FACTORS INFLUENCING CONSUMER PURCHASE DECISIONS OF NON-EDIBLE PRODUCTS IN SUPERMARKETS IN NAIROBI CENTRAL BUSINESS DISTRICT

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ABSTRACT
Two decades ago, consumer shopping was based on dollar value, to acquiring needed goods and service. Nowadays, shopping is based on decision making processes which are influenced by various factors that result from competitive environment manufacturing firms are operating in. These factors influence a consumer to choose and purchase a particular product amongst many for the same need. This study sought to investigate these factors and their influence on purchasing decisions of non-edible products by consumers in supermarkets in Nairobi Central Business District. The specific objectives guiding the study being, whether brand, perception, price and packaging influence consumer purchase decisions of non-edible products in supermarkets within NCBD. The study had a target population of all consumers who shop within NCBD supermarkets. Primary data was sourced through a questionnaire which was administered using simple random sampling technique in coming up with a sample size of 90 respondents. The study generated both qualitative and quantitative data, coded and entered into SPSS and analyzed using descriptive statistics. Presentation was done in forms of tables and figure where interpretation was done in prose. Based on the findings the study revealed that consumers buy a brand whose information is easy to understand even if it’s new to them provided it satisfies their needs and gain confidence to purchase a product based on the brand. Further, the consumers screen all information available to them regarding a product before reaching a purchasing decision, while effort by manufacturers to create product awareness creates a positive impression in the consumer’s mind. Likewise, fancy packaging, advertising campaigns and promotions influence pricing of non-edible product. Moreover, packaging contributes to their price expectations about a product and that attractive packaging promotes sales.

Key Words: consumer purchasing decision, brand, perception, price and packaging
**Introduction**

Shopping gives people a sense of accomplishment. For many, it gives life a sense, a purpose, value and a function. The successful shopper feels a sensation of satisfaction, execution and fulfillment. Shopping for emotional and psychological reasons has become the new mantra of modern society (Keller, Aperia & Georgeson, 2008).

Nowadays, in a competitive environment manufacturing must maintain the products and services up to standard quality in order to satisfy the consumers need and repeat purchasing in the following years especially for the first time buyers. Meanwhile, accommodating to the functional may require necessary requirements to develop nice design of the product. Past research evidence show that many buyers purchase a product based on attractiveness of the origin of such a product whereby it satisfies the consumers’ need and want (Prahalad, 2006). It could be very interesting topic to know what are the alternatives that can be master in order to know the consumer preference today and carried out what is the step of consumer buying process for non-edible products (Belch & Belch, 2007).

The decision making process of the consumers are influenced by internal, individual, external and environmental variables. It is important for a marketer to understand all these variables so as to know as to why consumer behaves in the manner he/she does and how his/her mind is conditioned and influenced (Subrahmanyan & Gomez, 2008). With over 54 countries in Africa and 900 million consumers speaking over 2000 languages, Africa is not a homogenous market that companies can merely import or manufacture products for and try to sell to without appreciating the diversity and complexity of their consumers’ needs, challenges, preferences and aspirations (Mahajan, 2008). There has, however, been a paradigm shift, with a recent focus on strategies to better serve this market. Many local and international companies have begun to operate in emerging markets such as Africa (Mahajan, 2008). The attraction of this market for companies increases as their consumer’s progress up the economic pyramid.

Kola and Akinyele (2010) in their study of effectiveness of advertising and personal selling in services sectors revealed that, creating effective communication with customers is the most important aspect in services marketing. To date we still have poor understanding of the role of effective marketing communication with customers in attracting and maintaining prospective and present customers. According to Kola and Akinyele (2010) the analysis showed that Nigerian service sectors advertising and personal selling indicated moderately effective in providing information, creating awareness, changing attitude, ineffective in building company image and enforcing brand loyalty. The research also identified lack of integration between advertising and personal selling.
Statement of the Problem

In today's competitive world, for companies to achieve competitive advantage they should have high attention to customers and their needs better than their competitors. This means that companies should be able to articulate the factors that influence consumers to choose and purchase a particular non-edible product from one company amongst a variety of other similar products but from different companies to meet the same need. Republic of Kenya (2007) estimated that on average households typically spend about 75% of their budgets on non-edible products in one primary supermarket. According to consumer index (2011) consumption of non-edible product was 61% with some consumers having 100% purchases and others as low as 30%. The consumers did not have a continuous statistic based on consumption trends since 2006-2010 but there was gradual growth in consumption of about 47% since 2006.

