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# **FACTORS AFFECTING CONSUMERS' BUYING DECISION OF A TV BRAND IN ADDIS ABABA**

**A Thesis Submitted to Addis Ababa University School of  
Commerce in Partial Fulfilment of the Requirement for  
Degree of Master of Arts in Marketing Management**

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**Addis Ababa University**

**Addis Ababa, Ethiopia**

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ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

Certification

This is to certify that Zelalem Alemenew has carried out his research work on the topic “Factors Affecting Consumers' Buying Decision of a TV Brand in Addis Ababa”

The work is original and meets the accepted standards with respect to originality and quality for the award of Master’s Degree in Marketing Management.

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## Statement of Declaration

I, Zelalem Alemenew, hereby declare that the thesis entitled *Factors Affecting Consumers' Buying Decision of a TV Brand in Addis Ababa* is the outcome of my own effort and that all sources of materials used for the study have been duly acknowledged. This study has not been submitted for any degree to this or any other Universities. It is offered for the partial fulfilment of the degree of MA in Marketing Management.

Declared by:

Zelalem Alemenew Desta

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Name

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Signature

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Date

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I dedicate this thesis to my mother, Mulu Getu.

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## Abstract

*Understanding consumers' behaviour helps marketers to offer a product that qualifies the values of their customers to the best. Consumers' behaviour is reflected when they buy, use, and dispose of a product. The purpose of this study was to analyse factors which affect consumers' buying decision of a TV Brand in Addis Ababa. To attain this research objective, quantitative data that were collected from a total of 367 sample respondents through a self-administered questionnaire were used and explanatory research design was applied to identify any causal links between the research variables. The study used both descriptive and inferential statistics. The data obtained from the sample population, selected using convenience sampling technique, was analysed using the 26<sup>th</sup> version of Statistical Package for the Social Science (SPSS). The analysis reveals that Country of the Origin, Brand Image, Product Features, and Price have a significant influence on the prediction of Consumers' Buying Decision of a TV brand. Though Promotion has a positive effect on consumers' purchase decisions, it is not, however, statistically significant. To determine whether there is a difference in purchasing decisions of a TV brand based on demographic characteristics (Gender, Age, Education Level and Monthly Income) of the respondents, T-test and One-Way ANOVA were computed. The result shows all, except Monthly Income, have no statistically significant relationship with Consumers' Purchase Decision of a TV brand. Results from the study are expected to provide stakeholders in the industry with a variety of ideas to understand their customers which will help them to develop and implement effective marketing strategies.*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Consumers seek items to satisfy their basic needs and desires. Jacoby (1976) defined consumer behaviour as a reflection of the totality of consumers' decisions with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units over time. According to Solomon (2004) consumer behaviour is much more than studying what consumers buy. It attempts to understand how the decision-making process goes and how it affects their buying behaviour. Similarly, Hawkins and Mothersbaugh (2013) noted that consumer behavior involves understanding the set of decisions (what, whether, why, when, how, where, how much, and how often) that an individual or group of consumers makes over time about the acquisition, use, or disposition of products, services, ideas, or activities.

Consumers behaviour differs from society to society. It is affected by culture and economic condition of a nation where the society is found. Consumers' behaviour which is reflected when buying any product is different not only from society to society but also from person to person. Understanding factors which affect consumers' behaviour is important to marketers to satisfy the need and wants of their customers. Hoyer & MacInnis (2008) noted about the role of marketing in attempting to influence the way consumers behave. As to them, the attempts have implications for the organizations making them, the consumers they are trying to influence, and the society in which these attempts occur.

Consumers in Addis Ababa, just like any other society, also have distinct behaviours which they reflect when making any decision including a decision to buy a product. People usually make rational decisions when buying a product which costs them much money like electronic home appliances. TV sets are one of the home appliances which consumers buy usually once or twice in their lifetime. Thus, they take many things in account before deciding to spend their money to buy a TV set. Understanding factors which affect their decision to buy is crucial to anyone who engages in manufacturing, distributing or advertising of TV sets.

TV has become an essential part of households in modern society of Ethiopia. Let's briefly see below the history of television service in Ethiopia.

## **Television Service in Ethiopia**

Television service was first introduced to Ethiopia in November 1964, on the occasion of the 1st OAU Head of States meeting and to commemorate Emperor Haile Selassie's 33<sup>rd</sup> Coronation Anniversary. During this inauguration, the Emperor appeared on the screen and in his speech explained that this was one of the results of Ethiopia's effort to spread knowledge (Ellene, Messele and Alemayehu, 2003). Ethiopia has had a history of government control over the news media, with state radio, television and newspapers serving as little more than mouthpieces for those in power during the reign of Emperor Haile Selassie and the military junta, or Derg, that followed him. The major difference between the monarchy and the Derg was that the former focused on the immune nature of the king and the transmission nature of power by blood relation while the later emphasized socialism and the equality of citizens (Gera, 2017). After the overthrow of the Soviet-backed Derg, the transitional government introduced a new Constitution in 1995, with Article 29 providing for freedom of speech, expression and the media (Press Freedom Mission Report, 2013). According to EBC Media Technology Division document (2017), Ethiopian Television (ETV) operates for a long period of time solely transmits its product in a non-competitive local television broadcasting environment.

Ethiopians were denied more than a single state television broadcaster for over five decades. Broadcast media has been under the tighter grip of the government until recently. When the government finally decided to loosen its grip, it invited political allies first, even though 40 companies applied for licenses (Wazema Radio Briefing Paper, 2018). There are also TV stations with second-country license, like Kana, Noah, JTV, LTV and Ethiopian Broadcasting Service (EBS) (Ibid)

About 6 percent of Ethiopians have access to satellite TV, according to the 2011 audience survey by the Electoral Reform International Services (2011). This survey of 3,999 people across Ethiopia, found that only 39 percent of respondents had access to television. Only a fifth of those surveyed said TV was their most important and most reliable source of information. On the other hand, more than half put their trust on radio.

Most Ethiopian television viewers do not have a TV set in their own homes (Ibid). Poverty, lack of electricity and poor reception mean that few people have TV sets outside the main towns (Powell, 2011).

Nowadays, however, the number of local TV channels is increasing so does the number of people who own TV sets. Like any other city of Ethiopia, consumers in Addis Ababa city are exposed to a wide choice of television brands and have to contend with different companies' marketing activities and other factors while seeking to make the best choice on the television brands to buy. Though, in Ethiopia, no study has been conducted to examine factors which affect consumers' choice of a TV brand, the researcher came across several studies conducted on consumers' choice of other products such as, among others, washing machine, vehicle, house, home furniture, cultural clothes, smartphones and footwear products. The determinants for consumers' choice of a product according to the result of those studies can roughly be summarized as emotional and rational factors.

The researcher, however, came across similar researches conducted out of Ethiopia. A study by Lilly. J (2010) found out that demographic variables such as age, gender, educational qualification, occupational status and monthly income had an impact on the customer's perception towards a TV brand. On the other hand, Malathi's (1998) study found out durability, brand image, price and after-sales service to be the main reasons for preferring a particular TV brand. Another study by Bhagaban Das et al. (2008) found out that price, quality, advertisement and recommendation from near and dears were major factors that influence consumers' buying decisions of a TV brand.

Many television brands are available in the market for consumers. The competition among different brands is getting much tougher than ever before. To stay strong in the ever-growing competition, knowing the factors which motivate consumers to buy and affect their purchasing decisions are important to design the marketing strategy of every company. No research so far has been done on examining the major factors which affect consumers' buying decision in Addis Ababa. Thus, this paper analysed the major factors affecting consumers' buying decision of a TV Brand in Addis Ababa.

## **1.2. Statement of the Problem**

It is not possible to anticipate and react to customers' needs and desires without a complete understanding of consumer behaviour. Hawkins and Mothersbaugh (2013) believe discovering customers' needs is a complex process, but it can often be accomplished by marketing research. Consumer behaviour studies individuals and groups when they select, purchase, use and dispose products, ideas, services or experiences. (Solomon, 2004).

There are many studies conducted on consumers behavior in general and a behavior they reflect while making purchasing decision of a TV brand in particular. The studies conducted in other countries revealed that many are factors which affect consumers' buying decision of a TV brand. Rajeselvi (2013) in the article titled "Buyer behavior towards electronic goods" has critically examined the behavior of buyers towards electronic goods. The author has opined that despite the basic characteristics of consumers the behavior pattern of consumers is more or less similar to each other, particularly in aspects like quality, preference and decision making. Different researches results, however, show different factors that affect consumers' decision making.

Bhagaban, D., et al. (2008) in their study on categorizing consumers' buying behaviour has focused on the consumers' buying behaviour on Television brands. The factors that influence their buying decision were commonly price, quality, advertisement, recommendation from near and dears etc. Brosekhan and Velyautham (2010) in their joint study on consumers' buying behaviour towards selected home appliance products have attempted to analyse the consumer buying behaviour towards selected home appliance products in Ramanathapuram. Their study revealed that lifestyle characteristics have a great impact on the consumer buying behavior of the clusters. According to their study, in a consumption environment, a person chooses a product or a brand, which seems to possess a maximum possibility of the definition or elaboration of his lifestyle identity. Alternatively, a person makes a choice in a consumption environment in order to define or actualize his lifestyle, identify it through the products or brands chosen.

Ravikanth and Venkat (2015) on the other hand found out that the majority of the consumers from both urban and rural regions have agreed that the promotional campaign of the television brand will influence them in making a purchase decision. Sethi and Nagrecha (2013) made an analysis on consumer behavior of MBA students while buying a television. Their study revealed that the behavior of consumers is influenced by the external factors including family which has a major influencing factor in determining the style, features and price of the TV to be purchased.

Kumar et al (2014) have opined that the decision-making behavior of customers with regard to electronic goods may be influenced by gender.

As can be seen above, the previous studies conducted in the area show that many are factors which affect consumers buying decision. Some are internal and other external factors. To the researcher's

knowledge, no research has been conducted so far in the area of consumer buying behavior of a TV brand in Addis Ababa.

Brosekhan and Valayutham (2010) identified home appliance products which were once considered as life purchase like LCD and LED televisions, Air Conditioner, Refrigerator, Washing machine, Computers and Laptops, Induction Cookers, Mixer Grinder, Wed Grinder, Kitchen Stove and Microwave Ovens are now being exchanged by the new ones. The decision of buying some products like TV requires much effort while others do not need much information search. People take many things into account before they decide which TV brand to buy.

Hawkins and Mothersbaugh (2013) noted that consumers gather information about various alternative solutions, evaluate them and select the course of action that seems most likely to solve the problem that they recognize. They believe consumer choices are sometimes based on extremely simple decision rules such as “buy the cheapest brand available.” At other times, they are extremely complex, involving multiple stages and processes.

In our country also some researches have been conducted on determinants of consumers’ buying decision of different products though none of them were on TV sets. Nowadays, the marketing competition in electronic products especially in TV sets is getting tougher. There is a steady increase both in demand and supply of TV sets in our country. Many factors contribute for this high demand to buy TV sets.

Economic growth in Ethiopia over the past few years has influenced the consumers to spend and buy more electronic products and exchange their old model TV sets with the new one. Since consumer behavior is associated with the culture and economy of a country, the more countries become advanced in the economy, the more their people will buy TV sets. An increase in the quality of programs and the number of media stations also play a vital role in consumers’ decision to buy a TV set. The number of satellite TV broadcasters has seen a dramatic increase in just a few years. Some are registered in Ethiopia and others broadcast from abroad, some national and others regional, some secular and others religious, some to entertain others to inform etc.

Furthermore, urbanization is expanding at a faster rate, the number and diversity of media have increased from day to day, the TV technology industry is introducing new features and the

community is witnessing social developments with increasing purchasing power. These cause high demand for TV sets. At the same time, new TV brands are being introduced, TV retailer shops are expanding, and consumers' behavior becomes unpredictable. Due to these and other related factors, the field has become an area of additional complicity and uncertainties. As a result, the TV market has been an ideal selection for strategic analysis. Because of the growing importance and market coupled with the absence of similar researches in the area in our country, it was proposed to carry out a study covering factors affecting the consumer buying behavior for a TV brand in Addis Ababa.

### **1.3. Objectives of the Study**

#### **1.3.1. General Objective of the Study**

- The general objective of this study was to analyse factors which affect consumers' buying decision of a TV Brand

#### **1.3.2. Specific Objectives of the Study**

The specific objectives of this study were:

- To determine the impact of Brand Image on consumers' buying decision of a TV brand.
- To determine the impact of Price on consumers' buying decision of a TV brand.
- To determine the impact of Features of a TV on consumers' buying decision of a TV brand.
- To determine the impact of Country of the Origin on consumers' buying decision of a TV brand.
- To determine the impact of Promotion on consumers' buying decision of a TV brand.

### **1.4. Research Question**

Introducing the research question is intended to accomplish two basic purposes. Firstly, to provide a clear view what the research entails and, what the thesis will cover. Secondly, it outlines a clear connection with the research objectives (Juhiam, 2008).

Therefore, in order to achieve the above-mentioned objectives, the study attempted to answer the following research questions:

- Does Brand Image affect consumers' buying decision of a TV brand?
- Does Price affect consumers' buying decision of a TV brand?
- Does Features of a TV affects consumers' buying decision of a TV brand?

- Does Country of the Origin affect consumers' buying decision of a TV brand?
- Does Promotion affect consumers' buying decision of a TV brand?

## 1.5. Definition of Terms

**Brand:** Brand is described as a name, term, sign or style and it is a unification of the above and the goods or services of one seller or a group of sellers are identified and differentiated by the competitors (Kotler & Armstrong, 2007 p. 225).

**Consumers:** A consumer is a person who identifies a need or desire, makes a purchase, and then disposes of the product during the three stages of the consumption process. (Solomon, 2018, p. 29).

**Consumer Behavior:** The field of consumer behavior covers a lot of ground: It is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires (Solomon, 2018, p. 28).

**Buying decision** – or purchase decision is the thought process that leads a consumer from identifying a need, generating options, and choosing a specific product and brand. Some are minor like buying toothpaste, while other purchases are major, like buying a house (Riley, 2012).

**Consumer decision making** – is the process by which consumers identify their needs, collect information, evaluate alternatives and make the purchase decision. These actions are determined by psychological and economic factors and are influenced by environmental factors such as cultural, group, and social values (Solomon, 2004)

## 1.6. Significance of the Study

Consumers make buying decisions every day. Consumer behavior is a widely studied field. Understanding it completely might not be possible, because it is related so closely to the human mind. However, forecasting how a human behaves in purchasing situations can be estimated through previous purchasing decisions of the same or related products. Hoyer and MacInnis (2008)

All marketing decisions and regulations are based on assumptions and knowledge about consumer behaviour. It is impossible to think of a marketing decision for which this is not the case. (Hawkins & Mothersbaugh, 2013).

This study is expected to help manufacturers, whole-sellers, retailers, advertising agencies and importers of TV sets to understand the decision-making behaviors of customers. Taking the results of this finding, they could develop their advertising strategies, modify their products or develop a new one so to satisfy their customers and be competent in the industry.

The study will also enrich existing knowledge on the subject and serve as a research literature material for subsequent studies on similar and/or related areas.

### **1.7. Scope of the Study**

Due mainly to constraints such as time and resources, this study focused only on factors affecting consumers' buying decision of a TV brand. Geographically the study bounded within Addis Ababa. Thus, the samples were taken only from dwellers of the city-Addis Ababa. The other rationale for using Addis Ababa as a study area was that with the assumption of finding many diverse personalities, habits, emotions and feelings of people drawn from every corner of the nation. Moreover, in addition to being the capital of the nation, Addis Ababa has the biggest market center where a number of TV brand alternatives are found.

Though their impact is different, many are factors that affect consumers' purchasing decisions of a TV brand. This study, however, considered only selected determinants such as price, brand, product features, country of the origin and promotion.

