

**THE INFLUENCE OF COUNTRY OF ORIGIN OF FAST MOVING  
CONSUMER GOODS ON CONSUMER PURCHASE DECISIONS IN KENYA**

**MUTHEU JACQUELINE**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF  
REQUIREMENT FOR THE AWARD OF MASTER OF SCIENCE IN  
MARKETING DEGREE, SCHOOL OF BUSINESS, UNIVERSITY OF  
NAIROBI.**

**November 2014**

## **DECLARATION**

This research proposal is my original work and has not been presented for a degree in any other University

**JACQUELINE MUTHEU**

**D65/61081/2013**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

This research proposal has been submitted for examination with my approval as University Supervisor.

**DR. VICTOR NDAMBUKI**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

## **DEDICATION**

Dedicated to my loving husband, son Kani, daughter Naima and my family especially my mother for her support and my sister- in law for her help and assistance.

## **AKNOWLEDGMENT**

First, I appreciate my God for being with me and for his provisions.

Special thanks go to my supervisor, Mr. Victor Ndambuki, for his support throughout the development and completion of this project.

My husband, Paul Kyule for his support and encouragement and to the all the Msc Marketing colleagues for your support.

## TABLE OF CONTENT

<b>DECLARATION</b> .....	<b>ii</b>
<b>DEDICATION</b> .....	<b>iii</b>
<b>ACKNOWLEDGMENT</b> .....	<b>iv</b>
<b>LIST OF TABLES</b> .....	<b>vii</b>
<b>LIST OF FIGURES</b> .....	<b>viii</b>
<b>ABSTRACT</b> .....	<b>1</b>
<b>CHAPTER ONE: INTRODUCTION</b> .....	<b>2</b>
1.1 Background of the Study .....	2
1.1.2 Concept of Consumer Buying Behavior .....	4
1.1.3 Fast Consumer Goods in Kenya.....	6
1.2 Research Problem .....	7
1.3 Objective of the Study .....	9
1.4 Value of the Study .....	9
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	<b>10</b>
2.1 Introduction.....	10
2.2 Theoretical Background.....	10
2.2.1 Theory of Planned Behavior .....	10
2.2.2 Utility Theory.....	11
2.3 Consumer’s Perceived Value .....	11
2.4 Country of Origin.....	12
2.5 Consumer Buying Process .....	14
2.6 Consumer Attitude and Domestic Products .....	15
2.7 Consumer Attitude and Foreign Products.....	16
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b> .....	<b>18</b>
<b>3.1 Introduction</b> .....	<b>18</b>
3.2 Research Design.....	18
3.3 Population .....	18
3.4 Sample Design .....	19
3.5 Data Collection .....	19
3.6 Data Analysis.....	19

<b>CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION .....</b>	<b>20</b>
4.1 Introduction.....	20
4.3 Demographic Information.....	21
4.3.1 Gender of Respondents .....	21
4.3.2 Age of the Respondents .....	21
4.3.3. Income of the Respondents .....	22
4.3.4 Education Level .....	22
4.3.5 Occupation of the Respondents.....	23
4.4 Buying Behaviour Information .....	23
4.4.1 Awareness of FGCM'S .....	23
4.4.2 Frequency of Purchasing FMCG'S .....	24
4.4.3 Factors Influencing Purchase Decisions .....	25
4.4.4 Country of Origin and Purchasing Decision.....	26
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ...</b>	<b>29</b>
5.1 Introduction.....	29
5.2 Summary .....	29
5.3 Conclusion .....	30
5.4 Recommendations.....	31
5.5 Limitations of the Study.....	32
5.6 Suggestion For Further Research.....	32
<b>REFERENCES.....</b>	<b>33</b>
<b>APPENDICES .....</b>	<b>i</b>
Appendix 1: List of Shopping malls in Nairobi.....	i
Appendix 2: Letter of Introduction .....	ii
Appendix 3: Questionnaire .....	iii

## **LIST OF TABLES**

Table 4.1 Response Rate.....	20
Table 4.2: Age of the Respondents.....	21
Table 4.3: Education Level.....	22
Table 4.4: Occupation of the Respondents.....	23
Table 4.5: Awareness of FGCM'S.....	23
Table 4.6: Frequency of Purchasing FMCG'S.....	24
Table 4.7: Factors Influencing Purchase Decisions.....	25
Table 4.8: Country of Origin and Purchasing Decision.....	26

## LIST OF FIGURES

Figure 4.1: Gender of Respondents .....	21
Figure 4.2: Income of the Respondents .....	22



## **ABSTRACT**

The buying behaviour of consumers is one of the most commonly researched subjects in marketing. 'Country of origin effect' (COO) is one of the key concepts casting light on the purchasing process of consumers. Many studies have shown that COO effect is vital for the buying process, persuasion and product evaluation. Consumer ethnocentrism is another important factor in the domain of COO effect studies.

A descriptive study was conducted among selected shopping mall in Nairobi, Kenya consisting 30 respondents who were selected using simple random method from the list of 15 shopping mall and supermarkets at Nairobi metropolitan 10 shopping malls were selected using simple random method and 3 respondents selected randomly from each shopping mall. Data was analyzed using frequencies, percentages, mean scores, standard deviations and coefficients of variations. The findings states that concludes that imported/foreign products were of better quality compared to local; and that they would often choose a foreign FMCG'S depending on the type of the product. Though the foreign products were expensive as compared to local products, the shoppers would often choose a foreign FGCM'S compared to local ones all the time. One of the limitations was the access to data from the respondents. Some of the respondents were unwilling to give information for fear that their information that they were giving and especially the personal information may be used for other purposes or released to other unauthorized persons.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

International trade activity is becoming a central part of the world economy, and it is recognized that there is a greater necessity to gauge consumers' attitudes toward both domestic and foreign products (Netemeyer *et al.*, 1991). While national reputations for products vary from country to country, consumers tend to generalize their attitudes and opinions across products from a given country, based on their familiarity and background with the country, and their own personal experiences of product attributes such as technological superiority, product quality, design, value for money, status and esteem, and credibility of country-of-origin of a brand. Favorable country perceptions are known to lead to favorable perceptions of associated attributes such as product quality indicating thereby, that consumer evaluations are governed by influences other than the quality of the product (Peterson and Jolibert, 1995).

Consumer buying behavior is affected by many socio-cultural factors like social class, demographics, personality, and beliefs etc. However besides these, the product itself also makes their decision for them because of the message it transmits, the visual impact it makes, the significant colors and logo of the brand, the brand image and awareness, and the price. Price is a particularly important attribute association because consumers often have strong beliefs about the price and value of the brand and may organize their product category knowledge in terms of the price tiers of different brands. (Hawkins, Best, and Coney, 1995).

Fast Moving Consumer Goods, refers to things that we buy from local supermarkets on daily basis, the things that have high turnover and are relatively cheaper. Products which have a quick turnover, and relatively low

cost are known as FMCG's (Keller, 2008). Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products, and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products, soft drinks, tissue paper, and chocolate bars (Walker, 2008).

