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## **Factors Influencing consumer Purchasing Decision:**

### **The case of Dukem Niger Seed oil of Addis Ababa**

**By Lidya Sisay**

**A Thesis Submitted to the School of Commerce Graduate Studies of Addis  
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Masters of Arts in Marketing Management**

**Advisor:**

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**Addis Ababa University School of Commerce**

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Niger Seed Oil**

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**Declaration**

I, Lidya Sisay, Declare that this thesis entitled “Factors Influencing Consumer Purchasing Decision: In the Case of Dukem Niger Seed Oil of Addis Ababa” is my original work and all the material used in this study has not been submitted any Degree in any other institution.

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## **Abstract**

*This study was conducted with an objective of identifying factors influencing purchase decision of consumer, a case of Dukem Niger Seed Oil. To address this objective, factors such as Income level, Life style, Reference Group, price, and product quality were used as independent variables. This study used both descriptive and explanatory research designs. Purposive and random sampling methods were used. Data were collected from primary sources through questionnaires and analyzes through both descriptive and inferential method. The descriptive analysis was conducted by using mean and standard deviation. On the other hand, inferential analysis was conducted by using linear regression method. This study has identified the significant influencing factors used in the study on consumers' purchase decision of Dukem Niger Seed Oil. Regarding the individual factors, the study has found out positive and significant influence of Life style, Reference group, and price and product quality at a significance level of 0.01. But the income level are insignificant in influencing purchase decision of Dukem Niger Seed Oil. Based on the findings the researcher recommends that the company should focuses on the customer life style and consumer are highly influenced by word of mouth. The pricing strategy should be set based on the market analysis considering competitors, also the quality of product should be consistence.*

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## **ABBREVIATION AND ACRONYMS**

STD= Standard Deviation

SPSS: Statistical Package for Social Science

MEANPD= Purchase Decision

MEANIL=Income level

MEANLS=Life Style

MEANRG=Reference Group

MEANPR=Price

MEANPQ=Product Quality

STD= Standard Deviation



# 1. CHAPTER ONE

## 1.1 Background of the study

### INTRODUCTION

Consumer purchasing Behavior define how consumers decide to buy products and what the various factors responsible for this decision are. The main focus of the marketing is understanding consumer. The term “consumer” can be defined as individual or organizational consumer. Individual consumers are consumers who purchase good and service to fulfill their internal want and need (personal). Organizational consumers are consumer who purchase good and service for others either to sell to customer or to produce some other product in order to fulfill other consumer need and want and to make profit for their organization. (Kardes f.cline T.Cronley M, 2011).

Consumer purchasing behaviors includes to the selection, buy and intake of products and offerings for the pride in their wants. There are exclusive techniques concerned within side the purchaser conduct. Many elements, specificities and traits affect the person in what he's and the consumer in his choice making process, buying habits, shopping conduct, the manufacturers he buys or the stores he goes. A purchasing selection is the end result of each and every elements. Initially the customers attempts to discover what commodities he would really like to consume, then he selects handiest the ones commodities that promise more utility. After deciding on the commodities, the customer makes an estimate of the to be had cash which he can spend. Lastly, the customer analyzes the winning costs of commodities and takes the choice approximately the commodities he have to consume. Meanwhile, there are numerous different elements influencing the purchases of customers which include social, cultural, non-public and psychological. (N. Ramya, 2016) .

Consumer purchasing behaviors is affected by two major factors (Elements). These elements are individual and environmental. The main character of individual elements affecting customer conduct are demographics, psychological, cultural, social & personal elements. The second category is environmental element. Environmental elements constitute the ones elements this is associated with the advertising and marketing blend like product, price, exceptional and promotion (Schiffman, 2012)

There have been lots of research that became made through a researcher that designate customer purchasing choice and the elements that have an effect on the customer. According to (A.Neslin, 2002) customer purchasing choice extra stricken by demographic and socio financial characteristics. However mindset and behavioral function also are highlighted as crucial determinates of shop logo proneness than demographic and socio-financial function. Consumer preceding understanding and revel in have more volume to technique the logo, however it relies upon at the weight of customer previous expertise and cognitive ability (F.D, 2001). And different researchers proved that perceptions of quality and merchandise are influencing people purchasing for conduct previous to demographic, psychological, purchasing conduct (Eliot R & Percy T, 2007). Whereas familiarity with save logo, extrinsic cues (inclusive of fee and package), perceived first-class variation, perceived risk, and perceived fee for money, profits and own circle of relatives length are instance of things influencing very own-label proneness (Guilkey D.K and J.f Stewart, 2010). Additional observe additionally confirmed the distinction belief of customers withinside the advertising stimuli consequences exclusive in motion of buying conduct (Giles, 2009).

““In the 21 century markets withinside the assessment stage, the customer ranks manufacturers and paperwork buy intentions. And they desired to shop for excessive first-rate merchandise and that they appearance at the attitudes of others and surprising situational elements which primarily based totally on anticipated profits, anticipated rate, and predicted product benefits (Philip Kotler Gray M. Armstrong, 2008) . In Africa to reach at the purchasing decision the consumer goes through he/she need by consider all the factors that can influence them before buying a specific product both individual & Environmental factors. Such as Cultural, social, psychological& personal factor from the individual side. Form environmental factor their need to consider product, quality, price and promotion. (William, 2010).”

Every consumer has their own purchasing factor that affect when the consumer makes a decision to purchase. This factors vary from one consumer to another one but most of the time consumer purchasing decisions are influenced by it culture, social & personal factors other than the marketing mix factors. From the listed factors most of the time social factors affect consumer in our country. This is the main reason for the researcher to investigate how much personal, social and objective factors influence consumer purchasing decision.

## **1.2 Back Ground of the Company**

Bees General Trading is the one of sister company of ABIG that specializing in the production of Dukem Pure Niger seed oil in Ethiopian. The company established in 2010 EC by Ethiopian shareholders, as per the commercial law of Ethiopia with a paid-up capital of Birr 16,000,000, located Oromia reign around Dukem and the company have store around Kality in Addis Ababa. Bees General Trading company have around 100 employees. The product distributing around Dukem, Addis Ababa, Debrezyte, Bahirdar, Hawasa and Gondar and the company 80% of the product distributed in Addis Ababa.

## **1.3 Problem Statement**

There had been a research that had been done previously by other researcher on factors that influence consumer purchasing decision. This researcher had specify some factors as a major factor that can influence when the consumer made a decision to purchase like personal, psychological, social & cultural the other like the environmental factor marketing mix like product , price, place & promotion . according to a research that has been done by (Kakiza Clara, 2015)on factors affecting purchasing decisions of the consumers, a case of Kinondoni district (DAR ES SALAAM) in 2015 describe the factors by dividing in two subjective & objective factors that can influence consumer purchasing decision.

Another research that has been done on this sector is that by (Lautiainen, 2015) in Finland on factors affecting consumers' buying decision in the selection of a coffee brand states some factors as personal, social and psychological in selecting a specific coffee brand. This research had been focus only the individual factor cultural, social, psychological & personal factors.

As far as the researcher's knowledge concerned, there was no previous empirical research is undertaken on the factors influencing consumer purchase decision in Dukem Niger seed oil. There is no enough research work on the factors influence the consumers purchase decision. Especially Dukem Niger seed oil is a new product for the market and different for the category. Therefore, the main purpose of this study is to investigate if the research that had done by (Kakiza Clara, 2015) a case of Kinondoni district (DAR ES SALAAM) in 2015 have the same response for our country

so that by duplicating the study to check the variable and testing the recommendation. The other purpose of this study is to test some other variables that didn't see by the researcher.

## **1.4 General objective**

The major objective of this study is to assess factors influencing consumer purchasing decision of Dukem Niger seed oil.

### **1.4.1 Research questions**

- 1 How do income level influence consumers 'purchasing decision making?
- 2 How do life style influence the consumer purchasing decision making?
- 3 How do reference group influence the consumer purchasing decision making?
- 4 How do product quality influence consumer purchasing decision making?
- 5 How do price influence consumer purchasing decision making?

### **1.4.2 Research objective of the study**

The specific objective of this study will be

- 1 To examine the effect of income level on consumers' purchasing decision making
- 2 To examine the effect of life style influence on the consumer purchasing decision making.
- 3 To examine the effect of reference group influence on the consumer purchasing decision making
- 4 To examine the effect of product quality on the consumer purchasing decision making.
- 5 To examine the effect of price on the consumer purchasing decision making.

### **1.4.2 Research Hypotheses**

The researcher develop the following hypotheses for the study:

H1: Income level have significant effect on consumer purchasing decision.

H2: Life style have significant effect on consumer purchasing decision making.

H3: Reference group have significant effect on consumer purchasing decision making.

H4: Product Quality have significant effect on consumer purchasing decision making.

H5: Price have significant effect on consumer purchasing decision making.

### **1.5 Significance of the study**

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

### **1.6 Scope of the Study**

The scope of the study was focus on factors that influence the purchasing decision of consumer in the case of Dukem seed Oil. The study focus on only in supermarket customers.

### **1.7 Limitations of the study**

There are many factors that can influence consumer purchasing decision which are personal, social, psychological, cultural and marketing mix factors but for the purpose of this study is limited to the social, personal and some of objective factors. Also be limited in on geographical scope only in Addis Ababa supermarket customers. Thus this study could not include and address customers outside of study area. Also there may be lack of well-organized information from the respondent and it may difficult to reach all of the target sample size.