### **1.8. Organization of the Paper**

The study is organized into five chapters. Chapter one of the study contains an introduction, statement of the problem, objective of the study, significance, and scope and limitation of the study. The second chapter discusses the theoretical and empirical reviews of pieces of literature related to consumer behavior, consumer decision making process and factors affecting buying decisions of consumers. This chapter also includes similar or related study results done by other researchers before. Chapter three focuses on the research design and methodology of the study while chapter four presents result and discussion on the data analysis. The last chapter presents a summary of the findings, conclusions, and recommendations.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2.1. Introduction**

This chapter reviews the concepts and theories relevant to consumer decision making. The consumer behavior, consumer decision-making process, factors affecting buying decisions of consumers and previous studies that focused on this field are also briefly discussed in this section. The literature review consists of a theoretical review, empirical review and the conceptual framework.

### **2.2. Theoretical Review**

Theories are important to have a better understanding of the topic under study. Mothersbaugh, and Hawkins (2015) noted that having an accurate understanding of consumer behavior can greatly reduce the odds of failures. As to them, marketing decisions based on explicit consumer behavior theory, assumptions, and research are more likely to be successful than those based on hunches or intuition and thus create a competitive advantage.

The researcher chooses rational choice theory and the motivation theory of consumer behavior to support this study area. The rational choice theory assumes that consumers are rational and try to actively maximize their advantage in any situation otherwise try to minimize their losses. And the motivation theory explains why and what consumers do.

#### **2.2.1. Rational Choice Theory**

Rational choice theory is developed based on the idea that all action is fundamentally 'rational' in character and that people calculate the likely costs and benefits of any action before deciding what to do (Scott, 2000). This theory is focused on a few determinants of individual choices, and methods of aggregating social behavior are based on the decisions of individual actors. Rational choice is concerned in finding the best means to given ends; more specifically, in the face of a decision-making situation, an actor considers a finite set of alternatives, ascribes consequences to them, orders these consequences according to their importance and value, and makes an optimal choice among available alternatives (Burns and Roszkowska, 2016).

According to Scott J. (2000), rational choice theory adopts a methodological individualist position and attempts to explain all social phenomena in terms of the rational calculations made by self-

interested individuals. Individuals are motivated by the rewards and costs of actions and by the profits that they can make. Some rational choice theorists have seen rationality as a result of psychological conditioning and others have adopted the position that it is simply necessary to assume that individuals act as if they were completely rational.

Most people in Ethiopia buy TV sets once in their lifetime, if not twice. Since it costs high amount of money, people usually consider many things while they decide to buy any TV set. They mostly look for information, consider the price, ask the available brand alternatives, check the quality, features of the TV sets etc before they decide.

i. Critics Against Rational Choice Theory

Marketers sometimes assume that the process underlying consumer choice follows rational choice theory. Rational choice theory implicitly or explicitly assumes a number of things about consumer choice that often are not true. These assumptions with their critics are discussed next: (Mothersbaugh, and Hawkins, 553)

***Assumption 1:*** *Consumers seek one optimal solution to a problem and choose on that basis.* However, increasingly, marketers are coming to understand that these conditions do not always describe consumer choice. First, consumers don't always have the goal of finding the "optimal brand" for them. Instead, there are alternative metagoals, where a metagoal refers to the general nature of the outcome being sought. In addition to selecting the optimal alternative, metagoals include minimizing decision effort or maximizing the extent to which a decision is justifiable to others.

We can consider nominal decision making. Consumers who are low in purchase involvement may engage in little or no external search because they can recall from memory a brand that is at least satisfactory. In this case, consumers will usually choose this brand with no further search or decision effort, even though it may not be the optimal brand for them. This is because, given low purchase involvement, other goals come into play such as minimizing search and decision effort.

***Assumption 2:*** *Consumers have the skill and motivation to find the optimal solution.*

However, marketers are increasingly aware that consumers often don't have the ability or the motivation to engage in the highly demanding task of finding the optimal solution. For example,

consumers are subject to bounded rationality—a limited capacity for processing information. Moreover, most decisions do not generate enough purchase involvement to motivate consumers to seek the optimal solution through extended decision making (Mothersbaugh, and Hawkins, 2015).

**Assumption 3:** *The optimal solution does not change as a function of situational factors such as time pressure, task definition, or competitive context.*

However, marketers are increasingly aware that preferences can and do shift as a function of the situation. For example, limited decision making is more likely when we are tired or hurried. In addition, when new brands are added to the competitive set, it can alter consumer choices (Ibid).

Thus, it is important to keep in mind that consumer decisions are often not rational in the sense of finding the optimal solution and they are not optimal due to the cognitive and time limits of consumers. Besides, they are malleable in that they change based on the situation.

### **2.2.2. Motivation Theory**

A person's buying choices are further influenced by four major *psychological factors: motivation, perception, learning, and beliefs and attitudes*. A person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst, or discomfort. Others are psychological, arising from the need for recognition, esteem or belonging. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive or drive is a need that is sufficiently pressing to direct the person to seek satisfaction.

For marketers, understanding motivation is to understand why consumers do what they do. Need is a premise to do something. Motivation occurs when a need is aroused that the consumer wishes to satisfy. From the literature, there is evidence of the development of different theories of motivation affecting consumer behavior, and these are valuable to include in the theoretical background of consumer motivation. Two of the most popular motivation theories are theories of Sigmund Freud and Abraham Maslow (Solomon et.al, 2006).

#### *2.2.2.1. Theories of Sigmund Freud*

Sigmund Freud assumed that people are largely unconscious about the real psychological forces shaping their behavior. He saw the person as growing up and repressing many urges. These urges are never eliminated or under perfect control; they emerge in dreams, in slips of the tongue, in

neurotic and obsessive behavior, or, ultimately, in psychoses. Freud's theory suggests that a person's buying decisions are affected by subconscious motives that even the buyer may not fully understand (Solomon et.al, 2006).

The term motivation research refers to qualitative research designed to probe consumers' hidden, subconscious motivations. Consumers often don't know or can't describe why they act as they do. Thus, motivation researchers use a variety of probing techniques to uncover the underlying emotions and attitudes toward brands and buying situations (Kotler and Armstrong, 2013, p. 172).

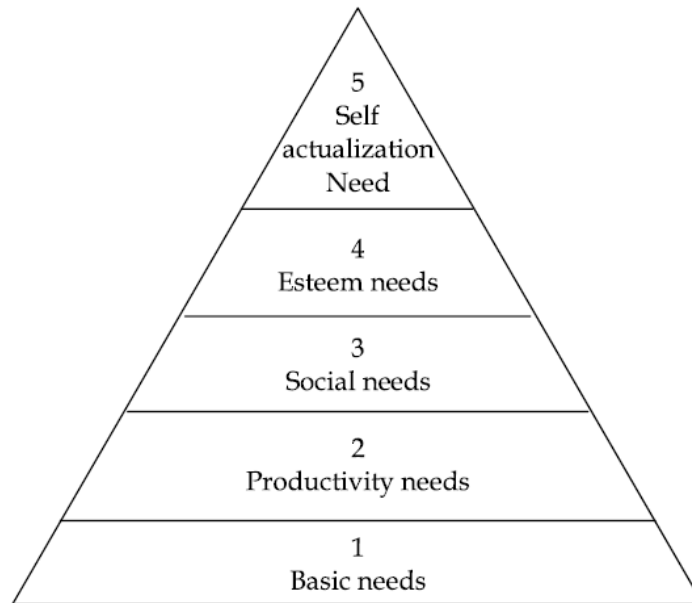
Solomon (2018) explaining how Freud's work is relevant to consumer behaviour noted that consumers cannot necessarily tell us their true motivation when they choose products, even if we can devise a sensitive way to ask them directly. The Freudian perspective also raises the possibility that the ego relies on the symbolism in products to compromise between the demands of the id and the prohibitions of the superego. As to him, people channel their unacceptable desire into acceptable outlets when they use products that signify these underlying desires. This is the connection between product symbolism and motivation: The product stands for, or represents, a consumer's true goal, which is socially unacceptable or unattainable. By acquiring the product, the person vicariously experiences the forbidden fruit.

#### *2.2.2.2. Theories of Abraham Maslow*

According to Maslow, individuals have their own choice and decision depends on their unsatisfied needs. Someone may spend much time and energy to satisfy his/her safety and the other may on gaining respect from others. Maslow argues that these individual differences of human needs are arranged in a hierarchy order from the most pressing to the least. There are five different needs in Maslow's need managed in the form of hierarchy. From the bottom to top: (Nagar and Sharma, 2016)

- 1<sup>st</sup> Physiological needs are arranged, which includes food, air, water, shelter, etc.
- 2<sup>nd</sup> Safety needs are there, it includes the need associated to security and stability in environmental conditions that exclude pain, fear, or unhealthiest.
- 3<sup>rd</sup> Social need that includes love, care, attention, friendliness, and maintaining relations with other needs

- 4<sup>th</sup> Self-esteem needs include needs from social and personal attainment through respect, recognition and appreciation from other people.
- 5<sup>th</sup> In hierarchy topmost is self-actualization or fulfilment, a sense realization of self-potentiality. (Nagar and Sharma, 2016)



*Figure. 1. Abraham Maslow's Hierarchy of Needs*

A person tries to satisfy the most important need first. When that need is satisfied, it stops being a motivator, and the person will then try to satisfy the next most important need. For example, starving people (physiological need) nor how they are seen or esteemed by others (social or esteem needs) nor even in whether they are breathing clean air (safety needs). But, as such important need is satisfied, the next most important need will come into play (Kotler and Armstrong, 2013, p. 172).

#### *2.2.2.3. Critics Against Motivation Theory*

##### *i. Critics against Theories of Sigmund Freud*

Some critics reacted to the motivational studies that ad agencies conducted in much the same way they did to subliminal perception studies. They charged that this approach gave advertisers the power to manipulate consumers. However, many consumer researchers felt the research lacked sufficient rigor and validity because the interpretations are so subjective. Because the analyst based his conclusions on his own judgment after he interviewed a small number of people, critics were

dubious about whether the findings would generalize to a larger market. In addition, because the original motivational researchers were heavily influenced by orthodox Freudian theory, their interpretations usually involved sexual themes.

Freud's work had a huge influence on subsequent theories of personality. Although he opened the door to the realization that explanations for behavior may lurk beneath the surface, many of his colleagues and students felt that an individual's personality is more influenced by how he or she handles relationships with others than by how he or she resolves sexual conflicts. We call these theorists Neo-Freudian (meaning following from or being influenced by Freud) (Solomon, 2018, p. 244).

One of the most prominent neo-Freudians was Karen Horney. This pioneering psychotherapist described people as moving toward others (compliant), away from others (detached), or against others (aggressive) (Horney, 1950). Indeed, an early study found that compliant people are more likely to gravitate toward name-brand products, detached types are more likely to be tea drinkers, and males the researchers classified as aggressive preferred brands with a strong masculine orientation (e.g., Old Spice deodorant) (Cohen, 1967).

Carl Jung was also one of Freud's disciples. However, Jung didn't accept Freud's emphasis on sexual aspects of personality. He went on to develop his own method of psychotherapy that he called analytical psychology. Jung believed that the cumulative experiences of past generations shape who we are today. He proposed that we each share a collective unconscious, a storehouse of memories we inherit from our ancestors. For example, Jung would argue that many people are afraid of the dark because their distant ancestors had good reason to fear it. These shared memories create archetypes, or universally recognized ideas and behavior patterns. Archetypes involve themes, such as birth, death, or the devil, that appear frequently in myths, stories, and dreams (Jung, G., 1959).

#### ii. [Critics Against Theories of Abraham Maslow](#)

Despite its age, the theory of Abram Maslow is still very much alive, and both its proponents and opponents are still debating its merits and demerits. Perhaps the theory has not been internationalized quite adequately nor has its various dimensions, such as whether it applies to genders equally or unequally, been fully explored. Although it is maintained here that Maslow's

hierarchy holds in international settings, and this is true at all stages of the social hierarchy, it is not applicable equally. Cultural differences, differing levels of economic development, and differences in social hierarchies make the importance that can be attached to Maslow's hierarchy rather variable (Samli, 1995).

According to Samli (1995), from a marketing perspective, Maslow's hierarchy had been considered to be culture-specific and particularly applicable to American culture. He justified his statement saying that only a very few countries, such as the United States, have gone through all of Maslow's hierarchy stages and experienced the self-actualization stage. However, it is possible to generalize that almost all countries have generated certain groups that experienced all stages of the hierarchy.

But, basically the level of economic development may indicate a more favourable orientation toward certain levels of the hierarchy. This does mean that the country, say, does not have any groups experiencing self-actualization, but it may be that the country is rather poor, and the needs mostly are concentrating on physiological need. For instance, that art, education, or demand for leisure may not be overwhelming in a less developed country. Of course, it must also be recognized that a less developed country, for instance, can be making sufficient progress that it may improve its economy. If a less developed country can make enough progress and move, say, to the level of being newly industrialized, certainly its markets for art, education, and markets become much more favorable (Samli, 1995).

There have been numerous attempts to clarify world markets. However, these attempts did not make an effort to connect the level of economic development and consumer needs. Obviously, needs are critical because they not only illustrate cultural preferences but also could guide the marketing practices of international marketers (Samli 1995). Here, for example, in country A consumers may be putting much more emphasis on housing and household expenditures than country B, where consumers may be emphasizing apparel and automobiles, despite the fact that both countries are classified as developing countries. Thus, there are some key differences between consumer's behavior even when the economic level of the countries is rather the same. Therefore, first and foremost, it is important to determine what influences consumers the most in different cultures. This is where social class and Maslow's hierarchy interact (Ibid).

### **2.3.Consumer Behaviour**

The field of consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society (Mothersbaugh, and Hawkins, 2015) This view of consumer behavior is broader than the traditional one, which focused more narrowly on the buyer and the immediate antecedents and consequences of the purchasing process. Our broader view will lead us to examine more indirect influences on consumption decisions as well as far-reaching consequences that involve more than just the purchaser and the seller.

We reflect our behavior in every activity of our life. Hoyer and MacInnis (2008) noted that being a consumer reaches into every part of our lives. At just about every moment of our lives, we engage in some form of consumer behavior. When we watch an ad on TV, talk to friends about a movie we just saw, brush our teeth, go to a ball game, buy a new CD, or even throw away an old pair of shoes, we are behaving as a consumer. They believe studying consumer behavior has critical implications for areas such as marketing, public policy, and ethics. It also helps us learn about ourselves—why we buy certain things, why we use them in a certain way, and how we get rid of them.

Hawkins & Mothersbaugh (2013) believe a firm must fully understand its own ability to meet customer needs. This involves evaluating all aspects of the firm, including its financial condition, general managerial skills, production capabilities, research and development capabilities, technological sophistication, image, and marketing skills. Marketing skills would include new-product development capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, market and consumer knowledge, and so forth.

### **2.4.Consumer Decision Making Process**

The term consumer decision produces an image of an individual carefully evaluating the attributes of a set of products, brands, or services and rationally selecting the one that solves a clearly recognized need for the least cost. It has a rational, functional connotation. Consumers do make many decisions in this manner; however, many other decisions involve little conscious effort. Further, many consumer decisions focus not on brand attributes but rather on the feelings or emotions associated with acquiring or using the brand or with the situation in which the product is

purchased or used. Thus, a brand may be selected not because of an attribute (price, style, functional characteristics) but because “it makes me feel good” or “my friends will like it.” (Shiv and Huber, 2001)

Consumers make a series of decisions almost every day of their lives. A consumer purchase is a response to a problem. Once they realize that they want to make a purchase, and they go through a series of steps in order to make it. These steps can be described as: (1) problem recognition, (2) information search, (3) evaluation of alternatives, and (4) product choice. (Solomon et al, 2006)

After the decision is made, the quality of that decision affects the final step in the process, when learning occurs based on how well the choice worked out. This learning process, of course, influences the likelihood that the same choice will be made the next time a need for a similar decision occurs.