### **1.1.1 Concept of Country of Origin**

Country of Origin is the term used to describe where products or goods originate from and encompasses agriculture, manufacturing or production. It is most commonly referenced by the term 'Made In' which denotes an association with the place of origin. Country of origin studies presuppose that consumers use intrinsic cues, such as style or design as well as extrinsic ones such as price or branding, as indicators of quality in product evaluation. Such studies must be differentiated in some respects from consumer ethnocentrism studies, which assume a social acceptability, since the customer's product decision process of customers focuses on the producer country as a product attribute rather than as an indicator of social acceptability (Huddleston *et al.*, 2001).

Country-of-origin (COO) effects represent a country-specific attitude and provide one of the most important cues that consumers use to judge product quality. Products made in developed countries, such as the USA, Japan, and Germany, generally enjoy a positive COO effect (Samiee, 1994), whereas products made in developing countries tend to suffer from a negative effect (Ettenson and Klein, 2005). According

to Samiee (1994), the COO effect captures any influence, positive or negative, that the country of manufacture has on a consumer's choice process.

Describing a product is to view it as a bundle of product attributes (such as brand, country of origin, price, taste, colour etc.). In this case, units of product information ("cues") can be systematically divided into intrinsic and extrinsic cues. Intrinsic cues refer to physical product attributes, such as shape, type of surface, materials used, weight, colour, taste and performance. The intrinsic cues ascertain product actually has heavily depend on the product category. Units of product information which have nothing to do with the physical properties of a product are referred to as extrinsic cues (Olson and Jacoby, 1972). These include brand, country of origin, advertising, independent consumer information, recommendations from within the social environment, price, distribution channel, the provision of a guarantee and the packaging of the product (Blanchette, 1990).

### **1.1.2 Concept of Consumer Buying Behavior**

Buying Behavior is the decision processes and acts of people involved in buying and using products Understanding consumer behaviour and "knowing customers," have and never will be simple. A person's buying choices are influenced by four major psychological factors namely; motivation, perception, learning, beliefs and attitudes among other factors according to (Kotler, 1999). Kotler (2001) thought that consumer buying behavior is how individuals, groups and organizations to select, purchase, use and disposal of products, services, ideas or experience to meet the consumers' demand. Buying behavior is the decision processes and acts people involved in buying and using products which includes social and mental process.

Consumer behaviour has been and will always be of great interest to marketers. The knowledge of consumer behavior helps the marketer to understand how consumers think, feel and select from alternatives like products, brands and the like and how the consumers are influenced by their environment, the reference groups, family, and salespersons e.t.c. Consumer buying behavior is influenced by cultural, social, personal and psychological factors. Most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behavior of the consumers. Consumer is the study “of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires” (Solomon, 1995)

The consumer decision-making, regarding purchase and utilization of different products and services, is influenced by many internal as well as external factors. Among the external factors, the most important and significant are the attributes of the product itself, the brand and the package in which it is incased. Non-product-related attributes are the external aspects of the product or service that relate to its purchase or consumption, like the price information, packaging or product appearance, user imagery and usage imagery (Mullen, 1995). Demographic factors that influence customer's buying behavior are the internal factors including age, gender, income, occupation, education, family size, and religion, race, generation, nationality and social class, so the market is divided based on these factors. And these factors are the basic factors to differentiate customer groups as the customer wants, preferences and usage are usually involve demographic factors Kotler (2001).

Consumer perceptions of price, quality and value are considered pivotal determinants of shaping behaviors and product choice (Bishop et al., 1984). They are the key factors affecting consumer perception. Majority of consumer factors correlated with attitude can be classified in one of three categories; personality, perceptual and socioeconomic (Batra and Sinha, 2000). Consumer perceptual variables that have been identified include price-quality perception, perceived quality, value consciousness, price consciousness, perceived price fairness, smart shopper self-perception, familiarity with products, brand loyalty, perceived risk associated with purchase, risk averseness and general deal proneness (Garretson et al., 2002).

### **1.1.3 Fast Consumer Goods in Kenya**

Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) are products that are sold quickly and at relatively low cost. They include non-durable goods such as soft drinks, toiletries, over-the-counter drugs, toys, processed foods and many other consumables. They also include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products, and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products, soft drinks, tissue paper, and chocolate bars (Walker, 2008).

Kotler (2003) views FMCGs as tangible goods normally consumed in one or a few uses, like beer and soap. Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods (FMCG) (Keller, 2008). According to Stanton (1985), FMCGs are referred to as convenience goods. These are goods that the consumer is willing to accept any of the several substitutes and thus

will buy one; which is most accessible. FMCG is probably the most classic case of low margin and high volume business. Though the profit margin made on FMCG products is relatively small (more so for retailers than the producers/suppliers), they are generally sold in large quantities; thus, the cumulative profit on such products can be substantial. FMCG's have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly. They are characterized from the consumer's side as low priced and frequent purchase while from the marketers' perspective as high volumes and high stock turnovers (Aydın Çelen, Tarkan Erdoğan and Erol Taymaz, June 2005).

Although FMCG companies generate a large volume of sales and money, they are always under pressure as they keep facing a lot of competition from their fellow competitors. Due to this, the FMCG companies try to do their level best in maintaining a fine balance in their profits and the product price. Thus they keep facing new challenges on their margins month after month (Armstrong, 2007). One of the key factors for an FMCG company to do well is a proper distribution network. If a distribution network of a particular FMCG company is well oiled, then that particular FMCG Company will definitely find the going much easier in the market. But companies have to allot a large chunk of their finances in developing and fine tuning their distribution networks (Kowalczyk, 2007).

## **1.2 Research Problem**

Knowing consumers' buying motivations, and developing close relationships with them, are critical means of competition for firms in today's increasingly crowded market place (Samiee, 1994). Of special significance in the case of economies relying

significantly on imported goods are consumer attitudes towards foreign and domestic products, and the ethnocentricity that affects them (Huddleston P, 2001). Trade policies have provided consumers with more foreign product choices than ever before. Consequently, their attitudes toward products originating from foreign countries have been of interest to international business and consumer behavior researchers for decades (Samiee, S, 1994).

The consumers' attitude toward foreign and domestic products has been examined from a number of perspectives, relating to (Caruana and Magri, 1996), lifestyles (Kucukemiroglu, 1999), shortage of domestic alternatives (Watson and Wright, 2000), corporate identity (Thomas and Hill, 1999), national identity (Keillor and Hult, 1999), nationalism (Wang, 2005) and cultural structure (Altintas and Tokol, 2007). Other studies include Gary Baumgartner (1978) who researched on the perception of foreign products in France, Okechuku & Onyemah, (1999) study on the Nigerian consumer attitudes towards foreign and domestic products and Locally, Angatia (2003), Sikasa (2004), Kiilu (2005). A study by Wasonga (2012) on Factors affecting consumer perception of Kenyan manufactured fast moving consumer goods in the East African community.

