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St. Mary's University, Ethiopia

**SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MARKETING MANAGEMENT**

**THE EFFECT OF ACTUAL PRODUCT QUALITY ON PURCHASE
INTENTION – THE CASE OF SELECTED LEATHER HANDBAG
MANUFACTURERES IN ADDIS ABABA**

**BY
TERSIDA ADMASU**

**MAY 2021
ADDIS ABABA**

**THE EFFECT OF PERCEIVED PRODUCT QUALITY ON PURCHASE
INTENTION – THE CASE OF SELECTED LATHER HANDBAG
MANUFACTURERS IN ADDIS ABABA**

BY

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATES,
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DECLARATION

I, the undersigned, declare that this thesis “THE EFFECT OF PERCEIVED PRODUCT QUALITY ON PURCHASE INTENTION – THE CASE OF SELECTED LATHER HANDBAG MANUFACTURERES IN ADDIS ABABA” is my original work, prepared under the guidance of Mohammed Mohammednur(Asst. 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 full to any other higher learning institution for the purpose of earning any degree.

NAME

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SIGNATURE

JUNE 2021

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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JUNE 2021

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ABSTRACT

The aim of this study was to investigate the effect of product quality on purchase intention the case of selected leather handbag manufacturers in Addis Ababa. To achieve the study objectives, explanatory research design along with quantitative approach was applied. The survey was conducted on customers of locally manufacture leather handbags in Addis Ababa. A sample of 384 respondents were taken through convenience non-probability sampling method. Of which a total of 314 valid responses were obtained and used for the analysis. Structured self-administered questionnaire was used to collect the primary data. Using SPSS 20.0, both descriptive and inferential analysis were conducted for correlation and multiple linear regression analysis to attain the intended objectives. The results showed that all the six dimensions of product quality based on consumers' perception can be taken as good predictors for purchase intentions as they had strong relationship with purchase intentions. Durability and Performance had relatively the highest effect as local consumers who prefer to buy domestic leather handbags wants to have durable products with lower cost of purchase and maintenance. Aesthetic and seasonality dimensions didn't have significant effect on purchase intention as following fashion trend and beauty issues matters less for low economic societies. The company should exert more effort on seasonality and aesthetic values of its products to attract more consumers and enhance its sales performance at large.

Keywords: Consumer, Perceived Quality, Leather Handbag, Purchase Intention, ZAAF Collection,

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Quality is the ability of product to have the customer's expectation results in satisfying and motivating them to purchase or repurchase. Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs (Philip, 2012). Product's technical quality intends to meet a specific standard that impacts a product performance significantly but perceived quality is all about the judgment of the customers that motivated them to acquire, use or dispose it. Higher level of perceived product quality leads to higher level of customer satisfaction which drives consumers to have a purchase a specific product (Garvin, 1987). Companies benefit from generating profits emanated from such behavioral intentions that can create good word of mouth by users who had a good experience or wants to buy it the same brand. Particularly tangible goods like leather handbags are easier than intangible ones for showing the causes of satisfaction to others based on their perception.

Product quality can be defined as free from defects but most customer centered companies go beyond this narrow definition (Keller, 2004). Instead, define quality in terms of customer satisfaction that affirms quality when the customers repurchase but not products sold. This customer-focused definition suggests that quality begins with customer needs, goes beyond customer satisfaction and end with customer retention (Zeithaml, 1996). Thereby, continuous marketing assessment needs to be conducted to identify how and why these quality attributes based on user's perception influence customer's purchase intention. According to Garvin (1987), product quality is one of the marketer's major positioning tools. Quality has a direct impact on product performance; hence, it is closely linked to customer value and satisfaction which in turn determines the behavioral intention of consumers.

Bao (2011) identifies the perceived quality as the consumer's judgment about a product's overall excellence or superiority. Perceived quality has an influence on consumer purchase decision regarding company's image or product brand. It is considered one of the most relevant factors in explaining the volatility of the product brand and buying intentions (Baltas&Argouslidis, 2007;). Bao (2011) found that there is a positive relationship that has traditionally existed between product perceived quality and purchase intention. The prominent framework used for measuring product

quality are the eight dimensions such as performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality of products. This customer-focused approach suggests that quality begins with customer needs, goes beyond their satisfaction and end with retention (Garvin, 1984).

Before purchasing the products, every customer supposes the superiority of a product, customer set some standard about superiority before purchasing the required product, unluckily when customer not found their perceived superiority; they switch to another brand so this is a big loss of a company to lose its customer. Earlier experiential studies in this field tend to emphasize on these, perceived product quality, value and superiority of customer satisfaction for repurchase intention (Malik, 2012).

Previous studies on product perceived superiority and customer purchase intention, Agbor (2018) argued that it has not been seen the relationship of customer perception with effect of purchase intention, because it has massive effect on the customer satisfaction results in purchase intention. When customer is satisfied with perceived product superiority, it must purchase with high intensity. According to Zeithaml (1985), marketers must understand what is the distinguishing characteristic that consumer appraises in order to attract them. Customers compare between alternatives and evaluate them in terms of many features. In this regard, the findings of previous studies are found to be ambiguous as local products with superior technical quality lose their market share against imported inferior products (Zemenu, 2014; Alamrew, 2016; Nebiyu; 2017). For instance, even if finished local leather products are available in domestic market ever than before in a wide variety of choice and style, the effect of perceived product quality based on perception of consumers nowadays remains ignored. Thereby, there is a limited empirical evidence or literature regarding the attitude of domestic consumers towards the perceived quality of local leather products.

The purpose of this study is, thus, to investigate the effects of perceived product quality on purchase intention taking local leather products (particularly handbags) in Addis Ababa as a case study. The output of this study is believed to fill the aforementioned empirical and practical gasps through examining the effect of product quality on purchase intention in the context of Ethiopian leather handbag industry context.

1.2 Statement of the Problem

The emerging and growing globalization substantially creates the good opportunity for consumers to pursue reliable leather products that outfit the purpose and able to stand the intended functions (Garvin, 2006). Demanded high quality leather handbags, in particular with relatively fair prices that substitute's local products, can easily be imported and inducted to the local market in bulk. On the other hand, heterogeneity of leather handbags demands levied huge burden up on the producer that makes them more alert and strategic to sustain in such highly competitive situation. Producers (both local and foreign investors) in developing countries in particular, strive to survive and focus on consolidating their position in the local market due to severe competition and ease of foreign competitive similar products inflow to the market (Porter, 1990).

Same holds true in Ethiopian domestic leather handbag markets which are filled with various imported handbag that privileged domestic consumers with multiple choice of handbags around the world. Existence of such stiff competition among companies benefited the local consumers through providing ample of product choices in general (Endalew, 2011). To the contrary, it becomes a bottleneck for domestic producers to earn more profits and enhance their share of the domestic market sustainably. Nonetheless, their successes mostly depend on the ability to satisfy the targeted customers by delivering products with higher perceived quality (Arthur, 2010; Davis, 2017; Aron, 2018). Perceived product quality has, thus, a significant impact towards the product performance and directly linked to customer's value and satisfaction that drives them to purchase (Kotler, 2005).

It is vital to identify and determine what attributes of locally produced leather handbags affect the perception of the local consumers. It helps the handbag producers that plunged in stiff competition to attract and retain customers through excelling their demands. In these regards, the local market continuous to be the most important sales channel, in particular for locally-owned leather handbag manufacturing companies, since foreign-owned companies based in Ethiopia are not allowed to sell on the local market (EIA, 2019). Gross market share of foreign direct investment (FDI) companies in leather product exports escalate from 32% in 2007/08 to 73% in 2017/18. It is not only a consequence on increasing FDI investments, but also because locally-owned tanneries often lack the necessary capabilities and capacities to produce and export competitive finished leather, since the know-how necessary to produce and sell finished leather bags is significantly difficult in international market relative to selling in domestic market (Leather Industry Development Institute - LIDI), 2018).

On top of that, competition on the local market increased in recent years due to increasing production capacities of local firms and imports. Ethiopian leather handbag imports increased from an average of USD 1.4 million between 2006 and 2010 to USD 9.6 million between 2015 and 2019, most of which 56% is imported from China (Ethiopian Customs and Revenue Authority - ERCA, 2020). Thus, to promote sales volume and enhance respective market share, leather handbag producers in the country should incorporate local consumers' perception towards their leather handbags quality in terms of performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality is neglected (Garvin, 1984).

There are a number of leather manufacturers in Ethiopia. Sheba Leathers, Ethio-Leather Industry, Joy Leather, Anbessa Tannery and ZAAF Collection are some of prominent and award-winning leather Hand-Bags manufacturer in Ethiopia for the last five years (EIA, 2020). The companies are known for a variety of differentiated and quality luxury handbags and accessories produced by artesian. The products have currently been supplied to the local market, Nairobi, France and USA. The quality of leather demand positioned the companies to take the highest market share (53%) of the local market on average in 2019 (EIA, 2020). According to Capital newspaper report, date 26th Sept, 2020, their production units strictly follow technical specification as per their distinctive designs and styles to exceed the customer's or market's demand.

As one of the most powerful competitive tools in a company's marketing strategy, the company has become known for its reputation for outstanding style and design as it prioritizes or gives due consideration for seasonality in parallel with global fashion trends (Garvin, 2006). However, the aforementioned five leather products manufacturers' local-market share has been declining since 2016 drastically while their demand in international markets is escalating (Zerihun, 2020). Such failure might be emanated from negligence of considering local consumer's perception towards its products' quality. Negligence of incorporating such determinant factors into its marketing strategy might be accounted for the reduction of its market share drastically for the last three years. Thus, it is vital to consider or incorporate the product quality perception of the local consumers in their marketing mix strategy so as to improve their market share.

Therefore, the purpose of this study is to investigate whether there is a relationship between perceived product quality and customer purchase intention taking the five selected prominent leather

handbags manufacturers in Addis Ababa. It fills the existing empirical gap of consumer's perception towards local leather products and their effects on their purchase intention.

Research Questions

The main research question is what is the effect of product quality on purchase intention in the case of selected leather handbag manufacturers in Addis Ababa? Specifically:

1. What is the effect of performance quality on purchase intention of local leather handbag?
2. What is the effect of seasonality on purchase intention of local leather handbags?
3. Does product reliability affect purchase intention of local leather handbag?
4. What is the effect of image/ perceived quality on purchase intention of local leather handbag?
5. How does product durability affect purchase intention of local leather handbag?
6. What is the effect of product aesthetics quality on purchase intention of local leather handbag?

1.3 Objectives of the study

1.3.1 General Objective

The general purpose of this study is to investigate the effect of consumer-based handbag product quality on consumer's purchase intention in the case of selected five leather manufacturers in Addis Ababa.

1.3.2 Specific Objectives

To achieve the general objective, the following specific objectives need to be addressed:

- i. To investigate the effect of performance quality on purchase intention of local leather handbags
- ii. To evaluate the effect of seasonality on purchase intention of local leather handbags
- iii. To analyze the effect of product reliability on purchase intention of local leather handbags
- iv. To analyze the effect of image/ perceived quality on purchase intention of local leather handbags
- v. To analyze the effect of product durability on purchase intention of local leather handbags
- vi. To evaluate the effect of product aesthetics quality on purchase intention of local leather handbags

1.4 Significance of the Study

With respect to practical contribution, the result of this study can be used as a guideline by managements of leather product manufacturers to improve the perceived product quality of handbag products. Specifically, the design and management of product quality may be enhanced if managers stress on the findings.

