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**FACTORS INFLUENCING CONSUMER INFANT FORMULA  
PURCHASING DECISION**

**BY  
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**JANUARY, 2018**

**ADDIS ABABA**

**A RESEARCH PAPER ON  
FACTORS INFLUENCING CONSUMER INFANT FORMULA  
PURCHASING DECISION**

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**ADDIS ABABA**

## **DECLARATION**

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Goitom Abrham (Ass. Prof). All sources of materials used for this thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any higher learning institutions for the purpose of earning any degree.

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**St. Mary's University, Addis Ababa**

**January, 2018**

## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, school of graduate studies for examination with my approval as a university advisor.

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Dr. GoitomAbrham (Ass. Prof.)

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**Signature**

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**January, 2018**



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## **List of acronyms and abbreviations**

PLB	Private Label Brand
SPSS	Statistical Package for Social Scientists
ANOVA	Analysis of Variance

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## **Abstract**

*The study assessed factors influencing consumers' infant formula purchasing decision. To achieve the objective, the study tried to consider about seven determinant factors of purchasing decision such as product price, quality, and promotion, sources of information, availability of product, brand popularity, and consumer level of perception. Based on this, data was collected from consumers using structured questionnaire and unstructured interview. Hence, 90 respondents were participated in the study using convincing sampling technique. Both descriptive and inferential statistics methods were applied to analyses the collected data. The result of the study reveals that purchasing decision of consumers affected by all of the identified determinant factors such as, price unfairness, quality problem, lack of product promotion, lack of sources of information, lack of available product, lack of diverse brand availability, and lack of perception and consumers awareness. Consequently, the major findings of the study implied that, in terms of income status, consumers engaged in lower average monthly income purchasing decision of high price products, brand products and frequency of product buying were more affected than consumers engaged in middle and high average monthly income. The study also showed that, consumer purchasing decision regarding availability of products more affected by distance. Accordingly, most consumers decided to purchase products where locally available than far apart from their surrounding area. The other determinant factor that the finding implied was sources of information, in this regard majority of consumers' purchasing decision was affected by lack of available sources of information. Regarding, perception of consumer's educated consumers' have better product perception than less educated consumers. In general, the results of correlation analysis revealed that all of the identified determinant factors affect consumer purchasing decision which indicates at a statistical measures  $p < 0.05$ . Furthermore, multiple regressions also identify which determinant variable more affect consumer purchasing decision. Thus, Price of product highly and positively affect consumer purchasing decision followed by product quality, perception of consumer, sources of information, availability of products, brand popularity and sales promotion. Based on the findings the study recommend that product distributors should consider unfair price, quality of products, availability of products, and provide alternative brands of infant formula.*

**Key words: Purchasing decision, Price, quality, Promotion, product availability, sources of information, brand popularity, and perception**

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the study

In the fierce competition of today's market individuals have exposed to different window of information and varieties of products; many great deal of choices and options available in the market place impulse their purchase decision (Miller, 2001).

Infant formula is a manufactured food designed and marked for feeding to babies found up to three years of age. Infant formula usually, prepared for bottle – feeding or cup – feeding from powder, mixed with water or other relevant liquid (Miller, 2001).

Growth in the baby food/formula market is also driven by rising numbers of women working outside the home. As many working mothers return to their jobs shortly after giving birth, prepared baby foods and formulas provide an appealing alternative for working mothers, bridging their desires for healthy, nutritious food with their need for convenience (Richard,2004). According to Guilkey and Stewart (2010) in addition to raising number of women working outside home, rapid urbanization, the growth of the middle class and rising rates of female participation in the labor force in many developing markets has encouraged the adoption of convenience-oriented lifestyles, making baby formula and prepared baby foods more desirable.

Parents are constantly concerned with getting the best products in the market and doing everything right so that their child is safe and sound.However, most parents have not clear information determine which products are the best and which ones are simply claiming to be the best (Elliot, 2007).

The ever increasing competition in the global market has prompted organizations to be determined and ensure satisfaction of customer needs and wants more efficiently and effectively using effective promotional strategy (Kotler, 2005).

Consumer buying behavior is influenced by two major factors. These factors are individual and environmental. The major categories of individual factors affecting consumer behavior are demographics, consumer Knowledge, perception, learning, motivation, personality, beliefs, attitudes and life styles. The second category of factors is environmental factors. Environmental factors represent those items outside of the individual that affect individual consumer's decision making process. These factors include organizational promotion practice, price of the products, product quality, brand, and culture, reference group, family and household (Schiffman, 2012).

Several studies have been made to explain consumer behavior concerning consumer buying decision of products. According to Neslin (2002) consumer purchasing decision more affected by demographic and socio economic characteristics. However attitude and behavioral characteristic are also highlighted as important determinates of store brand proneness than demographic and socio-economic characteristic. Consumer previous knowledge and experience have greater extent to process the brand, but it depends on the weight of consumer prior knowledge and cognitive ability (Miller, 2001). And other researchers proved that perceptions of quality and products are influencing individuals buying behavior prior to demographic, psychological, shopping behavior (Eliot & Percy, 2007). Whereas familiarity with store brand, extrinsic cues (such as price and package), perceived quality variation, perceived risk, and perceived value for money, income and family size are example of factors influencing own-label proneness (Guilkey, D. K. and J. F. Stewart. 2010.). Additional study also showed the difference perception of consumers in the marketing stimuli results different in action of purchasing behavior (Giles, 2009). In premises the above reviewed concept this study will assess various variables that affect consumer purchasing decision on infant formula milk.

## **1.2. Statement of the problem**

The study of consumer behavior provides critical information to marketing managers in developing marketing strategies and tactics. To effectively market a product or service, marketing managers must clearly understand consumers' needs and wants. The study of consumer behavior thus provides strategic information about what consumers need and want and how marketing programs should be designed to precipitate an exchange (Nickels, Mchugh and McHugh, 2000).

The starting point for understanding buyer is the stimulus response model. Marketing and environmental Stimuli enter the buyer's consciousness. The buyer's charter and decision-making lead to the certain purchase decisions. The marketers taste is to understand what happens in the buyer's purchase decision. A consumer's buying behavior is influenced by cultural, social, personal and psychological factors (Schiffman, 2012).

In the fierce competition of today's market individuals have exposed to different window of information and varieties of products; many great deal of choices and options available in the market place impulse their purchase decision. However the interpretation and decision making is different among individuals and also influenced by internal consumer behavior (perception, altitude, and motivation) and external factors (family roles, peer influence and group influence) (Kotler, 2005).

Based on the above citations the problem of this study will sought to find out factors affecting consumers' infant formula purchasingdecision.

According to Quality and Standard Authority of Ethiopia (2013)'s report, at the present time parents in Addis Ababaconstantly concerned with getting the best products of infant formula milk in the market and doing everything right so that their childrenare safe and sound. However,most parents didn't have much information to determine which products are the best and which ones are simply claiming to be the best, how to feed their children.

As a result some parents purchase infant formula milk without having detail information on the same from the concerned bodies. Therefore, this study will try further to madeinvestigate factors affecting consumer purchasing decision of infant formulain Addis Ababa.

According to Eliot,& Percy (2007) there are several factors that influence consumers purchasing decision, such as, price of the product, quality, brand, consumer perception, promotion, advertisement, and relatives' information. The study also tried to investigate which factor more determine consumers purchasing decision of infant formula market.

Accordingly, with the topic factors influencing consumers' infant formula purchasing decision different published and unpublished research results has been reviewed so as to reduce similarities. Besides though considerable literature exists on the relationship between infant feeding practices and infant health outcomes such as, (Guilkey, and Stewart 2010),in Ethiopia the case not yet examined with respect to the selected topic Therefore, the main purpose of this study is to investigate factors influencing consumer purchasing decision of infant formula.

### **1.3. Research questions**

Based on the identified problem statement, the study will tried to answer the following basic questions

1. How does sources of information affect consumers purchasing decision of infant formula milk?
2. To what extent competitive price influence consumer purchasing decision of infant formula milk?
3. How does product quality affect consumer purchasing decision of infant Formula?
4. What is the effect of brand popularity of the products on consumers purchasing decision?
5. Does availability of the product influence consumer purchasing decision of infant formula?
6. Does creative sales promotion strategy influence consumer purchasing decision?
7. What is the relationship between consumer levels of perception and purchasing decision of infant milk?



## **1.4. Objective of the study**

The major objective of the study is to assess factors influencing consumers purchasing decision of infant formula.

### **1.4.1. Specific objective of the study**

The specific objective of the study is to:

1. Examine the effect of sources of information on consumers purchasing decision.
2. Assess the effect of price on consumer purchasing decision of infant formula milk
3. Observe the effect of competitive price on consumers purchasing decision formula milk
4. Look at the effect of brand popularity on consumers purchasing decision of formula milk
5. Analyze the effect of availability the product on consumers purchasing decision
6. Look into the effect of Promotion on consumer purchasing decision of infant formula milk
7. Observe the effect of consumer level of perception on their purchasing decision

## **1.5. Hypothesis**

In line with the above mentioned research objectives the following hypothesis are formulated.

*Hypothesis 1 (H1): Sources of information significantly influence buying decision of consumers*

*Hypothesis 2 (H2): Price factors impact significantly buying decision of consumers.*

*Hypothesis 3 (H3): brand popularity significantly affects buying decision of consumers.*

*Hypothesis 4 (H4): Availability of the product significantly affects consumer buying decision.*

*Hypothesis 5 (H5): Availability of the product significantly affects consumer buying decision.*

*Hypothesis 6 (H6): Consumers level of awareness significantly affect purchasing decision of the product.*

*Hypothesis 7 (H7): Quality of products significantly Affect consumer purchasing decision*

## **1.6. Significance of the study**

The researcher finding and recommendation will be important for management of the of infant formula distributors, as well as consumers of infant formula and it will draw attention to some of the points where corrective actions are necessary and enables them to make such correction. Furthermore, this study would serve as an input and basis for other researches, academicians, consultants and some associations who are interested to conduct further researches on related fields.

## **1.7. Scope of the study**

The scope of the study delimited concerning geographic location, time frame as well as on the variables factors that the study was focused. Accordingly, this study is delimited to assess variables that affect consumer purchasing decision such as, price, product quality, and promotion, sources of information, availability of product and consumers level of perception. To achieve parent respondents the study were focused on six private and public hospitals such as, St. Paul, Zewditu, Gandi, Grace mother and Child hospitals, Ethiotebib Hospitals, and Betsega Hospitals. This is because most of mother's consumers can be found easily in the selected hospitals. In addition the study tried to mix consumers parents view from public and private hospitals to compare their purchasing behaviors and their awareness level of infant formula market.

## **1.8. Organization of the study**

This research was organized in to five chapters. The first chapter deals with introduction of the study, background of the study area, statement of the problem, objective of the study, significance of the study, delimitation of the study, limitation of the study and definition of key terms. The second chapter introduces review of related literature in the area. The third chapter deals with the research design and methodology. The forth chapter presents the analysis and the fifth chapter contained summary of the major findings, conclusion and recommendation of the study. Finally list of references and appendix will be annexed at the end of the page.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **Introduction**

This chapter presents what other scholars have written about the issues of infant formula market behaviors and influencing variables of consumer purchasing decision and methodology they used as well as their findings and recommendations. Therefore, in this research proposal the study tried to indicate some of the theoretical and empirical related literatures which defined and elaborates the theories about each dependent and independent variables.

