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# External factors influencing consumer purchase decision by home furniture buyers: case of Victoria Courts Kenya.

Omondi, Beldina M. A
*Strathmore Business School*
*Strathmore University*

# EXTERNAL FACTORS INFLUENCING CONSUMER PURCHASE DECISION BY HOME FURNITURE BUYERS: CASE OF VICTORIA COURTS KENYA

## BELDINA M. A. OMONDI

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## DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.


Beldina. M. A. Omondi.

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March 2020.


**Approval**

The thesis of Beldina M.A. Omondi was reviewed and approved by the following:

Dr Nancy Njiraini.

MBA Program

Strathmore University Business School



Head of School/Institute/Faculty-Dr George Njenga

Name of School -Strathmore University Business School

Director, School of Graduate Studies- Dr Bernard Shibwabo

# ABSTRACT

Consumer behavior is affected by many factors, and characteristics, influencing the consumer in their decision making, purchase behavior, brand loyalty and even their choice of retailer. The factors influencing consumer behavior include; the psychological factors like perception, motivation, attitudes and beliefs, social factors like reference, family, status and role, cultural factors like own cultural beliefs and habits, sub culture and social class. In addition, there are also the economic factors for instance, family income, personal income, savings, liquid assets and government policy, as well as personal factors like personality, age, life style and occupation. This study sought to establish external factors influencing consumer purchase decision of home furniture buyers in Kenya through a case analysis of Victoria Courts (Kenya). The specific objectives were; to determine the effect of economic factors on consumer purchase decisions in Kenya's home furniture industry, to determine how psychological factors influence consumer purchase decisions in Kenya's home furniture industry and to determine how social-cultural factors affect consumer purchase decisions in Kenya's home furniture industry. The study was based on two theories namely the theory of reasoned action and the theory of planned behaviour. A descriptive case study research design was adopted. Using simple random sampling technique, 367 respondents were selected from a population of 8152 customers who visited Victoria Courts in 2018. Descriptive, correlation and regression analysis were conducted to establish the influence of external factors on consumer purchase decision of home furniture buyers in Kenya; a case of Victoria Courts. The study found that eeconomic factors, psychological factors and social cultural factors exhibited a positive and a significant relationship to decision-making process of home furniture buyers. The multiple regression findings indicate that these factors influenced consumer purchase decision by 74% which was statistically significant. The results revealed that psychological factors had the greatest influence on consumer purchase decision of home furniture buyers at Victoria Courts followed by social-cultural and economic factors. The study therefore concluded that the external factors significantly and positively influence the consumer decision-making process. To the furniture retailers, the recommendations were to ensure they understand the perceptions, attitudes of their customers as well as know that their customers are price sensitive.

Key words: Consumer purchase decision, external factors, home furniture, Victoria Courts Kenya.

## DEFINITION OF KEY TERMS

**Consumer Purchase decision:** This refers to the multi-step decision-making process people engage in and the actions they take to satisfy their needs and wants in the marketplace.

**Economic Factors:** Economic factors could be referred to as a thought with respect to how a buyer's extra cash and other money related assets tend to affect their purchasing decisions. Financial components incorporate among others; the level of salary, credit accessibility, state of mind towards spending, fluid resources.

**Psychological Factors:** The term psychosocial refers to the mental and social factors that impact psychological well-being. They discuss the brain research of a person that drives his activities to look for fulfilment. They incorporate factors such as inspiration, learning, and points of view among others

**Social Cultural Factors:** Social cultural factors characterize the relationships and activities of a group of people within a particular set environment. They include customs, lifestyles and values that characterize a society. More specifically, cultural aspects include factors such as aesthetics, education, language, religion, technology and material culture, values and attitudes.
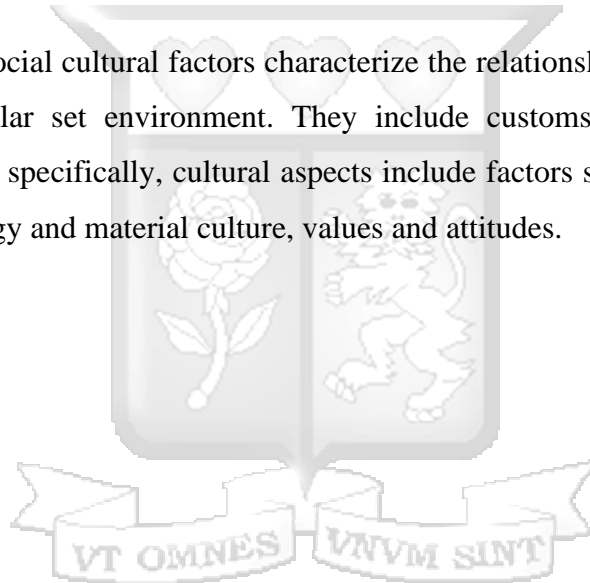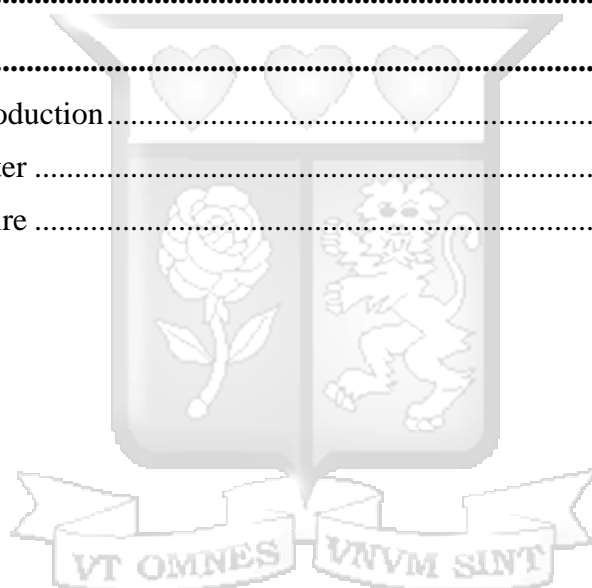
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**AfDB**      African Development Bank

**CAK**      Communications Authority of Kenya

**SPSS**      Statistical Package for the Social Sciences

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the Study

In the recent decades, home furniture industry has witnessed many changes, most of which have been witnessed in the manufacturing process, as well as the marketing and consumption trends. It is evident that most of these changes have impacted the purchase of home furniture either directly or indirectly due to the changes in consumer preferences. According to York (2013), some of these changes include technology advancement, social media platforms rise: Twitter, Facebook, changes in the demographics and increase in women purchasing power. Pending the reality that these changes are almost permanent; it is prudent that furniture retailers and manufacturers consider them in developing and implementing their marketing strategies. According to African Development Bank (AfDB, 2015) the middle class in Kenya has grown to 44.9%. This growth has attracted global brands into the market and also changed the local furniture industry. This is attributed to technological advances and also increased mobile penetration in Kenya, which stands at 90.4%, according to Communications Authority of Kenya while the internet penetration levels stood at 112.7% (CAK, 2017).

