

**DETERMINANTS OF PURCHASE DECISIONS OF CONSUMERS OF THE
PRODUCTS OF NESTLE GHANA LTD**

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DECLARATION

I hereby declare that this thesis is my own work towards the award Master of Business Administration in Strategic Management and that to the best of my knowledge it contains no material previously published by another person or material which has been accepted for the award of any other degree in any university except where due acknowledgement has been made in the text

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DEDICATION

This thesis is dedicated to my mother, Mrs. Patricia Attah-Poku who never gave up on me and pushed me to attain this height. I will be forever indebted to her.

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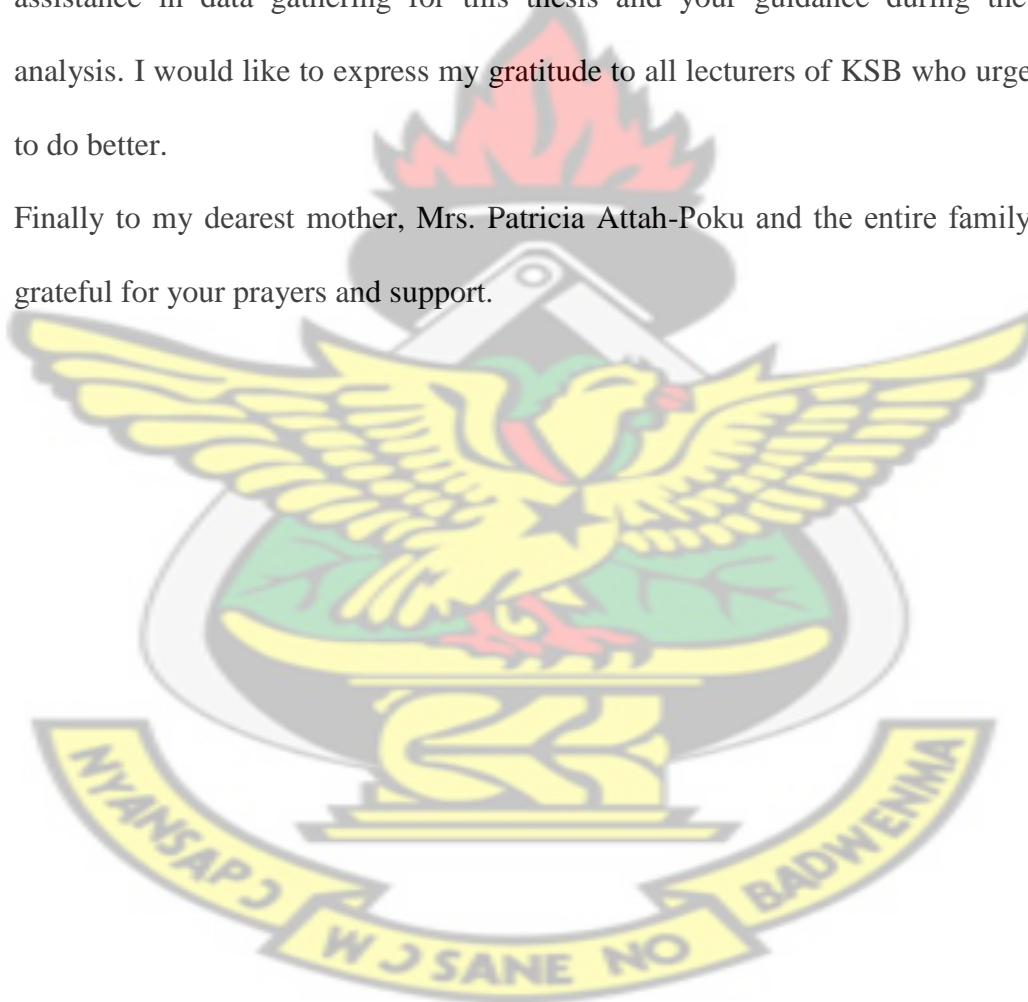
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I am most grateful to the Almighty God for his protection and guidance.

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Finally to my dearest mother, Mrs. Patricia Attah-Poku and the entire family, I'm grateful for your prayers and support.



ABSTRACT

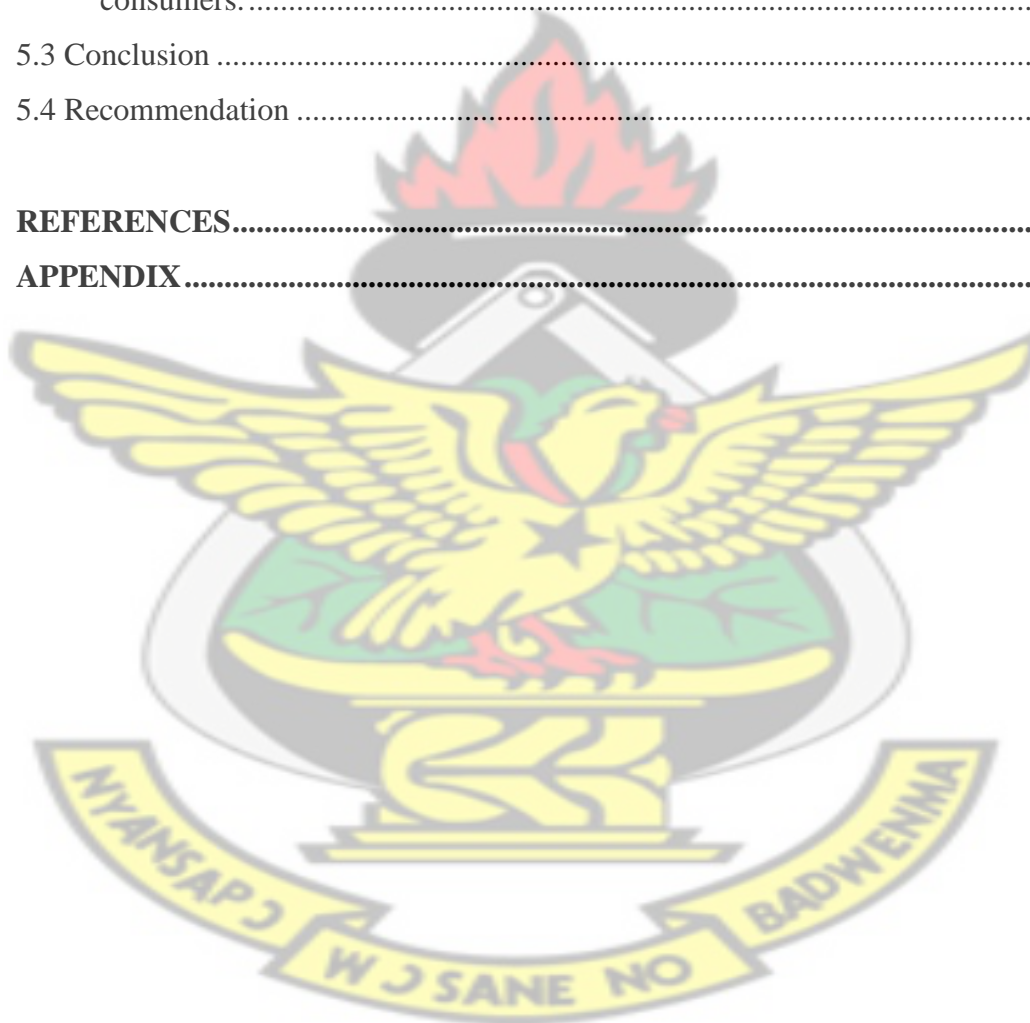
This study titled “The determinants of purchase decisions of consumers of the products of Nestle Ghana Ltd.” enables Nestle Ghana Ltd to understand how consumer’s purchase decision differs from person to person and the major determinant that affects consumer’s purchases of Nestle products. The purpose of the current study is to identify the determinants of purchase decisions of consumers of the products of Nestle Ghana Ltd. The study is based on responses of 250 respondents from consumers of Nestle products that were collected through a questionnaire. Descriptive analysis was carried out to analyze the result. The study found out that consumers of Nestle product ranked “perceived quality”, “brand name”, “price”, “trust”, “advertising”, “loyalty” and “brand satisfaction” as the major factors that influence their purchasing decision. Perceived quality was rated as the most important factor. A good brand name creates an identity that resonates with your consumers which reinforces the emotional relationship between the company and consumer. As per the findings of this study, Quality is a major determinant of purchasing decision of consumers of Nestle Ghana products, it is therefore imperative that Nestle Ghana maintains the high quality level as perceived by its customers and also work on how to reduce cost in order to have a good Return on Investment (ROI) which would be the ultimate indicator to remain competitive.

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Introduction and Background to the Study

In this era of competition every organization wants to increase or at least maintain their products sale in the market. Every organization wants to know how the purchase decision of Customers can be evaluated. Purchase decision can be defined as individual's decision to buy a specific brand; or individuals who want to buy a specific brand which they have chosen for themselves after certain evaluation. There are variables by which one can measure purchase decisions. For instance considering the brand that influence the purchasing and the future purchases (Laroche et. al, 1996; Laroche and Sadokierski, 1994; MacKenzie et. al., 1986). Purchase decision for a specific brand requires assessment of all brands available in market (Teng, Laroche and Huihuang, 2007).

It is shown that approaches toward a specific brand have great effect on brand purchase decision (Brown and Stayman, 1992; Homer, 1990; MacKenzie, 1986), and brand attitude has positive relation with purchase decision. It is also found that a consumer's decision is settled by attitude toward the same and other brands which are present in his consideration set (Laroche and Sadokierski, 1994; Laroche et. al. 1996). Purchase decision is composed of consumer's feelings, thoughts, experience and external factors that he considered before making any purchase. Purchase decision of the consumers depicts and expresses their behavior and the way they making decisions about their buying process (Fishbein & Ajzen, 1975).

Purchase decisions describe and determine the consumer response to purchase the offering. The higher the decision leads to elevated purchase of that offering. Consumers purchase decision can be determine through their responses, feedback and their involvement. Highly involved consumers shows high rate of purchase (Dodds, Monroe and Grewal, 1991; Schiffman and Kanuk, 2000).

Growing consumer consciousness has made consumers choose to purchase their familiar and favorable brand. Therefore, if businesses want to defeat their competitors, they have to make consumers love to buy their products and brands. Macdonald and Sharp (2000) mention that even though consumers familiarize and are willing to purchase a product, brand awareness is still an important factor to influence purchase decision. When consumers want to buy a product, and a brand name can come to their minds at once, it reflects that product has higher brand awareness. Consumers' purchase decision can be influenced if a product has higher brand awareness (Dodds, Monroe, and Grewal, 1991; Grewal, Monroe and Krishnan, 1998). This explains why a product with higher brand awareness will have higher market share and better quality evaluation. In addition, while consumers select a product, they care about perceived quality and brand awareness. Perceived quality can help consumers to have a subjective judgment on overall product quality that make a product hold a salient differentiation and become a selective brand in consumers' minds (Aaker, 1991). Besides, businesses have to build up brand loyalty. Some studies suggest that the cost to attract a new customer is more than five times of maintaining a loyalty customer (Reichheld and Sasser, 1990; Barsky, 1994). That is, the higher the brand loyalty, the less cost businesses to pay.

Again, now, brands are known for their corporate social responsibility and not merely on the basis of product only. Researchers have noted that it is imperative to take a closer look at how consumers develop relationship or interaction with brands and be able to form communities of brand in their own personal lives (Esch, Langner, Schmitt and Geus, 2006). For the purchase decisions a consumer may consider environmental issues. So the question arises how to achieve acceptance of the consumer on brand through environmental issues? Follows and Jobber (2000) has addressed this issue of environmental impact upon brand in context of public and corporate policy.

Purchase decision refers to a plan to purchase an exacting good or service in the future (Business Dictionary.com 2010). In any such decision to purchase product and services, manufacturers or dealers must first find out some way to transmit product information to the latent customers. Fitzsimons and Morwitz (1996) confirmed that measuring decisions influence which brands customer purchase. Purchase decision may be classified as one of the mechanism of customer cognitive behavior on how particular consumer intends to purchase a particular product. Laroche Zhou (1996) argues that variables such as consumer deliberation in purchasing a brand and hope to purchase a product may be used to determine customer purchase decision. These deliberation factors can consist of the customer's involved, information and assessment as a part of the whole procedure in influential purchase intent. The present study thinks that purchase decision does not only come about as a result of monetary deliberations but also the interaction among buyers' behavioral variables on brand.