Improving the customer perceptions of overall product quality would help leather product manufacturers and other similar manufactures in the industry to attract and retain customers through providing high quality products consistent with their perception accordingly. This study may also help all stakeholders such as handbag retailers, wholesalers, manufacturers and consumers by indicating the current actual status of domestic handbag market in terms of consumers' preference, pointed out potential areas which need improvement and recommendations are forwarded in order to tackle the problems identified. Moreover, it may also beckon others a potential area for further study in a broader scope and wider context.

1.5 Scope of the Study

The scope of this study is delimited in terms of geographic, conceptual and methodological aspects. Since the five selected leather product manufacturers (Sheba Leather, Ethio-Leather, Anbessa Tannery, Joy Leather and ZAAF Collection) established their almost all sale outlets in Addis Ababa, the capital city of Ethiopia, the scope is bounded on geographically by taking only consumers in Addis Ababa at selected metropolitan market areas. Other regional cities are intentionally excluded for the reason that most of the retail shops are located at metropolitan areas of the city.

Besides, conceptually it is also limited by assessing the effect of consumer-based handbag products quality in terms of performance, reliability, durability, seasonality, aesthetic and product image/perceived quality on customer purchase intention. It focuses only the perceived quality of the handbags based on consumer's perception rather than product's standard exceeding their technical specifications. Besides other factors such as price, promotion and distribution strategies of the companies could affect the purchase intention but intentionally excludes as they are out of the scope of this study.

Methodologically, Teenagers below sixteen (16 years old) will also be excluded as the student researcher believed that they might have difficulties to understand the contents of the questionnaire and the purpose of the study as well. This study will be conducted within a period of March – May,

2021 which is believed to be enough to examine all the issues at stake. Besides, only the five selected leather product manufacturers are taken as a case study and other handbag manufacturers will be neglected due to the homogeneity of their products, they supply to the market in quality context.

1.6. Limitations

The primary limitations of this study will be lack of published data or study that is conducted on the impact of consumer-based product quality on local branded leather handbag products. Lack of enough and customized literature in regards to local consumers' perception towards locally manufactured products in Ethiopian social and cultural context make the review of the literature too hard to enrich with. So, more or less, it depends on theoretical aspects rather than empirical reviews. Due to COVID-19 debacles, resource (time in particular) limitation will also be another bottleneck to conduct the research on consumers residing out of Addis Ababa which could affect the generalizability of the findings.

1.6 Operational Definitions of Key Words

Performance: a product's primary operating characteristic;

Features: the additional features of the product;

Conformance: the extent to which a product's design and operating characteristics meet established standards;

Reliability: the probability that a product will operate properly over a specified period of time under stated conditions of use;

Durability: the amount of use the customer gets from the product before it deteriorates physically or until replacement is preferable;

Serviceability: the speed, competence, and courtesy of repair;

Aesthetics: how a product appeals to our five senses; and customer perceived quality:

Customer's perception of a product quality based on the reputation of the firm.

Perceived quality: the consumer's judgment about a product's overall excellence or superiority (Zeithaml , 1988).

Customer satisfaction: the overall attitude regarding a good / service after its acquisition and use (Mowen and Minor, 1998).

1.7. Organization of the Study

This study is organized into five chapters. Chapter one constitutes a general introduction of the study including background of the study, statement of the problem, objectives, significance and scope of the study. Chapter two covers the literatures relevant to the study which includes theoretical review, empirical review and conceptual framework. Chapter three refers all about the research methodology. Chapter four focuses on the analysis and interpretation of the collected data along with relevant discussion. And finally, the fifth chapter includes the major findings of the study and reaches on conclusions and recommendations accordingly.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURES

This chapter comprises a review of different related literatures on product quality and its effect on consumers' perception. Product quality is explained from the perspectives of different theoretical approaches. Conceptual framework is set based on theories and review of empirical studies.

2.1 THEORETICAL REVIEW

Quality refers to the ability of a product to consistently meet or exceed customer requirements or expectations. Different customers will have different expectations, so a working definition of quality is customer-dependent. When discussing quality, one must consider design, production and service. Product quality has become a main topic of discussion in different countries for the fact that quality serves as an important criterion for consumers when purchasing product products and it builds customer value and satisfaction (Steenkamp, 2017).

2.1.1 Concepts of Product Quality

A number of researches and scholars have tried to define quality from different perspectives. Quality is defined in terms of filling the gap between expectation and perception of the users. It implies quality as the interaction between the customer and the product/ service provider, since the customer sees the product/ service quality through comparing his expectations of this product/ service with the actual performance. From strategic perspective, it can be defined as an essential working strategy largely understood in the consumers' expectations in and outside whether these expectations are explicit or implied. Quality can also be seen as the mark for using any product or service that has to meet the consumers' expectations. Quality is the constant development of the product the meet up with the consumer needs with the least costs. It can be generalized quality as a standard of correspondence between the actual performance of the service with the customers' expectations or the difference between the customers' expectations and their realization of the service's actual performance (Andersen, 2014).

Product quality is the collection of features and characteristics of a product that contribute to its ability to meet given requirements. There are three views for describing the overall quality of a product. First is the view of the manufacturer, who is primarily concerned with the design, engineering, and manufacturing processes involved in fabricating the product. Second is the view of

the consumer or user. To consumers, a high-quality product is one that well satisfies their preferences and expectations. This consideration can include a number of characteristics, some of which contribute little or nothing to the functionality of the product but are significant in providing customer satisfaction. A third view relating to quality is to consider the product itself as a system and to incorporate those characteristics that pertain directly to the functionality of the product. This approach includes overlap of the producer and customer views (Kotler, 2005).

Customer satisfaction corresponds to external quality. To achieve external quality, a product or service must meet client expectations in order to establish customer loyalty and, as a result, increase market share (Steenkamp, 1989). Clients and external partners benefit from a company's external quality. As a result, this type of procedure necessitates not only listening to clients, but also allowing implicit needs that are not expressed by clients to be taken into account.

Product quality has two dimensions- level and consistency. Quality level will support the product's position in the target market. Here, product quality stands for the ability of the product to perform its functions. It includes the product's overall durability, reliability, precision, ease of operation and repair. Beyond quality level, high quality can also mean high level of quality consistency. Here, product quality means conformance quality- free from defects and consistency in delivering a targeted level of performance (Garvin, 1984). Thus, many companies today have turned customer driven quality into a potent strategic weapon. They create customer satisfaction and value by consistently and profitably meeting customers' needs and preference for quality. In fact, quality has now become a competitive necessity in 21st century, only firms with the best quality will thrive.

Quality standards serve as a foundation for assessing the quality of products and services imported. Suppliers are given guidance on the quality of product to be manufactured, while buyers are given assurance that the goods are safe and of high quality. Finding a high-quality product has the potential to boost profits. Today's consumers tend to be quality/brand name conscious and are more willing to pay a higher price for good quality products. The provision of quality service is often as important as the quality of the goods imported. Importers have often managed to offset the disadvantage in the provision of quality service through efficient use of computer technologies such as quick response, just-in-time, and warehouse management systems. Lee (2008), in his part defines quality as an objectively measurable ranking-based attribute inherent in the product. In natural terms, quality is

whether the product is thought to be good by the others. Because high quality results in the high product evaluation, accordingly, it is followed by the high purchase intentions.

2.1.2 Types of Product Quality

There are four different types of product quality. These are product-oriented quality, process-oriented quality, quality control, and user-oriented quality. Product-oriented quality is measured by means of product's physical properties, like fat percentage, muscle size of meat, sell content in milk, etc. Process-oriented quality is concerned with characteristics of the production process, which are not necessarily mirrored in physical characteristics of the product, like the fulfillment of ecological and ethical production standards (Garvin, 1984). Quality control refers to the extent to which product- and process-oriented quality remains stable at pre-specified levels. Finally, user-oriented quality is the subjective quality perception of a user.

The four types of quality are interrelated. Specifically, the user-oriented quality will be affected by the other three types of qualities. In addition, the user-oriented quality is influenced not only by the physical characteristics of the product, but also by its price, the purchase situation, the type of the retail chain, etc.(Juhl,2015). Much of the discussion on quality in the product industry is concerned with product and process-oriented quality and quality control, while the consumer evaluates and pays for subjectively perceived quality. Since product- and process-oriented quality can be measured at the product itself by physiological methods, it may also be called objective quality. The user-oriented quality can be measured only at the user, and can differ for the same product between users; thus, it may also be called subjective quality. Changes in the objective quality will lead to a better competitive position of the product firm, only if these changes lead to cost reductions for the participants in the chain or if the change in objective quality leads to changes in subjective quality.

2.1.3 Approaches to Analyzing Perceived Quality

There are a number of approaches used for analyzing user-oriented quality and some of them are economics of information approach, multi-attribute approach, hierarchical approach, and integrative approach (Olson, 1974).

2.1.3.1 Economics of Information Approach

In the discussion for subjective quality, economic theory on product quality is applied, which makes a major distinction between Search characteristics are those that can be ascertained in the search process prior to purchase, such as the size of eggs or the color of meat. According to Olson (1972),

the experience quality dimension, e.g., taste, freshness of product, convenience, can be ascertained after the purchase as the product is used. The third characteristic cannot be ascertained in normal use. Such characteristics, as for example, whether vegetables were ecologically produced, or meat was produced using an animal friendly process, are not visible and cannot be validated by the consumer even after trying the product. Health is a typical credence quality attribute, since there is no direct relation between consumption and effect (Andersen, 2014). Thus, credence characteristics are based on credibility and trust. In conclusion, this approach does not provide a model for the quality perception process.

2.1.3.2 Multi-attribute Approach

The multi-attribute approach considers quality as a multi-dimensional evaluation, such as the overall quality is described by a set of cues that are perceived by the buyer. A cue is defined as any informational stimulus about or relating to the product (Olson, 1972).

A cue is a very broad concept, encompassing such various product-related aspects as price, brand name, color, and so on. The used cues are weighted so as to form the quality evaluation of the product. Consumers use quality cues, because product quality aspects cannot be sensory evaluated at the point of purchase (like taste, vitamin content, etc.). Quality cues are characterized as *intrinsic* and *extrinsic* cues. Intrinsic quality cues are part of and specific to the physical product – they cannot be changed without changing the essence of the product itself (Olson, 2012). The relevance of this type of cue for products, particularly fresh product, is easily recognized. The appearance of fresh fruits, vegetables, meat and fish of the expected perceived quality. Depending on the particular product, shape, color, structure and size may serve as quality indicators as well.

Extrinsic quality cues, on the other hand, are everything else that is related to the product or its production process. These are also called ‘image variables’ such as brand name, price, peer support and origin. Extrinsic attributes are not product-specific and serves as a general signal for quality across different products. Price, brandname, and level of advertising are frequently associated with quality in research, although there are many other extrinsic cues useful for the consumer. consumer prefer intrinsic attributes over extrinsic attributes in the formation of perceived quality judgements, and use the latter only if they do not feel competent to evaluate a product on its intrinsic attributes. Multi-attribute approach is the most often used approach to analysing quality judgements in consumer behavior but it also provokes a lot of critics.

One is that the importance of the attributes is assumed to be constant, although it may be dependent on purchase situations – as for example, the weighting of taste and convenience in a product may be different for weekday and weekend use. Another critique is that the interrelationship of attributes is not taken into account – that is, all of the attributes are treated at the same level (Mareshal, 2014). For example, consumers may infer taste from price or healthiness from fat content.