### **1.8 Definition of Terms**

**Customer Behaviour** –is the study of individual or groups and all activity and all of the activates related to the acquisition, use and disposal of products and services. It is assessed because the selections and movements that affect the shopping conduct of a customer. (Kotler P. , 1998)

**Buying Decision** –or buy choice is the idea method that leads a customer from figuring out a need, producing options, and selecting a selected product and logo. Some are minor like purchasing for toothpaste, whilst different purchases are major, like shopping for a house. (Riley, 2012)

**Customer Decision Making** –is the technique through which customers pick out their needs, acquire information, compare options and make the acquisition choice. These actions are decided by psychological and economic factors, and are affected by environmental factors such as cultural, group, and social values. (Solomon, 2006)

**Subjective Factors** - Subjective factors are the ones elements that influencing customer purchasing choice especially associated with outside surroundings or determined with the aid of using man or woman demands. External environmental factors are cultural, social, mental and character aspect (Philp Kotler,Gary Armstrong , 2010).

**Personal Factors** –are the individual factors that influence consumer purchasing decision. These factors encompass age, lifestyle, profession and income. These are various from individual to individual that ensuing a distinct set of perceptions, attitudes and conduct toward positive items and services (Philp Kotler,Gary Armstrong , 2010)

**Social Factors** – constitute any other essential set of effects on customer conduct. These are the effects of people and group influencing each other via social class, reference agencies and family (Kotler & Armstrong, 2010)

**Objective Factors** - Objective factors are the ones factors associated with the marketing mix. Marketing mix factors are product quality, price, availability, promotion, brand awareness (Schiffman, 2012)

## **1.9 Organization of the Thesis**

This paper will be consist of five chapters. The first chapter presents introduction, background of the organization, statement the problem, Research questions, Research Objectives, Research Hypostasis, Significant of the study, Scope of the Study, Limitation of the study, and definition of Word and Organization of the Thesis.

Chapter Two critiques the maximum full-size theoretical, empirical research and conceptual. Chapter Three will gift method of them have a look at. Chapter Four will affords the evaluation and findings of take a look at, chapter five will give conclusions and recommendations and further research

## **Chapter two**

### **Literature review**

#### **Introductions**

This chapter will discuss the literature review as others authors and researchers in the field of purchasing decision. It consists of the theoretical part, empirical & conceptual part.

### **2.1 Theoretical literature review**

#### **2.1.1 Consumer behaviors: Definition**

There is a lot of definition that was given by authors about the consumer Behavior. There is no single definition that can be used to describe consumer Behavior. Let's take a look to what the American association define AMA (1995) "the dynamic interplay of have an effect on and cognition, Behavior, and the surroundings via way of means of which people behavior the change factors in their lives."

#### **2.1.2 Consumer buying Behavior**

Consumer purchasing Behavior is that it is the process in between that starts identifying the want and make decision to purchase. As per Kahn (Jeffery H, 2001) defines "the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services".

According to Evans Joel. R. and Bermann Barry (2004)," Purchasing Decision is the choice of the quality opportunity wherein a customer is prepared for getting act, to make an change of cash and product or offerings." This means that the consumer is ready to give money to the seller for the product or service that his/her to purchase.

Consumer Behavior study focuses on how an individual or groups select, purchase, use or dispose of products, services ideas, or experience to satisfy their need and desires.

Consumer Behavior in particular sheds mild on how customers comes to a decision to spend their numerous sources like time, cash etc. on numerous merchandise if you want to meet their desires and requirement. Consumer Behavior consist of take a look at of what, while, why and wherein the

customers will purchase their merchandise. It additionally specializes in how frequently the customers use the goods. Furthermore, it additionally sheds mild on how the customers compare the goods after the acquisition and the impact of opinions on their destiny purchases (Schiffman, 2012)

### **2.1.3 Types of consumer buying Behavior**

There are four types of consumer buying Behavior as Kotler stated that the consumer involves when making a purchase decision. This are complex buying Behavior, Dissonance-reducing Behavior, Varity seeking Behavior and habitual buying Behavior (Kotler P. a., 2005).

#### **2.1.4 Complex Buying Behavior**

Complex buying Behavior is appeared when the product that are need is very expensive or very risky and reflect the consumer itself the consumer involvement will be high. Example when a consumer want to buy a house it require a considerable amount of consideration before the purchasing decision (Philip, 2010)

#### **2.1.5 Dissonance-reducing Behavior**

Dissonance-reducing buying Behavior is appeared when the product can be expensive and infrequently consumer involvement it is high but when the consumer see no or little brand difference. (Philp Kotler,Gary Armstrong , 2010)

#### **2.1.6 Varity seeking Behavior**

Varity seeking buying Behavior consumers are excited to try new brand for the sake of Varity other than dissatisfaction .consumer make decision without evaluating the brand and the product they just want try the different brand available in the market. At this stage consumer involvement is low. (Philp Kotler,Gary Armstrong , 2010).

#### **2.1.7 Habitual buying Behavior**

Habitual buying Behavior consumers purchase a product even they didn't plan to purchase it can be happen only if the consumer see the product in the shelf. This is also the same that the consumer involvement is very low example if consumer go to the super market and see some gum and purchase it without seeing the brand, not considering the price we call this habitual buying Behavior. (Solomon, 2006)

Dalqvst and Linde (2002) provide an explanation four types of consumer Behavior: rational, unconscious, learned and social Behavior. This Behavior was defined by the three steps: knowledge, attitude and action.

Rational consumer; those consumers start getting information about the product they need to buy then they start to understand or get knowledge about the product so that they can develop an attitude and can have the power to evaluate so that they can either buy it or to leave it.

(Knowledge-Attitude-Action)

Unconscious Behavior; consumer start with attitude about the product when the attitude had develop from emotion and feeling. After the attitude develop then the consumer get knowledge about the product finally they make action to buy it or not to buy. (Attitude-Knowledge-Action)

Learn Behavior; consumer make action or buy a product before knowing what they are buying consumer make decision habitually. (Action-Attitude-Knowledge)

Social Behavior; consumer chose product depending on the social environment they live in. According t(I, 2010)Customers apprehend the widespread of Brand even as of their purchasing choices and customers' demographic traits don't have any substantial relation and impact on logo awareness. Consumer maximum of the time choose the branded merchandise with better expenses due to the fact they remember that branded gadgets have extra great then none branded merchandise.

“Quality is described as assessment of excellence and superiority of the product (Zeithaml, 1988) in the preceding research, a few researchers argued that excellent cannot be described and best is goal which may be measured. In a unique idea others believed best can't be measured. Combining this strategies fine is split in to goal of exceptional and belief of pleasant (Anselmsson, 2006). Objective of quality is assessment of the product primarily based totally on bodily characteristics. While notion of high-satisfactory considers subjective notation that's patron assessment of the product and judgment that primarily based totally on a few attributes. (Richardson, 1996) Defined perceived pleasant in phrases of customer judgment of intrinsic attributes (taste, ingredients, vitamins cost and usual high-satisfactory (Bellizzi et al 1981; cunnungham et al 1992).”

“According to Collins (2003) customers evaluate the quality in affiliation of extrinsic and intrinsic cues. Intrinsic cues are the belief of best through bodily function of the product (color, size, taste or aroma) at the same time as extrinsic cues are attributes that have a few members of the family with the product (package, price, marketing and marketing and peer pressure). Because extrinsic cues are greater acquainted with customers, primarily based totally in these cues it's far simpler for them to assess the products (Hoch & Banerji, 1993, p. 99). The variability in product creates belief distinction amongst individuals. According to Richardson (1996), quality perception determines customer proneness to buy for Dukem Niger oil. However, product excellent evaluation is evaluated through the purchasers now no longer with the aid of using the companies. Sometimes clients deliver better fee to decrease attribute (Richardson, P.S, Jain, A.K and Dick, A, 1996). In addition to that, purchaser belief of fine extrude over the years due to brought information. For that reason, entrepreneurs need to song belief thru product align and promoting strategies (Zeithaml, 1988)”

Lascu and Zinchan (1990) and Chen-Yu and Seak (2002) word on their research that buying choice because the procedure wherein someone as very last customer understand a sure products or services to the factor of changing it with cash after accepting its attributes which include quality, amount and function.

### **2.3 Decision making process**

A customer's decision-making manner includes 5 tiers that the customer is going via earlier than the real buy. During those degrees the customer acknowledges the want, gathers information, evaluates options and makes the acquisition decision. After the real buy comes submit buy conduct in which the patron evaluates the acquired delight level. (Philip Kotler, Gary Armstrong, 2010) Suggest that the customer can pass some levels at some point of a habitual buy. However, whilst a purchaser faces a brand new and complicated buy situation, all of those 5 ranges which are want for use to finish the shopping for method.