1.2 Problem Statement

There are limited scientific views on what influence the decisions of consumers to purchase products in Ghana. In the year 2015, the growth of the value share of some of the products of Nestle Ghana Ltd. declined. The situation was not different for Uniliver Ghana Ltd (Micah and Mormor, 2016). This draws attention to the factors that influence the decision of the consumers of the products of these leading companies to buy or not to buy. Further probing shows that the companies have limited view as to what influence the decisions of consumers to purchase their products. On a larger scale, as to what influence the decision of consumers to purchase consumer products in Ghana is in doubt. Some studies conducted in other countries concluded that price was the major factor that influences the decision of consumers to purchase (Ajzen and Driver, 1992; Pierre et al., 2005; Schlosser et al., 2006). Other studies also concluded that the ability of the consumer to purchase is the main factor that determines the decision to purchase (Schlosser et al., 2006). In some previous studies undertaken by (Kuang Chi, et al, 2009; Fatima and Sherazi, 2012; Rizwan et al, 2014), they were of the view that the interaction among buyers' behavioral variables on brand determine purchase decision.

In the following studies (Grewal, Krishnan, Baker and Borin 1998; Monore, 1990; Dodds, Monroe and Grewal, 1991; Wall, Liefeld and Heslop, 1991; Lo, 2002; Lin, 2006; Kuang Chi, et al 2009; and Oliver 1999), they concluded that brand awareness, perceived quality and brand loyalty have a significant relationship with consumer purchase decisions. In a separate study by Fatima and Sherazi (2012), they were of the view that the impact of brand image, brand attitude and brand attachment determines consumer purchase decisions. This result was consistent with (Shwu-Ing and Chen-

Lien, 2009). In a subsequent study conducted by Rizwan et al (2014), the outcome of the study indicated that low price, past experience; brand attachment, product awareness and brand trust have a positive effective on their purchase decision. These findings were in line with (Dodge et al., 1996; Albers_Miller, 1999, Prendergast et al., 2002; Harvey and Walls, 2003). Currently, it is very difficult to tell whether the above findings will hold in Ghana or it will not hold because there is no such study conducted in Ghana.

There are a number of a variable that have been established in earlier studies that have significant impact on consumer purchase decision in other countries, but as to whether these same variables will have significant impact on the purchase decisions of consumers in Ghana is uncertain. This study seeks to fill this gap.

1.3 Objective of the study

The main objective of the study is to establish the determinants of consumer purchase decisions of the products of Nestle Ghana Ltd. The specific objectives are:

1. To identify the determinants of purchase decisions of consumers in Ghana.
2. To evaluate relative of the impact the determinants have on the purchase decisions of consumers of the products of Nestle Ghana Ltd.
3. To explore the perception of staff on the purchasing decision factors of consumers.

1.4 Research Questions

With reference to the specific objectives stated above, the study seeks to find answers to the following questions:

1. What determines the purchase decisions of consumers of Nestle Ghana Ltd?
2. What is the relative impact of the determinants on the purchase decisions of consumers of the products of Nestle Ghana Ltd?
3. What are the perceptions of staff on the purchasing decision factors of consumers?

1.5 Justification of the Study

Increasing consumer awareness has made consumers choose to purchase their familiar and favorable brand. Therefore, if businesses want to defeat their competitors, they have to make consumers love to buy their products and brands. There is therefore the need to provide a superior understanding of how purchase decisions affect several variables to enable businesses to make consumers love to buy their products and brands. By so doing businesses in Ghana who stick to this study will be able to increase their market share. In the attempt by businesses to ensure that consumers love and buy their products and brands, consumers will be better served.

This study will as well serve as the basis for sales men and marketing managers to do effective sales forecasting to prevent excess stock and thereby avoiding high cost of capital as a result of excessive cost of holding inventory.

In addition, because the purchasing decisions of the consumers will be known at the end of this study, it will influence the direction of how marketing communications such as, advertising, personal selling etc must go. Not only that, the application of the

study has the potential of creating and sustaining competitive advantage of businesses in Ghana. In this era of competition every organization in Ghana wants to increase or at least maintain their products sale in the market. Every organization wants to know how the purchase decision of customers can be evaluated. Customer knowledge also effects the purchase decision the more the customers will know about the product the more they will be confident about their purchase decision.

Besides, organizations are spending lot of money on consumer purchase decisions and designing the package of their product. This study will reveal whether it is worth spending this much amount on these two decisions. Purchase decisions describe and determine the consumer response to purchase the offering. The higher the decision leads to elevated purchase of that offering. Consumers purchase Decision can be determine through their responses, feedback and their involvement. Highly Involved consumers shows high rate of purchase (Dodds, Monroe and Grewal, 1991; Schiffman and Kanuk, 2000). The researcher believes this study will serve as a basis to further develop the existing literature in this area.

1.6 Scope of the study

The study will be conducted in Ashanti region which is one of the regions of Ghana using a questionnaire. The work will be centered on behavioral marketing in the context of consumer decision making. The main objective of the study is to establish the impact of variables relating to brand on the purchase decisions of consumers of Nestle Ghana Ltd. some examples of the variables are brand awareness, perceived quality, brand loyalty brand image, brand attitude and brand attachment. Others include product image and unforeseen effects of low price, past experience, brand attachment and product awareness.

1.7 Overview of Methodology

Questionnaire will be administered on a sample size of 250 consumers of Nestle Ghana in Ashanti region with an expected response rate of 80%. The study will be a cross-sectional study. The mixed method will be used and that data collected will be analysed using multiple regression analysis.

1.8 Limitations of the Study

This is a perceptual study but not objective study that is based on organizational records. So the possibility of perceptual bias cannot be ruled out. Thus there is the possibility for some respondents to lie. It is also important to identify other factors likely to influence consumer purchase decisions. Thus, the measurement items used in this study are not absolute as there are other items worth considering when it comes to brands and its impact on consumer purchase decisions.

1.9 Organization of the Study

The research is divided into five main chapters. The First Chapter deals with the introduction which comprises the background of the study, followed by problem statement, research questions, objectives of the research, justification of the study, scope of the study as well as how the research is organized. Chapter Two deals with the review of literature of this study. This chapter looks at what other authors of brands and consumer purchase decisions have written about the subject. Chapter Three of this study will deal with the method of data collection, the population sampling, data analysis procedures, instruments used for the study and also the administration of the instrument are discussed. Presentation of the analysis of the data collected from the field is found in Chapter Four. Chapter Five deals with the

summary of findings, recommendations based on the findings and ends with conclusions and further research directions.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Definition of the Term Purchase Decision

The term “Purchase Decision” has been used widely in business circles and has been defined by various authors. Prominent among the definitions put forth are those discussed in the following section.

Firstly, Engel, Blackwell and Miniard (1995) present the most recognized model of consumer purchase decision-making. This model divides the consumer purchase decision process into five stages: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision, and (5) post-purchase behavior. Also, Mowen and Minor (2001) maintain that consumer decision making are a series of processing results from perceiving problems, searching for solutions, evaluating alternatives, and making decisions.

Earlier, Engel, Blackwell and Miniard (1995) contended that purchase decision can be divided into unplanned buying, partially planned buying and fully planned buying. Unplanned buying means that consumers make all decisions to buy a product category and a brand in a store. It can be regarded as an impulse buying behavior. Partially planned buying means that consumers only decide a product category and the specification before buying a product, and brands and types will decide in the shop later. Fully planned buying means that consumers decide which product and brand to buy before entering the shop. Kotler (2003) proposes that individual attitudes and unpredictable situations will influence purchase decision. Individual attitudes include personal preferences to others and obedience to others’ expectation and unpredictable

situations signify that consumers change purchase decision because a situation is appearing, for example, when the price is higher than expected price (Dodds, Monroe and Grewal, 1991).

Consumer purchase decision is considered as a subjective inclination toward a product and can be an important index to predict consumer behavior (Fishbein and Ajzen, 1975). Zeithaml (1988) uses possible to buy intended to buy and considered to buy as measurement items to measure purchase decision.

Predicting consumer behaviour is one of the most deadly tasks for any business as it keeps on altering under the influences of unknown and doubtful factors; therefore leading to a purchase decision which is difficult to measure under diverse conditions (Rizwan, and Qayyum, (2014). Purchase decision in literature is defined as the situation in which a customer is agreeable to make a transaction with the retailer (Schiffman and Kanuk, 2000). According to Dodds, Monroe and Grewal (1991) purchase decision comes into deliberation when a customer is most likely attempting to purchase some product or service. For marketers purchase decision is of vast meaning as their forecasted consumer behaviour is highly dependent on this purchase decision of the customers. The focus is on the buyer's intent not behavior. Intent has mostly implications and will often influence individual action (Ajzen and Driver, 1992; Schlosser, White, and Lloyd, 2006).

Several studies claimed that purchase decision is a function of monetary deliberations too, and not only of behavior. Furthermore, apparent affordability is an economic variable that can influence behavioral decision (perceived economic control). Hence,

the purchase of that goods is prompted by the professed ability to afford a product, no matter whether the buyer becomes attentive of the product as pricey or low-priced (Zeithaml, 1988; Yang, 2009; Rizwan and Qayyum, 2014). This study is interested in the consequences self-assessment of information about the product by the buyer and how it affects buyer's purchase decision.

2.2 The Concept of Purchase Decision

Researchers have proved many a times that celebrity endorsement, customer knowledge and Product packaging/ design increases purchase decision of customers towards an organizations product. Recently some researchers have proved that celebrity endorsement, customer knowledge and product packaging helps customers in evaluation of the product which is also called perceived value. After evaluation of the product or identifying the perceived value of the product customers generate purchase decisions towards the product.

Product knowledge or customer knowledge helps in better evaluations of the product by the Customers and purchase decision is more objective by them rather than subjective. Kempf and Smith (1998) conducted a research on consumer's knowledge about the product on product evaluations. The results indicated that consumers having more knowledge about a product are able to solve their problem with lesser efforts compared to less knowledgeable consumers. Also consumers with higher knowledge are not biased in making their decisions related to product purchase. Product knowledge plays a significant role in purchase decisions when the product is new or is manufactured in other countries and is distributed in rest of the countries (Bamber, Jiang, and Wang, 2010).

However, Park and Kim (2009) study indicated that consumers who are experts were affected by the cognitive fit of the message and their probability of purchasing the product increases whereas novice customers look at the number of reviews and make purchase decisions in online purchases. Bian and Moutinho (2008) study indicated that customer knowledge does not affect purchase decisions directly rather it has an effect on perception towards product's perceived value and the final decision of purchase is based upon these perceptions.

2.3 Arguments for and Against Purchase Decisions

Some more dimensions have also been studied in different researches that effect purchase decision such as enjoyment value, character competency value, and visual Authority value, monetary value (Chou and Kimsuwan, 2013).

Many researchers have proved that perceived value dimensions such as social value, emotional Value and functional value etc. effect purchase decisions of products (Kuo, Wu and Deng, 2009). In case of online purchase limited time promotional offers emotional value leads to higher purchase decisions (Lifang and Shuyi, 2013), whereas in case of food products impact of social value, perceived quality, perceived price is higher and no effect of emotional value was found on purchase decision (Ar, and Kara, 2012).

Also, Shafiq, Raza, and Zia-ur-Rehman (2011) indicated that there is a significant effect of customer knowledge, product packaging/design and celebrity endorsement on purchase decision of a product. Perceived value was taken as the mediating variable in the study therefore the model having customer knowledge, product

packaging / design and celebrity endorsement as independent variable along with mediating variable perceived value and purchase decision as dependent variable was again checked and it was found that perceived value does not change the effect of independent variables on dependent variable of the study. Only celebrity appeal doesn't increase the purchase decisions towards products organizations should also consider other factors such as product packaging, customer knowledge in turn to gain more customers for their brands (Agarwal, Kumar, and Kumar, 2013).

2.4 Product Package and Purchase Decisions

A study by Immonen (2010) on the impact of package cues on the perception of premium quality of premium private label products, which indicated that visuals on the package and the information provided on the package influence the quality judgment of coffee products. The indicators of higher quality of a product are the small package size, package attractiveness, Soft packaging as well as the uniqueness of the package. Package design not only increases the visibility of the product it also helps in easy recognition of the product. Also improvements in product packaging revitalize brands leading to increase in sales (Leong, 1998). Package designs effects consumer belief about the products and consumption beliefs leading to higher purchase decision (Horsky and Honea, 2009). Polyakova (2013) studied the effect of package design on purchase decision. The results of the study indicated that graphics on the package, color and the information of the product are the key factors in purchase decision (Bryson, 2012, Bishnoi and Dhillon 2013). Marumbwaa and Mutsikiwa (2013) examined the effect of package colors, instructions, material and typography on purchase decisions of dairy products. The results indicated that all

elements of package design don't affect the purchase decisions. But appealing package design can trigger purchase decisions.