2.1.3.3 Hierarchical Approach

The two critics mentioned in the end of the previous subsection are considered in the hierarchical approach. It describes that consumers infer some attribute from other attributes. The most widely used model in this approach is the means-end chain model. This model implies that consumers' subjective product perception is established by associations between product attributes and more abstract, more central cognitive categories such as values, which can motivate behavior and create interest for product attributes. Product attribute is not relevant in and by itself, but only to the extent that the consumer expects the attributes to lead to one or more desirable or undesirable consequences. Means-end chains are the links, which a consumer establishes between product perceptions and abstract motives or values (Brunsø, 2012). For example, a consumer will inspect the colour of a piece of meat (a product characteristic) because s/he believes it to be related to the taste of the meat when prepared (expected quality), and the taste will lead to enjoyment while eating (abstract purchase motive).

2.1.3.4 Integrative Approach

Finally, the integrative approach to analyzing user-oriented quality look at the determinants of experienced as opposed to expected quality and the technical product specifications, which will determine both the intrinsic quality cues the consumer can perceive and the quality finally experienced. Another focus is on the sensory characteristics of the product, such as taste, color, smell, which are regarded as an important mediator between technical product specifications, meal preparation and experienced quality (Zakeriah, 2016). Further, the consumer's expected quality evaluation will determine the consumer's intention to buy only in relation to the perceived costs associated with the product, where costs can be both monetary and other costs. Finally, the focus is turned to consumer's purchase motives (Abdullah, 2010).

2.1.4 Factors Affecting the Quality Perception Process

Personal and situational factor are two major factors that affect the quality perception process. Personal Factors - personal factors is the most important personal variables affecting the quality perception process are involvement, prior experience with the product, level of education, perceived-quality risk, and quality consciousness. Quality judgments might differ among consumers; therefore, it is useful to distinguish among several important personal variables that have an influence on the perceived quality. Involvement with products affects the motivation to process information about the product. In this case, high-involved consumers are assumed to use more quality cues, to attach more importance to intrinsic quality cues than low-involvement consumers (Mareshal, 2004).

Prior Experience - People with more prior knowledge about a product will process quality-related information at a deeper, more abstract, and more elaborate level. Level of education plays also an important role in the information processing. Individuals with less education are less competent in information processing and use less information in decision processes (Marshal, 2004). In this case, less educated consumers will use fewer cues in the quality perception process and rely on cue information from personal sources rather than neutral sources of information.

When quality risk is perceived, consumers use one or a few cues in the quality judgements as those that experience high risk use fewer quality cues in the quality perception process than consumer experiencing low risk. Quality consciousness is a motivational factor, posited to lead to consistent responses with respect to quality-related aspects, meaning that an individual exhibits approximately the same set of responses in different situations, and for different products. (Steenkamp, 1990)

Situational Factors - These can be defined as all those factors particular to time and place of observation, which do not follow from a knowledge of personal (intra-individual) and stimulus (choice alternative) attributes and which have a demonstrable and systematic effect on current behavior (Steenkamp, 1989). They might influence the formation of quality judgments through the influence that they will have on cue choice and cue importance, and on the importance and evaluation of the quality attributes. The most important situational variables are the usage goal for which the product is purchased, physical surroundings, social surroundings, and time pressure.

The physical surroundings in which the quality perceptions are formed can affect these perceptions. For example, in the butcher shop, there is special lighting on the cooled displays to make the meat

look better. Thus, the physical surroundings affect the total image of the store. The social surroundings affect the consumer in the purchase situation, when s/he knows that the consumption situation will

The overall quality evaluation is further hypothesized to be based upon the perceptions of the products regarding quality attributes. In summary, the distinction between quality cues and quality attributes enables researchers to clarify the effect that cues have on perceived quality in terms of the quality attributes and helps them develop new products and marketing strategies.

2.1.5 The Dimensions of Product Quality

The most important issue in assessing perceived product performance is what dimensions consumers use to make their evaluations. In other words, if perceived product quality is to be managed efficiently, it is necessary to consider the dimensions of it. With respect to product quality, Garvin (1984) and Aaker (1991) suggested the following product quality dimensions (Performance, Features, Conformance, Reliability, Durability, Serviceability or Repairability, "Fit and finish", Aesthetics and Perceived Quality). Before discussing on dimensions of quality, it should be discussed three aspects associated with definition of quality: quality of design, quality of conformance, and quality of performance.

Quality of Design is all about set conditions that the product or service must minimally have to satisfy the requirements of the customer. Thus, the product or service must be designed in such a way so as to meet at least minimally the needs of the consumer. However, the design must be simple and also less expensive so as to meet the customers' product or service expectations. Quality of design is influenced by many factors, such as product type, cost, profit policy, demand of the product, availability of parts and materials, and product reliability.

Quality of conformance is basically meeting the standards defined in the design phase after the product is manufactured or while the service is delivered. This phase is also concerned about quality control starting from raw material to the finished product. Three broad aspects are covered in this definition, viz. defect detection, defect root cause analysis, and defect prevention. Defect prevention deals with the means to deter the occurrence of defects and is usually achieved using statistical process control techniques. Detecting defects may be by inspection, testing or statistical data analysis collected from process. Subsequently, the root causes behind the presence of defects are investigated, and finally corrective actions are taken to prevent recurrence of the defect.

Quality of performance is how well the product functions or service performs when put to use. It measures the degree to which the product or Service satisfies the customer from the perspective of both quality of design and the quality of conformance. Meeting customer expectation is the focus when we talk about quality of performance. Automobile industry conducts test drive of vehicles to collect information about mileage, oil consumption. Bulbs are life tested to understand its reliability during useful life. Customer survey is conducted to find customer's perception about service delivered. If product or service does not live up to customer expectation, then adjustments are needed in the design or conformance phase. Garvin (1984) also provides discussion of eight critical dimensions of product quality. The summarized key points concerning these dimensions of quality is provided below.

2.1.5.1 Performance

Performance refers to the primary operating characteristics of a product. This dimension of quantity combines elements of both the products and user-based approaches. Measurable product attributes are involved, and brands can usually be ranked objectively on at least one dimension of performance. The connection between performance and quality, however, is more ambiguous. Whether performance differences are perceived as quality differences normally depends on individual preferences. Users typically have a wide range of interests and needs; each is likely to equate quality with high performance in his or her area of immediate interest.

The connection between performance and quality is also affected by semantics. Among the words that describe product performance are terms that are frequently associated with quality as well as terms that fail to carry the association. For example, a 100-watt light bulb provides greater candlepower (performance) than a 60-watt bulb, yet few consumers would regard this difference as a measure of quality. The products simply belong to 35 different performance classes. The smoothness and quietness of an automobile's ride, however, is typically viewed as a direct reflection of its quality. Quietness is therefore a performance dimension that readily translates into quality, while candlepower is not; these differences appear to reflect the conventions of English language as much as they do personal preferences.

All goods possess objective characteristics relevant to the choices which people make among different collections of goods. The relationship between a good and the characteristics which it possesses is essentially a technical relationship, depending on the objective characteristics of the

good. Individuals differ in their reaction to different characteristics, rather than in their assessments of the characteristics it is these characteristics in which consumers are interested the various characteristics can be viewed as each helping to satisfy some kind of “want”. In these terms, the performance of a product would correspond to its objective characteristics, while the relationship between performances and quality would reflect individual reactions. Given the preceding discussion, the following hypothesis is proposed:

H1: Performance quality has positive and significant effect on purchase intention of leather handbags

2.1.5.2. Reliability

Reliability is “quality over time”. It reflects the probability of a product’s failing within a specified period of time; in other words, it reflects the propensity of a product to perform consistently over its useful designed life.³⁶ Reliability is a third dimension of quality. It reflects the probability of a product’s failing within a specified period of time. Among the most common measures of reliability are the mean time to first failure (MTFF), the mean time between failures (MTBF), and the failure rate per unit time. Because these measures require a product to be in use for some period, they are more relevant to durable goods than they are to products and services that are consumed instantly. Japanese manufacturers typically pay great attention to this dimension of quality, and have used it to gain competitive electronics, semiconductors, and copying machine industries. Based on this, the following hypotheses are proposed:

H2: Product Reliability has positive and significant effect on purchase intention of leather handbags.

2.5.1.3. Durability

Durability, a measure of product life, has both economic and technical dimensions. Technically, durability can be defined as the amount of use one gets from a product before it physically deteriorates. A light bulb provides the perfect example: after so many hours of use, the filament burns up and the bulb must be replaced. Repair is impossible. Economists call such products “one-Hoss shays,” and have used them extensively in modeling the production and consumption of capital goods. Durability becomes more difficult to interpret when repair is possible. Then the concept when takes on an added dimension, for product life will vary with changing economic conditions. Durability becomes the amount of use one gets from a product before it breaks down and replacement is regarded as preferable to continued repair against the investment and operating

expenses of a newer, more reliable model. In these circumstances, a product's life is determined by repair costs, personal valuations of time and inconvenience, losses due to downtime, relative prices, and other economic variables, as much as it is by the quality of components or materials.

This approach to durability has two important implications. First, it suggests that durability and reliability are closely linked. A product that fails frequently is likely to be scrapped earlier than one that is more reliable; repair costs will be correspondingly higher, and the purchase of a new model will look that much more desirable. Second, this approach suggests be interpreted with care. An increase in product life may not be due to technical improvements or to the use of longer-lived materials; the expected life of an automobile has risen steadily over the last decade, and now averages fourteen years. Based on this, the following hypotheses are proposed:

H3: Product durability has positive and significant effect on purchase intention of leather handbags.

2.1.5.4. Conformance/ Seasonality

A related dimension of quality is conformance, or the degree to which a product's design and operating characteristics match pre-established standards. Both internal and external elements are involved. Within the factory, conformances are commonly measured by the incidence of defects: the proportion of all units that fail to meet specifications, and so require rework or repair. In the field, data on conformance are often difficult to obtain, and proxies are frequently used. Two common measures are the incidence of service calls for a product and the frequency of repairs under warranty. These measures, while suggestive, neglect other deviations from standard, such as misspelled labels or shoddy construction that do not lead to service or repair. More comprehensive measures of conformance are required if these items are to be counted. Both reliability and conformance are closely tied to the manufacturing-based approach to quality. Improvements in both measures are normally viewed as translating directly into quality gains because defects are field failures are regarded as undesirable by virtually all consumers. They are, therefore, relatively objective measures of quality, and are less likely to reflect individual preferences than are rankings based on performance or features. Based on this, the following hypotheses are proposed:

H4: Seasonality has positive and significant effect on purchase intention of leather handbags.

2.1.5.5. Actual Quality/ Image

Consumers don't always have complete information about a product's attributes; indirect measures may be their only basis for comparing brands. A product's durability for example can seldom be

observed directly, it must usually be inferred from various tangible and intangible aspects of the product. In such circumstance, image, advertising, and brand names-inferences about quality rather than the reality itself- can be crucial. Customer loyalty and repeated business are closely related with perceived quality. For example, if you make regular business trips by a particular airline, which almost always arrives late with few incidences of luggage lost in transit, you will probably prefer not fly on that carrier and prefer its competitor. So, you will rate this dimension very low for such carrier (Myers,1987). This dimension is directly influenced by any failures of the product that are highly visible to the public or the way customer is treated when a quality-related problem with a product is addressed. Based on this, the following hypotheses are proposed:

H5: Image/perceived quality has positive and significant effect on purchase intention of leather handbags.

