



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT

**FACTORS AFFECTING CONSUMER BUYING DECISION ON ORGANIC
FOODS.**

(In The case of Knorr Shiro produce by Unilever Manufacturing plc)

By Azeb Getachew

Addis Ababa, Ethiopia

May, 2024

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Approved by Board of Examiners

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Signature

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Statement of Declaration

I hereby declare that factors affecting consumer buying decision on organic food, in the case of Knorr Shiro produced by Unilever Ethiopia manufacturing plc is fully the work of Azeb Getachew. I have carried out the present study independently with the guidance and support of the research advisor, Dr. Tewodros M. Also, any other contributors or sources have either been referenced in the prescribed manner or are listed in the acknowledgements together with the nature and the scope of their contribution. And the study has not been submitted for award of any Degree or Diploma Program in this or any other Institution. It is in partial fulfillment to the requirement of the program master's degree in marketing management.

Azeb Getachew

Date: May, 2024

Abstract

This study examines the factors affecting consumer buying decisions on organic foods, in the case of Knorr Shiro produced by Unilever Ethiopia Manufacturing PLC. The research identifies key variables, including price, taste, brand image, health consciousness, and distribution, and assesses their impact on consumer behavior. Data was collected from a sample of Knorr Shiro consumers with sample size 295, revealing that all five factors significantly affect purchasing decisions. Price with coefficient of (-0.459) is the only factor that have a strong negative or inverse relationship with buying decision, which leads to considering a competitive pricing strategy to increase buying decision of the product. Distribution (0.218) was found to be the most positive influential, highlighting the importance of distribution strategies. Next to distribution Brand Image (0.163) and health consciousness (0.150) also emerged as critical factors, suggesting the need for building a strong brand reputation and clear communication of health benefits of the product. Additionally, improving taste (0.147) of the product were recommended. The study provides actionable insights for Unilever Ethiopia to bolster its market position and drive sales growth by addressing these key determinants of consumer buying decision.

Keywords: Price, Taste, Brand image, Health consciousness and Distribution, Consumer buying decision.

Acronyms/Abbreviations

SPSS: Statistical Package for Social Sciences

et. al: and others

PLC: Private Limited Company

ANOVA: Analysis of Variance

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CHAPTER ONE

1 INTRODUCTION

The global food landscape is witnessing a transformative shift as consumers increasingly prioritize health, sustainability, and ethical considerations in their purchasing decisions. One notable manifestation of this trend is the growing interest in organic foods, which are perceived to offer not only health benefits but also align with environmental and ethical values. With this regards it is quite important to study the behavior of consumers in their purchasing decision patterns, (Wilhem, Jung, 2020).

1.1 Background of the study

Consumer behavior is very wide area of study field. It refers to the behavior that customers show during purchasing, using, and disposing of a certain product. Consumer behavior is the most important area in all business industries the purchase of any product or service is fully depends on the purchasing behavior of consumers, understanding this behavior in changing marketing environment is a key success for marketer, to acquire more market share and to handle competition. Consumer behavior includes the number of processes, stages of decision making, and activities in which consumer make decision of buying, using, and disposing off the products after usage or fulfillment of needs (Blackwell et al. 2006). Consumer behavior is a decision-making process in which people make their purchase and other decisions keeping in view the available resources which are efforts, time and money (Schiffman and Kanuk, 2000). The decision is based on consumer preferences and consumer has his/her own preferences which may differ from each other (Blackwell et al., 2006). Consumers' buying decision for products arise from the combination of many different factors. Some factors come from features of the product itself (e.g., price, durability), while others are attributes of consumers themselves (e.g., goals, attitudes, discretionary income), (Venkatraman, Clithero, Fitzsimons, and Huettel, 2012).

Marketing mix tools plays a greater role in affecting consumer buying decision. Marketing managers plan a marketing strategy taking into consideration all the marketing mix. For every business organization it's very essential to understand the concept of marketing mix. Marketing

mix can also be interpreted as a set of marketing means executed by organizations to get reply from the target market.

In essence of marketing mix, it is important to manage the marketing mix so that it can impact consumer buying decisions. From the Marketing Mix variables, the researcher picks **price, distribution, brand image, Test** of a product & **health consciousness** to see their effect on consumer buying decision making process. For brand image it's related with promotion as well as product and for health consciousness and test part it is also related to product mix.

Organic food

Consumption of organic food in Ethiopia is increasing from time to time. One of the organic and very popular staples food is Shiro, Shiro is a staple vegetarian and gluten free dish in Ethiopian cooking. Ethiopian cuisine and beverages boast a rich heritage that dates back to the initial innovation of crop cultivation. These meals and drinks play an integral role in various cultural events such as celebrations, festivals, communal events, funerals, and as a gesture of hospitality for esteemed visitors. (Zeru et al., Journal of Ethnic Foods, 2023). Shiro flour, a blend of roasted fava beans, chickpeas, grass peas, field peas, and aromatic spices, holds a significant and esteemed position in Ethiopian culture. It serves as a key ingredient in traditional Ethiopian cuisine. Shiro flour, stew is typically prepared by Ethiopian mothers and women in their homes. Due to the growth of urbanization and modernization societies, especially those who are living in cities are finding difficult to prepare Shiro flour in the traditional way as it will require a longer time and space for the preparation process. And many businesses are participating in this sector to fulfill the demand of those targeted consumer by providing Shiro flour and different organic food products.

1.2 Background of the organization

Unilever Ethiopia manufacturing plc is one of the leading suppliers of detergent and food products in Ethiopia. The company has more than 500 employees and 51 key distributors across the country. Unilever Ethiopia launched Knorr Mitin Shiro, a new stock cube powder inspired by local dish Shiro wat (Ethiopian-style chickpea stew).

In this study, factors that affect consumer buying decision making such as Price, Distribution, Brand image, Health consciousness and Taste of the product was discussed. Therefore, the

researcher chooses consumers found in Addis Ababa city that purchase Shiro flour specifically for Knorr Shiro as a research subject.

1.3 Statement of the problem

The consumer buying decision process is a complex interplay of various factors that significantly influence individuals' choices. In the dynamic landscape of contemporary markets, understanding the intricacies of consumer behavior is imperative for businesses striving to thrive and remain competitive. Consumer behavior research allows for improved understanding and forecasting concerning not only the subject of purchases but also purchasing motives and purchasing frequency (Schiffman & Kanuk, 2007).

Several studies have been conducted regarding consumers buying decision and the factors affecting them. Aceborn et al. (2000) tried to study and investigated the factors affecting the buying behavior of consumers in case of fresh foods. In his findings the two factors were personal factors and previous experience in which these factors have direct impact on consumer buying decision. Also, the researcher has found out that the image of the product has a crucial impact on purchasing decision. Another study by Thatteet al. (2016), on buying behavior on organic food item , educational qualification and Organic food consciousness is inextricably related, and customers with higher incomes are also able to pay a premium price for organic food items. A research by Ms.Nidhi Sharma and Dr.Shweta Bhatia on Consumers' Buying intention towards Organic Food Product and in their study they conclude that factors like Income of the household, gender and educational background have impact on the attitude and intention of consumers towards organic food product purchase.

As it is known consumer's awareness and knowledge of organic foods is increasing because of customer's education, urbanization, and development of a medication facilities from time to time. Consumers evaluate the brands of their preference to make purchasing decision. It is quite important for consumers to distinguish and made a purchasing decision on organic Shiro products. Even though, there are several studies conducted on what factors determine the buying behavior of consumers on organic foods, due to the vastness of the topic, the researcher believes that there are no adequate studies conducted specifically in Ethiopian organic food consumption trend and what factors affecting the consumers in buying of organic foods specifically Knorr Shiro.

Therefore, this study aims in addressing factors determining consumer buying decision for specifically Knorr Shiro product in Addis Ababa Ethiopia by understanding the whole process of consumer decision making by analyzing relating factors like, Price, Distribution, Brand image, Taste, and Health consciousness.

1.4 Research Question

1.4.1 General Research question

What are the factors that affect consumer buying decision on organic foods specifically to Knorr Shiro.

1.4.2 Specific research questions

- How does price influence the consumer buying decision of Knorr Shiro?
- In what manner Distribution influence the consumer buying decision of Knorr Shiro?
- What is the effect of brand image on consumer buying decision of Knorr Shiro?
- What is the effect of health consciousness on consumer buying decision of Knorr Shiro?
- What is the effect of Taste on consumer buying decision of Knorr Shiro?

1.5 Objective of the study

1.5.1 General Objective

- The general objective of the study is to investigate factors affecting consumers buying decision of Organic foods, specifically of Knorr Shiro.

1.5.2 Specific Objectives

- To examine the relationship between price and consumer buying decision in the case of Knorr Shiro
- To examine the relationship between distribution and consumers buying decision in the case of Knorr Shiro.
- To examine the relationship between brand image and consumers buying decision in the case of Knorr Shiro.
- To examine the relationship between health consciousness and buying decision in the case of Knorr Shiro.

- To examine the relationship between Taste and buying decision in the case of Knorr Shiro.

1.6 Hypothesis

- H1: price has negative relationship with the consumer buying decision of Knorr Shiro.
- H2: Taste has a positive relationship with consumer buying decision of Knorr Shiro.
- H3: Brand Image has a positive relationship with consumer buying decision of Knorr Shiro.
- H4: Health consciousness has a positive relationship with consumer buying decision of Knorr Shiro.
- H5: Distribution has a positive relationship with consumer buying decision of Knorr Shiro.

1.7 Significance of the study

This study aimed at identifying whether Price, Taste, Brand Image, Distribution and Health consciousness affects consumer buying decision of Knorr Shiro.

The findings of this study might help mainly for the organic food specifically Shiro producers (Manufacturers), wholesalers, retailers, etc. Today the awareness and knowledge of consumers related to organic food consumption is increased due to globalization and standard of living, as the awareness increased customer decision making will be influenced. The information can be used to develop and implement strategy based on consumer preference and choice, by enabling producers (companies) in the sector to clearly see the factors that affect consumer buying decision making, by focusing on the factor which has high impact on buying decision process, which result in increasing of demand for their product. Therefore, the finding of this study might lead Marketing managers as well as strategists to point out factor which has high impact on consumers buying decision and it might be very easy to implement strategy that help the producers (companies) to achieve good result in the sector market and also be used as a reference for those who want to do additional study in the area.

1.8 Scope and delimitation of the study

Scope of the study covers the area of Addis Ababa, Ethiopia. The scope of the study regarding buying decision is wide scope, in many related studies, the most researched buying decision factors are cultural, social, personal, and psychological factors. This study investigated mainly, the factors that affect consumer decision making of locally organic foods specifically Knorr Shiro. The selected factors were price, brand image, taste, health consciousness, and distribution. The data was collected through survey method. The population of the study was consumers who consume locally organic product specifically Knorr Shiro. The study adopts convenience sampling technique. The data was collected from primary, and the collected data was analyzed by SPSS.