#### **2.1. Theoretical literature**

On the theoretical part of the study provide theoretical related literatures related the influencing variables of consumer purchasing decision of infant formula milk.

##### **2.1.1. Concept of consumer buying behavior**

It is very important to understand that the buying behavior of a consumer is integral to social environment, the competing products in the marketplace and the brand marketing strategy imposed by the manufacturer. Elliot, (2007) share this view; they defined consumer behavior as “the process and activities people engage in when searching, selecting, purchasing, using, evaluating and disposing of product and service so as to satisfy their needs and desires”.

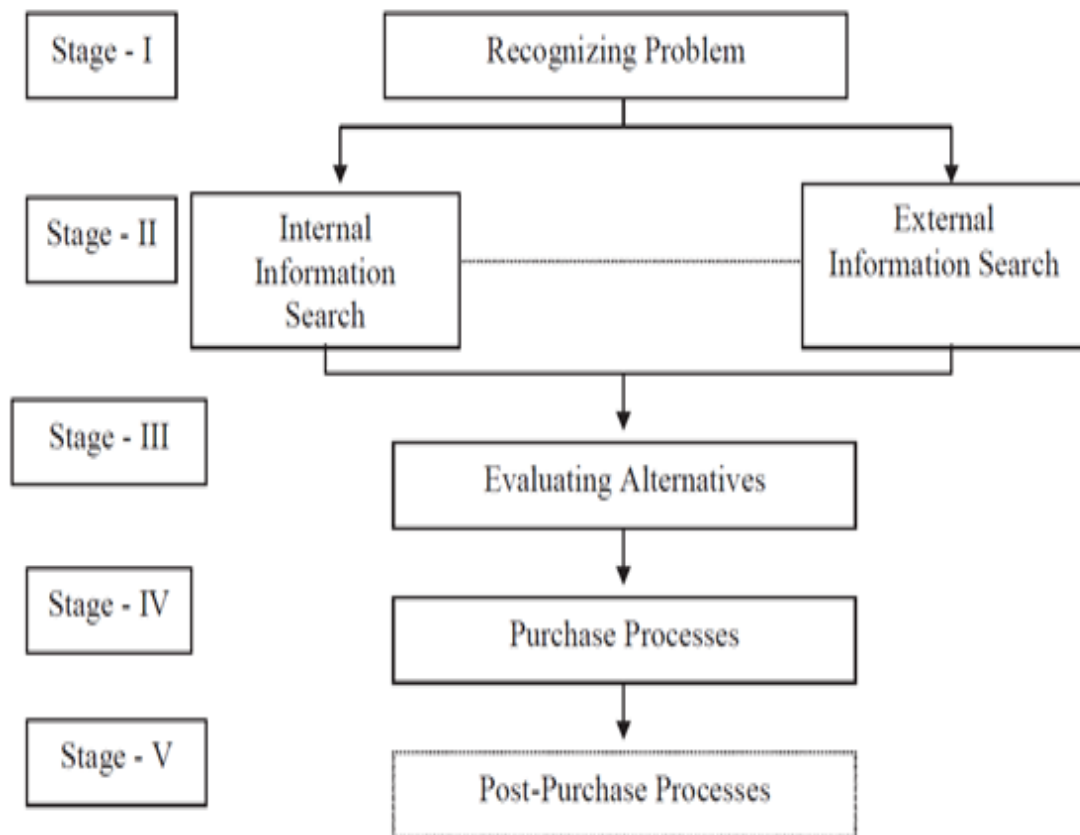
According to Armstrong, (2000), Consumer behavior is the study of how individual customers, group or organizations select, buy, use and dispose ideas, goods, and service to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Kotler (2005) also define Consumer behavior is understanding of what a consumer needs and what exactly influences his buying behavior. A buyer goes through some series of stages in arriving at a decision to buy a product or service. Consumer behavior can also be described as how a consumer distinguish products and services, their reasons for purchasing and consuming a product.

### 2.1.2. Consumer decision making process

According to Elliot (2007) before a consumer purchases a specific product or service, there are five stages of decision making process they goes through. These are that first a need is recognized in the mind of the consumer, followed by information search, then analyzing alternatives between products. Afterwards the consumer makes a decision either to purchase and use the product and then comes the post purchase behavior; this will decide whether the product was able to satisfy the consumer's need. The idea were indicated by figure as follow:

**Figure 2.1: Consumer decision making Process (Adapted from consumer Buying Process by, Elliot,& Percy, (2007))**



Kotler (2005) that customers go through a five-stage decision-making process in any purchases made. It is a process by which a consumer makes a decision on what to buy, what quantity to buy, at what price with respect to the factors affecting consumer's attitude during the procedure. The individual stages are summarized in the diagram below followed by brief explanations.

This model is very paramount for everyone who makes marketing decisions. The model shows that customers go through five essential stages in every purchase. However, in more frequent purchases, customers sometimes skip some of the stages. For example, someone who is buying a favorite drink would recognize the need for thirst and go straight to the purchase decision, skipping information search and evaluation. However, the model is very important when it comes to understanding any purchase involving some detail considerations (Elliot, 2007).

Regarding infant formula, it is one of a product which needs detailed information to buy the product. This is because, as it is already explained by many of the researchers, infant formula is designed and marketed for feeding to babies and infants under three years of age. Therefore, Mothers need to go through each step to have the best decision in order to get the best product for their child.

### **2.1.3. Consumer behavior and marketing implication**

The basic belief of marketing-oriented company is that the customer is the hub around which the business revolves. Therefore, understanding what makes people in general buy and what makes your customer in particular buy is a vital part of business success. Market itself means – customer, around whom all marketing strategies are formulated and implemented. In order to meet competition at the market place, the marketing managers are using various methods to add value to the final product which will reach the hands of the consumers. It means in ever changing marketing environment, there is a growing concern or awareness among marketers to go for a careful study of the consumer behavior around which all marketing activities are made (Schiffman, 2012).

### **2.1.4. Factors affecting consumer purchasing decision**

There are a number of factors that influence a consumer and their lifestyle. These factors help to form the attitude and needs of the consumer. The needs of a customer are triggered by culture, social class and reference groups and also internal factors which include motivation,

demographic and former experience. Also marketing activities such as advertisement, quality of a brand, price strategy also have a significant impact on the consumer buying behavior (Schiffman, 2012).

### **A. Price of the product**

Price is the amount of money a consumer sacrifices to obtain the product. Price is classified into two parts that is objective price and perceive price. Objective price is the actual price of the product while perceive price is individual believe of the price in relation to the quality of the product. Consumer perception with respect to price is different and has a positive and a negative influence on the buying behavior.

According to Hoch & Banerji (2005) economic recession have impact on PLB (private label brand) buying behavior when income decreases consumers become price consciousness and shift their preferences to private label brands rather than choosing national brands. Consumers who prefer to buy more PLBs than national brand are price conscious. Zeithaml (1998) also mentioned PLB buyers are price seekers-those who look for low price, as a result, for some consumers having inexpensive product means achieving high value.

On the contrary, some consumers might associate low price with low quality. Those consumers who think price is an indicator of quality and companies might reduce the quality of the product to minimize the cost. Thus, to them the higher price is a signal of a better quality (Bao, 2011). Moreover consumers relate price and quality with self-esteem. The increase in quality content and the higher price has a positive relation with our self-esteem. If the economic situation is good for all, majority want to eat high quality food (forum, 2011).

### **B. Perceived Quality**

Perceived quality is the customer's opinion of a brand's ability to meet his expectations. It is how the quality of a brand is seen by the customer. Perceived quality can also be defined as the consumer's perception of the superiority of a brand which enables them to differentiate a brand from another. When a customer's conception of a brand is high quality, he purchases the brand because of the quality image that the brand has.

Perceived quality is both a pre- and post-purchase construct because a previous product experience is not needed to assess quality. Perceived quality has a positive effect on customer's buying intention because it helps the customer reduce risk as a result of the high quality of the brand image. This leads to repurchase of the brand resulting in brand loyalty (Busari and Olannye, 2002).

### **C. Promotion**

A sales promotion consists of techniques that are aimed at increasing sales in the short run, meaning that they are mostly used for a short period of time. It offers control, and the costs can be much lower than of advertising. The main characteristics of sales promotions are that they offer better value for money and they try to cause responses immediately (Richard, 2004). This tool has the ability to attract and keep loyal customers and is an excellent way to persuade them build a viable link with the organization and involves all motifs applied by the producer to persuade trade with members of a channel (Giles, 2009). Gilkey and Stewart (2010) Sales promotion has a strong ability to add value and to bring forward future sales. For sales personnel promotional tools are used primarily for motivating staff or supporting them in their selling roles.

Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is used to ensure that consumers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers (Elliot, 2007). The channels to be used are; advertising, direct marketing, public relations and publicity, personal selling, sponsorship and sales promotion (Kotler, 2005).

### **D. Advertisement**

Marketing communications activities are integrated to deliver a consistent message and achieve the strategic positioning. To be able to plan a marketing communication it is important to analyse the possible interaction a consumer may have with a brand and its products or service. Advertising is a means of marketing communication, which publicizes attributes of a brand to customers. A brand has a high probability of being strong when advertising, promotion and packaging support a constant positioning strategy over time. Advertising is the structured and composed communication of information, usually paid for and usually persuasive in nature, about products (goods, services, and ideas) by identified sponsors through various media such as

TV commercials, campaign, coupons, or in the form of newspaper ads sales letters, publicity, event sponsorships, telemarketing calls, or even e-mails (Anas, Ayu&Ajeng, 2013).

### **E. Brand Awareness**

Brand awareness is the ability of a customer to recognize and recall a brand in a giving situation. Brand awareness is seen as an important factor because it has a great effect on the attitude of a consumer when purchasing a product. Brand awareness is still an important factor to influence purchase decision even when consumers are familiarize and willing to purchase a product. When consumers want to buy a product, and a brand name can come to their minds at once, it reflects that product has higher brand awareness (Voorhees, James and Clay 2006).

Awareness of a brand is in most cases the main reason why a consumer buys a certain product and it is also a vital element of brand equity. Brand awareness is classified into brand recognition (consumers' ability to confirm prior exposure to the brand when given the brand as cue), brand recall (consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other cues) and top of mind (this is referred to as the first brand that a consumer can recall amongst a given class of product) Brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product category, awareness increasing the probability that the brand will be a member of the consideration set (Richard., 2007).

A strong brand enjoys benefits such as reduced competitive advantage, premium price, greater customer loyalty, profitability; reduce the perceived risk of consumers who are not so sure of their decision. A good experience of a customer with a brand helps to increased perceived qualities, contingent attributes and eventually leads to brand loyalty. Marketers can create awareness among their target customers through repetitive advertising and publicity (Giles, 1997).

### **F. Friends and family Influence**

Reference groups include groups or people whom one can look up for guidance and ask for opinion. These are important source of influencing the brand purchases. Reference group include friends and family who influence ones buying decisions due to special skills, knowledge,



personality. If a friend had a bad experience with a product, it is more likely that one will refrain from buying it (Swaminathan et al., 2001).