2.1.5.6. Aesthetics

This is all about visual appeal of the product, often taking into account factors, such as style, color, shape, packaging, tactile characteristics, and other sensory features. It determines the product sustainability, the way it looks, feels, and designed. Zafarm and (2003) says a product even with high-quality standards sometimes fails to sustain in the market due to the fact it fails to attract the customers, the reason being missing aesthetic elements. He points these aesthetic elements to be shape, shine, contrast, color, surface feel, and appearance. Based on this, the following hypotheses are proposed:

H6: Aesthetics value has positive and significant effect on purchase intention of leather handbags.

2.1.6 Product actual Quality and Purchase Intention

Perceived superiority is defined as consumer finding about a product performance and how this product compared with their expectation. Superiority can also be defined as the whole features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs (Kotler et al., 2002). Perceived superiority view is dissimilar from manufactures based and product-based approach. Most organizations approve their superiority description from market point of view. Consumer's perception of product superiority is compared with their anticipation. Customers calculate product superiority in terms of how much happiness they received from that product. On the other version, brand reliability is estimated to impact the perceived superiority of the product.

Perceived superiority could be defined as the consumer finding about a product on the whole supremacy and excellence.

In marketing customer satisfaction is the most important result of marketing practice and occupies a significant position in both observation and theory (Churchill, 1982). Before the position of organizational arrangement and strategies the customers are the early aspect measured by managements. The questions asked in the strategic forecast ranges from who will require to consume these offers, where are they and for how much can they buy to how to attain the customers and will it suspend them maximum satisfaction? Customer' estimation of the product depends on its demand and the accessibility of alternative service in the marketplace and information available to the customer. Whether an organization provides superiority services or not it depends on the customers' feedback on the pleasure they get from consuming the products, since higher levels of superiority express to higher levels of customer satisfaction (Kotler and Keller, 2009).

Satisfaction is differing from one person to a new as it is expensive. "One man's meal is another man's poison," an old saying avowed describing utility; thus, significance the reality that it is at times very hard to satisfy everybody or to conclude satisfaction along with group of people Campbell (2004). Through this equation we describe the customer satisfaction and its effects, when customer gains its perceived superiority product it tends to customer satisfaction, it also tells that customer satisfaction can be managed and controlled by company superiority management. It is judgment that a product offers a pleasant level of utilization-associated fulfillment, consumer feel satisfactory after the convention of product. Customer satisfaction is a feeling of someone after comparing the product presentation he perceived with the expectation (Zeithaml, 1996).

Customers consume his effort, time and money to purchase the product so purchase intention has great importance in his life. Customers are always influenced by their preferences and perception in purchasing process. Perceived quality of a product as becomes "the estimation made by the consumer relying on the whole set of basic as well as outer dimension of the product or the service". Consumer behavior is quite different as the events that consumers task in searching for, using, purchasing, evaluating, and disposing of products that will assure their needs (Pelau, 2011).

There are lots of factors that impact the consumers buying behavior, but dealer cannot control, such as individual, social, psychological and literary factors. In order to achieve target customers efficiently, these factors must be taken into consideration. On the basis of actuality, persons make

dealings and decisions, the marketers should recognize the whole concepts so, they can more readily conclude what influences them to buy. Study of consumer judgment process is extremely important for understanding consumer purchase intention. “An individual awake plan to make an attempt to purchase” The product relates with the quality perception (Kotler, 2005).

Product perceived quality directly influences to purchase intention. Customers have some perceptions about the product quality, price and styles before going to purchasing the product. After using of product, purchase intention increases as well as decreases, because it has direct relations which affect each other's. If the quality is high, purchase intention of customer is also high. Rust (1994) proposed two differences between perceived quality and satisfaction. The customers considered perceived quality as a more specific concept based on product and service features. The company can have a degree of control over quality. So, it is suggested when perceived quality is regarded as overall assessments, then perceived quality is understood as the source of satisfaction.

2.2 EMPIRICAL LITERATURE

Focker (1996) conducted a study on the effect of product quality on purchase intention of leather shoes in the case of Tiger Brand in India. He found out that the superior products would grab market share five to six times as fast as a product whose quality has declined. It also found that quality dimension namely aesthetic, performance and seasonality were highly related with business performance.

The result from the past researches by Carman (1990), Boulding (1993) and Parasuraman(1996), findings on the impact of perceived product quality on purchase intentions were contradictory to some which reported a direct positive impact of perceived product quality towards purchase intentions and also unsupported the relationships exist (Tsiotsou, 2006).

Tsiotsou (2005) also discovered that perceived product quality on purchase intentions for goods may have dual effect whereas services were having single effects. Both are either direct or indirect effects. Meanwhile, perceived quality is generally confined within a scope of post-purchase framework (Roest and Pieters, 1997), while some scholars such as Rust and Oliver (1994) supported the idea that perceived quality can be treated in both a pre-and post-purchase construct.

With reference to several past studies on consumers' perceptions and their automobile purchasing behaviour (Haubl, 1996; Havlena& Holbrook, 1986), some studies claimed that the buyers of

automobiles strived mainly for product characteristic attributes, such as functional, tangible, visible characteristics, or utilitarian needs.

A study by Leon (2007) also illustrated that purchase of product is guided by consumers' assessment and evaluation of the attributes defining the product. The findings revealed that consumers are influenced in product evaluations and buying decisions by factors such as brand, price, and color.

A study conducted in turkey to determine factors affecting university students in handbag selection identify that the comfort element and wearing style are big factors in leather handbags preference moreover, the study has been detected that flats and rounded toe leather handbags are demanded more than others (Hatice, 2013).

Place factors are not much important to consumers compared to the product factors. Convenience is the most influential factor under place. Male customers are found to prefer branded products and Female customers give more importance to the style of the leather handbags. Male customers are ready to pay more for branded product and product which are comfortable and they are not a frequent purchaser. Females purchase often as they give more importance to the design and color of the leather handbags.

Glory (2013) also found that Taiwan female customer showed that comfort, style, color, materials and collectability attributes of leather handbags are the most desired attributes. In addition to that female viewed leather handbags are not considered just leather handbags to protect and comfort hands, but as fashion product for decoration and express self-image.

A research carried out in Nigeria by Ajzen & Madden (1986) revealed that there is a significant relation between product quality and consumer choice of made in Nigeria leather handbags. In a study by Lefkoff & Mason (1993), product quality was measured by five attributes such as its performance, conformance, seasonality, durability and image. All five attributes were found to have influenced consumer behavior in making judgments and choice of preferences.

Similarly, in a study by Lee and Tai (2009), the five attributes were used to explore the effects on consumers' evaluation of product quality. They discovered durability, perceived quality, seasonality and image of the product attributes had significant effect on consumers' evaluation of product quality. Several studies in the past have utilized the Garvin's eight-dimensional framework.

Alhire, Golhar & Waller (1996), in their study, revealed that performance, reliability, conformance and durability had positive and statistically significant effect on product purchase intention in the case of imported cars. Product characteristic attributes as maximum speed, horsepower, and gas consumption of a car become very important. As a result, it is assumed that product characteristic attributes, either functional or technical, are associated with consumers' evaluation of product quality.

The study conducted in Ethiopian context by Endale (2016) showed that imported leather handbags had superiority in comfort ability, fashionable and range of variety while the domestic leather handbags had in durability and price. In addition, the study tried to indicate that quality, style, price, friends and culture as the major factors influenced the consumers' handbag preference. Another study done by Zemenu (2014) showed that quality, durability, quality design, and fashion of the product has contributed consumers to have positive attitude towards purchase intention of foreign handbags.

2.3 CONCEPTUAL FRAMEWORK

The conceptual framework of the study is framed based on reviewed related literatures which refer different theories and empirical studies conducted on the subject. Referring Garvin's (1984) model, the prominent eight attributes product quality are performance, futures, durability, reliability, perceived quality, aesthetic, seasonality and conformance. In this study, only six dimensions such as performance, reliability, durability, aesthetics, seasonality and perceived quality are considered. Since Feature attribute is the secondary characteristics a product quality while performance is the primary one. So that Feature attribute is included in performance dimension. Besides, conformance is the degree to which a product's pre-established standards, its impractical to assess from consumer side. The rest six dimensions are taken as independent variables that affect purchase intension of consumers.

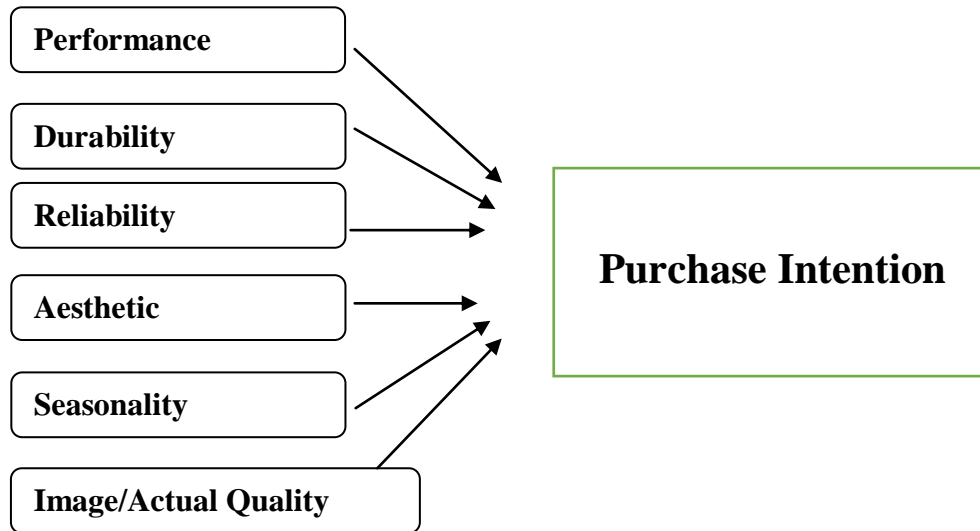


Figure 2.1 Conceptual Framework of the Study (Source: Garvin, 1984)

CHAPTER THREE

METHODOLOGY

This chapter deals with overall methodological approach of the research which includes research design, population, sample size, and sampling techniques, source of data, data collection tools and data analysis method that the study applies.

3.1 Research Approach

There are two basic research approaches, quantitative and qualitative approach. The former involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. While qualitative approach is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher's insights and impressions. Such a design to research generates results either in non-quantitative form or in the form which are not subjected to rigorous quantitative analysis (Creswell, 2009). This study, thus, applied both qualitative and quantitative (mixed) approaches for the reasons that quantitative data were used to examine the cause-and-effect relationship between perceived quality variables and purchase intention. Meanwhile, qualitative approach was used for inclusion of categorical data in the analysis.

3.2 Research Design

Based on purpose, research is classified into three main categories such as descriptive, exploratory and explanatory researches. The goal of exploratory research is to discover ideas and in-sights; descriptive research is usually concerned with describing a population with respect to important variables; and explanatory research is used to establish cause-and-effect relationships between variables. It is a causal analysis concerned with the study of how one or more variables affect changes in another variable. It is thus a study of functional relationships existing between two or more variables (Creswell, 2009). Explanatory research design will be applied as it is appropriate to realize the objectives of this study through addressing the aforementioned research questions.

3.3 Population, Sample Size and Sampling Procedure

3.3.1. Target Population

The total population of the study is the consumers of leather handbag products in Addis Ababa. However, the estimated number of leather handbag product users in the city is unknown. Thus, the population, in this case, can be considered as infinite. Dwellers who visit retail sales outlets of Sheba, Joy, Anbessa, Ethio-leather and ZAAF collection at metropolitan areas in Addis Ababa, the place where majority of the company's outlets are located, are considered as a target population. The aforementioned companies' outlets located at major metropolitan areas such as Merkato, Piassa, Mexico and 22-Mazoria are targeted to contact the target population.