A customer's decision-making method (Riley 2012) a decision-making method begins off evolved with the popularity of want. There are some kinds of classifications of want popularity. One kind is wherein the customer acknowledges a want or hassle that may be prompted with the aid of using inner or outside stimuli. Internal stimuli are a human's simple needs, for instance thirsty that makes belly grumble and receives the patron purchase a water. External stimuli can earlier than adequate a

commercial that may get you to considering shopping for a brand new computer. (Philip Kotler, Gary Armstrong, 2010) At this level the customer frequently sees a massive distinction among the present day kingdom and preferred country. The want popularity method can arise obviously however frequently entrepreneurs can set it in motion. Marketers are looking to create call for wherein customers are endorsed to apply a product no matter the logo they pick. Marketers will attempt to persuade clients to pick out their logo rather than others. (Solomon, 2006) Another classification type of need recognition includes

- 1) Functional need: the need is related to a functional problem. The consumer purchases a washing machine to avoid doing laundry by hands.
- 2.) Social need: the need comes when a consumer wants social recognition or desire belongingness. The consumer can purchase luxury items to look good in front of others.
- 3.) Need for change: the consumer feels need to change. This can result in the purchase of new clothes or furniture to change current appearance. (Perreau, 2014)

At the second one level of the decision -making manner, the customer engages with records seek. Sometimes customer can pick out product with none statistics and different instances data want to be searched cautiously for figuring out all options. (Solomon, 2006) The purchaser can get facts from a couple of reassess through speaker with friends or own circle of relatives, studying magazines or the use of the Internet seek or managing the product. The quantity of the looking will typically rely on your drive, acquiring of the facts and pleasure were given from the seek. Nowadays purchasers get a big quantity of data from business resets which might be managed through marketers. Still, the only resets have a tendency to be private inclusive of own circle of relatives or pals. Consumers can gain facts and growth attention closer to to be had manufacturers. This records enables clients to drop a few manufacturers whilst making the very last choice of the brand (Philip Kotler, Gary Armstrong, 2010)

After all information is collected, the customer might be capable of examine the unique options. The assessment of options will range amongst clients and purchases. (Wright 2006, p. 28.) In a few instances customers make very little assessment and make their buying for choice primarily based totally on impulse and intuition. In instances in which very little assessment of options is used may be originated through a routine choice method. On the opposite hand, the customer who're engaged to an extended trouble fixing method may also cautiously examine amongst numerous manufacturers. The options which might be actively taken into consideration at some

point of the choice method are called clients' evoked set. This evoked set includes merchandise or manufacturers which are already within the customer's reminiscence plus vital ones in retail environment. Even if a customer ponders amongst many options, the evoked set typically consists of most effective a small quantity of options. These options percentage few comparable functions with every different. (Solomon, 2006) At the fourth level, the customer has evaluated options and is prepared to continue to the real buy itself. Typically, Customer's buy selection is to shop for the maximum desired brand. There are elements that could have an effect on the Customer's shopping for choice which include the attitudes of others or ideals approximately the emblem created through marketers. (Philip Kotler, Gary Armstrong, 2010) Sometimes to simplify buying decisions, customers could make intellectual shortcuts that may cause hasty decisions. Particularly whilst restrained hassle fixing happens earlier than creating a choice. These sorts of shortcuts can vary from familiar mind like "better rate merchandise are better quality" or "purchase the identical logo than closing time" to unique "purchase the identical logo that my mom used to shop for". These shortcuts can become negative to the customer. (Solomon, 2006) As cited earlier, the decision-making procedure maintains after the acquisition choice has already been made. The ultimate degree of the shopping for manner is purchase Behavior. After the patron has bought the product, the patron will compare the pride degree. If the client feels disappointment, expectancies in the direction of the product have now no longer been met. (M, 2006) If the product meets expectancies, the customer might be glad and inclined to spend extra in this unique branding the future. Furthermore, customers' excessive stage of pleasure may be translated into logo loyalty. This generally occurs whilst clients' expectancies were exceeded. (Kardes f.cline T.Cronley M, 2011)

## **2.4 factors influencing consumer purchasing decision**

### **2.4.1 Subjective factor**

Subjective factors are the ones elements that influencing customers purchasing selection specifically associated with outside surroundings or determined via way of means of person demands. Consumer may be without problems laid low with outside surroundings. External environmental factors are cultural, social, mental and persona element. Consumer Behavior observe specializes in how an person or companies select, purchase, use or get rid of products, offerings ideas, or enjoy to fulfill their want and desires. Marketers take a look at client shopping for Behavior to realize in which they purchase, what they purchase and the way they purchase it

however it's miles very difficult to spoke back why customer purchase a specific product due to the fact it's far the minds of the patron (Kardes f.cline T.Cronley M, 2011)

### **2.4.2 Social factor**

Social factors have an effect on customer Behavior significantly. Every character has a person round influencing their buying for decisions. The crucial social elements are: reference group, family, relatives, position and status. (Perreau, 2014)

Consumer is an individual, however nevertheless belong to a few particular group. The group to which customer belongs is referred to as a membership group. The second institution kind is a reference group. The reference group affects the self-photograph of clients and purchasers' Behavior. The reference group offers a few factors of contrast to customer approximately their Behavior, way of life or habits. Usually there are numerous smaller reference group, that are fashioned through own circle of relatives (family), near friends, neighbors, paintings organization or different human beings that customer accomplice with. The corporations to which a customer does now no longer belong but also can impact. These group which the customer wherein a customer aspires to belong and desires to be element withinside the future (Philp Kotler,Gary Armstrong , 2010) Family contributors can affect individual customers ' buying Behavior. An own circle of relatives (Family's) the surroundings for an person to accumulate values, expand and form personality. This surroundings gives the opportunity to increase attitudes and critiques in the direction of numerous topics which include social relations, society and politics. An own circle of relatives (family's) creates first perceptions approximately manufacturers or merchandise and purchaser habits. (Philp Kotler,Gary Armstrong , 2010)For example, the customers who've created logo perceptions after they had been young, can perform those identical emblem picks withinside the person existence without even spotting that their own circle of relatives encouraged those choices. Individuals play many exclusive roles of their lives. Each position includes sports and attitudes which can be anticipated from a character to carry out in keeping with the folks round him. (Philp Kotler,Gary Armstrong , 2010)

- **Family**

A family is the maximum vital customer shopping affiliation withinside the public eye and it constitutes the maximum compelling social element that affects consumer conduct (Philip Kotler Gray M. Armstrong, 2008). It is a meeting of as a minimum humans associated via way of means of blood, marriage or reception, and dwelling collectively as a own circle of relatives (Lawson et al., 2016). ). Since the family is a pivotal fundamental management unit, the verbal exchange

among family might be going to be greater crucial than the ones of littler gatherings, for example, partners or associates (Lee & Marshall, 2014). Family effect consists of sports through family which have any sort of impact amid the selection procedure. Two noteworthy styles of effect had been distinguished: the on the spot effect that is building specially with appreciate to the chief's personal wishes and aberrant effect wherein the chief considers different household' wishes in a roundabout manner (Beatty & Talpade, 2014). Family shape determines the power, duties, exercises, and component dreams for each component. Family systems are moreover converting grade by grade selecting own circle of relatives purchase preference examples now no longer similar to previously. Advertisers have to be sensitive to those progressions and the manner they effect own circle of relatives purchase selections and usage exercises (Lawson et al., 2016). Advertisers want to realize the concept of the own circle of relatives' effect on its people and the way through which purchase alternatives are made through the family.

- **Reference Groups**

Aside from the family, we've reference group which fill in as a country of correlation for a person teaching both vast and specific qualities, tendencies or behavior (Auma, 2014). They are people to whom a character seems as a cause for self-exam or as a wellspring of person measures (Schiffman & Kanuk, 2010). Kibera and Waruingi (2014) pay attention to that reference organizations fill in as a version for someone's behavior and as a fringe of reference for fundamental leadership. (Antonides and Vanraaj, 2014) signify a reference bring together as a meeting of people that and person alludes to for exam whilst making judgments approximately his or her personal conditions, tendencies, and behavior. Consumers are inspired through word-of-mouth verbal exchange among organization individuals specifically the ones taken into consideration as opinion leaders (Assael, 2014). They can both have an immediate or an oblique effect on someone's attitudes or Behavior. One can, therefore, belong to club organization, that may both be primary (e.g. family, friends, friends and co-workers) or secondary corporations (e.g. religious, expert and exchange union agencies). There is likewise the aspirational reference organization, that is generally composed of idealized figures consisting of a success commercial enterprise humans, athletes who clients appearance up to. Reference companies divulge a character to new behaviors and lifestyles. They have an effect on attitudes and self-idea and additionally create conformity which can have an effect on real and logo choices. Finally there's roles and standing that mirror someone's role in

unique agencies, family, golf equipment and organization. A position includes sports someone is predicted to carry out consistent with the human beings round her or him even as reputation is measured in phrases of wealth (cost of financial assets), power (affect over others) and prestige, the diploma of popularity obtained from others (Schiffman and Kanuk, 2010). Each function contains a standing reflecting the esteem to it with the aid of using society. A dealing with director may also force a Mercedes Benz at the same time as a center stage supervisor may also pressure a Nissan Sunny. Human social orders show social stratification, which in a few instances seems as a role framework in which people from the special rank framework are raised for particular elements and cannot trade their status participation (Kotler, 2010).

- **Social status**

Social status displays the placement that people have in social corporations primarily based totally on things like cash and wealth, schooling or profession. In many societies repute is crucial and those need the admiration of others Social popularity may be received via way of means of being a hit in lifestyles or being born into cash. Product and logo choice frequently displays the social function and popularity. (Wright 2006, p. 360).