Kenyan consumer today has been faced by abundant choices in many kinds of products. A lot of foreign brand products produced in Kenyan by joint ventures or imported from oversea, consequently, domestic manufacturers have to face intensive competition. Most efforts have concentrated on the economic and industry conditions that influence investment and business decisions in Kenya little research has focused on the Kenya consumers. Previous researches show that in developing countries, consumers tend to believe that products made by local producers are not as good as



imported producers. Knowledge about the Kenya consumers still remains quite scarce. Few research efforts have explored the influence of consumers' attitude toward foreign and domestic products and its effect on buying preference in Kenya. This study aims to answer the question; If country of origin of FMCG's influences the Buying behavior of Kenyan consumer?

### **1.3 Objective of the Study**

The objective of this study is to examine the influence of country of origin on consumers' purchase decision toward fast consumer goods in Kenya.

### **1.4 Value of the Study**

The study would be useful to local marketers of FMCG's in regards to understanding how consumers regard local and foreign products in making purchase decision. The information would be useful in developing marketing strategies as well as communicating marketing strategy that will help companies promote or to communicate their products to their target market.

For Academicians the knowledge generated by this study will enable other researchers to improve and develop a better understanding of the influence of consumers' buying behavior toward foreign and domestic products and its effect on buying preference focusing on FMCG's.

Ministry of trade policy makers will benefit from the findings on the influence of consumers' attitude toward foreign and domestic products and its effect on buying preference in Kenya. This study will help them formulate policies regarding import and policies which can promote domestic industries too.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

A literature review will highlight and present related literature of the study by various researchers which will include investigating the area of consumers' purchase decision toward FMCG's country of Origin.

### **2.2 Theoretical Background**

In the theoretical background the author discusses the theory of planned behaviour, and utility theory.

#### **2.2.1 Theory of Planned Behavior**

The Theory of Planned Behavior (Ajzen, 1991) proposes that behavior is predicted by intentions to perform the behavior and also by perceived behavioral control when behavior is not under complete volitional control (Conner et al, 2001). TRA states that individual behaviour is driven by behavioural intentions where behavioural intentions are a function of an individual's attitude toward the behaviour and subjective norms surrounding the performance of the behaviour. Intentions are plans to act in a particular way and represent the motivation toward the behavior; they are influenced by attitude towards the behavior, subjective norms, and perceived control over the behavior (Ajzen, 1991, Conner et al., 2001). Attitudes are overall evaluations of the behavior as favorable or unfavorable and subjective norms evaluate the perceived social pressures to perform or not perform a particular behavior. Finally, perceived behavioral control is the individual's perception of the extent to which performance of the behavior is easy or difficult (Ajzen, 1991, Conner et al., 2001).

Attitude toward the behaviour is defined as the individual's positive or negative feelings about performing a behaviour. It is determined through an assessment of one's beliefs regarding the consequences arising from behaviour and an evaluation of the desirability of these consequences. Subjective norm is defined as an individual's perception of whether people important to the individual think the behaviour should be performed. The contribution of the opinion of any given referent is weighted by the motivation that an individual has to comply with the wishes of that referent.

### **2.2.2 Utility Theory**

Neumann and Morgenstern Utility Theory proposed that consumers make decisions based on the expected outcomes of their decisions. In this model consumers are viewed as rational actors who were able to estimate the probabilistic outcomes of uncertain decisions and select the outcome which maximized their well-being. Nobel Laureate Herbert Simon proposed an alternative, simpler model in the mid-1950s. This model was called Satisfying, in which consumers got approximately where they wanted to go and then stopped the decision-making process.

### **2.3 Consumer's Perceived Value**

A consumer's perceived value may be seen as an expression of "an overall assessment of the utility of a product / service based on perceptions of what is received and what is given" (Zeithaml, 1988). Celsi & Olson, (1988); Petty & Cacioppo, (1983) and Blackwell et al. (2001), have emphasized the role of involvement in explaining how likely consumers are to process e.g. cognitive information and to engage in extensive evaluations of attributes and products. Low involved consumers may use simple decision rules in arriving at attitudinal judgments. The behaviour of high involved consumers may be analyzed and described on the basis of the information processing

perspective. According to the information processing perspective (e.g., Østergaard & Jantzen, 2000, Blackwell et al., 2001) the interaction between the consumer and stimuli in the environment is an ongoing cognitive process in which the consumer develops beliefs and attitudes towards the environment.

The information processing perspective presupposes that the consumer, in order to avoid cognitive dissonance, seeks an equilibrium in which there is balance between the consumer's attitudes and beliefs and the actual environment (Østergaard & Jantzen, 2000). In contrast to the information processing perspective, other researchers (e.g. Holbrook and Hirschman, 1982; Holbrook & Batra, 1987; Bagozzi, 1999) propose that consumer affections like emotional responses should be included in the explanation of consumer decision making. The consumer looks for new experiences via consumption. In this connection, the primary purpose is not to evaluate relations between attitude, beliefs, and the environment, but to fulfill a desire and to obtain pleasure in life.

## **2.4 Country of Origin**

Country of origin (COO) refers to information pertaining to where a product is made. COO image has been defined as “the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses” (Roth and Romeo, 1992). Since Schooler's (1965) seminal study, many studies have acknowledged that consumers have significantly different perceptions about products made in different countries, and that these general perceptions have important effects on consumers' evaluation of the products manufactured in a particular country. In general, the country of origin affects consumers' product evaluation (Bilkey and Nes, 1982) since consumers evaluate a

product on the basis of information cues available. The country of origin is also found to be one of these cues because consumers tend to be less familiar with products of foreign origin (Huber and McCann, 1982).

Some studies suggest a hierarchy of effects among countries, which is the relationship between the level of economic development and perceived superiority of the products (Wang and Lamb, 1983). These authors further found various other sources of biases that could influence consumers' preferences for products made in different countries, including ethnocentric bias. Scholars have noted that country-of-origin perceptions entail cognitions, emphasizing specific product and marketing attributes, and affect, regarding the country's people (Han, 1988; Papadopoulos et al., 1990). The source of the effect "may be varied, some based on experience with a product(s) from the country in question, others from personal experience (e.g. study and travel), knowledge regarding the country, political beliefs, ethnocentric tendencies, (or) fear of the unknown" (Samiee, 1994). Consumers' perceptions Kaynak and Cavusgil (1983) studied consumers' perceptions of different classes of products from 25 countries. They found that respondents held positive attitudes towards products made in their own country but the same respondents could be swayed to choose foreign products if quality and price considerations were sufficiently favorable. Specifically, they observed that consumers may not accept inferior-quality domestic products when superior foreign products are available. They concluded that consumer attitudes toward products of foreign origin vary significantly across product classes.

Consumers often evaluate imported goods differently than they do identical domestic products (Herche, 1992). The country-of-origin effect (COE) research, mostly conducted in more developed countries, has revealed that consumers have a general

preference for domestic-made products over foreign products, particularly when information about the product is lacking (Bilkey and Nes, 1982; Damanpour, 1993; Elliott and Camoron, 1994; Wall and Heslop, 1986, 1989).