3.3.2. Sample Size

In addition to deciding how to select the samples for the qualitative and quantitative components of a study, researchers should also determine appropriate sample sizes for each phase (Saunders, 2004). The choice of sample size is as important as it also determines the extent to which the study can make statistical and/or analytic generalizations. Since the eligible respondents are large and dispersed all over the city as well as the exact number is unknown, Cochran's formula for proportionate unknown population sample size determination is used. According to Cochran (1963), a large population's sample size can be calculated by using the formula:

$$n = \frac{Z^2 * P * Q}{e^2} = \frac{1.96^2 * 0.5 * .5}{0.05^2} \cong 384 \text{ Respondents}$$

Where: P – Estimated proportions of an attribute; Q – (1 - P); Z – 95% confidence interval (1.96); e – Sampling error (5%). Thus, the sample size counted a total of 385 targeted respondents which were contacted at the aforementioned metropolitan areas in Addis Ababa.

3.3.3. Sampling Technique

There are two sampling techniques to select the targeted respondents from the sampling frame. These are probability or non-probability sampling methods (Saunders, 2010). The former refers random (equal chance) selection whereas the latter is subjective and depends on the judgment or the justification of the researcher. Convenience sampling is one of the non-probability sampling techniques that helps select the targets based on researcher's convenience. The reason for applying

non-probability sampling method is the difficulty or impracticality of accessing the whole list of all consumers of the study population.

3.4.Data Source and Data Collection Method

There are two types of data i.e., primary and secondary data. Primary data is a data originated by the researcher for the specific purpose of addressing the research problem (Malhotra, 2010). It is what the researcher originally collects from the sample or target population. Secondary data are data collected for some purpose other than the problem at hand (Malhotra, 2007). For purposes of this research, the researcher found it appropriate to use the primary data and the basic instrument for collecting that data was a questionnaire.

The questionnaire was used as the data collection instruments to enable achieve the stated objectives. The instrument was appropriate as it helped in collecting the primary data. The questionnaire was designed based on the five-point Likert-type scales. This was so because it was to enable answer specific research questions and help achieve the objectives of the study. Closed ended questions were used as they were deemed to motivate the respondents and save time.

According to many scholars, in the use of survey strategy, the main instruments used are self-administered/interviewer administered or structured interviews and questionnaire or a combination of both (Malhotra, 2007). A total of 384 copies of questionnaire were administered to the participants in the entire study. For this study, the questionnaire was administered in person by the student researcher so as to minimize the non-response rate.

3.5 Method of Data Analysis

To establish the main characteristics of the study variables, descriptive statistics and Spearman correlations analysis was done and relevant tests conducted. To establish the statistical significance of the respective hypotheses, ANOVA of F-tests as well as multiple linear regression analysis was conducted, appropriate at 95 percent confidence level ($\alpha=0.05$). The questionnaire returned from the field was coded, edited and keyed into the computer to facilitate statistical analysis. Statistical package for social sciences (SPSS) version 20.0 was used to assist in analysis. Analyzed data was interpreted and presented in tables. Data analysis was undertaken using multiple regressions to examine the way a number of independent variables relate to one dependent variable. Multiple regression was used as a technique to analyze continuous variable. It is a statistical method to deal

with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the value of dependent variable, given the value of the independent (Kothari, 2004).

To evaluate the relation between the two variables, the multiple-regression analysis is depicted as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Where: Y = Purchase Intention; X₁ = Performance; X₂ = Reliability; X₃ = Durability; X₄ = Image/Perceived Quality, X₅ = Aesthetics and X₆ = Seasonality; e = error term; β₀ = constant, term; β_{1, 2, 3,4,5, 6} = coefficient terms of Performance, Reliability, Durability, Image/Perceived Quality, Aesthetics and Seasonality respectively.

3.6. Validity and Reliability

Validity refers to whether the statistical instrument measure what it is intended to measure, i.e. accuracy of measurement (Sullivan, 2001; Saunders,2007). To establish content validity this research was validated by determining the variables which have been defined and used in literature previously. Additionally, opinions from experts were sought to provide relevant inputs adding to what had been identified from the literature. Piloting a questionnaire was crucial and had highlighted ambiguities and other potential pitfalls (Somekh and Lewin, 2005). The pilot study was carried out in Kangaroo Shoes manufacturing Plc sales outlet at Piassa. Feedback from the pilot study enabled the researcher to make changes where necessary to the questionnaire.

Reliability refers to whether a measurement instrument is able to yield consistent results each time it is applied. In order to test for reliability, Cronbach alpha coefficient was used since was the common method used for assessing reliability for a measurement scale with multi-point items. The reliability of the study measures was assessed by Cronbach's Alpha coefficient, which was used to assess the internal consistency or homogeneity among the research instrument items (Sekaran, 1992). The coefficient that reflects homogeneity among a set of items varies from 0 to 1. A good reliability should produce at least a coefficient value of 0.70 (Hair, 1995) but coefficients up to 0.62 are acceptable in social research studies (Kritsonis&Hurton, 2008). For this research the reliability coefficients met the criteria since all the reliability coefficients of the study variables were above 0.7.

3.7. Ethical Considerations

After taking these ethical principles into considerations and fully living up to the requirements this study can be classified as ethical for the fact that there are descriptive questions about the respondent's' demographic profile but this information is not enough to identify the person.; ethical principle to consider is the lack of informed consent; and targeted participant should receive as much information needed to make a decision whether to participate or not. The survey contained information about the research and contact details for further questions. The third ethical principle concerns the invasion of privacy. The respondent might find some questions too private and do not wish to make the answer public. In this study the respondent has the opportunity to skip a question if it is judged sensitive.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter presents the results of the data analyses and their interpretations. The analyses were summarized under descriptive and inferential analysis. The descriptive statistics describes the demographic profile of respondents, analysis of responses in each attributes of the study variables. Whereas the inferential statistics includes correlation and multiple regression analysis.

After distributing a total of 384 questionnaires for consumers who visited factory outlets at selected metropolitan areas, 327 questionnaires were filled and returned, which accounted for 85.2% of the total distributed questionnaires. However, after having screened the collected questionnaires for missing data and other discrepancy, it was found 314 valid and usable questionnaires for statistical analysis. The current situation, COVID-19 debacles has contributed its own influence of the non-responses for the reason that inability to approach the respondents to completely and properly fill the questionnaire due to the physical distancing restriction. Then, collected responses were encoded in to SPSS 21.0 and went through coding as well as error correction to make them suitable for data analysis

Thus, for this study, a Cronbach's alpha score of .70 or higher is considered adequate to determine reliability. The result was found to be in the acceptance range, alpha greater than 0.7. Thus, showing as indication of acceptability of the scale for further analysis since all the six items of product quality perception dimensions (Performance, Reliability, Durability, Image Quality, Aesthetic and Seasonality) and Purchase Intention attributes were above 0.70. The reliability score of all the dimensions yielded a Cronbach's alpha of $r = 0.774$ as shown in Table 4.1.

4.1 Descriptive Statistics

The descriptive analysis comprises two parts. The first part is description of demographic characteristics of the respondents participated in the study, while the second part captured items on product quality perception dimensions and overall purchase intention attributes.

4.1. Demographic Profiles

The descriptive statistics provides information about the sample respondents under study.

Table 4.1 Demographic Characteristics of the Respondents

Characteristics	Category	N	(%)
Sex	Male	143	45.5%
	Female	171	54.5%
	Total	314	100.0%
Age	18 – 30 years	31	9.9%
	31 – 45 years	76	24.2%
	46 – 60 years	93	29.6%
	>60 years	114	36.3%
	Total	314	100.0%
Income	< 5,000 Birr	169	53.8%
	5,000 - 10,000 Birr	103	32.8%
	> 10,000 Birr	42	13.4%
	Total	314	100.0%

(Source: Own Survey, 2021)

As can be seen on Table 4.2, background of the respondents shows that out of 314 respondents participated, female respondents comprised 171 (54.5%) and the rest 143 (45.5%) were their male counterparts. The proportion of female participants is nearly similar with male respondents that implies local leather handbags were preferable by both gender as there was no such noticeable differences in sex regarding handbag reference amongst respondents.

In terms of the age range of the respondents, majority 114 (36.3%) was found to be elders above 60 years-old followed by 93(29.6%) and 76(24.2%) within 46 – 60 years and 31 – 45 years respectively. the rest 31(9.9%) of the respondents was found young with 18 – 30 years-old. More of elder respondents preferred local leather handbag brand with relative to young consumers.

Finally, their monthly income revealed that those who earned less than 5,000 Birr constituted more than half 169(53.8%) of the respondents followed by 103(32.8%) from 5,000 – 10,000 Birr. Whereas, only 42(13.4%) whose income was found above 10,000 Birr. This can be taken as indication of the respondents those who had relatively lower income were users of the brand handbags.

In general, it can be concluded that the overall demography of the respondents was characterized by fair gender distribution; less educated elders with relatively lower monthly income were found to be the consumers of the Leather handbags. Concerned managements need to try exhaustively to understand what the young generation wants to have regarding local leather handbag

4.2. Description of Study Variables

The study variables constitute product quality perception attributes (independent variables) and purchase intention (dependent variable). To attain the objectives, a total of 29 questions were grouped into the six dimensions of product quality perception factors such as Durability, Reliability, Performance, Seasonality, Fashionable and Aesthetic dimensions. For Purchase Intention variable, four questions were designed based on Garvin's (1987) model. Thus, a total of 29 questions were entertained to carry out the analysis.

To compare the respondents' perception towards the variables, descriptive statistics of mean and standard deviation are used. The mean indicates to what extent the sample group averagely agrees or disagrees with a specific statement. As designed by Best (1977), the scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.61; neither agreed nor disagreed within 2.62 - 3.41; agreed if it is in the range of 3.4 – 4.21; while strongly agreed when it falls within 4.22 – 5.00. In addition, standard deviation shows the variability of an observed response against the mean score.

4.2.1 Performance

Product Performance refers to evaluation of enactment with respect to certain specific functions and determines how well it performs from customer's perspective. In these regards, the perception of the respondents summarized on Table 4.3.

Table 4.2 Performance Dimension, N=314

Description	Mean	Std.
The handbag products have better soft lining than its competitors	2.86	.406
The handbag has a smooth layers/ surface than other similar product	3.33	.511
The handbag has pleasant odor than its competitors	3.79	.437
The handbag products are stable when handling it on shoulder	3.81	.331
No discomfort for wearing it for longer period	3.62	.512
Average	3.48	.439

(Source: Own Survey, 2020)/

Majority of the respondents believed that brand leather handbags are stable when walking (mean 3.81); doesn't have unpleasant odor than its competitors (mean 3.79); and no discomfort for wearing it for longer period of time (mean 3.62). However, they had neutral stand regarding whether the brand handbag have more stretchable vamp than similar products and also disagreed the handbags had better soft internal linear than similar products in the market. The overall performance perception (grand mean 3.48) of the respondents indicates majority were neither agreed nor disagreed on whether this brand handbag fits its purpose as expected even though it didn't have bad odour and stable while wearing them. It implies that the perceived quality of leather brand handbag's performance is inferior which requires more improvement so as to meet its purpose compared to other substitute products.