1.9 Organization of the paper

The document is structured into five distinct sections. The first chapter provides an introductory overview of the thesis. The second chapter delves into the review of both theoretical frameworks and empirical studies. The third chapter details the research design and methodological approach. The fourth chapter presents the data analysis and discusses the results. The final chapter, Chapter Five, offers a summary, draws conclusions, and puts forth recommendations. Supplementary materials are included in the appendices, which are attached to the document.

CHAPTER TWO

2 LITERATURE REVIEW

2.1 Theoretical framework

Consumer Buying Behavior

According to Armstrong et al. (2014), consumer buying behavior refers to the act of purchasing goods and services for personal consumption exhibited by final consumers, which includes individuals and households. The consumer market encompasses all buyers, collectively referred to as final consumers, who possess different levels of purchasing power when it comes to acquiring goods and services. These final consumers comprise both humans and non-living beings from all over the world, ranging in age, economic level, educational level, gender, and taste (Chaipradernsak, 2007). Engel, et al., (1986, p. 5) defined consumer behavior as those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine these acts. It is worth noting that consumer buying behavior is studied as a part of the marketing and its main objective is to learn the way how the individuals, groups or organizations choose, buy, use, and dispose the goods and the factors such as their previous experience, taste, price, and branding on which the consumers base their purchasing decisions (Kotler and Keller, 2012). According to the definition of American Marketing Association (2007), consumer buying behavior is a dynamic interaction regarding impression and perception, behavior, and common natural events, through which human beings direct the change taking place in their lives. And as for (Batra & Kazmi, 2004), Consumer behavior is a mental and an emotional process and the observable behavior of consumers during searching, purchasing and post consumption of a product and service. According to Hoyer and MacInnis (2010), consumer behavior is the study of when, why, how, and where people do or do not buy products. It blends elements from psychology, sociology, social anthropology, and economics. Hawkins, Best, & Coney examined numerous factors that impact consumer purchasing behavior, including demographic elements and social factors like family, influence of groups, effects of advertising, and internal factors such as learning, perception, and attitudes. The success of a product relies heavily on how effectively companies respond to and cater to consumers tastes and

preferences. People have different reasons to buy a same product, for instance, trying with interest or satisfying actual needs (Grunert, 1988).

2.1.1 Consumer Behavior Model

Consumer behavior model address two different aspects, the first one is how do consumers make decisions about acquisition, usage, and disposition of an offering and what factors influence or affect these decisions. Consumer behavior model divides in to two ways: Traditional and contemporary aspect. The traditional consumer behavior model consists of four models: the Learning Model, Psychoanalytical model, Sociological model, and Economic Model. And the other one is the contemporary consumer behavior model. For this aspect of consumer buying behavior, market researchers have extensively studied consumer behaviors, exploring various models such as the Nicosia model, Howard-Sheth model, EKB model, Sheth-Newman-Gross model, and others. These models highlight the Consumer Decision Process as a crucial aspect of consumer behavior contemporary.

2.1.1.1 Traditional consumer behavior model

Traditional consumer behavior model was developed by different economists hoping to understand what consumers purchase based on their needs and wants.

✓ The Learning Model of consumer Behavior

This theory states that buying behavior of individuals will show a desire to satisfy basic needs that require for survival, like Food, shelter etc. consumers first make purchases to satisfy the basic needs and move on to the learned needs. This theory originally based on the idea of Maslow Hierarchy of needs.

✓ The Psychoanalytical model of Consumer behavior

This model was developed on the theory of Sigmund Freud and states that individual consumers have a motive both conscious and unconscious, that drive them to make a purchase. These unconscious factors can be traced back to early childhood experiences and the development of individuals' personality structures. As consumers, we are not always aware of these unconscious influences, but they play a significant role in shaping our preferences, emotions, and behaviors.

✓ **The Sociological model of Consumer behavior**

The sociological model of consumer behavior provides an expansive view of how individuals' purchasing decisions are influenced by their societal and cultural contexts. This model posits that individual psychological factors are just one part of a broader set of influences on consumer behavior, which is also significantly molded by social and cultural factors. According to this model, the choices consumers make are impacted by various social entities, including families, friends, workgroups, etc. It highlights how social norms, cultural traditions, reference groups, and societal structures affect consumer decision-making. In exploring the interactions between individuals and their societal environment, the sociological model aims to elucidate the intricate forces at play in shaping consumer actions and preferences.

✓ **The Economic model of Consumer behavior**

This consumer behavior model is the most straightforward type of traditional consumer behavior. It assumes that consumers are rational beings who aim to maximize their overall satisfaction or utility, given their limited resources. The model focuses on the decision-making process of a rational consumer, who prioritizes financial aspects when choosing what to buy. According to the model, the primary goal of an individual is to maximize their satisfaction or utility while minimizing their monetary expenditure to satisfy their needs and desires. This model provides a fundamental framework for comprehending market demand and assists companies and decision-makers in formulating production plans, pricing policies, and marketing approaches.

2.1.1.2 Contemporary model of consumer behavior

Contemporary model of consumer behavior focuses on rational and deliberate decision-making process. There is different model that states the contemporary buying behavior.

2.1.1.2.1 Howard Sheth Model of Consumer Behavior

The theory of buyer behavior was first developed by Howard in 1963 and in 1969 the theory was developed further by Howard and Sheth and became known as the “Theory of Buyer Behavior” or the Howard and Sheth model (Howard and Sheth 1969). According to the model, consumer behavior is a complex process that involves the integration of various social, psychological, and marketing influences, resulting in a coherent sequence of information processing. The theory of

buyer behavior consists of several components, including inputs, exogenous variables, interfering variables, and outputs. Inputs are in the form of stimuli, while outputs encompass the stages from attention to a specific stimulus to the final purchase decision. In between the inputs and outputs, there are variables that impact perception and learning. These variables are referred to as hypothetical because they cannot be directly measured when they occur. The primary objective of Howard and Sheth in developing this model was to create a robust framework that could be applied to measure a wide range of buying scenarios.

2.1.1.2.2 Engel- kollar-Blackwell Model of Consumer Behavior

This model is “structured around a seven-point decision process: need recognition followed by a search of information both internally and externally, the evaluation of alternatives, purchase, post-purchase reflection, and finally, divestment” (Solomon, Russell-Bennett, & Preville, 2012). This Model of Consumer Behavior incorporates many items, which influence consumer decision-making such as values, lifestyle, personality, and culture. The process of evaluating alternatives before making a purchase decision involves exploring available options based on beliefs, resource availability, environmental factors, and other relevant factors. Once the evaluation is complete, the consumer selects and purchases a product or service based on its perceived utility. Following the consumption, the consumer engages in post-consumption analysis, often referred to as feedback, where they assess their satisfaction and overall experience. The final stage, divestment, acknowledges that there will come a time when the product or service will no longer be needed and will be disposed of. This stage is considered peripheral to the overall process of consumer behavior.

2.1.1.2.3 Black Box Model of Consumer Behavior

This model is also known as the stimulus response model. A consumer internalizes an external stimulus (Promotion), such as a company's commercial. They then process this information and compare it to their personal interests to form a purchasing decision. (Kotler et. al 2005). Consumers are the ultimate problem solvers in this model, they will make a decision after how the product satisfies their existing belief and needs. most consumers buy products after understanding how they benefit their lifestyle.

2.1.1.2.4 Nicosia Model of Consumer Behavior

The Nicosia model of consumer behavior, developed by Francisco M. Nicosia in the 1960s. While the model places significant emphasis on the company and its marketing techniques as the primary influence on consumer purchase decisions, it is important to note that other factors also play a role in shaping consumers' opinions about a product and their ultimate decision. Although marketing techniques do have an impact on consumers, it is crucial to recognize the presence of additional factors that contribute to the consumer's overall perception and final choice. This model gives more emphasis on how a business or a company marketing messages determine whether a customer buys or refuses. It has been widely used and referenced in the field of marketing, although it has also received critique and has been further developed and expanded upon by other researchers over the years (Rau & Samiee, 1981). Basically, it incorporates four factors: business and consumer characteristics, Search and evaluation, Purchase decision and Feedback.

2.1.1.2.5 Webster and Wind Model of Consumer Behavior

This model is a B2B (Business to Business) buying behavior model, that states or studies how organizations exhibit a buying behavior. According to this model, there are major four variables that affect the buying behavior of organizations or companies. (Webster , 1996, Vol 4).

- ✓ Environmental
- ✓ Organizational
- ✓ Buying place and
- ✓ Individual

2.1.1.2.6 Hawkins Stern Impulse Model of Consumer Behavior

This model was developed by Hawkin's stern in 1962. The model proposed a comprehensive understanding of the average consumer by incorporating both rational purchasing decisions and sudden buying impulses. It acknowledged that impulse purchases, driven primarily by external stimuli, do not align with traditional decision-making processes. Stern argued that consumers engage in impulsive buying behaviors under the influence of external forces. This perspective suggests that marketers could persuade consumers to exceed their initial plans and make unplanned purchases (Dutta and Mandal, 2018). One significant contribution of Hawkins Stern's model is the

categorization of impulse buying behavior, which includes Pure impulse buying, Reminder Impulse buying, Suggested Impulse buying, and planned impulse buying (Shapiro, 2015).

2.1.2 Consumer Buying decision and Process.

Buying Decision: The process of making common decisions often involves several steps. According to Kotler (2008), consumer interest is a behavior of consumers and wants consumers to want to buy or choose a product, based on their experience in selecting, using, and consuming or wanting to make a product. According to Nugroho J. Setiadi (2008), decision making for consumers is the process of integrating knowledge to evaluate two or more alternative behaviors and choosing one of them. Purchase consumer decisions on what is purchased, whether to buy, when to buy, where to buy, and how the payout (Sumarwan, 2003). Defines the consumer as a decision as an act of ownership of two or more alternative options (Sumarwan, 2003). The extent of consumer involvement in a purchase is influenced by various stimuli. It refers to whether individuals perceive a particular product or service as significant and play an active role in the decision-making process. Consumer involvement can vary, with some individuals displaying high involvement, while others exhibit low engagement when making a purchase. The actual buying decision is influenced by the reasons behind and the manner in which an individual's attitude shapes their consumer behavior. According to Swastha (2008), any decision includes several components:

- 1) Choose Products
- 2) Select Brands
- 3) Selecting Sellers
- 4) Selecting the time of purchase
- 5) Choose the Amount of the Purchase

Consumers around the globe differ in income, age, educational background, and their preference. Also, Consumers to fulfill their needs and want they go through process to purchase product or service. These processes are called consumer buying decision process for decision making regarding market transactions before, during, and after the purchase of a product. Consumers buying decision process and has five stages. The stages of the buying decision process were first introduced by Engel, Blackwell and Kollat in 1968. According to Blackwell et al. (2006), the five

stages of consumer-decision making process were Awareness, information search, evaluations of alternatives, purchase decision and post purchase evaluation.

