis should be there to effectively identify the most important variables influencing buying behavior between the sub-categories. Marketers of FMCG can to a significant amount consider the same set of variables as influencing buying behavior and adopt strategies based on these; however, they should also be cautious of not being trapped in implementing uniform marketing strategies between the different subcategories



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1. Introduction**

In this chapter of the study, the researcher presents summary of major findings, concluding remarks and also highlights recommendations that might be useful to marketers of FMCG and other researchers.

#### **5.2. Summary of major Findings**

This study was designed and carried out in order to identify factors influencing consumer buying behavior towards FMCG /bottled water/ in Addis Ababa. For the purpose of this study, 384 sample respondents were used to find out their evaluation of bottled water brand in terms of the five factors eventually that affects their buying behavior.

Based on the conceptual framework and objective of the study 27 item questionnaire was used in a 5 point likert scale. The data from respondents was collected from consumers of bottled water in Addis Ababa and the collected data was analyzed using SPSS version 21 software.

Of the respondents in the sample 183(54.8%) percent of the respondents in this study were women and the remaining 151(45.2%) were male This means that the decision making of which products and brands to buy within the category of FMCG is mostly concentrated within this category of gender. It was reported that almost all purchases are also found within the age group of 26-50 years. Both this set out there will always be a target market with specific demographic and psychographic characteristics for products.

The other important point arises from the list of important sources of information for brand awareness. Tv and Radio advertising, Retailer's recommendation, as well as exposure to

brands in shops have been identified as the most important sources of information. This informs the marketer about whose information is the most valuable and acceptable.

According to the study findings, three factors: Brand equity, product quality, and advertisement were identified as critical factors that influence consumers buying behavior of bottled water brands. However, the influences of product quality, is the most important than the other factors in the buying behavior. This finding is consistent with the findings of other researchers in different areas. Literatures and studies found out that the perceived quality is the major factor that that affect consumers buying behavior. Quality is important for affecting buying behavior. Because it is the portion of personal risks that, a consumer takes on the decision-making process and in evaluating the purchase of a product.

Finally, the research has uncovered YES water brand is the most preferred brand among consumers of bottled water brand in Addis Ababa.

### **5.3. Conclusion**

Consumer behavior lies at the core of the marketing function. This study once again proved this contention by bringing into the table important finding within the stream of buying behavior in Addis Ababa with special focus on FMCGs. Some concluding remarks will be made in this section based on the finding of this research undertaking.

The study shows that Tv and Radio advertising, Retailer's recommendation, as well as exposure to brands in shops have been identified as the most important sources of information.

Based on the result of regression analysis it can be concluded that there is a positive effect of product quality, brand equity, and advertisement towards buying behavior of bottled water brands according to their order of importance from most determinant factor to the least.

From this finding, it can be concluded that product quality is the most important element, which highly influence consumers' buying behavior of bottled water brands. Quality is important for affecting buying behavior, This finding is in line with many other researches

done before. Moreover, since most consumers purchase bottled water for its perceived healthiness, the quality of the water can determine their buying behavior.

The finding also shows 54 percent of the respondents in this study are women. This means that the decision making of which products and brands to buy within the category of FMCG is mostly concentrated within this category of gender. It was reported that almost all purchases are also found within the age group of 26-50 years.

Going back to the objectives of this study, it can be concluded that this study has confirmed the fact that buying behavior in FMCG are influenced by the hypothesized variables.

#### **5.4. Recommendations**

In addition to its major objective of identifying the major underlying factors behind consumers buying behavior in FMCG, this study was undertaken with a couple of specific objectives which included proposing an ideal marketing strategy and mix to market products based on consumers' buying behavior. This and other recommendations, which will be useful to marketers of such products and researchers in this area, are presented below.

- ❖ The FMCG business is growing as a result of the integration of the country in to the trend of consumerism, which is a result of urbanization and modern life style as well as with the entrance of big MNCs in to the market. Hence, companies and marketers of such products should give due attention to the consumers' behavior to be successful. One of the pathways to achieve this is to adopt a strategy of strong research platforms to study the behavior of the consumer.
- ❖ FMCG marketers should also be wary of the specific target markets of their different products and brands. This is because it has been found in this study that mostly females make a significant amount of the decision with regards to such purchases. This is an important shopper and consumer insight to marketers of such products. For Kotler and

Keller (2012) identifying the target market of one's products, which include decision influencers, shoppers and consumers, is an important first step in devising the right marketing strategy for effectiveness.

Hence, this study puts as recommendation for marketers of FMCG to focus on the identified target market while devising their strategy.

- ❖ An important strategy or pathway that should be adopted by the FMCG marketers in this environment is to take the issue of brand awareness as one of their top priority. It has been found out that top of mind awareness strongly translates into mostly purchased brand

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# APPENDICES



## APPENDIX-1A (English Questionnaire)

### A Questionnaire Consumers' buying behavior St. marry University School of Graduate Studies

**Dear Respondent,**

My name is Mahlet Mekbib. I am working on a research for fulfillments of my Master of Arts Degree in Marketing Management in St. marry University. I kindly ask you to fill all questions in this questionnaire to help me collect the most important pieces of information regarding consumers' *buying behavior in Fast Moving Consumer Goods in Addis Ababa*.