Consumers purchase decisions are to a large extent influenced by multiple factors (Dziwornu, 2013). Studies have been undertaken to establish the contributing elements towards consumers' purchase decisions. Sathya and Nabaghan (2015) studied consumer buying behaviour towards purchase decision in Odisho, India and observed that price, quality, style, function and brand were the main motivating factors. Dziwornu (2013) suggested that the buying decision was based on product features and quality. Lay-Yee, Kok-Siew, and Yin-Fah (2013) also discussed that purchase decisions were influenced by the features of a product, brand image and convenience of use. Sata (2013) study investigated the factors determining purchase decisions and concluded that price and features were the most important factors of consideration to customers.

Although the factors that have been highlighted by previous studies are essential for the consumer decision making process, it is worthwhile to note that it is increasingly challenging for organizations to compete on these aspects alone (Sata, 2013). This is credited to the fact that competing brands are progressively introducing similar features to their products and making it

tougher for consumers to distinguish them apart (Liu, 2002). Yakup (2012) opined that as competition between organizations providing similar services and goods intensified, the consumer increasingly become the central focus of businesses. Marketers are obligated to study, be more sensitive and pay close consideration to personal factors of the consumer in order for them to achieve a competitive edge that would result in the success of their brands (Pinki, 2014).

Consumer behavior is affected by many factors and characteristics influencing the consumer in their decision making, purchase behavior, brand loyalty and even their choice of retailer. The factors influencing consumer behavior include; the psychological factors like perception, motivation, attitudes and beliefs, social factors like reference, family, status and role, cultural factors like own cultural beliefs and habits, sub culture and social class. In addition, there are also the economic factors for instance, family income, personal income, savings, liquid assets and government policy, as well as personal factors like personality, age, life style and occupation (Blackwell et al., 2001).

Foreseeing and comprehending consumer behaviour is among the greatest challenges a business can confront. At introduction, aggressive market constrained makers to deliver merchandise in light of the needs of client (Tafier, 2014). Consumer buyer behaviour study, commonly termed as purchaser behaviour, gives data about customer and his/her utilization designs. An association can keep on surviving on the off chance that it can meet the needs of buyer and requests with a far-reaching comprehension of such. This thus demonstrates significance of studying consumer behaviour. Clients may not know their own particular more profound internal inspiration or they may respond to influencing factors that ultimately and basically alter their opinion. In any case, advertisers ought to think about their clients' solicitations, admissions and purchasing practices (Kotler, 2010).

The consumer decision-making process is therefore complex as the factors play a role and influence the choices a consumer makes. According to Blackwell, Miniard et al., (2001), a consumer will go through five stages in decision making as they contemplate making a purchase, including Need Recognition or Problem, Search for Information, Alternatives Evaluation, Outlet Selection and Purchase, with the final stage being Post- Purchase Evaluation (Teeny, Briñol & Petty, 2017). For routine or frequently consumed products and services, a consumer may not follow the whole process from start to end.

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Home furniture buyers are likely to go through the five-stage process because furniture is not purchased frequently owing to the high costs of purchase. It involves constraints such as budget, available space, time, match to existing individual style and lifestyle making it a complex decision-making process. Furniture buying is actually considered an emotional purchase as many consumers view it as a reflection of themselves and their style (Perry 2007). The decision to buy is often considered to be difficult as number of alternatives increase and some attributes and values are difficult to determine. Furthermore, shared attributes number becomes smaller, and there is a great deal of uncertainty about the values of some attributes.

### 1.1.1 Consume Purchase Decision

Consumer purchasing decisions refers to the process in which consumers identify their needs, collect information, evaluate alternatives and finally make the purchase decision. Solomon et. al. (2016) posit that consumer purchasing decisions is the study of the process involved when individuals or groups select, buy, use or dispose of products, services, ideas or experiences to satisfy needs and desires. Bennet (1989) defines consumer-buying decisions as the dynamic interaction of affect and cognition, behaviour and environmental events by which human beings conduct the exchange aspects of their lives.

Consumer purchasing decision is a process that starts way before the purchase is carried out and has consequences long afterward. Consumer purchasing process leads to the final decision-making, which entails a model that has five stages of the classic model. First, its problem recognition, then information search, ten evaluation of alternatives after-which purchase decision and post-purchase behaviour follows (Tsimonis & Dimitriadis, 2014). Marketers must identify how consumers actually make their buying decisions. Individuals can be initiators, as well as influencers, deciders, buyers or users and different marketing campaigns might be targeted to each type of person (Kotler, 2000).

Consumer purchasing decision encompasses making the actual decision of purchasing, consumer interaction as well as the range of experiences that are associated with consuming as part of consumer behaviour. Customers are required to make many decisions day in day out and hence, they are bombarded with information. In order to deal with the information overload, there are certain habits and heuristics that are used such as brands in the contemporary marketplace.

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Brands tend to facilitate many purchase decisions and offer assurance as they connect both current and future decisions and experiences, satisfactions and knowledge (Hutter et al., 2013).

**1.1.2 External Factors Influencing Consumer Purchase Decision**

There is a list of factors that influence consumer purchase decisions (Kotler, 2001). Kotler categorized the factors into two categories, the market stimuli and buyer characteristics. The market stimuli include factors such as promotion, price, product and place. The buyer characteristics include factors such as culture, psychological, social and personal factors. Kotler (2001) postulates that in making their purchase decisions, consumers are confronted by choices among them the product choice, the brand choice, the dealer choice, the purchase timing and the purchasing amount.