## **2.5 Consumer Buying Process**

Buyer decision processes are the decision making processes undertaken by consumers in regard to a potential market transaction before, during, and after the purchase of a product or service. Consumers are faced with purchase decisions nearly every day. But not all decisions are treated the same. Some decisions are more complex than others and thus require more effort by the consumer. Other decisions are fairly routine and require little effort. In general, consumers face four types of purchase decisions: Minor New Purchase, these purchases represent something new to a consumer but in the customer's mind is not a very important purchase in terms of need, money or other reason (e.g., status within a group). Minor Re-Purchase, these are the most routine of all purchases and often the consumer returns to purchase the same product without giving much thought to other product options (i.e., consumer is brand loyalty). Major New Purchase, these purchases are the most difficult of all purchases because the product being purchased is important to the consumer but the consumer has little or no previous experience making these decisions. The consumer's lack of confidence in making this type of decision often (but not always) requires the consumer to engage in an extensive decision-making process. Major Re-Purchase - these purchase decisions are also important to the consumer but the consumer feels confident in making these decisions since they have previous experience purchasing the product.

Consumer behavior looks at the many reasons why people buy things and later dispose of them. Consumers go through distinct buying phases when they purchases

products: (1) realizing the need or want something, (2) searching for information about the item, (3) evaluating different products, (4) choosing a product and purchasing it, (5) using and evaluating the product after the purchase, and (6) disposing of the product. A consumer's level of involvement is how interested he or she is in buying and consuming a product. Low-involvement products are usually inexpensive and pose a low risk to the buyer if she makes a mistake by purchasing them. High-involvement products carry a high risk to the buyer if they fail, are complex, or have high price tags. Limited-involvement products fall somewhere in between.

## **2.6 Consumer Attitude and Domestic Products**

Different consumers have different responses to the same shopping atmosphere and/or to the same product (Yalch and Spangenberg, 1993; as cited in Scarpi, 2006). Younger consumers seemed most favorably tend to buy foreign made or foreign brand apparel because they were more affected by fashion and likely to try new products and famous brand names, considered symbolism important, and they were less sensitive to higher prices. (Anderson and He, 1998; Ariga et al., 1997; Landry, 1998; Schmitt, 1997; Zhang et al., 2002; as cited in Dickson et al., 2004). Some researchers determined that; age is one indicator of consumer ethnocentrism. Age was considered as a relevant factor which drives consumer ethnocentrism in previous investigations (Bilkey and Nes, 1982; Han, 1988; Vida and Fairhurst, 1998). One of the study found neither gender nor education affected ethnocentricity levels of urban sample of Croatia consumers (Kesic et al., 2002).

Studies done on evaluation of consumer attitudes towards foreign retailers' products, according to Burton (2002) and Quellet (2007), consumers are concerned with their

cultural, national and ethnic identities increasingly in more interconnected world. Some consumer researches determined that people make their purchasing decisions on information cues. Information cues can be intrinsic (e.g., product design) and extrinsic (example, brand name, price)(Olson, 1977; Jacoby ,1972). But extrinsic cues are likely to be used in the absence of intrinsic cues or when their assessment is not possible. Szybillo and Busato-Schach, (1977), also, concluded that there was a relationship between attitudes toward foreign retailers' products and some demographics characteristics such as gender, education, income and age.

## **2.7 Consumer Attitude and Foreign Products**

Many researchers have studied various determinants of consumers' evaluations of foreign products. Rice and Wongtada (2007) suggest a conceptual model to combine these attitudinal influences, in which consumers' evaluations of foreign products depend on the combination of general attitudes, country-specific attitudes, which may be positive (affinity) or negative (animosity); and brand-specific attitudes (e.g. special liking for a particular brand). The degree of consumer animosity toward a country can capture positive and negative affect (Riefler and Diamantopoulos, 2007; Russell and Russell, 2006; Ettenson and Klein, 2005; Jaffe and Nebenzahl, 2001; Klein *et al.*, 1998).

Bilkey and Nes (1982) in their review of literature suggested that there is a tendency for consumers to evaluate their own country's products more favorably than do foreigners. But the authors found that, for many consumers, the effect of product evaluation bias can be offset by price concessions. Bilkey and Nes (1982) found that attitudes toward products from a particular country vary by product. Hence, electronic



goods from Italy might be perceived poorly but Italian shoes would receive high marks from consumers.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter discusses the method that was used to carry out the research. Research is the process of arriving at effective solution to problem through systematic collection, analysis and interpretation of the data. Methodology is the systematic way of sourcing the research problem. This chapter is concerned with research design, target population, location of the study sample and sampling techniques, data collection instruments and data analysis procedures that were adopted to attain acceptable relevancy and reliability of the research tools are also explained.

### **3.2 Research Design**

The researcher used cross-sectional descriptive survey design. Cross-sectional obtains an overall picture as it stands at the time of the study. According to Douglas and Pamela (1998), a descriptive study is concerned with the finding out who, what, which and how of a phenomenon. Also the survey aims at obtaining information which can be analyzed, patterns extracted and comparisons made. According to Khan (1984) this approach is considered appropriate because subject events or condition already exist.

### **3.3 Population**

A population is defined as a complete set of individuals, cases or objects with some common observable characteristics (Mugenda & Mugenda, 2003). The survey target population was adult shoppers both male and female resident in Nairobi metropolis.

### **3.4 Sample Design**

The sample for the research was 30 respondents who were selected using simple random method from the list of 15 shopping mall and supermarkets at Nairobi metropolitan (see appendix 1). 10 shopping malls were selected using simple random method and 3 respondents selected randomly from each shopping mall. The sample size was determined by the rule of thumb that a sample size of at least 30 is deemed to be large for analysis. A similar sample size was used by Baumgartner (1978) and Chemayiek (2005). The determination of the sample area and size has been determined due to resources and time limitations.

### **3.5 Data Collection**

Data was collected using questionnaires. The questionnaire was administered to the respondents using face to face interview method. Data collection was done systematically and closely monitored. The questionnaire had two parts and contained both open-ended and closed-end questions. Although the questionnaires were administered in Nairobi metropolis, the assumption made was that these respondents were a representation of Kenyan consumer. This assumption was based on results of similar research by Okechukwu & Onyemah, (1999).

### **3.6 Data Analysis**

The responses for open ended questions were coded to facilitate statistical analysis by use of descriptive statistics. Descriptive statistics were used mainly to summarize the data. Descriptive statistics such as percentages, frequencies, means and standard deviations were used to analyze the data. The data was presented in frequency tables and charts.

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION**

### **4.1 Introduction**

This chapter presents the results and findings as analyzed from the data collected. The main objective of this study was to examine the influence of country of origin on consumers' purchase decision toward fast consumer goods in Kenya. The responses were analyzed using both descriptive statistics and results were presented in tables, pie charts and bar graphs.