4.2.2 Reliability

Reliability of a leather handbag refers to the probability of not failing of its components such as loosen stitch, detached seam, scratched or flaked surface finishes, etc. while on service for a specified time period. Less the reliability means more the chances of repair or replacement. The results on Table 4.4 in relation to perception of the handbags' reliability revealed that majority (mean 4.07) of the respondents strongly agreed that the brand handbags was usable without failure for a specified period of time. Similarly, they believed that the handbags' sole doesn't crack easily (mean 3.99), has minor defects that could easily be maintained (mean, 3.83), and its leather and sole parts were intact enough to be easily detached (mean 3.69). Its overall reliability perceived quality was found to be relatively superior (grand mean, 3.90). It has an implication that the local leather handbag brand has instilled confidence on consumers regarding their reliability to use without major discrepancies for a period.

Table 4.3 Reliability Attribute, N=314

Description	N	Mean	Std.
The handbag is consistently usable without failure for a while	314	4.07	.411
The handbag is weather resistant to handle it in any season	314	3.99	.559
The handbag leather and other parts are fixed intact together	314	3.69	.603
The handbag has minor defects that can easily be maintainable	314	3.83	.634
Average	314	3.90	.552

(Source: Own Survey, 2020)

4.2.3 Durability

Durability becomes the amount of use one gets from a product before it breaks down and replacement is regarded as preferable to continued repair against the investment and operating expenses of a newer, more reliable model.

Table 4.4 Durability Attribute, N=314

Description	Mean	Std.
The handbag lasts long compared to its competitors	4.24	.551
The handbag seam adhesive is water resistant during wet seasons	3.44	.492
The handbag color doesn't fade with time	4.15	.444
The handbag' surface finish is weather crack resistant	4.19	.606
Average	4.01	.523

(Source: Own Survey, 2020)

Referring the above information, the results on Table 4.5 showed that majority of the respondents strongly believed that local leather handbag brand lasted long compared to its competitors (mean, 4.24), its surface finish was weather crack resistant (mean, 4.19), the colors didn't fade with time (mean, 4.15) but they had doubts on its seam adhesive was water resistant during wet seasons (mean 3.44). The overall durability as perceived by majority of the respondents (grand mean, 4.01 with Std. .523) was found to be superior with relative to other substitute products supplied by competitors and the variation in perception of the respondents was found to be relatively similar. This implies that the handbags didn't fail frequently or less likely to be scraped earlier than one that is more reliable whose repair costs would be correspondingly lower and the purchase of a new model might not look as such more desirable. But it doesn't imply that an increase in product life may not be due to technical improvements or to the use of longer-lived materials. Its longevity depends on consumers' perception which could be affected by other socio-demographic factors.

4.2.4 Image/ Actual Quality

Consumers don't always have complete information about a product's attributes; indirect measures may be their only basis for comparing brands.

Table 4.5 Image/ Actual Quality Attribute, N=314

Description	Mean	Std.
The handbag has consistent brand image in terms of using pure leather	4.06	.710
The handbag brand name is prominent for its company reputation	3.22	.681
The handbag is known for its frequent upgrading of its product features	2.87	.801
The handbag's ornament (plastic) parts are appealing	3.68	.681
Average	3.46	.718

(Source: Own Survey, 2020)

The findings on Table 4.6 revealed that local brand leather handbags had consistent brand image in terms of using pure leather is highly recognized by majority of the respondents (mean 4.06) but slightly agreed on appealing ornaments fixed on the surface (mean 3.68).but on the other hand, they had doubts on whether the brand is known for company reputation (mean 3.22) whereas disagreed on its prominence regarding frequent upgrading of its product features (mean, 2.87). Overall image quality perception was found to be a grand mean of 3.46 which indicates that majority of the respondents were slightly agreed on local leather handbags' image quality. In such circumstance, image and brand names-inferences about quality rather than the reality itself made majority of the respondents to have doubts on its image perceived quality.

4.2.5 Aesthetic Value

Aesthetic is a subjective dimension of quality. How a product looks, feels, sounds, tastes, or smells is a matter of personal judgment and reflection of individual preference. This is all about visual appeal of the product, often taking into account factors, such as style, color, shape, packaging, tactile characteristics, and other sensory features.

Table 4.6Aesthetic Attribute, N=314

Description	Mean	Std.
The handbag has attractive look than other similar substitute products	3.48	.710
The handbag has a new look compared to its competitors	2.49	.681
The handbag has better fine seam stitches compared to competitors	2.82	.801
The handbag has attractive colors option compared to its competitors	2.96	.681
Average	2.94	.541

(Source: Own Survey, 2020)

Referring the above idea, Table 4.7 indicates that majority of the respondents disagreed with the statements which states local brand handbags have new look (mean, 2.49), has fine seem stitches (mean 2.82), and has attractive colors option (mean 2.96) compared to its competitors but were indifferent regarding the brand handbags had attractive looks than other substitutable or competitive products (3.48). The overall Aesthetic quality perception towards local handbags were found below expectation (grand mean 2.94) which implies the handbags didn't have appealing features that attracts consumers.

4.2.6 Seasonality

Table 4.7 Seasonality Attribute, N=314

Description	Mean	Std.
The company provides fashionable product compared to its competitors	3.74	.391
The company's handbag has different style compared to its competitors	3.77	.407
The company provides wide variety of handbag compared to its competitors	2.89	.467
The company handbag's design trends ever changing fashion	2.96	.506
Average	3.34	.443
Valid N		

(Source: Own Survey, 2020)

Customer's view on quality is also influenced by how quickly adaptable with seasonal trends. It should be fashionable and its features are compatible with seasonal fashion trends by matching with other suits. Accordingly, the findings on Table 4.8 revealed that majority of the respondents slightly agreed that the companies provide fashionable product (mean 3.74) and had different style (mean 3.77) compared to their competitors. On the other hand, they disagreed the company provided wide variety of leather handbags (mean 2.89) and handbags' design trended ever-changing fashion industry (mean 2.96). These situations pushed majority to have neutral stand as the overall seasonality quality perception was found to be grand mean scored value of 3.34. This merely indicates that the respondents were neither agreed nor disagreed on the company trended fashion industry or adapt different seasonal styles accordingly. Concerned managers may have a lot to in designing leather handbags matching or compatible with the trends.

4.2.7 Purchase Intention

Purchase intention is a variable that depends on several external and internal factors such as stimulus or trigger the cue that causes a buyer towards considering a product. The purchase intention is subjected to willing purchase, considering purchase and recommendation purchase.

Table 4.8Purchase Intention Attribute, N=314

Description	Mean	Std.
Friends' recommendation motivates me to purchase these leather handbags	3.64	.592
Hearing positive comments about the brand makes me consider the purchase of the Leather handbag	3.82	.501
It makes me feel happy to purchase this Leather handbag	3.49	.476
I consider these leather handbags as first choice against other locally produced handbag	3.46	.613
Average	3.60	.546
Valid N		

(Source: Own Survey, 2020)

Referring the above, the results on Table 4.9 showed that majority of respondents slightly agreed that friend's recommendation (mean 3.64) and hearing positive words of mouth about the brand (mean 3.82) to motivate them to purchase local leather handbag brands. Whereas, they disagreed on both statements which referred purchasing of local brand leather handbags made them happy (mean 3.49) and considered it as first choice (mean 3.46) against other competitors. The results revealed the overall respondents' purchase intention was found to be slightly above average (mean 3.60) that implies their ambition to consider the brand for purchase was good but not as such impressive for concerned marketers or managers of the company.

4.3.Inferential Statistics

The inferential statistics comprises correlation among variables, assumption test of the data itself for their suitability or fitness to the intended regression analysis model and regression analysis and different. The pretest includes normality, Multicollinearity, linearity and homoscedasticity.

4.3.1. Correlation Analysis

To determine the relationship between product quality perception and purchase intention, Spearman correlation was first investigated. The six dimensions of product quality perception were taken as independent variables and overall purchase intention was used as a dependent variable in this study.

As per the guide line suggested by Field (2005), the strength of relationship 0.1 to 0.29 shows weak relationship; 0.3 to 0.49 is moderate; and > 0.5 shows strong relationship between two variables.

Table 4.9 Correlation Analysis

Correlations		PER	REL	DUR	IMQ	SEA	AES	PUR
Performance (PER)	Pearson Cor.	1						
	Sig. (2-tailed)							
	N	314						
Reliability (REL)	Pearson Cor.	.467**	1					
	Sig. (2-tailed)	.004						
	N	314	314					
Durability (DUR)	Pearson Cor.	.056	.307**	1				
	Sig. (2-tailed)	.334	.362					
	N	314	314	314				
Image Quality (IMQ)	Pearson Cor.	.223	-.010	.279	1			
	Sig. (2-tailed)	.000	.860	.000				
	N	314	314	314	314			
Seasonality (SEA)	Pearson Cor.	.265	.191	-.246	.520**	1		
	Sig. (2-tailed)	.000	.001	.000	.000			
	N	314	314	314	314	314		
Aesthetic (AES)	Pearson Cor.	.111	.191	.246	.500**	.562**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	314	314	314	314	314	314	
Purchase Intention (PUR)	Pearson Cor.	.344**	.492**	.432**	.317**	.608**	.403**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	314	314	314	314	314	314	314

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

(Source, Own Survey, 2021)

The result on Table 4.10 shows that all six dimensions of product quality perception had strong positive and significant relations with overall Purchase Intention. Specifically, purchase intention had positive relation with Performance ($r = .344$, $p < 0.05$), Reliability ($r = .492$, $p < 0.05$), Durability ($r = .432$, $p < 0.05$), Image Quality ($r = .317$, $p < 0.05$), Aesthetic ($r = .608$, $p < 0.05$) and Seasonality ($r = .403$, $p < 0.05$). However, Seasonality had negative and weak relation with Durability ($r = -.246$). This implies that all dimensions of product quality perception showed positive and significant relation with Purchase intention and can be taken them as good predictors

4.3.2 Regression Analysis

4.3.2.1 Multiple Linear Regression Assumption Test

Linear regression is an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The regression assumptions are correlation (linear relationship), Multicollinearity, Multivariate Normality and Homoscedasticity.

4.3.2.1.1 Multicollinearity

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are Multicollinearity, there is “overlap” or sharing of predictive power. Thus, the impact of Multicollinearity is to reduce any individual independent variable’s predictive power by the extent to which it is associated with the other independent variables. “Tolerance” and “variance inflation factors” (VIF) values for each predictor is a means of checking for Multicollinearity. Tolerance value below 0.1 and VIF value above 10 percent indicate a Multicollinearity problem, (Robert, 2006).

In this study, (Appendix III), it shows that the collinearity statistics analysis of variance inflation factors (VIF) value ranges from 1.043 to 1.141 and Tolerance value ranging with 0.876 to 0.959 indicated that there was no collinearity problem. This could be taken as a confirmation that there were no multi-collinearity problems to proceed for regression analysis. That means when the independent variables in this model were highly related with one another, they would have been basically measuring the same thing or they both convey essentially the same information.

4.3.2.1.2 Homoscedasticity

Testing for Homoscedasticity lies with an assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. Using the plots of standardized residual (ZRESID) against standardized predictors (ZPRED), the distribution is checked whether the graph looks like a random array of dots evenly dispersed around zero. This is to mean that at each point along any predictor variable, the spread of residuals should be fairly constant. In Figure 4.1, it shows that each of the overall product quality perception against the predictor variable of purchase intention. The plot shows that how the points are randomly and evenly dispersed throughout the plot. And, these patterns are indicatives of a situation in which the assumption of linearity and homoscedasticity have been met.