## **G. Perceived Value**

Perceived value defined in terms of four attributes. That is value is low price, value is whatever I want in the product, value is quality I get from the product and value is what I get when I give. These attributes were summarized and eventually the concept of perceived value is defined as the consumer's overall assessment of the utility of the product based on "what is given" and "what is received". However these two factors are different among each individual consumer (Anselmsson, &persson, 2007).

There is a relationship between perceived value, price quality and risk. Consumer may use price as an indicator of quality, this create price-quality relationship. If price used in the role price has a positive relation with perceived value and intention (Elliot, R. & Percy, L., 2007). And also the difference in price among products creates perceived value (Kanagal). As the price of the product increases (within the price range set by individual consumer), perception of value increases to some extent. On the contrary perception of value will decrease if the price is beyond the price range set by the consumer (Richareds, 2005).

Consumers consider the product quality and the price before their final decision of purchasing. If the product is unacceptable to pay for, the perceive value is less. For some consumers price is an indicator of quality as the result they might think it is risky to buy PLBs products. This might persuades consumers to give less value for the PLB product whereas they can give higher value for national brands (Kotler, 2005).

### **2.1.5.The influence of promotion on consumer buying behavior**

Promotion strategies play a vital role in the creation of mutually beneficial exchanges between producers and consumers of goods, services or ideas. To be effective, the promotional strategy must be guided by the marketing concept such as focusing on consumer needs and integrating all activities of the organization to satisfy those needs (Engel et al, 1991). Such strategies include advertising and direct customer interaction. Good salesmanship is essential for small businesses because of their limited ability to spend on advertising. Good telephone book advertising is also important. Direct mail is an effective, low-cost medium available to small business Sales

promotion is media or non-media marketing pressure applied for a pre-determined, limited period at the level of consumer, retailer or wholesalers in order to stimulate trials, increase consumer demand or improve product availability (Kotler, 2003). It is also a key ingredient in marketing campaign and consists of a diverse collection of incentive tools mostly short term, and designed to stimulate quicker or greater purchase of particular products or services by consumer or the trader (Kotler, 2003). According to Churchill and Peter (1995), sales promotion is designed to produce quick results that will not only boost sales in the immediate future, but will translate to loyal customers in the long run. Consumers have become more and more sophisticated as well as marketers in their bid to persuade the consumers and increase market share in the products and services they offer.

This persuasion comes in the form of discounts, free gifts, bonuses, free air time among other sales promotional activities. Adcock et al. (2001) assesses that when a purchase decision is made, the purchase decision can be affected by unanticipated situational factors. Some of these factors according to them could be directly associated with the purchase, for instance the outlet where the purchase is to be made, the quality to be bought, when and how to pay. Most instances, firms remove the need to make this decision by either including the essentials in the form of sales promotion tools like coupons, discounts, rebates and samples. The additional benefit whether in cash or in kind offered to consumers through sales promotion is highly likely to influence their purchase behavior or decision (Ngolanya, et al. 2006). After considering the possible options, the consumer makes a purchase decision and the consumer's choice depends in part on the reason for the purchase (Kotler et al, 2003).According to Kotler et al. (2003), the consumer may act quickly, especially if sales promotional tools are used or the consumer may postpone making any purchase.

Whenever the consumer makes a purchase, they find out what products and services are available, what features and benefits they offer, who sells them at what prices, and where they can be purchased (Stanton et al., 1994). The firms and its sales team provide consumers with the market information whenever they engage consumers in efforts to inform or persuade in an attempt to communicate with them. Sales promotion therefore provides a suitable link by providing consumers with samples of the products for them to test them in small quantities as well as provide consumers with most needed information concerning the product (Ngolanya et

al; 2006) According to Davidson et al, (1984), purchase decision may be between objective or emotional motives; nevertheless, in all cases, the sale is made or not made in the customers mind and not in the mind of the seller. A product is not purchased for its own sake but for its ability to satisfy a need. The use of some of these promotional tools helps in determining the use that consumers are likely to put the product into and therefore guide them towards the right product (Cox & Britain, 2000).The consumer is therefore provided with the relevant information, get the opportunity to try the product and get to know whether it satisfies their needs and also enjoy a price reduction. Sales promotion is therefore used to draw consumers to the product and they end up making an impulse purchase as a result of the strength of the sales promotional tool (Ngolanya, et al, 2006).Berkowitz et al. (1994) proposed that, in the purchase decision process, at the recognition and the information search stage, the sales promotional tool that is most effective is the free samples because it helps gain low risk trials. According to them, consumers will be more likely to take the risk of trying a sample rather than buying the whole product and being disappointed. They further suggested that, at the alternative evaluation and the purchase decision stage, coupons, deals, point of purchase displays and rebates are suitable sales promotional tools because they encourage demand and repurchase of the same product by the consumer. They finally proposed that, at the post purchase stage, the best sales promotion tool would be the use of coupons, as they encourage repeat purchase from first time buyers.

#### **2.1.6. Attitude of consumer**

Attitude is considered as key concept on consumer behavior that was defined as set of beliefs, experience and feelings forming a predisposition to act in a given direction (Chandon Jean-Louis, 2011). Attitude in other research is defined as “the consumer total evaluation of the product” (Rao, 2010).Fishbein and Ajzen cited by (Chandon Jean-Louis, 2011) denoted that attitude has an influence on purchase intention and consumer behavior because it has basic psychological function.

Attitude is expressed by the evaluation of a product/brand in two directions which is favorable or unfavorable. Attitude towards PLBs is defined as a predisposition to respond in a favorable or unfavorable manner due to product evaluation, purchase evaluations, and or self-evaluation associated with private label grocery products(Burton, 1998) cited by (Chandon Jean-Louis, 2011). Consider this definition, the writer of this thesis believed that attitude towards PLBs has a

positive and a negative influence on consumers depends on the past experience (Gigi). Consumers those who prone to PLBs are focus on minimizing cost disregards of other factors, being low price are a key factor to perceive a positive attitude towards PLBs. In recent years private labels are growing in the retailing industries and consumers are increasing and start to concern about the quality. For this reason several researcher mentions the balancing of price and quality has a relation for creating consumers positive attitude. Furthermore, if satisfaction from the last purchase is derived, consumers will frequently shop the product and become familiar with it. Once familiarity is archived, the perception of risk reduces; consequently, positive attitude towards PLBs is generated. Consumers who have a positive attitude towards the brand have a positive impact on PLBs products. A positive attitude towards the private label leads to purchase intention, that is the more favorable the consumers are towards the brand the more it has impact on purchasing power (AnasHidayat,AyuHemaAjengDiwasasri, 2013).Therefore it is important to mention that attitudes are formed not only as a result of prior direct experience with the products, but also attitude are formed and be influenced by extrinsic factors such as WOM or from other sources such as advertising.

Many consumer researchers make use of the model of Multi Attribute Attitude Model by Fishbein; in which three models are included: Attitude toward –object model, Attitude toward behavioral model and the theory of Reasoned Action. It is considered necessary to discuss two types of attitudes in this study which are attitude toward object model and attitude toward behavioral model:

- a. *Attitude toward object model* measures consumer’s attitude toward a service, product, and price or towards an organization such as brand.
- b. *Attitude toward behavior model*, on the other hand, measures the consumer’s attitude toward behaving in accordance to the object rather than attitude toward the object itself. That is a consumer might have a positive attitude toward the brand but a negative attitude towards purchasing expensive product (Schiffman&Kanuk 2004). ” Attitude behavior is a function of how strongly individual believes that the action will lead to specific outcome (either favorable or unfavorable)” (rainbowlink, 2011).These behaviors are learned and developed through experience (Kumar, 2009). Both attitude towards the object and attitude towards behavior are a predictor of behavioral intention (Zhang).

### **2.1.7. Intention of consumer**

Purchase intention is a planned behavior that a consumer willing to buy certain product (Ajzen, 1992). There is a relationship between brand image and purchase intention. Advisement is a major factor to increase brand image on consumer, for that reason some companies use different kind of advertisement stimuli to capture purchase intention. Consumers who are influenced by advertisement shift their interests to the other brand which advertises the products (Hashim&Muhammad, 2013). Moreover consumers who purchase the brand frequently resist switching to other brand. Jean-Louse (2011) mentioned that consumers intend to purchase the PLB because they think they have the right price-quality relation. Consumers who are satisfied with the product will have a positive attitude towards the brand and later have impact on purchase intention. Because there is a relation between attitude and purchase intention if the consumers have a positive attitude towards the brand it will increase purchase intention and actual purchase (Byoungho& Yong, 2005)

### **2.1.8. Consumer buying decision**

Customer buying decision is a series of choices made by consumer before making a purchase after they have the willing to buy. Pride and Ferrell (2012) stated that to understand consumer buying decision, the marketer should understand the consumption process and the utility of products in consumers' perceptions. They also declared that when purchasing products unconsciously, consumer gets through several steps in the making of purchase decision, purchase, and post-purchase evaluation. The first step decision is problem recognition where the consumers are able to differentiate between their needs and wants. Marketers usually use advertising, sales person, and packaging to stimulate recognition of the needs or wants. The second step is information search where the consumer seeks the information from their memory about the products, seeking the information from outside sources, such as from friends, relatives, government reports, publication, sales person, website, packaging label, and display, or by repetition. The third is evaluation of alternatives where the consumer will establish criteria which consist of characteristic that are important for them. Consumer buying process can be influenced by circumstances, time, and location. Furthermore, situational factor that can influence on consumer buying process consists of five categories; the first one is physical surrounding like location, store ambience, or weather. Second is social surrounding like characteristics and interactions with others. Third is the time dimension. Time playing an important role as the

buyer considers the durability of the product or the frequency of product use. Forth is the reason why consumer buy certain products. The last is consumer's condition or feeling might affected to consumer buying decision process.

## **2.2. Empirical literatures**

This part of the study summarizes various empirical studies conducted in different countries related with the impact of promotion on consumer buying decision. Based on these relevant empirical studies reveled as follow:

To better understand why consumers select one baby food brand over another, and to determine what motivates determine customer buying decision behavior, Nielsen (2000) polled online respondents in 60 countries who have made a baby care purchase in the past five years. The findings reveal important insights about the path to purchase and identify the online and offline sources most influential in the process. Finally, areas of opportunity and the strategies necessary to win in the global baby care market are identified; among major determinant factors that affect customer buying decision was lack of promotional strategies of companies which provide baby foods.

According to Guilkeyand Stewart(2010), study confirmed thatconsumers buying behavior and sales promotion can be motivatedthrough various kinds of elements, including promotion techniquessuch as free samples, price discounts, social surroundings and physicalsurrounding

In addition, according to Eliot & Percy (2007) their studyhas empirically verified the relationship between sales promotions,customer satisfaction, customer value and behavioral intention,legitimizing the growth of sales promotions within the duty-free shop sector. Their results indicate that there were significant relationships between cutting prices, cents off, customer satisfaction, customer value,image and behavioral intentions.

From their research, they found thatDuty-free shops should realize that attractive sales promotion strategiesshould enhance customer repurchase intention and recommendationsto other customers because they raise the level of customer satisfaction,value perception and duty-free shop image formation.