#### **2.4.4 Personal factor**

An individual's selections are prompted through personal factors including a buyer's age and lifestyles cycle state, profession, monetary situation, lifestyle, and persona and self-concept. Consumers' extrude at some point of their lifestyles and shopping for of merchandise modify relying on age and degree of existence. Age associated factors are which includes flavor in food, clothing, undertaking and furniture. Moreover, environment, values, lifestyle, interests and client conduct evolve at some stage in lifetime. Family lifestyles ranges extrude buying Behavior and logo choice. Traditionally a family lifestyles cycle protected most effective younger singles and married couples with children. Nowadays entrepreneurs are that specialize in alternative, non-conventional levels which includes single couples, childless couples, equal intercourse couples, unmarried mother and father and singles marrying later in lifestyles. (Philp Kotler,Gary Armstrong , 2010) It may be assumed that clients 'flavor can alternate at some stage in lifetime and has effect

on logo choice detached levels of existence. A customer's career and buying electricity impact buying selections and shopping for Behavior. The earnings degree impacts what customers can have the funds for and the attitude in the direction of cash. People, who percentage comparable occupations, tend can afford and the perspective towards money. People, who share similar occupations, tend It may be assumed that clients 'flavor can alternate at some stage in lifetime and has effect on logo choice detached levels of existence. A customer's career and buying electricity impact buying selections and shopping for Behavior. The earnings degree impacts what customers can have the funds for and the attitude in the direction of cash. People, who percentage comparable occupations, tend

1. Activities describe how purchasers spends their time, e.g. Work, pastimes or vacations.
2. Interests are clients' choices and priorities e.g. Family, domestic or food.
3. Opinions inform how clients sense approximately exclusive issues, e.g. themselves, politics or merchandise. (Plummer 1974, p. 34.)

These lifestyles fashion dimensions specific man or woman's sample of living. Lifestyle will impact purchasers 'shopping for Behavior and decisions. Personality distinguishes one character from every other with the aid of using person trends. These private trends may be self-confidence, adaptability, sociability and dominance. (Philp Kotler,Gary Armstrong , 2010) Personality determines how we see ourselves and the arena round us in addition to how different humans see us.

Attitudes, values and those round us from our character. Personality alters at some point of lifestyles while someone grows up and adjustments surroundings. (Wright 2006, p. 296.) Self-idea is a multi-dimensional and complicated term. (Kardes f.cline T.Cronley M, 2011) Describes the self-idea as follows "Self-idea is frequently defined because the totality of an character's mind and emotions concerning him/herself as an object." In any other words, it's miles the photo that human beings keep approximately their selves fashioned through attitudes and beliefs. Many manufacturers have advanced a photo and persona that correspond with purchasers' values and tendencies. It lets in clients to explicit themselves via emblem selections. (Kardes f.cline T.Cronley M, 2011)) There are 5 dimensions of emblem character: sincerity, excitement, competence, sophistication and ruggedness. Each of those dimensions consists of different factors that relate to human character dimensions. In the primary size sincerity brings amiability of the logo through reflecting honesty and down-to-earth values. Excitement gives clients updated records and a lively

opportunity like generation logo Apple. When the usage of Mac computers, purchasers can experience their selves younger and laid back. While an emblem that stands for competence gives obligation and safety to customers. Sophistication have an effect on supper elegance clients with the aid of using fascinating with luxury, e.g. Designer merchandise consisting of Gucci or Rolex. The 5th size is ruggedness that draws clients' contrary of sophistication. Ruggedness represents manufacturers which can be visible as tough, robust and outdoorsy. (Philp Kotler,Gary Armstrong , 2010)

## **2.5 objective factors**

Objective factors are those factors related with the marketing mix. Marketing mix factors are product quality, price, availability, promotion, brand awareness (Schiffman, 2012). Consumer choose product with selective quality especially when the product is related to daily consumed product. Consumer gives a very concern about price when consuming a product. Consumer want one product to be available at the time of purchase to consume constantly the other thing consumer needs to know about the brand of the product to purchase.

### **2.5.1 Product quality**

The first marketing mix that is used by the company is product. A product is anything that can be offered to the market for acquisition, use or consume to satisfy a need or want (Ennew and Binks 1999). Consumers may also buy a merchandise due to the effect made withinside the implementation of the advertising and marketing strategy. Product as a center detail in each company receives the eye of the customer, as an instance the beauty of its product package. Marketers at the moment are stressing on product nice. Different person understand fine with numerous meanings. The vendors of statistics on fine don't forget it to be the useful assuming the end result of its importance to the stop user. Therefore adjustment may be made with the aid of using entrepreneurs on a number of the product strong point along with the packaging, exceptional and emblem. (Philip Kotler Gray M. Armstrong, 2008) The packaging and the product itself are designed definitely to correspond with their goal customers (Smith & Taylor, 2007).

### **2.5.2 Price of product**

The survival of any enterprise company relies upon of its pricing method due to the fact that pricing is incredibly critical withinside the implementation of advertising tactics. It stands to expose the income that an organization could make shape its activities. In eager aggressive environment, pricing is used as a medium to gain a top quit competitors. According to (Bondari,

2010) pricing offers the bottom for customer to look for their appropriate merchandise which might be inside a specific fee class at the same time as ignoring those who aren't a part of However,(Rowley ,1997) explains pricing to be an method to construct a misconception of merchandise of excessive quality. This does now no longer assist withinside the long time to maintain clients and productiveness with the aid of using companies the use of this precise approach. Cook and (Mathur, 2008) defined that clients have turn out to be notably cell and are trying to find values in go back in their cash spend with extra blessings and benefits. In maximum instances if a consumer does now no longer recognize a quoted rate for a product, there has been now no longer be any buy and this has a bad effect at the income and the marketplace proportion withinside the long time which makes a uncovered companies to competition. Again (Lindsay and Evans,2011) also argue in same regard that in a competitive market, firms must seek to consider satisfying consumers' needs at lower prices and this help companies to obtain competitive edge

### **2.3 Empirical review**

This part of the study will show various empirical study in different country related with the factors that influencing consumer purchasing decision.

A study conducted by (Kakiza Clara, 2015)on factors affecting purchasing decision of the consumer on coca cola in the case of kinodoni district (DAR ES SALAAM) in 2015 show that factors that affect consumer purchasing decision it two parts subjective factors and objective factors . From the above factors the researcher stated in his work consider as a major factors are income level, price, attitude, advertising, Social influence, Fashion, Education, Family Life Cycle.

According to (Schiffman, 2012), among the variable that affect the consumer purchasing decision price which has a significant influence on communication factors concerning the advantage of purchasing a product (F.D, 2001) determine that price level has a considerable effect on customer choose .

Shapiro (2002) shows that “final consumers purchasing decision takes place as follows; Firstly Final consumers identify a problem, for example when a consumer had a problem with transport, then they think their solution is to buy the car but before buying the car, they think, also can buy the car, after that they search for information about the car which their want to purchase, these

information include quality, color, price and brand name then consumers evaluate alternatives, he or she has a lot of information searched about their problem's solution, now they evaluate the best information of his /her own choice. Close to this is purchase, here now consumers buy the particular product due to his or her best alternatives. Finally, post purchase behavior occurs, consumers will measure the expectation and the performance of the products bought, if their expectation met, consumers will become loyal to that products, if not consumers will talk bad against these products purchased.

Harrel, (2005) noted that "Purchasing decision of final consumers may be affected by the factors such as marital status, family and taste. Marital status, this is the state of being married or not married, consumers who married and have children or not, their purchasing decision is different from consumers who are single, family, within a family members such as father, mother, brothers, uncle aunt and others may influence you in purchasing decision towards a certain products or services. Taste, the different taste of a product may influence you in purchasing decision as final consumers as it explained in empirical Literature."

According to Anderson (2000) and Lasca (1999) noted on their articles that "Age, Gender, and occupation may affect purchasing decision of final consumers as follows; Age, the purchasing decision of children, youths and older is different, youth's purchasing decision is very complicated according to their age, children and older their purchasing decision is easy because they are not influenced by life style and fashion. Gender, the purchasing decision of males is different to females due to particular products used by these two genders. Occupation, the job of a person holds determine purchasing decision, for example, Lawyers, soldiers, managers, and mechanics do differ in purchasing decision, each one has its own products which preferred due to occupation."

Gradeke (2005) find the following as factors which may affect purchasing decision of final consumers, Culture, Reference groups, consumer interaction, Diffusion of innovations. Culture most of consumer influenced by either their original culture or foreign culture in purchasing decision, there are some products which are common to a certain culture but consumers from another culture may adopt and purchase these products or services.

## **2.4 Research gap**

There had been a lot of research that have been made to understand the consumer purchasing decision factor that can influence at the end of the consumer decision. Consumer purchasing decision can be influenced by both subjective & Objective factor as (Kakiza Clara, 2015)stated. This why this study will investigate test and describe the factors that influence the purchasing decision of the consumer as. This research is that it is duplicable research type but it try to test the factors that had been investigate by (Kakiza Clara, 2015)are the same factor and if the recommendation can be used for our country. The research that had been done by (Kakiza Clara, 2015)is investigate in different culture, society, perception from kinodoni district (DAR ES SALAAM) so as a research this factors will be measured by our culture, society & Perception. So the research gap will be used for this case is that to test demographic analysis if it had the same response for our country.

## **2.5 Conceptual frame work**

The conceptual frame work below explain the relationship between the dependent and independent variables .In this research study the independent variables is the personal, social and objective factors that is selected for the study to make it narrow and to cop up with the study area. The dependent variables are the consumer purchasing decision. Social factors include reference groups and family members influence and also social status of the consumer From the Social factors the researcher have select reference group because most of the time Consumers are influenced by word-of-mouth communication between group members especially those considered as opinion leaders so the research will try to investigate the effect of reference group in the selected study area. Personal factor includes buyer's age and life cycle state, occupation, income level, lifestyle, and personality and self- concept. From the personal factor the research have choose the income level and life style because the income level and life style very sensitive when it came to edible oil. From the objective factor the research select the major factor that are product quality and price of the product because the quality of the product can cause a major effect and price is also have the major effect. The above independent variable have relationship with the dependent factor. The researcher select the above from the selected area because consumer in our country focus on the selected factors. So that the researcher will try to study the consumer purchasing decision factors based on the above selected independent variables.