- ✓ **Awareness:** This is where consumers initially recognize their desire for a product or service. Advertisements usually initiate this stage. According to Bruner (1993), first stage, need recognition occurs when an individual recognizes the difference between what they have and what they want/need to have.
- ✓ **Information processing:** Consumers evaluate the value of the product and how it may meet their needs during this stage. According to Rose and Samuel (2009), information search process can be internal and external.
- ✓ **Evaluation:** This stage involves researching the product and evaluating whether better alternatives exist in the market. Kotler and Keller (2005) consider this stage as one of the important stages as the consumer considers all the types and alternatives considering the factors such as size, quality, and price.
- ✓ **Purchasing decision** refers to the point at which consumers make a purchase based on the product that offers the greatest value, which can be determined by factors such as the lowest price or the highest quality. Backhaus et al. (2007) suggested that purchase decision is one of the important stages as this stage refers to occurrence of transaction.
- ✓ **Outcome analysis:** During this stage, consumers engage in an evaluation process where they assess both the positive and negative elements of their purchasing experience. After a period of product usage, they typically make a decision regarding whether to continue using the product, return it, or consider purchasing another product from the same company. Neal et al. (2012) argues that it is perhaps one of the most important stages in the consumer decision making process as it directly affects the consumers' purchases of the same product or service from the same supplier in the future.

2.1.3 Marketing Mix

The marketing mix is one of factors influence the purchasing decisions of consumers. According to Kotler and Amstrong (2010), the marketing mix is a set of marketing tools used by companies to achieve its marketing objectives. The 7P marketing mix is incorporated in a modern marketing system, i.e., product, price, place, promotion, people, physical evidence, and process (Lovelock, 2011). Marketing mix describes the set of tools that management can use to influence sales.

Marketing mix are factors that are controlled and can be used by marketing managers in order to affect sales or it could also be interpreted as the company's revenue. Kotler (2007) defines that the marketing mix is a set of marketing tools used by a company that continues to achieve its marketing goals in the targeted market.

The traditional Marketing Mix are those ones called the 4 Ps; that is Product, Price, promotion and Place. The extended marketing mix are called the additional 3ps on the traditional marketing mix, they are People, Process and Physical evidence.

- **Product:** According to Kotler (2007), product defined as something that can be offered in a market to meet the needs or wants. The product includes a physical object, services, people, places, organizations, and ideas (Kotler and Armstrong, 2005). Products can be measured through Product Variation, Quality of the product, Product design, Guarantee (warranty) offered, Brand, Design, Nature, and attributes characteristic (Kotler, 2007).
- **Price:** Price can be defined in various ways, and according to Kotler, it represents the monetary value assigned to a specific product. The responsibility for setting the price lies with the company itself. In smaller organizations, top management typically has the authority to establish the price. The pricing mix encompasses factors such as competition, costs, markups, discounts, and geographical considerations. It is important to note that even if all other elements of the marketing mix are executed flawlessly, an incorrect price can deter customers from making a purchase. Therefore, a well-rounded marketing plan should take into account factors such as price flexibility, lifecycle pricing, discount allocation, and transportation costs (Perrault, Jr., and McCarthy, 2004).
- **Promotion:** - Promotion plays a crucial role as a marketing variable that companies must prioritize when promoting their products and services. Its significance extends beyond mere communication between businesses and consumers, as it serves as a powerful tool to influence consumer behavior and fulfill their desires and needs. The use of promotional activities effectively facilitates this process (Lupiyoadi and Hamdani, 2006).
- **Place:** - Place of service in the combination of allocation and decision making of distribution, in relation to the relationship between the target and consumers of strategic location (Lupiyoadi, 2006). According to Kotler (2007), there are levels in distribution

channels based on the number intermediary: Zero-level channel, One-level channel and Two-level channel.

- **People:** - The "people" component encompasses various elements, including company employees, consumers, and other customers. The attitudes and actions of employees, as well as their attire and appearance, collectively contribute to the overall success of service delivery. These factors shape the buyer's perception and experience with the service.
- **Process:** - Encompass the tangible procedures, mechanisms, and activities involved in delivering services. This element holds significant meaning in the context of service delivery. The process component plays a crucial role in the service marketing mix as it directly impacts customer satisfaction. Service customers appreciate a well-designed service delivery system that seamlessly integrates with the service itself, enhancing their overall experience. The effectiveness of the process contributes to customer happiness and perception of the service.
- **Physical Equipment:** - Physical facilities are tangible entities that exert influence over consumers' purchasing and usage decisions regarding products or services. These facilities encompass various elements such as the physical environment, buildings, equipment, logos, colors, and other related items. The presence and quality of these physical components significantly impact consumers' perceptions and experiences. Well-designed and visually appealing physical facilities can attract customers, create a positive impression, and contribute to their decision to engage with the products or services offered.

2.1.4 Factors affecting consumers in purchasing Organic processed food

Consumers throughout the world have been increasingly concerned about the quality, safety, and environmental friendliness of food due to several food safety incidents and environmental concerns (Migliore, G, 2016). Increasing consumer awareness regarding potential pesticide residues in conventional foods, the environmental impact of chemical misuse, and production methods has raised concerns about modern agricultural practices. Consequently, there has been a surge in demand for organic foods. This growing interest among consumers has driven significant advancements and enhancements within the organic food industry. This has also been associated with growth in organic product sales at a rapid pace worldwide. (Rizzo, G.; Borrillo, M.; Dara Guccione, G.; Schifani, G.; Cembalo, L.,2020).

There are different factors that affect consumer buying decision of organic processed foods.

- A. **Price:** - Price is the amount of money customers pay to obtain a product. Price is considered as a value placed on a product or service. While purchasing organic processed foods (shiro) consumers choose brands. Organic foods typically carry a higher price tag compared to conventional foods. Studies conducted by Aertsens et al and Hughner et al have confirmed that price serves as a significant obstacle when it comes to consumer choices regarding organic food. Additionally, research conducted by Padel and Midmore, as well as O'Doherty et al, suggests that the high prices associated with organic foods can hinder future demand growth. Therefore, price plays a crucial role in the marketing of organic food products. According to (Gan C, Wee HY, Ozanne L, Kao TH, 2008) consumers switch to other products due to high prices. The higher the price the costs hurt the chances of buying organic foods. However, (Radman M, 2005) concluded that some consumers have a positive attitude toward organic foods and are willing to pay a higher price. Meanwhile, (Smith TA, Huang CL, Lin BH, 2009) found that price does not significantly impact organic food purchases.
- B. **Distribution:** -the word distribution in many cases written as place interchangeably. According to (Kotler et al., 2005) defined place is all the company activities that make the product or service available to target customers. Availability is one factor that encourages the purchase of organic foods. In a survey conducted by (Young et al, 2010), consumers prefer readily available products. As a result, consumers may be reluctant to invest time in searching for organic products. Marketing intermediaries play a vital role in facilitating the distribution channel by performing various functions. These functions encompass activities such as purchasing, selling, storing, and transporting goods. These intermediaries perform a variety of functions and constitute marketing channels that is also referred to a trade channel or distribution channel (Kotler and Keller, 2008).
- C. **Brand Image:** - Now days it's well-known that a brand is a tool that leads to easily identify a similar product or service in a marketplace. And brand has a strategic importance of brand preference. Ambler and Styles (1996) describe two different views of defining a brand. The first perspective is known as the product-plus view, where the brand is perceived as an addition to the product. In this view, the brand serves as an identifier. The second perspective is the holistic view, which emphasizes the brand itself, going beyond just the product. Broadbent and Cooper (1987) indicate that to be successful, images and symbols

must relate to and indeed exploit the needs, values, and lifestyles of consumers in such a way that the meanings involved give added values and differentiate the brand from other brands. Aaker (1996) indicate that strong brands help the firm establishes an identity in the marketplace, reduce vulnerability to competitive actions, leading to larger margins, greater intermediary co- operation, and support, and a successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and it consequently increases the likelihood that consumers will purchase the brand. Gensch (1987) documented that customers form brand preferences to reduce the complexity of the purchase decision process. Rossiter and Percy (1987) describe brand awareness is essential for the communications process to occur as it precedes all other steps in the process and without brand awareness occurring, no other communication effects can occur. Kumar et al. (1987) examined the factors influencing the buying decision for various food products. A study was conducted to examine the relationship between the country of origin and brand of products, and how they intersected with age, gender, and income. The findings revealed that these factors were independent of age, education, and income. Interestingly, the study highlighted that brand image held greater significance for consumers compared to the origin of the product. Consumers were primarily drawn to brands, indicating that brand preference plays a crucial role in fostering brand loyalty and boosting sales, as noted by Rundle-Thiele and Mackay (2001).

- D. **Health consciousness:** - Health consciousness among consumer is increasing from day to day. Because of these reasons the organic food industry turned to be very health sensitive and quality conscious. Organic processed food industry focuses on producing food products that are free from chemicals. These products are becoming increasingly important due to health issue, it has high prices other than the other processed food types. Consumer attitudes are significantly influenced by their health consciousness (Liu ME, 2007). Consumers mainly purchase organic foods due to health benefits. Several studies show that health factors significantly influence consumers' willingness to buy organic foods (Kim HY, Chung JE, 2011). According to Bourn and Prescott, (2002) organic foods have a competitive advantage over conventional foods due to organic foods' nutritive attributes. Customers are increasingly prioritizing their health and well-being, leading them to seek out food options that provide both mental satisfaction and physical nourishment. They aim

to avoid consuming products that may have negative consequences and harmful effects on their overall health. Individuals, who wish to preserve their quality of life, are often involved in certain health-conscious behaviors, and take protective measures to manage their health and wellbeing (Michaelidou & Hassan, 2010). Health consciousness refers to the extent to which individuals actively engage in managing and participating in health-related activities. The preference of health-conscious consumers for organic food stems from its perception as a safe, healthy, chemical-free, additive-free, and environmentally friendly option. As such, health consciousness is recognized as a significant factor influencing the consumption of organic foods.

E. **Taste:** - Taste is a distinct aspect of food selection that should be differentiated from the actual flavor of the food. Taste encompasses various attributes of food, including aroma, flavor, texture, and temperature. Taste itself is the result of the taste buds (taste buds) which is located on the tongue, cheeks, throat, roof of the mouth, which is part of the taste buds. Taste has a high influence on consumer interest and satisfaction. Taste is one way of selecting that must be distinguished from the taste of the food. (Drummond KE and Brefere LM, 2010). According to Wahidah (2010:12) the complexity of a taste is produced by the diversity of natural perceptions. Taste is influenced by three key factors: smell, taste, and oral stimulation (such as hot and cold sensations). The sense of smell is responsible for detecting the first factor, while the sensory cells on the tongue detect the latter two factors. Food taste is a critical aspect of food marketing because previous empirical studies reported that it is the most important determinant for a consumer to choose a specific food product (Wilhem, Jung, 2020).

