

**EFFECT OF PSYCHOLOGICAL FACTORS ON CONSUMER BUYING
BEHAVIOR OF COSMETIC PRODUCTS AMONG FEMALE COSMETICS
CONSUMERS IN BOLE SUB CITY, ADDIS ABABA.**

**A Thesis Submitted to the College of Commerce Program Unit Marketing
Presented in Partial Fulfillment of the Requirements for Master of Arts Degree in
Marketing**

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June, 2017

Addis Ababa

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**Thesis Submitted to the School of Graduate Studies of Addis Ababa
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ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

GRADUATE STUDIES PROGRAM

**June, 2017
ADDIS ABABA**

DECLARATION

I, **HANNA SEYOUM**, declared that this research paper entitled “effect of psychological factors on consumer buying behavior of cosmetic products among female cosmetics consumers in bole sub city, addis ababa.” is my own original research work. I have been conducted it independently through the use of significant contribution of my research advisor and all sources of information in the study has been appropriately acknowledged.

HANNA SEYOUM

Signature Date

Confirmed by

Dr. GETIE ANDUALEM (PHD)

Signature Date

Research Advisor

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First, I really would like to express my sincere appreciation to my adviser, Getie A. (PhD), for his constructive comments and patience.

I would like also to express my deepest gratitude to my family and close friends.

Certify That:

This work entitled “The effect of gender on customer relationship marketing underpinnings and customer loyalty in the Ethiopian insurance companies”. Submitted by Hanna Seyoum for award of Masters of Arts in Marketing Management was done under my supervision.

Dr. Getie A. (PhD)

Research Advisor:

Signature and Date

Abstract

In the present time, cosmetic products are one of the products that are highly advertised and commercially promoted products around the world. Concurrently, consumers' buying behaviors of cosmetic products are influenced by several factors including social, environmental, personal and psychological factors. The purpose of the current study is to assess the effects of psychological factors on female consumer buying behavior of cosmetic products in cosmetics and estimate the roughly expenses of cosmetic consumers in cosmetics shops in Bolie Sub-city, Addis Ababa. A cross sectional survey method data collection paired with two stage sampling; simple random sampling in selecting the cosmetics shops and non-probabilistic purposive technique of sampling using close ended Self-Administered Questionnaires produced data of 161 respondents, after conducting pilot study from 30 respondents in advance. Results the quantitative data outcomes on the estimates of monthly expenses showed a range of 600 to 800 Birr. The correlation analysis indicated that psychological factors are strongly related with the customers purchasing decision-making processes. The regression analysis on the effect of psychological factors on purchasing decisions processes produced Pearson's correlation coefficients $R=0.669$ with p -values of 0.001 (two tailed). Besides, regression analysis results showed 47.5% ($R^2=0.475$, $p=0.002$) prediction power of attitude and perception; but, t -test output indicated that learning and motivation lack predicting power of consumers purchasing decision processes. Nonetheless, the insights derived from the current research, the results are only generalizable to the participants of this study because of the research limitations in the sampling process and use of non-probabilistic sampling method.

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List of Acronym

VIF – Variance Inflation Factors

TVCs- Television Commercials

Chapter One

Introduction

1.1 Background of the Study

Consumers, as buyers or users of products or services, are the focal point of the overall marketing processes that everyone experiences in his or her day-to-day activities. Concurrently, the market is in continuous undertakings, in which vendors are actively engage in selling their products or services to consumers using several marketing strategies to enhance consumers' behavior of purchasing.

Diversification of consumption customs increasingly is one of the most explicit outcomes of economic development and industrialization. As disposable income increases, the budget which individuals devote to their consumption increases; moreover, satisfaction and happiness come by consumption becomes dramatically significant in their lives (Hayta, 2009:145).

Besides, nowadays the relation between consumption and buying behavior is often discussed. According to Schaefer (2005) sustainable development are perhaps the most significant and the most difficult problem currently facing marketing. Moreover, cosmetic industry is one of the most arguable fields in terms of sustainability. For example, during the nineteenth century, chemicals were used to replace more expensive natural ingredients making the cosmetics more widely used, but nowadays the health aspect of consumers is changing this trend involving an increased interest related to some factors as natural ingredients, skin protection, hypoallergenic and not tested on animals so on (Dimitrova et al., 2009:1155). Several companies, which pay attention to this trend, have developed advertising campaigns to project environmentally conscious corporate images and promote cosmetic products. Despite the fact the common assumption that marketing and sustainability are set for a head on collusion because marketing is about selling more while sustainability is about consuming less, these two concepts have something offer to each other (Chartered Institute of Marketing, 2007). Sustainable marketing which has been defined by Charter et al. (2006) as creating, producing and delivering sustainable solutions with higher net sustainable value while continuously satisfying customers and other stakeholders explains the offer between marketing and sustainability. As

such marketing can be seen to recognize the key role of consumers as decision makers in moving towards sustainability, studying the current behavior of women consumers of cosmetics can provide important clues.

Generally, it is observed that large portion of Ethiopian female consume several cosmetic products; however, except few related with health effects of particular products, there are no any available researches in regard with volume of consumption, factors of customer buying behaviors of cosmetic products, and other related issues. As material of concern in this study, cosmetic products might have different meanings and definitions. But, in the medical and marketing sense, the USA Food and Drug Administration defines cosmetic is a product, with the exception of soap, applied to the human body parts for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance. Cosmetics include skin-care creams, lotions, powders, perfumes, lipsticks, fingernail and toe nail polish, eye and facial makeup, novelettes, permanent waves, colored contact lenses, hair colors, hair sprays and gels, deodorants, hand sanitizer, baby products, bath oils, bubble baths, bath salts, butters and many other types of products. A subset of cosmetics is called "make-up," which refers primarily to colored products intended to alter the user's appearance. A product is assumed as cosmetic if only its use is for physical purposes; however if used for physiological purposes that product is considered as drug (Ghaleb, 2014).

Therefore, the advantage of studying these factors assists organizations to understand how customers make decisions in purchasing products. Customers buying behaviors are assessed through the steps they go through in the decision-making processes. According to the decision making perspective, purchasing decision making processes involves five successive phases including need recognition, information search, evaluation of alternatives, purchase decision and finally post-purchase behavior takes place (Bettman, Luce, & Payne, 2008). Looking in to these phases, the relationship with the psychological factors seems interconnected in that need recognition versus motivation, information search and evaluation of alternatives with perception and learning and at the last two, that is, decision of purchasing and post-purchase behavior are related with attitude be it positive or negative. Hence, in this research study psychological factors namely (attitude, learning, perception, and motivation) that affect females' consumer buying behavior in Bole sub-city were the main focus of this research.

1.2 Statement of the Problem

The study of consumer behavior is very important in the marketing field as it forms the basis of marketing strategies. The study of consumer buying behavior facilitates to comprehend the concern such as what the buyers think, what their feelings are, what the reasons behind their decision are, and how they pick among several options. The external and internal factors have significant influence on consumer's behavior, which affect their purchasing process and decision.

Unfortunately, there are no available research reports related with consumers' buying behaviors and the decision-making processes in Ethiopia. Thus, to the best knowledge of the researcher, there exists no previous research concerning the psychological factors influencing female consumers buying behavior regarding cosmetics products. Therefore, this study is particularly intended to examine these factors in Bole sub-city. The researcher, thus, presents the theoretical and observational gaps, to understand the psychological motivational factors influencing consumers, which would lead to further study and generalization. In addition, the demographic profile of the consumers to clearly establish the importance of this study.

Furthermore, the way cosmetic products are sold and distributed in Ethiopia does not seem to have standardized and controlled system because cosmetic products are accessible anywhere starting from street vendors, basic commodity shops, kiosks which extends up to shopping malls, drug shops and pharmacies. Thus, the lack of standardization in placing the cosmetics products might affect females buying behavior and decision making process. In order to make the distribution and sales of cosmetics standardized is to primarily understand the buying behaviors of consumers and the way they make their purchasing decisions; secondly, how distributors and sales shops supply cosmetics to the population and finally, how regulatory bodies control the overall system of handling, distribution and selling processes. Due to that cosmetic products nature of consumption (i.e. more or less they come to contact with human body) the first area of study is to understand the internal or psychological factors that influence the buying behaviors and purchasing decisions made by consumers.

Having an insight into these factors enables marketers and regulatory bodies to better know and predict not only the demand cosmetic products but also how these products must be handled, distributed or sold into the population depending on the buying behaviors and decision making processes of consumers. Besides, the outcome of the study might support the concerned policy makers in educating of population and monitoring of cosmetics handling in the market. More importantly, if these factors are considered whilst developing new products, it will support in developing, handling and distribution of cosmetic products with higher probability of success.

However, consumer behavior is very difficult to predict; therefore, this study is conducted to understand the psychological factors and the degree to which these psychological factors impact the female consumer's buying behavior of cosmetic products, as getting an insight into this will help organizations to create more suitable products and marketing processes to build more effective marketing strategies.

Therefore, in this study, the researcher has tried to look into psychological factors namely (attitude, learning, perception, and motivation) that affect the women customer buying behaviors by analyzing customers' decision-making process. Besides, each psychological factor's effect on buying behavior of customers and the steps they pass through, to purchase or not to purchase are analyzed in detail. Therefore, the purpose of this study is primarily to understand psychological factors that influence women consumers' (as major consumers of cosmetics) buying behaviors and decision making processes.

1.3 Basic Research Questions

In this study, the psychological factors that predict the purchasing behavior of customers of cosmetic products through participants' responses to the decision-making processes client's pass through are addressed. The correlation between the factors among themselves and with the customer buying behaviors are analyzed statistically. Besides, variance comparisons between the demographic variables in relation to psychological factors are investigated. Thus, the research questions, which are covered in the current research are:

- i. What is the average monthly expenses of female consumers on cosmetics in relation with the influence psychological factors on female buying behaviors cosmetic products in Addis Ababa?
- ii. What is the relationship between the Psychological Factors and Consumers Buying Decision Making processes?
- iii. Which of the psychological factors (*Motivation, Perception, Learning and Attitude*) significantly affect the customer buying behavior of cosmetic products?
- iv. Is there significant difference among participants based on demographic variables such as age, level of education, average income...etc. as a result of effect of psychological factors on customer buying behavior of cosmetic products?

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The general objective of this study is to assess and describe how psychological variables affect female consumers buying behavior in shopping cosmetics products using quantitative research approach and investigate the degree of influence of each psychological factor on customers buying behavior.

1.4.2 Specific Objectives of the Study

The specific objectives of this study are:

- To examine the average monthly expenses of female consumers on cosmetics in relation with the influence psychological factors on female buying behaviors cosmetic products.
- To explore the relationship between the psychological factors and consumers buying decision-making processes.
- To ascertain which of these psychological factors (*Motivation, Perception, Learning and Attitude*) significantly affect the customer buying behavior of cosmetic products.
- To evaluate whether there is significant difference among participants based on demographic variables because of effect of psychological factors on customer buying behavior of cosmetic products.

1.5 Definition of Terms

1.5.1 Conceptual Definition

The conceptual definitions of major terms in the current study are enumerated as follows.

- i. *Consumer*: is a person who generally engages in the activities - search, select, use and dispose of products, services, experience, or ideas (Peter & Olson, 2005).
- ii. *Consumer behavior*: In a marketing context, the observation of the decision-making, purchasing patterns and habits of the public and consumer behaviour can be analyzed and predicted. Group consumer behaviour can be more easily predicted than individual behavior (Yadin, 2002).
- iii. *Psychological Factors* are major internal factors such as motivation, perception, learning and attitude (Tanner & Raynold, 2012).
- iv. *Motivation*: is defined as a desire to accomplish a purpose or an optimum performance level, resulting in goal-directed behavior. Referring someone is motivated means that the individual is trying hard to bring about a certain task or behavior (Bauer & Erdogan, 2010).
- v. *Attitude*: The mental standpoint of individuals on a subject, object, concept or proposition. This can reflect positive or negative thinking on that subject, and may indicate the action or reaction that may follow. It may also indicate a state of indifference in customers' minds towards a subject or proposition.
- vi. *Buying behavior*: is broadly the study of individuals, or organizations and the processes consumers use to search, select, use and dispose of products, services, experience, or ideas to satisfy needs and its impact on the consumer and society (Yadin, 2002).
- vii. *Buying decision*: buying decision series of choices made by a consumer prior to making a purchase that begins once the consumer has established a willingness to buy. The consumer must then decide where to make the purchase, what brand, model, or size to purchase, when to make the purchase, how much to spend, and what method of payment will be used (Imber & Toffler, 2000).
- viii. *The Buying Process*: According to the decision making perspective, the buying process is sequential in nature, with the consumer perceiving that there exists a problem and then moving across a series of logical and rational steps to solve the problem; stages being

problem recognition, information search, evaluation of alternatives, purchase decision, and post purchase behavior (Peter & Olson, 2005).

- ix. *Cosmetic Products*: are products, with the exception of soap, applied to the human body parts for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance (Ghaleb, 2014).

1.5.2 Operational Definition

The operational definition for technical terms conceptualized above are enumerated here under respectively.

- i. *Consumer*: is one who consumes/buys/purchases luxury or cosmetic products/goods from a provider.
- ii. *Consumer behavior* is the course of action individuals experience to select, purchase, and use cosmetic products to satisfy their inward and outward needs.
- iii. *Motivation* refers when a need is aroused that the consumer wishes to satisfy a motive or desire that creates a tension/discomfort until he/she achieve or buy a cosmetic product of interest.
- iv. *Attitude*: is the lasting, general evaluation about cosmetic products of interest either positively or negatively that enables someone to make buying decision.
- v. *Buying behavior* is the actual buying or purchase behavior of the consumer and the factors influencing the decision-making process.
- vi. *Buying decision* refers to careful evaluation of the attributes of a set of luxury products, selecting the one that solves a clearly recognized need.
- vii. *The buying process* is a complex mental process as well as a physical activity buyers undergo to satisfy their needs and desires.
- viii. *Cosmetic products* include skin-care creams, lotions, powders, perfumes, lipsticks, fingernail and toe nail polish, eye and facial makeup, novelettes, permanent waves (perm), colored contact lenses, hair colors, hair sprays and gels, deodorants, hand sanitizer, baby products, bath oils, bubble baths, bath salts, butters and many other types of products.

1.6 Significance of the Study

The general purpose of the study is to assess and describe how psychological variables affect female consumers buying behavior in shopping cosmetics products using quantitative research approach and advance understanding of consumer behavior with the concepts from psychology. Thus, the study seeks to gain an insight into the psychological drives (attitude, motivations, perception, and learning) and their pressing impact on consumers' buying behavior and decision making processes. This understanding and insight would further add on the psychological aspects of Ethiopian buyers; as well as, it will be vital to regulatory bodies in implementing their policies and monitoring mechanisms in the cosmetic products marketing process. Besides, it might also support industrial organizations to help formulate policies and make strategic decisions toward industries uphold in the competition to win the consumer. It might also be a slice of contribution to the limited existing knowledge on consumers buying behavior in Ethiopia. In addition, the outcome of this study might open further research opportunities for researchers and practitioners in areas such as: influence of external factors on consumer buying behaviors, implementation of standardized procedures on how cosmetic products must be imported, produced, handled, distributed or sold into the population.

1.7 Delimitation/Scope of the Study

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1.8 Limitation of the Study

The current study is delimited on three sub-sections of the research methodology. First, the delimitation is related with that though the cosmetics shops are going to be selected using probabilistic or simple random sampling method but it is difficult to have sample frame of customers who visit the shops and it is impossible to get assurance of participants for participation. The second bounding factor relates with the size of the population that only a small portion of the cosmetics customers in Bole sub-city is selected due to limitations of time and resources. Thirdly, demographically the population of the study includes only female participants. As a result, the result of the research study will be applicable only to the population mentioned in this study and female members of the population.

Chapter Two

Review of Related Literature

2.1 Overview

In this review of literature, sources related with the customer behavior including customer decision-making processes and theories of psychological factors such as perception, motivation, learning and attitude are covered in orderly wise. Then after, the relationship between the psychological factors and customers buying behaviors are reviewed in relation with their respective theoretical explanations and empirical findings available respectively.

The insights in this literature review has been incorporated by searching several websites, books, journals and reports of many organizations in various internet sites. The major terms that the researcher searched in this literature review include: customer buying behaviors, customer decision making processes, theories of psychological factors, relationship between psychological/internal factors and customer behaviors, research reports on psychological factors and customer behavior, ...etc. Hence, the literature review section of the study consists of four major parts: Consumer Decision Making Processes, Theories of Psychological Relationships between Psychological Factors and Consumer Buying Behavior Decision and Conceptual Frame Work respectively.

2.2 Consumer Decision Making Processes

The concept of consumer behavior is a contemporary paradigm that evolved after WWII that enabled system shift from sellers' marketing in to consumers' marketing. In the previous marketing systems, where sellers, manufacturers or suppliers were the center of material exchange system, that privileged retailers to have the upper hand in the marketing systems. Nevertheless, with the advancement of consumer behavior perspective, customers become the center of marketing activities in which marketers revolve around. As a result, understanding customers' buying behaviors and decision-making processes have become focus of marketing (Schumann Haugtvedt, & Davidson, 2008).