Independent variable

Income Level

Life Style

Reference Group

Price of product

Product Quality

Dependent variable

Consumer Purchasing Decision



Source: Research Theoretical Frame Work

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **Introduction**

This chapter will study research approach, research design, describes the research methods, sampling techniques and the instruments to be employed in the data gathering, collection procedures and analysis methods.

Many researchers have written extensively on research methodology. The underlying factor in most studies on research methodology is that the selection of methodology is based on the research problem and state research questions. Methodologies cannot be true or false, only more or less useful (Silverman, 2001).

#### **3.1 Research approach**

This study is focused on the factors that influence the purchasing decision of the consumer which specifically focused on the social factors, personal and the objective factors (price & product) thus this research was based on quantitative research method that deals with the use of statistical software and numbers to address research question.

‘Quantitative approach is a formalistic and a structured way of collecting data. Quantitative methods are characterized by measurable data which can be expressed in numbers or other quantities. This gives a basis for the presentation of frequencies, distributions, correlations and regressions (Muijs, 2004).’

## **3.2 Research design**

The research design for this study uses both Descriptive and explanatory. Descriptive research design describes behavior, attitudes, values and characteristics (Kothari, 2004). Also Descriptive studies are conducted to answer who, what, when, where, and how questions and measures association (Carl.Mc Daniel, 2010) .

The descriptive research design is selected to be an appropriate for this study is because the purpose of the study is to investigate personal, social and objective factors that influence consumer purchasing decision. To answer the study objective and research question descriptive and research design will be use. For the purpose of calculating the outcome the research uses statistical software

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

### **3.3.1 Population**

The population of the study consist of all customers the of Dukem Niger seed oil. There are about 24 major consumer that are retailers & Supermarkets but for this study case the research uses one of the major reseller and sister company of Bess general trading Yehule market food beverage whole and retail sell trade plc. Customers. As per Yehule Market data recording there are about 5678 of Dukem Niger Seed oil Users permanently. There for 5,678 customers is the total population for the study.

### **3.3.2 Sampling techniques**

The study focuses on personal, social & marketing factors aspect of customer is quantitative research type. In order to coup with the studies the researcher uses carried out the use of non-probability sampling strategies which might be purposive & comfort which might be used to choose the pattern inclined customers from the pick time of statistics series respectively. Purposive sampling includes choice of specific devices of the universe for constituting a pattern which represents the universe ( (Bhattacharjee, 2012).

“Sampling is the method or method of choosing a appropriate pattern for the cause of figuring out parameters or traits of the entire populace” (Adams, et al., 2007). This studies may be carried out the use of non-opportunity sampling strategies which can be comfort which are used to pick the pattern inclined clients from the pick time of information series respectively. Convenience sampling is a way samples drawn from populace which might be near hand, simply available, or convenient (Bhattacharjee, 2012). Hence because of simplicity and inexpensiveness this studies will use comfort sampling method.

### 3.3.3 Sample Size

Accordingly, in this study to make the sample more representatives, the sample size of the study was determined by using the formula adopted from (Yamane, 1967). Thus, the formula was uses to calculate the sample size is

$$n = \frac{N}{1 + N(e)^2}$$

Where: n= sample size

N= total population that is 5678

e= is the error term, which is 5% (i.e. at 95% confidence interval)

Using the above formula, the simple size of the study will be determined as

$$n = \frac{5,678}{1 + 5,678(0.05)^2}$$

$$n = \frac{5,678}{1 + 5,678(0.0025)}$$

$$n = \frac{5,678}{1 + 14.195}$$

$$n = \underline{\underline{374}}$$

Therefore, the sample size is 374 customers.

### 3.4 Data Type

The researcher used quantitative method. According to **Christensen**, (1985) said that “quantitative survey is the maximum suitable one to apply if the motive of an research is to explain the diploma of dating which exists among the variables.” Accordingly, this studies turned into performed the use of quantitative studies method wherein it examines and degree the connection among factors influencing variable and customer purchasing selection when it comes to Dukem Niger seed oil. Therefore, the quantitative technique utilized by thinking about pattern of customer the Dukem Niger seed oil and questionnaires will be distributed.

### **3.5 Data Collection Methods**

Quantitative data collection tools was applied to collect data from the customers of Dukem. The questionnaires, was formulated as close and open ended question that was checked and approved by advisor for validity.

### **3.6 Data analysis methods**

In order to attain on significant information and conclusions, the statistics amassed thru questionnaires have been analyzed through the use of Statistical Package for Social Sciences (SPSS

### **3.7 Reliability**

Reliability refers back to the degree to which the data collection tools or analysis procedures were yield consistent finding. (Saunders, 2009). Reliability analysis measures the internal consistency of a group of items which is used in questionnaire construction. Reliability analysis examines the homogeneity or cohesion of the items that comprise each scale. Cronbach's alpha coefficient is the most frequently used index of reliability. So for the purpose of this study Cronbach's alpha coefficient was used.

### **3.8 Validity assurance**

The validity of the study was be ensured by using data collecting tools that are based on sound theoretical foundations. Therefore; study will ensured that the contraptions or strategies used withinside the studies measured what they had been speculated to degree i.e. impartial variables and based variable via way of means of crosschecking unique theorists and sources (Bryman A & Bell E, 2011)

### **3.9 Ethical standard**

The researcher has consent of the agency for the look at. Consumer who might be worried withinside the questionnaire may be knowledgeable approximately the reason of information series, evaluation, and the covenant to keep privacy in their response

## **CHAPTER FOUR**

### **ANALYSIS AND DISCUSSION**

#### **4.1 Introduction**

This study was performed with an objective of identifying factors influencing consumers purchasing decision of Dukem Niger Seed oil. To collect the study data, the researcher distributed 374 questionnaires to purchasers of Dukem Niger Seed oil. Out of 374 distributed questionnaires 358 were returned fully and the remaining 16 were not. This chapter presents the result of data analysis in different sections. These sections include, demographic information, descriptive evaluation and regression evaluation).

#### **4.2 Validity and Reliability**

The reliability and validity of the questioner data is examined to test if the meant questioner items have measured what it turned into supposed to degree and to test if the questions are as in keeping with the preferred widespread and test if there's consistency among the scales internally. To test if there's any consistency and the diploma of courting among inner gadgets, we use Cronbach's alpha. The Cronbach alpha coefficient of an object have to be above 0.7 and scale cost above 0.8 are greater preferable. ( DeVellis 2003).

**Table 4.1 Cronbach alpha value for the dependent and independent Variables**

<b>No</b>	<b>Variables</b>	<b>Number of Items</b>	<b>Cronbach's Alpha</b>
1	Income Level	4	0.713

2	Life Style	4	0.820
3	Reference Group	5	0.745
4	Price	6	0.860
5	Product Quality	5	0.739
6	Purchase decision	4	0.700
	Entire scale	27	0.926

The Cronbach alpha coefficient for all the variables in the questioner used in this study is 0.926, which indicate that there is very good internal consistency and the items are close related between all measurable variables.

### 4.3. Descriptive Analysis

#### 4.3.1. Demographic Profile of Respondents

This section summarizes the demographic characteristics of the sample, which includes gender of the respondent, age, marital status, education level, income level, occupation, user of Dukem, purchase frequency, of consumers, how long they been using the product & how often do the consumer purchase Dukem oil. The purpose of the demographic analysis in this research was to describe the characteristics of the sample such as the number of respondents ,proportion of males and females in the sample ,range of age ,income, education level, occupation, and purchase frequency of consumers so that the analysis could be more meaningful for readers.

**Table 4.2 Participants Gender**

		Frequency	Percent
Valid	Female	285	79.6
	Male	73	20.4
	Total	358	100.0

**Table 4.3 Participant Age Group**

		Frequency	Percent
Valid	30-35	234	65.4
	35-45	75	20.9
	above 45	49	13.7
	Total	358	100.0

**Table 4.4 Participants educational level**

		Frequency	Percent
Valid	Collage/University	58	16.2
	Degree	293	81.8
	Masters	7	2.0
	Total	358	100.0

**Table 4.5 Participant average income level**

		Frequency	Percent
Valid	4000-5000	55	15.4
	Above 5000	303	84.6
	Total	358	100.0

**Table 4.5 participant Marital Status**

		Frequency	Percent
Valid	Married	310	86.6
	Single	48	13.4

	Total	358	100.0
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**Table 4.6 Participant Do use Dukem Niger Seed Oil?**

		Frequency	Percent
Valid	Yes	358	100.0

**Table 4.7 Participant if Your Answer is Yes How long Have You Used Dukem Niger Seed oil?**

		Frequency	Percent
Valid	One Year	118	33.0
	Two Years	155	43.3
	Three Years	43	12.0
	More than Three years	42	11.7
	Total	358	100.0

**Table 4.7 Participant How often Do You Purchase Dukem Niger Seed oil?**

		Frequency	Percent
Valid	Every Three weeks	66	18.4
	Every month	292	81.6
	Total	358	100.0

From the above output shows that we can see that out of 358 respondent there are 285 (79.6%) females and the remaining 73 (20.4%) were male.