All consumer-buying decisions are not the same and the amount of effort put into the decision-making process differs. When the decision-making process is almost automatic, snap judgment can be made with little information search. This kind of routinely made a buying decision involves little risk and low involvement. Other times the decision-making process requires a lot of time and information search. The products that are bought rarely involve high risk and extensive problem solving (Kardes, 2011).

### **Involvement and Types of Decision Making**

Mothersbaugh and Hawkins (2015) defined purchase involvement as the level of concern for, or interest in, the purchase process triggered by the need to consider a particular purchase. Thus, purchase involvement is a temporary state of an individual or household. It is influenced by the interaction of individual, product, and situational characteristics.

There are various types of consumer decision processes. As the consumer moves from a very low level of involvement with the purchase to a high level of involvement, decision making becomes increasingly complex. While purchase involvement is a continuum, it is useful to consider nominal, limited, and extended decision making as general descriptions of the types of processes that occur along with various points on the continuum (Mothersbaugh and Hawkins, 2015).

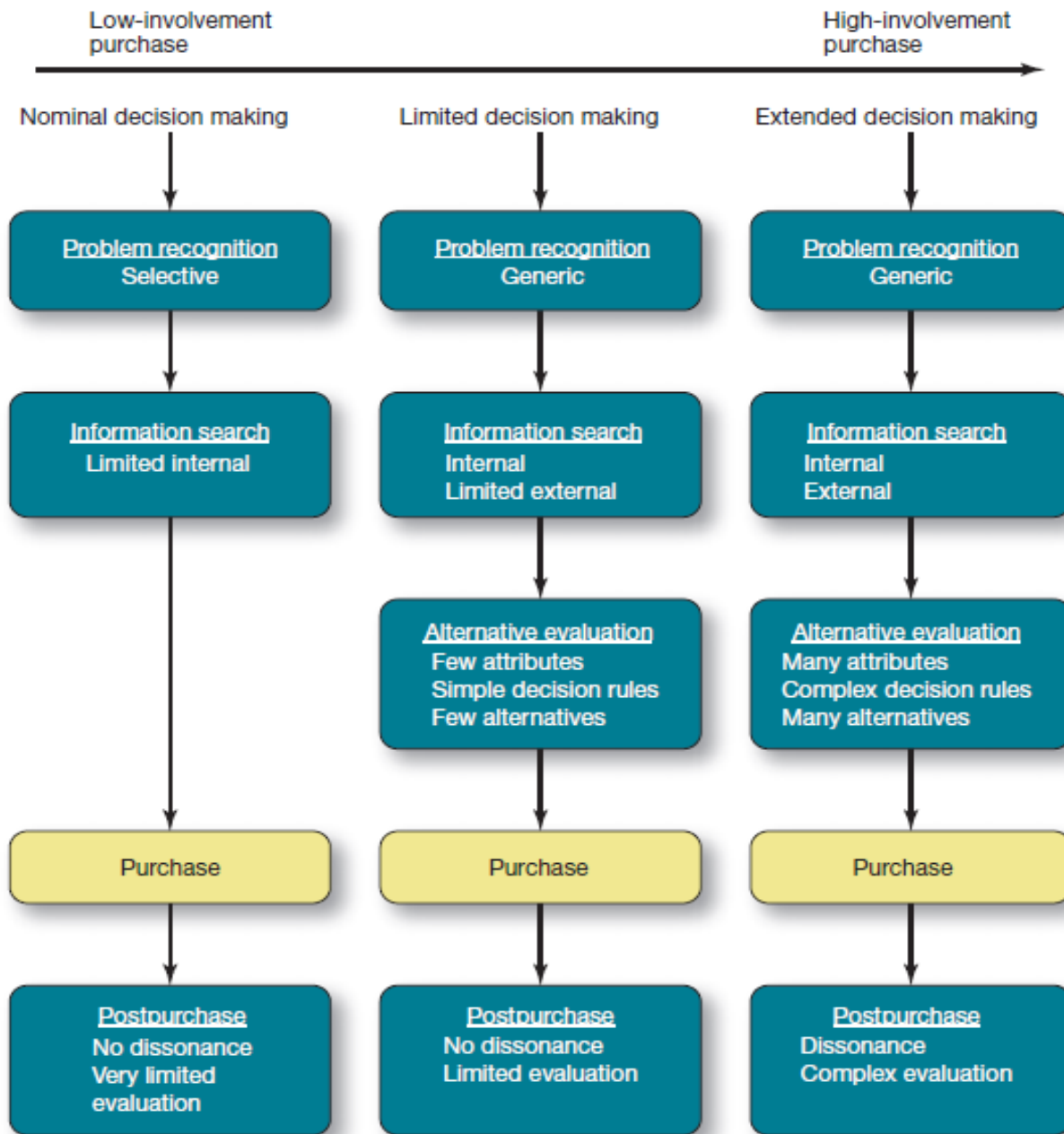


Figure 2. Involvement and Types of Decision Making

Source: David L Mothersbaugh, Delbert I Hawkins (2015)

### 3.4.1 Nominal Decision Making

Nominal decision making, sometimes referred to as *habitual decision making*, in effect involves *no decision*, a problem is recognized, internal search (long-term memory) provides a single preferred solution (brand), that brand is purchased, and evaluation occurs only if the brand fails to

perform as expected. Nominal decisions occur when there is very low involvement with the purchase. (Mothersbaugh and Hawkins, 2015)

Nominal decisions can be broken into two distinct categories: brand loyal decisions and repeat purchase decisions.

**Brand Loyal Purchases** At one time, you may have been highly involved in selecting a brand of toothpaste and, in response, used an extensive decision-making process. Having selected Aim as a result of this process, you may now purchase it without further consideration, even though using the best available toothpaste is still important to you. Thus, you are committed to Aim because you believe it best meets your overall needs and you have formed an emotional attachment to it (you like it). You are brand loyal. It will be very difficult for a competitor to gain your patronage (Mothersbaugh and Hawkins, 2015).

**Repeat Purchases** In contrast, you may believe that all ketchup is about the same and you may not attach much importance to the product category or purchase. Having tried Del Monte and found it satisfactory, you now purchase it whenever you need ketchup. Thus, you are a repeat purchaser of Del Monte ketchup, but you are not committed to it. Should you encounter a challenge to the wisdom of buying Del Monte the next time you need ketchup, perhaps because of a point-of-sale price discount, you would probably engage in only a limited decision process before deciding on which brand to purchase (Ibid).

#### *3.4.2 Limited Decision Making*

Limited decision making involves internal and limited external search, few alternatives, simple decision rules on a few attributes, and little post-purchase evaluation. It covers the middle ground between nominal decision making and extended decision making. In its simplest form (lowest level of purchase involvement), limited decision making is similar to nominal decision making.

In general, limited decision making involves recognizing a problem for which there are several possible solutions. There is internal and a limited amount of external search. A few alternatives are evaluated on a few dimensions using simple selection rules. The purchase and use of the product are given very little evaluation afterward, unless there is a service problem or product failure.

### ***3.4.3 Extended Decision Making***

According to Mothersbaugh and Hawkins (2015), extended decision making involves an extensive internal and external information search followed by a complex evaluation of multiple alternatives and significant post-purchase evaluation. As to them, it is the response to a high level of purchase involvement.

After the purchase, doubt about its correctness is likely and a thorough evaluation of the purchase takes place. Relatively few consumer decisions reach this level of complexity. However, products such as homes, personal computers, and complex recreational items such as home theatre systems are frequently purchased via extended decision making. Even decisions that are heavily emotional may involve substantial cognitive effort. (Ibid)

## **2.5. Factors Affecting Buying Decisions of Consumers**

Consumers might find information regarding a product that they want to purchase based on their tastes and preferences. The consumers also will make a comparison between different types of products so that they can purchase their products within their budget suit with their needs and wants.

According to Solomon (2004) consumer behavior studies individuals and groups when they select, purchase, use and dispose products, ideas, services or experiences. There is a huge variety of consumers from a small child asking mum to buy a new game to an international corporation executive making a huge investment deal. Consumers seek items to satisfy their basic needs and desires. Consumer behavior is much more than studying what consumers buy. It attempts to understand how the decision-making process goes and how it affects consumers' buying behavior. A consumer's buying behavior is influenced by cultural, social, personal and psychological factors. Consumer behavior is a part of human behavior and by studying previous buying behavior, marketers can estimate how consumers might behave in the future when making purchasing decisions. (Kotler & Armstrong 2010, p. 160.)

The following part focus on the social, personal and psychological characteristics of consumer behavior.

### ***2.5.1. Social Factor***

Perreau (2014) identified family, reference groups, role and status as important social factors. He said these social factors affect consumer behavior significantly. Every individual has someone around influencing their buying decisions.

Every consumer is an individual, but still belong to a group. The group to which a consumer belongs is called a membership group. This is a direct and simple classification. The second group type is a reference group. The reference group influences the self-image of consumers and consumers' behavior. The reference group provides some points of comparison to consumers about their behavior, lifestyle or habits. Usually there are many smaller reference groups, which are formed by family, close friends, neighbors, work group or other people that consumers associate with. The groups to which a consumer does not belong yet can also influence. These aspirational groups are groups where a consumer aspires to belong and wants to be part in the future. (Kotler & Armstrong 2010, p. 164)

Family members can influence individual consumers' buying behavior. A family forms the environment for an individual to acquire values, develop and shape personality. This environment offers the possibility to develop attitudes and opinions towards several subjects such as social relations, society and politics. A family creates first perceptions about brands or products and consumer habits. (Kotler & Armstrong 2010, p. 169)

### ***2.5.2. Personal factors***

An individual's decisions are influenced by personal factors such as a buyer's age and life cycle state, occupation, economic situation, lifestyle, and personality and self-concept.

Consumers' change during their life and buying of products alter depending on age and stage of life. Age related factors are such as taste in food, clothing, recreation and furniture. Moreover, environment, values, lifestyle, hobbies and consumer habits evolve during lifetime. Family life stages change purchasing behavior and brand selection. Traditionally a family life cycle included only young singles and married couples with children. Nowadays marketers are focusing on alternative, nontraditional stages such as unmarried couples, childless couples, same sex couples, single parents and singles marrying later in life. (Kotler & Armstrong 2010, p. 170.)

A consumer's occupation and purchasing power influence purchasing decisions and buying behavior. The income level affects what consumers can afford and the perspective towards money.

People, who share similar occupations, tend to have similar taste in music, clothing and leisure activities. They usually socialize with each other and share the same kind of values and ideas. Income level affects on what consumer can afford and perspective towards money. (Solomon 2004, p. 12) Individuals from lower income groups are probably more interested in buying products that are necessary for survival than spending on luxury products or reputable brands.

### **2.5.3. Psychological Factors**

A buyer's choices are also influenced by four psychological factors, i.e. motivation, perception, learning, and beliefs and attitudes.

A consumer is an individual who has different kind of needs. These needs can be biological like thirst or psychological arising from the need for recognition or belonging. A need can be aroused to a sufficient level of intensity when it alters a motive. A motive is basically a need that drives a person to seek satisfaction. Abraham Maslow is probably the most know psychologist who has examined these human needs. He sought to explain why humans are driven by different needs at different times. (Kotler & Armstrong 2010, p. 173.)

## **2.6. Empirical Review**

Consumer behaviour is affected by both internal and external factors. Research results conducted in the area of factors affecting consumers' buying decision are discussed as follows:

### **Factors affecting consumers' TV brand choice**

#### **2.6.1. Brand Image**

An image is a subset of associations that reflect what something stands for and how favorably it is viewed. Hoyer, D., MacInnis, J. (2010). They take the favorable brand image of McDonald's as an example and indicated the inclusion of such associations as a family-friendly place and fast food.

Osselaer and Alba (2000) defined brand image as the schematic memory of a brand. It contains the target market's interpretation of the product's attributes, benefits, usage situations, users, and manufacturer/marketer characteristics. It is what people think of and feel when they hear or see a brand name. It is, in essence, the set of associations consumers have learned about the brand.

Kotler, Kartajaya and Setiawan (2010) noted that brand image is about acquiring a strong share of the consumer's emotions. Your brand value should appeal to consumers' emotional needs and wants beyond product functionalities and features

In marketing, brand reputation is everything. If two products are of equal quality, people will tend to purchase the one that has the stronger brand reputation. A company must make its brand name's positioning and differentiation clear to its target market. (Kotler, Kartajaya and Setiawan, 2010)

Lilly. J (2010) conducted a study entitled, "Customer Perception and Preference towards Branded Products with special references to Television Sets" with the objectives of evaluating the customers' perception of the promotional factor of purchase towards branded products and also to know whether the demographic variables of the respondent have influence on brand preference of television sets. Her study revealed that the demographic variables such as age, gender, educational qualification, occupational status and monthly income had an impact on the customer's perception towards branded products. In case of customer's preference towards television brands, all the demographic variables except nature of family had significant relationship in brand preference of television set. In a family, the role of the spouse was considered to be the most important in seeking information about television brands and while selecting a branded television set. Technical features, investment, awareness about brands in the television set were considered. Sustaining preference is an important step of brand loyalty.

Another study by Malathi (1998) entitled, "Consumer's Brand Choice Behaviour for Television in Salem District", emphasized the major findings that consumer awareness about the brand is created through advertisement and dealer's contact. Her study found out that durability, brand image, price after-sales service were the main reasons for preferring a particular brand.

### ***H1- Brand image affects consumers' buying decision of a TV brand.***

#### **2.6.2. Price**

Hawkins and Mothersbaugh (2010) defined price as the amount of money one must pay to obtain the right to use the product. One can buy ownership of a product or, for many products, limited usage rights (i.e., one can rent or lease the product, as with a video). Economists often assume that lower prices for the same product will result in more sales than higher prices. However, price sometimes serves as a signal of quality. A product priced "too low" might be perceived as having

low quality. (Hawkins and Mothersbaugh, 2010, p. 21). Similarly, Kotler (2010) also defined price as the amount of money charged for a product or service. Broadly, price is the total amount being exchanged by the customer to obtain a benefit of the product or service owning.

Scitovsky (1945) indicated that the price of a product is related to product costs, which is the reason that people consider price as a signal that can represent the quality of a product. When the price of the product is higher, at a certain point, the quality of the product is also better, which attracts people and influence people's buying decision. On the other hand, price and need are negatively correlated. When the utility of products is similar, consumers will choose the solution with the lower price to maximize the utility. Price is considered as an essential role of consumer behavior. "Owning expensive items also provides information about the owner. If nothing else, it indicates that the owner can afford the expensive item. This is a desirable feature to some consumers. Starbucks charges relatively high prices for its coffee. Yet it understands that the Starbucks brand allows consumers to "trade up" to a desired image and lifestyle without breaking the bank. Therefore, setting a price requires a thorough understanding of the symbolic role that price plays for the product and target market in question". (Hawkins and Mothersbaugh, 2010, p. 21).

Bhagaban Das et al. (2008) in their study on categorizing consumers' buying behavior has focused on the consumers buying behavior on Television brands. The factors that influence their buying decision were commonly price, quality, advertisement, recommendation from near and dears etc. A study made by Abdul Baji & Chandra Sekhar N.D.(2013) on 'consumer behavior towards buying of electronic goods' has revealed that despite the basic characteristics of consumers the behavior pattern of consumers was more or less similar to each other, particularly in the aspects like quality, preference and decision making. The authors have opined that consumers are particular about the appropriate system of distribution and hence there was a great need for change in the distribution system with regard to availing the type of products in the electronic segment, quality of products and price of the products.

Krishna Kumar (2011) in his study on 'consumer behavior towards electronic goods with reference to occupational factors – a study in Cuddalore town' has opined that behavior with the increasing disposable income population, their perception, a consumption of electronic goods and other products is increasing.