Consumer buying behaviors encompass varying of patterns and complicated processes that are more than we can think of in day-to-day activities. Similarly, the theoretical assumptions and hypothesis used to describe, predict and control the behaviors that buyers show are various types, which need comprehensive understanding. In order to understand customer-buying behavior, marketers usually assess the decision-making processes that customers undertake.

2.2.1 Stages of Decision Making Processes

Customer behaviors can be impacted by several conceptual factors including external influences, internal processes (including consumer decision-making) and post-decision processes. Customers' decision-making processes, which are mainly affected by customers' psychological factors, are classified into general five main stages. The stages of customer decision-making processes include *problem recognition*, *search for information*, *doing judgment or evaluation*, *product choice*, and *purchase (Decision Making)* and *post-purchase use and evaluation* (Tanner & Raynold, 2012).

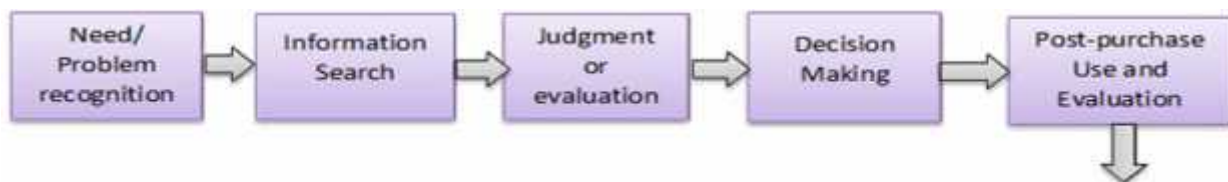


Figure-2.1: Decision Making Process of Consumers; Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015

The decision-making processes behaviors displayed in the above pictorial demonstration occur in every day buying behaviors of consumers; as long as the product or service, has some influences or importance to the customer in a way it item could be expensive, it might improves customer's health or self-image or the item might have survival need of the customer or his/her family. However, in purchases of minor or cheap item such as chewing gum or Soda, customers might go through all these step; instead, they once they recognized the needs directly do the purchase and do the other evaluations after use of the items. Therefore, the following points include short summaries of each stage of the customer's decision-making behaviors (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015; Tanner & Raynold, 2012).

- i. *Need/ Problem recognition:* Mostly consumers become aware of a problem or need through identification of a stimulus (i.e. they perceive a situation, which attracts their attention or situation, which they perceive give them more comfort than the situation they are currently at). This situation occurs when consumers are aware of a problem or need they wish to acquire that means, it is the difference between what one has currently and what one wants to own in the future. Because of this gap occurred due to opposite need situations, customers look plan to make change in order to satisfy his/her needs by evaluating difference in the level of satisfaction one enjoys once committed to make change. Obviously, if there is no noticeable variation as a result of getting the new item or service, consumers might decline to pursue towards the changed situation (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015; Tanner & Raynold, 2012).

The recognition of need or problem might come internally or externally because of marketing influence. Internal recognition is an awareness of a need or a problem that originates from the individual such as when someone identifies her shoes are worn-out or a she knew that her lips are dry and recognizes a need for new shoes or new lipstick. External recognition is, when someone become aware of need or problem stimulated by an external source that the problem could get solution by a new or different product or service. For example, if someone is facing difficulty to connect to the internet using the current 2G cellphone but have seen an ad or promotion of a new phone with 3G connection and additional interfaces will sense comfort one might get if acquired the new model (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015; Tanner & Raynold, 2012).

- ii. *Information Search:* Once a need or problem is recognized, customers begin to collect data on alternatives that might satisfy their needs. That means, in order to fill gap between states of comfort, customers search information related with the new item such as its brand, functionality and cost attributes they need and the level of satisfaction expected. Usually, consumers who are looking for an expensive purchase are expected to devote great amount of time in thinking about the item and in collection of alternatives about the purchase and this situation is known as high-involvement. Whereas if a person is looking for an inexpensive purchase he might invest little time and effort for collecting information in which this situation is known as low-involvement (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015; Tanner & Raynold, 2012).

Information search can also be sourced internally or externally, but are not distinct from each other. Internal search involves thinking about the item a person is looking for and evaluating previous purchasing practices and trying to memorize previous advertising experienced in the past. While external search of information might include asking others like friends, family members, work colleagues, doctors, or browsing internet sites, reading magazines, searching in libraries...etc. Additionally, information filtering, that is, sorting out of the collected data in the order of priority that helps us in decision making is done in this stage (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015; Tanner & Raynold, 2012).

Finally, *Perceived risk* is customers' perception of a risk that might exist from the purchase of goods or services from a specific vendor. Perceived risk factors that usually sensed by customers encompass functional, monetary, physical, psychological and social risks. Consumers use to perceive less risk if they have less knowledge about problems related with using the products or services in need. Conversely, if they have more information and know how regarding problems in using their needed item they perceive more risk. That is why; marketers need to inform consumers only about specific benefits that might arise from using the product or service of interest in order to minimize customers' risk perception (Rath, Bay, Petrizzi, & Gill, 2015).

- iii. *Judgment or evaluation:* This stage involves a comparative judgment of the data collected about the new product or service we intend to buy with that of we already have at hand. That means, consumers compare the difference in the level of comfort they get from owning the new item or without the getting the item. Rath, Bay, Petrizzi, and Gill (2015) claimed that this stage, review/evaluation of alternatives, has three sub-stages including figuring out the standards or guidelines on which to base a decision; determining the importance of each standard or guideline; and prioritizing (ranking) the alternatives. They demonstrate these sub-stages using intimate individuals conversation who want to go-out for dinner and how they decide where to go as follows:

How are we going to decide which restaurant we should go to tonight?" (The standards or guidelines under consideration might include ambience, convenience, dress code and entertainment, type of food, location, price, promotional coupons, and service.) "OK, how important are each of these to you?" (Ranking the guidelines are as very important,

not so important, and completely unimportant.) “Let’s figure out our top two choices and then discuss them.” (The prioritizing). (Rath, Bay, Petrizzi, & Gill, 2015; pp. 292 -293)

Looking in to the above conversation, first the group tried to identify the restaurants available, and then they discussed what standards or importance of the restaurants to each member of the group in relation with the guidelines such as dressing code, price, location...etc. Finally, they agreed to pick some restaurants and to discuss each of the restaurants to among each other in order to make the final decision. If they compromise to have dinner in one of the restaurants, they might decide to choose one and dine there. However, if it seems impossible to decide, e.g., all the restaurants are very expensive and very far from where they live, they might agree to make dinner at home and dine there. Similarly, consumers face situations that are likewise when they sense a need or a problem and they identify the need and collected information of the product or service in need; they go through these three sub-stages whether to buy the item or decline the purchasing. Once consumers evaluated and identified a product or service they wish to purchase, they undergo final assessment of the item through a process called Comparison Shopping, refers to the process in which consumers gather information similar to the identified items in the internet or by visiting stores and shops (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015).

iv. Decision Making

This stage is the final process of decision making of customers. How do customers make their final choice of a product and the brand they intend to utilize? Experimental psychologists have documented several influences on the final choice of items they want to purchase and the basic two influences on the final decision-making are contextual and task effects. The contextual effects are the elements of environment that influence how consumers perceive the stimulus in the environment. This is known as top down process, in that how consumers use their senses in the environment that is how they process what they see, hear, smell...etc. in their cognitive processes. Sometimes, how a product of interest is positioned or placed changes the buying decision of customers. The contextual effects are related with how people frame their decision problems and framing is one of the main task effects. Framing is a decision making process which relies on consumers’ reach on decisions depending on the cotext at hand. For example,

people who perceive situations as rational will commit to decide for purchasing whatever problematic situation is presented, that means they frame mostly to the positive attributes of the item. In the contrary, aversion loss is a way of framing a situation in which customers focus on the loss related attributes of the product. That means, customers do focus on the disadvantages of a product or service rather than the advantages in their preference of purchasing. For example, if a bottle milk is labelled 5% fat their perception will be negatively influenced than a bottle labelled 95% fat free (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015).

Task effects relates with complexity of purchasing decisions arise from availability of many alternatives as well as consumers' time constraints. Consumers go through low and high effort in buy decision-making processes. In complex but low effort, decision-making processes consumers use heuristics approaches – decision-making processes using some short cuts (e.g. price and brand). The most basic used heuristics decision-making by consumers are representativeness and availability. Representativeness is a low effort decision-making process that involves comparison of a product or service of interest to a prototype or archetypal items and acquire it accordingly. An example of such decision could be when, someone wants a buy a cream if the individual knows about NIVEA as good brand of cosmetic cream and the marketer claims it is generic of NIVEA the consumer's decision will commit to the cream. Availability is related with low effort heuristic decision-making process in which if a consumer have acquired many information about a product or service, the consumer thinking during decision-making is dependent on the available information one had in the past. If the consumer had a lot of information about NIVEA and if wants to buy a cream the first brand available in mind is NIVEA or its generic products (Noel, 2009).

v. *Post-purchase Use and Evaluation*

Once customers did purchase a product or service, there are interesting expectations about the decision committed from both parties – customers and marketers. Usually, consumers' commit to purchase if they sense broad gap in their degree of satisfaction or significant difference between not buying and purchasing an item. While, marketers are expected to provide consumers a situation that enables them understand the differences among competing brands, relate to and visualize the sizable improvements gained, and minimize the difficulty in decision-making the

consumer can select much more easily and confidently, and then make the decision to buy. Marketers' job is not finished once they sold a product or service; instead, they need to understand consumers' degree of satisfaction and feedback regarding the purchased item in order to maximize their profitability relationship with consumers. If the consumer is satisfied with the purchase done obviously the consumer will come back again to buy again. But, if the consumer is dissatisfied with the purchase, not only refrain from purchasing again but also the consumer communicates the dissatisfaction with other potential consumers. Moreover, marketers or suppliers follow these feedbacks of consumers that enables them to make a modification or maintain the quality of the product they have sold (Noel, 2009; Rath, Bay, Petrizzi, & Gill, 2015).

According to Noel (2009) about 96% businesses doesn't hear dissatisfied consumers, but each unhappy consumer on average tells 10 people about his/her dissatisfaction and 95% of consumers who resolved their dissatisfaction with businesses/marketers commit again in purchasing from the same business. Therefore, the theoretical mechanisms marketers use to track the after purchase behaviors of consumers are cognitive dissonance theory and the theory of satisfaction (Noel, 2009).

Cognitive dissonance means an unfavorable psychological state resulting from inconsistency between two or more elements in a cognitive system. According to American Psychological Association Dictionary (2015), cognitive dissonance theory is defined as: "A theory proposing that people have a fundamental motivation to maintain consistency among elements in their cognitive systems. When inconsistency occurs, people experience an unpleasant psychological state that motivates them to reduce the dissonance in a variety of ways" (VandenBos, 2015, pp. 203-204)

From customers decision making approach, cognitive dissonance theory claims that post purchase attitudes tend to be consistent with consumer's own behavior, however, in evaluating the positive and negative attributes of the purchased product compared with an alternative product, the positive attributes of the alternative product and negative attributes of the purchased product generate cognitive dissonance (Noel, 2009).

Cognitive dissonance arises due to customer's perception of uncertainty whether their commitment in purchasing was appropriate or not. Such uncertainty persists when there are many attractive alternative products or services or there is a potential risk for deciding to purchase a specific item. When consumers faced with cognitive dissonance, whether they want to return the item they purchased or they will never repurchase the same item from the same supplier again. That is why marketers work hard and commit most of their advertisement budgets in assuring consumers that remedial actions are available for any post purchase claims. Besides, in order to attract consumers, suppliers provide several incentive strategies and benefits in order to minimize consumers' post-purchase feelings of uncertainty (Noel, 2009).

The theory of satisfaction is also another theory, which explains consumers' post purchase behaviors also known as expectation-disconfirmation model. The assumption is that consumers have some expectations before commitment to purchase so that the difference between their expectation and the real product or service they come across produces a disconfirmation. If their expectation is less than or equal to real test they get it is said they are satisfied; whereas if their expectation is greater than the real situation they are said to be dissatisfied (Noel, 2009).

2.3 Theories of Psychological Factors on Customer Behavior

Many internal and external factors influence customer behavior. The main issue of this study are the internal ones that is, psychological factors that influence customer buying behaviors. The main psychological factors that influence consumers' buying decision-making behaviors, which are discussed in the following sub-sections are theories related with motivation, perception, learning and attitudes.

2.3.1 *Theories of Motivation*

Motivation theories usually explain what inspires an individual person or animal to behave in some way regarding to their internal needs without the external stimulus they experience. For example, if someone wants to eat in a first class restaurant because of his/her internal drive like hunger or self-esteem but not because of one sees or hears an advertisement regarding the dignified restaurant. Marketers occasionally try to look to internal drives of their consumers and advertise to address those internal drives. Advertisers that display buy this perfume and smell

good are telling the consumer to comply with the external influences; however an advertiser which tells his/her consumers that buy this perfume and satisfy your needs for love, sex, and romance is targeting the internal drives of the consumers (Imber & Toffler, 2000).

Motivation is an internal drive that enables individuals to act in order to achieve certain goals, in the current issue the goals are purchasing. Motivation of people can be initiated internally or externally that makes them to strive to fulfill their needs. Usually, people have needs or wants, which create internal tension (uneasiness) that drives to act in certain ways. Needs are natural potency that all humans or animals are born with that are physiological in nature and are necessary for our survival. While wants are desires that enables us to improve our way of living that are not necessary for our survival and they originate from social and psychological influences of our environment (Rath, Bay, Petrizzi, & Gill, 2015).

2.3.1.1 Needs Theories

Maslow's theory explains that people get motivated when they fulfill their needs that are universal and genetically encoded in all human beings and he identified five hierarchical needs as indicated below in Fig. 2. He ordered these needs from the lowest to the highest levels as physiological needs (food, water, air, shelter, clothing, sleep, sex), security needs (freedom from any threat), social needs (tendency to create relationship with others), ego or esteem needs (self-respect and respect from others) and self-actualization needs (fulfilment of own human potential). The first three needs are assumed as lower level or deficiency needs (*biogenic* needs); whereas, the last two are considered as higher level needs (*psychogenic* needs). Maslow further argued that one could not be motivated by higher needs without achieving the needs in the lower level. That means, individuals cannot assume security needs without fulfilling their physiological needs or their esteem needs without getting their social needs...etc. (Shields, 2007).



Figure: 2.2: Maslow’s hierarchy of needs

Although, the Maslow’s theory remains famous in the psychological and organizational literatures for its simplistic and comprehensive explanations of human behavior but it is criticized for several reasons. One is its prepotency nature, hereditary transmission of human needs from one offspring to the next, is difficult to verify it empirically. Another limitation of the theory is that it lacks or little empirical data in formulating of the theory and its strict ordered needs satisfaction from lower to higher level. That, people cannot satisfy higher needs if they did not satisfy lower level or cannot satisfy more than one of the needs simultaneously (Shields, 2007).

A modified version of Maslow’s need theory is Alderfer’s ERG theory of needs. ERG needs theory reduces the five hierarchal needs into three needs that Existence, Relatedness and Growth (ERG). Existence needs mean that basic survival needs and are similar to Maslow’s physiological needs while relatedness needs are interpersonal and social affiliation needs equivalent to the social needs of the hierarchies. Besides, growth need is maximum capacity achievement of human beings and it is also equivalent to the Maslow’s self-actualization need. However, unlike Maslow’s strict ordered needs and genetic inheritance of these needs, Alderfer’s claim that once the lower needs are satisfied can reactivate in cases where higher needs are not achievable a phenomenon he called it regression-frustration. This phenomenon results of contextual and environmental factors that result negative motivation and restrict development

and growth of individuals. Employers need to understand these restricting factors and modify to facilitate employees' growth. Generally, Alderfer's needs theory does not have much difference in comparison to Maslow theory and most of the critics of the latter apply to the current theory of needs (Laegaard & Bindslev, 2006; Shields, 2007).

McClelland's achievement motivation theory diverts from the Maslow's prepotency nature of needs into primacy of acquired needs. McClelland's organization researched on the needs theory has three acquired needs and they are needs for affiliation – is desire for friendship and interpersonal; achievement – need for success and excellence; and power – the desire for influence, control and influence. He hypothesized that these needs are acquired through experience and can be enhanced through human resources development initiatives. Furthermore, these needs related to individual's position in the organizational hierarchies that means, ordinary workers needs have basic need for affiliation whereas, junior or medium level members are motivated by their needs for achievement and senior management staff have motivation for acquiring power. McClelland's claims that organizational management systems need to identify the position of employees in the organizational hierarchies and subsequently their needs in order to promote their motivation (Laegaard & Bindslev, 2006; Shields, 2007).