From the above table we can understand that out of 358 respondent 234(65.4%) were within the age gap of 30-35, 75(20.9%) within age of 35-40 and 49(13.7%) within age gap of above 45 respectively.

From the above table the education level report shows that out of 358 respondent 58(16.2%) were college diploma, 293(81.8%) were BA/BSC Degree holder and the reaming 7(2.0%) were Master's Degree holders.

When we see the result of the average monthly income of the respondent out of the total sample respondent 55(15.4%) were getting monthly income between the range of ETB 4,000-5,000 , while 303(84.6%) were fall in the range of greater than 5,000 per month..

The marital status of the respondent shows that majority of the respondents 310(86.6%) were married and 48(13.4%) were single children.

Out of the total respondent 358(100%) all agreed they use Dukem Niger seed oil.

When the respondent were answer about how long they been using Dukem oil sample respondents out of the total respondents of 358, 118(33.0%) were using for one year, 155(43.3%) were using for two year, & 43(12.0%) were using for three year & 42(11.7%) were using for more than three years.

For the question to the respondent about how often do you purchase from the selected sample respondents of 358 which constitutes 66 (18.4%) respond that they purchase every three weeks & the other 292(81.6%) were purchase every month.

#### **4.2 .1 Descriptive Analysis**

In order to compare respondent's attitude towards Dukem Niger Seed oil mean and standard deviations were computed. The mean indicated to what extent the respondents agreed and disagreed with the statements in each variables. The higher the mean the more the respondent agreed and the lower the mean the less the respondent agreed with the statements. In addition, the standard deviation showed the variability of the observed response.

### 4.3.2 Influence of Income Level

Regarding the income level of the consumer purchasing, the following items were asked and the responses are presented on the following table.

**Table 4.8 Descriptive Statistics Income level**

	N	Minimum	Maximum	Mean	Std. Deviation
I think a higher level of income would encourage me to buy an Dukem oil product with more quality	358	1	5	3.78	.766
My income Level affects the type of edible oil product I purchase	358	1	5	3.53	1.117
If my income level increases, I might shift to other edible oils	358	2	4	2.60	.809
I buy Dukem Niger seed oil because it is in a price range I can afford	358	1	4	3.25	.810

Source: SPSS Data

As it is presented the table 4.8, most (75%) of the responses fall in the agreed range and the other range. Therefore, these results showed that, consumers consider their income level when they decide to purchase Dukem Niger seed oil. They think that a higher level of income would courage them to buy Dukem oil also their income level affects the type of oil they purchase. Although the consumer disagree if their income level increase they might shift to other oil product.

**4.3.3Influence of customer’s life style**

Table 4.9 Descriptive Statistics Life style

	N	Minimum	Maximum	Mean	Std. Deviation
I buy Dukem Niger seed oil because it fits with my personality	358	2	4	2.92	.902
I buy Dukem Niger seed oil because I care about my health conditions	358	2	4	3.32	.789
I buy Dukem Niger seed oil for a better diet	358	1	4	3.28	.775
I buy Dukem Niger seed oil because it is locally produced	358	2	4	2.89	.778

Source: SPSS Data

As it is presented the table 4.9, most of the responses fall in the agreed range and the other respondent fail between neutral and disagree. Therefore, these results showed that, some consumers consider their life style when they decide to purchase Dukem Niger seed oil but the other didn’t consider their life style. Most of the respondent use Dukem because of the health benefit that it proved and also they choose to purchase the product because it is produced locally.

### 4.3.4 Influence of Reference Group on consumer

Table 4.10 Descriptive Statistics Reference Group

	N	Minimum	Maximum	Mean	Std. Deviation
I buy Dukem Niger seed oil because friends suggested that I try it	358	1	5	3.72	.867
I buy Dukem Niger seed oil because I heard it from my neighbor	358	1	5	3.10	1.043
I buy Dukem Niger seed oil because of its advertisement	358	1	4	2.16	.870
I choose to use Dukem Niger seed oil because famous people use it too	358	1	3	1.92	.529
I buy Dukem Niger oil because of the endorser that promotes it	358	1	4	2.23	.581

Source: SPSS Data

As it is presented the table 4.10, most of the responses fall in the agreed range and 75% fall in disagree and nutria for the question they been asking. Therefore, these results showed that, consumers consider their friend suggestion and neighbor recommendation. When they decide to purchase Dukem Niger seed oil. They use Dukem because of the friend and neighbor recommendation rather than advertisement and endorser.

### 4.3.5 Influence of Price on consumer

Table 4.11 Descriptive Statistics Price

	N	Minimum	Maximum	Mean	Std. Deviation
I prefer to use Dukem Niger seed oil because of the fair price tag as compared to other oils in the market	358	1	4	2.41	.870
I buy Dukem Niger seed oil because it is affordable and is available in different affordable price options.	358	1	4	2.17	.887
I associate higher prices with high quality of Dukem Niger seed oil	358	1	5	3.65	.845
I think Dukem Niger seed oil price takes customer's income into consideration	358	1	4	2.18	.690
I buy Dukem Niger seed oil because it offers price discount	358	1	4	2.18	.699
I think price is important when I buy Dukem Niger oil	358	1	5	3.68	.844

Source: SPSS Data

As it is presented the table 4.11, most of the responses fall in the agreed range. Therefore, these results showed that, consumers believe that Dukem oil price is fair is the market when consider with other oil in the market and it is affordable in different affordable price. Also most of the

respondent associate higher price with high quality. But some respondent fail in the disagreed and nutria for the question that it don't offer price discount.

### 4.3.5 Influence of product quality

Table 4.12 Descriptive Statistics Price

	N	Minimum	Maximum	Mean	Std. Deviation
I use Dukem Niger seed oil because of the ingredient it uses	358	2	4	3.15	.675
I use Dukem Niger seed oil because I trust the company that produces it	358	2	4	2.90	.630
I feel more secured about the quality when I buy Dukem Niger seed oil	358	2	4	3.04	.699
I buy Dukem Niger seed oil because of its consistent quality production	358	2	5	3.64	.618
My purchasing decision of Dukem Niger seed oil is influenced by 100% purity of the product.	358	2	4	3.66	.555

Source: SPSS Data

According to responses analyzed in the table 4.12, most of the responses fall in the agreed range. Therefore, the result showed that in terms of product quality of the ingredient that it use, the trust worthiness of company that produced it, the consistence quality influence the consumer.

**Consumer purchasing decision**

Table 4.13 Descriptive Statistics purchase Decision

	N	Minimum	Maximum	Mean	Std. Deviation
I buy Dukem Niger seed oil based on my knowledge on oil products	358	2	4	3.22	.669
I'm affected by the origin/source of the product when I purchase oil products	358	2	5	3.42	.739
I am affected by the packaging of oil products	358	2	4	3.46	.650
I am influenced by the brand recognition of the product	358	2	4	2.92	.800

Source: SPSS Data

As it is presented the table 4.13, most of the responses fall in the agreed range. Therefore, these results showed that, consumers consider the knowledge, origin/source of the product, packaging and by the brand recognition of the product

#### 4.4 Correlation Analysis

**Table 4.13 Correlations Matrix**

		MEANPD	MEANIL	MEANLS	MEANRG	MEANPR	MEANPQ
MEANPD	Pearson Correlation	1	.600**	.874**	.767**	.674**	.386**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	358	358	358	358	358	358
MEANIL	Pearson Correlation	.600**	1	.723**	.826**	.822**	.582**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	358	358	358	358	358	358
MEANLS	Pearson Correlation	.874**	.723**	1	.789**	.703**	.422**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	358	358	358	358	358	358
MEANRG	Pearson Correlation	.767**	.826**	.789**	1	.890**	.574**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	358	358	358	358	358	358
MEANPR	Pearson Correlation	.674**	.822**	.703**	.890**	1	.648**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	358	358	358	358	358	358

MEANPQ	Pearson Correlation	.386**	.582**	.422**	.574**	.648**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	358	358	358	358	358	358

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

One of the first-class methods to decide the connection that exists among variables is the use of bivariate Pearson r correlation, With the assist of correlation we are able to capable of decide if there's a terrible or wonderful relation among variables, -1.zero being an ideal bad correlation coefficient and 1.zero being an ideal tremendous correlation coefficient however to interpret the prevailing correlation desk we can use Cohen (1988, pp. 79–81) have been; small  $r=.10$  to  $.29$ , medium  $r=.30$  to  $.49$ , big  $r=.50$  to  $1.zero$

From the above table finding consumer purchasing decision correlates with income level with the value of 0.600 shows weak correlation, there is strong correlation between purchasing decision and life style with a value of 0.874, also strong correlation between purchasing decision and reference group with the value of 0.767 and there is correlation between purchasing decision and price with the value of 0.674 the last value shows that there is a moderate correlation between purchasing decision and product quality. From the above table we can predict that there is a positive relation between the dependent and independent variables. The above table shows that there is a large positive relationship between all the variables with a 2-tailed correlation significant at 0.01 level.

#### 4.5 Parametric Assumptions Tests

Before calculating to the multiple linear regression analysis en first we want to chuck the assumption first. To see if our assumption may be legitimate and reliable.

##### 4.5.1 Normality Test

To test the normality of the variables we will use Skewness and Kurtosis were: Skewness measure were our data lies and Kurtosis measure the aggregate value of the two tails. If the skewness is between -0.5 and 0.5, the data are fairly symmetrical, if the skewness is between -1 and - 0.5 or between 0.5 and 1, the data are moderately skewed and if the skewness is less than -1 or greater than 1, the data are highly skewed. From the below table we can indicate that the data is a moderately skewed indicating there is normal distribution of data between the variables.