Size shape and package material helps customers in evaluating the ease of use of the product or package convenience (Polyakova, 2013). Raghavan (2010) studied the impact of shape of the products packaging. Two experiments were conducted, in the first experiment on advertisement having product packages in golden ratio was shown and in second experiment physical product was shown and in both cases significant impact of shape of the product packages was found on both preferences and purchase decision.

From a study in China, Wang, (2013) studied the effect of consumer attitudes toward visual food packaging on perceived product quality, product value, and brand preference. The results indicated that visuals on the product package helps customers in developing perceptions towards the quality of the product and perceived value of the product that in turn converts into brand preference.

2.5 Determinants of Purchase Decision

An individual or consumer's decision to purchase a particular product or otherwise has been found to be influenced by a number of determinants. These determinants, also referred to independent variables are discussed in the sections following.

2.5.1 Customers Past Experiences as a Determinant of Purchase Decision

The focus on customer experience appears to be somewhat rooted from the study on consumer behaviors (Berry, et al, 2002; 2006). As Peter and Olson (2005) state the

study on consumer behaviors refers to dynamic interaction of affection, cognition, and the surrounding environment in which people exchange various aspects of their lives. Hence, such thoughts and feelings may bring about both positive and negative experiences during their consumption periods. In addition, consumer behaviors also attempt to map-out buyers' decision making processes (Nawangwulan, Anantadjaya, Widayatmoko, and Seancho, 2012) by noting the individual characteristics. Such characteristics may be demographics, psychographics, and any behavioral factors. Also, potential influences from family, friends, reference groups, and society may become interesting factors toward any purchase decisions.

Based on the supposition that consumer behavior is the outcome of learning (Bentlar and Speckart, 1979), there is an argument among the researchers that consumer's previous behavior can offer better predictions of behavioral decisions. Delgado-Ballester and Munuera-Aleman (2005) are of the conviction that believe developed through past experience becomes a crucial part of existing purchase in future. A lot of researchers have argued that contemplation of customer previous behaviours can provide good predictions of behavioral decision (Conner and Armitage, 1998). Consumer's earlier period experience with immature products could be decisive in forming the product-exact perception that would influence potential purchase decision. This earlier period experiences by the consumer manipulate their purchases or use of products. Recently, Swami, Taylor, and Carvalho (2009) in a survey of 287 men and women in London found that earlier experience was significant and certainly predicted enthusiasm to purchase products. In their study on decision to buy fake versus genuine things found that consumer preferred original items over fake apart from their products experience.

2.5.2 Product Knowledge as Determinant of Purchase Decisions

Customers product information have familiar like feature that influence all phase in the conclusion progression (Bettman and Park, 1980). Customers with different levels of contrived goods in sequence differ in their perception of products. Customers with greater level of product information have good developed and more multifaceted schema with well formulated conclusion criterion (Marks and Olson, 1981). While they procedure knowledge, less cognitive effort is mandatory and applicable information structure can be activate by design, and they are capable to procedure more information. Previous study argue that, given superior- suburban and more composite schema customers with better levels of product knowledge have better cognitive capacity to evaluate comparative alternatives.

This idea agree with Kempf and Smith (1998), who advise, that customers with big levels of product knowledge are more suggestive and knowledge able than those who have small levels of product information. Therefore, the big the level of product information a customer's possess the less possibility he/she will produce estimate bias with the result that knowledge able consumers are likely to value that CBPs are low grade BPs. Self-perceived knowledge operates as a direct positive influencer of purchase decisions for unusual branded long-lasting products (Berger, Ratchford, and Haines, 1994). In the background consumers with higher level of product information are able to assess branded product more accurately and become low favorable and agreeable to BPs. Thus, they should give less support and to the grade of branded product and show low preference for branded products nature apparent information operate as a straight optimistic influence of purchase decision for inventive branded sturdy products (Berger, Ratchford, and Haines, 1994).

2.5.3 Celebrities Endorsement as a Determinant of Purchase Decisions

Advertising pay millions of dollars to celebrities, hoping that the stars will bring their magic to the products and services they endorse and make them more appealing and successful. In 1995, U.S. companies paid more than one billion dollars to 2000 athletes for endorsement deals (Lane, 1996). This means that approximately ten percent of the expenditure on corporate sponsorships is spent on this specific promotion strategy. The combination of basketball superstar Michael "Air" Jordan and Nike has become the sports business euphemism for "a perfect fit" (Amis, Pant and Slack, 1997). By early 1993, one in three pairs of athletic shoes sold in the United States were made by Nike, with "Air Jordan" shoes and apparel contributing more than US\$ 200 million a year in sales to the Nike empire (Katz, 1994).

According to Veltri and Long (1998), athletes will usually pursue two types of endorsements: "sport specific products" and "non-sport specific products". Sport specific products are defined as articles necessary for the athlete to play his or her sport (shoes, racquets, clothing, etc.). Non-sport specific products include all other products or services not related to the sport itself (cars, cosmetics, etc.). According to O'Mahony and Meenaghan (1997/98), consumers' response to endorsement messages is linked to relatedness, which means that the more the athlete is related with the product, the more effective the endorsement is. This largely emphasises the importance of elite-level athletes as endorsers for athletic shoe companies (producing sport specific products), which are unquestionably the largest.

Organizations are spending huge money in hiring a celebrity endorser in their products advertisements for increasing sales of their products. Customers follow their

favorite celebrities in product purchase decisions. Specifically in teenagers it has been identified that purchase decision towards celebrity endorsed products is higher Chang (2011). Ahmed, Mir, and Farooq (2012) revealed that advertisements having Celebrities were more affective compared to non-celebrity advertisements. Some organization use animated spokesperson in their advertisement rather celebrities and researches have proved that purchase decision towards celebrity endorsed product is higher compared to animated spokespersons (Bhakar, Bhakar, and Dubey (2015).

In a study on celebrity endorsements, Zafar and Rafique (2012) took three factors of celebrity endorsement in the research which was credibility, physical attractiveness and celebrity congruence with the product. The authors proposed that if the celebrity is attractive, customers can trust him/her and there is a match between the product and celebrity then product features take a secondary place and celebrity endorsement leads to purchase decisions of the product. Matchup between the product and celebrity is more important than the physical attractiveness of the celebrity (Ahmed, Mir, and Farooq, 2012). In case of a mismatch between the celebrity and the product effect of celebrities endorsing few brands on purchase Decision was found to be higher than the celebrities endorsing multiple brands (Pradhan and Roy, 2012).

A model with factors of celebrity endorsement such as trustworthiness, expertise and attractiveness as independent variables and purchase decision as dependent variable was developed by Khan (2013). The results indicated that there is a significant effect of trustworthiness, expertise and attractiveness of celebrity on purchase decision (Pradhan and Roy, 2012).

Pradhan and Roy (2012) contradicts the results of previous studies that have proved that celebrity attractiveness increase purchase decision. Organizations using celebrity appeal should evaluate the popularity of the celebrity they are using in their product advertisements. Only celebrity appeal doesn't increases the purchase decisions towards products organizations should also consider other factors such as product packaging, customer knowledge in turn to gain more customers for their brands (Agarwal, Kumar, and Kumar, 2013). According to Yeung and Yi (2012) celebrity endorser doesn't influence the customers to pay Premium prices for the product.

The relationship between Perceived value and purchase decision having celebrity endorser as the moderating variable was studied by Chi, Yeh, and Tsai (2011). The results indicated a significant relationship between perceived value and celebrity Endorsement as well as perceived value and purchase decisions whereas it was found that the Interaction between perceived value and celebrity endorser does not have a significant impact on purchase decision.

2.5.4 The Influence of Perceived Quality on Purchase Decisions

Perceived quality is a result of consumers' subjective judgment on a product (Zeithaml, 1988; Dodds, Monroe and Grewal, 1991; Aaker, 1991). Bhuian (1997) also consider perceived quality is a judgment on the consistency of product specification or an evaluation on added value of a product. Garvin (1983) proposes that perceived quality is defined on the basis of users' recognition while objective quality is defined on the basis of product or manufacturing orientation. The differences between objective quality and perceived quality lie in that objective quality has a pre-design standard to a product, and perceived quality is influenced by internal and external

product attributes which is an evaluation basis for consumers (Olshavsky, 1985; Zeithaml, 1988). Kan (2002) points out that objective quality is that consumers will use their experience and knowledge to evaluate overall product benefit, function, durability, technology and reliability when consumers purchase a product. Perceived quality is a consumer judgment on the accumulative product benefits and a subjective feeling on product quality (Zeithaml, 1988; Dodds, Monroe and Grewal, 1991). Aaker (1991) argues that perceived quality can show the salient differentiation of a product or a service and becomes a selective brand in consumers' mind. The reason why perceived quality is different to real quality is because (a) a previous bad image of a product will influence consumers' judgment on product quality in the future.

Moreover, even the product quality has been changed, consumers will not trust that product because of their unpleasant experience in previous (Aaker, 1996), (b) manufacturers and consumers have different views on the judgment of the quality dimensions (Morgan, 1985; Aaker, 1996), (c) consumers seldom hold enough information to evaluate a product objectively. Though consumers have enough information, they may be insufficient in time and motivation to do a further judgment, and in the end they can only select little important information and make an evaluation on quality (Aaker, 1996; Wan, 2006). In addition, perceived quality is a relative concept which possesses situational, comparative, and individual attributes. Perceived quality will be affected by factors such as previous experience, education level, and perceived risk and situational variables such as purchase purpose, purchase situation, time pressure, and social background from consumers (Holbrook and Corfman, 1985). In sum, perceived quality is a consumer subjective judgment on

product quality, and he or she will evaluate product quality from their previous experiences and feelings.

2.5.5 The Influence of Advertising on Purchase Decision

It is believed that through advertising, firms could decide on the particular objectives to be aimed. Available choice include; (1) informative advertising, which may be opted when firms attempt to provide as much information as possible for public view with a basic expectation to increase education and/or understanding, (2) persuasive advertising, which may be selected when firms attempt to offer “arguments” on particular products and/or services, and (3) reminder advertising, which may be chosen when firms attempt to remind public on their availability of products and/or services (Kotler and Armstrong, 2006; Supranto and Limakrisna, 2007; Tjiptono, 2008). In addition, firms could also select mediums of advertisement, such as; newspapers, televisions, direct mails, radios, magazines, billboards, or internet. This is mainly done to ensure the appropriateness of media choices with the targeted population, with the basic consideration toward budget. To start formulating advertising, it becomes crucial for firms to predict their potential customers within the chosen market segment, and target marketplaces.

2.5.6 Sales Promotion and Purchase Decisions

Activities on sales promotion are closely related to customer building. Its main objective is to capture and attract new customers, boosting their decision to buy, and lure them into making the real purchases on products and/or services (Kotler and Armstrong, 2006; Supranto and Limakrisna, 2007; Tjiptono, 2008). There are 3 main

types of sales promotion tools; (1) promotion tools for retail customers, (2) trade promotion tools, which aim for the marketing channel (distributor, retailer, and wholesaler), and (3) business promotion tools, which refer to the business customers. Hence, firms may have to ensure the appropriateness of tools for each market segment.

2.5.7 Public Relation and Purchase Decisions

Most of public relation activities may be closely related to any attempts in boosting image (Kotler and Armstrong, 2006). The term “public” may not always refer to the general society as a whole within specific territorial boundaries. A close proximity of local community may also be considered public. In this case, the local community may be targeted due to its similarity in taste and/or preference, for instance. The public relation activities may include events, sponsorships, and press releases. Automotive firms may use events to introduce new products. Sponsorships may be used during exhibitions, door prizes, or competitions. Press releases may be used toward customer retention (Hansenmark and Albinson, 2004) while also targeting for new potential customers.