2.2 Empirical Literature Review

Consumer behavior research aims to comprehend the process of buyer decision-making, both on an individual and collective level. It examines individual consumer characteristics, such as demographics and behavioral variables, to gain insights into people's desires and needs. By examining these factors, researchers seek to understand the motivations and drivers behind consumer choices. Consumer behavior research allows for improved understanding and forecasting concerning not only the subject of purchases but also purchasing motives and purchasing frequency (Schiffman & Kanuk, 2007). One of the current fundamental assumptions

in consumer behavior research is that individuals often purchase products for their subjectively perceived values rather than their primary functions (Stávková, Stejskal & Toufarova, 2008). This does not mean that the products' basic functions are not important, but that the contemporary role of a product is more than its basic use-value (Solomon, 2004). Frequently, consumers do not rate products according to their core attributes (i.e., the primary utility they provide) but, above all, according to the so-called real product (i.e., a particular products' qualities) and the extended product, which represents the set of intangible factors that confer a desired perceived advantage on the consumer including image, consultancy, and after-sale service (Foret & Procházka, 2007).

Another empirical study on Factors Influencing Consumer Behavior in Electric Appliances Market by Malgorzata L., Fatima F., and Agata W; states that social factors, physical factors, and marketing mix elements were strongly associated with the buying decision of the targeted consumer in their study.

A study by Tewodros B, (2018) states that marketing mix elements are a key differentiator to enable supermarkets to gain a competitive advantage. Consumer buying behavior is notably influenced by various factors, including personnel, price, and promotion. These factors play a significant role in shaping consumer decisions when purchasing products. On the other hand, factors such as the product itself, shopping convenience, and store atmosphere have a moderate influence on consumer buying behavior in the context of purchasing products from a supermarket, as compared to the more impactful factors of personnel, price, and promotion.

Another study that was conducted on buyers purchasing decision of brand effect, case study in paint products by Endashaw A (2020), entails that brand image is a key factor in consumer purchasing decision. brand image needs to be built to increase brand awareness and brand loyalty.

A study by belay A. on Consumer Buying Behavior of Locally Assembled Private Vehicles in Addis Ababa, shows that locally assembled private vehicle buyers highly involve during the information search and the influence and involvement of other parties (Family members, and Friends) is significant for the purchase of Private vehicles. environmental friendliness and convenience were ranked as the least important factors. On the other hand, product quality exhibited the highest positive correlation, followed closely by price. These findings suggest that consumers place a strong emphasis on the quality of the product when making purchasing

decisions, while factors such as environmental friendliness and convenience hold comparatively lesser significance.

Sarker & Itohara (2007) conducted a study on organic food consumers in Bangladesh and what factors drive them towards purchasing of Organic processed foods, they discover that personal health and lifestyle was the major factors that drive the consumers to consume organic food products.

Another study by Thatteet al. (2016), educational qualification and Organic food consciousness is inextricably related, and customers with higher incomes are also able to pay a premium price for organic food items.

Ms.Nidhi S. and Dr.Shweta B. study Consumers' Buying Behavior towards Organic Food Product and in their study they conclude that factors like Income of the household gender and educational background have impact on the attitude and intention of consumers towards organic food product In a study conducted by Elvira Nica on the buying behavior of organic food as a sustainable consumer decision, several key findings were revealed. Firstly, a premium price for organic food products could discourage consumers from purchasing them. However, using organic food ingredients can provide a cost-effective advantage to high-end dining restaurants compared to casual dining establishments, even though the former may charge higher prices for organic items. Secondly, retailers have the ability to influence consumers' visual interest and enhance the perceived value of organic products through various practices. These practices include providing important information, guiding consumers within the retail outlet, and offering a diverse assortment of organic products. These findings shed light on the relationship between organic food and consumer decision-making processes.

Even though, there are several studies conducted on what factors determine the buying behavior of consumers on organic processed foods, due to the vastness of the topic, the researcher believes that there are no adequate studies conducted specifically in Ethiopian organic processed food consumption trend and what factors affecting the consumers in buying of organic processed foods specifically Knorr Shiro.

2.3 Conceptual framework

The figure below represents the conceptual framework on the selected factors affecting consumer buying decision of organic processed foods specifically Knorr Shiro. The Study select five variables that affect consumer buying decision of organic processed foods; they are: -

- Price
- Taste of the product
- Brand Image
- Health Consciousness.
- Distribution

Consumers will take different factors or determinants into consideration while making a purchasing decision. from various factors or determinants, the researcher pikes the below five determinants' factors. Due to the vast coverage of consumer buying decision, the researcher only tries to address these factors.

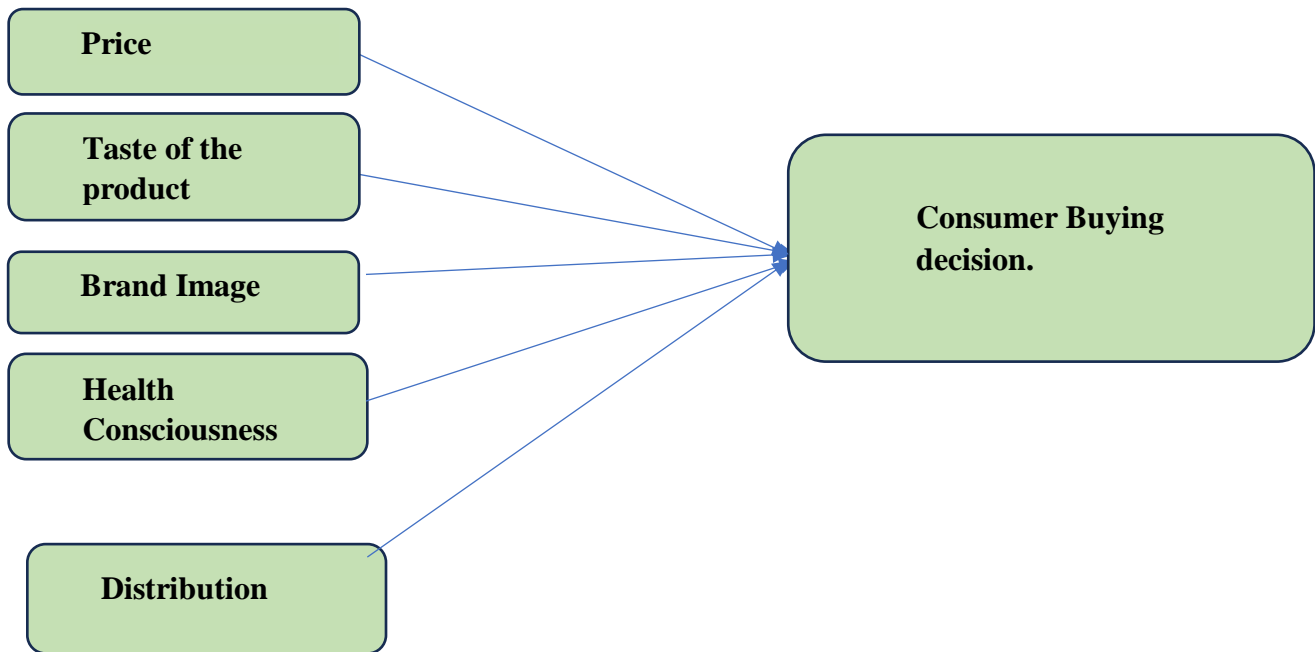


Figure: 1.1, Conceptual framework, Source, Raghava R. Gundala and Anupam S, (2021)

CHAPTER THREE

3 REASERCH METHODOLOGY

3.1 Introduction

This chapter focuses on the research methodology and methods used to gather data for the study. It covers various aspects, including the research approach, research design (including population and sample size considerations), sampling method, data collection methodology, and data analysis method.

3.2 Research Approach

To achieve the objective of the study, the researcher used deductive and quantitative type of research approach and construct hypothesis, or research question based on theoretical known facts about factors affecting consumer buying decision and confirm the hypothesis based on a theory that Price, Distribution, Brand Image, Taste and Health consciousness affects the buying behavior of consumers in case of Knorr Shiro. Data for the study was collected through a sample survey using a questionnaire. The questionnaire consisted of numerical figures and was distributed to end users of the Knorr Shiro product. Participants were asked to provide responses based on the given numerical scales or figures, allowing for quantitative data collection and analysis.

3.2.1 Research Methods

The study adopts quantitative method of analysis. Quantitative research is a method for examining the relationship between variables that can be measured and evaluated using statistical techniques. While qualitative research examines and comprehends the meaning that individuals/groups attribute to a social/human issue, mixed research collects and analyses both quantitative (numeric) and qualitative (descriptive) kinds of primary data in a single study (Creswell, 2014).

3.3 Research Design

The study design outlines the necessary data, the methods for its collection and analysis, and how these elements address the research question. There are three primary research methodologies: exploratory, descriptive, and causal (Churchill and Iacobucci, 2005). Exploratory research focuses

on uncovering new ideas and insights. Descriptive research often tests one or more hypotheses and aims to determine the frequency of certain events or the relationship between variables.

The research conducted to assess factors affecting consumer buying decision of organic foods specifically Knorr Shiro. Descriptive and explanatory research method was used to analyze the data collected from consumers about factors affecting their purchasing decision of Knorr Shiro by explaining, understanding, and predicting the relationship between the variables.

3.4 Population and sampling

3.4.1 Target Population

Unilever Ethiopia manufacturing plc is selected because it's a trustworthy company with modern processing machines and high production capacity along with quality product.

The targeted population for the study was the end consumers of Knorr Shiro in Addis Ababa. The data used for this analysis in this study are individual respondents who are consumers of Knorr Shiro product.

3.4.2 Sample Size

Due to the infinite number of consumers in the city that consume Knorr Shiro , the researcher implements convenient sampling technique to reach out to the sample size.

$$N = z^2 * p * q / e^2$$

Where,

N = Sample size

E = Maximum estimation error accepted

Z= Statistical parameter that depends on the confidence level

P= The numerical probability of a success

Q= 1-P the numerical probability of failure.

E= 0.05

Q= 1-0.3= 0.7

$$N = 1.96^2 * 0.3 * 0.7 / 0.05^2 = 323$$

To account for potential non-response and inappropriate responses, an additional 10% was added to the initially calculated sample size. As a result, the total number of study participants was adjusted to 355 consumers. This adjustment was made to ensure a sufficient sample size and mitigate any potential data collection challenges or inaccuracies (Kothari, 2004).

3.5 Sampling Technique

A convenience sample is a non-probability sampling method that involves selecting individuals from a group that is readily accessible or easy to reach. It is also referred to as grab sampling or availability sampling. In this type of sampling, there are no specific criteria for selecting participants other than their availability and willingness to participate. The non-probability sampling method was used due to the lack of finance and time constraints. In non-probability sampling method convenience sampling technique is the best choice and most frequently used method due to its time and cost advantages (Lym et al., 2010). Given the infinite number of potential sample units, as well as time and cost constraints, the convenience sampling technique was chosen as a means of selecting a sample from the target population. This decision was made to accommodate practical limitations and ensure a feasible and manageable data collection process.

3.6 Data collection methodology

The intended data collected through primary data collection instrument.