## ***H2- Price affects consumers' buying decision of a TV brand.***

### **2.6.3. Features**

Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need (Kotler, Philip, Armstrong, and Gary, 2007). TV is an electronic product with variety of functions including watching different programs and movies. Feature is an attribute of a product to meet the satisfaction level of consumers' needs and wants, through owning of the product, usage, and utilization of a product (Kotler, Philip, Armstrong, and Gary, 2007).

Product features have a similar meaning to the physical characteristic, function, technical characteristics, and extended attributes of the product to satisfy people's variety of needs (Isiklar and Buyukozkan, 2007). Product features have a positive impact on purchase intention of consumers. Product features can be divided into hardware and software.

Hardware is the description for a device that can be touched physically. The hardware of a TV set is the body of the TV set itself, size and weight. Colour and design are also considered as hardware as they are the physical appearance of the TV set.

A study by Basariya and Ahmed (2018) on Consumer Preference towards Led TV revealed that the Majority of the respondents expressed their satisfaction with the present brand and features of LED TV they own. Most of the respondents also affirmed that they like Sony and LG, because of their high-quality features.

## ***H3- Features of a TV affects consumers' buying decision of a TV brand.***

### **2.6.4. Country of the origin**

Country of the origin definitions can be classified into three groups: overall country image, products classes related to a certain country, and a special product or brand related to a certain country (Hsieh, 2004) Pappu et al. (2007) on the other hand classified country of the origin into two groups: macro country of the origin and micro country of the origin. Macro country of the origin image is defined as "the total of all descriptive, inferential and informational beliefs one has about a particular country" (Martin & Eroglu, 1993, p.193). And micro country of the origin image is "the picture, the reputation, the stereotype that businessmen and consumers attach to a product of specific country" (Nagashima, 1970, p.68).

Although most firms have shifted their production to foreign countries, especially developing countries, the brands are still acknowledged as global brands thanks to the strong brand equity, which promotes the brands' asset value and competitive advantages. Pappu et al. (2007)

Elliot, Cameron, and Acharya (1994) defined the country of the origin as the country of origin or the country of manufacturing for a specific product. Numerous studies have found that consumers have biases in favour and against products made in certain countries. In our framework, the country refers to the nation in which the company's headquarters is located, or the brands are generated.

It is seen that country of the origin effect is mostly effective in consumers' buying process. 'Favorable or unfavorable perceptions of a country associated with a product lead to a corresponding favorable or unfavorable evaluations of the product originating from that country. Country of the origin effects have both performance and emotional components (Maheswaran 2006).

Lam and Choong (2007) in their study entitled, "A Study on Malaysian Consumers Perception Towards Quality of Chinese Electrical Home Appliances", which explains that although there are many Chinese electrical home appliances in the Malaysian market, the perception towards Chinese products is always very negative. The research findings suggest that the country-of-origin and product durability are important evaluation criteria for Malaysian consumers.

Shahin et al (2012) in their study entitled, "How Consumer's Perception of Country of Origin Affects Brand Equity: A Case Study in Iran". The study focused on the household audiovisual appliances from the viewpoint of Masjedsoleyman city's buyers, Khuzestan, Iran. Results indicate that brand country of origin has a direct and significant effect on perceived quality, brand loyalty, brand association and brand awareness.

#### ***H4- Country of the origin affects consumers' buying decision of a TV brand.***

##### **2.6.5. Promotion**

Companies must do more than just create customer value; they must also use promotion to clearly and persuasively communicate that value. Promotion is not a single tool but, rather, a mix of several tools. Under the concept of integrated marketing communications, the company must carefully coordinate these promotion tools to deliver a clear, consistent, and compelling message about its organization and its brands. (Kotler and Armstrong, 2012).

The promotion mix is the marketer's bag of tools for communicating with customers and other stakeholders. To deliver a clear and compelling message, each tool must be carefully coordinated under the concept of integrated marketing communications.

A company's total promotion mix—also called its marketing communications mix—consists of the specific blend of advertising, public relations, personal selling, sales promotion, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships. The five major promotion tools are defined as follows: (Kotler and Armstrong, 2012, p. 408).

**Advertising-** is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

**Sales promotion-** is short-term incentive to encourage the purchase or sale of a product or service.

**Personal selling-** is personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.

**Public relations (PR)-** is building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

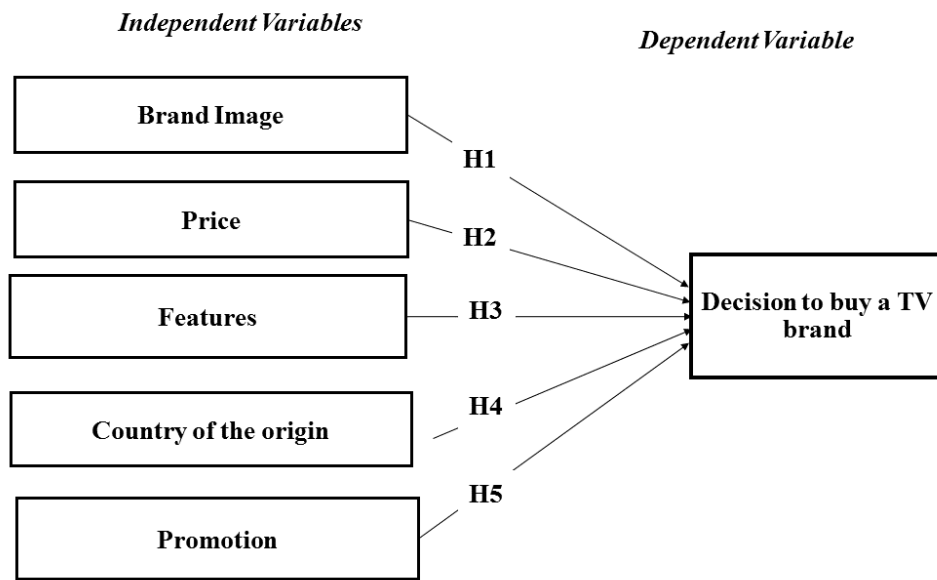
**Direct marketing-** is direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships.

In a joint study by Ravikanth and Rao (2015) entitled "Buying Behaviour of Electronic Products in Andhra Pradesh: a study of selected electronic consumer product", majority of consumers both from urban and rural regions have agreed that the promotional campaign of the television brand would influence them in making a purchase decision.

*H5- Promotion affects consumers' buying decision of a TV brand.*

## **2.7. Conceptual framework**

Based on the theoretical and empirical backgrounds discussed in the previous parts of this chapter, a conceptual model of consumers' buying decision is proposed as follows:



*Figure 3. Conceptual framework of the study*

Source: Adapted from Asrat (2019), Cheru (2018) and Meseret (2018)

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1.Introduction**

This chapter discusses the research methodology that was used for conducting this study. The population and sample of the study, the source and type of data, methods of data collection procedures, methods of data analysis, and finally, ethical issues related to the study are explained and justified.

#### **3.2.Research Approach**

This research reviewed theories about consumer decision making and developed a hypothesis and try to show the association between a dependant variable (Purchasing Decision of a TV brand) and independent variables (Brand Image, Price, Product Features, Country Of The Origin And Promotion). Therefore, the deductive approach was applied to develop hypotheses based on what is theoretically known about the research constructs.

According to Trochim (2000), there are two broad methods of reasoning known as the deductive and inductive approaches. The deductive approach works from the more general to the more specific; a research study might begin with a theory about the topic of interest, then narrow that down into more specific hypotheses that can be tested, narrowing down even further by collecting observations to address the hypotheses. This ultimately leads to testing the hypotheses with specific data to confirm logically or not confirm the original theories.

#### **3.3.Research Methods**

Flick (2009) defined quantitative research as an empirical research where the data are in the form of numbers. As to him, quantitative research aims at testing an assumption that has been formulated in advance in the form of hypothesis. It tends to involve relatively large scale and representative sets of data. Quantitative research involves studies that make use of statistical analyses to obtain findings. Key features include formal and systematic measurement and the use of statistics. So here, since the statistical analysis was applied to obtain the findings and there was a formal and systematic measurement (through a questionnaire), the designed method for this research was quantitative research.

### **3.4. Research Design**

As stated above, this study used quantitative data which were collected through a field survey using self-administered questionnaire. Survey is popular since it allows the collection of a large amount of data from a sizeable population in a highly economical way (Lewis and Thornhill, 2009). Studies that establish causal relationships between variables may be termed explanatory research. The emphasis here is on studying a situation or a problem in order to explain the relationships between variables. (Saunders, Lewis and Thornhill 2009, p. 140).

Based on the above clarifications, the study design that was applied for this study was an explanatory research design as it aimed to identify any causal links between and among the research variables.

### **3.5. Sampling Design**

#### **3.5.1. Target Population**

The target population of this research were people living in Addis Ababa and owned any kind of TV by the time the questionnaire was distributed. Only those who bought their TV themselves or participated in the decision making of choosing their TV brand were the target population from which the samples were taken. This was done with the belief that participants with prior experience would remember the real feeling they have had when making decisions to buy a TV brand.

#### **3.5.2. Sampling Technique**

Sampling is the selection of a fraction of the total number of units of interest for the ultimate purpose of being able to draw general conclusions about the entire body of unit (Parasurman, 2004). According to Zikmund, (2000) there are two main sampling methods, probability and non-probability sampling. In the probability sample, every unit in the population has equal chances for being selected as a sample unit whereas, non- probability sampling, units in the population have unequal or zero chances for being selected as a sample unit.

In this study, due to a lack of access to the list of the entire population who own TV sets in Addis Ababa, it was difficult to use probability sampling. Thus, the convenience sampling technique was used to select the sample population. Convenience sampling is a technique samples drawn from a population that are close to hand, readily available, or convenient (Bhattacharjee, 2012).

Convenience sampling (or haphazard sampling) involves selecting haphazardly those cases that are easiest to obtain for your sample, such as the person interviewed at random in a shopping centre for a television programme or the book about entrepreneurship you find at the airport. The sample selection process is continued until your required sample size has been reached. (Saunders, Lewis & and Thornhill 2009, p. 241).

### 3.5.3. Sample Size

The total population of this study was not clearly known. If the population happens to be infinite, then the formula is different from sample size calculation of finite population. To determine the sample size for unknown population the following formula, which is based on 95% confidence interval and 5% error term, is recommended by scholars. Kothari (2004).

$$SS = \frac{Z^2 \times (P) \times (1-P)}{C^2}$$

$$SS = \frac{96^2 \times .5 \times (1-.5)}{0.05^2}$$

$$SS = 3.8416 \times .5 \times .50.0025$$

$$SS = 385$$

Where

P = sample proportion, q = 1 – p;

Z= the value (95% confidence level and 5% confidence interval)

N = size of the sample.

C= confidence interval expressed as a decimal

## 3.6.Sources of Data

### 3.6.1. Primary Source

The primary data of this research was gathered by using self-administered questionnaires. The questionnaires were filled in by 367 respondents who own a TV set or have ever been participated in buying decision of a TV brand by the time when the questionnaires were distributed. According to Kothari (2004), primary data which is collected afresh and for the first time, and thus happen to be original in character.

### **3.6.2. Secondary Source**

The secondary data are those which have already been collected by someone else and have already been through the statistical process. For this study, secondary data was obtained from journals, magazines and the internet. Research works done previously in the area of consumers' behaviour in general and factors affecting their buying decision, in particular, were used as a reference.

### **3.7. Data Collection Instrument**

Bhattacharjee (2012), noted that survey research is a research method involving the use of standardized questionnaires or interviews to collect data about people and their preferences, thoughts and behaviors' in a systematic manner.

The researcher used self-administered questionnaires to gather relevant data from the respondents. The questionnaires consisted of a number of questions printed in a definite order on a form or set of forms. The questionnaires were distributed to respondents who are expected to read and understand the questions and write down the reply in the space lent for the purpose in the questionnaire itself. The respondents answered the questions on their own.

### **3.8. Data Analysis Methods**

The data that was collected from respondents was analysed using quantitative data analysis techniques. For analysis of data, the 26<sup>th</sup> version of Statistical Package for the Social Science (SPSS) was used.

This study used both descriptive and inferential statistics. Descriptive statistics enable you to describe (and compare) variables numerically. (Saunders, Lewis and Thornhill 2009, p. 444). The inferential statistics indicators that were used for this research were correlation and multiple regressions. While correlation is used to show the extent to which two variables are related to each other, inferential statistics allow a researcher to make inferences about whether relationships observed in a sample are likely to occur in the wider population from which that sample was drawn. (Singh, 2007). Multiple regression was used to show how well a set of independent variables is able to predict the dependent variable. Mean, standard deviation, frequency percentages, and bar chart were also used to summarize the sample population characteristics that were obtained through the questionnaire. Finally, T-test and One Way Anova were computed to check the

presence of statistically significant mean difference in consumers' purchasing decision on the bases of their demographic factors such as sex, age, income and education level

### **3.9. Validity and Reliability**

#### **3.9.1. Validity**

Internal validity in relation to questionnaires refers to the ability of your questionnaire to measure what you intend it to measure. This means you are concerned that what you find with your questionnaire actually represents the reality of what you are measuring. (Saunders, Lewis and Thornhill 2009)

From the techniques used to check the validity of a questionnaire: content validity, criterion-related validity and construct validity, the researcher used content validity. Content validity refers to the extent to which your measurement questions actually measure the presence of those constructs you intended them to measure. This term is normally used when referring to constructs such as attitude scales, aptitude and personality tests and the like. (Saunders, Lewis and Thornhill 2009)

The researcher sent the draft questionnaire to the advisor for comment and correction was made accordingly. Plus, the questionnaire was evaluated and commented by different research experts and professionals to avoid any bias or subjectivity. Clarity and completeness of the questions were evaluated by distributing few samples to people around the researcher and the necessary revisions were made by taking the survey result into account. Moreover, a comparison was done between the conceptual framework (own variables) and theoretical framework (what has been said by others) for validation. These increased the validities of the questionnaires before applying them to the full-scale survey.

#### **3.9.2. Reliability**

Burns and Burns (2008) described reliability as the consistency and stability of findings that enables findings to be replicated. Saunders, Lewis and Thornhill (2009) further elaborated reliability as concerned with the robustness of a questionnaire and, in particular, whether or not it will produce consistent findings at different times and under different conditions, such as with different samples or, in the case of an interviewer-administered questionnaire, with different interviewers.

The reliability of the internal consistency of the research instrument was checked by Cronbach's Alpha after the data was gathered from the respondents. Cronbach's Alpha is very useful in developing attitude scales and questionnaires as the alpha level (or reliability) indicates if the items are measuring the same construct. Items that are not measuring what the rest are can be identified and deleted. It should be over 0.70 to produce a reliable scale and any scale less than this alpha coefficient should be eliminated (Burns and Burns, 2008). The alpha values for all constructs in the study were greater than the 0.70.

### **3.10. Research Ethics**

Polit and Beck (2008) describe research ethics as a system of moral values concerned with the degree to which research procedures adhere to professional, legal and social obligation of the participants. Therefore, ethical consideration in research should uphold fairness, honesty, openness, disclosure of methods and the purpose for which the research is being carried out. Based on this, every information that was gathered from respondents have been kept confidentially and will be destroyed after a reasonable period of time. The aspect of confidentiality has been given optimum attention. In the research, the identity of the participants of the respondents has not been disclosed alongside guarantying them security for any complications.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

#### **4.1. Introduction**

The purpose of this study was to analyze factors which affect consumers' buying decision of a TV Brand in Addis Ababa. To achieve the purpose, data were gathered through a structured questionnaire from a total sample of 367 respondents. Statistical Package for Social Science (SPSS) software version 26.0 was used for analyzing the data. In this chapter, the results of the study are analyzed, presented and interpreted in detail. The first part of this chapter discussed data cleaning, survey response rate, and reliability of the internal consistency of the research instrument checked by Cronbach's Alpha. The second part of this chapter reports the demographic characteristics of the respondents and descriptive analysis. Finally, the correlation, regression and variance analysis are discussed.