According to Bannister (2013) the aspects of consumer purchasing behaviour and decision making can be broadly divided into three categories, the first being the process of brand choice that is preference, purchase, and repeat purchase (degree of brand loyalty). The second one is responses to marketing stimuli such as advertising exposure, consumer promotions and 6 incentives, pricing, packaging, in other words the entire field of 'effects' or results of multiple forces and inputs. Finally, the interplay of a variety of intervening explanatory variables such as perception, learning, memory, habit as well as cultural conditioning, socio-economic factors both demographic and behavioural which have been postulated by marketing theorists and by researchers in the fields of sociology, psychology, economics, social psychology, mass communication, media-all of which impinge upon market behaviour in the aggregate.

Theories that can be used to explain consumer purchase decisions are theory of reasoned action and theory of planned behaviour (Ferraro et al 2009). These theories explain the reasons why buyers behave in the manner in which they do when faced with different situations. They also explain the marketing stimuli which influence consumer actions. The marketing mix when referring to the marketing stimuli includes; product, price, place and promotions. Other stimuli are such as social background, cultural background, lifestyles and group membership (Kotler, 2001).

It is important to study consumer purchase decision because marketers gain a good insight and into understanding what makes consumers prefer one product over another product when being

influenced by external factors. Marketers can use information gained by comprehending how consumers think, feel, reason and choose, in order to ensure that they model products and services that consumers will desire (Schiffman & Kanuk, 1997). Additionally, marketers will be able to suggest these options to the consumer base in an irresistible way (Ketelaar et al., 2015). Firms that recognize the importance of external factors take into consideration where to post their products so that more consumers come into contact with the message, they are trying to disperse in order to provide additional competitive advantage.

### 1.1.3 Victoria Courts

Victoria Courts is a company that imports medium quality furniture with medium to high price outlets. The company whose vision is to be the leading furniture retailer in East Africa also stocks few international brands. The competitors of Victoria Furniture in Kenya include Furniture Palace, Antarc, Odds and Ends, Furniture Elegance and Tile and carpet Centre, which are located in major towns in Kenya with a high concentration in Nairobi. There are also high quality and high price outlets which keep designer brands targeting the high class (Ministry of Industrialization report, 2015). Stiff competition is witnessed in the medium quality furniture as they seek to attract the growing middle class in Kenya. Victoria Courts has three outlets within Nairobi City and attracts a footfall of 2000 people on a monthly basis (data from, 2018). Some of the brands sold at the store include Ashley, Hilker and Gautier, which are from the USA, Germany and France respectively.

Most of Victoria Courts Competitors who are targeting the same middle to high end clients also bring almost similar product offering to the customers making increasing market share very competitive and having a unique selling proposition very hard too. In addition, of the 2000 customers visiting Victoria Courts on a monthly basis, the conversion rate is only 30%. Hence the question, what is the remaining 70% of clients looking for that Victoria Courts does not offer and how does Victoria Courts increase conversion? How does Victoria Courts increase market share in the competitive environment?

To understand the range, design, size, material, color and quantity of products to buy and marketing strategies to use, Victoria Courts needs to understand the customer better and this can only be achieved by understanding the consumer behavior and what influences their buying

decision. Understanding the components which unconsciously impact the purchase decision can effectively influence giving the customers better offering.

## 1.2 Statement of the Problem

The behaviour of the consumer with regards to purchase of home furniture is influenced by different variables that are uncontrollable such as social, economic and cultural. These components make consumers create product and brand comprehension of their own. This is fundamental since the marketing mix strategies can be improved on to suit target market inclinations (Ahmed & Dastoor, 2013). Home furniture companies in Kenya and Nairobi specifically are faced with stiff competition from other existing retailers bringing a similar value proposition in terms of product range into the market. New competition is also coming from the entry of the Chinese suppliers into the home furniture market due to the low barriers to entry in the industry.

Several research and studies have been done to analyze consumer purchase decision among home furniture buyers in Europe, America, China, India and also South Africa. However, the findings of this studies have not been consistent. In addition, the studies have used differing methodologies and conceptualized external factors differently. Matova, Trinova and Kaputa (2018) investigated factors influencing consumers' purchase decision among furniture buyers in Slovakia. The study analysed the purchase decision factors which included the quality, the prices, the attributes of the environment, the brand, the country of origin, non-commercial recommendations and the promotion through advertising. The product quality was found to significantly affect all the respondents purchase decisions. Oblak et al. (2017) analysed the buying purchase decision of furniture buyer is Slovenia and Croatia by Applying AHP Method. In both countries the consumers' behaviour was impacted by the low prices offer, less likely affected by the company/'s marketing and least by the sales/marketing staff.

Yoon and Cho (2017) sought to discover significant highlights that customers consider for private furniture buys and to recognize shoppers' inclinations for furniture configuration as far as style, which will at long last lead to a superior comprehension about furniture buy conduct. The consequences of this exploration exhibited huge impacts of sex and business status (understudy bunch versus non-understudy gathering) in considering factors for furniture buy and style

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inclinations. Ponder (2013) focused on shopper mentalities and purchasing conduct for home furnishings. Quality ranks as the most significant evaluative basis when furniture is being considered for procurement. All these studies were conducted in a different context and therefore their findings cannot be used to generalize the current context. In addition, the studies considered different determinants of consumer purchase decision from the one applied in the current study.

Locally, Mehta (2015) focused on factors influencing consumer purchase decision in the motor industry in Kenya while Thuku (2018) majored on factors influencing consumer purchase decision in bank's mortgage uptake. However, these studies did not establish factors affecting consumer purchase decision among home furniture buyers. This study, therefore sought to fill this information gap by establishing external factors influencing consumer purchase decision among home furniture buyers in Kenya, a case of Victoria Courts.

## 1.3 Objectives of the Study

### 1.3.1 General Objective

This study sought to establish external factors influencing consumer purchase decision of home furniture buyers in Kenya through a case analysis of Victoria Courts (Kenya).

### 1.3.2 Specific Objectives

i. To determine the effect of economic factors on consumer purchase decisions in Kenya's home furniture industry.
ii. To determine how psychological factors, influence consumer purchase decisions in Kenya's home furniture industry.
iii. To determine the social-cultural factors affecting consumer purchase decisions in Kenya's home furniture industry.

## 1.4 Research Questions

The research sought to answer the following questions:

i. What is the effect of economic factors on consumer purchase decisions in Kenya's home furniture industry?