I am very thankful for the support you are giving me and I would like to assure you that all your responses will be kept confidential and will only be used for research purpose.

You can contact me through Mob #= 0983315857 or

Email Id: [mahi.mekbib@gmail.com](mailto:mahi.mekbib@gmail.com)

#### **Part I: General Information**

Please select the appropriate response category by **encircling** the number against each question.

1. Gender

Female  Male

2. Educational Background

Under 12<sup>th</sup> Grade  Completed High School  College Diploma

B.A. Degree & Above

3. Age Group

18 - 25 Years  26-35 Years  36-50 Years  Above 51 Years

4. Monthly Income in ETB

Less than 1,000  1,001-2500  2501-5000  Above 5001

#### **Part II: Specific Information**

This part of the questionnaire collects information to identify the most important factors influencing the consumers' buying behavior of Fast Moving Consumer Goods (FMCGs) in Addis Ababa.

1. Please list 3 Brands of bottled water that comes to your mind.

\_\_\_\_\_

2. What were the means you knew about these brands of bottled water?

- Exposure to Brands in Shops       From Friends and Family  
 TV and Radio Advertising       Retailer's Recommendation  
 Billboards & Vehicle Branding       Any other \_\_\_\_\_

3. Which bottled water Brand do you usually buy and use? \_\_\_\_\_

**Part III: "Factors influencing consumer buying behavior of FMCG"**

**Direction:** based on your answer to question no.3 Please indicate your degree of agreement/disagreement with the following statements by encircling the appropriate number. (1-Strongly disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5-Strongly agree)

<b>Statements</b>	Strongly Disagree (1)	Disagree (2)	Neither (3)	Agree (4)	Strongly Agree (5)
<b>PRODUCT QUALLITY</b>					
I buy this bottled water because I trust its quality	1	2	3	4	5
I buy this bottled water because it has very good quality	1	2	3	4	5
I buy this bottled water because it offers excellent features	1	2	3	4	5
<b>PRICE</b>					
I buy this bottled water because it's affordable	1	2	3	4	5
I buy this bottled water because it has fair price	1	2	3	4	5
I buy this battled water because it has low price	1	2	3	4	5

<b>AVAILABILITY</b>					
I buy this bottled water because it's widely available	1	2	3	4	5
I buy this bottled water because I found it in my neighborhood	1	2	3	4	5
If my preferred brand is not available in the shop, I will buy any other bottled water available.	1	2	3	4	5
<b>ADVERTISEMENT</b>					
I buy this bottled water because it is advertised on TV and Radio	1	2	3	4	5
I buy this bottled water because it has an attractive and recognizable advertisement	1	2	3	4	5
Ads have influence over the types of bottled water I buy	1	2	3	4	5
<b>BRAND EQUITY</b>					
I buy this bottled water because its features come to my mind quickly	1	2	3	4	5
I buy this bottled water because I am familiar with it	1	2	3	4	5
I buy this bottled water because I think it's the number one brand	1	2	3	4	5

#### Part IV: Consumer Buying Decision

**Direction:** Please indicate your degree of agreement/disagreement with the following statements by encircling the appropriate number. (1-Strongly disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5-Strongly agree)

S.No.	Consumer's Buying Behavior	Strongly Disagree (1)	Disagree (2)	Neither (3)	Agree (4)	Strongly Agree (5)
1.	I usually buy the best quality brands	1	2	3	4	5
2.	I usually buy fair priced brands	1	2	3	4	5
3.	I usually buy widely available brands	1	2	3	4	5
4.	I usually buy well-advertised brands	1	2	3	4	5
5.	I usually buy the brands I know very well					

***Thank you for your time***







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## APPENDIX-2A: statistical output

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.255	.919		.278	.782		
	Quality priceV	.617	.092	.270	6.736	.000	.767	1.303
	avaliabilityV	-.081	.034	-.120	-2.399	.017	.493	2.027
	advertizementV	.133	.049	.219	2.684	.008	.186	5.381
	Equity	.162	.034	.278	4.827	.000	.371	2.698
		.407	.056	.585	7.231	.000	.188	5.316

a. Dependent Variable: Dependent

### (Test of Normality) Skewness and Kurtosis Test of Normality

	n	Min	Max	Mean	5% trimmed mean	std. deviation	Skewness		Kurtosis	
							Statistic	Std. Error	statis tic	Std. Error
Buying behavior	334	10.60	14.80	12.3576	12.1873	1.18028	.567	.133	-.881.	.266
Quality	334	10.00	11.67	11.2425	11.2880	.51672	-1.611	.133	1.44	.266
Price	334	4.00	8.67	6.6594	6.4875	1.74090	-.060	.133	-1.69	.266

Availability	334	4.67	9.67	7.3174	7.3341	1.94221	-.145	.133	-1.69	.266
Advertisement	334	5.67	11.33	8.7934	8.8260	2.02904	-.435	.133	-1.23	.266
Equity	334	5.33	9.67	7.8024	7.8360	1.69856	-.518	.133	-1.36	.266

### Test of Homogeneity of Variances

	Levene Statistic	Df1	Df2	Sig.
Quality	14.858	4	329	.000
Price	26.298	6	327	.000
Availability	46.513	6	327	.000
Advertisement	46.790	8	325	.000
Equity	31.488	4	329	.000