#### **4.2. Data Cleaning**

After the data were collected from respondents, prior to data entry, the researcher carefully screened all data for accuracy. Checking for blank or skipped pages from the questionnaire was the first task here. The next task was entering the data into SPSS. After the data have been entered and checked for inaccuracies, the researcher made certain transformations before the data is ready to be analysed. These transformations procedure involved identifying and coding missing values as well as computing means and new variables.

In the questionnaire, the questions about the dependant variable (purchasing decision) were put under each independent variables' domain for the sake of clarification. Thus, a new variable was created by collecting each item of the variable from every dependant variable.

While encoding, the researcher came across few variables having missing values. These happened when participants either skip or choose multiple responses to a question. The researcher designated -999 and -888 for skipped answers and invalid/ multiple choices respectively.

### 4.3. Survey Response Rate

	Response Rate	
	Number	Percentage
<b>Number of questionnaires distributed</b>	385	100
<b>Returned questionnaires</b>	371	96.4
<b>Incomplete/invalid questionnaires</b>	4	1.04
<b>Total usable questionnaires</b>	367	95.3

*Table 4.1. Survey Response Rate*

*(Source: Survey Result, 2020)*

The sample size for this research was 385. From the total 385 questionnaires (Appendix I and II) distributed to respondents, 371 were returned (96.4 % return rate), of which only 4 questionnaires, which account 1.04 % of the total, were found incomplete and rejected from the analysis. Therefore, the researcher took 367 questionnaires (95.3 % of the total) for analysis.

### 4.4. Reliability Test

Cronbach's alpha was computed to check the reliability of all the 29 items under the five variables of the study.

Dimensions	Cronbach's Alpha	N of items
Brand image	.793	3
Price	.742	6
Product features	.771	7
Country of the origin	.718	4
Promotion	.715	4
Purchasing decision	.720	5

All	.871	29
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Table 4.2. Reliability Statistics Result

(Source: Survey Result, 2020)

The value of good alpha is 0.7 or more (Hair et al., 2010). As can be seen in the above table, the statistical analysis of this study shows that Cronbach's alpha is greater than 0.7 that is .871. Similarly, the alpha values for all constructs in the study were greater than the 0.70, so it can be concluded that the measurements can be applied for analyses with acceptable reliability.

#### 4.5. Demographic Characteristics of Respondents

The results of the demographic characteristics of respondents are shown in table 4.3 below.

Demographic Characteristics	Category	Frequency	Percentage	
<b>Gender</b>	Male	243	66.2	
	Female	120	32.7	
	Missing	Refusal	4	1.1
		Multiple responses	-	-
<b>Age</b>	18- 25 year	92	25.1	
	26-35 years	177	48.2	
	36-45 years	58	15.8	
	46- 55 years	17	4.6	
	56- 65 years	19	5.2	
	Missing	Refusal	3	.8
		Multiple response	1	.3
<b>Level of education</b>	High School and Below	9	2.5	
	Certificate/Diploma	28	7.6	
	Degree	240	65.4	
	Masters and above	90	24.5	

	Missing	-	-
<b>Monthly income in Birr</b>	Up to 2,500	50	13.6
	2,501- 5,000	147	40.1
	5,001- 10,000	93	25.3
	Above 10,001	38	10.4
	Missing	-	-

*Table 4.3. Demographic Characteristics of Respondents*

*(Source: Survey Result, 2020)*

The above table presents sex, age, education level and monthly income of the respondents. In terms of gender, from 367 sample respondents, 243 (66.2 %) of them were male and 120 (32.7 %) were female. Four respondents, accounting for 1.1 % of the total, refuse to specify their sex.

65.4 % of the respondents were degree holders while 24.5 % hold their master's degree by the time the data was collected. 2.5 % and 7.6 % of the respondents' educational levels were High School and Below and Certificate/Diploma respectively.

The largest group of the sample population aged between 26-35 years, which is 48.2 % of the total respondents, followed by age groups ranging from 18- 25 years (25.1 %) and from 36-45 years (15.8%). While only 11.8 % of the respondents aged between 46- 55 years and 56- 65 years, four (0.11 %) responses were missing due to three refusals and one multiple response record.

Majority (40.1 %) of the respondents earned a monthly income of birr 2,501- 5,000 followed by 25.3 % of respondents who earned 5,001- 10,000,

#### **4.6. Descriptive Analysis**

A descriptive statistic is used to describe the basic features of the data in a study. It provides simple summaries about the samples and the measures. The researcher used descriptive statistics to present quantitative descriptions in a manageable form. The mean and standard deviation scores have been computed for all factors by equally weighting the mean scores of all the items under each factor. The mean value provides an idea about the central tendency of the values of a variable. On the other hand, Standard deviation gives the idea about the dispersion of the values of a variable from its mean value.

Respondents were asked to rate their insight/ observation on a five-point Likert types scale ranging from 1 being strongly disagreed to 5 strongly agree for each variable: brand image, price, product features, country of the origin and promotion. The result is presented hereunder.

#### 4.6.1. Brand Image

	N		Mean	Std. Deviation
	Valid	Missing		
I consider brand reputation of a TV set when I decide to purchase	365	2	3.9808	1.01752
A TV set with a familiar brand name attracts me	366	1	3.9290	1.03123
A TV set with a popular brand name influences me to purchase	365	2	3.8356	1.06922

*Table 4.4. Descriptive statistic- brand image*

*(Source: Survey Result, 2020)*

As indicated in Table 4.10, the customers' average mean for Brand Image was 3.9169 with the standard deviation 0.87343. Under the brand image, there were three statements which were used to test their effect on customers' purchase decision a TV brand. There is a slight difference in mean result among the three having the first statement (I consider brand reputation of a TV set when I decide to purchase) the highest result with 3.9808 mean and 1.01752 standard deviations.

The standard deviation is a summary measure of the differences of each observation from the mean. The standard deviations of all the three statements are very close to one which implies that in the three statements, there is an almost similar variation of a set of values.

#### 4.6.2. Price

	N		Mean	Std. Deviation
	Valid	Missing		
I prefer to buy a TV set that is reasonably priced	367	0	3.9673	1.12061
I compare prices from different brands	366	1	3.9508	1.07412
I do not bother to change the TV brand with others just to get discounts	365	2	2.9562	1.29803
The Price of a TV set is a reflection of its quality	365	2	3.0384	1.33986
I prefer to buy the cheapest TV brand from alternatives I have	364	3	2.5577	1.22844

I will switch to another brand if my preferred brand price is high	365	2	3.1753	1.21436
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Table 4.5. Descriptive statistic- Price

(Source: Survey Result, 2020)

The price factor contained six statements. Respondents were asked to express their level of agreement with the given parameters. Preference to buy a TV set that is reasonably priced and comparison of prices from different brands scored the highest mean of all with 3.9673 and 3.9508 respectively. The lowest mean (2.5577) was obtained in the statement which declares consumers' preference to buy the cheapest TV brand from alternatives they have. The remaining three statements have a relative medium mean score with small differences among them.

When we see the standard deviation, the highest (1.33986) and the lowest (1.07412) scores were obtained in fourth and second statements respectively. A low standard deviation means that most of the numbers are close to the average. A high standard deviation means that the numbers are more spread out.

### 4.6.3. Product Features

	N		Mean	Std. Deviation
	Valid	Missing		
I prefer to buy a TV set because of its picture quality	366	1	4.0383	1.04615
I prefer to buy a TV set because of its sound quality	367	0	4.0518	.98349
I prefer to buy a TV set because of its exterior look	366	1	3.5410	1.14064
I prefer to buy a TV set because of its big screen size	366	1	3.7049	1.06518
I prefer to buy a TV set because of its additional services like having a USB flash drive	367	0	4.2016	.90999
I feel I am determined to pay more for a TV brand which has more features	367	0	3.9700	.93894
I do not bother to change the TV brand with other just to get additional features	367	0	3.1744	1.19977

Table 4.6. Descriptive statistic-Product features

(Source: Survey Result, 2020)

The independent variable named Product Features has seven statements. Based on the descriptive statistics, the average mean result was (Mean=3.8121) which is the highest of all variables next to Brand Image. As depicted in Table 4.6, consumers' preference to buy a TV set because of picture

quality, sound quality and its additional services like having a USB flash drive got the highest mean values (4.0383, 4.0518 and 4.2016 respectively). On the other hand, a statement about consumers' determination to change the TV brand with others just to get additional features got the lowest mean (3.1744) with 1.19977 standard deviations. This implies that the majority of respondents strongly agree with the statements specified in the study.

Not only the highest mean, but also the lowest standard deviation result is also obtained in this dependant variable. The lowest, below one, standard deviation result of all statements from all independent variables were scored in statements: "I prefer to buy a TV set because of its additional services like having a USB flash drive", "I feel I am determined to pay more for a TV brand which has more features" and "I prefer to buy a TV set because of its sound quality" with standard deviation 0.90999, 0.93894 and 0.98349 in their order. This implies that most of the responses given by the respondents were very close to the average value.

#### 4.6.4. Country of the Origin

	N		Mean	Std. Deviation
	Valid	Missing		
Foreign TV brands are superior in terms of quality	367	0	3.4305	1.30151
I prefer to purchase a domestic TV brand because of my patriotism	364	3	2.6868	1.16928
I use country-of-origin as a reference to evaluate the quality of a TV set among brands.	367	0	3.2153	1.22139
I consider country of the origin though the brand name is the same	362	5	3.2182	1.19991

*Table 4.7. Descriptive statistic-Country of the origin*

*(Source: Survey Result, 2020)*

Counter of the Origin is the fourth explanatory variable of the study represented by four statements and is the least variable in terms of mean value i.e. 3.1360 with standard deviation 0.90957. From the four statements, "foreign TV brands are superior in terms of quality" got the highest mean and standard deviation (3.4305 and 1.30151 respectively) followed by "I consider country of the origin though the brand name is the same" and "I use country-of-origin as a reference to evaluate the quality of a TV set among brands" which got very slightly different mean results- 3.2182 and 3.2153 in the order given. A statement about consumers' preference to purchase a domestic TV

brand because of their patriotism scored the least mean value (2.6868) and standard deviation (1.16928).

#### 4.6.5. Promotion

	N		Mean	Std. Deviation
	Valid	Missing		
Sales Promotion (short-term incentives) attracts my attention to buy a TV brand	367	0	3.1635	1.15493
The good look of the retailers' store attracts me to go in and check	367	0	3.3542	1.13555
I know about types of TV brands through advertisement	367	0	3.4932	1.04768
I know about types of TV brands from experiences of other people	366	1	3.8333	1.03213

*Table 4.8. Descriptive statistic-Promotion*

*(Source: Survey Result, 2020)*

The last independent variable is Promotion. It has four statements. While a statement “I know about types of TV brands from experiences of other people” got the highest mean (3.8333) followed by “I know about types of TV brands through advertisement” (3.4932), “Sales Promotion (short-term incentives) attracts my attention to buy a TV brand” got the least mean preceded by “The good look of the retailers' store attracts me to go in and check”

#### 4.6.6. Purchasing Decision

	N		Mean	Std. Deviation
	Valid	Missing		
Brand image is one of my priorities when making a buying decision of a TV set	367	0	3.8665	1.13857
Price is one of my priorities when making a buying decision of a TV set	364	3	3.2198	1.31992
Feature is one of my priorities when making a buying decision of a TV set	367	0	3.8937	1.11480
I prefer a TV brand due to its country of origin	367	0	3.1662	1.24451
Promotion influences me to choose a TV brand	366	1	3.3115	1.19186

*Table 4.9. Descriptive statistic-Purchasing decision*

*(Source: Survey Result, 2020)*

The purchasing decision is the only dependant variable included in the questionnaire and is represented by five statements. From the five statements, a statement which declares feature as one of the consumers’ priorities when making a buying decision of a TV set got the highest mean followed by a statement about Brand Image as one of their priorities when making a buying decision of a TV set. As can be seen from the above Table 4.9, “I prefer a TV brand due to its country of origin” got the lowest mean value (3.1662) of all with standard deviation 1.24451.

#### 4.6.7. Mean of the Independent Variables

	N	Mean	Std. Deviation
Brand Image	367	3.9169	.87343
Price	367	3.2767	.80020
Product Feature	367	3.8121	.67831
Country of the Origin	367	3.1360	.90957
Promotion	367	3.4612	.80280

Table 4.10. Descriptive statistic- Mean of all independent variables

(Source: Survey Result, 2020)

The mean value of all the independent variables (Brand Image, Price, Product Feature, Country of the Origin and Promotion) are presented in Table 4.10. As can be seen from the table, Brand and Product Feature have the highest mean score: 3.9169 and 3.8121 respectively. Then followed by Promotion with mean value 3.4612 and Price with mean value 3.2767. The lowest mean value was obtained from the Country of the Origin (Mean= 3.1360 and Standard deviation= 0.90957).

The standard deviation result tells us how spread out a data set is. All the standard deviations in the above table are below one. These low standard deviation results indicate that the values tend to be close to the mean of the set. In other words, the data are narrow spread, which tells that customers gave close opinions on each variable.

#### 4.7. Correlation Analysis

Correlation analysis deals with relationships among variables and helps to gain insight into the direction and significance of the relation between the variables. Correlation coefficient takes values between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to

positively correlated (1). Correlation Matrix with the dependent and independent variables allows the researcher to assess the strength of the association between the variables of interest. (Marczyk, Dematteo and Festinger, 2005)

Bivariate Correlation tests whether the relationship between two variables is linear (as one variable increases, the other also increases or as one variable increases, the other variable decreases). (Pedhazur, 1982).

The table below shows the relationship between each variable:

		<b>Brand image</b>	<b>Price</b>	<b>Product features</b>	<b>Country of the origin</b>	<b>Promotion</b>	<b>Purchasing decision</b>
<b>Brand image</b>	Pearson Correlation	1	.161**	.290**	.151**	.212**	<b>.350**</b>
	Sig. (2-tailed)		.002	.000	.004	.000	.000
	N	367	367	367	367	367	367
<b>Price</b>	Pearson Correlation	.161**	1	.265**	.322**	.332**	<b>.310**</b>
	Sig. (2-tailed)	.002		.000	.000	.000	.000
	N	367	367	367	367	367	367
<b>Product features</b>	Pearson Correlation	.290**	.265**	1	.333**	.391**	<b>.414**</b>
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	367	367	367	367	367	367
<b>Country of the origin</b>	Pearson Correlation	.151**	.322**	.333**	1	.335**	<b>.435**</b>
	Sig. (2-tailed)	.004	.000	.000		.000	.000
	N	367	367	367	367	367	367
<b>Promotion</b>	Pearson Correlation	.212**	.332**	.391**	.335**	1	<b>.290**</b>
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	367	367	367	367	367	367
<b>Purchasing decision</b>	Pearson Correlation	<b>.350**</b>	<b>.310**</b>	<b>.414**</b>	<b>.435**</b>	<b>.290**</b>	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	367	367	367	367	367	367

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

*Table 4.11. Correlation Analysis*

*(Source: Survey Result, 2020)*

As the correlation analysis with Pearson's correlation coefficient result shows in the above table, though the strength of the relationship varies across different items of the variables, all the

independent variables have a positive and statistically significant relationship with the dependant variable (consumers' purchasing decision) with Sig (2-Tailed) value less than 0.05. It implies that the researcher can be 95% confident that the relationship between variables is not due to chance.