### **4.2 Response Rate**

**Table 4.1 Response Rate**

<b>Response Rate</b>	<b>Frequency</b>	<b>Percentage</b>
Response Rate	24	80.0
None Response	6	20.0
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Source; Author (2014)**

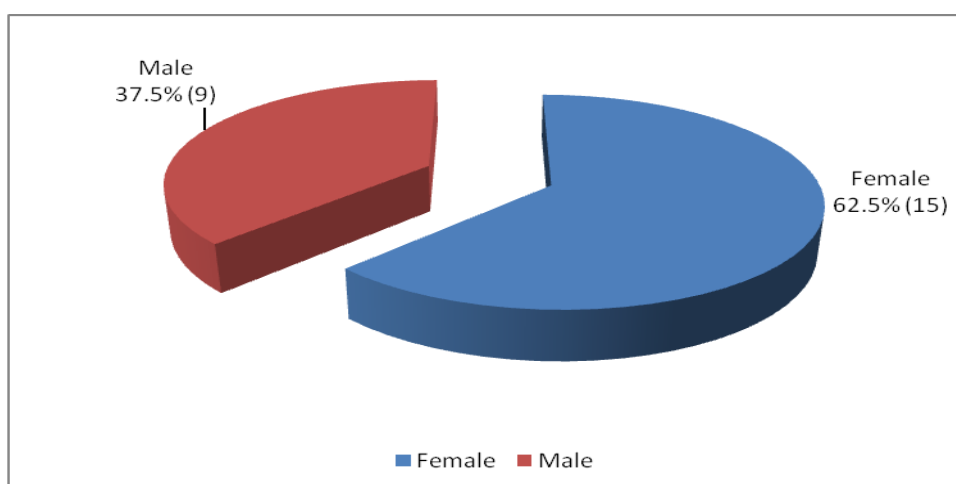
The study targeted 30 respondents who consisted of both male and female shoppers who were residents in Nairobi metropolis. A total of 24 questionnaires were successfully filled in time for data analysis which represents 80% of the total respondents. According to Mugenda and Mugenda (2003) a 50 percent response rate is adequate, 60 percent good and above 70 percent rated very well. The response rate of 85.3% was therefore considered appropriate to derive the inferences regarding the objectives of the research.

### 4.3 Demographic Information

The researcher found it important to establish the general information of the respondents since it forms the basis under which the study can rightfully access the relevant information. The general information presented respondents issues such as gender, age, the income, education level, occupation and the residential area of the respondents.

#### 4.3.1 Gender of Respondents

**Figure 4.1: Gender of Respondents**



The study results in Figure 4.1 above shows that majority of the respondents (62.5%) were female while 37.5% were male.

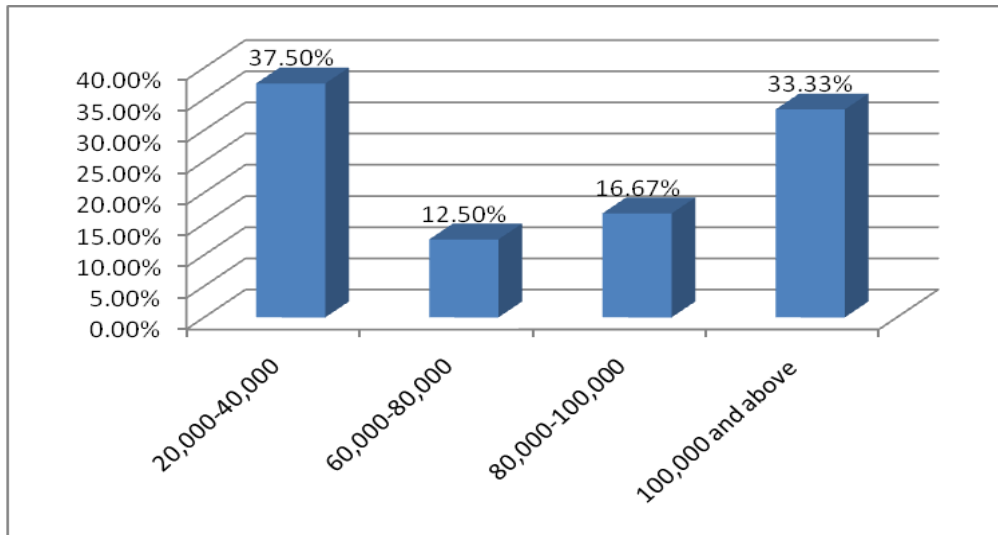
#### 4.3.2 Age of the Respondents

**Table 4.2: Age of the Respondents**

Age in Years	Frequency	Percent
18-28	4	16.7
29-38	20	83.3
39-48	0	0
49-58	0	0
50 and Above	0	0
<b>Total</b>	<b>24</b>	<b>100.0</b>

The study shown in table 4.2 shows that majority of the respondents (83.3%) were between 29-38 years of age while 16.7% were between 18-28 years of age. None of the respondents was above 39 years of age which means that majority of the shoppers were young people.

#### 4.3.3. Income of the Respondents



**Figure 4.2: Income of the Respondents**

The study shows that most of the respondents (37.5%) had an income of between Kshs. 20,000 to 40,000 while 33% reported that they had an income of above Ksh. 100,000. On the other hand, 12.5% of the respondents indicated that they had an income of Kshs. 60,000-80,000 while 16.67% had an income of between Ksh. 80,000 to 100,000.

#### 4.3.4 Education Level

**Table 4.3: Education Level**

Level	Frequency	Percent
High School	3	12.5
College	9	37.5
University	12	50.0
<b>Total</b>	<b>24</b>	<b>100.0</b>

Results in table 4.3 shows that majority of the respondents (50%) were university graduates, 37.5% had reached college level while 12.5% of the respondents revealed that they had reached O-level.

#### 4.3.5 Occupation of the Respondents

**Table 4.4: Occupation of the Respondents**

<b>Occupation</b>	<b>Frequency</b>	<b>Percent</b>
Employed	13	54.2
Business person	11	45.8
<b>Total</b>	<b>24</b>	<b>100.0</b>

On the occupation of the respondents, the study shows that 54.2% of the respondents revealed that they were employed. On the other hand, 45.8% of the respondents indicated that they were business persons as shown in table 4.4 above. This shows that all the respondents had some source of income thus they would give reliable information on purchasing decisions.

#### 4.4 Buying Behaviour Information

In this section, the study sought to establish first whether the respondents knew about the Fast Moving Consumer Goods (FCMG'S), how often they purchased the FCMG'S and the factors that influence their purchase decision.

##### 4.4.1 Awareness of FGCM'S

**Table 4.5: Awareness of FGCM'S**

	<b>Frequency</b>	<b>Percent</b>
Yes	24	100.0
No	0	0
<b>Total</b>	<b>24</b>	<b>100.0</b>

## Discussion

Results in table 4.5 above shows that all the respondents overwhelmingly agreed that they knew about Fast Moving Consumer Goods (FCMG's).

The respondents further indicated their understanding of FCMG's whereby some explained that Fast moving goods were the goods sold in the stores or in supermarkets. Others stated that these are products that are fast moving in the shops and regularly used while other reported that FCMG's were the essential items people purchase when we go shopping and use in their everyday lives.

### 4.4.2 Frequency of Purchasing FMCG'S

**Table 4.6: Frequency of Purchasing FMCG'S**

	<b>Frequency</b>	<b>Percent</b>
Weekly	20	83.3
Bi-Weekly	0	0
Monthly	0	0
After every month	4	16.7
<b>Total</b>	<b>24</b>	<b>100.0</b>

## Discussion

The study also shows that all the respondents agreed that they knew about Fast Moving Consumer Goods (FCMG's).Majority of the respondents revealed that they purchased FCMG's weekly; however, while a few of the respondents revealed that they purchased the FCMG's after every month. This shows that majority of the respondents purchased goods regularly thus they were in a better position to give reliable information on the factors that influence their purchase decision.