**Table 4.14 Skewness and Kurtosis normality table**

		MEANIL	MEANLS	MEANRG	MEANPR	MEANPQ	MEANPD
N	Valid	358	358	358	358	358	358
	Missing	0	0	0	0	0	0
Std. Deviation		.58090	.65471	.56577	.46390	.36179	.44069
Skewness		-1.212	-.090	-.413	-.790	-.438	-.171
Std. Error of Skewness		.129	.129	.129	.129	.129	.129
Kurtosis		1.517	1.446	.318	.400	.031	1.243
Std. Error of Kurtosis		.257	.257	.257	.257	.257	.257

Source: SPSS Data

#### 4.5.2 Multicollinearity

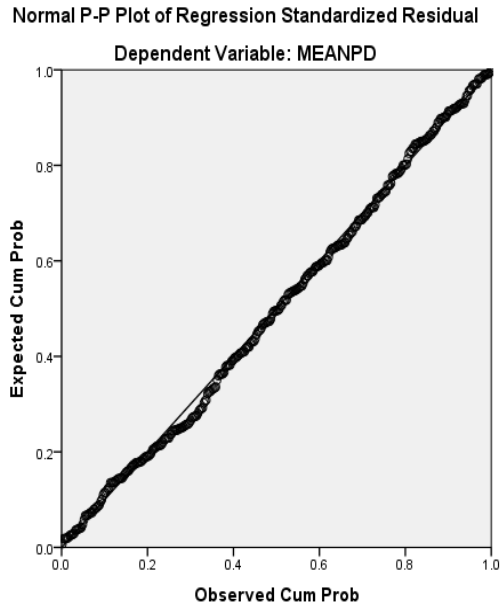
By referring the correlation table from the output, we can check the relationship that exists between the independent variable and dependent variable, a correlation value above 0.3 is preferable and we also need to check for the relationship between the independent variables and make sure that their bivariate correlation value is not above 1.

From the table we can see that all five independent variables (MEANIL, MEANLS, MEANRG, MEANPR and MEANPQ) are significantly correlated well with the dependent variable (MEANPD) with a value between them is, MEANPD and MEANIL, = 0.600, MEANPD and MEANLS = 0.874, MEANPD and MEANRG = 0.76, MEANPD and MEANPR = 0.674 and MEANPD and MEANPQ = 0.386. We can also see that there is significant correlation between all the independent variable with correlation value below 1 between all of them. So all of the variables will be retained and have not violated the multicollinearity assumption.

#### 4.5.3 Linearity

The assumption for normal linearity is that the residuals of the regression should follow a normal distribution along the normal Predicted Probability (P-P) plot. The below normal probability Plot (P-P) of the Regression Standardized Residual table indicates that, all the points lay into Normal P-P Plot with a reasonable straight line from left bottom to top right with the suggestion that there are no major deviations from normality.

**Figure 4.14 P-P Plot of Regression Standard Residual**

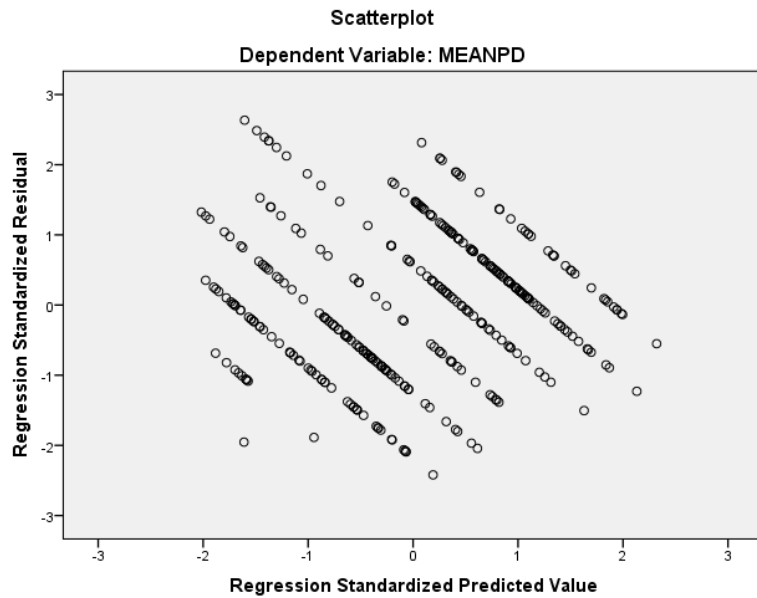


Source: SPSS Data

#### **4.5.4 Homoscedasticity**

The assumption for homoscedasticity is checked by referring the scatterplot diagram. Using the diagram we can check if the residuals are equally distributed, or whether they tend to bunch together at some values, and at other values, spread far apart. From the below scatterplot diagram we can see that there is an equal distribution of values below and above zero on the X axis and the residuals are slightly distributed to right from left and right of zero on the Y axis.

**Figure 4.15 Scatterplot for testing homoscedasticity**



Source: SPSS Data

#### 4.5.5 ANOVA Model for Regression

By using the ANOVA analysis we can assess the statistical significance of the result and from the table we can indicate that the significance value is 0.000 ( $p=0.000$ ) which is below the value 0.05 and it is statistical significance and predicts product choice

**Table 4.16 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.186	5	9.437	149.992	.000 <sup>b</sup>
	Residual	22.147	352	.063		
	Total	69.333	357			

a. Dependent Variable: MEANPD

b. Predictors: (Constant), MEANPQ, MEANRG, MEANPR, MEANIL, MEANLS

#### 4.6 Regression Analysis

The main purpose of this study is to evaluate factors that influence consumer purchasing decision in the case of Dukem Niger Seed oil. To understand which factor can highly influence the consumer purchasing decision of Dukem Niger Seed oil the study used income level, lifestyle,

Reference group, and price and product quality as a determinate variable for consumer purchasing decision. After analyzing important assumptions like normality of the distribution, linearity, homoscedasticity, independent of residuals and multicollinearity and all the assumption are full filed then we will processed analyzing multiple regression for the dependent and independent variables.

According to Andy Field (2006), using multiple linear regression we can able to identify the effect of more than one independent variables have on dependent variable.

**4.6.1 Multiple Regression Model Summary**

Using multiple regression we can determine the effect and significance of each independent variable which is consumer purchasing decision.

**Table 4.17 Regression Model Summary Table**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 <sup>a</sup>	.681	.676	.25083

a. Predictors: (Constant), MEANPQ, MEANRG, MEANPR, MEANIL, MEANLS

b. Dependent Variable: MEANPD

From the model summary table displays the value of R(0.82) indicating the correlation between the dependent and independent variables and the shows that the dependent variable MEANPD is explained 68% by the independent variables (MEANIL, MEANLS, MEANRG, MEANPR and MEANPQ) which are statically significant and the value R shows 0.82 degree strong correlation.

**4.6.2 Beta Coefficient**

By analyzing the β” (beta) coefficient we will be able to determine the direction and strength that exist between the independent variables and dependent variable.

**Table 4.18 Regression Coefficients Table**

Variable	Unstandardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.375	.230		5.982	.000
MEANIL	-.165	.038	-.218	-4.392	.000
MEANLS	.448	.034	.666	13.353	.000
MEANRG	.266	.047	.341	5.630	.000
MEANPR	.076	.037	.064	2.042	.042
MEANPQ	.033	.042	.024	.777	.438

a. Dependent Variable: MEANPD

The above table finding shows that the beta value of 0.666 have highest value from all the independent variable which indicate reference group have the highest influence on consumer purchasing of Dukem Niger Seed oil while income level have no statistical significance on influencing consumer purchasing decision.

The regression equation for under the study company using the above analysis can be formulate as

$$PD = 1.375 + (-0.218 * MEANIL) + 0.666 * MEANLS + 0.341 * MEANRG + 0.064 * MEANPR + 0.024 * (MEANPQ)$$

The main purpose of this study is to identify what factors can influence consumer purchasing decision when the consumer make a purchasing decision of Dukem Niger Seed oil. By analyzing the coefficient and the p values from the above table. We can determine positivity and statically significant level the independent variables influence the dependent variable.

The researcher develop five hypothesis to answer which factors influence consumer purchasing decision. The first research question were how do income level influence consumers 'purchasing decision making, how do life style influence the consumer purchasing decision making, How do reference group influence the consumer purchasing decision making?, How do product quality influence consumer purchasing decision making?, How do price influence consumer purchasing decision making?

The coefficient of income level is statically insignificant in influencing consumer purchasing decision towards Dukem Niger Seed oil with p value of 0.00. This implies that the consumer already understand their income as known factor that influence them rather than the listed factors.

The coefficient of life style has positive and statically significant at significant level of p 0.00 value. This implies that the life style of the consumer can influence highly when they make purchasing decision of Dukem Niger Seed oil.so that the research reject the null of the hypothesis that assumes life style has a negative and no significant influence on the consumer purchasing decision of Dukem Niger Seed oil and accept the hypothesis that says Life style has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil.

The coefficient of reference group has positive and statically significant at significant level of p 0.00 which indicate the consumer are highly influenced by the reference group which they belong and also shows that word of mouth can affect purchasing decision of Dukem Niger Seed oil. So this result indicate as to reject the null hypothesis Reference Group has a negative and no significant effect on customers' purchasing decision of Dukem Niger Seed oil and accept the hypothesis that Reference Group has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil.