2.5.8 Personal Selling and Purchase Decisions

It has been opined by Kotler and Armstrong (2006) that personal selling represent one of the oldest forms of promotional tools. It relies on group of individuals as sales force to rightfully perform push-strategy, which challenges customers into buying the product or services, or a pull-strategy, where the role of sales forces may be limited to a mere support staff on retailers to ensure the after-sales services. Though sales forces are mostly related to encouraging customers into a buying mode, sales forces play an

integral role in CRM process. This is due to their possession of valuable information and knowledge on customers, such as; addresses, occupation, hobbies, and preferences.

2.5.9 Direct Selling and Purchase Decision

Direct selling was not merely related to creating a customer transaction (Kotler and Armstrong, 2006). The companies could use tools in direct selling to inform customer about the latest news from the company, such as new product, events, and company development. Since CRM focused on the customer more personal, the direct communication with their customer is one of first attempt to have a good relationship with targeted customer.

2.5.10 Customer Relationship Management and Purchase Decision

As mentioned by Kotler and Armstrong (2006) and Tjiptono (2008), customer relationship management (CRM) is a continuous process performed by firms to constantly building and maintaining profitable customer relationships, which may be conducted by delivering customer superior value and satisfaction (Nawangwulan, Anantadjaya, Widayatmoko, and Seancho, 2012). As the general level of competition gets tougher across industries, automotive industry is no exception as its products may have similarities. Firms are constantly exploring ways of getting their competitiveness via careful considerations on three CRM's points of view; operational CRM, analytical CRM, and/or strategic CRM.

Operational CRM refers to automation of CRM activity using information technology. Operational CRM is being implemented to customer focused activities on

a daily basis. In a multichannel environment, an automotives manufactures implement on line inventory system throughout dealers to ensure spare parts need from each dealer. By implement this online system; company could maintain customer satisfaction (Cacioppo, 2000; Hansenmark and Albinson, 2004) by on time and accurate services. It takes time to service a car and customers merely want their cars get fixed as quickly as possible. The more the companies provide fast and excellent services, the highest the customer satisfaction companies could create.

Analytical CRM refers to CRM activity in which exploit customer data to increase the value of customer and company. Customer data could be obtained from data bank which most of company already has. Companies usually create feedback or suggestions and recommendations forms to know how were the company products and services quality from customer's point of view. Company usually has their customer data, consist of customers name, address, telephone, occupation, and income. Through this customers data companies could; make better targeted marketing campaigns, analyze customers behavior, and make a better customer retention program (Hansenmark and Albinson, 2004)

Strategic CRM refers to new way of creating competitive advantages. By implementing strategic CRM, companies could win the customers heart by delivering superior value and achieve high level of customer satisfaction. Strategic CRM refers to company attempts in creating customer focused management throughout organization. The top management announce customer centric as a part of corporate culture. The next step is socializing this concept to every level of organization. The role of top management is very crucial in creating customer-centric environment.

Through routine meetings and trainings, top management has to explain the reason and the significance of customer focused culture. The managers also have to conduct routine evaluation to ensure employees performance (Kotler and Armstrong, 2006; Tjiptono, 2008). To ensure the smooth processes, customer database is also an important element in the process of building and maintaining customers (Kotler and Armstrong, 2006; Tjiptono, 2008). Basically, firms may use such databases to identify prospects, decide which customers should be targeted on particular offers, increase customer loyalty, and reactivate customer purchases.

CRM allows firms to get closer with customers, understand their needs and wants, and deliver superior value toward lasting satisfaction and loyalty (Hansenmark and Albinson, 2004; Supranto and Limakrisna, 2007; Tjiptono, 2008). CRM is just a mere process. This means that CRM alone may not turn firms into high profitability and/or achieving competitiveness, as expected. For this reason, CRM demands internal involvements to ensure the process to work effectively. Such internal involvements may start with the indispensable participations from top management, a reward system, constant concentration on customer lifecycle value (CLV).

2.5.11 Visual Merchandising as a Determinant of Purchase Decisions

Visual merchandising is effective presentation of products that impacts customers purchase (Walters and White, 1987). It is providing right product to right customer at right time. It is defined as “the presentation of a store/brand and its merchandise to the customer through the teamwork of the store’s advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by store” (Mills, et al, 1995). This means everything that customer

sees, exterior or interior, creates a positive impact on customer. Retailers are gradually realizing that only selling the product is not important, but customers' satisfaction and convenience is also important for shopping. Stimulus in retailing includes space related, product related and people related aspects (Quartier, Vanrie and Van Cleempoel, 2009). These stimuli are mostly collected through eyes. Hence, it is inexpensive way of marketing (Matthew and Clark, 2004).

Visual merchandising includes both store exterior and interior. The store exterior includes window display, façade and retail premises. Window display is a medium which creates first impression in customer's mind to enter the store. Physical attractiveness of the store impresses customers highly for store selection (Darden and Lusch, 1983). In the same way exterior of the store instigates customers to enter the store (Jiyeon, 2003). Omar (1999) suggests that there are three types of interior display: Merchandising display, Point-of-sales display and Architectural display. In-store cues have always been prominal for practitioners and researchers (McGoldrick, 1990).

Good store interior interests customers and hence, reduces psychological defense and help purchase (Kotler, 1974; Walters and White, 1987; Bitner, 1992; Omar, 1999; Davies and Ward, 2002, Jiyeon, 2003). The store interior includes orienting factors (Davies and Ward, 2002); signage (Bitner, 1992); Layout (Levy and Weitx, 1996; Berman and Evans, 1995), fixturing (Levy and Weitx, 1996), merchandise (Davies and Ward, 2002), presentation techniques (Buchanan, Simmons and Bickart, 1999), props (Dua and Karolia, 2008) and spatial factors and ambient conditions (Davies and Ward, 2002), which Kotler termed "atmospherics" which is a very important strategy.

Consumer expectation regarding in-store design have increased (Buchanan, Simmons and Bickart, 1999) and there is also a heightened desire for shopping excitement, which can in part be delivered through innovative design of the physical environment (Erlick, 1993; Levy and Weitz, 1996).

Visual merchandising is, therefore, concerned with both how the product/ brand are visually communicated to the customer and also whether this message is aptly decoded. Visual merchandising includes various aspects of consumer such as sensory pleasure, affective pleasure and cognitive pleasure (Fiore, Yah and Yoh, 2000). Consumers under stress will make planned or nondiscretionary purchase and won't spend as much time or money on unplanned purchases (Donovan, Rossiter, Marcoolyn and Nesdale, 1994). Customers account both monetary and non-monetary costs of the merchandise (Zeithaml, 1988). Recreational i.e. non-monetary are vital for shopping (Treblanche, 1999). The longer a shopper remains in the store the more he or she will buy. And the amount of time the shopper will spend in the store depends on how comfortable or enjoyable the experience is. So the visual stimulus and ambience must be soothing and effective so customer remains in store for longer time. Along with the merchandise, it triggered affective reaction among shoppers (Baker and Grewal, 1992) which creates store patronage decisions (Baker et al., 2002). It is evident from the above research studies, that in-store environment is critical component of store choice and sales behavior.

2.5.12 Brand Satisfaction as a Determinant of Purchase Decisions

Consumer satisfy and discontent are the customer judgment whereas a firm succeed or letdown in meet expectation (Oliver, 1980). Met potential outcomes in consumer

satisfaction unmet expectation outcomes in consumers frustration. In his other writings, Oliver (1999) define satisfactory summary of mental state results when the feeling immediate unconfirmed expectation is attached with prior feeling almost customer practice. In simple, satisfactions have conceptualize in term of whether the goods or services meet customer requirements and expectation (Zeithaml and Bitner, 2000). Focusing on the seller industry, satisfaction with brand or brand satisfactions is definite as a cognitive estimation of whether or not the swap relation with brand is satisfying (Esch, Langner, Schmitt and Geus, 2006).

2.5.13 Brand Trust as a determinant of Purchase Decisions

In matches brand belief is a well-researched market buildup. Delgado-Ballester, Munuera-Aleman, and Yague-Guillen (2003) defined brand belief as „the certain expectation of the brand consistency and intenti in situation entail risk toward customers (p. 37).Such as brand belief is one reasonable result of brand awareness and brand like. Therefore worldwide brands familiarities and worldwide brand are essential precondition for universal brand belief. It seem not likely that worldwide brand belief would be contract if customer were unknown with or not liked the world wide brand. Researcher has connected brand belief with brand satisfaction greater market share and promotes efficiency brand justness.

Recently, Romaniuk and Bogomolova (2005) have calculated worldwide brand various in term of trust. They sample consumer live in the UK and Australia and embarrassed for product volume influence in the belief score of one hundred ten local brands in market. They find small variation in brand belief scores when handling of market shares. Belief is addition like a sanitation issue in that all brand has accurate

level of trust to be aggressive in the markets. These findings make logic give the markets similarity of the UK and Australia.

2.5.14 Brand Loyalty as a Determinant of Purchase Decision

In the view of Aaker (1996) a loyal consumer base represents a barrier to entry, a basis for a price premium, time to respond to competitors, and a bulwark against deleterious price competition, and brand loyalty is a core dimension of brand equity. In addition, brand loyalty is the final destination of brand management, and if a company wants to test the weakness or strength of its customers' loyalty, it can easily check whether consumers still favor its product in contrast to competitors. Brand loyalty is consumer attitudes on a brand preference from previous use and shopping experience of a product (Deighton, Henderson, and Neslin, 1994; Aaker, 1991), and it can be measured from repurchase rate on a same brand. Assael (1998) defines that brand loyalty is that consumers satisfy their past experience in use of the same brand and incur repurchase behavior. Brand loyalty means brand preferences that consumers will not consider other brands when they buy a product (Baldinger and Rubinson, 1996; Cavero and Cebollada, 1997).

Brand loyalty represents a repurchase commitment in the future purchase that promise consumers will not change their brand loyalty in different situations and still buy their favorable brands (Oliver, 1999). Brand loyalty includes behavior factors and attitude factors. Behavior loyalty represents repurchase behavior, and loyalty attitude means psychological commitment to a brand (Aaker, 1991; Assael, 1998; Oliver, 1999; Prus and Brandt, 1995; Farr and Hollis, 1997). Thus, purchase frequency is not equal to loyalty. For instance, consumers to repurchase a product do not mean they like it but

due to a convenient factor or a variety seeking behavior to purchase a certain specific product occasionally (Tseng, Liao, and Jan, 2004). A true brand loyalty can be called when consumers are both inclined to these two factors, otherwise, it can only be called a spurious brand loyalty if only attitude or behavior factors are found (Baldinger and Rubinson, 1996).

Loyalty can also be separated from short term loyalty and long term loyalty. Short term loyalty is not a real brand loyalty because a long term customer will not buy other brands even if there is a better choice (Jones and Sasser, 1995). In addition, Bloemer and Kasper (1995) argue that a real brand loyalty should include brand preferences and repurchase behaviors that present in a long term commitment, brand commitment and psychological processing (decision making and evaluation) function while Fornell (1992) proposes that brand loyalty can be measured from customer repurchase decision and price tolerance. Consumers with a strong commitment to a particular brand will constantly search for any marketing activity related to the brand (Brown, 1952; Barwise and Ehrenberg, 1987; Chaudhuri, 1995; Baldinger and Rubinson, 1996; Bandyopadhyay, Gupta, and Dube, 2005).

Furthermore, brand loyalty can be measured in two dimensions: affective loyalty and action loyalty. Affective loyalty is a specific brand preference from accumulative satisfaction to previous using experiences. However, affective loyalty just represents that a repurchase decision. It does not mean that consumers will take purchase action. It is very hard to say that consumers hold brand loyalty (Jacoby and Chestnut, 1978; Oliver, 1999; Kan, 2002). Action loyalty indicates that consumers not only have preferences to a specific brand but also perform purchase action repetitively, and

become action inertia (Jacoby and Chestnut, 1978; Oliver, 1999; Kan, 2002, Lin, 2005).

2.6 Determinants of Purchase Decision in the FMCG Sector.

In marketing, the term FMCG means convenient and low involvement products like, salt, flours, pens, chocolates, etc. these products are demanded on a rather frequent level as compared to capital goods. The fast moving consumer goods [FMCG] is one of the largest sectors in the economy of all nations, particularly, the developing world. In the last few years in Bangladesh, the FMCG industry has experienced a dramatic growth; both qualitative and quantitative improvements have taken place in the consumer durables segment (Ullah and Prince, 2012). The FMCG sector's purchase decision is also influenced by a number of determinants such as sales promotion, time constraints and a host of others.