The study findings as presented in Table 4.6 above show that an overwhelming 83.3% of the respondents purchased FCMG's weekly; however, 16.7% of the respondents revealed that they purchased the FCMG's after every month. This shows that majority of the respondents purchased goods regularly thus they were in a better position to give reliable information on the factors that influence their purchase decision.

#### **4.4.3 Factors Influencing Purchase Decisions**

The study sought to establish the extent the listed factors influence the shoppers purchase decision. A scale of 1-5 was used to interpret the results of the study. The scores “not important at all” and “small extent” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale ( $1 \leq \text{small extent} \leq 2.5$ ). The scores of ‘moderate extent’ were equivalent to 2.6 to 3.5 on the Likert scale ( $2.6 \leq \text{moderate extent} \leq 3.5$ ). The score of “large extent” and “very large extent” represented were equivalent to 3.6 to 5.0 on the Likert scale which means that the agreement was to a large extent.

**Table 4.7: Factors Influencing Purchase Decisions**

<b>Factors</b>	<b>Mean</b>	<b>Std. Deviation</b>
Price of product	3.92	.717
Product packaging	3.33	.761
Type of product	4.50	.511
Family influence	3.38	.770
Advertising/Promotions	3.00	1.022
Country origin	3.42	1.018

#### **Discussion**

The study findings show that the type of the product and price of the product influenced the respondents purchasing decision to a great extent as shown by the mean scores of 4.50 and 3.92 respectively. On the other hand, majority of the

respondents indicated that factors such as country of origin, family influence, product packaging, advertising and promotions only influenced the purchasing decision of the respondents to a moderate extent; this is shown by the mean scores of 3.42, 3.38, 3.33 and 3.00 respectively. This means that type of the product and price of the product were the most critical factors that the respondents considered before making their purchasing decision.

#### 4.4.4 Country of Origin and Purchasing Decision

In this section, the study sought to establish the respondents' level of agreement on the statements regarding the products country of origin and the purchasing decisions. The study used a scale of 1-5 to interpret the results of the study. The scores "strongly agree" and "agree" were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale ( $1 \leq \text{agree} \leq 2.5$ ). The scores of 'disagree' and strongly disagree were equivalent to 2.6 to 4.5 on the Likert scale ( $2.6 \leq \text{disagree} \leq 3.5$ ). The score of "not important at all" were equivalent to 4.6 to 5.0 on the Likert scale ( $4.6 \leq \text{not important at all} \leq 5.0$ ).

**Table 4.8: Country of Origin and Purchasing Decision**

	<b>Mean</b>	<b>Std. Deviation</b>
Imported/foreign products are of better quality compared to local	1.88	.947
Foreign products are expensive as compared to local products	2.21	.415
I would often choose a foreign FGCM'S compared to local ones all the time	2.37	.770
I would often choose a foreign FMCG'S depending on the type of the product	2.17	.917
Local products are cheaper as compared to foreign products	2.67	.482
Local products are of the same quality as foreign products depending on the product type	3.50	.511
I look at the label to find out the country of origin	3.00	1.911

## **Discussion**

The study findings presented in Table 4.8 above shows that majority of the respondents agreed that the imported/foreign products were of better quality compared to local; and that they would often choose a foreign FMCG'S depending on the type of the product. The respondents further agreed that the foreign products were expensive as compared to local products but agreed that they would often choose a foreign FGCM'S compared to local ones all the time; this is presented by mean scores of 1.88, 2.17, 2.21 and 2.37 respectively.

On the other hand, the respondents disagreed that local products were cheaper as compared to foreign products and also disagreed that they looked at the label to find out the country of origin as shown by mean scores of 2.67 and 3.00 respectively on the likert scale. Moreover, the respondents disagreed that the local products were of the same quality as foreign products depending on the product type.

The study findings show that the type of the product and price of the product influenced the respondents purchasing decision to a great extent. The study also shows that majority of the respondents indicated that factors such as country of origin, family influence, product packaging, advertising and promotions only influenced the purchasing decision of the respondents to a moderate extent. This means that type of the product and price of the product were the most critical factors that the respondents considered before making their purchasing decision.

The study findings shows that majority of the respondents agreed that the imported/foreign products were of better quality compared to local; and that they would often choose a foreign FMCG'S depending on the type of the product. The respondents further agreed that the foreign products were expensive as compared to

local products but agreed that they would often choose a foreign FGCM'S compared to local ones all the time. However, the respondents disagreed that local products were cheaper as compared to foreign products and also disagreed that they looked at the label to find out the country of origin. They also disagreed that the local products were of the same quality as foreign products depending on the product type.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents the summary of the findings, conclusions, recommendations of the study in addressing the influence of country of origin on consumers' purchase decision toward fast consumer goods in Kenya. The chapter also presents the limitations experienced during the study as well as suggestions for further research..

### **5.2 Summary**

The study shows that all the respondents reported that they had an income which means that they had some purchasing power. The study also shows that all the respondents overwhelmingly agreed that they knew about Fast Moving Consumer Goods (FCMG's). The respondents explained that Fast moving goods were the goods sold in the stores or in supermarkets. Others stated that these are products that are fast moving in the shops and regularly used while other reported that FCMG's were the essential items people purchase when we go shopping and use in their everyday lives.

The study found out that majority of the respondents purchased FCMG's weekly; however, while a few of the respondents revealed that they purchased the FCMG's after every month. This shows that majority of the respondents purchased goods regularly thus they were in a better position to give reliable information on the factors that influence their purchase decision.

On the factors that influence the purchasing decisions of the respondents, the study findings show that the type of the product and price of the product influenced the respondents purchasing decision to a great extent. The study also shows that majority of the respondents indicated that factors such as country of origin, family influence, product packaging, advertising and promotions only influenced the purchasing

decision of the respondents to a moderate extent. This means that type of the product and price of the product were the most critical factors that the respondents considered before making their purchasing decision.

On the extent to which the country of origin influenced the purchasing decision of the shoppers, the study findings shows that majority of the respondents agreed that the imported/foreign products were of better quality compared to local; and that they would often choose a foreign FMCG'S depending on the type of the product. The respondents further agreed that the foreign products were expensive as compared to local products but agreed that they would often choose a foreign FGCM'S compared to local ones all the time. However, the respondents disagreed that local products were cheaper as compared to foreign products and also disagreed that they looked at the label to find out the country of origin. They also disagreed that the local products were of the same quality as foreign products depending on the product type.

### **5.3 Conclusion**

The study concludes type of the product and price of the product were the major factors that the shoppers consider before making their purchasing decision. However, factors such as that as country of origin, family influence, product packaging, advertising and promotions also influence the purchasing decision of the shoppers but to a moderate extent.