The coefficient of price has positive and statically significant at a significant level of p 0.28 which is less than 0.5. This implies that consumers are influenced by the price of the Dukem Niger Seed oil when they decided to make a purchasing decision.so this allow the research hypotheses were correct that Price has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil rather than price has a negative and no significant effect on consumers purchasing decision of Dukem Niger Seed oil.

The last coefficient of product quality has positive and statically significant at a significant level of p 0.43 which is less than 0.5. The result shows that consumer are influence by the product quality while making a purchasing decision of Dukem Niger Seed oil. This allow the researcher hypothesis were correct that Product Quality has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil and reject the null hypothesis that say product quality has a negative and no significant effect on consumer purchasing decision of Dukem Niger Seed oil.

From the above table we can predicted the T value and their influence on the consumer by giving a rank. Life style has the highest effect on consumer purchasing decision within the value of 13.35. The next independent variable which have highest effect is Reference Group with the value of 5.63. The third and fourth is independent variable which have effect with T value is price and product quality with the value of 2.04 and 0.77 respectively.

### Summary of Hypothesis Result

No	Hypothesis	Tested Hypothesis	Supported
1	Ho	Income level has a negative and no significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>Yes</b>
	H1	Income level has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>No</b>
2	H0	Life style has a negative and no significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>No</b>
	H2	Life style has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>Yes</b>
3	H0	Reference Group has a negative and no significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>No</b>
	H3	Reference Group has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>Yes</b>
4	H0	Price has a negative and significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>No</b>
	H4	Price has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil.	<b>Yes</b>
	HO	Product Quality has a negative and significant effect on customers' purchasing decision of Dukem Niger Seed oil	<b>No</b>

	H5	Product Quality has a positive and significant effect on customers' purchasing decision of Dukem Niger Seed oil	Yes
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From the research gap that had been discussed in chapter two there had been a research that is done by (Kakiza Clara, 2015) on factors affecting purchasing decisions of the consumers, a case of Kinondoni district (DAR ES SALAAM) in 2015 describe the factors by dividing in two subjective & objective factors that can influence consumer purchasing decision. From the research result shows that most of the consumer already known income level as an influencing factors other than life style, reference group, price and product quality. After analyzing the researcher suggest that the company should consider the consumer life style, use reference group as a means of advertising, pricing strategy should consider competitors pricing and their product quality is very sensitive. The conclusion support these research because the consumer purchasing decision is highly influenced by the life style, reference group, and price and product quality. Which is the same as on the research that is done by (Kakiza Clara, 2015) .

## **CHAPTER FIVE FINDING AND CONCLUSION**

### **5.1 Summary**

Understanding which factors influence consumer purchasing decisions has significant advantage for the company in order to fulfill the need and want of the target market. The main reason why this study is that to give information about which factors can highly affect the consumer when making purchase decision of Dukem Niger Seed oil . Were the main purpose of marketing was understanding consumer want.

The purpose of this study was to identify the factors influencing consumers purchasing decisions prefer to look on Dukem Niger Seed Oil consumers by taking 358 dwellers as a sample. Convenient & purposive sampling method and descriptive and explanatory statistics were applied in statistical analysis. The theory part includes the overview of these factors and steps of the decision making process. The empirical research focused on finding the personal and social factors influence on purchase decision of consumers.

A questionnaire was created targeting whether these factors influence the purchase decision or not. Data was collected using questionnaires, edited, coded and entered into the Statistical Package for Social Sciences (SPSS) software version 24 to carry out the analysis. In descriptive statistical

analysis frequency, percentages and mean values of variables were computed. In inferential statistics, the data was analyzed using correlation and regression, which was vital in making sense of the data. The analyzed data was presented in the form of tables and figures.

Results of this study indicated that life style, reference group, price & product quality which are stated in the conceptual framework have influence the purchasing decision of Dukem Niger oil consumers. Through the data collected in the questionnaire survey, consumers, companies and different businessmen are able to learn about the factors which can influence the consumers' purchasing decision.

In spite of many different variables of the factors that could determine the purchasing decision of customers, in this research the researcher were concentrated only some variables which are more relevant to majority of consumers and stated in other studies conducted in different countries. The researcher takes the following variables: from personal factors income level and lifecycle, variables taken. From the social factors reference group were selected. The reaming two variables price and product quality were selected from the marketing.

From the analysis of the data and finding consumer purchasing decision is highly influenced the life style. The reference group, price and product quality have a positive relation with customer purchasing decision. From the listed variables income level has negative influence in customer purchasing decision that shows the influence of income level is already know.

## **5.2 Recommendations**

A significant association was portrayed between the listed variables in the conceptual frame work this recommendation is suggested

- The company that produced Dukem Niger Seed oil should have a strategy that fit best with to take the customer life style in to account
- The company need to think on how to use reference group opinion rather than using other advertising because most of the respondent agreed on the reference group rather than the advertisement

- Since price have a significant and positive effect on consumer purchasing decision the company should have best pricing strategy that could aligned with the target customers and compotators Also the company should give discount for the customer in order to motivate them.
- Product quality have a significant and positive effect on consumer purchasing decision. So the company should keep its quality in order to sustains and attract new customers.

### **5.3Recommendations for Further Study**

Despite this study provides an insight in to consumers personal (income level and life style), social factor (reference group) and from the marketing mix (price and product quality) factors influencing consumer purchasing decision. Only the selected variable are addressed in this research so other researcher should try to investigate the undiscovered variables. The other limitation of this study is that it only consider consumers who purchase in supermarkets so other researcher could make further analysis consumer other than supermarket.

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**ADDIS ABABA UNIVERSITY**

**SCHOOL OF COMMERCE**

**Department of Marketing Management**

**Questionnaire to be filled by customers**

This study is conducted by graduating student in the department of marketing management, Addis Ababa University School of Commerce as part of the requirement for Master's Degree. The purpose of the questionnaire is to collect data on the factors influencing consumer purchasing decision for Dukem Niger Seed oil, so be sure that there is nothing behind the study and all your response will be kept secret (confidential) and used only for academic purpose. Hence you are kindly requested to fill the questionnaire given below.

**Your response will be making a mark /√/ in the given space.**

Thank you in advance for your cooperation!

**I. General Information**

The following six questions are concerning with demographic characteristics. Please indicate your answer by putting a mark in the box.

- |                      |          |                          |          |                          |
|----------------------|----------|--------------------------|----------|--------------------------|
| 1. Age               | below 20 | <input type="checkbox"/> | 21-45    | <input type="checkbox"/> |
|                      | 45-65    | <input type="checkbox"/> | Above 65 | <input type="checkbox"/> |
| 2. Sex               |          | <input type="checkbox"/> | Male     | <input type="checkbox"/> |
| Female               |          |                          |          |                          |
| 3. Educational level |          |                          |          |                          |

1) Illiterate learning

3) higher

2) Primary above

4) Masters &

5) First Degree

4 Occupation Type

1) Private Business

3) if any other -----

2) Employee

5 Average Monthly Income

1) Below 3000

2) 3000-5000

3) 5000-10000

4) Above 10000

6 Marriage Statuses

1) Married

2) Single

7 Did you know Dukem Niger Seed oil?

1) Yes

2) No

## Section II: Factors influencing consumer Purchasing Decision

Please indicate the degree to which you agree with the following statements by putting the tick mark (√) on the appropriate cell. Where, 1 =strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
<b>Influence of Income Level on consumer purchasing decision</b>						
1	I think a higher level of income would encourage me to buy an Dukem oil product with more quality					
2	My income level affects the type of edible oil product I purchase.					
3	If my income level increases, I might shift to other edible oils					
4	I buy Dukem Niger seed oil because it is in a price range I can afford					
<b>Influence of customers life style on consumer purchasing decision</b>						
1	I buy Dukem Niger seed oil because it fits with my personality.					
2	I buy Dukem Niger seed oil because I care about my health conditions					
4	I buy Dukem Niger seed oil for a better diet					
5	I buy Dukem Niger seed oil because it is locally produced					
<b>Influence of customers Reference Group on consumer purchasing decision</b>						
1	I buy Dukem Niger seed oil because friends suggested that I try it.					
2	I buy Dukem Niger seed oil because I heard it from my neighbor					

3	I buy Dukem Niger seed oil because of its advertisement					
4	I choose to use Dukem Niger seed oil because famous people use it too					
5	I buy Dukem Niger oil because of the endorser that promotes it					
<b>Influence of Price on consumer purchasing decision</b>						
1	I prefer to use Dukem Niger seed oil because of the fair price tag as compared to other oils in the					
2	I buy Dukem Niger seed oil because it is affordable and is available in different affordable					
3	I associate higher prices with high quality of Dukem Niger					
4	I think Dukem Niger seed oil price takes customer's income					
5	I buy Dukem Niger seed oil because it offers price discount.					
6	I think price is important when I buy Dukem Niger oil					
<b>Influence of product quality on consumer purchasing decision</b>						
1	I use Dukem Niger seed oil because of the ingredient it uses					
2	I use Dukem Niger seed oil because I trust the company that produces					
3	I feel more secured about the quality because it gives priority to					
4	I buy Dukem Niger seed oil because of its use new technology					
5	My purchasing decision of Dukem Niger seed oil is influenced by					
<b>consumer purchasing decision</b>						
1	I buy Dukem Niger seed oil based on my knowledge on oil products					

2	I'm affected by the origin/source of the product when I purchase oil products					
3	I am affected by the packaging of oil products					
4	I am influenced by the brand recognition of the product					