According to Schiffman, (2012), among the variables that affect the consumer's purchase decision is the price, which has a significant influence on communication factors concerning the advantages of purchasing a product or hiring a service. Price can be accompanied by a "discount," which increases the perceived value of the product for the purchaser. The value is based on the consumer's perception of the benefits of the product. Furthermore, according to price discount is well-known tool for offering a good discount in buying price, which is openly mentioned on the merchandise or point of purchase display. Kotler (2005) said that merchandise test can be increased through offering great price cut. According to Armstrong (2000), the short-term rises in sales were due principally to purchases made by irregular users of a brand, though they further warned that these irregular users, after taking benefit of the price discount, would most likely go back to their beloved brands in their portfolio rather than purchase the promoted brand at full price. Eliot and Percy (2007), found that price perception affects the patronage behavior. Miller, (2001) determined that price level has a considerable effect on store choice. In another study, Richard (2004) found that discounts significantly affect customers' purchase behaviors.

According to Armstrong (2000), during the last ten years, significance of free sample as tools of promotion in the field of cosmetics has been on the rise. According to the investigation done by Kotler (2005) a marketing company, 75% the companies use free samples to improve their products, whereas 52% of the companies don't advertise their new products. Although representing this method is a powerful promotion tools, it requires high costs for the organizations.

According to Ellet and Percy (2007) Sampling is the technique of presenting less numbers of goods to the customers without any cost, so that they can try it and buy the product in near future.

According to Richard, (2004) price discount is well-known tool for offering a good discount in buying price, which is openly mentioned on the merchandise or point of purchase display. Busari, (2000) said that merchandise test can be increased through offering great price cut. According to Armstrong (2000), the short-term rises in sales were due principally to purchases made by irregular users of a brand, though they further warned that these irregular users, after taking benefit of the price discount, would most likely go back to their beloved brands in their portfolio rather than purchase the promoted brand at full price

With related to infant formula market potential Schiffman (2012) states that growth in the baby food/formula market is also driven by rising numbers of women working outside the home. According to the World Bank, between 1990 and 2013, the percentage of women in the workforce grew more than four percentage points in the 60 markets included in the survey. As many working mothers return to their jobs shortly after giving birth, prepared baby foods and formulas provide an appealing alternative for working mothers, bridging their desires for healthy, nutritious food with their need for convenience is a strategy to exploit the market potential.

The rising middle class in the developing world has opened new opportunities in the baby care market, as the need for products that are compatible with a working mom's schedule is growing and these opportunities include baby care products (Kotler, 2005). These indicate that consumers are increasingly health conscious and looking for natural, minimally-processed foods, and the stakes are even higher when it comes to their babies, however, because of lack of effective promotion strategies of product producers and distributors of the market specifically in less developed countries including Ethiopia still not outshine. In this regard Neslin (200), suggest that, organizations should carefully plan their promotional strategies, and allocate promotional budget over the different promotion tools, giving preference to the more effective tools.

Based on the empirical literatures stated above when the study back to the study area factor influencing consumer purchasing decision of formula milk, in Ethiopia, there is no studies took place concerning the issues. Therefore, this study is leading to investigate how the listed factors affect consumer purchasing decision in the market.

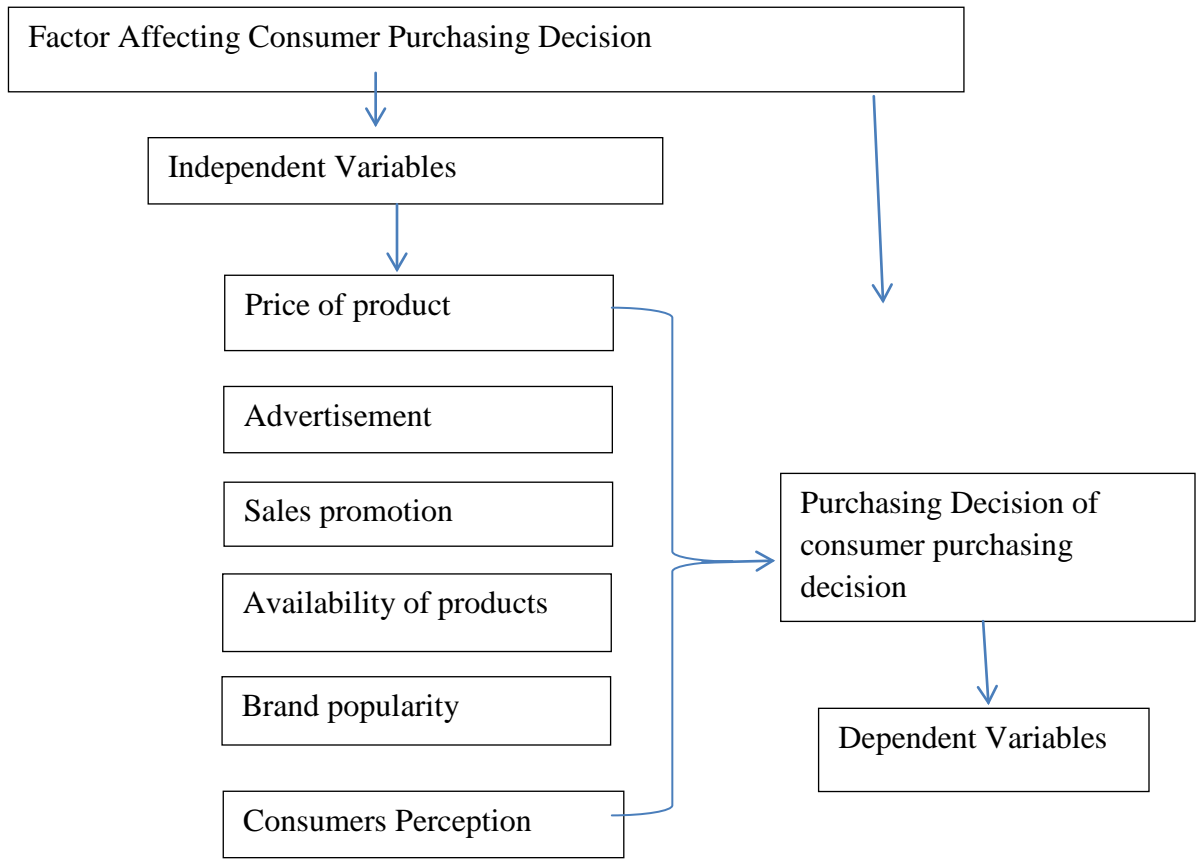
### **2.3. Conceptual frame work**

Most studies confirm that, purchasing decision of consumer can be affected by several factors, such as, price of the products, brand, advertisement, sales promotion and availability of the



products. Based on these concept the study also developed conceptual frame work of the study based on Kotler(2005) related model.

**Fig 2.3. Conceptual framework of the study**



Sources, Kotler(2005)

# CHAPTER THREE

## METHODOLOGY OF THE STUDY

### Introduction

In the previous chapter, the literature review showed factors affecting consumers purchasing decision in detail and review related concepts. This chapter presents the detail methodology, research design, research approaches, data collection and data analysis method.

Many researchers have written extensively on research methodology. The underlying factor in most studies on research methodology is that the selection of methodology is based on the research problem and state research questions. Methodologies cannot be true or false, only more or less useful (Silverman, 2001). Nachamias et al. (1996) for instance it states that methodologies are considered to be systems of explicit rules and produced, upon which research is based on, and against which claims for knowledge are evaluated. Conducting any type of research should be governed by a well-defined research methodology based on scientific principles. Eldabi (2002) suggested that a series of steps as a research paradigm to be followed in a methodology part of a research. Based on this suggestion researcher followed the basic framework of research paradigm developed by Foster.

### 3.1. Research design

The purpose of this thesis is to conduct descriptive research in order to gather as much information as possible concerning factors affecting consumers' infant formula purchasing decision. This research focuses on describing the current situation of the problem and answers the research questions which are in the form of "what", and to highlight the most important factors that can negatively or positively affect consumers' infant formula purchasing decision. Therefore, descriptive research will be used to fulfill this approach.

### 3.2. Research approach

Research approach is selected by researcher based on the research purpose, the nature of the research, the problem area, and research questions (Alhamdani et al 2006). The research approach in this study is chosen based on the purpose and he research questions set out to be addressed according to Creswell (2003). In order to achieve the objectives of this study and

answer the research questions, researcher adopts both qualitative and quantitative research approach to assess factors affecting consumers' infant formula purchasing decision.

### 3.3. Population and sampling technique of the study

A population study is a study of a group of individuals taken from the general population who share a common characteristic. In this study target population was mothers who give birth in private and public hospitals of Addis Ababa. This is because most of the consumers of infant formula are mothers and the target area selected purposely to meet mothers when they come in hospitals for checkup or other services.

The study used convincing sampling technique. Sample size determination of the study was taken place in two parts, in the first parts the hospitals were selected, mixing both from public and private hospitals. As a result, three private and three public (government) hospitals will be selected. These are Zewditu, Gandhi, St. Paul, Grace mother and child hospitals, Ethiotebib hospital, and Betsega Hospital. Those hospitals are among the prominent hospitals which give medication practice for mothers and child, so that it is easy to find current infant formula milk consumer parents. The second level of sampling size determination was focused on consumer respondents from the given hospitals. As the pilot study (preliminary analysis) indicated, daily parents' visit of each of the hospitals is 200 on average and totally 1200 mothers. Therefore, the sample size selected was nearly 1200 total populations. The sample size determined based on sampling technique of Schiffman, (2012). The formula is large enough to allow for precision and confidence in general ability of the research. Based on the method formula for the calculation of sample size present as follow:

$$n = \frac{N}{1 + Ne^2}$$

Where n = sample size

N= Number of population

*e* = sample error 10%

$$\begin{aligned} n &= \frac{1200}{1 + 1200 (0.01)} \\ &= \frac{1200}{1 + 12} \\ &= \frac{1200}{13} = 92 \approx 100 \end{aligned}$$

### **3.4. Sources and method of data collection**

Quantitative and qualitative data collection tools are applied to collect data from the concerned bodies. Thus, questionnaire and unstructured interview was used as instrument of data collection. The questionnaire, was designed as close and open ended questions. It is organized in to two major parts, the first part deals about personal characteristics of respondents such as, sex, position, age, qualification and so on, and the second part deals with the issue on factors influencing of consumer infant formula purchasing decision. In addition to that, interview was also applied to gather more information from respondents in order to strengthen the quantitative data. The interview guide will be unstructured type that enabled the interviewer to ask further questions in addition to the interview questions.

### **3.5. Method of data analysis**

The data collected from different sources, both quantitative and qualitative, was processed and analyzed using mixed approach such as, descriptive, explanatory as well as inferential data analysis method. To make it completed and minimizing error the data that are collected from the primary survey was edited, and coded. Finally the data was processed using computer software called Statistical Package for Social Scientists (SPSS) version 20.

The descriptive statistics includes frequencies, percentages, means and standard deviation and the inferential statistics includes correlation analysis and regression analysis. To indicate factors influencing consumer infant formula purchasing decision the study used Pearson correlation and multiple regression analysis.

The equation of multiple regressions on this study was generally built around two sets of variable, namely dependent variables (consumer purchasing decision) and independent variables (Advertisement strategy, Competitive Price, Brand popularity, Availability of products, creative promotion strategy, and level of consumer's perception). The basic objective of using regression equation on this study is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables.

**Based on the character of the study will use the following research model**

$$Y_i = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$$

Where  $Y_i$  is the dependent variable- Purchasing decision of consumer

**$X_2, X_3, X_4, X_5,$  and  $X_6$**  are the explanatory variables (or the regressors)

$\beta_1$  is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero.  $\beta_2$ ,  $\beta_3$ ,  $\beta_4$ ,  $\beta_5$ , and  $\beta_6$  refers to the coefficient of their respective independent variable which measures the change in the mean value of  $Y_i$ , per unit change in their respective independent variables.