The study also concludes that imported/foreign products were of better quality compared to local; and that they would often choose a foreign FMCG'S depending on the type of the product. Though the foreign products were expensive as compared to local products, the shoppers would often choose a foreign FGCM'S compared to local ones all the time. However, the shoppers rarely looked at the label to find out the

country of origin though they acknowledge that the local products are not of the same quality as foreign products depending on the product type.

#### **5.4 Recommendations**

On the premise that majority of the shoppers agreed that the imported/foreign products were of better quality compared to local; the study recommends that local manufacturing companies should ensure that their products are of the best quality and ensure that the products meets the foreign products so as to ensure that their products are competitive in the market.

The study also recommends that the local companies should ensure that they employ competitive advantage strategies to ensure that their products compete effectively with the foreign products. The study findings showed that price of the product influenced the purchasers' decision to a great extent thus; it is recommended that competitive advantage strategies such as such as low cost strategy should be employed so as to give them a cost advantage in the market.

The study also recommends that foreign companies whose products have registered high sales and high preference by the customers should consider branches or production facilities in Kenya for strategic reasons. Decisions to relocate production would enable the foreign companies to capitalise on labour cost advantages, reduce cost of transport and for strategic market considerations.

## **5.5 Limitations of the Study**

The researcher experienced some challenges that could have limited the achievement of the study objectives. One of the limitations was the access to data from the respondents. Some of the respondents were unwilling to give information for fear that their information that they were giving and especially the personal information may be used for other purposes or released to other unauthorized persons. However, the researcher overcame this challenge by informing the respondents on the actual purpose of the study; the researcher also secured a letter for data collection from the school and followed ethical procedures and ensured confidentiality of the data given.

There was also the time challenge since the questionnaires could only be effectively administered through personal administration. The researchers also needed to take the customers through the questions in the questionnaire which limited the numbers of the respondents he approached in a day and the overall response rate.

## **5.6 Suggestion For Further Research**

This study sought to examine the influence of country of origin on consumers' purchase decision toward fast consumer goods in Kenya. This study was not conclusive as it did not look at how the various characteristics of the products affect the consumer purchasing decision. Thus, the researcher recommends that a further study be conducted to examine the effects of country of origin labeling on purchasing decisions and welfare.

The study also recommends that a further study be conducted to establish the relationship between country of origin, brand image and customer purchase intentions.



## REFERENCES

- Anthony J. Onwuegbuzie & Nancy L. Leech (June 2007). "Sampling Designs in Qualitative Research", *Making the Sampling Process More Public the Qualitative Report* Volume 12 Number 2 238-254
- Ajzen I. (1991). *The Theory of Planned Behavior: Organizational Behavior and Human Decision Processes* 50, 179-211
- Bilkey W.J. And Nes E. (1982). "Country of origin effects on product evaluation", *Journal of International Business Studies*, Vol.8, No.1, pp 89-99.
- Blackwell, R.D., P.W. Miniard & J.F. Engel, (2001). *Consumer Behavior*, ninth edition, Harcourt.
- Blackwell, R.D., Miniard, P.W. & Engel, J.F. (2003). *Consumer Behavior*, Harcourt, Orlando, FL.
- Cordell, V. (1992), "Effects of consumer preferences of foreign sourced products", *Journal of International Business Studies*, Vol. 23 No.2, pp.251-69.
- Crawford, J., Lamb, C. (1981). "Source preferences for imported products", *Journal of Purchasing and Materials Management*, Vol. 17 No.Winter, pp.28-33.
- Elliott, G., Cameron, R. (1994). "Consumer perception of product quality and the country of origin effect", *Journal of International Marketing*, Vol. 2 No.2, pp.49-62.
- Hong S. and Wyer R.S. (1989), "Effects of country of origin and product attribute information processing perspective", *Journal of Consumer research*, Vol. 16, pp 175-87.
- Huddleston, P., Linda, K., Lesli, S. (2001), "Consumer ethnocentrism, product and polish consumers' perceptions of quality", *International Journal of Retail and Distribution Management*, Vol. 29 No.5, pp.236-46

Jeff Bray Consumer Behaviour Theory: Approaches and Models

John J. Watson and Katrina Wrigh (1999). Consumer ethnocentrism and attitudes toward domestic and foreign products, *European Journal of Marketing*, Vol. 34 No. 9/10, 2000, pp.

Hawkins, Roger J. Best and Kenneth A. Coney (1997). *Consumer Behavior: Building Marketing Strategy*, Irwin/Mcgraw-Hill Series in Marketing

Kayank E. and Cavusgil S.T. (1983). "Consumer attitudes towards products of foreign origin: do they vary across product class?", *International Journal of Advertising*, Vol 2, pp 147-57.

Kiilu M.N. (2005). *Perception Regarding Internationalization Capability. A Case Of Architectural Consultancy Firms In Kenya*. Unpublished MBA Project, University of Nairobi.

Kotler, P and Keller, K (2003). *Marketing Management*, 13th Edition.

Kotler, P (2000). *Marketing Management Millennium*, 10<sup>th</sup> ed., New Jersey: Prentice Hall, ch.5, pp.87-105

Kowalczyk, S (2007). "Corporate branding through external perception of organizational culture", *Corporate Reputation Review*, Vol. 5 No.2/3, pp.159-74

Michael Richarme, (2005). "Consumer Decision-Making Models, Strategies, and Theories", [www.decisionanalyst.com](http://www.decisionanalyst.com)

Mugenda and Mugenda (1999). *Research Methods*; First Edition; Longman Publishers

Muthuy,A J. (2008). *Distribution Strategies Adopted By Cosmetic Companies In Kenya*. A Management Research

- Nyaga, J (2014). Factors affecting distribution of fast moving consumer goods in Kenya: International Journal of Social Sciences and Entrepreneurship, Vol.1, Issue 12
- Niels G. Noorderhaven and Anne-Wil Harzing (June 2003). "The country-of-origin effect" in multinational corporations", A revised version appeared in Management International Review, vol. 43, special issue 2, pp. 47-66.
- Okechuku & Onyemah, (1999). study on the Nigerian consumer attitudes towards foreign and domestic products and Locally
- Østergaard, P. and Jantzen, C. (2000). Shifting Perspectives in Consumer Research: From Buyer Behavior to Consumption Studies. In: S.C. Beckmann and R.H. Elliot (Eds.)
- Patton, M.Q. (1990). Qualitative evaluation and research methods (2nd ed). Newbury Park, CA: Sage, 532 pp
- Peterson, Robert A. and Alain J. P. Jolibert (1995). "A Meta-Analysis of Country-of-Origin Effects," Journal of International Business Studies, 26 (4), 883-900.
- Peterson R.A. and Jolibert A. (1995). "A meta analysis of country of origin effects", Journal of International Business studies, Vol. 26, No.4, pp 882-900.
- Pius Angasa and Mary W. Kinoti (2013). "Factors Affecting Consumer Perception of Kenyan Manufactured Fast Moving Consumer Goods in The East African Community. A Case of Laundry Detergents Products", DBA Africa Management Review Vol 3 No 2. Pp. 108-123
- Richardson, P.S., Dick, A.S., and Jain, A.K. (1994). Extrinsic and Intrinsic Cue Effects on Perceptions of Store Brand Quality, Journal of Marketing, Vol. 58, pp. 28-36