However, the McClelland's theory has several limitations in that primarily it only applicable in hierarchical management systems but what happens if it is applied in flat or egalitarian management systems. Secondly, its contextual practice in western cultures where the value systems is individualistic but in eastern cultures and collective societies, application of the theory lacks clarification in that how will a manager with collective value practice the concept of power and achievement. Besides, affiliation is a day-to-day activity of people in collective societies, do we need further effort to affiliate individuals...etc. bring about further empirical evidence in non-*western* culture (Shields, 2007).

2.3.2 *Theories of Perception*

Perception is the process through which we make sense of the surrounding in our environment by interpreting the information from our sense organs. The basic senses include the visual, hearing, smell, taste and touching but further investigations indicate additional senses such as pain, feeling of temperature, balance or vestibular systems...etc. Perception evolves from sensation (i.e. the intake of information by the sense organs) to the higher-level cognitive processes that are performed on that information inside the brain. In addition, the perceptual system needs to be situated to in the direction of those stimuli in the external world, which need to be selected for further processing. Although, the sense organs are different from each other in function and content, the general trend of their theoretical principles that explain their perceptual outcomes are similar to each other. Therefore, the major theories in the following portions, which are directly related with our visual perception, are mean to be applied to all sensation processes but exceptions are treated separately (Groome et al., 1999).

The major theories of perception include top-down processes, Bottom-up processes, partial report technique, Gestalt laws and attention theories.

2.3.2.1 *Gestalt Theory of Perception*

The Gestalt school of thought is found in the second half of the 20th century by psychologist notably Max Wertheimer (1880-1943), Wolfgang Khler (1887-1967) and Kurt Koffka (1886-1941) – their theory is that certain features in visual perception are universal. The basic assumption of gestalt theory is that the whole is greater than the sum of its parts. In perception, the output of visual primary processing are resulted from parallel processing of color, position, form, motion, orientation and spatial frequency attributes of stimuli. This means, it is necessary to understand how these details converted into stable picture of the world around in our head/brain. As validation of the gestalt theory of perception, several gestalt principles or laws on organization of perception were outlined and the major eight laws include: law of proximity, law of similarity, law of good continuation, law of closure, law of common fate, law of figure and ground, law of symmetry and surroundness, and the law of prägnanz . The Gestalt laws comprise major eight principles conceptualized as law of: proximity, similarity, good

continuation, closure, apparent motion, common fate, figure and ground, symmetry and surround-ness and prägnanz. *Law of proximity* means when parts of an object that are close to each other are grouped together and perceived as a whole. While the law of similarity refers to patterns, which are visually similar are grouped together. The law of good continuation concerns to elements that are mostly uninterrupted seem as continuous and the law of closure denotes that missing parts look filled in to allow perception of the whole. In cases of motionless situations, the law of apparent motion refers to when we perceive an object as in motion even in the absence of movement, so a light that is flashing on and off, is seen as moving because such movements are seen as one rather than two separate parts. Similarly, the law of common fate explains the things that appear to move together are perceived together. It is similar to an animal, which camouflaged and remained stationary is difficult to see. As soon as it starts to move, it will be easier to see the animal. Another major principle is the law of figure and ground, which incorporates several principles that fall under the heading figure and ground. It attempts to explain how the brain separates figures from backgrounds, a critical skill for prehistoric man, who had to decide quickly if something far off was a threat. Theorists believe several factors come into play on how we perceive figure and ground. The basic factors are size and brightness (light/dark). Smaller areas tend to be seen as figures against a larger background and dark objects on light backgrounds are more common, so when we have a light figure/dark background, we are more likely to interpret the drawing as two faces. Two other factors, symmetry and surroundness, enter into how we interpret figures and grounds. Law of symmetry and surroundness refer to symmetrical areas are perceived as figures against unsymmetrical backgrounds. The principle of surroundedness states that areas surrounded by other areas tend to be seen as figures. Finally, the law of prägnanz dictates that in several geometrically possible organizations that one which consists of the simplest, best and most stable interpretations are favored organization that are easier perceived together.

2.3.2.2 *Top-Down and Bottom-Up Processing Theory of Perception*

Cognitive psychologists have come to distinguish between two main types of input processing, known as *top-down* and *bottom-up* processing. They differ most obviously, in that the flow of information through the nervous system travels in opposite directions. Bottom-up theories of cognition assume that stimuli impinging on the sense organs are primarily responsible for

ignition some appropriate form of processing. It is called as 'bottom-up' processing (also known as stimulus-driven or data-driven) due to its role to initiate the perception process at the bottom end of the nervous system (i.e. the sense organs) which then progresses upwards to the higher cortical areas and the processing carried out is mainly determined by the nature of the incoming stimulus. Even though the bottom-up has been widely assumed theory, it was unable explain the perception of complex stimuli, since they assume that stimulus strikes an entirely passive nervous system (Groome et al., 1999).

Another theory which competed with this theory is top-down processing in that top-down processing that assumes that perception of the stimulus begins in the cortical parts of our brain in which schemas of previous experiences are first referred as templates in order to perceive the stimuli in the environment. This top-down processing theory also known as 'schema-driven' or 'concept-driven' processing is widely agreed by modern theorists and accept it as second type of processing based on the generation of schemas acquired from past experience, which are sent down the nervous system for comparison with the incoming stimulus. Except past disputes of the two processing types, nowadays, it is acceptable to think of input processing in terms of stimulus information coming up the system, where it meets and interacts with schemas coming down in the opposite direction (Groome et al., 1999).

2.3.2.3 Relationship between Attention and Perception

Attention refers to the degree to which people's awareness to stimuli within their range of stimulus exposure. One's attention to stimuli depends on two factors – the characteristics of the stimuli and state of mind of the individual (Solomon, et al. 2010). Attention has several phenomenon such as selective attention, filtering, divided attention, automaticity and controlled processes. Selective attention relates with how people filter the huge amount of stimulus that they exposed to in which attend to some part and filter it out most of the stimulus. Filtering is a process of identifying the attended stimuli based on its physical characteristics and importance to the attendant. Divided attention is concerned with how a person can attend to two or more stimulus at the same time. Automaticity and controlled processes are related with how easily or with difficulty one can divide own attendance on two or more stimulus. Divided attention is possible and can become automatic if tasks are easy or more practiced. Divided attention

becomes difficult and can require controlled processing when the task is made too hard (Goldstein, 2011).

Attention is a very important variable in perception and its importance are determined using different experiments. One of these techniques such as inattention blindness- meaning when people are exposed to simple stimulus in which only part of the stimulus is attended but some parts of the stimulus are ignored unknowingly. Experiments have shown that when observers are attending to one sequence of events, they can fail to notice another event, even when it is right in front of them – that means some parts of stimulus are left without noticed. Another variable of attention importance in perception is detection blindness – that is, instead of presenting distracting stimulus, observers were first shown photographs and again the same photos with slight change in order to detect the changes done and only 10% were able to detect but others were in the situation of detection blindness. Such variables help us to understand the importance of attention in perception processes and the variation of individual in their cognitive ability in attending and perceiving stimulus in the environment (Goldstein, 2011).

2.3.3 Theories of Learning

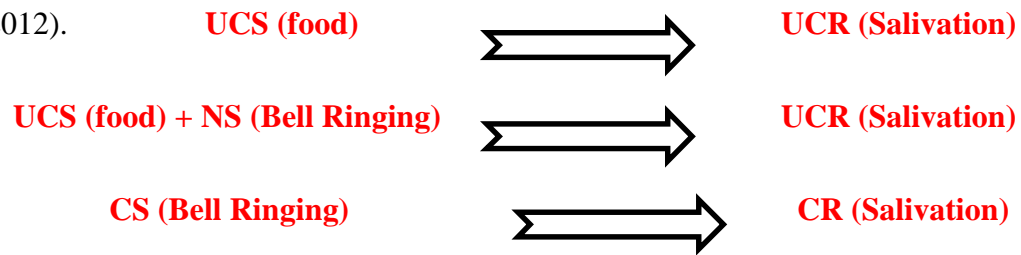
According to Dale (2012), learning is defined as: “An enduring change in behavior or in the capacity to behave in a given fashion that result from practice or other forms of experience.” (p.3) Analyzing the above definition, it consists of three major phrases that learning involves change in behavior, learning take place overtime and learning can be achieved through experience. Change in behavior means that when people learn some skills, knowledge or beliefs they act or do things in certain fashion or ways that they do not act before or during the learning process. Learning endures overtime means that learned skills or knowledge last for some time and change of behavior is resulted without the influence of external agents such as drug, alcohol or other physiological factors. Learning could not last forever because of forgetting what one has learned but learning results in change of behavior for quite longer time. Learning occurs through practice and observation of others is to mean that skills that are genetically inherited such as maturational changes of children to crawl or stand are not included as learned skills but there are also some skills, which cannot be distinctively either learned or inherited like language. Humans

have genetic disposition for language when their maturation stage arrives but they could not produce sensible language without interaction with others.

Several disciplines try to explain how learning process are executed but no explicit or general explanation is agreed upon. For the purpose of the current study, the major learning theories formulated by psychologists are discussed in the following portions.

2.3.3.1 Classical Conditioning

Classical Conditioning is a multistep procedure, which explains how learning takes place because of association of unconditioned stimulus with conditioned (unrelated) stimulus that produce conditioned responses. Russian physiologist, Ivan Pavlov, developed this theory, during studying digestion system in dogs. Pavlov's incidental observation was that when food was presented to the dog their reflex action was salivation but another scenario was that the dog began to salivate when timer was ringing before food was presented. Further observations indicated that the dog began to salivate when the researcher arrives or when the dog listened to footsteps of Pavlov. From this observation, Pavlov hypothesized that presentation of unconditioned stimulus (UCS) with unrelated neutral stimulus (NS) repeatedly produces unconditioned response and the same but conditioned response (CR) can also stimulated with the presentation of neutral stimulus alone (Dale, 2012).



In the process of classical conditioning, repetition and time elapsed in between presentation of conditioned and unconditioned stimulus have specific results either to extinction or recovering back to the conditioned response. Extinction occurs when the NS is provided without further reinforcing the subject with the UCS (food) for considerable period of time that fades away and finally disappearance of CR (salivation). In contrast, if the NS (bell ringing) is not presented after a long period of time and then presented to the subject the CR will spontaneously recovered but needs further association of the UCS (food) with NS to achieve CS (salivation). Other principles related with this learning theory are generalization and discrimination. Generalization

is that subjects that respond to one type of conditioned stimulus can respond to similar conditioned stimulus similarly, that means, if the dog salivates in hearing to ringing bell it might salivates if presented with similar neutral stimulus such as buzzing sound. In contrary, discrimination is a situation in which subjects are learned to distinguish similar neutral stimulus from one another by training the dog through pairing one neutral stimulus with unconditioned stimulus and presenting the second neutral stimulus without pairing it with unconditioned stimulus (Dale, 2012).

More complex classical conditioning learning is when a previously conditioned stimulus is able to condition another neutral stimulus and the phenomenon is known as *higher-order conditioning*. For example, if a person is failed in a test and teachers or parents blame (UCS) for the failure this might cause anxiety or depression (UCR); however in future if a person fails (CS) in a test and it caused him/her anxiety or depression (CR) then test failure becomes CS to produce conditioned response (anxiety or depression). CSs that are capable of resulting CRs are called *primary signals*; but due to humans have special ability to produce speech that that extrapolates further conditioning language is considered as *secondary signal* (Dale, 2012).

Early experiments on animals learning through conditioning seemed slower but further experiments especially on humans indicated that learning through conditioning is automatic. Even in humans conditioning occurs only a single CS–UCS pairing and at the same time repeated non-pairing of the CS–UCS might not extinct the CR. In humans learning through conditioning is more dependent on the context (the time, place and quantity), and quality of the UCS. Sometimes even predictor UCS might not result in conditioning if another predictor UCS is involved and the process might not be automatic that involves several cognitive process mediation. In humans, if people doesn't realize the link between UCS-CS conditioning might not achieved or when no link exists if people believe there is a link it might result in conditioning (Dale, 2012).

2.3.3.2 *Operant Conditioning*

Operant conditioning is a learning process formulated by B.F. Skinner and his assumption is that even though biological and neurological processes are one of the several factors that can be used

in learning but these internal factors can be predicted through the behaviors people show in the interaction in the environment. Skinner sees learning as a collection of responses in a complex situation and he further assumed conditioning as strengthening of a behavior using reinforcements. He claimed that there are two types of conditioning that is, Type S and Type R, in that S is the Pavlovian conditioning which works with pairing of UCS with CR in which S evokes a response by the organism and the response made to the eliciting stimulus is called respondent's behavior. Skinner argued that Type-S conditioning can explain the conditioned emotional reactions, mostly human behaviors are emitted in the presence of external stimulus rather than acting from internally elicited by people. Responses are controlled by their consequences instead of antecedent stimulus. The Type-R emphasizes the response aspect of behaviors known as Operant conditioning due to that it operates in the environment in order to produce an effect (Dale, 2012). And Skinner explained this Type-R conditioning as follows:

If the occurrence of an operant is followed by presentation of a reinforcing stimulus, the strength is increased. . . . If the occurrence of an operant already strengthened through conditioning is not followed by the reinforcing stimulus, the strength is decreased. (Dale, 2012, p. 90)

The basic processes of operant conditioning are based on reinforcements – are accountable for strengthening of responses to occur whereas punishments are responsible for weakening of responses. Reinforcers or rewards are defined based on their effects stimulus that increase the probability of responses or behaviors to occur again and punishments are stimulus that increase the implausibility of response or behavior to occur. Reinforcers are defined by their effects but do not depend on the internal processes such as consciousness goals that can be predicted in advance (Dale, 2012). Therefore, the basic formula of operant conditioning is written as follows:

A (Antecedent) *B* (Behavior) *C* (Consequence)

A (Antecedent) is a discriminative stimulus which sets the situation of response *B* (behavior) and *C* (consequence) is any reinforcing stimulus that strengthens the occurrence behavior *B* again. For example, a teacher asks a question in a classroom and a volunteer student answers the question correctly and the praise the student for his volunteer and correct answer. The teacher's

question is stimulus A (antecedent) that begins the situation and volunteer answering of the student is B (behavior) a required response that brought about the praise by the teacher which is the C (consequence) and the student will be motivated to repeat the required behavior (voluntarily answering questions) (Dale, 2012) .

Reinforcers can be positive or negative in which in the former something rewarding or good stimulus is provided for a required behavior while in the latter something aversive or bad stimulus is removed in order to prompt the required behavior. In the above teacher-students example, let's assume the volunteering student is answering questions repeatedly and the teacher tells the student not to do home works, that is, negative reinforcement, removal of something aversive to students (homework) and the student continue to study hard and prepare beforehand in order to answer all possible questions from the teacher (Dale, 2012).

Similarly, punishments are provided as a consequence to discontinue unrequired behavior that means, in positive punishment something aversive is offered in order to cease some unrequired behavior whereas in negative punishment something that is pleasurable behavior is withdrawn in order to punish or extinguish the unrequired behavior. An example for positive punishment might be giving a timeout for child by parents for not studying at home and negative punishment could be when parents switched off the television when a child wants to watch TV during his/her studying schedules (Dale, 2012).

Generally, reinforcers are classified into two types, that is, primary and secondary reinforcers. Primary reinforcers are stimulus that are directly necessary for survival of humans such as food, water and shelter, while secondary reinforcers are stimulus that are not necessary for survival but are conditioned with association with survival needs. Milk for a child could be a primary reinforcer but a milk-glass which is child's favorite is a secondary reinforcer. A secondary reinforcer which is highly related with more than one primary reinforcers are considered as generalized reinforcers. For example, people work daily in order to earn money (generalized reinforcer) because they can buy with money several reinforcers such as cars, food, house, drinks, TV...etc (Dale, 2012).

In classical conditioning, a behavior is predicted in advance and then pairing begins; however, in operant conditioning the occurrence of positive behavior cannot be predicted initially. But, Premack principle enables us to predict the value of reinforcers depending on the value of a behavior when done in the absence of reinforcers. The principle assumes that the opportunity to engage in a more valued activity reinforces engaging in a less valued activity by the subject (value means that the time spent on the activity and frequency of a behavior in the absence of a reinforcer). In contrary, if the values are reversed it is less probably the contingent behavior to occur (Dale, 2012).

Very important techniques related with operant conditioning are different types of schedules are continuous, and intermittent schedules. Continuous schedules involves reinforcing for every correct desired behavior while intermittent schedules involve reinforcement of desired behavior as necessary as the desired behavior is achieved but not all correct responses are reinforced. Intermittent schedules are defined in terms of time or number of responses and consists of interval and ratio schedules. Interval schedules are reinforcing schedules depending on time interval that consists fixed and variable reinforcing schedules in which, the former is undertaken on fixed time interval kept constant (10 minutes, every hour and so on) depending the desired behavior required . While variable interval is scheduling of reinforcement at varying time as needed. The ratio schedules are reinforcing according to the frequency of desired behaviors correctly achieved. Similar to the interval schedules, ratio intervals also have fixed and variable ratio reinforcement depending on nth number of correct responses in which in the fixed ratio the number of correct response are kept constant whereas in variable ratio the number of correct responses are vary depending on task at hand (Dale, 2012).