### **3.6. Validity assurance**

Validity determine whether the findings are accurate from the perspective of the researcher, the participant, or the readers (John, W.C. 2009). This study's validity is assured through conducting interview with few of sample population to determine accuracy of finding drawn from questionnaire. Also opinion from the research advisor and experts ensure the content validity, whether the items measure the area of interest or the concept it intends to measure which were advanced its validity.

### **3.7. Reliability**

Reliability refers to the degree to which the data collection tools or analysis procedures were yield consistent findings. (Saunders, Lewis&Thornhill, 2009). Reliability analysis measures the internal consistency of a group of items which is used in questionnaire construction. Reliability analysis examines the homogeneity or cohesion of the items that comprise each scale. Cronbach's alpha coefficient is the most frequently used index of reliability. Cronbach's alpha coefficient is the most common way to assess reliability. A value of Cronbach's alpha coefficient above 0.70 is regarded as acceptable. (Saunders, Lewis&Thornhill, 2009). For the purpose of this study, the Cronbach's alpha coefficient was calculated by distributing questionnaires. According to George and Mallery (2003) a Cronbach's alpha coefficient greater than 0.9 implies excellent, greater than 0.8 is good, greater than 0.6 is acceptable, greater than 0.5 is poor, and less than 0.5 is unacceptable". Based on the principle in order to establish the degree of reliability, consistency, and accuracy of the instrument, a pilot study was conducted. Accordingly the reliability of the Cronbach's alpha result indicate that;

**Table 3.8. Reliability Statistics**

<b>Questionnaire Scale</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>	<b>N of respondents</b>
Price of product	0.862	26	92
Quality of the product	0.812	26	92
Sources of information	0.929	26	92
Brand popularity	0.824	26	92
Availability of Products	0.934	26	92
Sales promotion	0.922	26	92
Perception of consumer	0.761	26	92

As indicated from the reliability scale measurement of the above table the scale of reliability test is acceptable and shows good internal consistency.

### **3.8. Ethical consideration of the research**

During the course of administering the questionnaires, names and any identifying remarks will not be used. The confidentiality of the respondents was kept and any data received for the study kept at the hands of the researcher. The data will be analyzed based on the questionnaires rather than using the researcher opinion and input. The researcher stays truthful to responses of the respondents and free from any personal assessment. Results depicted will only from outputs of truthful inputs.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

#### Introduction

As indicated in the methodology part the study basically conducted using questionnaires filled by respondents. The study totally distribute 100 questionnaires however, the analysis is done based on 90 respondents, the rest 10 questionnaires were not returned back.

#### 4.1. Background of respondents

Analyzing background of respondents is necessary to associate how consumer's educational background, income status, and other related demographic nature affect purchasing decision. Accordingly, below table 4.1 indicate demographic characteristics of respondents.

**Table 4.1 Characteristic of respondents**

Character	Category	Frequency	Percentage (%)
Education	Illiterate	2	2.22
	Elementary level	11	12.22
	High School level	18	20
	Certificate	19	21.11
	College diploma	21	23.33
	First Degree	16	17.77
	Second Degree and Above (MSc)	3	3.33
	Total	90	100
Occupation	Private Business owner	29	32.22
	Employee	41	45.55
	Others	20	22.22
	Total	100	100
Average Monthly Income	Below 1000	2	2.22
	1000 – 2000	5	5.55
	2000 – 3000	10	11.11
	3000 – 4000	19	21.11
	4000 - 5000	25	27.77
	Above 5000	29	32.22
	Total	90	100
Average price consumer spent for 1 tin formula Milk	Below 100 birr	4	4.44
	100 – 150 birr	32	35.55
	150- 200	46	51.11
	Above 200	8	8.88
	Total	90	100
How often do you buy the product?	Weekly	14	15.55
	Half a month	62	68.88
	Monthly	10	11.11
	Others	4	4.44

Source Questionnaire 2017

The above Table implied that, respondents' background in terms of educational level, income status, the type of job they are working, as well as, basic information regarding the average price they spent to purchase one tin infant formula. Based on this, the study analyzed consumers' demographic characters as follow:

The study assessed respondents' educational level, this is because education can affect consumers' view such as, educated consumers' looks variety of information on the products characters before they purchase and can refer several sources on the product natures than uneducated consumers'. Therefore, education is one of the determinant factor that affect purchasing behavior of consumers'. Therefore, the findings implies that, 12.22% and 20% of consumers educational background was elementary and high School level , while 21.11% , 23.33%, 17.77%, and 3.33% of respondents respectively have certificate, diploma, first degree as well as second degree. However, 2% of the respondents were illiterate. Since most of infant formulas are imported all information are written in English. This indicates that consumers' with low level of education level will be suffered to understand the information's written on the infant formulas tin and also to refer different sources of information about the product. Therefore, from the findings consumers' educational level can affect the purchasing decision of consumers'.

The study also assessed occupation of consumers and their level of income. This is because, income is a very important factor that affect the buying decision and consumer behavior. Across different income levels, there will be difference in product brands choices, and buying decision. Based on this the result implies that, 32.22%, 45.55% and 22.22% of consumers respectively fit in own business runners, employed and some of the respondents haven't their own occupation such as house madam and other dependents falls under option of others. Based on their occupation types the study also analyzed consumers' monthly average income. Accordingly, about, 2.22% of consumers' average monthly income is below 1000 birr, while, 5.55% of the consumers' have an average monthly income between birr 1000 – 2000 and those consumers according to ILO (2009), percapita income levels categorized lower social class in terms of income, and about, 11.11%, 21.11%, and 27.77% consumers respectively have an average income between 2000 – 3000 birr, 3000- 4000 birr and from 4000 – 5000 birr that falls under middle class. However, about 32.22% are under monthly average income above birr 5000. From the result the study deduced purchasers average monthly income and purchasing of the formula



milk are correlated. The above result implies, as the average income of the consumers' increase the number of purchasers of the product also increase. Furthermore, the study also assessed consumers average prices and their spent for one tin formula milk. And the result of the survey revealed that, majority of the consumers 35.55% and 51.11% respectively spent 100 – 150 birr and 150- 200 birr for buying one tin formula milk, and the rest 4.44% and 8.88% respectively purchase one tin of formula milk which have an average price such as, below 100 birr and above 200 birr. Based on the price of formula milks consumers replied in the interview section that, price of the products in the market are more or less similar, and it was difficult to compare price of the products.

Finally, the study assessed consumers purchasing frequency of the products, in this regard majority of the respondents 68.88% purchased one tin of formula half a month, and the rest accounted for 15.55% weekly and 11.11% monthly.

In general, the above consumers' background analysis implies that, educational status's as well as income condition affect purchasing decision of consumers. For that reason, consumers' belongs in good educational level, have a good opportunity to gather advanced information and decided based on their level of knowledge, and also consumers' belongs on a middle and high economic strata purchasing decision cannot be affected more by prices and quantity related to consumers in lower income strata.

#### **4.2. The effect of quality of products on purchasing decision**

Product quality is one of market mix variable and that can affect consumer purchasing decision of product. Regarding quality of the product the survey provides several types of related questions and respondents invited to respond their view in the provided five scale Likert types of questions (strongly agree, Agree, Neutral, Disagree and Strongly Disagree) and their view presented in the below Table 4.2.

**Table 4.2 The effect of product quality on consumer purchasing decision**

No	Questions	SD	D	NW	A	SA
1	Quality of low price products would not be guaranteed	13 (14%)	35 (39%)	8(9%)	30 (33%)	4 (4%)
2	I consider product quality than price of the product	8 (10%)	20 (22%)	6(7%)	40 (44%)	16 (18%)
3	I Purchased a product approved by quality standard Agency of Ethiopia	17(19%)	44(50%)	3(4%)	20(22%)	5(6%)
4	There are alternative similar quality brand products on the market	27 (30%)	35(39%)	3 (3%)	22(22%)	5(6%)
5	Quantity of the product determine my purchasing decision	4(5%)	42(46%)	7 (8%)	31(34%)	6(7%)
6	My post purchasing evaluation influenced my purchasing decision of the products	4 (5%)	12(13%)	5(6%)	49(54%)	20 (22%)

**Source questionnaire, 2017**

Based on the above table, the study measured respondents view, whether low price products are not guaranteed or not. Hence, 39% of respondents shows disagreement, which means price of the products doesn't indicate its quality, on the other hand 33% of respondents agreed that lower price of the products are not guaranteed on the purchased products. However, the rest 14%, 9% and 4% respectively strongly disagree, neutral and strongly agree.

Similarly, the study assessed respondents' level of agreement or disagreement if price of the products affect consumers in purchasing quality of products. Consequently, about 44%, and 18% respectively agree and strongly agree, which mean price of the products affect consumers purchasing decision of products. On the other hands, 10% and 22% respondents respectively are strongly disagree and disagree which implies that, consumers of infant formula purchasers didn't affect by price to purchase the products. From the result of the respondents, the study realized that, consumers who have higher average monthly income more consider quality of products rather than price while consumers engaged in lower average monthly income consider price in purchasing the products. On the other hand the study shows that, consumers engaged in higher average monthly income believes that lower price of products are not guaranteed of quality products and consumers engaged in low level of average monthly income believes price is not an indicator of quality of products.

The study assessed respondents view when they purchase infant formula milk if they consider product quality is approved by quality standard Agency of Ethiopia or not. Therefore, 19% and 50% respectively are strongly disagree and disagree, which implies majority of respondents didn't consider whether the product quality is approved by the authorized body or not. However, 22% and 6% respectively agree and strongly agree, which indicates consumers are buying the product by confirming if the products are approved or not. But the rest 4% are neutral, which means they don't even have enough knowledge whether authorized body assured quality of products or not.

Regarding alternative quality products availability, about 30% and 39% respondents respectively strongly disagree and disagree which means there is no alternative quality products are available on the market that affect respondents purchasing decision. And the study also assessed if quantity of the products affect purchasing decision of consumer or not. Hence, 46% disagreed which means consumers are more focused on quality of the products than quantity. And about 34% of respondents agreed that means quantity has an effect on their purchasing decision.

Finally, the study assessed respondents view whether they evaluate the products after they consumed or not, in this regards 54% and 22 % of the respondents agreed and strongly agreed which shows they are evaluating the product after they buy and consume the products. However, the rest 5% and 13 % respectively strongly disagree and disagree which means they do not evaluate the products after they consumed.

#### **4.3. The effect of sources of information on consumer purchasing decision**

There are several sources of information that can determine consumers purchasing decision, such as family and friends suggestions, Media advertisements, flyers from the company etc. Based on several sources of information the study assessed to what extent information availability affect customers level of purchasing.