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ii. How do psychological factors influence consumer purchase decisions in Kenya's home furniture industry?

iii. To what extent does social-cultural factors affect consumer purchase decisions in Kenya's home furniture industry?

## 1.5 Scope of the Study

This study focused on Victoria Courts in Kenya which is a subsidiary of Victoria Furnitures Group which has been in existent since 1969. Taking advantage of the growing middle class in Kenya- Victoria Courts was set up to target the middle- and high-income earners and with that opened its doors in November 2012. However, there were other competing players in the same segment for example Furniture Palace, Odds and Ends, Antarc and Tile and Carpet Centre. The company has grown in size since its inception in 2012 as it started with only one branch in Westlands and currently it has three branches in Nairobi (Westlands branch, Mombasa road branch and Garden city mall branch). Competitors have also increased their stores so the competition for market share is still there. The company intends to expand to other major towns in Kenya, Rwanda and Uganda in the next five years. The researcher targeted Victoria Courts in order to determine the factors that influence home furniture buyers purchase decisions as the current conversion rate of 30% is deemed low.

The study targeted actual buyers available in the organization's database that have purchased an item in the recent past. The limited scope of the study provides for future studies to encompass a larger population to validate its findings. The research was carried out between April to June 2019 and was limited to issues and events during the period of study.

## 1.6 Significance of the Study

**Researchers and Academicians:** Information resulting from this study might guide instructional developers and educators to select and design the most suitable instructional methods for learning objectives. It will also serve as a reference for future researchers on consumer behaviour subject and companies.

**Managers and Management Consultants:** The study will be useful to managers and management consultants in informing them on purchase decision by consumers as a tool for

improved performance in home furniture industry in Kenya. Importantly, the research will educate clients in understanding factors influencing consumer purchase decision in the home furniture industry.

**Formulation of Policies:** Knowledge gained on factors influencing consumer purchase decision in home furniture sector in general will serve as a guideline for the formulation of policies aimed at capitalizing on understanding of consumer purchase decision to improve performance of retailers in the home furniture industry.

# CHAPTER TWO
# LITERATURE REVIEW

## 2.1 Introduction

This chapter presents the theoretical and empirical literature review of the proposed study. The theoretical review deals with issues related to various factors that affect or influence consumer purchase decision for home furniture buyers. The empirical review explores a variety of scientific literature on consumer behavior, with a particular focus on how home furniture buyers make purchase decisions.

## 2.2 Theoretical Framework

The study was anchored on two theories, that is, Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB).

### 2.2.1 Theory of Reasoned Action

The theory of reasoned action (TRA) is a well-established theory developed in the late 1950s by Martin Fishbein. Expansion of TRA by Fishbein and Ajzen occurred throughout the 1960s and 1970s and has foundation in social psychology regarding consumer behaviour (Njite & Parsa, 2005). Many research studies have used this theory of reasoned action to explain different behaviours (Armitage & Christian, 2003; Bartee, Grandjean, & Beiber, 2004). The main reason why the researcher settled on this theory to base the study is because first, the TRA is a parsimonious model because it uses only three constructs to explain behaviour. Shugan (2002) maintained that less parsimonious models not only present weak answers but also, they are also less responsive to testing. Second, the TRA is the best-known social-psychological attitude-behavior model, which incorporates external factors on intention to adopt an overt behavior (Prager, 2012).

The major strength of this theory, as explained by Ajzen and Fishbein (1980), is the fact that it can be used to forecast, clarify, and sway people's actions since it focuses on predicting and understanding an individual's action. This theory was useful in this study in that it helped understand what drives consumer purchase decision. It was also useful in determining the extent to which external factors could sway consumer purchase decision.

The theory has different elements which explain the attitudes and behavior of an individual. The first element in the theory is the identification and measurement of interest in the behavior (Ajzen & Fishbein, 1980). It is important to identify the triggers of consumer purchase decision and to what extent those triggers influence the purchase decision. According to this theory, an individual's purpose to make a decision is a direct determinant of the decision (Ajzen & Fishbein, 1980). The second element of the theory is the understanding of an individual's actions and requires an understanding of two determinants, the personal and social influences (Ajzen & Fishbein, 1980). Understanding the evaluative criterion an individual use in purchasing a product is one aspect the theory of reasoned action can address (Ajzen & Fishbein, 1980; Njite & Parsa, 2005). External factors add to a consumer's understanding of the product or service presented and the consumer is able to make an informed decision based on that understanding. The study used this theory to explain how external factors influences consumer purchasing decision.

### 2.2.2 Theory of Planned Behavior

The theory was developed by (Ajzen, 1991). Theory of Planned Behaviour provides an explanation of the involuntary behaviour of individuals. It is possible to predict with high accuracy the intents to perform behaviour of varying kinds using the attitude one has towards the behaviour, subjective norms, perceived control of behaviour; and together, the intentions with perception of change in behavior accounts for a great variation in the actual behaviour (Fishbein & Ajzen, 1975).

Attitude towards behaviour and subjective norms regarding engagement in behaviour are supposed to affect intentions. The feeling of an individual is depicted by attitude and so is inclination of declination in behaviour performance. The general attitude of prospective user of technology towards the use of a particular system based on technology or procedure are the key determinants of whether he/she will actually use the system. Through subjective norms it is established that the perception of an individual is affected by their significant others. The opinion of others regarding home furniture as will affect purchase behaviour of an individual. In addition, TPB includes perceived control of behaviour as a result taking part in behaviours, suggesting that behavioural decisions made by individuals is influenced by the ability of performing a behaviour (Ajzen, 1991).

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External factors have an influence on an individual behavior for instance individuals with different age and education levels behave differently. The planned behaviour theory explains how an individual personal characteristic affects his or her attitudes. This implies that characteristics of individuals affect the choices they make. Therefore, TPB explains how consumer's personal characteristics and attitudes affect their choices of home furniture. Intentions to perform behaviours are also influenced by convenience, how easily one is being able to proceed with something without difficulty affects the choices made. Therefore, the ease of use of merchants affects consumer's choice of home furniture (Ajzen, 1991).

This theory incorporates different aspects of the consumers for instance how consumer characteristic's affect their attitude and the choices they make. Since the study objectives are the influence of external factors such as economic factors, psychological factors and social-cultural factors on consumer purchase decision. The theory provides more clarification and understanding on the consumer factors that influence the choices they make. Hence the suitability of TPB in establishing external factors influencing consumer purchase decision among home furniture buyers.