2.3.3.3 Social Cognition Theory

Social cognition theory is formulated by Canadian psychologist Albert Bandura who claimed that previous learning theories which are more concerned with individual person learning but does not explain how pro-social and deviant behaviors are learned in social circumstances. Social cognition theory assumptions are to understand learning processes and reciprocal interactions among persons, behaviors, and environments; enactive and vicarious learning (i.e., how learning

occurs); the distinction between learning and performance; and the role of self-regulation (Dale,



2012).

Figure-2.3: Triadic reciprocity model of causality. A. Bandura, 1986.

The social cognition theory basic tenets are that in the process of learning the three important factors (Triadic factors) that affect each others are person, environment and behavior. If we take a classroom situation as an example, when teacher is providing a lesson the students start to think about the teacher is saying (environment or classroom situation is affecting cognition – personal factor) and when students raise their hands to ask something they don't understand (cognition affects behavior) finally when the teacher reviews the points related with the questions asked (behavior affects environment). Eventually the teacher gives students work to accomplish (environment influences cognition, which influences behavior). As students work on the task, they believe they are performing it well (behavior influences cognition). They decide they like the task, ask the teacher if they can continue to work on it, and are allowed to do so (cognition influences behavior, which influences environment) (Dale, 2012).

Social cognitive theorists believe that people learn through either actual doing or enactively or through observing a model or vicariously. They argue that learning is an information processing activity in which information about the structure of behavior and about environmental events is transformed into symbolic representations that serve as guides for action. Enactive learning involves learning from the consequences of one's actions. But unlike the operant conditioning, these consequences of actions does not strengthen the learning process, instead these consequences are used as a source of information and motivation. That means consequences inform people the accuracy or appropriateness of behaviors in which people who did a task correctly are rewarded by understanding doing the task appropriately and if they fail a task are punished and try to correct the task. Consequences also motivate people to learn behaviors that

they value and believe that have desirable consequences and avoid those behaviors that are unsatisfying (Dale, 2012).

Social cognition theorists contend that most human learning occur through vicarious learning – meaning learning occur through observing or listening to models (living person or symbolic such as television programs) without observable action during learning. However, complex learning skills occur through a combination of vicarious and performance learning in which students are first listen to lessons and demonstrations of teacher then start to practice in reality in which they get feedback and correction in order to master their skills. Social cognition theorists also distinguish between new learning and performance of previously learned behaviors. Unlike conditioning theories that assume connection of stimulus and responses or following responses to consequences, cognitive social learning assume learning and performance as two distinct processes. Accepting much learning occurs by doing, they claim great deal of learning also occurs by observing but performing what we have learned are dependent on several internal and external factors and reinforcement and belief of forthcoming do affect our performance rather than learning (Dale, 2012).

2.3.4 Theories of Attitude

Attitude refers to people’s relatively enduring evaluation towards an attitude object. The attitude object might be a person, a product, or a social group. Attitude is a psychological tendency expressed by evaluation of an object of attitude positively or negatively. All people have some kind of attitudes towards ideas, objects or persons but due to its psychological nature, it is difficult to measure attitudes. The widely accepted explanations of attitude is its understanding from ABC perspectives of psychological variables, that is affect, behavior and cognition due to that some attitudes are more affective, some are more behavioral as well as others are more cognitive in nature. Some attitudes are very strong while others are weak and strength of our attitudes can successfully determine our behavior. Although attitude is considered as a consistent character over time but as our behavior changes our thoughts and beliefs also change which result in change of our attitudes. Therefore, the influence of attitude and behavior are reciprocal in influencing each other (University of Minnesota, 2015).

2.3.4.1 Nature and Strength of Attitude

People have many attitudes to friends, family members, political parties, other nationalities...etc. and attitudes have their own specific characteristics, in which no two attitudes have similar or the same influence on people. Studies show that attitudes are partially genetically inherited and partially learned through direct and indirect experiences in our day to day interactions in the environment and some attitudes are learned from media (De Houwer, Thomas, & Baeyens, 2001; Olson, Vernon, Harris, & Jang, 2001). Some attitudes are shared by others such as most people like materials such as sugar and similarly most people dislike or feel disgusted by snakes and cockroaches. In contrary, other attitudes are very personal and specific such as choice of arts or style of music (University of Minnesota, 2015).

According to study done by Bourgeois (2002), some attitudes have higher genetic heritability than others and the following table-2 indicates heritability of attitudes in decreasing order of their correlation values and these attitudes are assumed form earlier in life and are resistant to changed.

| Table-2.1: Data are from Olson, Vernon, Harris, and Jang | | | |
|---|--------------|---|--------------|
| Attitude | Heritability | Attitude | Heritability |
| Abortion on demand | 0.54 | Getting along well with other people | 0.28 |
| Roller coaster rides | 0.52 | Wearing clothes that draw attention | 0.24 |
| Death penalty for murder | 0.5 | Sweets | 0.22 |
| Open-door immigration | 0.46 | Public speaking | 0.2 |
| Organized religion | 0.45 | Castration as punishment for sex crimes | 0.17 |
| Doing athletic activities | 0.44 | Loud music | 0.11 |
| Voluntary euthanasia | 0.44 | Looking my best at all times | 0.1 |
| Capitalism | 0.39 | Doing crossword puzzles | 0.02 |
| Playing chess | 0.38 | Separate roles for men and women | 0 |
| Reading books | 0.37 | Making racial discrimination illegal | 0 |
| Exercising | 0.36 | Playing organized sports | 0 |
| Education | 0.32 | Playing bingo | 0 |
| Big parties | 0.32 | Easy access to birth control | 0 |
| Smoking | 0.31 | Being the leader of groups | 0 |

| | | | |
|-------------------------------|------|-----------------|---|
| Being the center of attention | 0.28 | Being assertive | 0 |
|-------------------------------|------|-----------------|---|

Attitudes are composed of our cognitive, affective and behavioral characteristics. For example if someone's attitude to ice-cream is comfortable; he might say I love it – for its affective expression, I often eat ice-cream – for its behavioral component and ice-cream has a smooth texture and strong and rich taste – includes its cognitive component. Therefore the person's attitude towards ice-cream consists of affective, behavioral and cognitive components. However, a person's attitude and the tendency to each component is varies from individuals to individual. In the ice-cream example above the person's tendency towards ice-cream doesn't mean the person is equally comfortable for each attitude components. A friend of you might come home and generally you might have positive attitude towards the friend but looking into the components your affection might be strong for meeting him again and you might hug him/her passionately but also you understand that if he/she is around you cannot able to study for your next examination. Therefore, affectively and behaviorally you have strong attitude but cognitively you do have some reservations (University of Minnesota, 2015).

People might have different attitudes to the same attitude object. For example, let take Barak Obama's election and voter's attitude. Some people might like him due to his plans for middle income Americans and even others like or dislike him because they want or do not want to see a first minor black American to be their president. Here it looks that cognition is the most important variable; however studies show that affective component is the strongest factor. Humans hold attitudes because they are very useful and enables us to accept or avoid and easy to make decisions about people, objects or situations. For example, if we come across with a snake we need to avoid it and run away before we get attacked or if we see apple, we feel good and want to eat it and then we buy the apple (University of Minnesota, 2015).

Attitudes can be measured using different methods such as self-report measures as well as indirect measures like arousal, facial expression and implicit association tests (IAT). Other measures of attitudes involve neurological measures of brain activity using neuroimaging techniques and they are most effective and fast methods due to that change in brain images can be detected as fast as quarter of second after exposure to attitude object (University of Minnesota, 2015).

Importance of attitudes desirable in our day to day activities and these importance vary depending on the strength of our attitudes to an attitude object no matter our evaluation is either positive or negative. Some attitudes are strong enough that makes them important and we keep strong hold on them with confidence because they support us in guiding our actions easily and are resistant to change. Besides, these strong attitudes also lead us in to action without being conscious about them. Whereas weaker attitudes are less important and have slight influence on our actions. A study done by Bargh, Chaiken, Raymond, & Hymes, (1996) showed that attitudes to two meaningless words *juvalamu* and *chakaka* indicated the former was like and the latter disliked but their attitudes were very weak. However, attitudes like that of Obama's voters can be evaluated either likes or dislikes as strong attitudes (University of Minnesota, 2015).

Strong attitudes are those considered as easily, quickly and uniformly accessible to our cognition and strong attitudes are measured how quickly we express or activate our attitudes when we are exposed to the object of attitude, that means, we do not need to think or evaluate about for long period of time if the attitude is strong one. As strength of attitudes are not only dependent on their speed and cognitive accessibility but also strong attitudes have their affective, cognitive and behavioral components line up together. Besides, attitudes which are related with self-concept and attitudes evoked with one's self-concept are considered strong attitudes. Most people have strong attitudes towards their nations because they have strong positive feeling, mostly positively think about their nation and they participate in activities that support their nation. In contrary, those which have different or conflicting evaluation in their components of attitude (cognitive, behavioral and affective) have weak attitude to objects of attitude. If we take chocolate ice-cream, affectively one might love ice-cream but cognitively he/she understands that eating too much chocolate causes obesity and coronary disease that makes the individual not to eat frequently. These inconsistencies between the cognitive component and the behavioral and affective components makes one's attitude less strong than if the individual have positive aligned components of attitude (University of Minnesota, 2015).

2.3.4.2 Attitude Formation Theories

As nature of attitudes differ from one another, attitudes also form in different ways and mechanisms. People differ in their commitment to attitudes because of they have different involvement with attitude objects. The involvement we make on an attitude object is measured by the commitments we made and there are three types of commitments people do in their involvements. The first is *compliance* in which assumed as the lowest level of involvement is in which we commit in order to receive or avoid punishment similar to operant learning principle. The second is identification in which an individual form an attitude in order to conform to the desire of others. Thirdly, internalization, which is considered as high involvement, is deep-rooted with our values and belief systems and they are very strong and difficult to change (Solomon, 2013). Therefore, scholars depicted several theories of attitude formation and are briefly summarized in the following sub-sections.

- i. *Consistency Principle*: the principle is related with cognitive consistency in which people try to adjust their cognitive, affective and behavioral inconsistencies to form consistent attitude. It means we try to change one or more of these elements in relation with our previous experiences. According to cognitive dissonance theory, people try to modify either their attitudes or their behaviors so in order to avoid cognitive dissonance and maintain consistency. This theory enable people be motivated to find a way to fit together their beliefs and feelings that makes them to avoid negative influences. For example, a person says “I do understand that smoking causes cancer” and “I like smoking cigarettes” in a state of cognitive dissonance. These two inconsistencies create discomfort in the person’s feelings. In order to avoid this negative feeling the person has either avoids smoking cigarettes or justifies the smoking through comparison to other person who smoked until death at the age of 90 or questions to researchers claim as false conclusion (Solomon, 2013).
- ii. *Self-Perception Theory*: assumes an alternative explanation to dissonance theory in a way that we need to evaluate our behaviors in order to determine our attitudes the same as we predict other person’s attitude depending on what the person does. According this theory we just maintain our consistency by aligning our behavior with our attitude and marketers use this principle in applying the foot-in -the -door technique of marketing- a technique that assumes a person who comply with a small favor will definitely commit to a bigger favor (Solomon, 2013).

- iii. *Social Judgment theory*: claims that people assume about new attitude object depending on what they know or feel about similar situation in the past. It is similar when we want to evaluate the weight of a new box we predict its weight depending on the previous weights of boxes we come across as acceptable standards and people differ in experiencing an information they assume as acceptable or unacceptable. However, when we do the judgments of attitudes based on this theory it is possible to make exaggerated conclusions either positively or negatively than actually are the messages. Usually, individuals who are highly involved with an attitude object is less likely to accept others recommendation from what he believes whereas those individuals who are less involved to attitude object are more likely to approve others words on attitude object (Solomon, 2013).
- iv. *Balance Theory*: assumes triad relational formation of attitude in a way that a third person or object exists in the middle of a person's perception and an attitude object. It is like old saying "Enemy of my enemy is my friend" and in this way people try to remain balanced with different attitude objects by altering their attitude in relational elements. That means, if we have balanced perceptions, we also have stable attitudes, but if our perceptions are inconsistent it is predictable that our attitude can be changed easily (Solomon, 2013).
- v. *Multi-attribute Attitude Models*: a single theory doesn't tell about how people form an attitude or act about a product. Market researchers assume multi-attribute model theory in order to understand how people form attitude or change their attitudes to products or services. Individuals' belief either right or wrong is a very important factor to how they evaluate an attitude object. Due to complex nature of people's attitudes toward an attitude object, the multi-attribute model assumes that by measuring a person's beliefs on the different attributes of an attitude object can be used to derive the overall attitude of a person on an attitude object. The multi-attributes model consists of three basic elements such as attributes, beliefs and importance beliefs. Attributes are characteristics of the attitude object (A_0) and marketers try to identify the most attributes when consumers evaluate A_0 . Beliefs are the cognitions a consumer have about the A_0 that is, perception of the attributes of the attitude object and finally, importance of weights are related with the priority of the attributes in A_0 to the consumer. Of all the multi-attribute models, the most applicable one is Fishbein Model and he formulated the following formula that enables marketers to understand attitudes of consumers on their products (Solomon, 2013).

$A_{jk} = \sum_{i} I_{ik} B_{ijk}$, where, i = attribute; j = brand; k = consumer; I = the importance weight given attribute i by consumer k ; B_{ijk} = consumer k 's belief regarding the extent to which brand j possesses attribute i ; and A = a particular consumer's (k 's) attitude score for brand j .

Looking into the formula, we can calculate the overall attitude of consumer's (A_{jk}) of a product or brand (j) after by multiplying the importance weights (I) and belief (B_{ijk}) of each brand, consumer in relation with the attribute listed by consumers on each brand. A hypothetical data in Table-3 shows a student's overall attitudes towards different colleges and the maximum figure tells us that she wants to join a college called Smith (Solomon, 2013).

Table-3: Hypothetical data of the Basic Multi-attribute Model a consumer's College Decision, Solomon, 2013.

| Attribute (i) | Importance (I) | Smith | Princeton | Rutgers | Northland |
|---------------------|----------------|-------|-----------|---------|-----------|
| Academic reputation | 6 | 8 | 9 | 6 | 3 |
| All women | 7 | 9 | 3 | 3 | 3 |
| Cost | 4 | 2 | 2 | 6 | 9 |
| Proximity to home | 3 | 2 | 2 | 6 | 9 |
| Athletics | 1 | 1 | 2 | 5 | 1 |
| Party atmosphere | 2 | 1 | 3 | 7 | 9 |
| Library facilities | 5 | 7 | 9 | 7 | 2 |
| Attitude score | | 163 | 142 | 153 | 131 |

2.3.4.3 Attitude Change theories

Attitude change is any change in attitude of a person towards an attitude object that might result from active manipulative activities by others or by self-processing about the attitude object by the attitude holder (VandenBos, 2015). The main processes for attitude change is to use persuasion methods. Persuasion is an active endeavor by a person to change another person's beliefs, attitudes or emotions associated with attitude objects such as ideas, concepts, objects, people...etc. (Priester & Petty, 2003).

The best ways to change attitude of people is to use persuasion through two major ways that is choosing the best communicator and creating effective communication. Choosing the best communicator necessitates to be able attract the attention of the person holding the attitude, transfer the message to the person and make sure the message is processed according to the

needs of the persuader. In addition, it is necessary the method of persuasion to consider cognitive, affective, and behavioral components of attitudes held and the messages are related to attitude holders' motivations, desires, and goals. Communicators are considered as effective if they have attributes like having attractive appearance, who are assumed as similar to the recipient's opinions and values, appeal to the recipients' self-concerns and believed to have expertise or knowledgeable about the issue at hand. Expert communicators are those who speak quickly and this might be due to that they give little time to the recipients to process the speech for to lower counterarguments (Priester & Petty, 2003).

Communicators are also effective if they are considered more trustworthy than those untrustworthy speakers. If the speaker is untrustworthy, there is a possibility of creating the sleeper effect – a situation in which the content of message from untrustworthy speaker is discounted automatically but it is remembered after sometime pass even without remembering the communicator that makes the recipient to remember the message was discounted and make the recipient to assume the message as valuable (Kumkale & Albarracín, 2004).

In order to persuade the recipients, we need to create effective communication that makes the recipients to process our message in the way we want them and the influence we want to make. To make this kind of influence on recipients there are two ways of processing the message delivered and these are spontaneous and thoughtful attitude change methods. The route of message processing is important to understand either attitude change has occurred or not. The spontaneous processing method involves direct, quick, and often involves affective responses to the message. The spontaneous processing occurs in situations the recipients do not have time to scrutinize the message in which they accept the message due to the less important characteristics such as attractiveness of the communicator, influence of others compliance or good mood created by background music paired with message (University of Minnesota, 2015).