3.6.1 Primary Data collection

The study utilized a self-administered questionnaire to collect responses from individuals who were purchasers and users of local organic food, specifically Knorr Shiro. The questionnaire consisted of two parts; The first part focused on gathering demographic information from the respondents, such as age, gender, education level, family size and income. This information helps in understanding the characteristics of the participants and their potential influence on consumer buying decisions. The second part of the questionnaire consisted of questions related to determinants of consumer buying decisions. These determinants included Price, Taste, Health Consciousness, Brand Image, and Distribution. The respondents were asked to rate their agreement or disagreement with statements related to these determinants using a five-point Likert scale

format. The scale ranged from "Strongly Disagree" (assigned a value of 1) to "Strongly Agree" (assigned a value of 5), with intermediate options of "Disagree," "Neutral," and "Agree". By employing this questionnaire format, the study aimed to capture respondents' perceptions and attitudes regarding the various factors influencing their buying decisions for locally organic processed food, specifically Knorr Shiro.

3.7 Method of Data Analysis

The questionnaire used in the study was coded based on each variable under investigation. The data collected from the respondents was then analyzed using the Statistical Package for Social Science (SPSS), a widely used software for statistical analysis. According to McDanile and Gates (2001), descriptive analysis involves a process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. The data Analysis explain descriptive statistics to define frequency distribution and percentage. In order to describe the data, the study used mean and standard deviation of each variable. Regression and Correlation Analysis were used to analyze the impact of the independent variables (Price, Brand image, Distribution, Taste and Health consciousness) up on the dependent variable (buying decision).

Regression equation

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\epsilon$$

Where, Y , is the dependent variable (Consumer buying decision)

β_0 , represent the dependent variable value when all the independent variables are zero.

X , represent the value of the independent variables (Price, Distribution, Brand Image, Health Consciousness and Taste of the product).

β , represents the regression coefficients.

ϵ , standard error level

3.8 Ethical Consideration

This research paper has been conducted by the researcher with due diligence to ensure its originality and to avoid plagiarism. To protect the privacy and confidentiality of the respondents, they were given the privilege of not providing their names or any other identifying information. This measure was taken to prevent any unwanted approaches from other groups in the future. Furthermore, the respondents were assured that their responses would be treated with strict confidentiality. It was made clear to them that their participation in filling out the questionnaire was voluntary, and they were not coerced or forced to participate. The purpose of the research was clearly explained to each respondent to ensure their informed consent and understanding. These measures were implemented to uphold ethical standards and maintain the integrity of the research process.

CHAPTER FOUR

4 DATA ANALYSIS AND DISCUSSION OF RESULTS

Introduction

This chapter focuses on the presentation, analysis, and discussion of the data collected in the study. It is divided into two parts. The first part provides background information about the respondents. This includes details such as their demographic characteristics. This background information helps provide a context for understanding the characteristics of the participants and their potential influence on the research topic. The second part of the chapter focuses on the questions related to the research topic. It presents the data analysis and findings based on these questions.

4.1 Response Rate

Table 4.1 - Response Rate

<i>Items</i>	<i>Response Rate</i>	
	<i>In #</i>	<i>In %</i>
Sample Size	355	100%
Received	295	83%
Remain	60	17%

Source: - Own survey result, 2024

From the response rate table, out of the 355 questionnaires that were distributed, a total of 295 questionnaires were collected, representing 83% of the distributed questionnaires. Conversely, 60 questionnaires remained uncollected, accounting for 17% of the distributed questionnaires.

4.2 Reliability Test

Reliability analysis is a systematic approach used to assess the dependability and consistency of a system or process. It involves identifying potential failures, analyzing their causes, and implementing measures to prevent or mitigate them. As stated by “Hair et al., (2007) reliability indicates the extents to w/c a variable or set of variables is consistent in what it is intended to measure” (cited by Siddiqi; 2011:20). Reliability analysis used to measure the consistency of the questionnaires.

For this study, the researchers have chosen to utilize Cronbach's alpha as the preferred method for assessing the reliability of the questionnaire. Cronbach's alpha is widely recognized and commonly employed as the primary measure of reliability for questionnaires. It examines the internal consistency of the items within a scale or construct.

Table 4.2- Reliability test result of Overall Factor of the Likert Five Scale Questions

Cronbach's Alpha	N of Items
0.771	31

Source: - **Own survey result, 2024**

The above table shows Cronbach alpha value which is 0.77(77.1%), it implies acceptable reliability of having credible information. Cronbach's alpha and the reliability value is considered as acceptable if it is greater than 0.7% or 70%. (Creswell, 2009). The reliability statistics using (SPSS) helps of Cronbach Aloha, it was detected that 31 items of Likert scale questionnaire were 77.1% that means the information is reliable and understandable.

4.3 Demographic information of Respondents

The respondents' general information encompasses gender, age, marital status, education level, family size, and consumption-related questions. This section of the analysis focuses on the personal data collected from the questionnaire respondents. The table below presents the detailed general information of the respondent's step by step.

4.3.1 Gender

Table 4.3 - Gender of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	132	44.7	44.7	44.7
	Female	163	55.3	55.3	100.0
	Total	295	100.0	100.0	

Source: - **Own survey result, 2024**

Table 4.3 presents the gender demographic data of the study participants. Out of the 295 participants, 132 (44.7%) are male, while 163 (55.3%) are female. This data indicates that the majority of respondents, 55.3%, are female.

4.3.2 Age Range

Table 4.4 - Age of the Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	94	31.9	31.9	31.9
	26-30	87	29.5	29.5	61.4
	31-35	58	19.7	19.7	81.0
	36 years above	56	19.0	19.0	100.0
	Total	295	100.0	100.0	

Source: - **Own survey result, 2024**

Table 4.4 provides a detailed breakdown of the age distribution among the 295 respondents in the study. From the total respondents about 94(31.9%) lies in age range between 18-25. This indicates a significant interest or awareness about organic food consumption among younger adults. the second largest group consists of 87 respondents, making up 29.5% of the total respondent lies in the age range of 26-30. This is close percentage to the 18-25 age group which suggests that the trend towards organic food consumption continues strongly into the late twenties. The other category lies between 31-35 age range, which includes 58 respondents, accounting for 19.7% of the participants. The decline in numbers compared to the younger age groups could imply changing priorities or different consumption habits as individuals enter their thirties. And the last age group lies 36 years above, which is the smallest group, with 56 respondents or 19.0% of the total respondents. This may reflect lesser engagement or different purchasing motivations and behaviors in older age groups compared to younger ones.

4.3.3 Educational background of the respondents

Table 4.5 Educational background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary Level	15	5.1	5.1	5.1

College Level	6	2.0	2.0	7.1
Undergraduate Level	86	29.2	29.2	36.3
Graduate Level	125	42.4	42.4	78.6
Post Graduate Level	63	21.4	21.4	100.0
Total	295	100.0	100.0	

Source: - **Own survey result, 2024**

Table 4.5 provides an overview of the educational levels among the 295 respondents in the study. From the table we can infer that the majority of respondents fall in the graduate level with 125/42.4%. From this it can be inferred that the majority of respondents have the knowledge and are expected to be aware of the subject matter of the study and the content of the questionnaire together with the 86/29.2% and 63/21.4% undergraduate and post graduate level respectively. So generally, we can infer that individuals with more education are more likely to be interested in or aware of organic food.

4.3.4 Income Status

Table 4.6 Income of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Above (>50,001 ETB)	37	12.5	12.5	12.5
(30,001-50,000 ETB)	40	13.6	13.6	26.1
(10,001-30,000 ETB)	123	41.7	41.7	67.8
Below (<10,0000 ETB)	95	32.2	32.2	100.0
Total	295	100.0	100.0	

Source: - **Own survey result, 2024**

Table 4.6 provides a detailed breakdown of the monthly income distribution among the 295 respondents in the study. 95 respondents (32.2%) earn below 10,000 ETB, indicating that a significant portion of the sample has a lower income. The largest group, consisting of 123 respondents (41.7%), falls within (10,001-30,000 ETB) income range. This suggests that the majority of participants have a moderate income, and 40 respondents (13.6%) are in (30,001-50,000 ETB) income range, representing a slightly larger segment of the study population

compared to the highest income which is 37 respondents (12.5%) fall into this income group >50,000 birr. This indicates that a smaller portion of the sample earns a high income.

4.3.5 Family Size

Table 4.7 Family size of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	57	19.3	19.3	19.3
	2-5	174	59.0	59.0	78.3
	6-10	61	20.7	20.7	99.0
	10 plus	3	1.0	1.0	100.0
	Total	295	100.0	100.0	

Source: - **Own survey result, 2024**

Table 4.7 provides a detailed breakdown of the family size distribution among the 295 respondents in the study. 57 respondents (19.3%) have a family size of 2 members. This indicates that a significant portion of the sample consists of small families. The majority, with 174 respondents (59.0%), have a family size between 2 and 5 members. This suggests that most participants belong to medium-sized families. 61 respondents (20.7%) have a family size ranging from 6 to 10 members. This shows that a notable portion of the sample comes from larger families. Only 3 respondents (1.0%) have more than 10 family members, indicating that very large families are rare in this study.

4.3.6 Knorr Shiro consumption

Table 4.8 Do you consume Knorr Shiro?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	295	100.0	100.0	100.0

Source: - **Own survey result, 2024**

Table 4.8 provides a summary of respondents' decisions regarding the consumption of organic food Knorr Shiro. From the total survey all respondents (100%) indicated that they consume Knorr Shiro, which implies the respondents show a preference towards organic food consumption.

4.4 Descriptive Statistics Results

Table 4.9 Mean and standard deviation of all variables

Descriptive Statistics			
	N	Mean	Std. Deviation
Price T	295	2.0983	1.78824
TasteT	295	1.9681	0.62002
Brand image T	295	1.3172	0.26670
Health consciousness T	295	1.3903	0.29313
Distribution T	295	2.5017	0.73047
Buying decision T	295	3.0667	0.66074
Valid N (listwise)	295		

Source: **survey result, 2024**

As indicated in the above table consumers mean values show that Price has higher mean which shows price is sensitive factor to consumers even though the standard deviation indicates a considerable variability in their response. Distribution has the highest of all means which implies the availability and accessibility of the product affects their buying decision. and relatively as for taste, brand image and health consciousness they have lower means which implies they affect the buying decision low as compared to distribution and price variables.

4.5 Pearson coloration Test

The Pearson correlation coefficient is a measure of linear correlation between two sets of data. It is computed as the ratio of the covariance of the variables to the product of their standard deviations. The resulting coefficient ranges from -1 to 1 and represents the strength and direction of the correlation. Positive values of 'r' indicate a positive correlation, where both variables change in the same direction. Negative values of 'r' indicate a negative correlation, with changes in the variables occurring in opposite directions. A correlation coefficient of zero signifies no association between the variables. In summary, the Pearson correlation coefficient quantifies the degree and direction of the linear relationship between two variables, providing valuable insights into their association.