## 2.3 Empirical Review

In this section, we will be reviewing literature of scholars that have done studies similar to this research, it will be organized according to the research objectives, as stated in section 1.3 in the previous chapter.

### 2.3.1 Economic Factors Affecting Consumer Purchase Decisions

Chatterjee and Shukla (2017) purported that a person's disposition to purchase a product was hinged on their purchasing power. Taylor (2011) opined that the type and amount of goods a consumer purchases were contingent to their earnings. In the possibility that the consumer had a higher income; the more the likelihood they would buy luxury goods. A decrease in the income steered a consumer to purchase inferior goods. In the incidence that old-fashioned pointers of social status, such as occupational esteem or affluence, were not obtainable, individuals decide on products that symbolized status (Fontes & Fan, 2006).

Sata and Belete (2013) study on factors of consumers' purchase decision of mobile phone devices revealed that income was an influential factor in consumer purchase decision of mobile phones. Juwaheer, Pudaruth, Vencatachellum, Ramasawmy, and Ponnusami (2013) study on factors influencing selection of mobile phones amongst young consumers established that consumers who had an inferior income had a price limit on what amount they could devote to purchase of a phone.

Kihiko (2017) sought to determine the effects of consumer socialization and buyer behavior on brand awareness and loyalty of key washing detergents among students of universities in Nairobi CBD. The study adopted a descriptive cross-sectional research design. Structured questionnaires were adopted to collect primary data from 600 respondent's selected using random sampling method. The findings show that all agents of consumer socialization influenced brand awareness and loyalty though to various degrees with E-platforms being the most influential. Purchase behavior was greatly influenced by Economic factors, E-platforms were the major sources of brand awareness and price, quality, performance, availability and brand name were the factors that led to brand loyalty.

Oblak et al. (2017) analysed the buying purchase decision of furniture buyer is Slovenia and Croatia by Applying AHP Method. The study identified very important differences in the buying behaviour between buyers of the two different contexts. In both countries the consumers' behaviour was impacted by the low prices offer, less likely affected by the company/'s marketing and least by the marketing staff. Initially at the stage of information search, the buying behaviour was not any different. The first information search stage was the internet for all buyers and also the consumers would seek information from the shops that sell furniture.

According to Aruppillai and Phillip (2015) established that most of the fast food industry in Bangladesh are booming due to increase in per capita income among consumers and most of them can now afford expensive outlets. Price, location, convenience, quality of food, environment of the outlets, quality of service influence consumer satisfaction. It was also concluded that all the factors have significant influence on the consumer satisfaction except price. Ying (2016) conducted study on consumption behaviour of generation Y in Malaysia among fast food consumption. He wanted to find out how personal lifestyle, price quality, health

issues and promotion influence the changing behaviour of generation y. He concluded that there is more aspect that affects the consumer behaviour of generation y apart from the listed ones.

Olise (2015) examined the factors that affect the consumer's patronage in fast food industry and established that atmospheric quality, environments, consumer demographics, service quality, have significant influence towards the customers patronage. It was concluded that for Nigeria fast food restaurants to ensure there is consumer patronage they should improve their services quality, perceived value, consumer demographics and modernity. Ogachi (2014) established factors that influence the consumer behaviour on women who buy clothes in Mathare and Garden estates in Nairobi in which it was concluded that there are more married women in both estates and they spend less than two hours shopping for clothes. Income, status, social class, occupation status, influences women during shopping.

**2.3.2 Psychological Factors Influencing Consumer Purchase Decisions**

Wamwandu (2018) sought to determine the influence of brand image on consumer buying behaviour of supermarkets in Kenya. The independent variables were brand attitude, brand attribute and perceived benefits, while the consumer buying behaviour was taken as the dependent variable. The brand attitude was manifested through the respondents' perception of the brand quality of products being satisfactory and hence enhancing brand attitude and capacity of the supermarket to provide product appearance and packaging that meet consumers' needs. The ability of the supermarket to offer quality products, social status associated with the supermarket was found to influence the consumer shopping behaviour. The findings indicate that the comfort associated with shopping in a particular supermarket is considered an important feature in choosing where to shop and the luxury of shopping that a supermarket facility offer. Results indicated that there is positive relationship between the brand images on consumers' buying behaviour as brand attitude, brand attribute and perceive benefits.

Matova, Trinova and Kaputa (2018) investigated factors influencing consumers' purchase decision. Information was obtained from furniture buyers and goods consumers in Slovakia through the use of an electronic questionnaire survey. The study analysed the purchase decision factors which included the quality, the prices, the attributes of the environment, the brand, the country of origin, non-commercial recommendations and the promotion through advertising.

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The study established a statistically significant difference which were strongly but moderately related among the above factors. The product quality, significantly affected all the respondents purchase decisions.

Kacen, Hess, and Chiang (2013) did a review on the attitude of customer on traditional and online Italia's stores. The study found that, in general, all categories of products in online stores were less accepted compared to those in traditional stores. It was perceived that online stores lacked competitive advantage in regard to shipping and handling cost, policies for returns, provision of interesting social and family experience, help from salespersons, aftersales services, and uncertainty regarding whether the product received will be right. The findings have outlined the perception of customers regarding performance of online sellers, this affects consumer's attitude on online stores.

Fong (2013) studied attitude of customers regarding online shopping for famous fruit pickles in Penang. The findings showed that consumer's attitude was related to the decision on purchasing online. The study concluded that attitude is directly affected by several factors which include the lifestyle of the customer and their prior experience, benefits of online shopping, and perception regarding trustworthiness of the merchant. The study further established that demographics, frequency of shopping online and duration of using the internet daily didn't affect attitude in any way.

Ponder (2013) focused on shopper mentalities and purchasing conduct for home furnishings. Quality ranks as the most significant evaluative basis when furniture is being considered for procurement. By and large, furniture made in the U.S.A. is a more grounded standard than earth neighborly furnishings, yet this isn't the situation for individuals from Generation Y. Brand and store dependability are not experienced by most furniture shoppers. They like to look for data and lead inquire about on the web, and are progressively all the more eager to buy furniture on the web (significantly more so in the course of recent years). This is particularly valid for Generation Y.