**Sig (2-Tailed)** tells whether there is a statistically significant correlation between two variables or not. If the Sig (2-Tailed) value is greater than 0.05, the researcher can conclude that there is no statistically significant correlation between the two variables. That means, increases or decreases in one variable do not significantly relate to increases or decreases in the second variable. If the Sig (2-Tailed) value is less than or equal to .05, the researcher can conclude that there is a statistically significant correlations between two variables. That means, increases or decreases in one variable do significantly relate to increases or decreases in the second variable (Pedhazur, 1982).

According to guidelines suggested by Field (2005) to interpret the strength of the relationship between variables, the correlation coefficient( $r$ ) is as follows: if the correlation coefficient falls between 0.1 to 0.29, it is weak; 0.3 to 0.49 is moderate; and  $> 0.5$  is strong relationship between variables. In the table above positive, significant and moderate relationship is observed between consumers' buying decision and Country of the origin ( $r = .435^{**}$ ), Product features ( $r = .414^{**}$ ), Brand image ( $r = .350^{**}$ ) and Price ( $r = .310^{**}$ ). A positive and significant but weak relationship is also observed between consumers' buying decision and promotion ( $r = .290^{**}$ ). So, according to the correlation result, a positive coefficient means that there is a direct relationship between the dependent and independent variables.

## **4.8. Regression Analysis**

Regression is a technique used to predict the value of a dependent variable using one or more independent variables (Albaum,1997). Before the regression analysis, assumptions of variables were tested for checking errors.

### **4.8.1. Assumption Testing for Regression Analysis**

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample and that researcher has obtained the best results (Hair et al, 1998). Before the regression analysis, assumptions of variables were tested for checking errors. These are Sample size, Multicollinearity, Outliers, Linearity, Homoscedasticity and Normality.

#### 4.8.1.1. Sample Size

Different scholars suggest different guidelines concerning the number of cases required for multiple regression. Stevens (1996) recommended that about 15 subjects per predictor are needed for a reliable equation in social science researches. Tabachnick and Fidell (2001) on the other hand gave a formula for calculating sample size requirements, taking into account the number of independent variables that you wish to use:  $N > 50 + 8m$  (where  $m$  = number of independent variables). In this research, as we have five independent variables and we were supposed to have a minimum of 90 cases. Since our total valid cases are 367, with no doubt our sample size fulfills the minimum requirement set by the abovementioned scholars.

#### 4.8.1.2. Multicollinearity

Multicollinearity refers to the relationship among the independent variables. It exists when the independent variables are highly correlated. (Pallant, 2005). Multicollinearity can be checked by Correlation matrix and Variance Inflation Factor (VIF)

	Collinearity Statistics	
	Tolerance	VIF
<b>Brand image</b>	.900	1.111
<b>Price</b>	.827	1.209
<b>Product features</b>	.757	1.321
<b>Country of the origin</b>	.802	1.247
<b>Promotion</b>	.759	1.317

Table 4.12. Collinearity Statistics

(Source: Survey Result, 2020)

Tabachnick and Fidell (2001) recommended thinking carefully before including two variables with a bivariate correlation of, say, 0.7 or more in the same analysis. As to them, in such situations the researcher may need to consider omitting one of the variables or forming a composite variable from the scores of the two highly correlated variables. In our study presented in Table 4.11, the maximum correlation among the independent variables is found between Promotion and Product Feature (i.e.. 391), which is less than 0.7, therefore all variables will be retained.

Multicollinearity is also checked using Variance Inflation Factor (VIF) and Tolerance. The VIF factor should not exceed 10 and should ideally be close to one. If this value is very small (less than

0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity (Field, 2005).

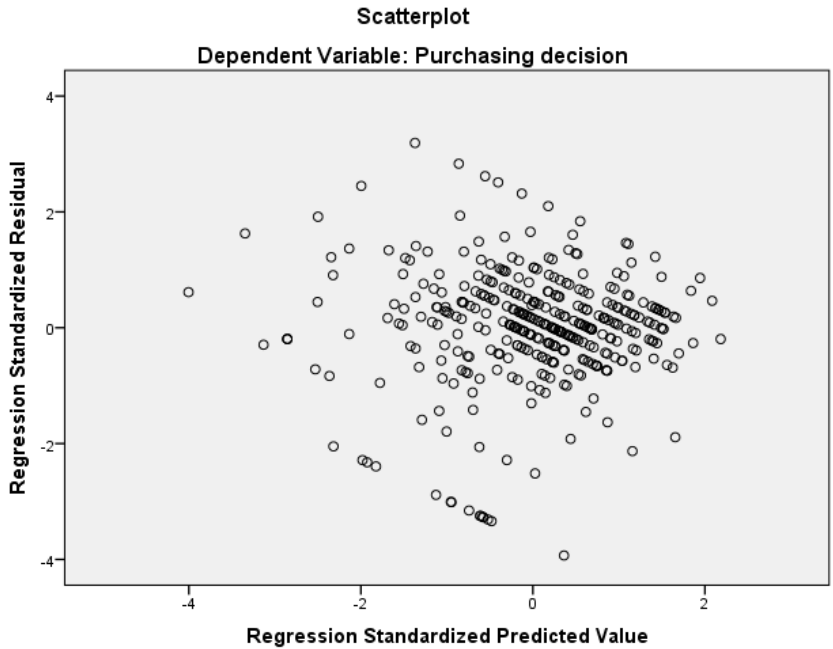
Table 4.12 displays the Multicollinearity test by computing Variance Inflation Factor (VIF) for each independent variable. In this case, all the Variance Inflation Factor (VIF) values are between 1.111 and 1.321 (below 10 and greater than 0.10) which is very close to 1. Hence, the researcher assumed Multicollinearity was not a problem.

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula  $1 - R^2$  for each variable. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity (Pallant, 2005). The above table 4.12 shows that the Tolerance values of all independent variables range from .757 to .900, which is greater than 0.10; therefore, we have not violated the multicollinearity assumption.

#### **4.8.1.3. Outliers**

Multiple regression is very sensitive to outliers (very high or very low scores). Checking for extreme scores should be part of the initial data screening process. Outliers can either be deleted from the data set or, alternatively, given a score for that variable that is high, but not too different from the remaining cluster of scores (Pallant, 2005).

The presence of outliers can be detected from the Scatterplot. With large samples, it is not uncommon to find a number of outlying residuals. If you find only a few, it may not be necessary to take any action (Pallant, 2005). As can be seen in the below plot, data scores are concentrated within the rectangular shape with few outliers.



*Figure 4: Scatter plot of regression standardized residual*

*Source: Survey Result (2020)*

Tabachnick and Fidell (2001) define outliers as those with standardised residual values above about 3.3 (or less than  $-3.3$ ).

<b>Casewise Diagnostics<sup>a</sup></b>				
<b>Case Number</b>	<b>Std. Residual</b>	<b>Purchasing decision</b>	<b>Predicted Value</b>	<b>Residual</b>
203	-3.311	1.00	3.2429	-2.24289
209	-3.340	1.00	3.2625	-2.26255
346	-3.932	1.00	3.6642	-2.66422

*Table 4.13. Casewise Diagnostics*

*(Source: Survey Result, 2020)*

As indicated in the above table, three cases have standardised residual values less than  $-3.3$  which, according to Pallant, (2005), is normal. As to him, in a normally distributed sample, we would expect only 1 percent of cases to fall outside this range. Since our total number of cases is 367, the three offending cases are below one percent. Moreover, to check whether these strange cases are having any undue influence on the results for our model as a whole, the value for Cook's Distance was checked. According to Tabachnick and Fidell (2001), cases with Cook's Distance value larger

than 1 are a potential problem. In our result the maximum value for Cook's Distance is 0.129, suggesting no major problems would be created due to the offending cases.

#### 4.8.1.4. Linearity Test

The linearity of the relationship between the dependent and independent variable represented the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998). Consumers' Purchase Decision (dependent variable) is assumed to be linearly related with independent variables (Brand Image, Price, Product Features, Country of the Origin and Promotion).

The values of the outcome variable for each increment of the predictor(s) lie along a straight line. This means it is assumed that the relationship the researcher is model is a linear one. If the researcher models a non-linear relationship using a linear model then this obviously limits the generalizability of the findings (Field, 2007). In the correlation analysis, the entire correlation matrix (Table 4.11) shows that all independent variables are positively correlated with the dependent variable. Therefore, there were linearity of the relationship between the dependent and independent variables.

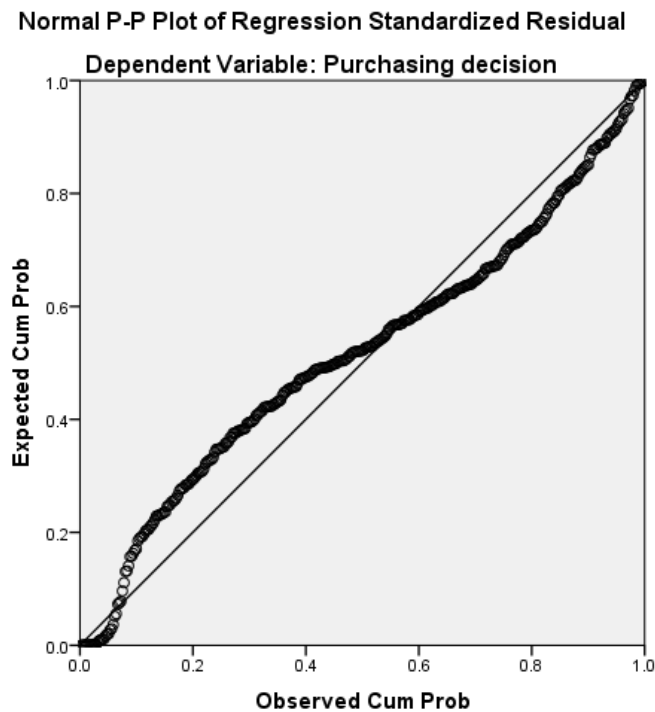


Figure 5: Normal P-P plot of regression standardized residual

(Source: Survey Result, 2020)

The above output of the regression analysis also shows that data scores of the study are almost in a straight line between the independent variables & dependent variable.

#### 4.8.1.5. *Homoscedasticity*

Homoscedasticity refers that the variances of the predictions determined by regression remain constant (Knaub, 2007). Or It is to mean that the variance of the residuals about predicted dependant variable scores should be the same for all predicted scores (Pallant, 2005). As indicated in Figure 4 of Scatter plot of regression standardized residual, the dependent variable exhibits similar amounts of variance across the range of values for the independent variables having a fairly even cigar shape along its length. Thus, the assumption of homoscedasticity is not violated.

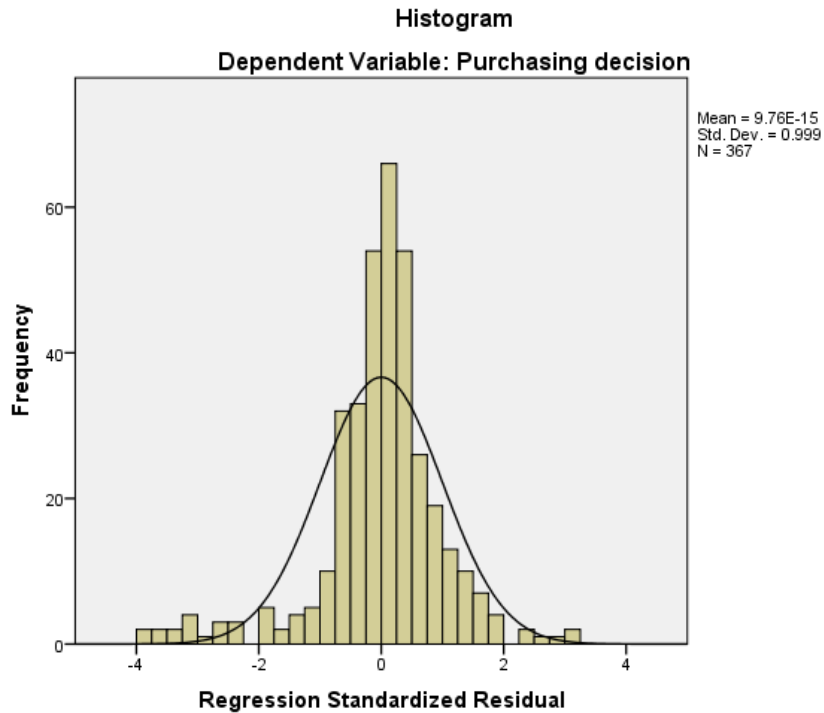
#### 4.8.1.6. *Normality Test*

A common test for normality is to run descriptive statistics to get skewness and kurtosis. According to (Hair, et al., 1998) skewness and kurtosis should be within the range of +2 to -2 when the data are normally distributed.

Descriptive Statistics						
	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
<b>Brand image</b>	3.9169	.87343	<b>-1.105</b>	.127	<b>1.088</b>	.254
<b>Price</b>	3.2767	.80020	<b>-.618</b>	.127	<b>.764</b>	.254
<b>Product features</b>	3.8121	.67831	<b>-1.256</b>	.127	<b>1.774</b>	.254
<b>Country of the origin</b>	3.1360	.90957	<b>-.708</b>	.127	<b>.047</b>	.254
<b>Promotion</b>	3.4612	.80280	<b>-.915</b>	.127	<b>1.242</b>	.254
<b>Purchasing decision</b>	3.4921	.82448	<b>-1.107</b>	.127	<b>1.795</b>	.254

Table 4.14. Skewness and Kurtosis Result

(Source: Survey Result, 2020)



*Figure 6 Histogram of regression standardized residual*

*(Source: Survey Result, 2020)*

Positive kurtosis values suggest that the data points gathered in the center with long thin tails. Kurtosis values below zero suggest the distribution of data point is relatively flat (Shukla, 2009). In small samples, values greater or lesser than 1.96 are sufficient to establish normality of the data. However, in large samples (200 or more) with small standard errors, this criterion should be changed to  $\pm 2.58$  and in very large samples no criterion should be applied that is, significance tests of skewness and kurtosis should not be used (Ghasemi, 2012).

Normality analysis for the five independent and one dependant variables was conducted with SPSS. As a result, both the skewness and kurtosis of all variables in the study were found within the range of  $\pm 2$  and  $\pm 2.58$  respectively. Hence the input data are said to be normally distributed or fulfilled the assumption of normality with a large sample size of 367.

#### **4.8.2. Multiple Regression Analysis**

Multiple regression can be used to address a variety of research questions. It can tell you how well a set of variables is able to predict a particular outcome. (Pallant, 2005). Multiple regression is a

statistical technique which analyses the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line (Hair et al., 2004).

<b>Model Summary<sup>b</sup></b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.578 <sup>a</sup>	.334	.325	.67749

a. Predictors: (Constant), Brand Image, Price, Product Features, Country of the Origin and Promotion

b. Dependent Variable: Purchasing decision

*Table 4.16. Model Summary*

*(Source: Survey Result, 2020)*

**R** – Indicates the value of the multiple correlation coefficient between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and 1 representing an equation that perfectly predicts the observed value (Pedhazur, 1982). The above model summary (R = .578) indicates that the linear combination of the five independent variables (of Brand Image, Price, Product Features, Country of the Origin and Promotion) can predict the dependent variable (Consumers’ Purchase Decision of a TV brand).

**R Square (R<sup>2</sup>)** – indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In another word, R<sup>2</sup> is a measure of how much of the variability in the outcome is accounted for by the predictors. The values of R<sup>2</sup> also range from 0 to 1 (Pedhazur, 1982). From the above model summary box, when we check the result obtained under the heading R<sup>2</sup>, it tells us how much of the variance in the dependent variable (Purchasing Decision) is explained by the model (which includes the independent variables of Brand Image, Price, Product Features, Country of the Origin and Promotion). In our case, the R<sup>2</sup> value is .334. Expressed as a percentage (when multiplied by 100, by shifting the decimal point two places to the right), this means that our model (which includes the above mentioned independent variables) explains 33.4 percent of the variance in purchasing decision of a TV brand while remaining 66.6% of the variation in purchasing decision can be attributed to other variables such as psychological and social factors which are not considered in this study.