Manufacturers need to understand the behavior and attitudes of customers so as to clearly understand the forces behind them making a purchase. This implies that, if manufacturers’ fails to understand the consumer purchasing behavior, then their product performance will remain dwindling hence giant products will remain relevant in the market. Most successful firms have fields of marketing research and product development being identified, while implementing marketing strategies that cater for consumer needs (Subrahmanyan & Gomez, 2008). In addition, with the interest of the consumer at heart and the use of appropriate corporate marketing mix strategies, opportunities for buyer’s orientation can be achieved (Kapferer & Bastien, 2009).

Kirwa et.al (2013) in their study on key factors that influence brand loyalty among soft drink consumers revealed that cultural background, brand name, promotion, product price, customer satisfaction, promotion and brand quality are the strongest influencing factors among consumers. Kola and Akinyele (2010) in their study of effectiveness of advertising and personal selling in services sectors revealed that creating effective communication with customers is the most important aspect in services marketing. In line, no study has been done on the factors influencing consumer purchase decisions on non-edible products. It’s against this realization that the study aims to bridge this knowledgeable gap by focusing on factors influencing consumer purchase decisions on non-edible products with focus to NCBD supermarkets.

General Objective

The main purpose of this study was to investigate factors influencing consumer purchase decisions on non-edible products in supermarkets in Nairobi Central Business District.
Specific Objectives

1. To determine how brand influence consumer purchase decisions on non-edible products in supermarkets in Nairobi Central Business District.
2. To examine how perception towards a product influence consumer purchase decisions on non-edible products in supermarkets in Nairobi Central Business District.
3. To ascertain how price influence of consumer purchase decisions on non-edible products in supermarkets in Nairobi Central Business District.
4. To establish how packaging influence consumer purchase decisions on non-edible products in supermarkets in Nairobi Central Business District.

Literature Review

Economic Theories

The traditional theory of demand starts with the examination of the behavior of the consumer, since the market demand is assumed to be the summation of the demand of individual consumers (Gupta, 1994). In order to attain the objective the consumer must be able to compare the utility (satisfaction) of various baskets of goods, which he can buy with his income (Gandhi, 1991).

Marginal utility theory was developed by classical economists such as Engel, Kollat and Black during the year 1973. According to Engel, Kollat and Black (1973) a consumer will continue to buy a product that will deliver him the most utility or maximum satisfaction at relative prices. Economists hold the view that man is rational in all the activities and purchasing decisions are the result of economic calculations. Law of diminishing marginal utility, a consumer satisfies his wants in order of their urgency and that he consciously or unconsciously weighs in his mind the price he has to pay for the utility of each product he buys. Law of Equi-marginal Utility, consumer arranges his expenditure in such a way that his marginal utilities from different items are equalized by a process of substitution of product or more utility for one possessing less utility (John, 1978).

Psychological Theories

The essence of psychological theories (learning theories) lies in the fact that people learn from experience and the results of experience will modify their actions on future occasions. In line, personality as the result of the interaction between the person and the total environment and the two must be considered together as a patterned event (Chisnall, 1975).

The cognitive theory was propounded by Gandhi (1991) mainly to explain certain post buying behavior. The theory states that even after a well thought out purchase the consumers undergo some sort of discomfort, fear or dissonance. This post decision anxiety is caused by ‘nice’ (cognitive dissonance) arising from doubts on the decisions taken. The consumers compare on
the merits of the products bought with substitutes or start analyzing drawbacks of the product. Such customers require some reassurances from the seller stressing that the decision taken is wise one. Though the theory was developed to explain a ‘post decision’ phenomenon, it is suitable for explaining pre-decisions anxiety also (Rajan, Nair & Sanjith, 1998). The advertisements and personal selling aimed to reduce cognitive dissonance on the part of the buyer and prophets.