### 2.3.3 Social-Cultural Factors Affecting Consumer Purchase Decisions

Yoon and Cho (2017) led an investigation utilizing the online VR innovation to comprehend structure inclination and the furniture buy basic leadership. The motivations behind this

exploration was to discover significant highlights that customers consider for private furniture buys and to recognize shoppers' inclinations for furniture configuration as far as style, which will at long last lead to a superior comprehension about furniture buy conduct. The consequences of this exploration exhibited huge impacts of sex and business status (understudy bunch versus non-understudy gathering) in considering factors for furniture buy and style inclinations. While female respondents' predictable furniture style inclinations were not affected by their work status, guys' business status was found to significantly affect their style decisions.

Wanjala (2015) sought to establish the influence of culture on consumer purchase decision of a holiday destination in the tourism industry in Kenya. The study was approached by descriptive design whereby the target population was shoppers at the Village Market and Junction Mall as they walked in and out of various shop units. The sample size of the study was 384 while data collection tool used was questionnaire. The results lead to the conclusion that safety concerns, cost; both direct and indirect and extreme weather affect the choice of holiday destinations for individuals in Kenya. The study recommends that that marketer should take note of the fact that uncertainty avoidance is a significant determinant of the choice of holiday destinations in Kenya. The study further recommends that marketers should embrace technology and therefore offer more information on the websites, because more consumers will focus on this platform for information

Bednarik and Kovats (2010) concentrated on customer behaviour model on the furniture advertise. The investigation depicts the behaviour model and qualities of basic leadership and the ecological components influencing the people other than stressing the family character of furniture buy. The consequence of the examination affirms the need of pattern investigation on the furniture market checking the legitimacy of a few general conduct inclines on the furniture showcase. They prescribe an exploration arrangement of staggered modules concentrating on the furniture advertise that could uncover exceptional qualities of this market other than checking and testing general patterns.

Njagi (2017) sought to investigate consumer buying behaviour and consumption patterns of junk food in Fast Food Restaurants in Nairobi City County. The researcher employed a descriptive correlational research design. The sample population consisted of 30 fast food restaurants that are within Nairobi central business district with a sample size of 90 customers. The research data

were collected from the sample customers by use of questionnaires. The research data were organized, analysed and interpreted using descriptive and inferential methods of data analysis. Descriptive comprised of mean scores and standard deviations while inferential statistics included Pearson correlation and regression analysis. The results revealed that cultural factors influenced consumer buying behaviour of junk food to moderate extent, personal factors to a great extent, psychological factors to a moderate extent and social factors to a great extent.

Sanga (2017) sought to establish how socio-cultural environment influences advertising message adopted by MNCs in Kenya. Cross-sectional survey was used in this research. The population of the study was 150MNCs in Kenya. Simple random sampling method was used to select 75MNC companies in Kenya. Semi structured questionnaire was used to collect primary data. The study used factor analysis to describe the influence of socio-cultural environment on advertising message by MNCs in Kenya. The findings revealed that socio-cultural environmental factors significantly influence advertising strategy of MNCs in Kenya. However, social factors such as family set up, social status and language influenced advertisement strategy at great extent as compared to cultural factors. The study concluded that Social and cultural factors are elements that pervade every sphere of society. It was recommended that global marketers pay close attention to social cultural elements of foreign markets that they are targeting and should not hesitate in devoting resources to better understanding socio-cultural environment of new markets for business success.

According to Okwonkwo (2013) a study on how promotional strategies across cultures have socio-cultural, she found that a firm's products are perceived differently by people from different even when the product has a universally common use. Understanding these differences is beneficial to coming up with promotional messages along the target market's own frame of reference. A research done by Chepkangoret et al. (2015) found that consumer choice of a bank has little to do with social culture of a consumer. Finding which they state are contrary to Kotler, (2016) whose argument was that buying behavior and wants are primarily influenced by culture. The study however does agree buying behavior varies from consumer to consumer depending on one's culture.

## 2.4 Research Gaps

The findings in the existing studies had documented varied outcomes on the relationship between external factors and consumer purchase decision. On one hand some studies conveyed that there was a significant positive relationship (Sata and Belete, 2013; Kihiko, 2017, Wamwandu, 2018 and Sanga, 2017). On the other hand, (Ying, 2016; Yoon and Cho, 2017 and Njagi, 2017) evinced little or no relationship between external factors and consumer purchase decisions. In addition, these studies considered the study from divergent industry context focusing more on fashion, tourism, food and motor vehicle industry (Mai & Hoang, 2016). The research gaps highlighted presented a need for additional research on the influence of external factors on consumer purchase decisions of home furniture in Kenya.

A number of studies in this area have been carried out in the western part of the world (Oblak et al., 2017; Chatterjee and Shukla, 2017; Ying, 2016, Matova et al., 2018, Kacen et al., 2017; Yoon and Cho, 2017). Very few studies on this area have been done in the African context. The few studies done in the African context have mostly focused on other industries and not necessarily the home furniture sector (Kane, 2017) leaving a research gap in this area. There is therefore a need to carry out a study within the Kenyan context focusing on the home furniture and specifically a case study of Victoria Courts that intends to gain a significant market share in a very competitive market. A comprehensive understanding of how external factors are linked with consumer purchase decision will add to the body of knowledge in the home furniture segment and marketing in general.

External factors and consumer purchase decision are multi-facet phenomenon, there is no standard way of conceptualizing and measuring them across all industries. Therefore, every organization needs to develop its own configuration of external factors that are rooted in the realities of its competitive market, past commitments and anticipated requirements. Previous researchers have agreed that firms that implement the right marketing mix to capture the various external factors enjoy sustainable competitive advantage, which reflects on their performance. Previous studies have used various methodologies to examine the relationship between external factors and consumer purchase decision. There was therefore a need to use a yet another methodology to address the issue in order to see whether the researcher will get similar outcome.

## 2.5 Conceptual Framework

The conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. It describes the key concepts and variables and the presumed relationship among them. The study aims at establishing external factors influencing consumer purchase decision among home furniture buyers in Kenya. The framework shows the independent variables and how they would relate to the Consumer Purchase decision. Theoretically and from empirical studies reviewed, it is hypothesized that economic factors, psychological factors and social-cultural factors have an influence on consumer decision making in terms of product choice, purchase timing and purchase timing. Figure 2.1 below shows the hypothesized relationship, which the current study intended to investigate.