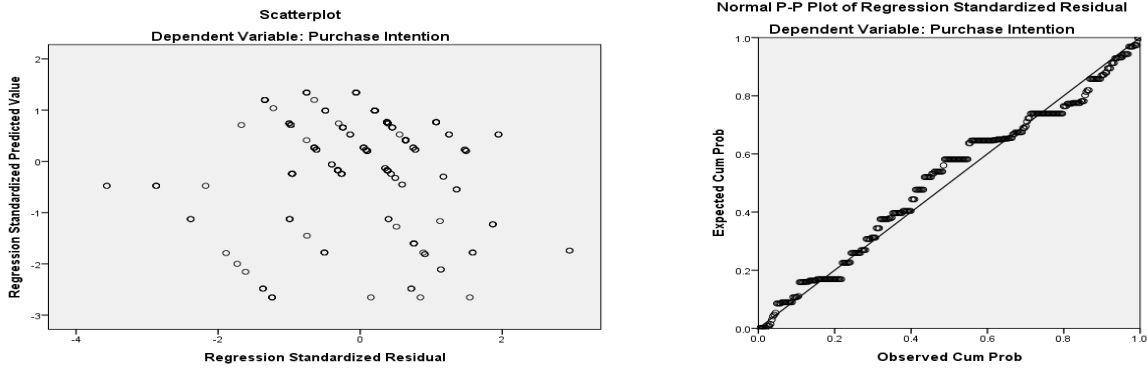


Figure 4.1 Scatter Plot of Linearity Test

4.3.2.1.3 Multivariate Normality

To check that a distribution of scores is normal, it needs to look at the values of Kurtosis and Skewness. Both of which have an associated standard error. The values of skewness and kurtosis should be zero in a normal distribution. Positive values of skewness indicate a pile-up of scores on the left of the distribution, whereas negative value indicates a flat distribution. The further the value is from zero, the more likely it is that the data are not normally distributed. Both of which have an associated standard error. However, the actual value of skewness and kurtosis are not, in themselves, informative.

Table 4.10 Normality Test

	N	Min.	Max.	Mean	Std. Dev.	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std.	Statistic	Std.
Performance	314	2	4	3.48	.439	-.944	.140	1.133	.280
Reliability	314	3	4	3.90	.552	-1.582	.140	2.843	.280
Durability	314	2	4	4.01	.523	.028	.140	1.094	.280
Image Quality	314	2	4	3.46	.718	-1.113	.140	.803	.280
Aesthetic	314	1	4	2.94	.541	-1.108	.140	1.137	.280
Seasonality	314	1	4	3.34	.443	.811	.140	.818	.280
Purchase Intention	314	2	4	3.52	.536	.590	.140	1.001	.280
Valid N	314								

(Source, Own Survey, 2021)

Instead, it needs to take the value and convert it to a z-score. The z-score is simply a standardize score from a distribution that has Mean of 0 and standard deviation of 1.0 (Zikmund, 2005). As presented in Table 4.11, except seasonality, durability and purchase intention, all product

quality dimensions' z-scores skewed to the right side but was found to be within acceptable range (skewness within -2.0 to 2.0; and Kurtosis within -3.0 to 3.0). Therefore, it is pretty clear then that the numeracy scores are negatively skewed, indicating a pile-up of scores on the right of the distribution.

Reliability of the data collection instrument involves the consistency of the result obtained with the instrument. Cronbach's alpha is a coefficient of reliability used to measure the internal consistency of the scale; it represented as a number between 0 and 1. Scales with coefficient alpha between 0.6 and 0.7 indicate fair reliability (Zikmund, 2010).

Table 4.11 Reliability Test

	N	Cronbach's Alpha
Performance	5	.782
Reliability	4	.738
Durability	4	.750
Image Quality	4	.882
Aesthetic	4	.901
Seasonality	4	.706
Purchase Intention	4	.750
Total	29	.774

(Source: Own Survey, 2020)

4.2.4 Regression Analysis

Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the values of dependent variables, and given the values of the independent (Kothari, 2004). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predicts the value of the dependent variable. Multiple linear regressions were conducted to identify the relationship and to determine the most dominant variables that influenced the overall Purchase Intention of consumers of local leather handbag. Moreover, multiple regression analysis in this research was conducted to test the effect of the independent variables (Performance, Reliability, Durability, Image Quality, Aesthetic and Seasonality) on Purchase Intention attributes. In order to indicate the effect that each factor has on the dependent variables, the standardized coefficients are checked.

Table 4.12a Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 ^a	.643	.631	.287

a. Predictors: (constant), Performance, Reliability, Durability, Image Quality, Aesthetic, Seasonality.

(Source, Own Survey, 2021)

As indicated in the model summary of the analysis in the above Table 4.14, the value of R (.802) indicated correlations of the six independent variables with the dependent variable. Meanwhile, the variation in product quality dimensions accounted for approximately 64.3 % (R^2) of the variance in purchase intention. However, the remaining percent (35.7%) was explained by other factors. This result also viewed that there might be other variables that could have been discussed by this study in predicting Purchase Intention.

Table 4.12b ANOVA Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.943	6	3.991	84.904	.000 ^b
	Residual	14.524	307	.047		
	Total	38.466	313			

^aDependent Variable: Purchase Intention

^bPredictors: (constant), Performance, Reliability, Durability, Image Quality, Aesthetic, Seasonality

(Source, Own Survey, 2021)

As indicated in Table 4.14b of ANOVA test, F value of 84.904 is significant at $p < 0.001$. Therefore, it can be inferred that with 64.3% of variance (R Square), employee motivation is significant and the model appropriately measured the dependent variable. In short, the regression model predicts overall purchase intention and has been significantly explained by the six independent product quality perception dimensions.

Regression Coefficients

Table 4.12c Estimated Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.314	.319		.982	.327
1 Performance	.311	.081	.310	3.839	.000
Reliability	.198	.048	.200	4.125	.000
Durability	.353	.066	.349	5.348	.000
Image Quality	.202	.140	.340	1.443	.005
Aesthetic	.184	.195	.244	1.944	.120
Seasonality	.112	.039	.139	2.872	.097

^aDependent Variable: Purchase Intention

(Source, Own Survey, 2021)

The regression equation 3 for this research is presented below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Where: Y = Purchase Intention; X₁ = Performance; X₂ = Reliability; X₃ = Durability; X₄ = Image/Perceived Quality, X₅ = Aesthetics and X₆ = Seasonality; e = error term; β₀ = constant, term; β_{1, 2, 3,4,5, 6} = coefficient terms of Performance, Reliability, Durability, Image/Perceived Quality, Aesthetics and Seasonality. Based on multiple linear regression analysis on Table 4.11c, substituting the results in the model yields:

$$PUR = .314 + .311PER + .198REL + .353DUR + .202IMG$$

The regression analysis revealed that except Seasonality and Aesthetic dimensions, the other four product quality perception dimensions had positive and significant effect on overall purchase intention. Durability (β = .353) has the highest effect on purchase intention followed by Performance

($\beta = .311$) and Image Quality ($\beta = .202$) but Reliability ($\beta = .198$) has relatively lower contribution to the prediction model. Besides, Seasonality ($\beta = .112$) and Aesthetic dimensions ($\beta = .184$) had insignificant effect on purchase intention at $p < .05$.

This predicted change in the dependent variable for every unit change in that specific predictor that signifies for every additional point or value in the Durability. One could predict a gain of 0.353 points on the overall purchase intention provided that other variables being held constant; and the same are for the other independent variables.

The results, Table 4.12c, imply that four dimensions of product quality perception dimensions have significant influences on overall purchase intention at 95% confidence level ($p < 0.05$), indicating that, for customers of local Leather handbags, these factors are important in assessing overall their purchase intention.

4.3 Discussion

The discussion focuses on the major findings of the analyses for further elaboration. It focuses mainly on demographic characteristics of the respondents, product quality perception dimensions and their corresponding effect on purchase intention of selected leather handbag brand consumers. The overall product quality dimensions of the selected companies namely Sheba Leather, Ethio-Leather, Anbessa Tannery, Joy Leather and ZAAF Collection brand leather handbags were measured or evaluated based on Performance, Reliability, Durability, Image quality, Aesthetic and Seasonality dimension taken from (Garvin, 1987). The findings of this study are briefly elaborated and discussed for further clarification so as to have clear picture of the results.

Regarding the perception of consumers towards local brand leather handbag's performance quality, it was found that the handbags are stable while walking, no as such noticeable discomfort for wearing them for longer period in comparison with competitors' brands but complained against lack of insole's softness. These findings are reconciled with Zemenus' (2014) studies which found inflexibility of vamp and soles of local leather handbags were the causes for consumers shifting to foreign or imported footwear products. However, Nebiyu (2015) argued that the performance of domestic leather handbag products in relation to imported leather products still customer's believed domestic leather handbags are superior in quality. This seems a bit far from the facts on ground as imported handbags are, almost all, are imported from different Asian, European and North American countries. These countries are characterized by state-of-the-art technologies, capital and skilled

labour to produce handbags with better technical specification. Thus, the performance of the foreign handbags in terms of fitting to their intended purposes are by far better than domestic ones. The finding also revealed that Performance dimension has significant and positive relation with purchase intention with relatively the highest effect ($\beta = .311$) next to Durability ($\beta = .353$). It means respondents' purchase intention is affected by performance quality of the brand handbags was found relatively higher. Investing on performance dimension yields more revenue.

Reliability dimension of product quality perception is all about the probability of not failing of its components such as loosen stich, detached seam, scratched or flaked surface finishes, etc. while on service for a specified time period. Less the reliability means more the chances of repair or replacement. Its overall reliability perceived quality was found to be relatively superior (grand mean, 3.90). It has an implication that the local brand leather handbags had instilled confidence on consumers regarding their reliability to use without major discrepancies for a period. The effect of reliability dimension was also found to be relatively lower effect and significant on purchase intention ($\beta = .198, p < .05$). The finding is also in agreement with Mahlet's (2017) results that revealed domestic handbags were perceived more reliable than imported handbags especially from China. With reference to the consistency quality, comparing domestic Leather Handbag with imported ones, still customers believed domestic handbags are more reliable than foreign handbags products in the market.

Durability becomes the amount of use one gets from a product before it breaks down and replacement is regarded as preferable to continued repair against the investment and operating expenses of a newer, more reliable model (Garvin, 1987). Durability dimension was perceived positively for the fact that customers have trust on the quality of brand leather and bag products based on their durability. Due to the fact that Ethiopian leather is authentic by its very nature over other imported leather handbags (Nebiyu, 2015). In support of Zemenu's (2014) findings, in this study it was found that durability had the highest significant and positive effect on their purchase intention ($\beta = .353, p < .05$). This implies that the handbags didn't fail frequently or less likely to be scraped earlier than one that is more reliable whose repair costs would be correspondingly lower and the purchase of a new model might not look as such more desirable. But it doesn't imply that an increase in product life may not be due to technical improvements or to the use of longer-lived materials. Its longevity depends on user's perception could be affected by other social factors (Garvin, 1987).

Finally, the companies' reputation was perceived positively for the fact that its brand handbags had consistent brand image in terms of using pure leather, so that it is highly recognized by majority of the respondents. However, the result shows that overall image quality perception was fallen in the range of respondents' neutral stand (grand mean 3.36). This indicates that local brand leather handbags' image quality perception was evaluated based on other indirectly observed tangible and intangible aspects of the handbags. In such circumstance, image and brand name-inferences about quality rather than the reality itself made majority of the respondents to have doubts on its image perceived quality. Consumers don't always have complete information about a product's attributes; indirect measures may be their only basis for comparing brands (Garvin, 1987).