As described by Andy (2006) the correlation coefficient is a commonly used measure of the size of an effect: The strength of variables was assessed by these general rules: -

0.3 < |r| < 0.5 Weak Correlation 0.5 < |r| < 0.7 Moderate Correlation |r| > or = 0.7 Strong Correlation

Table 4.10 Pearson correlation between Buying decision and (Price, Taste, Brand Image, Health consciousness, and Distribution)

Independent Variables		Buying Decision	Level of Correlation
Price	Pearson Correlation	-.791**	Strong Negative
	Sig. (2-tailed)	0.000	
	N	295	
Taste	Pearson Correlation	.531**	Moderate Positive
	Sig. (2-tailed)	0.000	
	N	295	
Brand Image	Pearson Correlation	.611**	Moderate Positive
	Sig. (2-tailed)	0.000	
	N	295	
Health consciousness	Pearson Correlation	.570**	Moderate Positive
	Sig. (2-tailed)	0.000	
	N	295	
Distribution	Pearson Correlation	.604**	Moderate Positive
	Sig. (2-tailed)	0.000	
	N	295	
Buying decision	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	295	
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: - Own survey result, 2024

From the above table we can infer that; Price has the strongest negative correlation with Buying Decision with correlation coefficient of -.791. As can be seen from the above table there is a

significant positive correlation between the four independent variables (Taste, Brand Image, Health consciousness and Distribution) and a significant negative relationship with price and dependent variable (Buying decision). And the result was found to be statistically significant at ($P < 0.01$) for each variable. When we see their individual impact on buying decision, Price have the stronger negative effect, that is as price increases buying decision tend to decrease and vice versa. And from the rest of the variables Brand image has the highest positive effect followed by Distribution then Health consciousness and lastly taste. Generally, the four variables have a positive moderate impact on consumer buying decision while price has a negative strong effect on consumer buying decision.

4.6 Multiple Regression Analysis

4.6.1 Assumption Test of Multiple Linear Regression

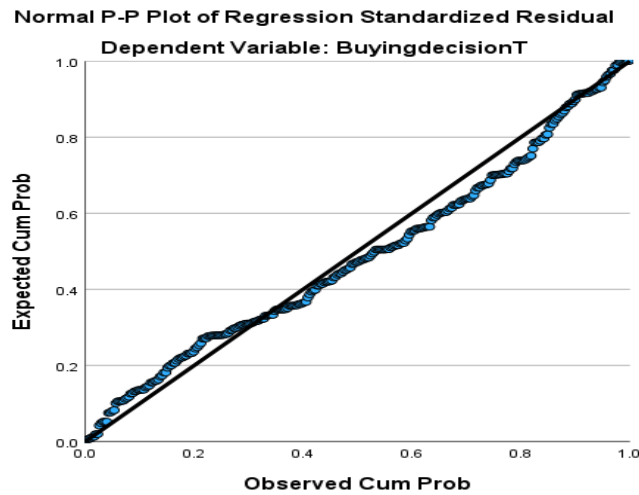
Statistical tests depend on specific assumptions about the variables involved in the analysis. If these assumptions are not met, the reliability of the results may be compromised, leading to potential errors such as Type I or Type II errors, or an inaccurate estimation of significance or effect size. Therefore, before conducting the analysis, it is essential to assess the regression assumptions. This involves checking for conditions such as linearity, independence, homoscedasticity, and normality of residuals. By verifying these assumptions, researchers can ensure the integrity of the data and enhance the validity of the statistical findings. (Reference: Andy F., 2009)

4.6.1.1 Normality Test

normality tests are employed to assess whether a dataset follows a normal distribution and to estimate the likelihood of the underlying random variable conforming to a normal distribution. In the context of regression analysis, the error terms or residuals, which represent the disparity between the observed values of the dependent variable and the predicted values from the model, are assumed to be random and normally distributed around a mean value. This assumption ensures that the statistical properties of the regression model are valid and accurate. (Andy F., 2009)

Based on the figure below, it can be inferred that the points generally align along the diagonal line, indicating a lack of strong deviation. This observation suggests that the residuals, which represent the differences between the observed and predicted values, are distributed in a manner that

resembles a normal distribution.



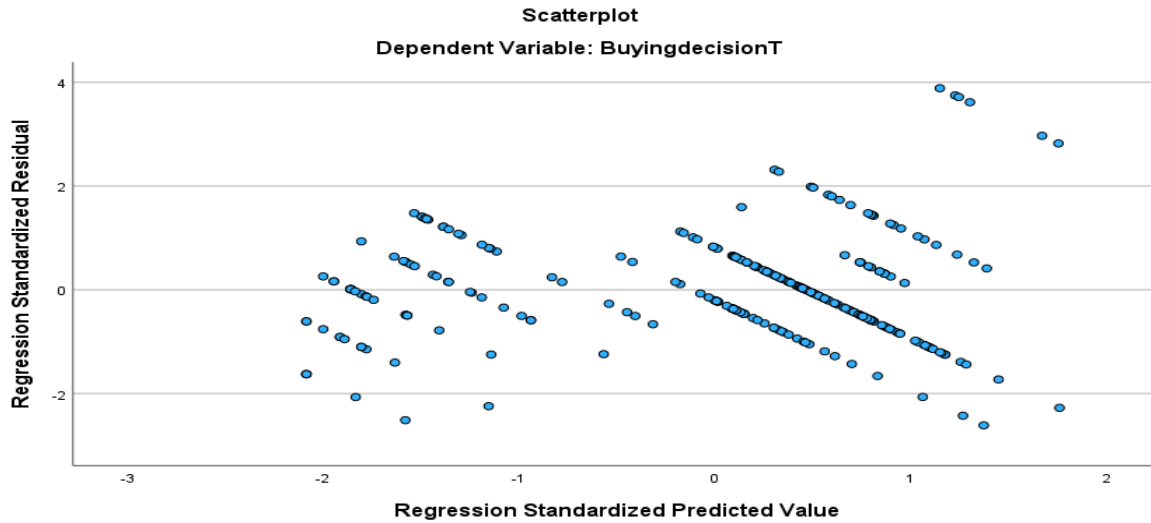
Source: - Own survey result, 2024

Figure 1. 2 P-P Plot for Regression standardized residuals

4.6.1.2 Homoscedasticity

Based on Field (2009) to check whether the assumptions of homoscedasticity & linearity are met or not, one can simply look by producing the graph of *ZRESID & *ZPRED using SPSS. The variance of the error term is constant across cases and independent of the variables in the model.

The scatter plot depicted below shows that the dots are randomly scattered without any discernible pattern. This randomness indicates that the variance of the residuals remains constant across the range of the independent variable. Consequently, this scatter plot provides evidence that both the assumptions of linearity and homoscedasticity are fulfilled.



Source: - Own survey result, 2024

Figure 1. 3 Scatter Plot standardized residuals vs predicted values.

4.6.1.3 Multicollinearity test

Multicollinearity in regression analysis refers to when the predictor variables are highly correlated with each other or how strongly interrelated the independent variables are in a model. It is the state of very high inter correlation or inter association between independent variables. It is therefore a type of disturbance in the data, and if present in the data interpretations made about the data may not be reliable. (Myers, 1990 & Menard, 1995).

Table 4.11 Multicollinearity between independent variables

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Price T	0.542	1.847
TasteT	0.751	1.332
Brand image T	0.647	1.545
Health consciousness T	0.695	1.438
Distribution T	0.718	1.393

a. Dependent Variable: BuyingdecisionT

Source: - Own survey result, 2024

From the above table we can infer that Tolerance and VIF values for independents variables. Accordingly, the result demonstrates that multicollinearity does not exist among all independent variables because the Tolerance values are more than 0.20 and VIF values are less than 10.

4.6.1.4 Autocorrelation test

In linear regression, it is essential to assume that the residuals, or error terms, are independent of each other. When this independence assumption is violated, it can lead to unreliable results in model fitting. For instance, if there is a positive correlation between the error terms, it can inflate the t-values for the coefficients, making predictors appear significant even when they may not be. This highlights the importance of ensuring independence among the residuals to maintain the validity and accuracy of the regression analysis. The **Durbin–Watson statistical test** for the presence of autocorrelation is used to determine whether residuals are correlated or not (Andy F, 2009). The value of the Durbin-Watson test lies between 1.5-2.5. if the result is between this range there is no autocorrelation.

Table 4.12 Model summary for Durbin-Watson test

Model	Durbin-Watson
1	1.545

Source: - Own survey result, 2024

Therefore, we can assume that there is no autocorrelation in the multiple linear regression.

Regression Model Summary

Table 4.13 Regression result between all independent variables and Buying decision.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.871 ^a	0.758	0.754	0.32756	1.545

a. Predictors: (Constant), DistributionT, TasteT, HealthconsciousnessT, BrandimageT, PriceT

b. Dependent Variable: BuyingdecisionT

The summary of the regression results is presented in Table 4.13 above. The results indicate that approximately 75.4% of the variance in consumer buying decisions is explained by five independent factors ($R^2 = 0.754$), which is significant at the 0.01 level.

Table 4.13 Anova result

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	97.347	5	19.469	181.457	<.001 ^b
Residual	31.008	289	0.107		
Total	128.356	294			

a. Dependent Variable: BuyingdecisionT

b. Predictors: (Constant), DistributionT, TasteT, HealthconsciousnessT, BrandimageT, PriceT

source: **Own survey result**

The ANOVA table provides insights into the statistical significance and acceptability of a model through an analysis of variance. In the given ANOVA table, the significance value of the F-statistic is shown as 181.45, with a corresponding p-value of 0.001. Since the p-value is less than the chosen significance level of 0.05 ($p < 0.05$), the model is considered significant. This implies that the independent variables together exhibit a strong relationship with the dependent variable, suggesting their collective influence in explaining the variation in the dependent variable.

Table 4.14 Coefficients^a of the regression model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.618	0.170		9.492	0.000
Price T	-0.170	0.015	-0.459	-11.684	0.000
TasteT	0.157	0.036	0.147	4.406	0.000
Brand image T	0.404	0.089	0.163	4.540	0.000
Health consciousness T	0.338	0.078	0.150	4.323	0.000
Distribution T	0.197	0.031	0.218	6.397	0.000

a. Dependent Variable: Buying decision T

Source: - **Own survey result, 2024**

According to Table: 4:14 all independent variables contribute significantly for the regression model at p-value less than 0.05. the regression standardized coefficients for all independent variables, i.e. price, Taste, Brand image, Health consciousness and Distribution, are -0.459, 0.147, 0.163 ,0.150 and 0.218 respectively. Thus, it supports all the hypothesis claiming all the independent variables have an impact on consumer buying behavior. The study reveals that price (-0.459) is the most negatively influential variable impacting buying decision. As for the rest of the independent variables, Distribution (0.218) followed by Brand Image (0.163), Health consciousness (0.150) and Taste (0.147) respectively have a positive impact in consumer buying decision with regard to Knorr Shiro consumption.

. Therefore, we can formulate a regression equation based on these values.