From the study of Ullah and Prince (2012), it can be deduced that eight key factors were observed to be the determinants in the FMCG sector. These factors are sales promotion, unavailability of brand, time constraint, in-store TVC, variety-seeking behavior, product features, end of aisle display and product convenience.

However, this study recommends focusing on three important factors, i.e., sales promotion, time constraints and unavailability of brand to smoothen the progress of the FMCG industry in Bangladesh.

2.7 Summary of Review on Determinants of Purchase Decisions

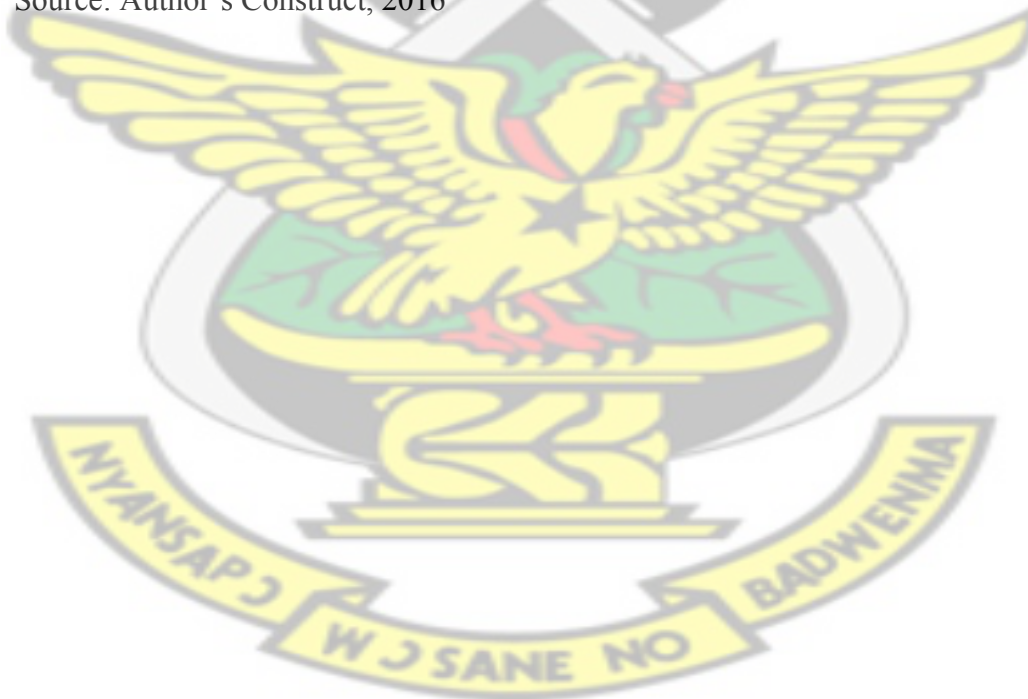
Following from the reviews of existing journal articles, books and other relevant literature, some variables including product price, product quality, brand name, visual mechanization, among other things were found to be determinants of a consumer's purchase decision. A summary of these determinants is captured in Table 2.1 as following.

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Table 2.1 Proposed Determinants of Purchase Decisions

Perceived quality	Visual merchandising
Advertising	Brand satisfaction
Sales promotion	Customers past experiences
Public relation	Product knowledge
Personal selling	Celebrities endorsement
Direct selling	Brand trust
Customer relationship management	Brand loyalty

Source: Author's Construct, 2016



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter throws light on the methods to be used to test the relationships between the determinants of purchase decisions and the purchase decision itself to establish whether indeed there is a relationship between them such that the relationship can determine or influence the decision of consumers to make purchases in Ghana.

3.2 Research Design

In the opinion of Cooper and Schinder, (1998), a research design can be defined as a plan for selecting sources and type of information used to answer the research questions. In a study conducted by Saunders et al (2007), they concluded that research design can be classified into three namely: Exploratory, Descriptive and Explanatory. This position is not too distant from the positions of (Schindler, 2006; Suvillan, 2001; Malhotra and Birks, 2007). This study is a descriptive study. This is because in answering the research questions, this study need to Support or refute an explanation or prediction concerning what determines purchase decisions in Ghana. The focus of the research questions is to establish causality between these assumptions.

3.3 Population of the Study

A research population is generally a large collection of individuals or objects that is the main focus of a scientific query (Salgado, 2002). The producers of consumer products in Ghana represent population of the study. Nestle Ghana Ltd is the sample frame. The basic reason of choosing this company is simply due to the fact that Nestle Ghana Ltd is one of the largest manufacturer and distributor of consumer goods in

Ghana. The company has a very wide customer base and consumers. Again Nestle Ghana operates in all the regions in Ghana and their products have a high household presence. It appears that the residents in Ghana are very much familiar with Nestle products. Another justification for the selection of Nestle Ghana Ltd as case study is that it is a typical case study that has all the attributes in the population selected. It is therefore a rich case study that can help answer the questions asked in this research. Polit and Hungler (1999) refers to the population as an aggregate or totality of all the objects, subjects or members that conforms to a set of specifications. The population is set of all units that the research covers, or to which it can be generalized (Neuman, 2006). The term “units” is employed because it is not necessarily people who are being sampled. The researcher may choose to sample from a universe of nations, regions, schools, etc. (Bryman, 2001).

3.4 Sample and Sampling Technique

Questionnaire will be administered on a sample size of 250 consumers of the products of Nestle Ghana Ltd. A minimum of 80% of the questionnaire is expected to be returned. The study utilizes stratified random sampling method. The sample frame will be divided into strata based on the distributors of the manufacturer (Nestle Ghana Ltd). Simple random sampling will be used to select customers from each stratum (distributor). The stratified random sampling will ensure fair representation of the population by the sample size selected.

3.5 The Survey Instrument and What it Measures

Purchase decision is the dependent variable. As part of the procedures the questionnaires will be administered on among 250 respondents. Before giving the

questionnaire, the purpose of study and questions will be explained to the respondents so they can easily fill the questionnaire. The researcher will administer the questionnaire to the consumers himself together with trained assistants.

A questionnaire is a written list of questions, the answers to which are recorded by respondents (Kumar, 1996). The vital goals of a questionnaire are to collect accurate data with maximum reliability and validity, and to obtain information relevant to the objectives of survey. Questionnaires are ubiquitous and employed more frequently than other methods (Cooper and Schindler, 1998). In the questionnaire, respondents are required to read questions, interpret what is expected and write down or record with answers independently (Kumar, 1996). The likert scale will be employed since it is deemed to be an excellent means of measuring the attitude of respondents towards an attribute. According to (Myers, 1999), the likert scale is user friendly and reduces uncertainty, confusion and misunderstanding.

3.6 Research Data Sources

Data is a set of values of qualitative or quantitative variables. An example of qualitative data would be an anthropologist's handwritten notes about her interviews with people of an Indigenous tribe. While the concept of data is commonly associated with scientific research, data is collected by a huge range of organizations and institutions, ranging from businesses (e.g., sales data, revenue, profits, stock price), governments (e.g., crime rates, unemployment rates, literacy rates) and non-governmental organizations (e.g., censuses of the number of homeless people by non-profit organizations).

This research will rely on both primary and secondary sources to achieve its objectives. The survey method will be used in this study. The essence of deploying the survey method in this research is to make sure that the findings and results will be able to be generalized. Data was collected from all relevant sources, secondary

3.6.1 Primary Research Data

The main research data collection tool is the primary data. It will be done through administering a survey questionnaire to the consumers of Nestle Ghana limited. All of the questions asked in the study were closed-ended and open ended. Closed-ended questions were used because it allow answers within a limited set and it was used essentially to gather factual data such as gender and age, as well as information on attitudes and opinions and the open ended questions allowed for flexibility on the part of respondents. This actually enables the researcher to have a high degree of control over the questionnaire (Kumekpor (2002).

3.6.2 Secondary Research Data

Secondary data refers to data that was collected by someone other than the user(Stevenson, Irving Grousbeck, and Roberts, 1999). Common sources of secondary data for social science include censuses, information collected by government departments, organisational records and data that was originally collected for other research purposes.(Wennekers and Thurik, 1999) Primary data, by contrast, are collected by the investigator conducting the research.

Secondary data was also used as well. Secondary data is data already collected for some other purposes. The secondary data sources include but are not limited to

published articles, books, reports related to the subject area, as well as internet sources. These sources were generally used in the literature review chapters to develop the arguments that serve as the basis for the empirical study.

3.7 Data Analysis

The data collected will be analysed quantitatively using regression analysis and descriptive statistics. The raw data obtained from a study is useless unless it is transformed into information for the purpose of decision making (Emery and Couper, 2003). The data analysis involved reducing the raw data into a manageable size, developing summaries and applying statistical inferences. The SPSS software will be used for this analysis. With the aid of multiple regression analysis, the assumed determinants of purchase decision of consumers of Nestle Ghana Ltd will be regressed against purchased decision to ascertain whether indeed they constitute the determinants of purchase decisions in Ghana and that they influence the decision consumers make when purchasing.

3.8 Profile of Nestle Ghana Ltd

In the 1860s Henri Nestlé, a pharmacist, developed a food for babies who were unable to breastfeed. His first success was a premature infant who could not tolerate his mother's milk or any of the usual substitutes. People quickly recognized the value of the new product, after Nestlé's new formula saved the child's life. Soon, Farine Lactée Henri Nestlé was being sold in much of Europe. In 1905 Nestlé merged with the Anglo-Swiss Condensed Milk Company. By the early 1900s, the company was operating factories in the United States, Britain, Germany and Spain. World War I created new demand for dairy products in the form of government contracts.

The 1920s saw Nestlé's first expansion into new products, with chocolate the Company's second most important activity. The end of World War II was the beginning of a dynamic phase for Nestlé. Growth accelerated and companies were acquired. In 1947 came the merger with Maggi seasonings and soups. Crosse and Blackwell followed in 1960, as did Findus (1963), Libby's (1971) and Stouffer's (1973). Diversification came with a shareholding in L'Oréal in 1974.

Nestle has been in existence for 150 years and can boast of 2000 plus brands with 335,000 employees worldwide, operates in 189 countries with 436 factories in 85 countries. The annual sales generated by Nestle in 2015 were CHF 88.8 Billion. Nestlé Ghana Limited started business in Ghana in 1957 under the trading name of Nestlé Products (GH) Limited with the importation of Nestlé products such as milk and chocolates. In 1968, it was incorporated as Food Specialties (GH) Limited to manufacture and market locally well-known Nestlé brands. The company became Nestlé Ghana Limited in 1987.

In 1971 the production of the Ideal Milk and Milo started at the Tema Factory. The factory has since been further developed and now also produces Carnation, Chocolim, Chocomilo, Cerelac, Nido, and Nescafé 3 in 1 etc. These products are not only produced for Ghana but also exported. In 2003, Nestlé Ghana Ltd invested in a new warehouse, the Central Distribution center, located next to the factory in Tema. The companies currently have sales offices in all the ten regions of Ghana. The Company has invested some 130 billion cedis in 2004 and 2005 to increase its production capacity, particularly in the area of cocoa-based beverages, and to construct modern and efficient distribution facilities next to the factory in Tema.

CHAPTER FOUR

PRESENTATION OF FINDINGS AND DISCUSSION OF RESULTS

4.1 Introduction

This chapter presents and discusses results of the data from the field in the light of the objectives stated in chapter one of the study. It is an analysis of the results obtained from primary and secondary data collected for this study. Data was collected from both primary and secondary source. According to Kumekpor (2002), secondary data is information that has been gathered previously for some purpose other than the current research project. The secondary data for this study was sourced from the internet, textbooks, news print and articles in journals. The primary data are for a specific purpose or for a specific research study. The primary data was collected from respondents from the field of study with the aid of questionnaires. For the purpose of clarity, the chapter is arranged in accordance with the objectives of the study stated earlier in chapter one. It begins with the description of the demographic characteristics of the respondents such as their sex, marital status, age group, educational level, and the presentation and analysis of the findings as they relate to the objective.

4.2 Response Rate

The total data collected from questionnaires administered have been tabulated, presented in pie or bar chart and concise analysis made to match the responses of the various respondents. A total number of two hundred and fifty (250) questionnaires were administered to the consumers of the products of Nestle Ghana Ltd. Out of the two hundred and fifty (250) questionnaires administered; two hundred questionnaires were received in return. In all the researcher received 80 percent of the questionnaires from the respondents.