It can be concluded that product quality perception dimensions are good predictors of purchase intention of local Brand Leather handbag. Most of the predictors have also strong relation with their behavioral intention regarding purchase decisions. It can be used as a spring board for designing and implementing their marketing mix strategies effectively and efficiently.

Based on the results of the regression models, four out of six proposed hypotheses were supported. Table 4.13 illustrates the summary of the hypotheses. Except seasonality and aesthetic quality of the handbags, the other four hypotheses namely, performance, reliability, durability and perceived quality/ image of the handbags had positive and significant effects on purchase intention of customers in the context of the selected five local leather handbag manufacturers in Addis Ababa.

Table 4.13. Summary of the Research Hypothesis Test Result

Code	Hypothesis	Result
H1	Performance has positive and significant effect on purchase intention	Supported
H2	Reliability has positive and significant effect on purchase intention	Supported
H3	Durability has positive and significant effect on purchase intention	Supported
H4	Perceived quality has positive and significant effect on purchase intention	Supported
H5	Seasonality has positive and significant effect on purchase intention	Refuted
H6	Aesthetic quality has positive and significant effect on purchase intention	Refuted

Source: Own Survey, 2021

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter constitutes the summary of major findings, conclusions based on findings and relevant recommendations based on findings and conclusions.

5.1 Summary of Major Findings

Based on the analyses, the results of the findings present the outcomes of both descriptive and inferential statistics. The descriptive statistics referred to the demographic characteristics of the respondents and the summary of their perception towards the study variables. It is intended to address the first specific objective that states the identification of product quality perception of selected local brand leather handbag consumers. Meanwhile, the inferential statistics accounted for the relationship amongst predictors (Product quality perception) along with their significant effect on the overall construct variable (purchase intention). This helps achieve the second and third specific objectives of the study respectively.

Demography

The overall demography of the respondents was characterized by:

- Almost similar gender distribution (Female 54.5%) of the respondents
- Majority 114 (36.3%) was found to be elders above 60 years-old followed by 93(29.6%) with in the age range from 40 – 60 years-old.

1. Description of Identified Study Variables

The overall performance perception of the respondents indicates majority (mean 3.84) perceived positively as this brand handbags fits their purposes as expected even though it didn't have bad odor and stable while walking. Majority (mean 4.07) of the respondents strongly agreed that local brand leather handbags was usable without failure for a specified period of time. Its overall reliability perceived quality was found to be relatively superior (grand mean, 3.90) than competitors. Majority of the respondents strongly believed that local brand leather handbags lasted long compared to its competitors (mean, 4.24). Overall durability was found to be superior with relative to other substitute

products supplied by competitors as perceived by majority of the respondents (grand mean, 4.01). Localbrand leather handbags had consistent brand image in terms of using pure leather is highly recognized by majority of the respondents (mean 4.06). On the other hand, they disagreed on its prominence regarding frequent upgrading of its product features (mean, 2.87). Majority of the respondents disagreed on local brand leather handbags has new look (mean, 2.49), fine seem stiches (mean 2.82), and has attractive colors option (mean 2.96) compared to its competitors. The overall Aesthetic quality perception towards local brand was found below average (grand mean 2.94). Majority of the respondents disagreed on provision of wide variety of leather handbags (mean 2.89) and handbags' design trended ever-changing fashion industry (mean 2.96). These situations pushed majority to have neutral stand (mean 3.34) as the overall seasonality quality perception was found to be.

2. Relationship amongst study variables

- Overall dimensions of product quality perception had positive and significant relations with overall purchase intention.
- Seasonality ($r = .608, p < 0.05$) and Reliability ($r = .492, p < 0.05$) had relatively the highest relation with purchase intention. Where as perceived image had relatively the least but moderate relationship ($r = .317, p < .05$)

3 .Effect of perceived quality on purchase intention

The regression analysis of this study revealed that product quality perception dimensions accounted for 64.3% (R^2) of variation in Purchase Intention.

Except Aesthetic and Seasonality, all product quality perception dimensions have positive and significant effect on overall purchase intention.

Durability ($\beta = .353$), Performance ($\beta = .311$) and Reliability ($\beta = .202$) dimension have relatively higher effects on purchase intention.

5.2 Conclusion

The main objective of this study is to assess the effect of product quality perception on purchase intention taking local brand leather handbags as a case study. Hence, the study sought to identify the most important attributes of consumer's perception towards local leather handbags to enhance sales performance of the company by focusing on which attributes or dimensions of perceived product quality matters to them.

For this, the first specific objective of the study was to assess or identify the major product quality merely based on the perception of the respondents. The study found out that Durability and Reliability were perceived positively while indifferent regarding Performance, Seasonality and Image perceived quality but had negative feelings to Aesthetic dimension. Domestic consumers prefer to purchase domestic leather handbags due to their durability as majority of the respondents who participated in the study are living under poor economic situation. Meanwhile, it is true that local leather handbags producers are incompetent against foreign or imported handbags in terms of technology, capital and skilled labour. However, Ethiopian leather quality is highly known for its fine surface texture, and cheaper in local markets, the companies will have more opportunity to produce more quality handbags regarding durability for the fact that consumers prefer reliable leather handbags with minimum maintenance cost for a period of time. Nonetheless, the company has all these opportunities, it suffers from lack of technology and skilled labour to produce more seasonal products following the current fashion trend. Thus, more of its products have aesthetic and seasonality issues compared to other strategic competitors in the domestic market.

As can be seen from the results of the findings, all the six dimensions of product quality perception had positive and strong significant relationship with purchase intention. Seasonality, aesthetic values and reliability showed relatively the highest positive direct relationship with it. Overall, these dimensions of product quality accounted for about 65% of variations in purchase intentions of the respondents. This indicates there were other factors like price, advertisement, distribution and the likes which could have potential impact on buying decisions which require further investigation. Meanwhile, regarding their effects on purchase intention, Durability and Performance had relatively the highest effect as local consumers who prefer to buy domestic leather handbags wants to have durable products with lower cost of purchase and maintenance.

Aesthetic and seasonality dimensions didn't have significant effect on purchase intention as following fashion trend and beauty issues matters less for low economic societies. The findings supported the reliability or validity of the study in this regard.

It can be concluded that all the six dimensions of product quality based on consumers' perception can be taken as good predictors for purchase intentions as they had strong relationship with behavioral (purchase) intentions. But the company should exert more effort on seasonality and aesthetic values of its products to attract more consumers and enhance its sales performance at large. It helps to design and implement efficient and effective marketing mix strategy by the concerned managements to get the best out of it.

5.3 Recommendations

This study has shown the relationship between the product quality perception dimensions and purchase intention of local brand leather handbags product consumers in Addis Ababa.

Meanwhile, it confirms that all the six product quality dimensions such as performance, durability, reliability, image quality, aesthetic and seasonality are suitable predictors to measure overall purchase intention keeping other variables constant. It was also confirmed that, except seasonality and aesthetic values, the aforementioned variables have positive and significant effect with productivity with a variety of impact intensity.

Based on the results of this study, the following recommendations are forwarded to the companies' managements so as to improve sales performance of the company with the existing technology and skilled workforce. The recommendations are:

- local brand leather handbags should have better esthetic, different style, attractive design, variety color option, and provide better fashionable products. The company should do this by hiring better handbag designers; take experience sharing from similar companies and using different ornament materials in the process of production.

- Managements of the respective companies should frequently upgrade its product feature and should have better flexible insole and fine leathers so as to make it more comfortable. It needs to improve leather handbags product's fashionable aspects based on following the current trend.

- The company should continuously monitor its designs so as to mitigate defects by inspection, testing or conducting consumer survey. Subsequently, the root causes behind the presence of defects should also be investigated to avoid recurrence of the defect.

- The company should measure the degree to which the product satisfies the customer from the perspective of both quality of design and the quality of conformance.
- Customer survey should be conducted to find customer's perception about the product. If product does not live up to the customer's expectation, then adjustments should be made in the design or conformance.
- Further research should be conducted from other related factors such as price, promotion and distribution to influence their purchase intention.

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Appendix – I - Survey Questionnaire



**ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MARKETING MANAGEMENT**

Survey Questionnaire

Questionnaire to Be Filled by Customers of Local Leather Handbags

Dear Respondent,

My name is TersidaAdmasu, a postgraduate student of St. Mary's University, School of Graduate Studies. I am conducting a study to assess the effect of consumer-based leather bags' product quality on local consumer's purchase intention in the case of selected leather manufacturing companies (Anbessa, Sheba, Joy, Ethio-Leather and ZAAF Collection Plc). The purpose of this questioner is to gather data regarding how local consumers perceive the product quality of local leather handbags and their effects on consumer behavioral intention in terms of purchase intention. Your honest and sincere responses for this questionnaire will play a great role in making the research successful. I assure you that all the responses will be treated confidentially and only be used for academic purpose. Participation is purely voluntary and no need to write your name.

I thank you in advance for offering your golden time and if you have any question, please feel free to contact me by the below contact:

NAME: TersidaAdmasu

Phone: +251 966 460027

Email: admasukuku3@gamil.com

I. General Information

Please mark [X] in the appropriate box to indicate your choice

1. Sex Male Female
2. Age (Years) 18 – 30 31 – 45 46 – 60 > 60
3. Education High School Degree Masters
 Others, please specify _____
4. Experience of Using the product 1 – 5 years 6 – 10 years > 10 years
5. Income < 5,000 Birr 5,000 – 10,000 Birr >10,000 Birr

II. Product Quality and Purchase Intention Dimensions

Here under the questions with regard to the product quality of handbags and purchase intention, therefore, you are kindly requested to put “X” mark on the box which represents your degree of agreement.

1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, 5 = strongly disagree.

Dimensions -	Scale				
	1	2	3	4	5
Performance					
The handbag products have better soft lining than its competitors					
The handbag has a smooth layers/ surface than other similar product					
The handbag has pleasant odor than its competitors					
The handbag products are stable when handling it on shoulder					
No discomfort for wearing it for longer period					
Reliability	1	2	3	4	5
The handbag is consistently usable without failure for a while					
The handbag is weather resistant to handle it in any season					
The handbag leather and other parts are fixed intact together					
The handbag has minor defects that can easily be maintainable					
Durability	1	2	3	4	5
The handbag lasts long compared to its competitors					
The handbag seam adhesive is water resistant during wet seasons					
The handbag color doesn't fade with time					

The handbag' surface finish is weather crack resistant					
Image/ Perceived Quality	1	2	3	4	5
The handbag has consistent brand image in terms of using pure leather					
The handbag brand name is prominent for its company reputation					
The handbag is known for its frequent upgrading of its product features					
The handbag's ornament (plastic) parts are appealing					
Aesthetic Value	1	2	3	4	5
The handbag has attractive look than other similar substitute products					
The handbag has a new look compared to its competitors					
The handbag has better fine seam stitches compared to competitors					
The handbag has attractive colors option compared to its competitors					
Seasonality	1	2	3	4	5
The company provides fashionable product compared to its competitors					
The company's handbag has different style compared to its competitors					
The company provides wide variety of handbag compared to its competitors					
The company handbag's design trends ever changing fashion					
Purchase Intention	1	2	3	4	5
Friends' recommendation motivates me to purchase these leather handbags					
Hearing positive comments about the brand makes me consider the purchase of the Leather handbag					
It makes me feel happy to purchase this Leather handbag					
I consider these leather handbags as first choice against other locally produced handbag					

Many thanks!!!