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

Where, Y , is the dependent variable (Consumer buying decision)

β_0 , represent the dependent variable value when all the independent variables are zero.

X , represent the value of the independent variables (Price, Distribution, Brand Image, Health Consciousness and Taste of the product).

β , represents the regression coefficients.

ϵ , standard error level

$$Y = 0.618 + (-0.459)P + 0.147T + 0.163BI + 0.150HC + 0.218D + e$$

4.7 Hypothesis Testing

Hypothesis testing is a statistical approach that enables the drawing of conclusions and decision-making about population parameters using sample data. It involves the formulation and evaluation of hypotheses, which are statements pertaining to the population. The process typically consists of multiple steps and centers around two key hypotheses: the null hypothesis (H_0) and the alternative hypothesis (H_1). The null hypothesis assumes no significant difference or relationship between variables in the population, while the alternative hypothesis suggests the presence of a significant difference or relationship.

The process of decision-making in hypothesis testing is driven by the probability value (p-value) obtained from the test. When the p-value is equal to or lower than a pre-defined significance level (α), we reject the null hypothesis and accept the alternative hypothesis. Conversely, if the p-value exceeds the significance level, we fail to reject the null hypothesis and do not have sufficient evidence to support the alternative hypothesis. By comparing the p-value to the significance level, researchers make informed decisions regarding the hypotheses and draw conclusions about the population based on the statistical analysis.

In this study, the researcher develops 5 hypotheses based on literature reviewed and analyses them as follows.

H1: price has a negative relationship with the consumer buying decision of Knorr Shiro.

Price: The variable price of Knorr Shiro shows a negative relationship with buying decision; based on the regression coefficient result, we can infer that price impacts buying decision by -0.459 beta value of price. This suggests that consumers are price-sensitive; higher prices may deter them from purchasing the product. Therefore, the researcher accepts the hypothesis that manifest Price has a negative relationship with the consumer buying decision of Knorr Shiro.

H2: Taste has a positive relationship with consumer buying decision of Knorr Shiro.

Taste: The variable Taste of Knorr Shiro shows a positive relationship affecting consumer's buying decision at 0.147 beta value of taste. The regression result shows that; as taste of the product increases, their buying decision also increases. This implies that product quality, particularly taste, is crucial in influencing consumer choices. Therefore, the researcher accepts the hypothesis.

H3: Brand Image has a positive relationship with consumer buying decision of Knorr Shiro.

Brand Image: from the regression result the positive beta coefficient for Brand image (0.163) indicates that a stronger brand image leads to a higher likelihood of a positive buying decision. This suggests that consumers value brand reputation and trust. Therefore, the researcher accepts the hypothesis that brand image has a positive relationship with consumer buying decision.

H4: Health consciousness has a positive relationship with consumer buying decision of Knorr Shiro.

Health consciousness: The positive beta coefficient for Health consciousness (0.150) in the regression result indicates that health consciousness positively influences buying decisions. Consumers who are health-conscious are more likely to purchase products they perceive as healthy. Therefore, the researcher accepts the hypothesis that health consciousness has a positive relationship with consumer buying decision.

H5: Distribution has a positive relationship with consumer buying decision of Knorr Shiro.

Distribution: The positive beta coefficient for Distribution (0.218) indicates that distribution positively affects buying decisions. This implies that the availability and accessibility of the product is crucial in impacting buying decision. Therefore, the researcher accepts the hypothesis that distribution has a positive relationship with consumer buying decision.

4.7.1 Summary of hypothesis testing

Table 4.14 hypothesis testing

S. No	Hypothesis (alternate)	Result	Decision
1.	Price has negative relationship with the consumer buying decision of Knorr Shiro.	$\beta = -0.459, P < 0.0$	Accepted
2.	Taste has positive relationship with the consumer buying decision of Knorr Shiro.	$\beta = 0.147, P < 0.0$	Accepted
3.	Brand Image has positive relationship with the consumer buying decision of Knorr Shiro.	$\beta = 0.163, P < 0.0$	Accepted
4.	Health consciousness has positive relationship with the consumer buying decision of Knorr Shiro.	$\beta = 0.150, P < 0.0$	Accepted
5.	Distribution has positive relationship with the consumer buying decision of Knorr Shiro.	$\beta = 0.218, P < 0.0$	Accepted

CHAPTER FIVE

5 SUMMARY, CONCLUSION AND RECOMMENDATION

The following chapter presents the findings, conclusion, and recommendation of the study.

5.1 Summary

The study was intended to investigate the effect of Price, Taste, Brand image, Health consciousness and Distribution on Consumer buying behavior in the case of organic processed foods specifically on Knorr Shiro. based on the questionnaire consisting of 295 randomly selected consumers by using convenient sampling method i.e. conveniently distribute the questionnaires for Knorr Shiro consumers. The results of background information of respondents indicated that majority of the total respondents (55.3%) are female, majority of the respondents aged in the range of 18-25 and followed by 26-30 years which accounts a total share of (31,9%), (29.5%). As for educational background most of the respondents completed their graduate degree accounts about 42.4% from the total percent of share. And income of the respondents 41.7% of the total respondent's income lies between (10,000-30,000 ETB), About 32.2% of the total respondent's income level lies below 10,000 ETB and about 12.5% and 13.6% of the respondent's income level lies between (above 50,000 ETB) and (30,000-50,000 ETB). As for family size 59% from the total respondents have a 2-5 family member.

Major findings of the study

This study was sought to investigate the relationship of Price, Taste, Brand image, Health consciousness and Distribution with buying decision and the impact each of these factors have on buying decision. Based on the analyzed data and interpretation the findings are summarized as follows.

The correlation result shows that there is a positive and significant relationship between Taste, Brand Image, Health consciousness and Distribution and dependent variable buying behavior as for price with buying decision, they have negative relation that is as price increase buying decision decreases and as price decrease buying decision increases. The finding also indicates that the highest negative relationship was found between price and consumer buying decision and the highest positive relationship is between distribution and buying decision.

All the regression assumption tests were run, and the result shows the data have normal distribution, there is no heteroscedasticity that is it is homoscedasticity, there is no autocorrelation and multi-collinearity result also shows there is no collinearity among the independent variable (price, taste brand image, health consciousness and distribution).

The outcomes of this study also indicated that price is the most important factor to have high negative and significant effect on consumer buying decision. the rest of the independent variables (brand image, taste, health consciousness and distribution) has a positive effect on buying decision. The R square value of 0.754, demonstrates that 75.4% of variation in consumer buying decision can be accounted by the effect of price, taste, brand image, health consciousness and distribution and the remaining 24.6% could be explained by other unexplored variables.

5.2 Conclusion

In the preliminary stage of the study, five hypotheses were formulated, assuming that price has a negative relationship with consumers buying decision and for taste, brand image, health consciousness, and distribution each have a positive relationship with consumers' buying decisions. Based on the regression result, the four factors (Taste, brand image, distribution, and health consciousness) were found to have a positive effect on consumer buying decisions; leading to accepting the hypothesis related to taste, health consciousness, brand image and distribution. For price the effect is negatively related with buying decision which leads to accepting the hypothesis that price has a negative impact on buying decision of Knorr Shiro.

The study also examined the extent to which consumers' buying decisions are explained by these independent variables, assessing the impact of each factor. The lowest positive contributing independent variable was Taste, explaining 14.7% of the buying decision, while the highest positive was distribution explaining (21.8%) and price has the highest negative explaining around 45.9% of the buying decision.

In conclusion, the analysis reveals that all five independent variables significantly impact consumer buying decisions. Price sensitivity is crucial, with higher prices deterring purchases. Conversely, better taste, a strong brand image, health consciousness, and effective distribution positively influence buying decisions.

5.3 Recommendations

Based on the findings and conclusions of the study, the researcher forwards the following recommendations.

The study's findings indicate that all the independent variables (price, taste, brand image, health consciousness, and distribution) significantly influence consumer buying behavior. Consequently, it will be better if ; Unilever Ethiopia Manufacturing PLC continue to prioritize these key factors, as they play a crucial role in shaping consumer purchasing decisions.

The negative impact of price on buying decisions indicates that consumers are price-sensitive.as a result price plays a crucial role in shaping consumer buying decision of Knorr Shiro. Therefore, it will be better if the company think of to revise and see its pricing strategy to increase the buying decision of Knorr Shiro. As price increase there is a tendency that buying decision decreases. Due to this reason, offering a competitive price might increase the sales of the product.

The next variable is distribution; among the four positive independent variables distribution shows a high impact on consumer buying decision. optimizing the distribution channel can make the company to be more effective and efficient in driving or impacting buying decision of Knorr Shiro. As a result, the company might be benefited if the distribution channels are expanded and improved which will then lead to ensuring of the widely availability and accessibility of the product to consumers. And as for Brand image; it also shows a significance positive impact on consumer buying decision. The company would be benefited if it enhances its marketing and branding efforts to strengthen the brand's reputation and increase its equity. Additionally, management would prioritize maintaining a positive brand image to cultivate consumer loyalty and drive sales growth. Health consciousness also significantly impacts buying decisions as well. It will be better if the company could emphasize advocating the health benefits of Knorr Shiro in its marketing campaigns and provide clear, transparent information about the product's nutritional value. Lastly, Taste also has a positive impact on consumer buying decision but as compared to the other variables it has low effect. to increase its effect, it will be good if the company to work on research and development to refine and improve the taste of the product and also conduct taste tests and gather consumer feedback to ensure the product meets consumer expectations and needs.

Generally, by addressing these key variables, Unilever Ethiopia manufacturing plc can better meet consumer needs, enhance satisfaction, and drive sales growth of Knorr Shiro.

Direction for Future Research

This study explored the factors affecting consumer buying decisions for organic foods, with a particular focus on Knorr Shiro produced by Unilever Ethiopia Manufacturing PLC. The sample was limited to Knorr Shiro consumers, which may restrict the generalizability of the results. To gain more comprehensive insights, future research should involve a larger and more diverse sample. Additionally, this study considered only five factors, but other relevant factors might also significantly impact consumer buying decisions. Therefore, future studies should examine a broader range of factors that could influence consumer choices.

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Appendix I

Questionnaire



**APPENDIX I
ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT
GRADUATE PROGRAM UNIT
QUESTIONNAIRES ADMINISTERED TO KNORR SHIRO CONSUMERS IN ADDIS
ABABA CITY**

Dear respondents,

The purpose of this questionnaire is to enable me to carry out research for the partial fulfillment of master's degree in marketing management. The research focuses on "**FACTORS AFFECTING CONSUMER BUYING DECISION ON ORGANIC PROCESSED FOODS**, In The case of Knorr shiro produce by Unilever Manufacturing plc". Therefore, the purpose of this survey is to get your unbiased opinions. I respectfully ask for your full cooperation to answer all the questions on this questionnaire honestly and completely. Any information you present will be kept utterly confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated. Please feel free to respond to questions anonymously.

NB: Writing your name is not necessary.