Compensatory Consumption Theory

According to this theory, individuals who cannot fulfill their primary needs, especially regarding self-esteem or self-actualization, would compensate these desires by alternative means (Woodruffe, 1997). It posits that low-income households, or those facing racial or ethnic discrimination, will spend heavily on socially visible products to make up for their lack of status in society. When traditional indicators of social status, such as wealth or occupational prestige, are not accessible, people resort to the consumption of status products that are easily seen as symbols of a higher class (Fontes & Fan, 2006). This theory might explain why consumers buy occasional luxury foods for their children instead of nutritional ones, and spend beyond their means on festivities and items like cosmetics.

Brand

Brand names and symbols are the facets of brand awareness that provide basic information for classifying brands as members of product categories. These affect inferences made about brand attributes and benefits. Brand awareness affects perceptions and attitudes, which drive brand choice and even brand loyalty, which means that without brand awareness there is no brand equity. The latter signifies the value premium that a company achieves from a product/service with an identifiable name as compared to its generic counterpart. Moreover, solid brand equity is an asset that can be sold or leased (Lee & Labroo, 2004).

Perception

Belch and Belch (2007) pointed that consumer usage and buying of any product largely depend upon their perception about the product. Perception develops through how effectively product has been marketed. Currently firms are putting their best efforts in marketing in order to get customer attention and positive impression on customer’s mind consumer perception is also identified by the color, shape and taste of the product. Vanniarajan and Kubendran (2005) describe that consumer perception and usage of any product can be changed due to change in food eating habits. If income and urbanization increases in among consumers then the percentage of income spent on consumption Increases.
Price

Price is regularly taken as a leading factoring guiding choice when it comes to making a buy decision. Price normally has constantly been a determinant factor on consumers’ brand choice when choosing a product or service. It is understood that when a consumer is facing a buying decision for product then he/she will be so much concerned about the prices of the product and observe prices keenly. This helps them to maximize their direct utility that they gain from the purchase. However, when consumer faces brand with fluctuating prices and perceived quality levels, they would have to make decision about the preference they make on the basis of attributes of the product (Batey, 2008).

Packaging

Silayoi and Speece (2004) Packaging size has been stressed as one important variable of packaging convenience. Packaging has becomes a vital means of differentiating items and attracting the consumer’s attention. Certainly, there are many other factors that influence the consumer’s purchase decision but product’s packaging is often the first step in gaining consumer’s attention and consideration before making the final decision to buy (Vidales, 1995) and this study attempts to look into consumer’s purchase behaviour towards packaging attributes. Packaging is important both for marketing and logistic functions (Prendergast and Pitt, 2006). Apart from protecting the product from damage during storage and distribution, packaging becomes an important sales tool promoting the product to the ultimate consumer.

Research Methodology

Research Design

This research problem was studied through the use of a descriptive research design. According to Cooper and Schindler (2003) a descriptive study is concerned with finding out the what, where and how of a phenomenon. This study therefore generalized the findings to all the loyal clients that were available in specific days. The main focus of this study was quantitative. However some qualitative approaches were used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the quantitative study. This method concerns the intense investigation of problem solving situations in which problems are relevant to the research problem. The underlining concept is to select several targeted cases where an intensive analysis identified the possible alternatives for solving the research questions on the basis of the existing solution applied in the selected case study. The researcher attempts to describe and define a subject, often by creating a profile of group of problems (Cooper & Schindler, 2003).
Target Population

Target population as described by Borg and Grall (2009) is a universal set of study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The population of the study was all consumers who shop in supermarkets in Nairobi central business district (NCBD). There are a total of nine supermarkets in Nairobi CBD. Tuskys (3), Nakumatt (3), Ebrahims (1), Uchumi (2). The choice of supermarkets was for ease of getting the consumers at a central point where most consumers converge to make their purchase. Nairobi CBD has demographic heterogeneity due to its cosmopolitan nature and therefore represents the entire Kenyan people ranging from their ethnic background to their standard of living. In addition since the customers from various supermarkets in the NCBD regardless of the size of their purchase, have the same expectations as to the performance of consumer products are taken to be homogeneous. Nairobi CBD on the other hand is taken to have rectangular shape based around the Uhuru Highway, Haille Selassie Avenue, Moi Avenue and University Way (UNEP 2008).