4.3 Background of Respondents

The socio-demographic characteristics considered for the study includes that of gender, marital status, age, educational qualification, level of knowledge on Nestle products. These characteristics have been found to be indicators of customer's attitude towards purchases in general.

4.4 Gender Distribution of Respondents

The gender distribution of respondents in this study was relevant due to the immense role that gender stratification plays when it comes to the type of work that both male and female engage in. It is against this background that respondents were asked about their sex. The sex of respondents has been described in Table 4.1. The research further revealed that the administered questionnaires exhibited a ratio of 1:9 with regard to male and female distribution respectively with the female almost doubling that of the male. The ratio is an indication of enough evidence that there are more women who are customers of Nestle Ghana ltd. The findings show that female respondents were largely sampled.

Table 4.1: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	20	10.0
Female	180	90.0
Total	200	100

Source: Field survey, 2016

Age group

To determine the category of age groups of customers, data on the ages of the research participants were analyzed. These findings would be of enormous assistance. To this end, respondents were asked to state their ages. The results shows that about (32%) of respondents fell within the range of up to 40 with the rest 68% above 40.

According to Ghana Living Standard Survey (1992), about 76% of the adult populations are economically active. This gives meaning to this survey's finding that the majority of the respondents are within the adult population. It therefore means that the customers of Nestle Ghana ltd cut across all age groups with the majority been the older customers after 40 years who had stayed longer as customers of Nestle Ghana ltd. This age group according to Ghana's demographic characteristics is the active working group

Table 4.2: Age Group

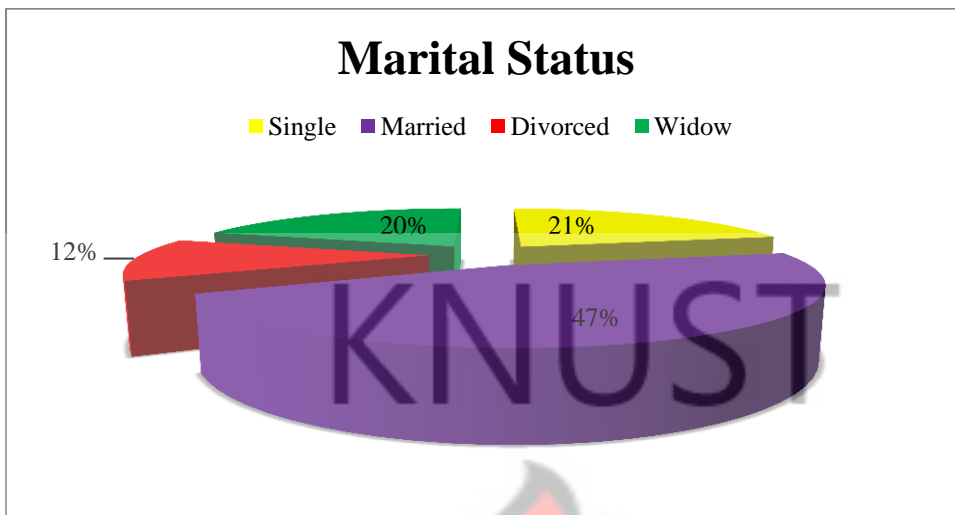
Age Group	Frequency	Percentage
Below 20	10	5.0
21-30	54	27.0
31-40	60	30.0
41-50	42	21.0
Above 50	34	17.0
Total	200	100

Source: Field survey, 2016

Marital status

With regards to marital status, 21% representing 43 out of 200 respondents were single and 93 representing 47% were married as shown in and Figure 4.1 above. 12% and 20% representing 24 and 40 out of 200 respondents were divorced and widowed respectively. This depicts that almost about half of the respondents had other responsibilities like taking care of their families in addition to their work. They are more likely to be dragged away on family emergencies more often.

Figure 4.1: Marital Status of Respondents



Source: Field survey, 2016

4.5 Educational Qualification of Respondents

The educational qualification of respondents gave insight into the diverse skills of the respondents and how they could analyze and perceive issues. The respondents consist of both skilled and unskilled workers. However, it is important for the unskilled workers to be able to read and write in order to communicate effectively with the organization. Table 4.3 presents the distribution of level of education attained. It shows the various educational qualifications of all respondents. Of these, 17% were first degree holders; 28% were diploma holders; this is followed by those who had other forms of education with 55% such as BECE, WASSCE, O and A level certificate. In general, the level of education of respondents was quiet good. It is probable that this may be due to the urban nature of the metropolis.

Formal education has given rise to shifts in the occupational distribution and ranking in the country, as well as a change in the stratification arrangements of the wider society (Assuming, 1999). It has also changed the cognitive structure of many people.

It is in the light of this that the study examined the educational background of respondents. This level of literacy enhanced the research, especially during the data collection. This was because most of the respondents could understand the issues that the research was seeking to unravel.

Table 4.3: Educational Qualification of Respondents

Educational Qualification	Frequency	Percentage
Diploma	56	28.0
1 st Degree	34	17.0
2 nd Degree	0	0.0
PhD	0	0.0
Any Other	110	55.0
Total	200	100

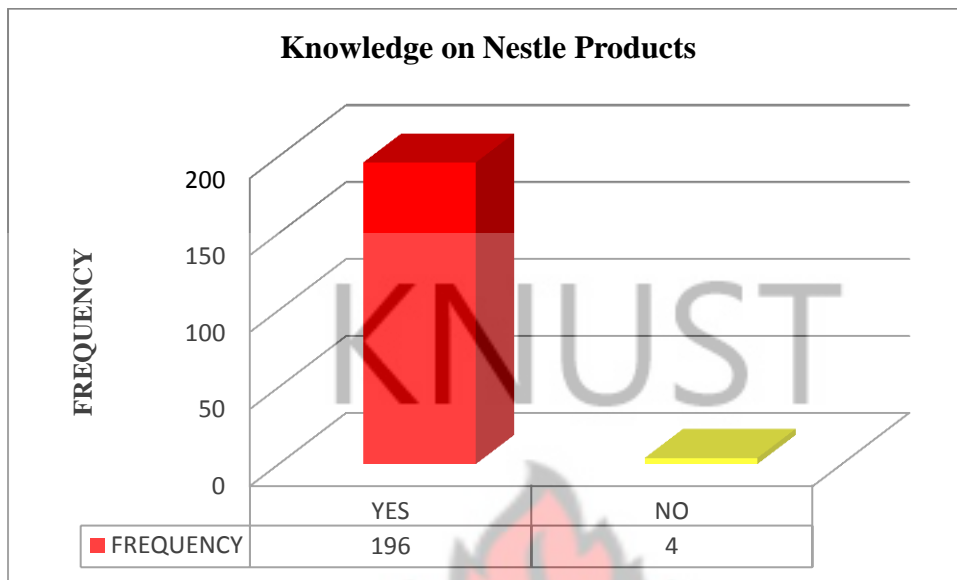
Source: Field survey, 2016

4.6 Knowledge on Nestle Products

Respondents of the questionnaire were asked to indicate whether they have any knowledge on Nestle product. 98 percent representing majority of the respondents asserted that they have an insight on the products of Nestle Ghana with 2 percent confused with the products of Nestle Ghana and Unilever Ghana. This may be due to the fact of ignorance among shop owners.

The study also revealed that, all greater percentage of the shop owners had a high level of knowledge on Nestle product. This asserts that the advertisement of Nestle products is on its peak. The marketing department of Nestle Ghana is able to create the awareness of all its products to its customers.

Figure 4.2: Knowledge on Nestle Products



Source: Field survey, 2016

Purchased Products of Nestle

These were the response of respondents when they were asked which of the Nestle products they had purchased before. All respondents representing a total of (100%) hundred percent indicated that they had purchased Milo, Nescafe, Ideal milk, Cerelac, Nido and Maggie and are still continuing to purchase them. Shop owners asserted that there is a high demand for Nestle products in the market especially the products mentioned above. Shop owners emphasized that product of Nestle Ghana are perceived by buyers to be of good quality and it influences their decision to purchase their products.

4.7 Determinants of Consumer Purchases

This part considers the determinants that affect the consumers purchasing decision. Respondents were asked to indicate the extent to which you agree or disagree to the accompanying statements. The Kendall's coefficient of concordance was used to determine the factors that most influence respondent's purchases. Majority of the

respondents affirm that they do purchase all the products displayed. Just a few asserted they purchase not all but some.

Table 4.4: Determinants of Consumer Purchases

NO	Determinants	Mean Rank	Rank
2	Country of origin	1.81	21
3	Brand name	4.91	2
4	Quality	3.96	8
5	Price	4.89	3
6	Corporate social responsibility of the producers.	1.41	23
7	Family members	1.75	22
8	Peer group (my friends)	2.00	20
9	Features	2.83	14
10	My past experience	3.81	10
11	Knowledge of the products	3.80	11
12	Celebrities that endorse the products.	1.01	24
13	Perceived quality	4.92	1
14	Advertising	4.54	5
15	Sales promotions.	3.84	9
16	Public relations	3.01	12
17	Brand satisfaction	4.39	7
18	My trust in the products brands	4.70	4
19	My loyalty to the brands	4.52	6
20	The accessibility of the products	2.21	19
21	Personal selling	2.26	18
22	Visual merchandising	2.55	16
23	Customer Relationship	2.84	13
24	Packaging of the products	2.74	15
25	Direct selling	2.41	17
Test Statistics			
N			200
Kendall's Significant level			0.05
P-value			0.16

Source: Field survey, 2016

The result was obtained from the non-parametric test for k-related samples. The level of agreement between the two hundred (200) respondents in the sampled shop owners was tested using the Kendall's coefficient of concordance since there are two hundred (200) respondents.

Perceived quality of the products was ranked as the major determinant that influences consumers purchase decision. The findings from this study are consistent with the results from similar studies conducted by Zeithaml (1988); Dodds, Monroe and Grewal (1991) and Aaker (1991). This points to the fact that consumers of nestle products will largely continue to consume products from Nestle Ghana Limited only if the quality of such products is guaranteed.

This implies that there ought to be consistency in the product specification produced by the company at all times. With the slightest of alterations in specification of the products, most consumers are likely not to purchase the products in question. Indeed, Aaker (1991) opined that a variation in the known product specification could potentially lead to substantial drop in confidence of consumers, and consequently their decision to purchase.

As has been proposed by Garvin (1983) perceived quality is defined on the basis of users' recognition while objective quality is defined on the basis of product or manufacturing orientation. Ranking perceived quality as the major influential factor is also consistent with Bhuian (1997) who considers it as a judgment on the consistency of product specification or an evaluation on added value of a product.

Brand name was ranked the next influential determinant with a mean of 4.91. Respondents asserted that branding is an important tool in marketing your products which intends to create awareness of the product. A good brand influences the purchasing decision of consumers. Developing a good brand name helps to build brand trust and brand loyalty which contributes in consumers purchasing decision. A consumer with brand loyalty indicates they do not only have preferences to a specific brand but also perform purchase action repetitively, and become action inertia (Lin, 2006).

Price, advertising and Quality were ranked the 3rd, 5th and 8th determinants respectively with their individual mean ranks as 4.89, 4.54 and 3.96 respectively. Advertising serves as a factor next to price of the products. Advertisement of Nestle products creates the awareness and also serves as a way by which consumers are persuaded when firms attempt to offer arguments on particular products. This is consistent with the work of Kotler and Armstrong (2006). Quality; the objective quality of the product influences the purchase design of consumers. Kan (2002) points out that objective quality is that consumers will use their experience and knowledge to evaluate overall product benefit, function, durability, technology and reliability when consumers purchase a product.

Sales promotion was ranked the 9th among the major factors that influences consumer purchases with a mean of 3.84. Sales promotion is used as a tactical measure to capture customers. The key objective of sale promotion is to entice new customers their decision to buy, and convince them into making the real purchases on products (Supranto and Limakrisna, 2007).

Past experience, knowledge of the product and celebrity endorsement were ranked 10th, 11th and 24th respectively with its mean rank as 3.81, 3.80 and 1.01 respectively. Past experience of using the products influence the product decision of customers. Researchers are of the opinion that the trust developed through past experience becomes a decisive part of existing purchase in future (Delgado-Ballester and Munuera-Aleman, 2005). Consumer's earlier period experience with undeveloped products could be decisive in creating the product insight that would influence purchase decision.

In the background consumers with higher level of product knowledge are able to assess branded product more accurately and become low favorable. Kempf and Smith (1998) argued customers with big levels of product knowledge are more suggestive and knowledgeable than those who have small levels of product information. Therefore, the big the level of product knowledge a customer's possesses highly affect the purchase decision.