- Put "**X**" for your choice in the table provided.
- If you have any question, please contact me and I am available as per your convenience at (Mobile: 09-38-04-77-97), or via mail address (getachewazeb41@41gmail.com)

Thank you in advance for your participation!!

Section I – Demographic Details

S.N	Demography	Catagory	Put 'X' Mark
1	Gender	1. Male	
		2. Female	
2	Age	1. 18-25	
		2. 26-30	
		3. 31-35	
		4. 36 years and above	
3	Educational Level	1. Secondary level	
		2. College level	
		3. Undergraduate level	
		4. Graduate level	
		5. Post Graduate level	
4	Living Status (by monthly Income)	1. above (>50,001 ETB)	
		2. (30,001, -50,000)	
		3. (10,001-30,000 ETB)	
		4. Below (<10,000 ETB)	
5	Family size	1. Two members	
		2. 2-5 members	
		3. 6-10 members	

		4. 10 plus	
6	Do you consume locally processed organic food (knorr shiro)?	1. Yes	
		2. No	

Section II- Questionnaires regarding independent variables

By using the scale below, please indicate the extent to which you agree or disagree with the statement below by putting 'X' on the table provided.

1= Strongly disagree

2= Disagree

3=Neutral

4= Agree

5= Strongly agree

S. N	<i>Perceived price</i>	1	2	3	4	5
1	The price of organic foods specifically Knorr Shiro affects me.					
2	I purchase locally processed organic foods specifically knorr shiro regardless of its price.					
3	The price of Knorr shiro is affordable.					
4	The quality of Knorr shiro is worth the price.					
5	The value of Knorr shiro is worth the price.					
	<i>Sensory characteristics (Taste)</i>					
1	Knorr shiro has a good taste.					
2	Organic foods have a good and pleasant texture specifically Knorr shiro.					
3	Aroma of Knorr shiro is not attractive.					
4	is taste important to you when making purchasing decisions for food products.					

5	Taste of Knorr shiro influence your perception of its quality					
	<i>Brand Image</i>					
1	The brand name of knorr shiro is installed in my mind and has a strong attachment to me and it affects my purchase decision.					
2	The packaging design of knorr shiro is installed in my mind and has a strong attachment to me and it affects my purchase decision.					
3	The Labeling of knorr shiro is instilled in my mind and has a strong attachment to me and it affects my purchase decision.					
4	I choose from and among different brands when deciding to purchase.					
5	Along many other things, what I consider most when buying shiro powder is whether the brand is renowned.					
6	Popular shiro brands have a trusted quality and I make sure the shiro brand I am buying is one of the popular brands.					
7	I always choose brand and quality over price.					
	<i>Health consciousness</i>					
1	Locally manufactured organic processed food brands, specifically knorr shiro is consistent with the local health regulations and requirements.					
2	Locally manufactured organic processed food brands specifically Knorr shiro is good for health.					
3	Irrespective of the price and brand, I always make sure that the shiro am using has the best performance in terms of health concerns.					
4	Low price doesn't mean low quality, so the low-price shiro brands don't have quality problems.					
5	If a locally produced shiro charges a high price, the product can be taken as high quality even though it's a local product.					
6	I prefer Organic processed foods because they do not contain toxic or chemical residues.					

7	I think of myself as a health - conscious consumer.					
	<i>Distribution Item</i>					
1	The nearby shops are where I mostly rely on in terms of consistent supply.					
2	Locally manufactured organic processed food products don't have a distribution or availability problem.					
3	Locally manufactured Organic foods specifically knorr shiro is available in sufficient quantities in the stores where I do shopping.					
4	I don't choose or select a brand I would buy any brand which is available of organic processed foods specifically shiro product.					

Section III- Questionnaires regarding Dependent variables

S. N	Buying Decision	1	2	3	4	5
1	A new, attractive shiro brand will influence my interest in buying.					
2	I will buy organic food product specifically shiro from any shop because of time constraints.					
4	Size of a family will influence interest in buying shiro.					

THANK YOU FOR TAKING TIME OUT OF YOUR BUSY SCHEDULE TO ANSWER THIS QUESTIONNAIR !!!

Appendix II

SPSS Result

1- Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
0.771	31

2- Descriptive Results

Gender of the respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	132	44.7	44.7	44.7
	Female	163	55.3	55.3	100.0
	Total	295	100.0	100.0	

Age of the respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	94	31.9	31.9	31.9
	26-30	87	29.5	29.5	61.4
	31-35	58	19.7	19.7	81.0
	36 years above	56	19.0	19.0	100.0
	Total	295	100.0	100.0	

Education Level of the respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary Level	15	5.1	5.1	5.1
	College Level	6	2.0	2.0	7.1
	Undergraduate Level	86	29.2	29.2	36.3
	Graduate Level	125	42.4	42.4	78.6
	Post Graduate Level	63	21.4	21.4	100.0
	Total	295	100.0	100.0	

Income of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Above (>50,001 ETB)	37	12.5	12.5	12.5
	(30,001-50,000 ETB)	40	13.6	13.6	26.1
	(10,001-30,000 ETB)	123	41.7	41.7	67.8
	Below (<10,0000 ETB)	95	32.2	32.2	100.0
	Total	295	100.0	100.0	

Family size of the respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	57	19.3	19.3	19.3
	2-5	174	59.0	59.0	78.3

6-10	61	20.7	20.7	99.0
10 plus	3	1.0	1.0	100.0
Total	295	100.0	100.0	

Do you consume Knorr shiro				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	295	100.0	100.0	100.0

Mean and SD statistics

	N	Mean	Std. Deviation
PriceT	295	2.0983	1.78824
TasteT	295	1.9681	0.62002
BrandimageT	295	1.3172	0.26670
HealthconsciousnessT	295	1.3903	0.29313
DistributionT	295	2.5017	0.73047
BuyingdecisionT	295	3.0667	0.66074
Valid N (listwise)	295		

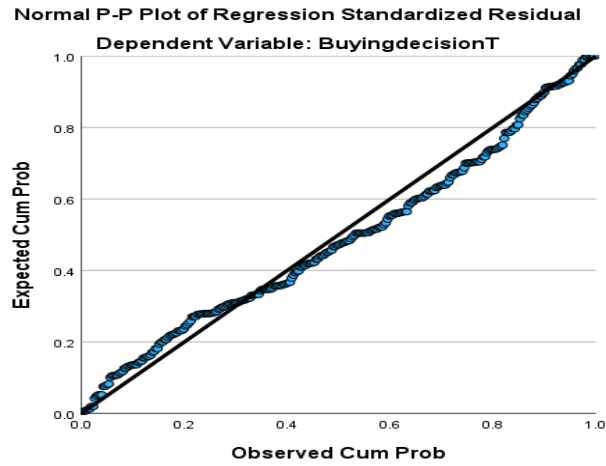
3. Pearsons correlation

Correlations							
		PriceT	TasteT	Brandim ageT	Healthconco usnessT	Distribution T	Buyingdec isionT
PriceT	Pearso	1	-.464**	-.525**	-.468**	-.496**	-.791**
	Sig. (2-		0.000	0.000	0.000	0.000	0.000
	N	295	295	295	295	295	295
TasteT	Pearso	-.464**	1	.359**	.357**	.270**	.531**
	Sig. (2-	0.000		0.000	0.000	0.000	0.000
	N	295	295	295	295	295	295
Brandim ageT	Pearso	-.525**	.359**	1	.455**	.394**	.611**
	Sig. (2-	0.000	0.000		0.000	0.000	0.000
	N	295	295	295	295	295	295
Healthco nciousn essT	Pearso	-.468**	.357**	.455**	1	.360**	.570**
	Sig. (2-	0.000	0.000	0.000		0.000	0.000
	N	295	295	295	295	295	295
Distributi onT	Pearso	-.496**	.270**	.394**	.360**	1	.604**
	Sig. (2-	0.000	0.000	0.000	0.000		0.000
	N	295	295	295	295	295	295
Buyingd ecisionT	Pearso	-.791**	.531**	.611**	.570**	.604**	1
	Sig. (2-	0.000	0.000	0.000	0.000	0.000	
	N	295	295	295	295	295	295

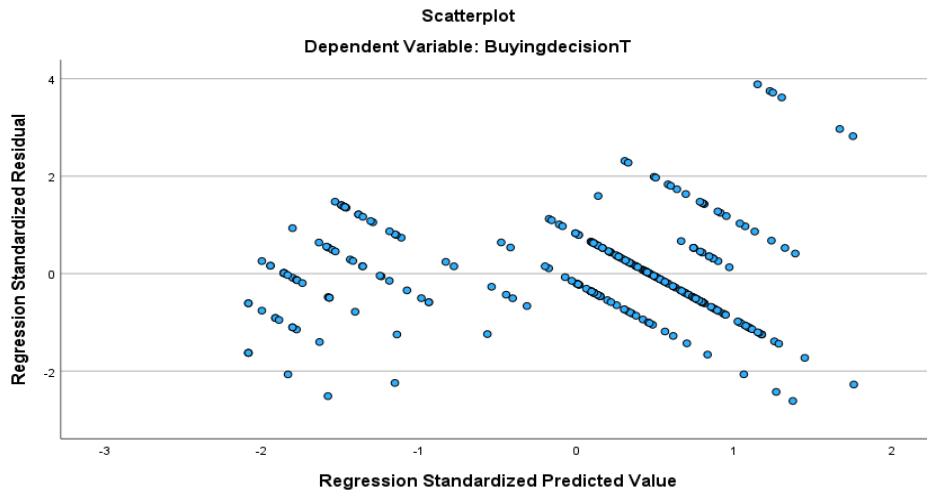
** . Correlation is significant at the 0.01 level (2-tailed).

4. Assumption test

A) Normality Test



B) Homoscedasticity Test



C) Autocorrelation Test

Durbin Watson result

Model	Durbin-Watson
1	1.545

D) Multicollinearity

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
PriceT	0.542	1.847
TasteT	0.751	1.332
BrandimageT	0.647	1.545
HealthconsciousnessT	0.695	1.438
DistributionT	0.718	1.393

a. Dependent Variable: BuyingdecisionT

5. Regression model summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.871 ^a	0.758	0.754	0.32756	1.545

a. Predictors: (Constant), DistributionT, TasteT, HealthconsciousnessT, BrandimageT, PriceT

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	97.347	5	19.469	181.457	<.001 ^b
	Residual	31.008	289	0.107		
	Total	128.356	294			

a. Dependent Variable: BuyingdecisionT

b. Predictors: (Constant), DistributionT, TasteT, HealthconsciousnessT, BrandimageT, PriceT

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	1.618	0.170		9.492	0.000
PriceT	-0.170	0.015	-0.459	-11.684	0.000
TasteT	0.157	0.036	0.147	4.406	0.000
BrandimageT	0.404	0.089	0.163	4.540	0.000
HealthconsciousnessT	0.338	0.078	0.150	4.323	0.000
DistributionT	0.197	0.031	0.218	6.397	0.000

a. Dependent Variable: BuyingdecisionT