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<th>Table 1: Target Population</th>
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<td>Population</td>
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Sampling and Sample Size

For this study, simple random sampling technique was used to select the sample to be included in the study. The method was chosen because every element in the population had an equal chance of being selected as the sample. A sample size of 10 respondents was targeted in each supermarket contributing to 90 respondents.

Data Collection Procedure

The survey questionnaire will be used as the main data gathering instrument for this study. Self-administered questionnaires will be distributed to the various respondents and later collected after a period of one week. The questionnaire consisted of both open and close ended questions. For the open ended questions, space will be provided for relevant explanation by the respondent, thus giving them freedom to express their feelings. This method is considered effective to the study in that it created confidentiality. The quantitative section of the instrument utilized both a nominal and a Likert type scale format to determine each of the variables. A 5 point Likert scale ranging from 1 to 5 will be used to answers statement like questions.
Data Analysis and Presentation

Before processing the responses, the completed questionnaires will be edited for completeness and consistency. The study generated both qualitative and quantitative data. Quantitative data was coded and entered into Statistical Packages for Social Scientists (SPSS Version 17.0) and analyzed using descriptive statistics. Qualitative data was analyzed based on the content matter of the responses. Responses with common themes or patterns were grouped together into coherent categories. Descriptive statistics was involved use of absolute and relative (percentages) frequencies, measures of central tendency and dispersion (mean and standard deviation respectively). Quantitative data was presented in tables and graphs and explanation was presented in prose. The study also used inferential statistics to establish factors influencing consumer purchase decisions on non-edible products in Nairobi Central Business supermarkets. Specifically, the study used Karl’s Pearson correlation to establish this relationship. The correlation coefficient is expected to be two-tailed as the relationship outcome is expected to be either positive or negative and at 95% confidence level. The regression equation was:

\[ Y = \beta_0 + \beta_1 B_1 + \beta_2 Pr_2 + \beta_3 Pr_3 + \beta_4 Pc_4 + \varepsilon \]

Where:
- Dependent variable \( Y \) = Consumer Purchasing Decision
- Independent variable \( B_1 \) = Brand,
- Independent variable \( Pr_2 \) = Perception,
- Independent variable \( Pr_3 \) = Price,
- Independent variable \( Pc_4 \) = Packaging,
- While \( \beta_0, \beta_1, \beta_2, \beta_3 \) and \( \beta_4 \) are coefficients of determination and \( \varepsilon \) is the error term.

Research Findings

The objectives of this study were to determine how brand influence consumer purchase decisions on non-edible products in Nairobi Central Business supermarkets, to examine how perception towards a product influence consumer purchase decisions on non-edible products in Nairobi Central Business supermarkets, to ascertain how price influence of consumer purchase decisions on non-edible products in Nairobi Central Business supermarkets and to establish how packaging influence consumer purchase decisions on non-edible products in Nairobi Central Business supermarkets.

Brand

From the study findings consumer decision on purchasing non-edible product was influenced highly by product brand. Consumers buy a brand whose information is easy to understand even if it’s new to them provided it satisfies their needs since they gain confidence to purchase a product based on the brand. Likewise the study established that consumers prefer brands that are easy to
recognize when making purchasing decisions since they give priority to their favorite brands to a great extent.

**Perception**

To the objective of product perception, the study established that perception influence consumer purchasing decision of non-edible products. From the findings, respondent agreed that they screen all information available to them regarding a product before reaching a purchasing decision while effort by manufacturers to create product awareness creates a positive impression in their mind. Inclusively, the study found that perception influences consumer purchasing decision to a moderate extent.

**Price**

On price and its influence on consumer purchasing decision, the study found that consumers are influenced to buy the product based on its price. Likewise, the study found that fancy packaging, advertising campaigns and that promotions influence pricing of non-edible product to a moderate extent. Further, it was clear that consumers do not wish to spend more money than necessary when purchasing non-edible products, price strongly motivates consumers purchases of non-edible products, price makes my desire to obtain more information about a product and that they do not buy products that fail to meet their price expectations.