Ali Ahmed, et al. (2012) revealed that advertisements having Celebrities were more effective compared to non-celebrity advertisements. The mean rank of celebrity endorsement suggests that it is a minor determinant that influences consumer purchases. Contrary to the findings of Veltri and Long (1998), the current study results reveal that advertisements by celebrity endorsement were not treated as major determining factor by Nestle product consumers in Ghana. Whereas, Veltri and Long (1998) and O'Mahony and Meenaghan (1998) are of the view that consumers' response to endorsement messages is linked to relatedness, which means that the more the athlete is related with the product, the more effective the endorsement is, it does

appear that such celebrity endorsements do not entice Nestle products consumers sampled for this study. This could be as a result of the product line Nestle produces which are not linked or related directly to any sporting activity as found by O'Mahony and Meenaghan (1998).

According to O'Mahony and Meenaghan (1997/98), consumers' response to endorsement messages is linked to relatedness, which means that the more the athlete is related with the product, the more effective the endorsement is. This largely emphasizes the importance of elite-level athletes as endorsers for athletic shoe companies (producing sport specific products), which are unquestionably the largest.

For Nestle Ghana Limited to be able to attract more customers, its product endorsements should be coming from key personalities in sports. Taking, milo for example, which is known to be immune booster and provider of energy for children within a certain age group, any athlete within the age group of the targeted population will appeal to the taste and conscience of consumers.

This study result is consistent with Roy (2012) and Yi (2012) they proved that celebrity attractiveness does not increase purchase decision. Roy asserted that organizations should evaluate the popularity of the celebrity they are using. This is in order because some celebrities may not be popular in the field of the product in question.

One other factor which received a high response was the trust given to product brands. With a mean of 4.70, trust on brand was ranked 4th as a major determinant.

Brand trust serves as an important factor to the purchase decision of consumers. The lack of trust in a product affects the brands of the product negatively which intends gives a negative decision to the consumer. Brand loyalty also serves as a major factor in purchase decision. Ranked as the 6th determinant, loyalty represents a repurchase commitment in the future purchase that promise consumers will not change their brand loyalty in different situations and still buy their favorable brands (Oliver, 1999).

Brand satisfaction according to Oliver (1999) define satisfactory summary of mental state results when the feeling immediate unconfirmed expectation is attached with prior feeling almost customer practice. Brand satisfaction was rank 7th with the mean rank of 4.39. Satisfaction gained from the specified Nestle Ghana products are ranked as satisfactory which affects the purchase decision of respondents.

The improvement in a firm's customer relationship management principle has an influencing on the purchase decision of Nestle product even though respondents ranked it as the 13th determinant. The strategic improvement and review of Nestle Ghana customer relationship management principle would have a positive decision on the purchase of Nestle Ghana products. Given the packaging of products, respondents ranked it the 15th determinant. Good packaging of product gives an impression of it quality. Ksenia Polyakova (2013) studied the effect of package design on purchase decision. The results of the study indicated that graphics on the package, color and the information of the product are the key factors in purchase decision.

Visual merchandising, direct selling and Personal selling were part of the determinants that were ranked least among the other factors with their respective

mean ranks as 2.55, 2.41 and 2.26. The study revealed that visual merchandising does not play a major role in purchase decision likewise direct selling and Personal selling. Visual merchandising is effective presentation of products that impacts customers purchase (Walters and White, 1987) this is inconsistent with what the study revealed. Direct selling may be used as a tool to have a good relationship with targeted customer (Kotler and Armstrong, 2006). Personal selling according to respondents are considered to be the older form of selling. Majority of respondents ranked it a the less contributing factor that customer would not consider when making their purchase decision on Nestle Ghana product.

4.8 Purchase Decision

Respondents were asked to indicate the extent to which they agree or disagree with the statement below in relation to their purchase decision toward Nestle Ghana products.

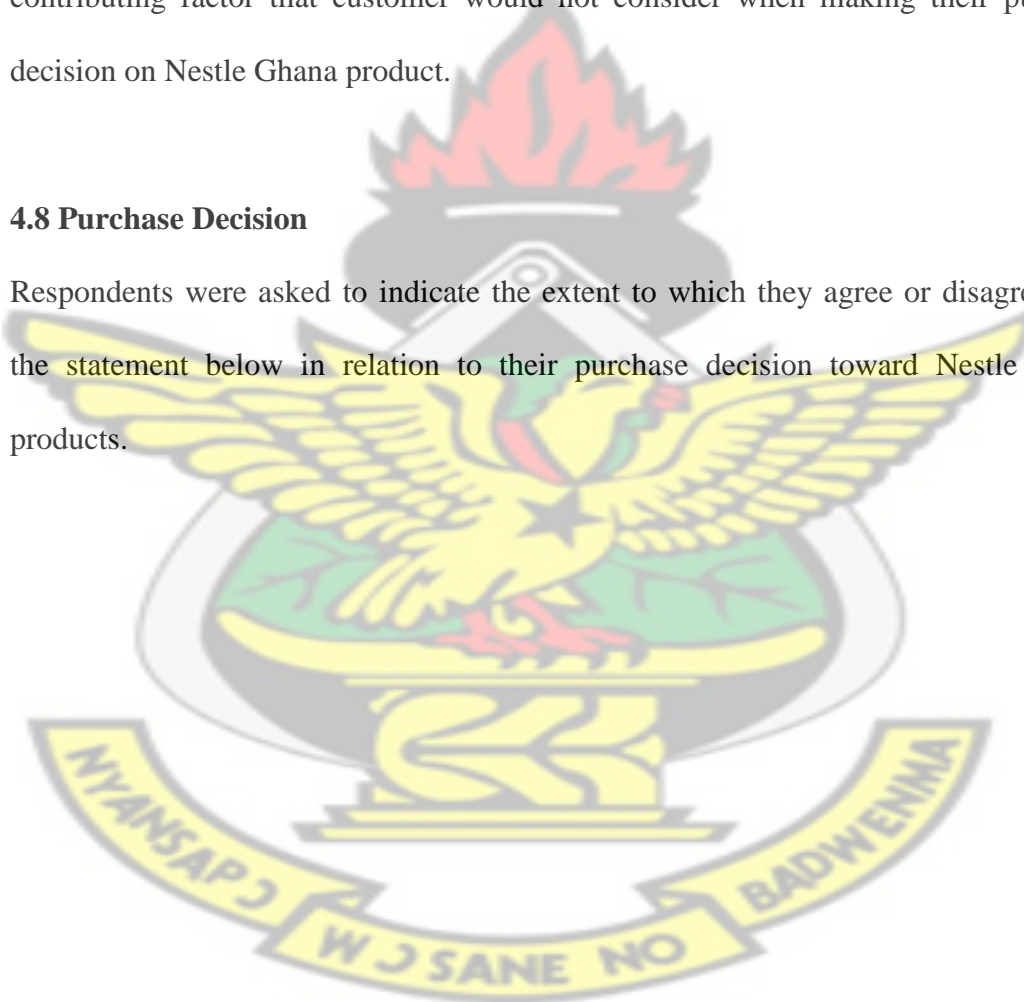


Table 4.5: Purchase Decision

	Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
		No. %	No. %	No. %	No. %	No. %	No. %
1	I have never regretted buying any of these products	133 66.5%	40 20.0%	17 8.5%	10 5.0%	0 0.0%	200 100.0%
2	I make all the decision to buy any of the above product when I get to the store	3 1.5%	37 18.5%	86 43.0%	53 26.5%	21 10.5%	200 100.0%
3	I decide buying the product ahead of time but I finally decide the brands and the types later when I am in the shop	11 5.5%	91 45.5%	40 20.0%	39 19.5%	19 9.5%	200 100.0%
4	I decide which product and brand to buy before entering the shop	40 20.0%	107 53.5%	27 13.5%	19 9.5%	7 3.5%	200 100.0%
5	I sometimes prefer other brands from other manufacturers than those displayed above	9 4.5%	123 61.5%	8 4.0%	13 6.5%	47 23.5%	200 100.0%
6	Unpredicted situations sometimes change my decision to purchase the above displayed products	8 0.4%	64 32%	96 48.0%	32 0.16%	0 0.0%	200 100.0%
7	I will always purchase these products in the future	144 71.0%	32 16.0%	16 0.8%	8 0.04%	0 0.0%	200 100.0%
8	The information I have about other brands and the brands displayed above helps me to decide on my purchases	103 51.5%	55 27.5%	8 4.0%	18 9.0%	16 8.0%	200 100.0%
9	I always purchase familiar brands	18 0.09%	98 49.0%	60 30.0%	16 8.0%	8 4.0%	200 100.0%
10	I buy these products no matter the price	11 5.5%	15 6.0%	37 18.5%	121 60.5%	16 8.0%	200 100.0%

Source: Field survey, 2016

According to Table 4.5 above, ten factors measured the purchase decision factors and respondents were asked whether they agreed with the statements therein. Results in terms of responses were given on the Likert Scale. The first factor was 'I have never regretted buying any of these products', the responses indicate that 66.5% of the respondents strongly agreed with the statement, 20.0% agreed with the statement and 8.5% were neutral, 5.0% disagreed, however, none of the respondents strongly disagreed. This confirms that majority of the respondent had ever regretted buying any of these products.

The second factor was that 'I make all the decision to buy any of the above products when I get to the store'. The highest number of respondents (43.0%) was neutral with the statement, 26.5% disagreed, 18.5% agreed while 10.5% and 1.5% of respondents strongly disagreed and disagreed. This statistic confirms that customers were indifferent in making their decision to buy any of the products when they get to the store.

The third factor was 'I decide buying the product ahead of time but I finally decide the brands and the types later when I am in the shop'; responses to this factor indicate that (45.5%) agreed with the statement, 20.0% were neutral, 19.5% disagreed with 9.5% and 5.5% of the respondents disagreed and strongly agreed respectively. Findings indicate a high percentage of the number of the respondents who agreed and those who were neutral in making their decision ahead of time.

The fourth factor was 'I decide which product and brand to buy before entering the shop. According to the findings, most of the respondents (53.5%) agreed with the

statement, 20.0% strongly agreed, while 13.5% were neutral, 9.5% disagreed and 3.5% indicated they strongly disagreed. This implied that, the customers of Nestle Ghana decide which product and brand to buy before entering the shop.

The fifth factor was 'I sometimes prefer other brands from other manufacturers than those displayed above. The highest number of respondents (61.5%) agrees with this statement while 23.5% strongly disagreed; 4.5% who strongly agreed with the statement. However, the least number of respondents (4.0%) remained neutral (6.5%) disagreed. Apparently, the percentage of the respondents who responded in affirmative was far less than those who responded in negative. This finding shows that consumers sometimes prefer other brands from other manufacturers than those produced by Nestle Ghana Limited.

The sixth factor was 'Unpredicted situations sometimes change my decision to purchase the above displayed products'. Responses indicate that while almost (48.0%) were neutral; 32% agreed with the statement, 16.0% s disagreed, while 4.0% strongly agreed and 0.0% indicated they strongly disagreed. The average percentage of the respondents who agreed (32.0%) confirm customer may face unpredicted situations sometimes which may change their decision to purchase Nestle Ghana Limited products.

The seventh factor was 'I will always purchase these products in the future'. According to the responses, more than half or the respondents (71.0%) strongly agreed to the statement while 16.0% agreed. However, 8.0% were neutral with 5.0% disagreed, while 0.0% strongly disagreed. The findings evidently indicate that

according to the affirmative response (24.0%), consumers would always purchase these products in the future.

The eighth factor was 'the information I have about other brands and the brands displayed above helps me to decide on my purchases'. Most respondents (51.5%) strongly agreed with the statement while 27.5% agreed. However, 9.0% of the respondents disagreed with 8.0% and 4.0% of the consumers affirmed they strongly disagree and are neutral respectively. This further confirms the information available would help the consumer in making a good decision.

The ninth factor was 'I always purchase familiar brands', and responses to this factor indicate that 49.0% agree with the statement, 30.0% were neutral, 9.0% strongly agree while 8.0% and 4.0% disagree and strongly disagree respectively. Given the percentage of the respondents who agreed and neutral with the statement, it then confirms that the consumers would always purchase familiar brands.