- Samiee, S (1994). "Customer evaluation of products in a global market", *Journal of International Business Studies*, , Vol. 25 No.3, pp.579-604.
- Samiee, S. (1994). "Customer evaluation of products in a global market", *Journal of International Business Studies*, Vol. 25 No.3, pp.579-604.
- Seema Jaggi, "Descriptive statistics and exploratory data analysis", Indian Agricultural Statistics Research Institute Library Avenue, New Delhi - 110 012
- Solomon, M.R. (1995). *Consumer Behaviour*, 3rd Ed., Prentice Hall
- Steenkamp, J.B.E. M. (1989). *Product Quality*, Van Corcum, The Netherlands.
- Swinyard, W.R. (1993), *The Effects of Mood, Involvement, and Quality of Store Experience on Shopping Intentions*, *Journal of Consumer Research* , Vol. 20, pp. 271-280.
- Thomas A. Heberlein and Robert Baumgartner (1978). *Factors Affecting Response Rates to Mailed Questionnaires: A Quantitative Analysis of the American Sociological Review*, Vol. 43, No. 4 pp. 447-462
- Wang, C.-K., Lamb, C.W. Jr (1983). "The impact of selected environmental forces upon consumers' willingness to buy foreign products", *Journal of the Academy of Marketing Science*, Vol. 11 No.2, pp.71-84.
- Wasonga, P. (2012). *Factors affecting consumer perception of Kenyan manufactured fast moving consumer goods in the East African community. a case of laundry detergents products*
- Walker, D. (2008). "Measuring and managing brand loyalty", *Journal of Strategic Marketing*, Vol. 9 No.2, pp.111 28
- Zeithaml, V.A. (1988). *Consumer Perceptions of Price, Quality and Value: A Means-End Model and Synthesis of Evidence*, *Journal of marketing*, Vol. 52, p. 2-22.

## **APPENDICES**

### **Appendix 1: List of Shopping malls in Nairobi**

1. Nakumatt Junction, Ngong road
2. Thika Road Mall
3. Taj Mall, Embakasi
4. T-mall, Langata road
5. Village Market, gigiri
6. Nakumatt Mega, Mombasa road
7. Uchumi Hyper, Mombasa road
8. Green Span, Donholm
9. The mall, westlands
10. Galleria, Karen
11. Lifestyle mall, town centre
12. Mountain mall, Thika road
13. Peter Mulei, Mlolongo
14. Tuskys mall, Rongai
15. Rongai Shopping mall.

## **Appendix 2: Letter of Introduction**

Jacqueline Mutheu  
School of Business, Kabete Campus  
University of Nairobi  
P. O. Box 30197  
NAIROBI  
AUGUST 2014

Dear Respondent,

### **RE: COLLECTION OF SURVEY DATA**

I am a postgraduate student of the University of Nairobi, School of Business, Kabete Campus. In order to fulfill the degree requirement, I am undertaking the above project as part of the academic requirements towards completion of the course.

You have been selected to form part of this study. This is to kindly request you to assist me collect the data by filling out the accompanying questionnaire, which I will collect from you personally.

The information that you are going to provide will be used exclusively for academic purposes and will be treated with strict confidence. At no time will your name appear in my report. A copy of the final paper will be availed to you upon request.

Your co-operation will be highly appreciated.

Yours faithfully,

**JACQUELINE MUTHEU**

MSC STUDENT  
SCHOOL OF BUSINESS  
UNIVERSITY OF NAIROBI

**MR. VICTOR NDAMBUKI**

LECTURER/SUPERVISOR  
SCHOOL OF BUSINESS  
UNIVERSITY OF NAIROBI

## Appendix 3: Questionnaire

The influence of country of origin of fast moving consumer goods (FMCG's) on consumer purchase decisions in Kenya.

### Part 1: Demography

PLEASE TICK WHERE APPLICABLE ✓

1. Gender

Female  Male

2. Age

18-28  38-48   
28-38  48-58   
58 and above

3. Income ( In Kshs)

0 - 20,000  60,000 – 80,000   
20,000 – 40,000  80,000 – 100,000   
100,000 and above

4. Education Level

Up to high school  University   
College

Other specify \_\_\_\_\_

\_\_\_\_\_

5. Occupation \_\_\_\_\_

6. Residential area \_\_\_\_\_

**PART 2:**

**THIS SECTION IS SEEKING YOUR OPINION REGARDING BUYING BEHAVIOR OF FMCG'S. FOR EACH STATEMENT, PLEASE INDICATE BY TICKING “ ✓ ” ON ONE ANSWER FOR EACH QUESTION.**

*FMCG'S include; consumer usable like food stuff like fresh juice, packaged dry cereals sold in supermarkets, hair products, non-durables such as glassware, bulbs, batteries, electrical cables paper products, plastic goods, clothes and pharmaceuticals.*

7. How often do you purchase FMCG's

Weekly

Bi-weekly

Monthly

After every month



8. Using a 5 likert scale, rate the following factors how they influence your purchase decision. Where **1** represents the **LOWEST** influence and **5** the **HIGHEST** influence in decision making.

a	Family influence	1	2	3	4	5
b	Influence by friends	1	2	3	4	5
c	Image the product communicates	1	2	3	4	5
d	Package	1	2	3	4	5
e	Price	1	2	3	4	5
f	Past experience	1	2	3	4	5
g	Brand of the product	1	2	3	4	5
h	Country of origin of the product	1	2	3	4	5
i	Advertisement & advertisement	1	2	3	4	5

### **Part 3: Influence of Country of Origin**

9. Which of the following statements do you strongly Disagree, Disagree, Agree, and/or strongly Agree with in regards to product selection before purchasing.

1	2	3	4	5
Strongly Disagree	Disagree	Neither Agree/ Disagree	Agree	Strongly Agree

a.	Imported/ foreign products are of better quality compared to local					
b.	They are expensive as compared to local					
c.	I would choose a foreign FMCG's all the time					
d.	I would choose a foreign FMCG's depending on the product type					
e.	Local products are cheaper as compared to foreign products					
f.	Local products are of the same quality as foreign products depending on the product type					
g.	Foreign products are well packaged and attractive					
h.	Local products are not well packaged					
i.	Quality package equals to great product quality					
j.	Lower product package equals to low product quality					
k.	I will choose a local product all the time					
l.	I will choose a local product depending on the type of product					

(THE FOLLOWING QUESTIONS WILL BE ASKED DEPENDING ON THE RESPONSE GIVEN TO QUESTION 9)

10. Why choose a local product over a foreign product

---

---

11. Why do you believe Imported/ foreign products are of better quality compared to local

---

---

12. I would choose a foreign FMCG's depending on the product type.

**(Kindly indicate which kind of products)**

---

---

---

13. Kindly name products you believe are of the same quality as compared to foreign

---

---

---

14. When buying an FMCG, do you look at the label to find out the country of origin?

Yes

No

If yes/ no why? \_\_\_\_\_

\_\_\_\_\_