**Table 4.3 The effect of Sources of Information consumer purchasing decision**

No	Questions	SD	D	NW	A	SA
1	Friends & families suggestion more influenced my purchasing decision of formula milk	8 (9%)	20(22%)	4(%)	40(44%)	18(20%)
2	TV, and Radio Advertisement influenced my purchasing decision of infant formula Milk	19(21%)	43(49%)	3(4%)	18(19%)	8(10%)
3	Advertisement reputation and duration influenced my purchasing decision	14(16%)	37(41%)	11(10%)	20(22%)	11(10%)
4	Health professional suggestion influenced my purchasing decision of infant formula	16(18%)	35(39%)	2(3%)	22(24%)	15(16%)
5	Retailer suggestion influenced my purchasing decision.	4 (5%)	14 (16%)	8(9%)	50 (55%)	14 (16%)

**Source own survey, 2017**

On the bases of the above data the study considered if consumer purchasing decision is dependent on friends & family suggestions. Therefore, 44% and 20% respectively agreed and strongly agreed which show their purchasing decisions is more influenced by family and friends suggestion and the rest 9%, 22% and 4% respectively are strongly disagree, disagree and neutral that means they are not influenced by family and relatives suggestions. With regard to the reference groups or people Richard (2012) states that, reference group include friends and family who influence ones buying decisions due to special skills, knowledge, personality they have on the products that they consume before. If a friend had a bad experience with a product, it is more likely that one will refrain from buying it. However, many studies found out that, knowledge that consumers obtain through direct personal experience will be perceived to be more trustworthy than information from other communications.

In the same way, the study examined respondents to what extent TV and others advertisement medias influenced their purchasing decision. Thus, majority of respondents accounted for 29% and 39% respectively strongly disagree and disagree which implies TV and others advertisement media didn't influence their purchasing decision. However, 19% and 10% of the respondents which responds agree and strongly agree were influenced by media advertisement. Based on the respondents and sources of information assessed on the above two paragraphs we can conclude that, majority of the respondents participated in this study are more influenced on the sources of information such as, suggestion of friend and family than media advertisement.

The study further assessed consumers to find out why media advertisement not influenced them like the influence observed by their friends and families suggestions. And question was asked if, advertisement reputation and duration makes them less dependent on the information disseminated through media. However, about 16% and 39% respondents are strongly disagree and disagree which means duration and reputation of advertisement are enough. But, they are not giving attention for the information disseminated through different Medias this is because of lack of trust.

Related to prophetic assistance in purchasing the products the study asked consumer respondent whether health care professionals suggestion influenced their purchasing decision of infant formula or not. Accordingly, majority of the respondents (57%) said strongly disagree and disagree which indicates they are not getting information from health care professional on issues related to infant formula milk usage and preferable brands. However, 40% of the respondents consider health care professional's recommendations.

Regarding retailers' suggestion data was collected if it influence their purchasing decision or not. Therefore, 71% of the respondent shows their agreement which means majority of consumers participated in the study, their purchasing decision is more influenced by the retailers' information.

Generally, family and relative's suggestion, as well as retailer's information has more influence on consumers' purchasing decision than Media advertisement and health care professional's suggestions.

#### **4.4. The effect of price on consumer purchasing decision**

Price of products affect consumer purchasing decision, consumer purchasing decision can be affected by their income status. In this regard. Data was collected and analyzed in order to see the impact on purchasing decision of the products and the respondent's view indicated on the below Table.

**Table 4.4 The effect of price on consumer purchasing decision**

No	Questions	SD	D	NW	A	SA
1	The high price of the product limited my rate of expenditure	3 (4%)	10(11%)	2(3%)	60(66%)	15 (16%)
2	The price of a product is a reflection of its effectiveness	11(12%)	49(54%)	4(5%)	21(23%)	5(6%)
3	Price of infant formula is not fair in the market	2(3%)	10(11%)	3(4%)	60(66%)	15(16%)
4	Price differentiations are key determinants of my purchase decision of formula milk	6(7%)	12(31%)	4(5%)	58(64%)	4(5%)
5	I buy mostly from the shop which offers lower prices	14(16%)	38(40%)	9 (10%)	21(22%)	8(9%)
6	I buy mostly from the shop which offers fair prices (low prices for goods of low quality and high prices for goods of high quality).	6(7%)	8(9%)	2(3%)	61(65%)	13(14%)
7	There is a need for pricing controls and policies on formula milk markets	4(5%)	9(10%)	0(0%)	61(67%)	16(19%)

**Source own survey, 2017**

As per the above data, the survey measured whether price of the product limited consumer respondents' rate of expenditure or not. As a result, majority of the respondents accounted for 66% and 16% respectively shows their agreement and strong agreement level, which indicates price of products affects their purchasing expenditures. Some of them also states their view on the interview that, infant formula milk price on the market are expensive that means consumers will not purchase the required amount of the products. And 4% and 11% of them respectively said strongly disagree and disagree which means price of products do not influence their expenditure rate of the product and some of the consumers in this regard have high average monthly income.

The study also assessed respondents view if price of a product is a reflection of its effectiveness or not. Thus, 12% and 54% respectively shows disagreement which means price of the products on the market didn't imply their effectiveness and 23% and 6% of the respondents who agreed and strongly agree believes that high price of the product is an implication of products effectiveness.

Regarding alternative price products availability and its effect on their purchasing decision consumers forwarded their experience. 66% and 16% of the respondent's agreed and strongly agreed which implies consumers are more concerned on alternative price brand availability.

However, 3% and 11% of the respondents do not consider alternative price. And 82% of respondents agreed and strongly agreed which means their purchasing decision is still affected by price alternation and they tend to compare products price before their purchase.

On the other hand, the study assessed if consumers buy infant formula from the shop that gives them lower price or not. Therefore, 16% and 40% respectively shows strongly disagree and disagree which indicates they are not only considering lower price of products rather they also consider quality and quantity. And about 22% and 12% respondents who replied agree and strongly agree consider lower price.

In the same way, the study assessed respondents view whether they purchases a products from the shop which offers fair prices (low prices for goods of low quality and high prices for goods of high quality) or not. Consequently, about 65% and 14% respectively consider fair price for good quality products than lower price.

Finally, the study considered respondents view on the need for pricing controls and policies on formula milk markets. Hence, 86% of the respondents agreed that the market needs strong price controlling practice from the authorized body.

#### **4.5. The effect of product availability on consumers purchasing decision**

Availability of products affect consumers purchasing decision in several ways, such as, distance, products that are widely distributed over the country, and products reputation. In this regard, the study considered respondents view if availability of products affects their purchasing decision or not and the response of the consumers are indicated here under.

**Table 4.5 The effect of availability of the products on purchasing decision of consumers**

No	Questions	SD	D	NW	A	SA
1	I prefer purchasing a formula milk which are widely distributed all over the country	12 (13%)	34(37%)	2(3%)	36(40%)	6 (7%)
2	I buy mostly from the shop which is closest to me	9(10%)	20(22%)	1(2%)	46(51%)	14(16%)
3	I buy mostly from the shop where alternative brand have	12(13%)	22(24%)	3(4%)	44(48%)	9(10%)
4	I purchase a product that stay on the market long periods	9(10%)	20(22%)	1(2%)	46(51%)	14(15%)

**Source own survey, 2017**

Based on the above data consumers responded if their purchasing decision is affected by the availability of products such as, the products that are widely distributed over country level or not. As a result, 36% of the respondents agreed that means they purchase a product that are widely distributed on a country level. On the other hand, 37% of the respondents disagreed which indicates their purchasing decision will not be affected whether the products is widely available or not.

Regarding distance 10% and 22% of the respondents respectively strongly disagreed and disagreed which means when they purchase the product they are not considering distance. On the other hands, 51% and 16% of respondents agreed and strongly agreed which implies that they purchase products that are near to their place or consider distance of products.

On the other hand, questions raised on alternative brand products availability. As a result 48% and 10% respectively agreed and strongly agreed which implies that consumers buy products from the shop which have alternative brands. And 10% and 24% respondents respectively do not consider availability of alternative brands rather they consider the brand they are looking for.

Finally, the study assessed if respondents purchasing decision is affected by reputation. And about 51% and 15% respectively consider products that are long stayed on the market than new entrant products.

In general, from the above assessment questions the study can deduced that distance of the products where it located, availability of alternative products, and products well known on the market (good reputation) affects consumers' purchasing decision highly and significantly.

#### **4.6. The effect of sales promotion on consumer purchasing decision**

Consumers buying behavior and sales promotion can be motivated through various elements, including promotion techniques such as free samples, price discounts, provide reward and products with good display affect consumer purchasing decision. And data was collected and analyzed on the below Table.



**Table 4.7 The effect of sales promotion on purchasing decision**

No	Questions	SD	D	NW	A	SA
1	I buy mostly from the shop which has the best rewards for loyal customers.	6 (7%)	22(24%)	4(5%)	50(56%)	8(9%)
2	I buy mostly from the shop where the attendants are experts in the area of the business (pharmacies)	3(4%)	11(12%)	6(7%)	56(64%)	12(13%)
3	I purchase the product which provide reward lottery	19(21%)	50(56%)	9(10%)	9(10%)	3(4%)
4	I rather choose to purchase the product from the shop that discount for regular customer	3(4%)	7(8%)	2(3%)	57(62%)	21(23%)
5	I prefer purchasing formula milk that are well displayed	5(6%)	34(37%)	5(6%)	32(34%)	14 (16%)

**Source own survey, 2017**

The study considered whether consumers purchasing decision is influenced by retailers rewarding system or not. Therefore, about 56% and 9% are agreed and strongly agreed which means they purchase products from the shop which rewarded loyal consumers such as, shop that give credit service. However, respondents about 7% and 24% strongly disagreed and disagreed that indicates they do not consider rewarding shops.

On the other hand, the study measured if consumers' are purchasing products on shops which have knowledgeable attendants (pharmacists) to sell the product or not. Therefore, 54% and 13% respondents purchase the products from shops of knowledgeable attendants or sales. However, small number of respondents 4% and 12% don't consider sellers knowledge or do not need explanation from the sellers on the product they purchase.

Regarding sales reward of lottery (Coupon) the study assessed respondents view whether their purchasing decision is influenced by products that provide lottery or not. Accordingly, majority of consumers (19% and 56%) strongly disagree and disagree which indicates their purchasing decision is not affected by lottery types of rewards.

The study assessed if consumers' consider shops that provides price discount as sales promotion and tends to buy products from the shops or not. Thus, about 62% and 23% respectively said agree and strongly agree which indicates those respondents' highly consider price discount as a sales promotion. And 4% and 8% of the respondents are strongly disagree and disagree that means they do not consider those specific shops to purchase the formula milks.

Finally, the study asked respondents view on product display impact on their purchasing decision. 37% of respondents do not consider display as a promotional motivation and there are not purchasing the product based on promotion of display. On the other hand, 34% and 16% respectively are agreed and strongly agreed which means they consider display as a promotional motives to purchase the product.

#### 4.7. The effect of brand on consumer purchasing decision

Brand is name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and differentiate them from those of competitors.” For consumers, when deciding between brands which are in the marketplace will include brands as an element to determine the qualities of the product rather than employing their time to enhance their knowledge of the product in information searching activities. Therefore, consumers use brands as cues to make decisions to purchase or try products. In this regards the study were assessed the effect of brand on purchasing decision of consumer and the respondents implied their view below in the table.