**Adjusted R Square (R<sup>2</sup>)** – The adjusted R<sup>2</sup> gives some idea of how well the model generalizes and its value to be the same, or very close to the value of R<sup>2</sup>. That means it adjusts the value of R<sup>2</sup> to more accurately represent the population under study (Pedhazur, 1982). The difference for the

final model is small (in fact the difference between  $R^2$  and Adjusted  $R^2$  is  $(.334 - .325 = 0.009)$  which is about 0.9%. This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.9% less variance in the outcome.

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	83.096	5	16.619	36.208	.000 <sup>b</sup>
Residual	165.696	361	.459		
Total	248.792	366			

a. Dependent Variable: Mean of purchasing decision

b. Predictors: (Constant), Promotion, Brand image, Price, Country of the origin and Product feature

*Table 4.17. ANOVA*

*(Source: Survey Result, 2020)*

The ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective (Pedhazur, 1982). To assess the statistical significance of the result it is necessary to look in the table labelled ANOVA. Our model reaches statistical significance (Sig = .000, this means  $p < .0005$ ) which means the five predictors collectively account for a statistically significant proportion of the variance in the criterion variable.

### 3.8.2.1. Evaluation of Independent Variables

<b>Coefficients<sup>a</sup></b>					
<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
<b>(Constant)</b>	.378	.250		1.513	<b>.131</b>
<b>Brand</b>	.208	.043	<b>.220</b>	4.857	<b>.000</b>
<b>Price</b>	.118	.049	<b>.115</b>	2.432	<b>.015</b>
<b>Features</b>	.257	.060	<b>.211</b>	4.274	<b>.000</b>

<b>Origin</b>	.256	.043	<b>.282</b>	5.882	<b>.000</b>
<b>Promotion</b>	.039	.051	<b>.037</b>	.760	<b>.447</b>

a. Dependent Variable: Purchasing Decision

*Table 4.18 Coefficient of variables of regression analysis*

*(Source: Survey Result, 2020)*

In the multiple regression, a standardized regression coefficient Bate ( $\beta$ ) is useful, because it allows you to compare the relative strength of each independent variable's relationship with the dependent variable (Pedhazur,1982). The above coefficient table shows the constant beta value ( $\beta$ ) and p-value of the variables to examine the significance of the hypothesis. From the above table, the largest beta coefficient is .282, which is for Country of the Origin. This means that this variable makes the highest unique contribution to explaining the dependent variable when the variance explained by all other variables in the model is controlled for. The beta value for Brand Image, Product Features, Price and Promotion is .220, .211, .115 and .037 respectably.

A positive beta simply means that the dependant variables are correlated with the independent variables. It means for every one-unit increase in the predictor variable; the outcome variable will also increase by the indicated beta coefficient value. Thus, a 1 % change in Country of the Origin results in a 28.2 % change in the Purchasing Decision of a TV brand. The same is true for Brand Image, Product Features and Price for which a 1 % change in each independent variable results in 22 %, 21.1 % and 11.5 % change, respectively, in the Purchasing Decision of a TV brand.

If the Sig. value is less than .05, then the variable is making a significant unique contribution to the prediction of the dependent variable. If greater than .05, then you can conclude that the variable is not making a significant unique contribution to the prediction of your dependent variable. (Pallant, 2005).

As shown in Table 4.18, from the five independent variables four of them were significant variables in the regression model with significance p value less than 0.05. Brand Image (p= 0.000) Price (p= 0.015), Product Features (p= 0.000) and Country of the Origin (p= 0.000) have a significant influence on consumers' buying decision of a TV brand at 95% confidence level (p<0.05). Promotion, however, doesn't have a significant impact on the prediction of consumers' buying decision of a TV brand since p= 0.447 which is greater than 0.05. The results provide support for **H1**, **H2**, **H3** and **H4**, but **H5** is rejected in the current study.

S.N	Hypothesis	Result	Reason
1	H1- Brand image affects consumers' buying decision of a TV brand.	Confirmed	$\beta = .220, p < 0.05$
2	H2- Price affects consumers' buying decision of a TV brand.	Confirmed	$\beta = .115, p < 0.05$
3	H3- Features of a TV set affects consumers' buying decision of a TV brand.	Confirmed	$\beta = .211, p < 0.05$
4	H4- Country of the origin affects consumers' buying decision of a TV brand.	Confirmed	$\beta = .282, p < 0.05$
5	H5- Promotion affects consumers' buying decision of a TV brand.	Rejected	$\beta = .037, p > 0.05$

Table 4.19. Summary of the overall outcome of the research hypothesis

(Source: Survey Result, 2020)

### 3.8.2.2. Regression Equation

By referring the above analysis (Table 4.18), the regression equation for the consumers buying decision of a TV brand can be algebraically formulated as:

$$f(X) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e \text{ where}$$

$f(X)$  = Dependant variable

$\beta_0$  = Y intercept

$\beta$  = Coefficients

X = Independent variables and

$e$  = The error terms

Hence the regression equation will be:

$$CPD(X) = 0.378 + 0.208BI + 0.118Pri + 0.257PF + 0.256COO + e$$

Where:

CPD = Consumers' Purchase Decision

BI = Brand Image

Pri = Price

PF = Product Features

COO= Country of the Origin

$e$  = The error terms

### 3.8.2.3. Discussion of Empirical Evidences

Previous studies also support the results obtained by this research. Below are some empirical shreds of evidence:

Similar to this study, a study by Malathi (1998) on “Consumer’s Brand Choice Behaviour for Television in Salem District” found out that brand image is one of the main reasons for preferring a particular TV set brand in Salem District.

Regarding price, Bhagaban Das et al. (2008) in their study on consumers’ buying behavior of Television brands also confirmed that price is one of the factors that influence consumers’ buying decision of a TV brand.

A study by Basariya and Ahmed (2018) on consumer preference towards Led TV revealed that most of the respondents chose their TV set because of its high-quality features. This supports our third hypothesis which says features of a TV set affects consumers’ buying decision of a TV brand.

The hypothesis about country of the origin is also confirmed by Lam and Choong (2007) in their study entitled, “A Study on Malaysian Consumers Perception Towards Quality of Chinese Electrical Home Appliances”. The study revealed that country of origin was an important evaluation criterion for the Malaysian consumers. Similarly, a study by Shahin et al (2012) indicated that country of the origin has a direct and significant effect on perceived quality, brand loyalty, brand association and brand awareness.

Though many studies reported that promotion has a significant influence on consumers’ purchase decision, some other studies, including this one, found out that it is not always the case.

Consumers are not attracted much by the discount offered by the dealers of the television (Bhagaban Das et al. 2008). A study by Eleboda (2017) entitled “Sales promotion as a strategy in service marketing: exploring the believability dilemma and consumer purchase decision” revealed that sales promotion had a negative impact on consumer purchase decision. The result is also supported by Santini *et al.* (2015) who stated that much discount leads to a state of discomfort among consumers, which will ultimately cause a sense of caution. Furthermore, Shrestha (2015) in his study “An analysis of the influence of discount sales promotion in consumer buying intent and the moderating effects of attractiveness” revealed that sales promotion does not have

any effect on brand building and may lead to declining impacts for the brand, especially those which are well established.

This hypothesis also gets confirmation in the study of Garretson, Burton, and Clow (1999) as they found out that promotion could depreciate the perception and quality of a product and thus increase feelings associated with risk. Past literature also noted that consumers usually attempt to minimize the risk in their purchase decisions (Chaipradernsak, 2007). Every manufacturer claims his product as a superior one in the advertisement. Therefore, consumers are unable to decide as to which product is really good. Thus, many buyers believe that advertisement is exaggerated and encourages the sale of inferior products.

#### 4.9. Analysis of Variance

When subjects are randomly assigned to groups (treatments), the major research question usually is the extent to which statistically significant mean differences in DVs are associated with group membership. (Barbara and Linda, 2006). Thus, T-test and One Way Anova were computed to check the presence of statistically significant mean difference in consumers' purchasing decision on the bases of their demographic factors such as sex, age, income and education level.

##### 4.9.1. T-test

T-test is used to test mean differences between two groups. In general, t-test requires a single dichotomous independent variable and a single continuous dependent variable (Marczyk, Dematteo and Festinger, 2005). To determine whether there is a difference in the purchasing decision of a TV brand between males and females, the researcher computed T-test.

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	11.436	.001	.337	361	.736	.03119	.09250	-.15071	.21310

Equal variances not assumed			.311	194.168	.756	.03119	.10017	-.16637	.22876
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Table 4.20. Independent Samples Test - Purchasing decision by sex

(Source: Survey Result, 2020)

We need first to check the value of Levene’s Test for Equality of Variances. This tests whether the variance (variation) of scores for the two groups (males and females) is the same. The outcome of this test determines which of the t-values that SPSS provides is the correct one for you to use. (Pallant, 2005).

If your Sig. value is larger than 0.05, you should use the first line in the table, which refers to Equal Variances Assumed and if the significance level of Levene’s test is  $p= 0.05$  or less, this means that the variances for the two groups (males/females) are not the same. Therefore, your data violate the assumption of equal variance. (Ibid).

In our case, since our Sig. value of Levene’s test is 0.001 which is less than 0.05, we will use the information in the second line of the t-test table, which refers to Equal Variances not Assumed. Thus, we got sig. 0.756.

If the Sig. (2-tailed) value of the T-test is above .05, there is no significant difference between the two groups. (Pallant, 2005). In our research, the Sig. (2-tailed) value is 0.756. As this value is above the required cut-off of .05, it can be concluded that there is not a statistically significant difference in the mean purchasing decision for males and females.

#### 4.9.2. One Way Anova

One-way analysis of covariance is designed to assess group differences on a single DV after the effects of one or more covariates are statistically removed. Covariates are chosen because of their known association with the DV; otherwise, there is no point to their use. (Barbara and Linda, 2006).

In order to determine whether there are any significant mean differences among the consumers’ Purchase Decision of a TV brand in Addis Ababa based on their Age, Income and Education Label, the One-Way ANOVA was run.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	1.167	4	.292	.427	.789
	Within Groups	244.817	358	.684		

	Total	245.983	362			
<b>Education Level</b>	Between Groups	1.927	3	.642	.945	<b>.419</b>
	Within Groups	246.865	363	.680		
	Total	248.792	366			
<b>Monthly Income</b>	Between Groups	6.656	4	1.664	2.488	<b>.043</b>
	Within Groups	242.136	362	.669		
	Total	248.792	366			

*Table 4.21. Summary of One Way Anova- Purchasing decision by Age, Education and Income.*

*(Source: Survey Result, 2020)*

As can be seen from the table above, the Significant value of Age and Education Level are greater than 0.05 being 0.789 and 0.419 respectively. Therefore, Age and Education Level have no statistically significant relationship with consumers' purchase decision of a TV brand. However, since we have obtained significant values (0.043) for Monthly Income which is  $p < 0.05$ , it implies that Monthly Income of consumers have statistically significant relationship with consumers' purchase decision of a TV brand.

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATION

#### 5.1. Introduction

This chapter presents the summary of the data findings on factors affecting consumers' purchasing decision of a TV brand in Addis Ababa. It also gives conclusions and recommendations drawn from the findings. Moreover, it will provide directions for future research. The chapter is therefore structured into summary of findings, conclusions, recommendations, and areas for further research.

#### 5.2. Summary

The purpose of this study was to analyse factors which affect consumers' buying decision of a TV Brand in Addis Ababa. To attain this research objective, the researcher applied a deductive approach and developed hypotheses and a conceptual model based on theoretical and empirical reviews about the research constructs.

The study used quantitative data which were collected from a total of 367 respondents through a self-administered questionnaire and an explanatory research design was applied to identify any causal links between the research variables. The data obtained from the sample population selected using convenience sampling technique was analysed using the 26<sup>th</sup> version of Statistical Package for the Social Science (SPSS). This study used both descriptive and inferential statistics.

The reliability of the instrument was checked using Cronbach's alpha and the alpha values for all constructs in the study were greater than the 0.7 which is acceptable.

When we see the demographic characteristics of the 367 respondents, 243 (66.2 %) of them were male and 120 (32.7 %) were female. 65.4 % of the respondents were degree holders while 24.5 % hold their master's degree by the time the data was collected. 2.5 % and 7.6 % of the respondents' education levels were High School and Below and Certificate/ Diploma respectively. The largest group of the sample population aged between 26-35 years, which is 48.2 % of the total respondents, followed by age groups ranging from 18- 25 years (25.1 %) and from 36-45 years (15.8%). While only 11.8 % of the respondents aged between 46- 55 years and 56- 65 years, four (0.11 %) responses were missing due to three refusals and one multiple response record. Majority (40.1 %)

of the respondents earned a monthly income of birr 2,501- 5,000 followed by 25.3 % of respondents who earned 5,001- 10,000.

Respondents were asked to rate their insight on a five-point Likert types scale and the highest mean scores were obtained for Brand Image and Product Feature: 3.9169 and 3.8121 respectively. Then followed by Promotion with mean value 3.4612 and Price with mean value 3.2767. The lowest mean value was obtained from Country of the Origin (Mean= 3.1360 and Standard deviation= 0.90957). The standard deviations result of all the dependant and independent variables were below one which indicates that customers gave a close opinion on each variable (narrowly spread).

The correlation analysis shows all the independent variables have a positive and statistically significant relationship with the dependant variable with Sig value less than 0.05 implying that the relationship between variables is not due to chance at a 95% level of confidence. Moreover, positive and moderate relationship is observed between Consumers' Buying Decision and Country of the Origin ( $r = .435^{**}$ ), Product Features ( $r = .414^{**}$ ), Brand Image ( $r = .350^{**}$ ) and Price ( $r = .310^{**}$ ). A positive and significant but weak relationship is also observed between Consumers' Buying Decision and Promotion ( $r = .290^{**}$ ).

Before the regression analysis, assumptions of variables (Sample size, Multicollinearity, Outliers, Linearity, Homoscedasticity and Normality) were tested and acceptable results were obtained in all to proceed.

Multiple correlation coefficient between the predictors and the outcome was checked and the result ( $R = .578$ ) indicates that the linear combination of the five independent variables can predict the dependent variable. At the same time, the  $R^2$  value is .334 implying our model explained 33.4 percent of the variance in purchasing decision of a TV brand while remaining 66.6 percent of the variation in purchasing decision can be attributed to other variables such as situational, emotional, social and personal factors which are not considered in this study.

The acceptability of the model from a statistical perspective was checked from the ANOVA table and our model reached statistical significance (Sig = .000, this means  $p < .0005$ ) which means the five predictors collectively account for a statistically significant proportion of the variance in the criterion variable.

To examine the significance of the hypothesis, constant beta value ( $\beta$ ) and p-value of the variables were checked. Accordingly, the largest beta coefficient is .282, which is for Country of the Origin.

This means that this variable makes the highest unique contribution to explaining the dependent variable when the variance explained by all other variables in the model is controlled for. The beta values for Brand Image, Product Features, Price and Promotion were .220, .211, .115 and .037 respectively. It means for every one-unit increase in the predictor variable; the outcome variable will also increase by the indicated beta coefficient value. Hence, a positive beta simply means that the dependant variables are correlated with the independent variables. A 1 % change in Country of the Origin results in a 28.2 % change in Purchasing Decision of a TV brand. The same is true for Brand Image, Product Features and Price for which a 1 % change in each independent variable result in a 22 %, 21.1 % and 11.5 % change, respectively, in the Purchasing Decision of a TV brand.