A research indicated that students' change of attitude on a topic have been caused through two information processing ways in that in one group students in which the topic doesn't affect their life but they only influenced by the communicator likeability; whereas other group which were involved in decision making on the topic were persuaded by goodness of the message but not fooled by the likeability of the communicator (Chaiken, 1980). Mostly, spontaneous processing

occurs are created through delivering emotional messages in which the recipients are engaged in relating the communicator attractiveness with the product being advertised such as a handsome celebrity is shown with driving a new model car that makes the recipients only to attend the relationship between the two. Similarly, emotionally negative ads can be delivered if the purpose is to avoid the consequences of the message being delivered in cases on persuading the recipients to use seatbelt by delivering disastrous car accidents in comparison another accident with people using seatbelts. Likewise, emotionally fearful messages on not taking a mammogram test is more effective than delivering messages on the positive uses of mammogram tests, as is the case with delivering messages of cancer patients resulted from smoking rather than delivering advantages of not smoking. However, fearful messages have also negative consequences in that people might develop high anxiety (for example smoking ads) and make the recipients to ignore related messages because of they don't have the ability how to quit smoking (Ito, Larsen, Smith, & Cacioppo, 1998). Therefore, in providing emotionally fearful messages it is also important to provide information which helps people to amend their problem (Passyn & Sujana, 2006).

Thoughtful message processing involves carefully and deliberately investigate the information transmitted by the communicator when we have plenty of time that we usually try to compare the message with our belief systems and the validity of the communicator and the message (Petty & Brinol, 2008). In parallel, when communicators are believe that their message is going to be evaluated thoughtfully, they try to persuade their audience by carefully delivering the positive attributes of the attitude object and minimizing or downplaying the limitations of the attitude object. Communicators also ask questions about the characteristics and features of the attitude object while they communicating in order to instill the positive attributes of the attitude object in order to create strong attitude to recipients otherwise opposite situation could result (Petty, Cacioppo, & Goldman, 1981).

2.4 Relationships between Psychological Factors and Buying Behavior Decision

In this section, the relationship between each of the psychological factors and consumer decision making behavior is reviewed, when consumers intend to buy any product in their day to day life activities.

2.4.1 Relationship between Motivation and Buyer Decision Making Behavior

As we observed in theories of motivation, people have hierarchy of needs and these needs motivate consumers to commit in buying behavior. Highly motivated consumers are likely to get involve in in goal directed behaviors such searching information about the products they want to purchase and are likely to buy items that satisfy their needs. That means, highly motivated individuals have goal directed behaviors such as if someone wants to purchase a laptop obviously the person will try to search in the market for different models and even will go to the internet to look into prices and models if laptops. Goals are usually two types that generic and specific goals in which, generic goals are when someone is feels hungry and wants to eat is considered as generic goal, whereas, if the same person is looking where and what to eat like if the person says he want to have MacDonald hamburger, the person said to have specific goal (Noel, 2009).

And for marketers the specific goals are major concern due to that they want to direct their consumers to commit their products. Highly motivated individuals are more likely to get into psychological state known as involvement – that is, the more motivated an individual is the more time and attention is paid in the search and process information about target product, brand or service which complies the individual’s needs and values (Noel, 2009).

2.4.2 Relationship between Perception and Buyer Decision Making Behavior

Perception plays a preliminary role in influencing the buying behavior of consumers because it is through this process that people try to make sense of their environment using their sense organs and also it is the primary channel to learning in our day to day activities. Marketers also try to influence consumers’ buying decisions by targeting the perception process in general and the sense organs in particular. Exposure is the process in which consumers come into contact to products or services and those items get more exposure to consumers are more likely consumed more than those with little exposure. But, exposure alone is not sufficient for consumers learn about a product instead, attention plays central role in learning and selecting the products people are looking to buy. If someone enters a gift shop to buy a perfume with certain brand he/she is bombarded with infinite stimulus in the shop and tries sift through the shelf in order to select the specific product ignoring the others as background (Noel, 2009; Solomon, 2013).

In contrast, marketers use all possible channels to create attraction to consumers. They prepare their sensory attraction to appeal to the customer taking into consideration the sensibility of their products with different thresholds. Threshold are three types such as absolute, differential and dual thresholds. Absolute thresholds is the minimum level of stimulus that someone can sense a stimuli and differential threshold is the minimum sufficient difference between two stimuli that one can detect the difference easily. Whereas, Dual threshold means that a sense has two different thresholds in that at the first one we can sense the presence of a stimulus and in the second threshold we identify what the stimuli is. It is like smelling something in the first threshold and knowing what the smell is in the second threshold ((Noel, 2009; Solomon, 2013).

For example, an ads on a billboard which is written by a very tiny letters might not be visible to people in passerby motor means that the texts are below the absolute threshold of visual sense but marketers design these threshold matters carefully. In the use differential threshold, marketers try to show consumers what are the difference between two different stimuli they bring to the consumers. For example, if a shop displays a 20% discount of its items in the shop it should clearly tell that item A which has been sold for 10 birr should change its label to 8 birr whereas an item of 100 birr need to be labelled 80 birr, not 98 birr (Noel, 2009; Solomon, 2013).

Marketers usually try to use all sensory channel as means of advertising their products in order to influence consumers' buying behaviors. Vision is the most utilized channel used by marketers in advertising, store design and packing. They try to communicate consumers through color, size, style or design. Studies show that colors have influence on our emotions. For example, red is considered to arouse emotions and appetite, while blue creates relaxation as well as good feeling of the future. Blue colored advertises with are related to the color of the sky and water in which people consider it as limitless product. But all color perception are not universal but can be learned through association, culture and others are biological inheritance. For instance, black color is considered as bad and mourning symbol in western countries whereas in eastern societies such as Japan white color is used for mourning purposes. Besides, female are more sensitive to color than males and older people are less sensitive to color than younger people. Lexus cars are mostly bright white in color that makes 60% of their sales to older people. Generally, colors, sizes and styles and their association to products and web designs are highly used by marketers for influence consumers' purchasing behavior ((Noel, 2009; Solomon, 2013).

Smell is another sense which marketers use to influence consumers' behavior, in which different scents have the power to invoke good or bad emotions, feeling and memories. Studies indicate that scents are processed in the limbic system of our brain and they have the tendency to influence one way or the other the emotional states of people. A study conducted on women to smell men's T-shirts (T-shirts worn by men for two days) and select which one they would prefer, indicated that the women preferred those T-shirts that have been worn by their kinds but not as far as inbreeding situation (brother or father). Another study done on consumers how they react to flowery or chocolaty fragrance in a market place indicated that those who smell these scents take more time of exposure in products than those who didn't exposed to scents. As a result of these researches, manufacturers are making scented clothes or clothes when touched which emit scents, stores of laundry pump scents of cleaned clothes to attract their customers. Planes and cars are being scented for influencing buyers. Ford car manufacturer has designed a machine worth of USD 75, 000 which standardizes odor of their cars (Solomon, 2013).

Sounds affect people's emotions, feelings and behaviors and that is why a lot of millions of dollars are consumed for buying many music materials and players. Advertisers even choose the tones of sounds and types of music to be included in their messages in order to influence and persuade consumers to their products. A corporation called Musak claim that more than 80 million people listen to their functional music for stimulating or relaxing consumers in stores, shopping malls and offices. Besides, they claim that their music has not only minimized absenteeism workers in factories but also it stimulates cows and chickens in the production of milk and eggs (Solomon, 2013).

Taste is sensation that allows us to experience most of edible foods, drinks and tooth pastes. Manufacturers and marketers are creating different flavors that maximize the marketing of their products continuously. There are particular firms named as flavor houses, who scientifically synthesis many flavors that are used as additives in different foods, drinks and other palatable products such as tooth paste. Companies like Coca-Cola use the tongue for tasting of their products and always try to maintain the same test constantly. Other medicine manufacturers try to add some additives to their tables in order to minimize or remove sour or bitter tastes of the medicine. Nowadays, cultural influences are making more people to choose for traditional dishes that include spicy and chilly sauces trends and these motivates suppliers to prepare more peppery

and hot ingredients in to dishes. With the changing health life styles, beverage companies such as Coca-Cola are modifying their products with new brands such as cold tea and others producing more Soda-water...and the likes for attracting consumers who prefer to avoid sugar (Solomon, 2013).

Despite little studies available, touch is also a sensory channel in which marketers use for influencing the consumer behavior. Consumers, in restaurants who have been touched by waiting people give bigger tips than those they were not touched. The texture of clothes are related the price, prestige and gender preferences of clients. Creams and shampoos are more consumed if they enable consumers with soft touch and feeling. Looking in the table-1, fabric perceived as soft or rough and flexible and inflexible by male and female consumers. For example, wool is considered as luxurious and denim is assumed as durable and practical and so on as per the preferences of male and female respectively (Solomon, 2013).

| Perception | Male | Female | |
|------------|-------------|--------------|--------|
| High class | Wool | Silk | Fine |
| Low class | Denim heavy | Cotton Light | Coarse |

Table-2.3: Tactile opposition in Fabrics; Solomon, 2006.

In conclusion, perception plays a central role in influencing consumers’ decision making in buying behavior through the use of all sensory channels. Marketers use these sensory channels to persuade consumers by switching sizes, colors, positioning, intensity, novelty...etc. They also try to understand how consumers interpret their products and ads so that they strive to influence consumers’ to commit to their products (Solomon, 2013).

2.4.3 Relationship between Learning and Buyer Decision Making Behavior

Learning is the major factors that makes consumers to know and understand about products and services that makes them to commit on purchase items. Behavioral learning principles are used by marketers to teach customers to buy their products (response) through association of their products or services (stimulus) to many prestigious things in several areas. For example, Coca-

Cola is could be advertised by a best sports man drinking it that makes an association message that claims that the athlete wins because of drinking Coca-Cola. Repetition is the major concept in conditioning and association of stimulus-response in that marketers repeat advertisements many times in order to instill it in consumers' memories. But in doing so, marketers make their repetition of association conditioning with a great care in order to avoid filtering out of their messages as backgrounds by consumers. Positive stimulus such as music, humor or imagery are also paired with products to produce needed associations of the product specially in non-static adverts such as television and radio (Solomon, 2013).

Another learning concept of conditioned association used by marketers is that association of new products with those brands names or companies created great acceptance in the consumer population. These situations are observed in several big companies such as General Electric which capitalize in their longtime reputations while other small companies might capitalize from renting of licenses from bigger companies or brand name/companies. In addition, they might extend new production line of items to capitalize from the existing bigger reputation or other smaller companies might utilize similar packaging with the brand names of bigger companies or create generic products. Stimulus discrimination is also a concept used for consumers to differentiate between the product they need and other similar products. Companies make specific attributes to their brand name product on packaging or other means so that consumers are not misguided by other similar items (Solomon, 2013).

Instrumental or operant learning is based on reinforcement of consequences that are desired behaviors. In marketing, marketers reinforce their consumers by providing several rewards so that they will come again and become customers in their shop. These rewarding process might be as simple as thank you letter for committing a purchase up to providing bigger incentives and recognitions. For example, an experimental study on insurance company that sent a thank you letter to its consumers compared with those didn't receive a letter showed higher rate of policy renewal in those who receive thank you letter than those who didn't get gratitude letters. In addition, marketers use instrumental learning in all possible schedules of reinforcement in order to influence customer by rewarding consumers depending on the frequency of purchases they made. Almost, all marketing stores provide rewards to their customers in several ways including lotteries in their packages. For example, a British citizen David Phillip have won a life time free

plane flight after he purchased a chocolate package. Nowadays, here in Ethiopia, several organizations advertise in the FM-radios and offer their audiences with different rewards for if they purchase their products or use their services (Solomon, 2013).

Learning through observation or modeling is also one of the basic concepts of learning in which people learn from observing or imitating others as role models. According to Solomon (2013) marketers assume learning through observation is practical as long as the four preconditions are fulfilled and these criteria are include: a) the consumer should be in full attention to the model person b) the consumer should remember what the model says or did c) the consumer should transfer the model's information into action and d) finally, the consumer should be motivated to commit the action.

The modeling learning process is considered by marketers as the easiest way of informing consumers about their product. They believe that instead of rewarding or doing associative conditioning processes for every consumer who purchases your product, it will be easier to show people the emotional benefits and satisfactions achieved when a role model uses their products (Solomon, 2013).

2.4.4 Relationship between Attitude and Buyer Decision Making Behavior

Marketers strive to use any of the attitude theories in order to persuade consumers to buy their products. Once they understood the main characteristics of attitudes, strength and nature of attitudes in relation to their products, they approach consumers in all possible ways in order to make them commit to their products or services. When markets advertise or persuade consumers, they might use trustful model people or experts. People form or change their attitudes towards some products because of expert communicator tell share his/her knowledge rewarding a product that might result to consumers to believe that there is no nobody who have more knowledge of the product than the expert. In contrary, people might believe some model person who is trusted, attractive or respected in the society tell consumers that he/she used a products and expressing the feelings and experiences as a result of owning certain product or services (Noel, 2009; Solomon, 2013).

One way or other, consumers interpret marketers' advertisements and messages in their own way such as compliance to their values and beliefs, conformance with other, avoid frustration of their ego, avoid cognitive dissonance...etc. Even in using the multi-attribute method, the behavior of consumer buying was not fully predictable, but utilizing all available channels of attitude change and attitude instillation might result in convincing consumers to purchase products or services. In conclusion, the relationship between attitude and consumers' decision making behavior of purchasing depends on all the psychological factors like motivation, perception and learning that result formation or change of consumers' attitudes that enables them to commit purchase, search other alternatives or renounce buying (Noel, 2009; University of Minnesota, 2015).

2.5 Conceptual Frame Work

In this study, we will assess the influence of psychological factors on the consumer purchasing behavior and decision making processes. The conceptual framework consists of the effect of each psychological factor that is, motivation, perception, learning and attitudes on the consumer buying behaviors depending on the decision-making stages consumers go through towards commitment to buy.

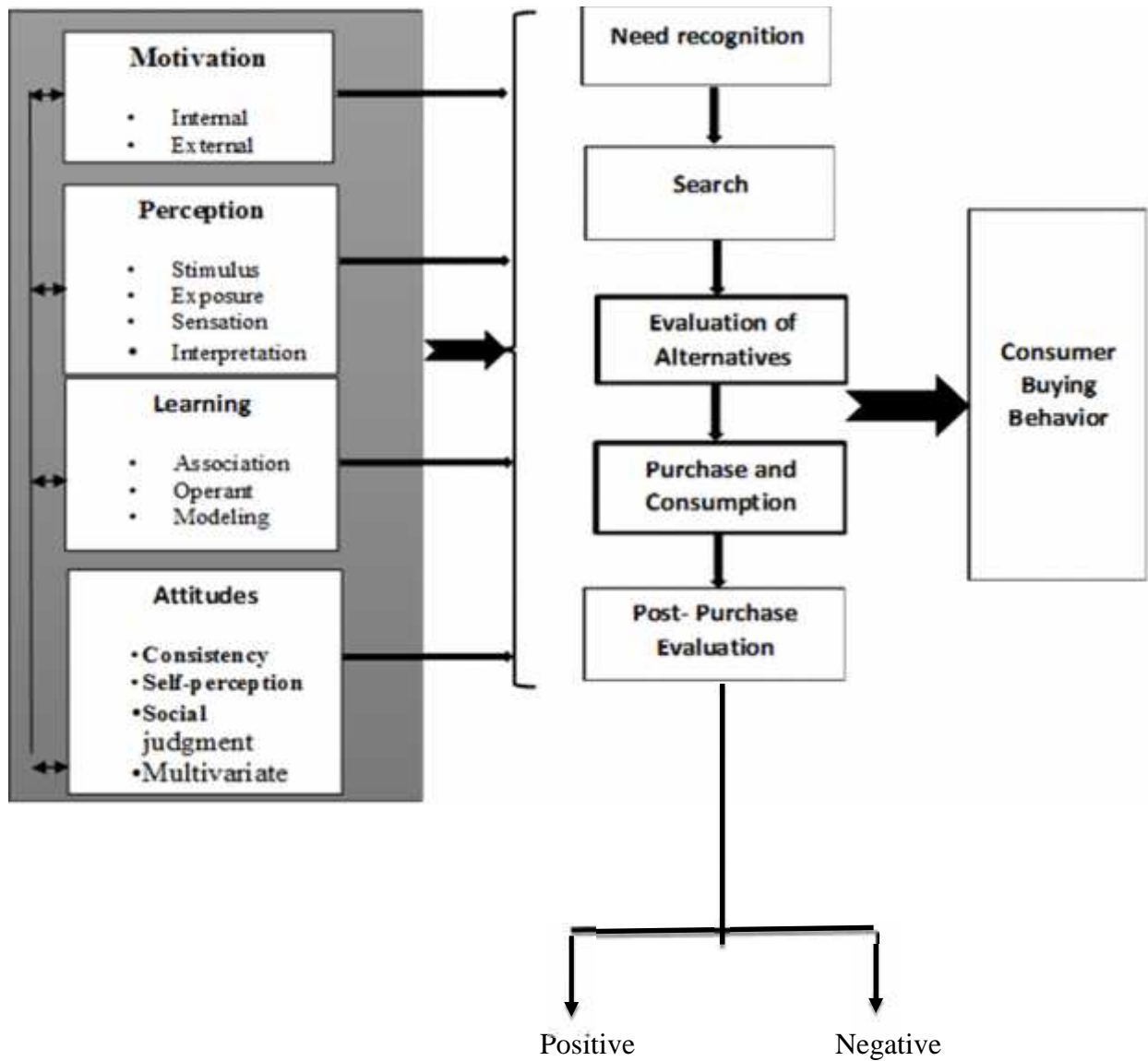


Figure-2.4: Influence of Psychological Factors on consumer buying behavior Source: (Blackwell,Miniard et al. 2001)

The above pictorial representation of the relationship between psychological factors to each other and the probable effect of each factor on the consumer decision-making processes. In the diagram, the thinnest lines indicate that the psychological factors have retrospective relationship to each other, in that in the operation of one psychological factor, the other factors are also actively involved in the process. For example, if we take motivation as an active factor affecting the need or problem recognition, the other psychological factors are also in influence on motivation as perception assists the consumer to identify and sense the problem, whereas

learning gives the individual a motive for need recognition and attitude also serves to evaluate and check the motivation of the individual in pursuing with a need at stake.