**Table 4.7 The effect of brand on purchasing decision of consumers**

No	Questions	SD	D	NW	A	SA
1	I purchase a products brand that are well known than others	4(5%)	9(10%)	3(4%)	55(61%)	19 (21%)
2	I usually buy the same brand even when I have a price discount on the other brands.	3 (4%)	33(36%)	4(5%)	40(44%)	10(11%)
3	I test different types of brand of infant formula milk to be a regular customer	3(4%)	14(15%)	7(8%)	45(50%)	21(23%)
4	I bought familiar brand than new brand products of Infant formula milk	3(4%)	13(14%)	7 (6%)	44(48%)	13(14%)
5	I prefer purchasing imported brand of infant formula milk than local brands	9(10%)	17(28%)	3 (4%)	45(50%)	16(17%)

Source own survey, 2017

As per the above data the study measured respondents view if their purchasing decision is affected by alternative types of brands or not. Accordingly, respondents accounted for 61% and 21% respectively are agreed and strongly agreed which means alternative brands of products affects their purchasing decision or they consider alternative brands products quality and price before they decided to purchase. However, small numbers of respondents accounted for 5% and 10% are strongly disagreed and disagreed which means they are not considering brand quality and prices of brands.

Similarly, the survey assessed respondents' loyalty on purchasing same brands or not. Consequently, 44% and 11% of respondents agree and strongly agree which implies they are not purchasing other brands whether there is price discount on others brands or not. On the other hand, 4% and 36% are strongly disagree and disagree which revealed that they are not considering same brands if they find opportunities of price discount they will change their prior brands.

Regarding consumers test to be regular customer questions asked and 50% and 23% respondents agreed and strongly agreed that means they test the product and continue based on their judgment.

Likewise, the study assessed if consumers' purchase familiar brands rather than new brands. And about 48% and 14% agreed and strongly agreed that indicates they purchase familiar brands than new brands. However, the rest, 4% and 14% of the respondents do not consider brand familiarity.

Finally, the study evaluated to what extent consumers purchasing decision is affected locally produced or imported products. In this regard, respondents around 50% and 17% wants to buy imported products rather than locally produced products. And 10% and 28% do not consider whether products were imported or locally produced.

Generally, from the above discussion the study deduced that, purchasing decision of consumers are not easily affected by brand popularity of the products that they tend to purchase rather they consider several types of factors to choose their favorite brand products. Accordingly, majority of consumers purchasing decision are affected by brands choice, after testing and evaluating the products and considering its price.

#### **4.8. The effect of consumer perception on purchasing decision**

Consumer perception and level of awareness on the product that they purchase is not similar. This is because the consumers level of awareness on the product is being affected through different factors such as, availability of information, educational level, relatives influence and so forth. Accordingly the study assessed, consumers level of perception on the products that they tend to purchase and the results are indicated on the below Table

**Table 4.8**The effect of Consumers level of perception on their purchasing decision

No	Questions	SD	D	NW	A	SA
1	A product instructional language affect my purchasing decision	10(11%)	21(23%)	8(9%)	34(37%)	17 (19%)
2	I spend a lot of time in searching information on the product character	9(10%)	57(63%)	45(%)	6 (7%)	18 (20)
3	I purchase products considering my previous experience.	4(5%)	13(14%)	6(7%)	41(45%)	16(17%)
4	I use time to evaluate between alternatives brands	6(7%)	6(7%)	4(5%)	50(54%)	24(25%)
5	I evaluate the product after consumption	3(4%)	9(10%)	2(3%)	56(61%)	20 (21%)

Source 2017 own survey data,

Regarding instructional language on the tin data was analyzed. 37% and 19% respondents are agree and strongly agree that indicates language is affecting their purchasing decision. And 11% and 23% replied strongly disagree and disagree which means they are not being affected by the language that indicated those consumers' can understand what is written on the tin.

Respondents assessed if they spend more time to search information on the product characters or not. Thus, 10% and 63% said strongly disagree and disagree which means they do not further search information on the product characteristics. On the other hand, respondents about 7% and 22% are more concerned and spent their time to search further information on the product character.

The study also assessed whether consumer respondents purchasing decision depends on their previous experience or not. Accordingly respondents around 45% and 17% respectively consider their previous experience to purchase products. But, 4% and 14% of the respondents do not consider their previous experiences.

Regarding respondents' perception on evaluation of alternatives of brands. About 54% and 25% respectively agree and strongly agree which means they spend their time to evaluate alternative product. However, 14% and 5% do not evaluate alternative products.

Finally, the study assessed perception of consumers regarding evaluating products quality after consumption. Accordingly, majority of respondents, 61% and 21%, evaluate the consumed products.

Generally, from the above consumers' level of perception the study deduced that, consumers on the product that they intends to purchasedo not have similar perception.This is because level of perceptions of consumers' are affected by exposure of information, lack of market experience, and lack of education that affect consumers from further digging out information on the products referring reference materials.

#### **4.9. Correlation analysis of the study**

Correlations are the measurement of linear relationship between two or more variables. As described by Kothari (2004), a Coefficient of correlation has the value of ' $r$ ' lies between  $\pm 1$ . Positive values of  $r$  indicate positive correlation between the two variables, whereas negative values of ' $r$ ' indicate negative correlation. A zero value of ' $r$ ' indicates that there is no association between the two variables.

According to Evan's (1996), the strength of the correlation can be described as, the absolute value of  $r$  namely 0.00-0.19 (Very Weak), 0.20-0.39 (Weak), 0.40-0.59 (Moderate), 0.60-0.79 (Strong) and 0.80-1.00 (Very Strong).

Based on the analysis below the study tested the correlation analysis between the dependent and independent variables.

**Table 4.9 Correlation analysis of factors affecting consumer purchasing decision**

		Purchasing Decision
Quality of Product	Pearson Correlation	.943**
	Sig. (2-tailed)	.000
	N	90
Sources of information	Pearson Correlation	.931**
	Sig. (2-tailed)	.000
	N	190
Price of products	Pearson Correlation	.961**
	Sig. (2-tailed)	.000
	N	90
Availability of Products	Pearson Correlation	.764**
	Sig. (2-tailed)	.000
	N	90
Sales promotion	Pearson Correlation	.852**
	Sig. (2-tailed)	.000
	N	90
Brand Popularity	Pearson Correlation	.750**
	Sig. (2-tailed)	.000
	N	90
Consumer perception	Pearson Correlation	.864**
	Sig. (2-tailed)	.000
	N	190

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

\* . Correlation is significant at the 0.05 level (2-tailed).

The result of correlation coefficient shows that all determinate variables predicted on the study significantly and positively correlated with independent variable of consumer purchasing decision. Accordingly, Consumer purchasing decision highly correlated with Price of product at ( $r = .961^{**}$ ), followed by quality of product ( $r = .943^{**}$ ), Sources of information ( $r = .931^{**}$ ), consumer Perception ( $r = .864^{**}$ ), Sales promotion ( $r = .852^{**}$ ), availability of products ( $r = .764^{**}$ ) and brand popularity ( $r = .720^{**}$ ).The correlation between the dependent and independent variables implies that, changes made in one of the independent variables can change consumer purchasing decision. Thus, from this result the study confirmed that, all of the independent factors that are provided in the questioner affects purchasing decision of consumers.

#### 4.6. Regression analysis

Regression analysis was employed to examine the effect dependent variable over the independent variable. The result also helps us to understand which variables are more affected by consumer purchasing decision of the study area respondents. Based on these below the regression analysis of the study summarized as follow:

**Table 4.10 Model Summary of the study**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936 <sup>a</sup>	.876	.868	.37891

a. Predictors: (Constant), Quality, price, Information, Sales Promotion, Product Availability, Brand, Perception

As it can be depicted from the Table there is a positive and statistically significant relationship between the independent and dependent variables. In overall, the results revealed that all independent variables accounted for 87.6% of the variance ( $R^2 = 0.876$ ). Thus, 87.6 % of the study assessed area of factors affecting consumer purchasing decision was covered by the provided questionnaires. However, 12.4% of the respondents' are not explored on the study.

**Table 4.11 ANOVA Result of the study**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	92.608	6	15.435	107.503	.000 <sup>b</sup>
	Residual	13.065	91	.144		
	Total	105.673	97			

a. Dependent Variable: Purchasing Decision

b. Predictors: (Constant), Quality, price, Information, Sales Promotion, Product Availability, Brand, And Perception

The result in the ANOVA table confirmed the significance of the overall model by p- value of 0.000 which is below the alpha level, i.e. 0.05 indicates the independent variables taken together have significant relationship with the dependent variable under study.

**Table 4.12 Coefficients Analysis of the study**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.146	.149		7.666	.000
	Quality of Product	.863	.090	.933	9.612	.000
	Sources of information	.912	.046	.914	-3.776	.000
	Price of products	.971	.160	.981	4.571	.569
	Availability of Products	.754	.076	.875	-2.025	.046
	Sales promotion	.893	.192	.732	1.003	.318
	Brand Popularity	.811	.097	.776	1.150	.253
	Consumer perception	.765	.087	.876	1.232	.322

a. Dependent Variable: Purchasing decision

On the above Table, coefficients indicates how much the dependent variable varies with an independent variables, when all other independent variables are held constant. The beta coefficients indicates that how and to what extent the independent variables influence the dependent variable. Accordingly, the result coefficient value of regression analysis indicates the highest determinate factors which affects the consumer purchasing decisions such as, Price at (beta = .981, t = 4.571, p = < .046 ), is the highest determinate factor of consumer purchasing decision, followed by, Product quality (beta = .933, t = 9.612, p = .000), Sources of information (beta = .914, t = -3.776, p = .000), Consumer perception, (beta = .876, t = 1.232, p = < .322), availability of the product, (beta = .875, t = -2.025, p = < .046), Brand popularity (beta = .776, t = 1.150, p = < .253) and Sales promotion, (beta = .776, t = 1.150, p = < .253).



## **CHAPTER FIVE**

### **SUMMARY, FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

This study intended to assess factors influencing consumer infant formula purchasing decision in the case of some selected private and government hospitals in Addis Ababa and to finally forward basic points that needs to be addressed. On the other hand, the purpose of this chapter is to highlight the summery of findings, conclusion and to present some recommendations.

#### **5.1 Summaryof findings**

The study was analyzed by using descriptive approach and inferential statistics such as, testing correlation between dependent and independent variables as well as regression analysis. Based on the above mentioned approaches major findings are discussed here under:

Thefindings implies that educational status as well as income condition affected purchasing decision of consumers. Accordingly, consumers in a good educational level have a good opportunity to gather advanced information and decide based on their knowledge. And also those who arein middle and high economic strata, their purchasing decision was not affected more by prices and quantity relatively. On the other hand, consumers with lower income status's purchasing decision is affected by the price of products.

#### **Effect product quality and price on consumer purchasing decision of infant Formula**

The study found out that consumers prefer quality products that are approved by the responsible government authority since they are giving those products for their child and they want to give the quality product as possible .the respondent was also mentioned even if price is not quality measurement, they take into consideration for price and availability of other substitutable products in the market.

### **Effect of information on consumers purchasing decision of infant formula milk**

The majority of the respondent's agree that their purchasing decision is highly influenced by friends, families and relative's suggestion than information from the professionals ,the retailers , media advertisement through TV and radio ,the reputation and duration of the advertisement.

### **Effect of competitive price on consumer purchasing decision of infant formula milk**

Most of the respondent accept that price is one of the major deterrent variables that affect their purchasing decision of infant formulas. Thus, the finding implied that, their income level has a profound effect on their purchasing decision.