**Packaging**

To the objective of packaging and its influence on consumer purchasing decision, the study found that packaging influence consumer purchasing decisions of non-edible product while design size and shape influence them mostly. Inclusively, the study found that packaging is an important part of branding; it also contributes to price expectations about a product by consumers while attractive packaging promotes sales to a moderate extent. Finally, the study found that functionality, purpose, convenience and value of a product were the main reason behind consumers purchasing decision of a non edible product.

**Conclusions**

The study aimed at finding out factors influencing consumer purchase decisions of non-edible products in supermarkets in Nairobi Central Business District in Kenya. Based on the findings the study concluded that:
Brand

Consumer decision on purchasing non-edible product was influenced highly by product brand. Consumers buy a brand whose information is easy to understand even if it’s new to them provided it satisfies their needs since they gain confidence to purchase a product based on the brand. Likewise the researcher established that they prefer brands that are easy to recognize when making purchasing decisions since they give priority to their favorite brands to a great extent.

Perception

The researcher concluded that perception influence consumer purchasing decision on non-edible products. The researcher also concluded that consumers screen all information available to them regarding a product before reaching a purchasing decision while effort by manufacturers to create product awareness creates a positive impression in their mind. Inclusively, the study revealed that perception influences consumer purchasing decision to a moderate extent.

Price

On price and its influence on consumer purchasing decision, the researcher concluded that consumers are influenced to buy the product based on its price. Likewise, the researcher concluded that fancy packaging, advertising campaigns and that promotions influence pricing of non-edible product to a moderate extent. Further, it was clear that consumers do not wish to spend more money than necessary when purchasing non-edible products, also, price makes consumers desire to obtain more information about a product and that they do not buy products that fail to meet their price expectations.

Packaging

To the objective of packaging and its influence on consumer purchasing decision, the researcher concluded that packaging influence consumer purchasing decisions of non-edible product while design size and shape influence them mostly. Inclusively, the researcher concluded that packaging is an important part of branding, contributes to consumer price expectations about a product as well as attractive packaging promotes sales to a moderate extent.

Recommendations

The researcher recommended that in capturing attention of a consumer firms must increase their investments in the creation and development of brands. This will create awareness, reputation, and prominence in the marketplace. Likewise, the researcher recommended that without a solid brand, customers are confused, resources are wasted, and customers won’t have the confidence
they need to hire. Thus, getting branding right can make all the difference and help a company grow in terms of assets and image. Further, the researcher suggested that by creating perceived difference between products through branding and developing a loyal consumer franchise, marketers create value that can translate into financial profits for a firm. Therefore, brand is a product that one adds other dimensions that differentiate it in some way from other products designed to satisfy the same need.

On perception, the study recommended that by all means marketers should work hard to attract the consumer’s attention by exposing information pertaining to a product so that consumers can screen out the information that are positive to the product hence eliminating false information presented to them by the competitors. Consumer usage and buying of any product largely depend upon their perception about the product. Thus firms should put their best efforts in marketing in order to get customer attention and positive impression on customer’s mind. Further, the study pointed that negative consumer perceptions is largely barrier to product acceptance thus marketers should focus on conveying the message that the products are a reliable and consistent alternative to meet consumers’ desire.

For the objective of price and its influence on consumer purchasing decision, the researcher recommended that producers, manufacturers and retailers should try to reduce price as much as possible to a product since fair prices for a product result in more sales than higher prices. Further, the researcher recommended that price is one of the non-product attribute of brand associations where it can be an important association in the formation of brand perceptions; particularly with regard to value, desirability as well as criterion by which consumer often segment their knowledge of a market or category.

On packaging, the researcher recommended that packaging is the first point of contact with the brand for a consumer product. The packaging must, therefore, perform many of the sales tasks, including making an overall favorable impression and helping influence impulsive purchasing. Likewise, the researcher recommended that package performs an important role in marketing communications and could be treated as one of the most important factors influencing consumer’s purchase decision.

References