Looking into the wider arrows, they indicate the flow of the consumer decision processes stages from up to down. However, in this stages of decision making processes, the effect of psychological factors is indicated by the thick arrows from the left side of the decision making process. In each decision, processing stage one or more of the psychological factors might be involved, but the probable major factors in each stage are indicated in the diagram. At the end, the post purchase behavior is mainly an accumulated effects of all the psychological factors that make the consumer either satisfaction leads to positive attitude on the cosmetic product that leads to second purchase or dissatisfaction which leads negative attitude of the product or service that leads for another search and renounce the second purchase.

Chapter Three

Research Design and Methodology

3.1 Overview

The selection of research approach depends on the philosophical worldview, research problem or issue being addressed and procedures of inquiry the researcher employs in the study (Creswell, 2014). As a plan and framework of a research project, the research design guides the data collection and analysis procedures to ensure that the study will ultimately address the relevant problem of the study (Kothari, 2004). As the title of the study indicates, the effect of psychological factors on the buying behavior of consumers as well as, the influence of the individual major factors on the customers' buying behavior are examined using the quantitative method of data collection using semi-structured self-report questionnaire. Therefore, the current research study has utilized quantitative research approach in data collection, analysis and interpretations of data in order to accomplish the purpose of the study. Thus, the quantitative method is used appropriately to comply with the respective research questions of the present study. In the next subsections, specific techniques of sampling, data collection, procedures of inquiry and ethical issues are described successively.

3.2 Sampling Design

3.2.1 Population of the Study

The population of the current study includes female cosmetics consumers who visit the cosmetics shops in Bole sub-city, Addis Ababa. The population of the study included cosmetic product consumer who visit 67 cosmetics shops, which, were identified, by the Bole sub-city administration office and the researcher randomly selected 23 shops by selecting every 3rd cosmetic shop. The first three cosmetics shop has been used to collect the pilot data and the rest 20 shops have been reserved for the main data collection of the study. Regarding the inclusion criteria to the participants of the study, the participants are female cosmetics customers who visit the cosmetics shops licensed under the Bole sub-city and the age of the customers must be 17 years old and above.

3.2.2 Sampling Techniques

The sampling technique employed in this research is two stage sampling techniques. In the first stage, after locating the number of cosmetics selling shops (n=67), simple random sampling technique has been used in order to identify the shops to be included for data collection. In the second stage of sampling purposive non-probabilistic sampling technique was utilized because of the difficulty to get sampling frame of the visiting customers into each shop. According to Schofield (2006), purposive sampling is a technique of sampling, which enables collect data according to the availability and willingness of participants in the population; but, with sufficient number of participants to imply representativeness Besides, Teddlie and Yu (2007) claim that purposive sampling is a technique that has two broad characteristics that is, sampling used to achieve representative and comparative data in dimension of interest. The selection of a sample from a defined target population requires the construction of a sampling frame to draw a sample of representative. The sampling frame is commonly prepared in the form of a physical list of population elements. Unfortunately, to get the sapling frame we need to have all the list name of target population and it was difficult to know all the female cosmetics users in Addis Ababa.

3.2.3 Sampling Procedure

Therefore, to achieve representativeness sufficient number of questionnaires 250 questionnaires were distributed to the 20 randomly selected cosmetic shops and around with 70% rate of questionnaires were retained. In taking the samples, survey method has been utilized in collecting data from the customers who visit cosmetics shops in Bolie sub city using semi-structured self-administered questionnaire.

3.2.4 Sample Size

The number of respondents to be included in the study will be calculated using the Taro Yemane's (1967) sample size calculating formula as follows: $n = \frac{N}{1+N * (e)^2}$ Where, n- is the sample size, N-is the total number of population, e- is the level of accuracy. Once the exact number of population is received from the Bolie Sub-city the sample size has been determined using the above formula and 248 sample units were planned.

3.3 Data Collection, Source and Tools

The current study is used cross-sectional survey data collection method. The source of data in this study are two types namely: primary and secondary data. A semi-structured and self-administered questionnaire has been distributed to the cosmetic shops so that sales persons in these firms has provided the questionnaires to willing customers to participate. Moreover, appropriate orientation and information provision has been given to the sales persons in the cosmetics shops.

3.4 Self-administered Questionnaire

Self-completion questionnaires are commonly method of data collection but many investigators doubt this method because they suffer from low and uncertain response rates. However, they are widely used where there is a strong relationship with the respondents and the researcher, a self-report questionnaire is appropriate and get high response rate. It also minimizes the efforts and number of interviewers and are best suited for surveys with lots of rating scale but they do not allow controlled questioning (Hague, 1988). In using a questionnaire, as research tool, the two options we have to follow are either to adapt from previously available instruments or need to develop a new one depending on the resources, time and purpose of the study (Creswell, 2014). Process of translation is one of the core factors, which must be carefully handled because differences in culture, language and dialects of between the two contexts is the main threats of validity. The two major judgmental designs for adapting test are the forward and the backward translations and each has its own merits and limits. Forward translation refers to translating the source language to the target language by single or group of translators and other group will check the equivalence of the translation between source and target languages. Whereas, in backward translation first the source language is translated into target language and other independent translators translate back the first translation back to the source language (Hambleton, 2005). Therefore, in the current study a questionnaire has been adapted depending on previous research instruments and review of literature related with the existing title at hand.

The appropriate translation design of the questionnaire into Amharic has been conducted depending using the back translation method in which first the researcher and two other psychologists translated the English version into Amharic. Then the Amharic version has been translated back to English by other three independent bilingual psychologists. Then the six translators sit together to assess the translation in order to settle on common agreement on the content of the translation. After discussing all the contents of the questionnaire the final version of the questionnaire has been ready for pilot sampling. The self-report questionnaire has three parts: the demographic information (8-close ended questions), Likert scale items related to the general psychological factors which enable decision making process of customers' to buy cosmetic products (11-items), and Likert scale items that measure the effect of separate psychological factors on the customer's buying behavior (29-items). The demographic data of the female cosmetics customers comprises of demographic information such as age, occupation, average income, level of education, marital status, monthly expense on cosmetics, address and number of children.

3.5 Sources of Data

3.5.1 Primary Source

Primary data has been collected through questionnaires completed by female cosmetics consumers. A questionnaire approach was considered the most effective method for collecting primary data for fulfilling the purpose of studying psychological factors that affect women's buying behavior as regards cosmetics products.

3.5.2 Secondary Source

Reference books, academic journals and internet websites are consulted to determine the existing level of knowledge about psychological factors and their effect on consumer buying behaviors of cosmetic products. The internet has been used to collect data about cosmetic products in relation to customer behavior and past research survey; data has been used to create the questionnaire used to collect primary data.

3.6 Reliability and Validity of Research Questionnaire

Reliability is a measure for the consistency of collected data through time and among respondents; validity refers to whether the items measure what they are supposed to measure. Therefore, prior to data collection, a pilot data from three cosmetic shops in the Bolie subcity areas of the population has been collected. A pilot test was conducted with the aim to solve ambiguity in language and structure, to check validity, reliability and feasibility of the instrument. In the present study, the Amharic version of the instrument was administered to 30 respondents in the study area, and in order to respond right away for any ambiguity that might arise while filling the questionnaire, the researcher was physically present. During the process of filling the questionnaire, the respondents raised questions especially related to the physical/structural setup of the questionnaire; like, keeping the continuity of the „Likert scale“ as a title on the top of every page; and completing of a question in the same page than turn some part over. Otherwise the pilot test showed that consumers understood the questions correctly. Based on the responses provided, the internal consistency reliability of the instrument was computed for the scale of value perception influencing luxury buying behavior by using Cronbach’s alpha. The computed Cronbach’s alpha coefficient is 0.89.

| Table-3.1: Scale Total Reliability Statistics | | |
|--|--|------------|
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| .889 | .889 | 37 |

3.7 Research Ethical Issues

Ethical issues in marketing researches are the moral guidelines that govern the conduct of behavior in the research process. Thus, researchers, whether individuals or organizations, must consider the ethical issues such as: goodwill of respondents – willing to participate and to discontinue -, trust-participants relationship with researcher, professionalism, confidentiality – anonymity of their identity as well as the information they provide and informed consent so that participants’ rights are under protection (Housden, 2005). In this study, the researcher has tried to address different ethical issues. Informed Consent Form that has been provided to participants, which explains the purpose of the study, request for cooperation, absence of any

remuneration for participating, confidentiality of their identity and the information they supply and their freedom to withdraw from participation.

3.8 Data Analysis and Interpretation

Data analysis of this study has been performed using quantitative methods to address the respective nature of the data collected and research questions available. Descriptive analysis is used to locate the typical data and its variability using the measures of central tendency and dispersion respectively. Relationship measurements, which base their techniques on correlation and regression, measure the associations between or among variables depending on the number of variables involved. Variables are labelled as dependent and independent variable, not as one causes the other but to express the degree of relationship in which one could predict the other variable (Housden, 2005). The data gathered using the self-administered questionnaire related with the demographic data consumers, the psychological factors that affect the consumers' decision making of purchasing and the influence of individual factors on customer buying behaviors is analyzed using Statistical Package for Social Sciences (SPSS). The demographic data is analyzed descriptively to examine the location and variability of data of the participants. Correlation analysis is employed to assess the relationship of several variables, including demographic variables, psychological factors and purchasing decision making processes. Multiple linear regression analysis has been utilized to investigate the effect of each psychological factors as predictor variables on the consumer buying behaviors as criterion variable. Besides, the differences among demographic variables in relation to the psychological factors is analyzed using the ANOVA (Analysis of Variance) wherein, the demographic information is assumed as independent (factor) variable and the to the decision making of consumers buying behavior as dependent variable.

Chapter-Four

Results and Data Interpretation

4.1 Overview

The following sub-sections encompass results of the study. The statistical outcomes of the quantitative analysis data are presented in tables as per the format taken from SPSS data output formats and the outputs of the statistical analysis with their respective description and interpretation of the analysis.

4.2 Descriptive Analysis of Demographic Data

The participants (n=161) of the current study are all female cosmetics users in which, more than three-fourth are unmarried, around 13% are married and the rest 6% are either separated or widowed. Equivalent to the unmarried rate, greater than four-fifth (84.5%) of participants are without children and the rest 9.3% and 4.3% have two and four children each respectively, whereas, one individual has five children and another one did not respond. About 90% of the participants' are in the first two youngest age group distributed between 17 to 30 years old, whereas the rest 8% are from third age group and one person is in last age group.

Educationally, the most prevalent group is the first-degree holders group, which take a share of 51.6 % of the total and MScs' holders take 22.4% while the vocational/diploma, high school compete and primary school levels account for 16.8% , 6.2% and 3.1% respectively. Regarding respondents current job, 90.7% (n=146) of the participants provided their occupational status, out of which, around half (46.6%) are unemployed. Of those currently employed, about 27%, 11% and 9% are private (n=44), self-employed (n=17) or public recruits (n=14) in their decreasing order whereas, three individuals are student. The majority of the respondents (86.3%, n=189) are permanent residents of Addis Ababa while the rest (9.3%, 2.5% and 1.9%) are residents of regional capital city, small town or rural areas respectively.

Analysis of the monthly income and cosmetics expenses indicated that around 40% of the respondents have an income of under 1000Birr as well as their monthly expenses on cosmetics is less than 300Birr. The monthly income of respondents, in the consecutive groups that vary from 2000 to 5000, by interval of one thousand Birr showed rates of 22%, 19%, 6% and 9% respectively. Likewise, respondents' monthly cosmetics expenses more than 300 up to more than 1000 Birr of the next successive four groups indicated 25%, 8 %, 11% and 13% prevalence in their respective orders (Refer Table-4.1A).

Table-4.1A: Demographic data of participants

| Respondents' Age | | | Educational Background | | |
|--------------------------------|-----------|---------|--|-----------|---------|
| Category | Frequency | Percent | Category | Frequency | Percent |
| 17 – 23 | 68 | 42.2 | Primary School | 10 | 6.2 |
| 24 – 30 | 80 | 49.7 | High School Compete | 5 | 3.1 |
| 31 – 37 | 12 | 7.5 | Vocational/Diploma | 27 | 16.8 |
| 38 – 44 | 1 | 0.6 | First Degree | 83 | 51.6 |
| Total | 161 | 100.0 | Msc. Degree & above | 36 | 22.4 |
| | | | Total | 161 | 100.0 |
| Respondents' Occupation | | | Monthly Income | | |
| Category | Frequency | Percent | Category | Frequency | Percent |
| Unemployed | 68 | 42.2 | less than 1000 | 59 | 36.6 |
| Self-Employed | 17 | 10.6 | 1000 – 2000 | 36 | 22.4 |
| Private Recruit | 44 | 27.3 | 2100 – 3000 | 31 | 19.3 |
| Public | 14 | 8.7 | 3100 – 4000 | 9 | 5.6 |
| Student | 3 | 1.9 | 4100 – 5000 | 15 | 9.3 |
| Total | 146 | 90.7 | Total | 150 | 93.2 |
| Missing | 15 | 9.3 | Missing | 11 | 6.8 |
| Total | 161 | 100.0 | Total | 161 | 100.0 |
| Marital Status | | | No. of Children | | |
| Category | Frequency | Percent | Category | Frequency | Percent |
| Single | 131 | 81.4 | None | 136 | 84.5 |
| Married | 21 | 13.0 | One | 15 | 9.3 |
| Separated | 6 | 3.7 | Two | 7 | 4.3 |
| 5 | 2 | 1.2 | Four | 1 | 0.6 |
| 6 | 1 | .6 | Five and Above | 1 | .6 |
| Total | 161 | 100.0 | Missing | 1 | 0.6 |
| | | | Total | 161 | Total |
| Respondents' Address | | | Roughly monthly expenses on cosmetics | | |

| Category | Frequency | Percent | Category | Frequency | Percent |
|---------------|-----------|---------|----------------|-----------|---------|
| Addis Ababa | 139 | 86.3 | Less than 300 | 67 | 41.6 |
| Kilil Capital | 15 | 9.3 | 300 – 500 | 41 | 25.5 |
| Small Town | 4 | 2.5 | 600 – 800 | 13 | 8.1 |
| Rural | 3 | 1.9 | Around 1000 | 17 | 10.6 |
| Total | 161 | 100.0 | More than 1000 | 21 | 13.0 |
| | | | Total | 159 | 98.8 |
| | | | Missing | 2 | 1.2 |
| | | | Total | 161 | 100.0 |

4.2.1 Estimation of Monthly Expenses of Consumers

The minimum and the maximum monthly of expense of respondents on cosmetic products are less than 300 Birr and more than 1000 Birr respectively. Around 42% (n=67) of the participants reported that they spend less than 300 Birr monthly. The second prevalent spenders are those (26%, n=41), who spend from 300 to 500 Birr on monthly basis. The expensive spenders (more than 1000 per month) comprise of 13% of the total participants the next less spenders (around 1000 per month) 10% (21). The least prevalent (8.1%, n=13) customers of cosmetic products are those, who spend in the range of 600 – 800 Birr monthly. The descriptive statistics Table-4.1B shows that the mean of the respondents' group of monthly spending is 2.27, which lies in the range of spending between 600 – 800 Birr monthly (refer figure-4.1).