**Figure 2.1: The Conceptual Model**

**Independent Variable**                                    **Dependent variable**

| External Factors | Consumer purchase decision |
|---|---|
| • Economic | • Product choice |
| • Psychological | • Purchase timing |
| • Social-Cultural | • Purchase amount |
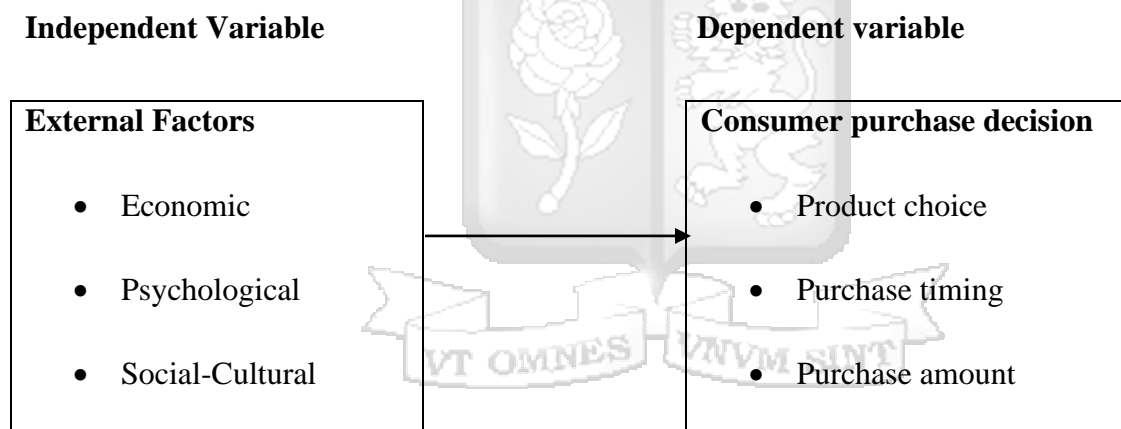
**Source: Researcher (2019)**

## 2.6 Chapter Summary

This chapter has reviewed literature related to the topic of study. The first section covered theoretical framework while the second section covered empirical review of previous studies in a related area. This chapter has also summarized the research gaps identified from review of literature. The chapter has also covered a conceptual framework showing hypothesized relationship between the study variables. The next chapter looks at the research methodology.

# CHAPTER THREE
# RESEARCH METHODOLOGY

## 3.1 Introduction

Chapter three discussed the methodology used in the whole project. The design that was used, the population that the study targeted, the sampling and technique of sampling, the procedure for data collection, techniques for analysing data, validity and reliability and finally the ethical considerations were discussed in this chapter.

## 3.2 Research Design

In this study a descriptive case study design was used. This design involves describing all elements in a population. More so, descriptive design helps in estimation of the part of the population that constitute these attributes. Moreover, one is able to identify the relationship that exist among a number of variables in order to establish whether these variables have dependency or are independent. The study aimed to describe the consumer purchase decision of home furniture buyers in Kenya through a case analysis of Victoria Courts (Kenya). Case study methods are done once and they represent summary of an organization at a given timeframe (Cooper & Schindler, 2008). This study focused on one organization (Victoria Courts) and therefore the choice of a case study design.

## 3.3 Population of the Study

Individuals or a group of objects with characteristics that are similar make up a research population. The population must therefore have this common trait (Kothari, 2004). The collection of elements from which a researcher wishes to make deductions, is the target population (Cooper & Schindler, 2008). This study's current population was the 8152 customers who bought furniture at Victoria Courts between January 2018 and December 2018 (Victoria Furniture Database, 2019).

## 3.4 Sampling and Sample Size

Simple random sampling methodology was applied to select a sample from the population. Simple random sampling avoids biased selection and ensures that each object has an equal

chance of selection hence satisfying the statistical regularity principle, which proposes that random selection of a sample implies that it possesses similar attributes as the entire population.

Sample determination was done through the required level of precision of statistical results time, cost and accuracy level. after the target population of 8152 was determined. A 95% confidence level, a 1.96 z-score and a 5% error margin were utilized. Hence the study assumes that data collected would have a 95% chance of being right (level of confidence) with a 5% chance of being wrong.

Thus, the formula by Rejoice and Morgan (1970) was used.

$S = X^2NP (-P)/ d^2(N-1) +X^2P (1-P)$.

Where;

**S**=required sample size

**N**=given population size

**P**=Population proposition that for table construction (.50 is assumed as this magnitude yields the maximum possible sample size required).

**d** = the degree of accuracy as reflected by amounting error that can be tolerated in the fluctuation of a sample proportion p about the population proportion p- that is the degree of accuracy expressed as a proportion.

$X^2$ = table value of chi square for one degree of freedom relative to the desired level of confidence, which is 3.841 for the .95 confidence level.

This gives a sample size of 367 customers which was used in this study.

### 3.5 Data Collection Procedures

The research data collection instrument was a questionnaire. The researcher administered the tool to all the members of the sample in the study. Mostly, the questions were closed ended but a few of them were open ended. The need for the closed ended questions was to make tangible recommendations since they provided better responses that were structured. They also helped in

reducing the number of responses that were related in order to get responses that were varied and to test various attributes. The researcher also used the member of the population to make tests to the questionnaire. This was in the need for validity enhancement and also to ensure that the data collected was accurate. Ngechu (2004) maintains that questionnaires give respondents freedom to express their views or opinions and also to make suggestions.

The questionnaire was administered to the respective respondents via email. The respondents were required to fill the questionnaire online. The researcher exercised care and control to ensure all questionnaires issued to the respondents are received and to achieve this, the researcher maintained a register of questionnaires, which was sent, and which was received.

**3.6 Data Analysis Techniques**

Data analysis refers to the process of data reducing, summarizing, pattern examination and statistical evaluation necessary to prove or disapprove hypothesis (Cooper & Schindler, 2014). The data collected was checked for completeness and errors in the entries. It was then analysed using the Statistical Program for Social Sciences (SPSS), which is the statistical program commonly used in research studies and has also been used in previous research work that have focused on a similar topic. The data collected was coded and categorized to make it easy to analyse and make conclusions and meaning of the data. Checking of errors before data analysis was undertaken to check for correctness of data input to the system.

The statistical analysis included descriptive analysis (frequencies, percentages, means, and standard deviation), inferential statistics which included correlation analysis and multiple regression analysis. Pearson's (r) correlation was used to measure the strength of association between independent and dependent variables. Multiple regression analysis was used to measure the degree of change that independent variables had on the dependent variable.