From the five independent variables, four of them were significant variables in the regression model with significance p value less than 0.05. Brand Image (p= 0.000). Price (p= 0.015), Product Features (p= 0.000) and Country of the Origin (p= 0.000) have a significant influence on consumers' buying decision of a TV brand at 95% confidence level (p<0.05). Promotion, however, does not have a significance impact on the prediction of consumers' buying decision of a TV brand since p= 0.447 which is greater than 0.05. The results provide support for **H1**, **H2**, **H3** and **H4**, but **H5** is rejected in the current study. Thus, the regression equation for the consumers buying decision of a TV brand can be algebraically formulated as:

$$CPD(X) = 0.378 + 0.208BI + 0.118Pri + 0.257PF + 0.256COO + e$$

Where: *CPD*= Consumers' Purchase Decision, *BI*= Brand image, *Pri*= Price, *PF*= Product Features, *COO*= Country of the Origin and *e*= The error terms

To determine whether there is a difference in purchasing decision of a TV brand based on demographic characteristics (Gender, Age, Education Level and Monthly Income) of the respondents, the researcher computed T-test and One-Way ANOVA. The result shows all, except Monthly Income, have no statistically significant relationship with Consumers' Purchase Decision of a TV brand.

### 5.3. Conclusion

Consumers take many things into account while deciding to purchase a product. Their decisions are affected by situational, emotional, social and personal factors. The purpose of this study was to analyse factors which affect consumers' buying decision of a TV Brand in Addis Ababa. Accordingly, the following conclusions were drawn from the finding:

- Asked to rate their insight about factors that affect their buying decision of a TV brand, respondents choose Brand Image with a mean score 3.9169 followed by Product Feature with mean score 3.8121 which are the highest mean scores of all. Promotion and Price takes the third and fourth highest score with mean values 3.4612 and 3.2767 respectively. The lowest mean value was obtained from Country of the Origin which is 3.1360. These results imply that factors having the highest mean value are those majority of the respondents agree. In other words, the decision of the majority of the respondents is affected mainly by Brand Image and Product Features.
- The standard deviations result of all the dependant and independent variables were below one which indicates that customers gave a close opinion on each variable (narrowly spread).
- The correlation analysis shows all the independent variables have a positive and statistically significant relationship with the dependant variable with Sig value less than 0.05 implying that the relationship between variables is not due to chance at a 95% level of confidence. There exist a positive and moderate relationship between independent variables (Brand Image, Price, Product Features and Country of the Origin) and the dependent variable (Consumers' Purchasing Decision of a TV brand). A positive but weak relationship is also observed between Consumers' Buying Decision and Promotion. These imply the presence of a direct relationship between the dependent and all the independent variables.
- From all the independent variables Country of the Origin takes the highest unique contribution to explain the dependent variable (Consumers' Buying Decision of a TV brand) and flowed by Brand Image, Product Features and Price respectably. Though Promotion has a positive effect on consumers' purchase decision, it is not, however, statistically significant.

- While Gender, Age and Education Level have no statistically significant relationship with Consumers' Purchase Decision of a TV brand, Monthly Income of consumers found out to have a statistically significant relationship with Consumers' Purchase Decision of a TV brand.

#### **5.4. Recommendation**

Based on the findings of the study and conclusions made, the following possible recommendations are given:

As it is revealed by the study, from all the independent variables consumers consider Country of the Origin as a primary factor that influences their decision to buy a TV brand. Even many respondents confirm their consideration of Country of the Origin though the brand name is the same. Thus, importers and retailers of different TV brands need to know countries which their consumers consider producing high-quality TV sets and satisfy their demand and boost their sale at the same time.

Brand Image is the second factor that consumers of Addis Ababa consider most while deciding to buy a TV set. People often purchase a brand with a favourable image. TV manufacturers need to work on building the image of their brand. They could build the image of their brand through, among others, discharging their corporate social responsibly, being customers-centric, improving their customer services, producing quality/ competent products. Thus, Marketers or Brand Management department of the companies need to emphasize on brand image building during designing and implementation of marketing strategies. Retailers of different TV brands are also recommended to supply TV brands with a popular brand image.

Product Features also has significant effect on purchase decision for TV brands in Addis Ababa. Thus, manufacturers are recommended to continuously improve their product features/ attributes to differentiate between its product and that of the competitors and also develop a positioning strategy based on unique and relevant attributes. They shall add new features such as having HDMI port, card slot, slim size and inbuilt receiver and able to play from USB flash disc and record audio and video files, connect to the internet etc in addition to increasing sound and picture qualities.

According to the result of the study, Price affects consumers' purchasing decision of a TV brand in Addis Ababa. Thus, the companies are recommended to design attractive pricing strategies to

penetrate the market and increase their market share. Moreover, they should work on persuading potential customers about how the TV sets are reasonably priced compared to their quality and attributes attached to them.

The study revealed that Promotion has no significant effect on consumers' buying decision of a TV brand in Addis Ababa. Thus, manufacturers shall give due emphasis to factors mentioned above and other factors like psychological, personal and social factors which are not covered in this study.

### **5.5. Limitation and Suggestion for Further Studies**

Like any research, this study is not free from limitations therefore it is necessary to recognize them and suggest recommendations for future studies.

Due mainly to constraints such as time and resources, this study is delimited to Addis Ababa. So, it is recommended for future researchers to expand the range of the study area or check if a similar result could be obtained in areas out of Addis Ababa.

Many are factors which affect consumers purchasing decision of a TV brand. This study, however, considered only selected determinants such as Price, Brand, Product Features, Country of Origin and Promotion. As indicated in  $R^2$  of the model summary, the result of this research explains only 33.4 percent of the variation of consumers' purchase decision of a TV brand, the rest variation was attributed to other factors which were not covered in this research. Thus, further researches need to be conducted on the other factors—be psychological, personal, social or any other—which may have a significant influence on consumers' purchasing decisions of a TV brand.

Since this study is conducted by using only questionnaire as a primary source of data, further studies are suggested to use other data collection instruments like the interview to dig out detailed information in the area. Plus, to reach at more generalized result further studies are recommended to include retailers and other stakeholders since only consumers are considered this study. Furthermore, because of the absence of organized and comprehensive data about the number of TV sets, kinds of TV brands, consumers' pattern of purchasing and TV set distribution in Ethiopia coupled with the absence of similar local studies published in reputable journals, the researcher was forced to adopt from studies conducted in other countries which have different social and economic environment.

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## APPENDIX 1: RESEARCH QUESTIONNAIRE IN ENGLISH

Addis Ababa University  
School of Commerce  
Marketing Management Department

### INTRODUCTION

I would like to give my heartfelt gratitude for your kind cooperation in advance. I am a postgraduate student at Addis Ababa University- School of Commerce. As a partial fulfilment for the Master of Arts in Marketing Management, I am conducting a research study with a title “*Factors Affecting Consumers' Buying Decision of a TV Brand in Addis Ababa*”.

Therefore, I kindly ask you to spare a few minutes of your time to answer the following questions. All the information provided will purely be used for academic purposes and your identity will be treated with utmost confidentiality.

If you have any question, you may contact me on [zelalem.abesh@yahoo.com](mailto:zelalem.abesh@yahoo.com) or +251 (0) 929917046

### SECTION A: Demographic Information

Dear respondent, kindly select the appropriate category and put a tick on the spaces provided

1. **Gender:** Male  Female
2. **Age:** 18- 25 years  36-45 years  56- 65 years   
26-35 years  46- 55 years
3. **Level of education:**  
High School and Below  Certificate/Diploma   
Degree  Masters and above
4. **Monthly income in Birr:**  
Up to 2,500  2,501- 5,000

5,001- 10,000 [ ] Above 10,001 [ ]

5. **Have ever participated in decision making of buying any TV brand?**

Yes [ ] No [ ]

6. **If you have answered “No” for question No, 5 above, this is the end of the questionnaire for you.**

**SECTION B: Factors Affecting Consumers' Buying Decision of a TV Brand**

Kindly indicate (by placing a √ mark) on the degree of your agreement or disagreement on the importance of the following factors in buying a TV brand.

S/N	Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>I</b>	<b>Brand image</b>					
1.1	I consider brand reputation of a TV set when I decide to purchase					
1.2	A TV set with familiar brand name attracts me					
1.3	A TV set with popular brand name influences me to purchase					
1.4	Brand image is one of my priorities when making a buying decision of a TV set					
<b>II</b>	<b>Price</b>					
2.1	I prefer to buy a TV set that is reasonably priced					
2.2	I compare prices from different brands					
2.3	I do not bother to change the TV brand with others just to get discounts					
2.4	The Price of a TV set is a reflection of its quality					
2.5	I prefer to buy the cheapest TV brand from alternatives I have					
2.6	I will switch to another brand if my preferred brand price is high					
2.7	Price is one of my priorities when making a buying decision of a TV set					

III	Features of a TV	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
3.1	I prefer to buy a TV set because of its picture quality					
3.2	I prefer to buy a TV set because of its sound quality					
3.3	I prefer to buy a TV set because of its exterior look					
3.4	I prefer to buy a TV set because of its big screen size					
3.5	I prefer to buy a TV set because of its additional services like having a USB flash drive					
3.6	I feel I am determined to pay more for a TV brand which has more features					
3.7	I do not bother to change the TV brand with other just to get additional features					
3.8	Feature is one of my priorities when making a buying decision of a TV set					
IV	Country of the origin	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
4.1	Foreign TV brands are superior in terms of quality					
4.2	I prefer to purchase a domestic TV brand because of my patriotism					
4.3	I prefer a TV brand due to its country of origin					
4.4	I use country-of-origin as a reference to evaluate quality of a TV set among brands.					
4.5	I consider country of the origin though the brand name is the same					
V	Promotion	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
5.1	Sales Promotion (short-term incentives) attracts my attention to buy a TV brand					
5.2	Promotion influences me to choose a TV brand					
5.3	The good look of the retailers' store attracts me to go in and check					
5.4	I know about types of TV brands through advertisement					
5.5	I know about types of TV brands from experiences of other people					

This questionnaire was adapted from Asrat (2019), Cheru (2018) and Meseret (2018)

**THANK YOU FOR YOUR KIND COOPERATION**



**ክፍል ሁለት፡ የሸማቾች ቴሌቪዥን የመግዛት ውሳኔ ተፅዕኖ በሚያሳድሩ ምክንያቶች**

እባክዎ ከዚህ በታች በቀረቡት ሀሳቦች ምን ያክል እንደሚስማሙ ወይም እንደማይስማሙ በየዓረፍተ ነገሮቹ ጎን ከተቀመጡት መለኪያዎች መካከል አንዱ ላይ የ “√” ምልክትን በማስቀመጥ ያመልክቱ

ተ/ቁ	ምክንያቶች	በጣም አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
1	<b>የብራንዱ መልካም ስም</b>					
1.1	ቴሌቪዥን ለመግዛት ስወስን ቴሌቪዥኑ ያለውን መልካም ስም ግምት ውስጥ አስገባለሁ					
1.2	የቴሌቪዥኑ ስም ታዋቂ መሆን ለመግዛት ይጋብዘኛል					
1.3	የቴሌቪዥኑ ስም ተወዳጅ መሆን የመግዛት ውሳኔዎ ላይ ተፅዕኖ ያሳድርብኛል					
1.4	ቴሌቪዥን የመግዛት ውሳኔ ስወስን የቴሌቪዥኑ መልካም ስም ቅድሚያ ከምሳጣቸው ጉዳዮች አንዱ ነው					
II	<b>ዋጋ</b>	በጣም አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
2.1	ተመጣጣኝ ዋጋ ያለውን ቴሌቪዥን መግዛት እመርጣለሁ					
2.2	የተለያዩ ብራንዶችን ዋጋ አወዳድራለሁ					
2.3	ቅናሽ የማገኝ ከሆነ ልገዛው ያሰብኩትን የቴሌቪዥን ብራንድ በሌላ ለመቀየር አይገደኝም					
2.4	የአንድ ቴሌቪዥን ዋጋ የቴሌቪዥኑ ጥራት ማሳያ ነው					
2.5	ካሉኝ የቴሌቪዥን ብራንድ አማራጮች ውስጥ ዝቅተኛ ዋጋ ያለውን አማራጭ መግዛት እወዳለሁ					
2.6	የመረጥኩት ብራንድ ዋጋ ከፍተኛ ከሆነ በሌላ ብራንድ እቀይረዋለሁ					
2.7	ቴሌቪዥን የመግዛት ውሳኔ ስወስን ዋጋ ቅድሚያ ከምሳጣቸው ጉዳዮች አንዱ ነው					
III	<b>የቴሌቪዥኑ አገልግሎቶች</b>	በጣም አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
3.1	አንድን ቴሌቪዥን ለመግዛት የምመርጠው በምስል ጥራቱ ምክንያት ነው					
3.2	አንድን ቴሌቪዥን ለመግዛት የምመርጠው በድምፅ ጥራቱ ምክንያት ነው					

3.3	አንድን ቴሌቪዥን ለመግዛት የምመርጠው በውጭዊ ገፅታው ምክንያት ነው					
3.4	አንድን ቴሌቪዥን ለመግዛት የምመርጠው በስክሪኑ ትልቅነት ምክንያት ነው					
3.5	አንድን ቴሌቪዥን ለመግዛት የምመርጠው በሚሰጣቸው ተጨማሪ አገልግሎቶች ለምሳሌ ፋላሽ መቀበያ መኖር ምክንያት ነው					
3.6	ተጨማሪ አገልግሎቶች ያለውን የቴሌቪዥን ብራንድ ለመግዛት ስል ተጨማሪ ዋጋ ለመክፈል ዝግጁ ነኝ ብዬ አስባለሁ					
3.7	ተጨማሪ አገልግሎቶችን የማገኝ ከሆነ ልገዛው ያሰብኩትን የቴሌቪዥን ብራንድ በሌላ ለመቀየር አይገደኝም					
3.8	ቴሌቪዥን የመግዛት ውሳኔ ስወስን ቴሌቪዥኑ የሚሰጣቸው አገልግሎቶች ቅድሚያ ከምሰጣቸው ጉዳዮች አንዱ ነው					
IV	<b>የተመረቀበት ሀገር</b>	በጣም አልስማማም	አልስማማም	ገለልተኛ	አስማማለሁ	በጣም አስማማለሁ
4.1	የውጭ ሀገር የቴሌቪዥን ብራንዶች በጥራት የበላይ ናቸው					
4.2	በሀገር ወዳድነቴ ምክንያት የሀገር ውስጥ ቴሌቪዥን ብራንድ መግዛትን እመርጣለሁ					
4.3	አንድን የቴሌቪዥን ብራንድ በተመረቀበት ሀገር ምክንያት ምርጫዬ አደርገዋለሁ					
4.4	ከቴሌቪዥን ብራንዶች መካከል የተመረቀበትን ሀገር እንደ ጥራት መለኪያ እጠቀምበታለሁ					
4.5	የብራንዱ ስም ተመሳሳይ ቢሆን እንኳ የተመረቀበትን ሀገር ግምት ውስጥ አስገባለሁ					
V	<b>ማስታወቂያ</b>	በጣም አልስማማም	አልስማማም	ገለልተኛ	አስማማለሁ	በጣም አስማማለሁ
5.1	የማስታወቂያ ሽያጭ (የአጭር ጊዜ ማበረታቻ) አንድን የቴሌቪዥን ብራንድ እንደገዛ ይገፋፋኛል					
5.2	ማስታወቂያ አንድን የቴሌቪዥን ብራንድ እንደመርጥ ተፅዕኖ ያሳድርብኛል					
5.3	የቴሌቪዥን መሸጫው ሱቅ ሳቢ መሆን ውስጥ ገብቶ እንደጠይቅ ይሰበኛል					
5.4	ስለቴሌቪዥን ብራንድ አይነቶች ያወኩት በማስታወቂያዎች አማካኝነት ነው					
5.5	ስለቴሌቪዥን ብራንድ አይነቶች ያወኩት በሌሎች ሰዎች ተሞክሮ አማካኝነት ነው					

**ስለቀና ትብብርዎ አመሰግናለሁ**