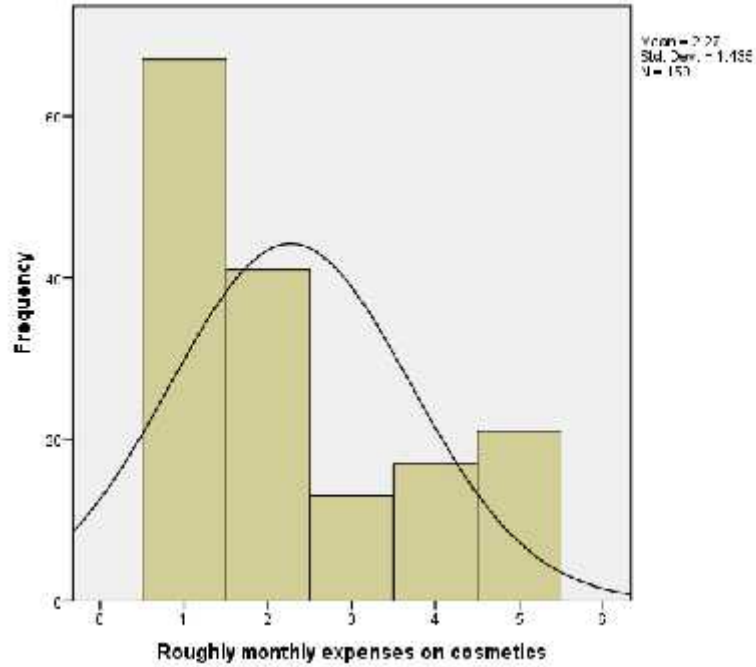


Figure-4.1 Monthly expense of consumers' of cosmetic products.

Table-4.1B: Descriptive Statistics of Demographic Variables

| Descriptive Statistics | | | | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|------------|----------------|----------|
| | N | Range | Min | Max | Mean | | Std. Deviation | Variance |
| | Stat. | Stat. | Stat. | Stat. | Stat. | Std. Error | Stat. | Stat. |
| Respondents' Age | 161 | 3 | 1 | 4 | 1.66 | 0.051 | .642 | .412 |
| Educational Background | 161 | 4 | 1 | 5 | 3.81 | 0.081 | 1.022 | 1.044 |
| Respondents' Occupation | 146 | 4 | 1 | 5 | 2.09 | 0.096 | 1.156 | 1.337 |
| Monthly Income | 150 | 4 | 1 | 5 | 2.23 | 0.106 | 1.303 | 1.697 |
| Marital Status | 161 | 3 | 1 | 4 | 1.26 | 0.049 | .618 | .382 |
| No. of Children | 160 | 5 | 0 | 5 | .24 | 0.054 | .687 | .472 |
| Respondents' Address | 161 | 3 | 1 | 4 | 1.20 | 0.045 | .568 | .323 |
| Monthly expenses on cosmetics | 159 | 4 | 1 | 5 | 2.27 | 0.114 | 1.435 | 2.059 |
| Valid N (listwise) | 138 | | | | | | | |

4.3 Relationship between Psychological Factors and Consumers' Decisions

The analysis of the relationship between the psychological factors and consumers' purchasing decision-making processes results in table 4.2 showed that the psychological factors have statistically significant correlation with purchasing decision-making processes of participants. The correlation matrices outcomes indicated that the correlation among the four pairs, that is, between each of the four psychological factors (motivation, perception, learning- and attitude) and purchasing decision making processes on Pearson correlation values (0.425, 0.575, 0.392 ad0.662) are statistically significant at p-value= 0.01, (2-tailed). In addition to the statistically significant correlation between psychological factors and consumers' decision making processes, the magnitude of the correlation increases from one factor to the other, except in the transition from perception to learning decreases. Finally the relationship goes to maximum correlation magnitude between attitude and purchasing (i.e. r=0.662).

Table-4.2: Correlation Analysis between psychological factors and purchasing decision

| Correlations | | | |
|---|---------------------------------|-----------------------|----------|
| Psychological Factors | Purchasing Decision Mean | | |
| | r | p | |
| Motivation Total Score | 0.425** | 0.000 | |
| Perception Total Score | 0.575** | 0.000 | |
| Learning Total Score | 0.392** | 0.000 | |
| Attitude Total Score | 0.662** | 0.000 | |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |
| Descriptive Statistics | | | |
| | Mean | Std. Deviation | N |
| Motivation Total Score of Each Participant | 15.9938 | 5.49261 | 161 |
| Learning Total | 23.7702 | 5.56018 | 161 |
| Perception Total | 18.0807 | 5.17322 | 161 |
| Attitude Total Score of Each Participant | 13.0373 | 3.82408 | 161 |
| Purchase Decision Total Score of Each Participant | 30.4410 | 7.95365 | 161 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Table-4.3: Correlation Analysis of between psychological factor including purchasing decision and demographic variables

| | Psychological Factors |
|--|------------------------------|
|--|------------------------------|

| Demographic Variables | | Motivation | Learning | Perception | Attitude | Purchase Decision |
|--|----------|-------------------|-----------------|-------------------|-----------------|--------------------------|
| Respondents' Age | r | 0.024 | -0.004 | 0.018 | 0.010 | -0.053 |
| | p | 0.760 | 0.958 | 0.824 | 0.898 | 0.505 |
| Educational Background | r | 0.079 | 0.046 | 0.120 | 0.181* | 0.127 |
| | p | 0.320 | 0.562 | 0.129 | 0.022 | 0.109 |
| Respondents' Occupation | r | -0.137 | 0.004 | -0.115 | 0.054 | -0.090 |
| | p | 0.098 | 0.957 | 0.166 | 0.517 | 0.280 |
| Monthly Income | r | -0.007 | 0.088 | 0.077 | 0.068 | 0.011 |
| | p | 0.937 | 0.287 | 0.347 | 0.410 | 0.896 |
| Marital Status | r | -0.114 | 0.041 | -0.102 | -0.046 | 0.104 |
| | p | 0.151 | 0.604 | 0.196 | 0.558 | 0.191 |
| No. of Children | r | -0.183* | -0.032 | -0.115 | -0.076 | 0.009 |
| | p | 0.021 | 0.685 | 0.146 | 0.337 | 0.909 |
| Respondents' Address | r | 0.004 | 0.034 | 0.056 | 0.057 | 0.203** |
| | p | 0.956 | 0.665 | 0.479 | 0.473 | 0.010 |
| Roughly monthly expenses on cosmetics | r | 0.395** | 0.288** | 0.391** | 0.326** | 0.306** |
| | p | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

****.** Correlation is significant at the 0.01 level (2-tailed). ***** Correlation is significant at the 0.05 level (2-tailed).

N.B. The dark shades indicate those p-values with statistically insignificant r values but the yellow shadows indicate for those with indicates statistically significant r values.

Descriptive Statistics

| | Mean | Std. Deviation | N |
|---------------------------------------|-------|----------------|-----|
| Respondents' Age | 1.66 | 0.64 | 161 |
| Educational Background | 3.81 | 1.02 | 161 |
| Respondents' Occupation | 2.09 | 1.16 | 146 |
| Monthly Income | 2.23 | 1.30 | 150 |
| Marital Status | 1.26 | 0.62 | 161 |
| No. of Children | .24 | 0.69 | 160 |
| Respondents' Address | 1.20 | 0.57 | 161 |
| Roughly monthly expenses on cosmetics | 2.27 | 1.44 | 159 |
| Motivation Total Score | 15.99 | 5.49 | 161 |
| Learning Total | 23.77 | 5.56 | 161 |
| Perception Total | 18.08 | 5.17 | 161 |
| Attitude Total Score of | 13.04 | 3.82 | 161 |
| Purchase Decision Total Score | 30.44 | 7.95 | 161 |

In contrast, except, monthly expenses on cosmetics, which statistically significant correlated with all the psychological factors and purchasing decision making, including three pairs (educational background versus attitude, motivation versus No. of children, respondents' address versus purchase decision); most of the analysis of the relationship of the psychological factors and purchasing decisions with the demographic variables are weak and statistically insignificant. As presented in Table-4.3 (the yellow shadings are those statistically significant), the relationship of monthly expenses on cosmetics with motivation, perception, learning, attitude and purchasing decision making of consumers showed statistically significant Pearson's correlation coefficient values of 0.395, 0.288, 0.391, 0.326 and 0.306 respectively with significance level of $p = 0.01$ (2-tailed). Furthermore, statistically significant relationships between the three pairs achieved are educational background vs. attitude ($r=0.169$, $p < 0.05$) and No. of children vs. motivation ($r = -0.184$, $p < 0.05$), that is, statistically significant correlation ($p = 0.05$, 2-tailed). Whereas, correlation between respondents' address and purchase decision are statistically significant ($r = 0.203$, $p = 0.01$, 2-tailed). Besides, the negative value of correlation coefficient between No. of children versus motivation means that as female customers' have more children their motivation for cosmetic products decreases and the vice versa is also true.

4.4 Effects of Psychological Factors on Decision Making Processes

Table-4.4 below, presents the regression analysis outputs of the effects of psychological factors on consumer decision-making process. Prior to conducting any linear regression analysis, certain basic assumptions or preconditions need confirmation. These basic assumptions include sample size, measurement level of variables (our variables needed to be require ratio or interval data), non-multicollinearity and singularity – outliers and normality, linearity and homoscedasticity. Each of these preconditions are not always perfect in real life research situation but checking the assumptions and remedying of our data is another possibility. According to Tabachnick & Fidell (2007), the sample size of our data must be fulfill ($N > 50 + 8m$) where; N-is number of participants and m-is the number of independent variables in our research and the current study complies with this sample size requirement or 15 participants per predictor. Level of measurement of likert scale items are naturally considered as ordinal level however, several researches have confirmed that as long as a variable or dimension of a variable has four or more

number of items, it can be added to test that variable or dimension for use in parametric statistical analysis (Southwood, 1978).

This recommendation is based on the assumption that in the presence of lower-order level of measurement (ordinal or interval), the zero point on the scale and equal length between points is arbitrary, and simple additive transformations on predictor variable scores may change the statistical test of the product term. However, as demonstrated by the work of Jaccard, Turrisi and Wan (1990), they convincingly demonstrated it is entirely appropriate to evaluate the effects of predictors on dependent variable using multiple hierarchical regression effects using likert scale items interval level data. Homoscedasticity means that the variances along the line of best fit remain similar as you move along the line (refer figure-4.2 normal P-P plot). Besides, multicollinearity serves as measure of homoscedasticity. Multicollinearity – high correlation between IVs ($r = 0.9$ and above) must be avoided from the analysis; however, our data correlations among our independent variables ranges between 0.399 - 0.632 (from weak to moderate correlations) and the tolerance and IFV are within acceptable limit. A value of VIF higher than five (or Tolerance less than 0.2) indicates the presence of multicollinearity while in social sciences research, a VIF value as high as 10 is considered to be acceptable (Gaur & Gaur, 2009). Therefore, in the current analysis, the test results of collinearity values (refer in the last two right side columns of Table-4.4) of tolerance and VIF (0.537, 0.680, 0.433 & 0.553, 1.863, 1.470, 1.809 & 2.307) respectively; no multicollinearity problem observed. Normality – the residuals should have normal distribution with the dependent variable and in the scatterplot figure-4.3, the residuals should be rectangular distributed, with most of the scores concentrated in the center (along the point 0). Linearity – the residuals should have a straight-line relationship with predicted DV scores.

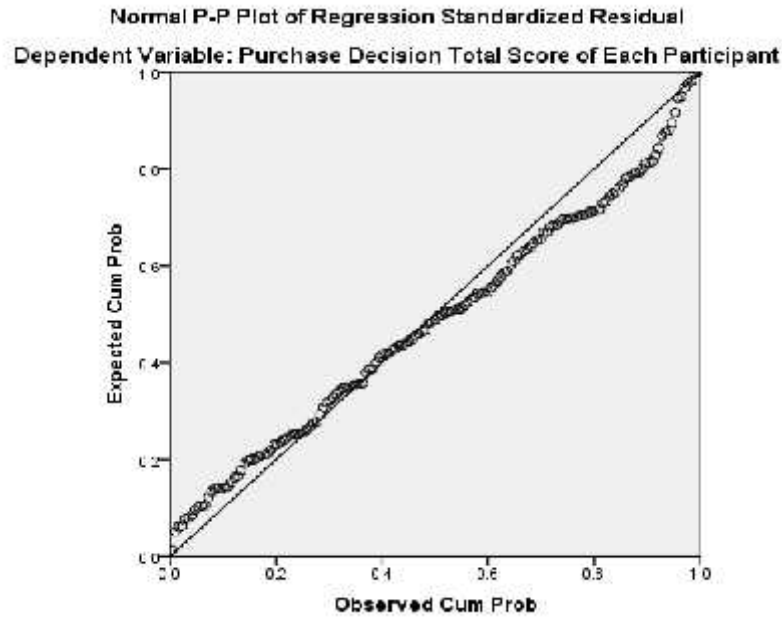


Figure-4.2: Normal P-P plot Standardized Residual versus dependent variable

However, most of the time multiple linear regression analysis are expected to conduct Collinearity statistics, which enables to detect inflated linear relationship gives two values—Tolerance and VIF (variance inflation factor) and tolerance is just the inverse of VIF. Tolerance, which is simply $1 - R^2$. Very low values of tolerance (0.1 or less) indicate a problem. Very high values of VIF (10 or more, although some would say 5 or even 4) indicate a problem. According to Gaur and Gaur (2009), once multicollinearity is detected in the model, the regression coefficients are likely to be meaningless. One may consider removing some independent variables, which are highly correlated to reduce multicollinearity.

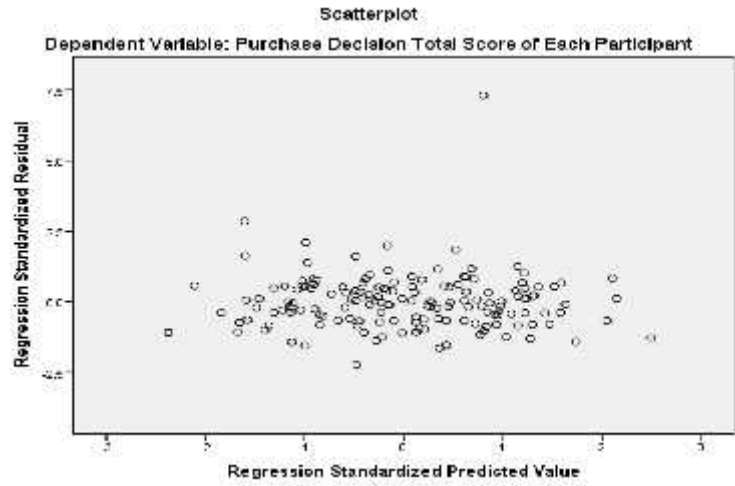


Figure-4.3: Scatter Plot of standardized residuals against dependent variable

From ANOVA test or F-test Table-4.4c below, it is shown that the value of F-ratio is 36.390 with p-value of $p < 0.001$ probability. Due to the F-ratio is 36.390 is greater than the F-table ($F = 2.68$, $df(3, 133)$ at $p = 0.5$), and this statistically significant value of F-ratio give us an assurance that the regression model can be used to predict the purchasing decision making process (the dependent variable) using the psychological factors as independent variables. In other words, all of the independent variables attitude, motivation, perception and learning simultaneously have significant effect on the dependent variable customer’s purchasing decision-making process.

Table-4.4 shows multiple regression analysis between psychological factors (motivation, cognition and attitude) and purchasing decisions. The psychological factors are predictor variables and consumers’ purchasing decision-making processes as criterion variable.

Table-4.4: Regression Analysis of psychological factors and purchasing decision

| Tab.4.4A: Model Summary^b | | | | |
|---|--------------------------|-----------------|--------------------------|-----------------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | 0.699^a | 0.488 | 0.475 | 5.76267 |
| a. Predictors: (Constant), Attitude Total Score of Each Participant, Learning Total, Motivation Total Score of Each Participant, Perception Total | | | | |
| b. Dependent Variable: Purchase Decision Total Score of Each Participant | | | | |
| Tab.4.4B: ANOVA^a | | | | |

| Model | | Sum of Squares | df | Mean Square | F | p |
|-------|------------|----------------|-----|-------------|--------|--------------------|
| 1 | Regression | 4941.186 | 4 | 1235.296 | 37.198 | 0.000 ^b |
| | Residual | 5180.504 | 156 | 33.208 | | |
| | Total | 10121.689 | 160 | | | |

a. Dependent Variable: Purchase Decision Total Score of Each Participant

b. Predictors: (Constant), Attitude Total Score of Each Participant, Learning Total, Motivation Total Score of Each Participant, Perception Total

Tab.4.4C: Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | p | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 8.572 | 2.183 | | 3.927 | 0.000 | | |
| | Motivation | -0.102 | 0.113 | -0.070 | -0.898 | 0.371 | 0.537 | 1.863 |
| | Learning | 0.090 | 0.099 | 0.063 | 0.908 | 0.365 | 0.680 | 1.470 |
| | Perception | 0.413 | 0.134 | 0.269 | 3.091 | 0.002 | 0.433 | 2.307 |
| | Attitude | 1.064 | 0.160 | 0.512 | 6.642 | 0.000 | 0.553 | 1.809 |

a. Dependent Variable: Purchase Decision Total Score of Each Participant

Descriptive Statistics

| | Mean | Std. Deviation | N |
|-------------------------------|---------|----------------|-----|
| Purchase Decision Total Score | 30.4410 | 7.95365 | 161 |
| Motivation Total Score | 15.9938 | 5.49261 | 161 |
| Learning Total | 23.7702 | 5.56018 | 161 |
| Perception Total | 18.0807 | 5.17322 | 161 |
| Attitude Total Score | 13.0373 | 3.82408 | 161 |

The result of the analysis indicated that the correlation coefficient (R), between the predictor variables and criterion variable is 0.699 and R^2 -value of 0.475 shows that the psychological factors (motivation, cognition and attitude account for 47.5% of the purchasing decision-making processes of consumers. In addition, the B-value of the two psychological factors' attitude and perception have positive values of 1.064 & 0.090 respectively indicating they have direct relationship with purchasing decision making. Besides, their (attitude and perception) respective t-test values of $t(160)= 6.642, p = 0.002$ and $t(160) = 3.091, p < 0.001$ (both 2-tailed); meaning the attitude and perception variables have a good predicting power on purchasing decision making processes of cosmetics consumers in the participants of the study. Whereas, the B-value of motivation has negative value, that is -0.102 and its t-test result $t(136)= -0.752$ with p-value at

$p=0.453$ is statistically insignificant and this indicates that motivation is correlated with purchasing decisions but cannot be used to predict future purchasing decision making processes of on the existing consumers. Similarly, the B-value of learning has value of 0.090 and its t-test result $t(160) = 0.908$, $p = 0.365$ is statistically insignificant and this indicates that learning has no predicting effect of on purchasing decision of our respondents.