### **Effect of availability of the product on consumer purchasing decision of infant formula**

Majority of the respondent replied that their purchasing decision is not affected by the distribution trend of the product all over the country. Results also indicate that distance of the products location influence their purchasing decision of infant formulas, they tend to give priority for products that are nearly accessible to them. Finally more than half of the respondent prefer to go to the retailers that have variable brand alternative.

### **Effect of sales promotion strategy on consumer purchasing decision**

In this regard, the major findings of the study implied that, the rewarding system of the retailers for loyal customers, product display, knowledgeable attendant or sales of the retailers and retailers that give price discount as a sales strategy highly affect their purchasing decision. On the contrary, majority of the study group don't give priority for those retailers that give lottery system or coupon as bonus as a driving force for their purchasing decision.

### **Effect of brand popularity of the products on consumers purchasing decision**

The study showed that, purchasing decision of consumers was not easily affected by price discount of other brands, brand popularity of the products that they tend to purchase rather they considered several types of factors to choose their favorite brand products. Accordingly, the purchasing decision of majority of the customers was affected by the availability of alternative brands, their previous experience, and origin of the products and evaluating the products and considering its price.

### **Effect of consumer levels of perception on purchasing decision of infant milk**

The findings of the study also indicated that, consumers' perception on the product quality, brand, price and so forth affected by their level of perception. Hence, the result showed that, consumers on the sample group don't have similar perception, this is because level of perception of the study group affected by their exposure to information, market experience, and education level.

## 5.2. Conclusion of the Study

The study investigates different factors that can affect consumer purchasing decision of infant formula milk. This research assessed the major determinant factors for the purchasing decision of respondents such as, price, quality, availability, and brand popularity, sales promotion of the product and sources of information and perception of consumers. To test the effect of such variables on consumer purchasing decision the study applied both descriptive and cause effect method of data analysis and / based on this the major findings of the study concluded as follow:

This study found out that most of the consumers are in a lower level of educational status, economic background and average monthly income. As a result of this most of them have a challenge of updating themselves to get appropriate information, affording quality products that have a high price. Therefore, income status and educational level are the major determinates of consumer purchasing decision.

This study also showed that most respondents that are in a lower income level tends to purchase lower quality products because their purchasing power for quality products on the market is minimal whereas, those in a higher and middle class can afford and purchase relatively quality products. Quality and price of product strongly and positively affect consumer purchasing decision as indicated a statically level of ( $r = .943^{**}$ ), which is the highest determinate factor net to price. Therefore, Even though purchasing decision of consumers affected to some extents regard with quality of products, however, affordability of the product have a crucial role for the purchasing decision.

The study inferred that, price of product affect consumer purchasing decisions highly and significantly, at the highest spastically correlation measures such as, ( $r = .961^{**}$ ), due to this, a consumer's decision affected by price variability of the products. In this regards, consumer decision affected when they considers price than brand or quality of products.

The study implied that, lack of sources of information affect consumer purchasing decision, for that reason majority of respondents uses friends and relative's suggestion as a primary sources of information than companies advertisement and professional suggestions. Consumers level of perception also affect their purchasing decision of products, in view of that those relatively in a

good status of educational background perceived products characters in a good manner than consumers have less educational background.

The study also implied that, sales promotion affect consumer purchasing decision, relatively consumers more concerned to the retailers such as, discount price for loyal consumers, provide quality products, fair price than retailers don't promote loyal consumers. Availability of product also another determinant factor that affect consumers purchasing decision; relatively consumer more interested to purchase products that are near their surrounding. in addition, they also prefer to purchase products which have available Variety of brands than similar brand products shops. Finally, the study understood that, brand popularity also affect employee purchasing decision; in this regards consumer more interested to purchase popular brand product than less known brands.

In general, the result of correlation coefficient shows that all determinate variables predict on the study significantly and positively correlated with independent variable of consumer purchasing decision. Consequently, Consumer purchasing decision highly correlated with Price of product at ( $r = .961^{**}$ ), followed by quality of product ( $r = .943^{**}$ ), Sources of information ( $r = .931^{**}$ ), consumer Perception ( $r = .864^{**}$ ), Sales promotion ( $r = .852^{**}$ ), availability of products ( $r = .764^{**}$ ) and brand popularity ( $r = .720^{**}$ ). The correlation between the dependent and independent variables implies that, change made in one of the independent variables can change consumer purchasing decision. Thus from this result the study confirmed that, all of the independent factors that are provided in the questioner affect purchasing decision of consumers.

### 5.3. Recommendation of the study

Based on the overall analysis of the result, the researcher recommends the following important parameters that can influence consumers purchasing decision of infant formulas:

- One of the major challenge that affect consumers purchasing decision of the product is unfair price competition of the product. In order to minimize the problem, the study recommend that, manufacturers of infant formula and importers consider the purchasing capacity of the society. Currently none of infant formula milk are locally manufactured. For that reason, imported products are relatively higher in price than the local ones. Imported products consider different factors like currency exchange, transportation cost, importing tariff and so forth. Therefore, to reduce product price importers should be encouraged to consider manufacturing infant formula locally.
- Response from the consumers' implied that there was no authorized body to control market price of infant formula. Therefore, to reduce price fluctuation which does have an effect on the quality of products as well, the study recommends, market price to be controlled by authorized bodies.
- As products information gap is also one of the problem identified during the survey. I recommend the importers and distributors to properly publicize genuine and updated information about their products through the available Medias in understandable manner. And also the consumers must consider advising health care professionals as a first choice since they know the science behind for all the products in the market.
- Instruction language is also one of the challenge for most consumers to understand. Therefore, I recommend if the concerned bodies or government can establish rules for importers to add local languages on the tins of each products.
- Quality of the products should be controlled properly by the responsible government office to ensure the availability of trust worthy and genuine products in the market and also to avoid parallel imports.
- Further research should be carried out to find out how different factors influence the purchasing decision of infant formula by customers.

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**QUESTIONNAIRE**  
**St. MARRY UNIVERSTY**



**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MBA**

**Dear respondents,**

I'm a graduate student at St. Marry University in the Department of MBA. Currently, I'm conducting a research entitled '**Factor influencing customer purchasing decision of infant Formula**'.

The purpose of this questionnaire is to gather data for the proposed study, and hence you are kindly requested to assist the successful completion of the study by providing the necessary information. Your participation is entirely voluntary and the questionnaire is completely anonymous. So, your genuine, frank and timely response is vital for the success of the study. I want to thank you in advance for your kind cooperation and dedication of your precious time to fill this questionnaire.

Sincerely yours,

**Note:**

1. No need of writing your name.
2. Indicate your answer with a check mark (√) on the appropriate block/cell for all questions.

**Section I: General Information**

This part of the questionnaire, tries to gather some general information about the background of the respondent and the organization.

1.1 Age that you belong

- |  |   |
|--|---|
| 1) Under 20 Years Old <input type="checkbox"/> | 3) 31-40 Years Old <input type="checkbox"/>   |
| 2) 20-30 Years Old <input type="checkbox"/>    | 4) Over 40 Years Old <input type="checkbox"/> |

1.4 Educational Qualification:

- |  |  |  |
|--|--|--|
| 1) Illiterate <input type="checkbox"/>                   | 2) Elementary Level <input type="checkbox"/> | 3) High school Leve <input type="checkbox"/> |
| 4)Certificate <input type="checkbox"/>                   | 5) Diploma <input type="checkbox"/>          | 6) First Degree <input type="checkbox"/>     |
| 7) Second Degree (MA) and Above <input type="checkbox"/> |  |  |

1.5 Occupational type

- |  |                                      |
|--|--------------------------------------|
| 1) Private Business <input type="checkbox"/> | 2) Employee <input type="checkbox"/> |
| 3) If Any other _____                        |                                      |

1.6 Average Monthly Income:

- 1) Below1000       2) 1000 – 2000       3) 2000 - 3000   
 4) 3000 - 4000       4) 4000-5000       5)Above 5000

1.7 What is the average price of one container formula milk that you purchase?

- 1) Below birr 100       2) Birr 100 – 150  
 3) Birr 150 – 200      4) above birr 200

1.8 How often do you buy the product?

- 1) Weekly       3) Half of a month   
 2) Monthly       4) If any other \_\_\_\_\_

## Section II:

Please indicate your choice by putting the tick mark (✓) on the appropriate cell. **Where, 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.**

Please indicate the degree to which you agree with the following statements regarding the impact of products of infant formula price, product quality, promotion, advertisement, and your level of awareness influence on purchasing decision of the product.

<p><b>The following are quality related issues, indicate their level of effect in your purchasing decision</b></p>	<p><b>Score</b></p>
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		1	2	3	4	5
1	Quality of low price products would not be guaranteed					
2	I consider product quality than price of the product					
3	I Purchase a product approved by quality standard Agency of Ethiopia					
4	There are alternative similar quality brand products on the market					
5	Quantity of the product determine my purchasing decision					
6	My post purchasing evaluation influenced my purchasing decision of the products					
	<b>Issues related to Sources of Information</b>					
1	Friends and family suggestion influenced my purchasing decision of formula milk					
2	TV, and Radio advertisement influenced my purchasing decision of infant formula milk					
3	Advertisement reputation and duration influenced my purchasing decision					
4	Health professional suggestion influenced my purchasing decision of infant formula					
5	Retailer suggestion influenced my purchasing decision.					
	<b>Issues Related to Price</b>					
1	The price of the product limited my rate of expenditure					
2	The price of a product is a reflection of its effectiveness					
3	Price of infant formula is not fair in the market					
4	Price differentiations are key determinants of my purchase decision of formula milk					
5	I associate higher prices with high quality of formula milk					
6	I buy mostly from the shop which offers lower prices					
7	I buy mostly from the shop which offers fair prices (low prices for goods of low quality and high prices for goods of high quality).					
8	There is a need for pricing controls and policies on formula milk markets					
	<b>Availability of the product</b>					
1	I prefer purchasing a formula milk which are widely distributed all over the country					
2	I buy mostly from the shop which is closest to me					
3	I buy mostly from the shop where the needed items can easily be located					
4	I purchase a product that stay on the market long periods					
	<b>Issues Related to Sales Promotion</b>					
1	I buy mostly from the shop which has the best rewards for loyal customers.					
2	I buy mostly from the shop where the attendants are experts in the area of the business.					

3	I purchase the product which provide reward lottery					
4	I rather choose to purchase the product from the shop that discount for regular customer					
5	I prefer purchasing formula milk that are well displayed					
	<b>Issues related to Brands</b>					
1	I purchase a products brand that are well known than others					
2	I usually buy the same brand even when I havea price discount on the other brands.					
3	I test different types of brand of infant formula milk to be a regular customer					
4	I bought familiar brand than new brand products of Infant formula milk					
5	I prefer purchasing imported brand of infant formula milk than local brands					
	<b>Issues Related to Consumer Perception</b>					
1	A product with easily understandable packing of instructional language is affecting my purchasing decision					
2	I spend a lot of time in searching information on the product character					
3	My Previous purchasing experience determined me to purchase the product					
4	I use time to evaluate between alternatives brands					
5	I evaluate the product after consumption					

**Below the question assessed your level of satisfaction and buying decision. 1 represent strongly dissatisfied, 2 dissatisfied, 3 average, 4 satisfied and 5 strongly satisfied.**

1	To what extent are you satisfied with your current Infant formula products that you are buying?	1	2	3	4	5