The tenth factor was 'I buy these products no matter the price'. Responses indicate that while almost (60.5%) disagreed with the statement, while 18.5% were neutral, 8.0% disagreed strongly, 6.0% agreed and 5.5% indicated they strongly agreed. The percentage of the respondents who disagreed confirms consumers are not willing to buy these at a higher price.

According to Arens Weigold and Arens (2008) success of the marketing strategies pass through not only changing the behaviour of the consumers but also affect and cognition. Although a person likes a product she/he may not buy it. All consumers are

exposed to social pressure, family, personal influence, culture, situation effects (Armstrong and Kotler, 2007)

Consumers should be analyzed by looking into all the three objects; their behaviour, affect and cognition and environment and their relations between each other. Every single element can affect the other elements or it can be a reason to realize. So while determining the marketing strategy, all elements should be considered (Keller, 2009). According to Akhter (2009), cultural factors denotes the deepest and widest impact on behaviour of consumers. It denotes beliefs and, in several customers learns to act by observing or inter-acting with other society members. Kacea and Lee (2002) described that cultural factors consist of values and culture, social class and subculture represents a wide impact over the decision making of consumer. Similarly Alba and Hutchinson (2000), explained that cultural factors also consist of thought process and behavioral patterns in a distinct way



CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter being the final chapter of the study contains the findings obtained from the study. Its purpose is therefore to outline and highlight the inferences that could be drawn from these findings. Also, since the study was necessitated by the researcher's quest to delve into consumer's purchase decisions on Nestle products, it is imperative that the outcome and its implications be given prominence as integral part of the study in order to help improve upon the status quo in the company. As a result, the composition of this chapter is based on the relevant issues to be dealt with, which are the summary of findings, conclusion and recommendations.

5.2 Summary

The results of this study revealed certain important issues in relation to the research objectives and research questions. The following findings were made and the outcome of this research indicated that all respondents representing had purchased Milo, Nescafe, Ideal milk, Cerelac, Nido and Maggi and are still continuing to purchase them. Shop owners emphasized that product of Nestle Ghana are perceived by buyers to be of good quality and it influences their decision to purchase their products.

5.2.1 Identification of purchase decisions of consumers in Ghana

One major factors that influence the purchase decisions of consumers of Nestle products, using the Kendall's coefficient of concordance, respondent identified seven major factors that influences the purchase decision of consumer. Consumers of Nestle product stated "perceived quality", "brand name", "price", "trust", "advertising",

“loyalty” and “brand satisfaction” as the major factors that influence consumer purchasing decision. Perceived quality was rated as the most important factor.

5.2.2 Evaluation of the relative impact the determinants have on the purchasing decisions of consumers of Nestle products in Ghana

On the basis of effects the determinants have on the purchase decisions of consumers of the products, Berger, Ratchford, and Haines (1994) in their study of how product knowledge affect purchase decision revealed that self-perceived knowledge operates as a direct positive influencer of purchase decisions for unusual branded long-lasting products. A good brand name creates an identity that resounds with your consumers which reinforces the emotional relationship between the company and consumer. Trust and loyalty rated as a major determinant of influence, has a positive influence on the consumers purchase.

5.2.3 Exploration of the perception of staff on the purchasing decision factors of consumers.

From the study, Formal education has given rise to shifts in the occupational distribution and ranking in the country, as well as a change in the stratification arrangements of the wider society (Assuming, 1999). The big the level of product education customer possesses the less possibility he/she will produce estimate bias. The study revealed that knowledge of the product is the most important factor that is being perceived by staff of Nestle Ghana in making their purchase decision

5.3 Conclusion

This study titled “The determinants of consumer purchase decisions in Ghana” enables the Nestle Ghana ltd to understand how consumer’s purchases decision differs

from person to person. The major determinant that factors that affects consumer's purchases of Nestle products.

The response of consumer's purchases decision on Nestle products has been very positive and within a span on time, the product's market scenario has seen a perceptible change in terms of improved brand name", "price", "trust", "advertising", "loyalty" and "brand satisfaction" benchmarks and introduction of innovative and tailors made products. The new products that have been introduced by the companies have certain innovative features in terms of better customer services and also wider covers. This has given customer ample choice to select products. The results indicated that consumers having more knowledge about a product are able to solve their problem with lesser efforts compared to less knowledgeable consumers. Also consumers with higher knowledge are not biased in making their decisions related to product purchase. Product knowledge plays a significant role in purchase decisions when the product is new or is manufactured in other countries and is distributed in rest of the countries

5.4 Recommendation

With regard to Nestle products, consumers respond at different rates, depending on the consumer's decision. Hence Nestle Ghana ltd should try to bring their new product to the attention of potential early adopters.

1. Due to increasing stiffer competition within the FMCG companies, Nestle Ghana ltd would have to adopt better strategies through gathering market intelligence reports in other to increase their market share.

2. As per the findings of this study, Quality is a major determinant of purchasing decision of consumers of Nestle Ghana products, it is therefore imperative that Nestle Ghana maintains the high quality level as perceived by its customers and also work on how to reduce cost in other to have a good Return on Investment (ROI) which would be the ultimate indicator to remain competitive.
3. Nestle products are consumed mainly by middle and higher income groups. Hence Nestle may be regarded as mainly targeting the working class. Nestle should increase their portfolio for products that are inexpensive and meet the demands of low income groups which would invariably help increase their market share.
4. Nestle Ghana ltd should conduct periodic research to understand the changing needs of their consumers in other to plan effective promotional and branding strategies to increase the awareness level among the consumers and also boost sales.
5. Nestle Ghana ltd should organize more consumer forums in other to gather feedback on the satisfaction level of their products; this will help them manufacture products that meet the requirements of their consumers. “The well-satisfied customer will bring the repeated sale that counts” (James Cash Penney).

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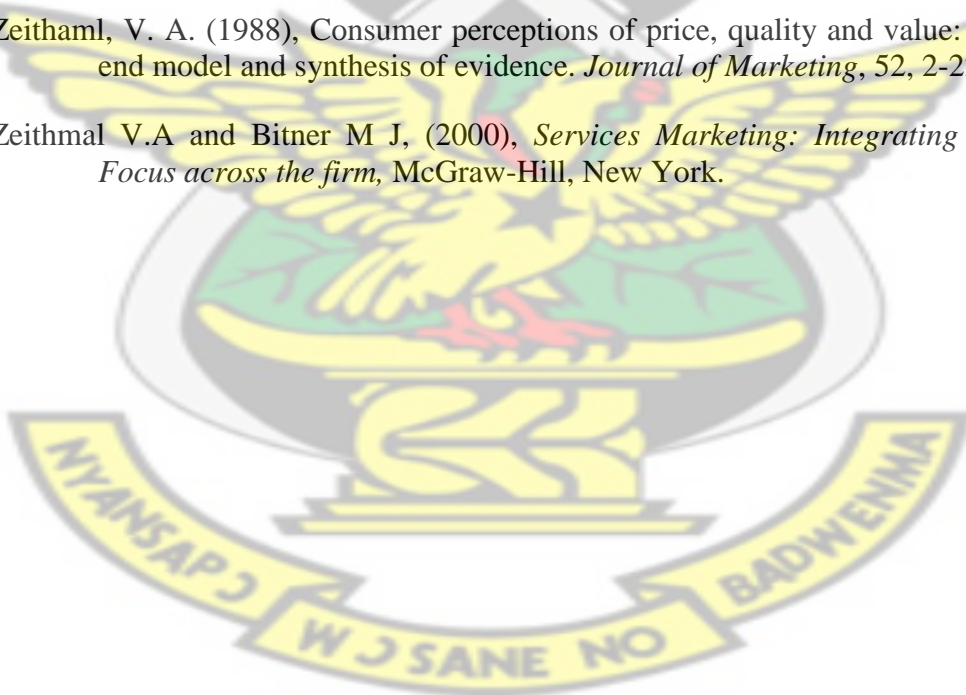
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APPENDIX

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY QUESTIONNAIRE

The purpose of this study is to gather data on determinants of consumer purchase decisions in Ghana: A case study of consumers of Nestle Ghana ltd. This is an academic exercise and the confidentiality of the data provided by respondents would be strictly observed.

PART A: Background of Respondents. *Please tick [✓] the correct answers from the options provided below.*

1. Sex: (a) Male []
(b) Female []
2. Marital status: (a) Single []
(b) Married []
(c) Divorced []
(d) Widow []
3. Age group: (a) Below 20 []
(b) 21-30 []
(c) 31-40 []
(d) 41-50 []
(e) 50 and above []
4. Educational Qualifications: (a) SSCE []
(b) Diploma []
(c) 1st Degree []
(d) 2nd Degree []
(e) PhD []
(f) Others []
7. Do you know the products of Nestle Ghana Ltd? (a) Yes [] (b) No []
8. What is your Level of Knowledge on products of Nestle? (a) Low [] (b) Average [] (c) High []
9. Which of the products of Nestle ltd. have you purchased before?
(a) Milo [] (d) Cerelac []
(b) Ideal milk [] (e) Nido []
(c) Nescafe [] (f) Maggi []

PART B: Determinants Of Consumer Purchases						
Please, study the products displayed below and indicate the extent to which you agree or disagree to the accompanying statements by ticking the appropriate boxes beside them.						
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
1	Do you purchase any of the products displayed above?					
2	Country of origin of the products displayed above influence my decision to purchase them.					
3	Brand name of the products displayed above influence my decision to purchase them.					
4	Quality of the products displayed above influence my decision to purchase them.					
5	Price of the products displayed above influence my decision to purchase them.					
6	Corporate social responsibility of the producers of the products displayed above influence my decision to purchase them.					
7	Family members influence my decision to purchase the products displayed above.					
8	Peer group (my friends) influence my decision to purchase the products displayed above.					
9	Features of the products displayed above influence my decision to purchase them.					
10	My past experience of using the products displayed above influence my decision to purchase them.					
11	My knowledge of the products displayed above influence my decision to purchase them.					
12	I like the celebrities that endorse the products and that are what influence my decision to purchase the products displayed above.					
13	Perceived quality of the products displayed above influence my decision to purchase them.					
14	Advertising of the products displayed above influence my decision to purchase them.					
15	Sales promotions by the company whose products are displayed above influence my decision to purchase them.					
16	Public relations by Nestle Ltd influence my decision to purchase the products displayed above.					

PART B: Determinants Of Consumer Purchases cont.						
Please, study the products displayed below and indicate the extent to which you agree or disagree to the accompanying statements by ticking the appropriate boxes beside them.						
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
17	Personal selling of the products displayed above influence my decision to purchase them.					
18	Direct selling of the products displayed above influence my decision to purchase them.					
19	Customer relationship of Nestle Ltd influence my decision to purchase the products displayed above.					
20	Visual merchandising of the products displayed above influence my decision to purchase them.					
21	Brand satisfaction of the products displayed above influence my decision to purchase them.					
22	My trust in the products brands displayed above influence my decision to purchase them.					
23	My loyalty to the brands of the products displayed above influence my decision to purchase them.					
24	Brand satisfaction of the products displayed above influence my decision to purchase them					
25	The freshness of the products displayed above influence my decision to purchase them.					
26	How the products are merchandised at their point of sale such as the neighborhood shops and the super markets influence my decision to purchase them					
27	The availability of the products at their point of sale such as the neighborhood shops and the super markets influence my decision to purchase them					
28	The visibility of the products at their point of sale such as the neighborhood shops and the super markets influence my decision to purchase them					
29	The accessibility of the products at their point of sale such as the neighborhood shops and the super markets influence my decision to purchase them					
30	The performance of the products displayed above influence my decision to purchase them.					

31	The name of the producers of the products displayed above influence my decision to purchase them.					
32	The retailer of the products displayed above influence my decision to purchase them.					
33	The packaging of the products displayed above influence my decision to purchase them					
PART C: Purchase Decision						
Please, indicate the extent to which you agree or disagree to the statements below by ticking the appropriate boxes beside them.						
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
1	I have never regretted buying any of these products					
2	I make all the decision to buy any of the above product when I get to the store					
3	I decide buying the product ahead of time but I finally decide the brands and the types later when I am in the shop					
4	I decide which product and brand to buy before entering the shop					
5	I sometimes prefer other brands from other manufacturers than those displayed above					
6	Unpredicted situations sometimes change my decision to purchase the above displayed products					
7	I will always purchase these products in the future					
8	The information I have about other brands and the brands displayed above helps me to decide on my purchases					
9	I always purchase familiar brands					
10	I buy these products no matter the price					