The general formula of regression “ $Y = \beta_0 + BX$,” where, β_0 (in regression β_0 , is known as constant) is the intercept (the predicted value for Y when $X = 0$) and B is the slope (the number of points that Y changes, on average, for each one point change in X). In our case, the dependent variable (decision-making processes of cosmetic consumers) represented as Y and the independent variables the psychological factors (attitude and perception) are represented by X_i . The slope is given in the “B” column (in the Coefficients of Table-4.4d above) to the right of the name of the variables. SPSS also gives the standardized slope (aka β), which for a bivariate regression is identical to the Pearson r . Therefore, to predict the Y (Purchasing decision) with every change of X s’ in the current participants is written as: $\hat{Y}_i = \beta_0 + B_1X_{1i} + B_2X_{2i}$ where, $i = 1, 2, \dots, n$. Therefore, the regression formula by replacing the coefficients from Table-4.4d is written as follows: {Purchasing Decisions = $8.572 + 0.413$ (Perception) + 1.064 (Attitude)}.

4.5 Effects of Demographic Variables on purchasing decision making

On checking the correlation between the demographic variables and purchase decision-making processes, estimate of consumers’ monthly expenses on cosmetics ($r = 0.306$, $p = 0.000$) and respondents' address ($r = 0.203$, $p = 0.010$) have showed statistically significant correlation values. While checking the mean score of the dependent variable on the categories of each independent demographic values we can sense the differences in the mean values of each group. . Therefore, their predicting effect needs to be analyzed using hierarchical regression. The two demographic variables has been first transformed in to dummy variables of their respective categories in references to the major mean value of the categories. Therefore, in the monthly expenses of respondents, the five categories have been named as Expense=2.0, Expense=3.0, Expense=4.0 and Expense=5.0 with respect to the maximum expense frequency less 300. And

for the address of respondents, the four categories have been named as Address=2.0, Address=3.0 and Address=4.0 with respect to the maximum address frequency Addis Ababa. When we added the demographic variables address and monthly expenses of respondents (i.e. those significantly correlated demographic variables) in to the hierarchical regression block the results displayed in *table-4.5* were achieved. Without the demographic variables, the R and R²-values have been 0.699 and 0.475 respectively, however, after adding the two demographic variables in to the regression model the R and R²-values are 0.746 and 0.523 respectively. This indicates that address and monthly expenses have R² change of 0.048, that is, 4.8% additional influence on the purchasing decision of respondents. Looking into their B-values and their respective t-test values, only Address-3 (small towns) in comparison to Addis Ababa (the reference address) has a statistically significant value $t(160) = 4.198$, $p < 0.001$ but the other dummy variables of address and monthly expenses are not statistically significant.

Table-4.5: Hierarchical Regression of Demographic Analysis

| Model Summary ^b | | | | | | | | | |
|---------------------------------------|--------------------|-----------------------|-------------------|----------------------------|-------------------|----------|-------------------|--------------|------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| | | | | | R Square Change | F Change | df1 | df2 | p |
| 1 | 0.746 ^a | 0.557 | 0.523 | 5.52189 | .557 | 16.775 | 11 | 147 | .000 |
| Table-4.5A: ANOVA ^a | | | | | | | | | |
| Model | | | Sum of Squares | df | Mean Square | F | p | | |
| 1 | Regression | | 5626.390 | 11 | 511.490 | 16.775 | .000 ^b | | |
| | Residual | | 4482.214 | 147 | 30.491 | | | | |
| | Total | | 10108.604 | 158 | | | | | |
| Table-4.5B: Coefficients ^a | | | | | | | | | |
| Model | | Unstandardized Coeff. | | Standardized Coeff. | | t | p | | |
| | | B | Std. Error | Beta | | | | | |
| 1 | (Constant) | | 8.914 | 2.211 | | | 4.031 | 0.000 | |
| | Motivation Total | | -.126 | .113 | | -0.087 | -1.118 | 0.266 | |
| | Learning Total | | .094 | .097 | | 0.065 | 0.966 | 0.336 | |
| | Perception Total | | .398 | .131 | | 0.258 | 3.039 | 0.003 | |
| | Attitude Total | | .990 | .158 | | 0.474 | 6.250 | 0.000 | |
| | Address=2.0 | | 2.215 | 1.573 | | 0.079 | 1.409 | 0.161 | |
| | Address=3.0 | | 11.983 | 2.854 | | 0.235 | 4.198 | 0.000 | |

| | | | | | |
|-------------|-------|-------|--------|--------|-------|
| Address=4.0 | -.212 | 3.278 | -0.004 | -0.065 | 0.948 |
| Expense=2.0 | .785 | 1.124 | 0.043 | 0.698 | 0.486 |
| Expense=3.0 | 2.910 | 1.744 | 0.100 | 1.669 | 0.097 |
| Expense=4.0 | .941 | 1.601 | 0.036 | 0.588 | 0.557 |
| Expense=5.0 | 1.301 | 1.508 | 0.055 | 0.863 | 0.390 |

Table-4.5C: Descriptive of Expenses versus Purchase Decision

| Roughly monthly expenses on cosmetics | Purchase Decision Total Score | | | |
|---------------------------------------|-------------------------------|-----|----------------|--------------|
| | Mean Scores | N | Std. Deviation | % of Total N |
| Less than 300 | 28.1045 | 67 | 7.01543 | 42.1% |
| 300 – 500 | 29.2195 | 41 | 7.04809 | 25.8% |
| 600 – 800 | 35.6923 | 13 | 13.67104 | 8.2% |
| Around 1000 | 34.8235 | 17 | 5.60396 | 10.7% |
| More than 1000 | 33.2857 | 21 | 6.50494 | 13.2% |
| Total | 30.4151 | 159 | 7.99866 | 100.0% |

Table-4.5D: Descriptive of Address versus Purchase Decision

| Respondents' Address | Purchase Decision Total Score of Each Participant | | | |
|----------------------|---|-----|----------------|--------------|
| | Mean | N | Std. Deviation | % of Total N |
| Addis Ababa | 29.8633 | 139 | 7.03841 | 86.3% |
| Kilil Capital City | 31.6000 | 15 | 6.36733 | 9.3% |
| Small Town | 45.2500 | 4 | 21.57738 | 2.5% |
| Rural | 31.6667 | 3 | 13.65040 | 1.9% |
| Total | 30.4410 | 161 | 7.95365 | 100.0% |

4.6 Variance Analysis of Demographic Variables and Psychological Factors and Decision Making Process

ANOVA analysis of each demographic variables along psychological factors, and purchasing decision-making process has been conducted and the results of the analysis found no statistically significant difference has been detected. The analysis is arranged by the demographic variables such as: age, education, occupation, monthly, income, marital status, no. of children, address and monthly expenses of respondents as independent variable (their groups as components of the ANOVA Factors) and the psychological factors, and purchasing decision-making process as components of the dependent variable. All the variance analysis results were statistically

insignificant and results of the analysis are presented in Appendix-IV and these results comply with the hierarchical regression analysis of the demographic variables.

Chapter-Five

Discussion

5.1 Discussion

Findings of the study showed that the average spending of cosmetic products consumers (n=161) lies in the range of 500 – 800 Birr per month. The relationship between the psychological factors and consumers' purchasing decision-making processes are statistically significant correlated ($p < 0.001$, 2-tailed), and also the r- value increases in magnitude from motivation to perception, then decrease from perception to learning finally rises to its maximum value from learning to attitude (i.e. 0.425, 0.575, 0.392 and 0.662) with p-value of 0.01 respectively.

Analysis of correlation between demographic variables and the dependent variable, with the exception of monthly expenses and address of respondents, which significantly correlated with purchasing decision ($r = 0.203$ and $r = 0.306$ with $p = 0.01$ at two-tailed respectively), most of the demographic variables are not significantly correlated. The monthly expense strong relationship with all the dependent variables indicates that the consumers buying behaviors might be highly influenced by economic factors. This means, if we are economically able to spend money on cosmetic products our psychological tendency to buy cosmetic products might increase. Furthermore, the relationship between the three pairs achieved are educational background vs. attitude (0.169) and this positive relationship shows that women with more

educational background have positive attitude with the use of cosmetic products. Again, the number of children shows an opposite and moderate correlation with motivation (-0.184, $p=0.05$), that hints that as women childbirth increases they are less motivated on cosmetic products. Whereas, respondents' address vs. purchase decision (0.203) correlated strongly with p -value of 0.01 (two-tailed) and this might tell us that women who reside in big cities have more opportunities (economical and access) to purchase cosmetic products.

As the major objective of the study, the effects of psychological factors on purchasing decisions making processes the regression analysis showed that psychological factors correlate with the purchasing behavior of cosmetic products with R -value of 0.699 (69.9 % of relationship). In addition, R^2 value of 0.475 meaning the psychological factors account 45.1% of the consumers' behavior in decision making during purchasing cosmetics products. However, addition of two demographic factors (monthly expenses on cosmetics and address of the consumers) that were significantly correlated with purchasing decisions, into the regression model indicated that these variables increased the R^2 to 0.557 (55.9%). Nevertheless, the rise of the coefficient by 0.048, except for small towns respondents, their t -test values were insignificant. This means, in our sample respondents from small towns (more beta value of 0.235 than Addis Ababa) and Addis Ababa have influenced by their address in their purchasing decision making process. Besides, the psychological factors, that is, motivation and learning, did not have significant t -test value for their respective B -values achieved. Therefore, respondents of the current study, their purchasing decision processes can be predicted only by the psychological factors perception and attitude. whereas attitude and cognition (perception and learning) showed statistical significance with B -values of 1.079 and .196 respectively, which gave rise to the regression formula of {Purchasing Decisions = 9.080 + 0.413 (Perception + 1.064 (Attitude).

In the current study, perception and attitude are the statistically significant predictors of purchase decision and respondents are also influenced by their address they reside in purchasing cosmetics. However, motivation and learning did not show statistically significant influence on purchasing behavior of the research participants. Regarding the influence of motivation on consumers decision-making behaviors, several studies indicated that being correlated with most of independent variables, its influence to predict fails sometimes with most variables and sometimes with specific variables. A study by Azad, Sadat, & Esmail M. (2014), on the

relationship between individual psychological factors with consumer behavior, the correlation of motivation with consumer behavior in relation to age differences was strongly significant; however, the variance analysis of motivation with consumer behavior indicated statistically insignificant outcomes; while emotion and cognition produced highly significant results. Another study on the impact of psychological factors on purchasing intention of female consumers of agar bead indicated that other factors (attitude, learning and perception) was fully able to predict the purchasing intention but for motivation the love and belongingness of consumers towards agar beads failed to predict the purchasing intentions of consumers (Srisutto, 2016). In our case, learning also did not produce statistically significant power to predict the purchasing behavior of our participants and this is a major concern, in that consumers of cosmetic products are utilizing these products without having appropriate basic knowledge. According to a study by Srisutto (2016) indicated that consumers' purchasing decisions need to be based on some basic knowledge of the cosmetic product they use. Even though it is difficult to generalize from our current study, if consumers are using cosmetic products without the basic knowledge (such as usage and side effects) its consequences could be devastating one. The predicting power of motivation and learning on consumers buying behaviors and decision-making processes require comprehensive study through by detailing the motivating factors such as internal versus internal, physiological versus esteem motivators...etc.

The variance analysis (ANOVA) between the demographic variables and psychological factors including purchasing decision-making processes showed no statistical significance results and this could be due to the similarity of the participant and also the sample area has been limited to a very small area of Addis Ababa, Bolie sub city.

5.2 Limitations of the Research

The major limitation in this study has been in the sampling process. First, the data to be collected has been planned to achieve sample size of 248 respondents. According the plan, the researcher distributed more than 250 questionnaires assuming 80% (200 participants) of the questionnaires could be retained successfully. Unfortunately, only 178 questionnaires are gained, out of which 17 more questionnaires were discarded due to lack of complete data and presence of biased information. Secondly, the participants were reluctant in responding to item numbers 6 (other

motive for using cosmetic products), 13 (Other ways of learning) and 20 (Other criteria in perception). This qualitative information would have been extremely useful for further understanding of the psychological factors. Finally, the participants of the current study is delimited to female cosmetics consumers. Therefore, in addition to the scope and limitations of the study presented in the introduction section of the thesis, these limitations confines the study to be generalizable only to respondents of the study.

5.3 Suggestions for Further Research

The current study might contribute little on the psychological factors on the purchasing decision making processes of consumers, but, provides important clues to the understand the effect of psychological factors on cosmetics consumers' purchasing behaviors. The outcome of the research can be used by future researchers, at least as preliminary considerations in understanding why women purchase cosmetics products and their psychological tendencies in the decision making during purchasing a product. Furthermore, the study could be used as a leaping ground for studying the total affecting factors of consumers' purchasing behaviors of cosmetics. The other further research in relation to the current study is the way consumers learn about (knowledge of cosmetic products) and motivating factors of cosmetics buyers that makes them to commit purchasing. Looking into the purchasing decision processes, motivation might be highly related in the first two stages (i.e. need recognition and search for information) but might not be important in the later stages of the decision making process. However, the knowledge of consumers on cosmetics products is a very essential factor that needs comprehensive future study because committing to purchase cosmetics could have serious consequences on the health of consumers. Therefore, the influence of learning and motivation in the processes of purchase decision making needs further study in wider population that focuses on the learning and motivating factors of consumers.

Chapter-Six

Conclusion and Recommendation

6.1 Recommendations

As the result of the current study indicates, of the psychological factors assessed attitude and perception are the strongest predictors of consumers' buying decision-making processes. Motivation and learning did not yield statistically significant to influence consumers buying behavior. Even the result of the current research is interpretable to the current participants, but it might provide a hint that considerable part of the population utilize cosmetic products with external influences (such as advertisements, social desirability, peer influence...etc.) without own internal motive and knowledge of the product to utilize. In contrary, cosmetics products' trade observed in all sorts of shops including street vendors that adversely affect the safety and standard of cosmetic products, which further compromises safety of consumers. Besides, those licensed marketers have limited knowledge of the cosmetics products they import and distribute these products and still they actively strive and promote their products. Therefore, in addition to the limitations of the current study, stakeholders (marketers, regulatory bodies, health service providers, and policy makers) need to consider the following recommendations.

- Consumer awareness growing activities such as how to buy, where to buy, and the procedures and safety measures required in usage, storage and distribution of cosmetics.
- Implement or improve the procedures of importing, quarantining and controlling mechanisms of imported cosmetic products.
- Limit the sales of cosmetic products to licensed firms and professionals and standardize the regulations related to cosmetic products.

- Limit the rules of cosmetics advertising in media outlets and educate the population on safe use of cosmetic....etc.

6.2 Conclusion

As the title of the research indicates – the effects of Psychological Factors on Consumer Buying Behavior of Cosmetic Products – the estimate monthly expenses of participants, the relationship among psychological factors, purchasing decision-making processes and demographical variables and the effects of psychological factors is accomplished. The average monthly expenses of participants ranges from 600 to 800 Birr. The result of the correlation analysis of the relationship between psychological factors and purchasing decision-making processes is statistically significant. Therefore, Correlation between the demographic variables and psychological factors including purchasing decision-making process showed that the monthly expenses of consumers has strongly correlation with all the dependent variables. On the investigation of the effects psychological factors on purchasing decision making process of cosmetics consumers, the regression analysis results indicates that the psychological factors account for 47.5 % of the consumers' behavior in decision making processes. Besides, attitude and perception showed statistically significant predicting power with B-values of 1.064 and 0.413 respectively; but learning and motivation are statistically insignificant in influencing purchasing behavior of consumers. Therefore, if consumers' motives for cosmetic products and consumption of these products lacks basic knowledge such as usage and side effects, its consequences could be devastating and irreversible one.

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