The study adopted the following regression model; $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$

Where:

Y: Consumer Purchase Decisions

X1: Economic factors

X2: Psychological factors

X3: Social-economic factors

α: constant

β: coefficient of independent variables

ε: error term

## 3.7 Validity and Reliability

Validity and reliability of the data was enhanced through much efforts. In order to achieve internal validity, the same information was collected from different respondents. The researcher conducted a pilot study which helped in identifying gaps and challenges that were present on the tool (Burns & Burns, 2008). External validity entails pertaining the accuracy of truth of deductions that entails generalizations or the extent to which the study's conclusions would be deduced for other individuals in other places and at different times. To uphold external validity, data was collected from a sample which accurately represents the home furniture buyers at Victoria Courts (Cooper & Schindler, 2008).

Cooper and Schindler (2008) asserted that the extent to which the results yielded are error free and the results obtained from the instrument are consistent is described as the reliability. Reliability is hence used in testing the research tools internal consistency. In this study, the researcher used the Cronbach's alpha to check reliability. The Cronbach's alpha help ascertain if the results that will be obtained will be consistent when given by the same audience. According to Khan (2008), the Cronbach's Alpha shows reliability by presenting the 'underlying' construct's true score. The true score can further be defined to as the 'Alpha' that range from 0 to 1. It can also be used to test the reliability of questionnaires with rating scales and on questions with two possible responses. A high score depicts high reliability, whereas the value of 0.7 is

considered as an appropriate reliability coefficient or Alpha value (Khan, 2008). This study employed Cronbach Alpha to test for reliability. All the study variables were reliable since they had a Cronbach coefficient of 0.7 and above.

**Table 3.1: Reliability**

| Variable | No of Items | α=Alpha | Comment |
|---|---|---|---|
| Consumer Purchase Decision | 5 | 0.704 | Reliable |
| Economic factors | 6 | 0.769 | Reliable |
| Psychological factors | 6 | 0.714 | Reliable |
| Social cultural factors | 7 | 0.876 | Reliable |

**3.8 Ethical Considerations**

First, the researcher developed the questionnaire that was used in the study. The researcher then obtained from the university a letter of introduction and a consent letter from the customers in Victoria courts. Further, the researcher obtained Strathmore ethical approval before proceeding to Commission of Science, Technology and Innovation (NACOSTI) which provided the researcher with a research permit as the law requires.

Confidentiality and privacy were observed by keeping all the information gathered confidential and strictly using it for the purpose of research. This research abstained from asking embarrassing questions or expressing shock or disgust, not using threatening statements or compelling response along certain lines, not causing fear or anxiety during data collection. The research strictly adhered to the principle of voluntary consent by respondents willingly participating in the study out of their own free will. The purpose of the research was disclosed on factual truths. Respondents' requests for anonymity were adhered to and the findings disseminated based on true findings, free of any bias.

# CHAPTR FOUR
# PRESENTATION OF RESEARCH FINDINGS

## 4.1 Introduction

Chapter four was on discussion of the results as portrayed after analyses of the raw data. The findings were provided in terms of themes that were reflected in the objectives and presented in charts, graphs and tables.

## 4.2 Response Rate

The scholar distributed 367 tools as corresponded with the sample size. Some of the questionnaires were not filled up while some were partly filled or had errors. Of this 367 distributed, 282 were completely responded to. This was 77% rate of response. This response rate is very good as asserted by Babbie (2004) who indicated that a response rate of 50% is acceptable, 60% is good while a response rate of above 70% is very good. Table 4.1 shows the tabulated response rate.

**Table 4.1: Response Rate**

| Response | Frequency | Percent |
|---|---|---|
| Returned | 282 | 77%% |
| Unreturned | 85 | 23% |
| **Total** | **367** | **100%** |

**Source: Author (2019)**

## 4.3 Demographic Information

The researcher also collected information regarding the consumers' background. Such information included, their age, gender, their levels of education and the occupations. This section presented the analysis of the demographic data.

### 4.3.1 Gender of the Respondents

The researcher sought to know the genders represented in the study. Figure 4.1 presented the findings.
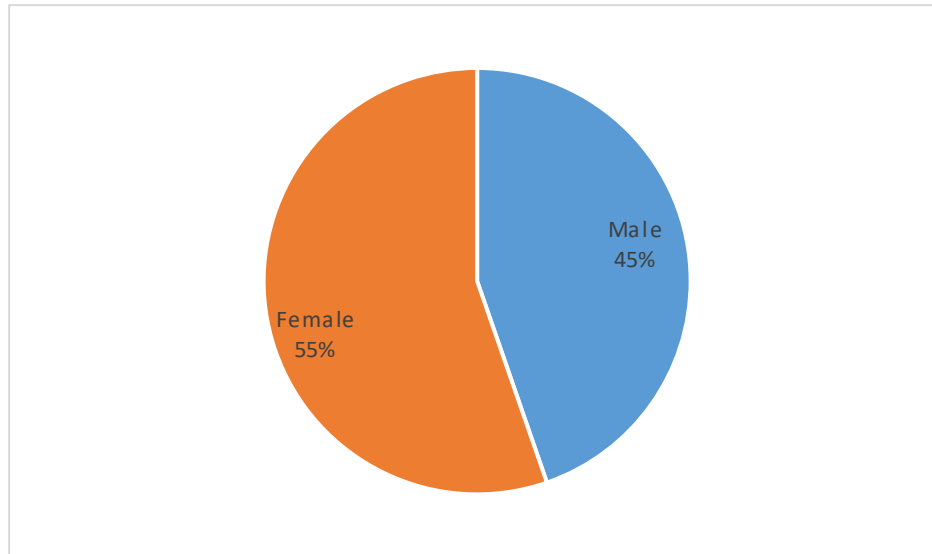
**Source: Author (2019)**

**Figure 4.1: Gender of Respondents**

The findings in Figure 4.1 showed that most of the respondents were male who accounted for 55% while female represented 45% of the respondents. This implied that most of the furniture consumers who shopped at Victoria Courts were male further implying that most middle- and high-income earners are male.

**4.3.2 Age**

The researcher also sought to find out the ages represented in the study. Figure 4.2 showed the results of the data that was obtained regarding the age brackets.
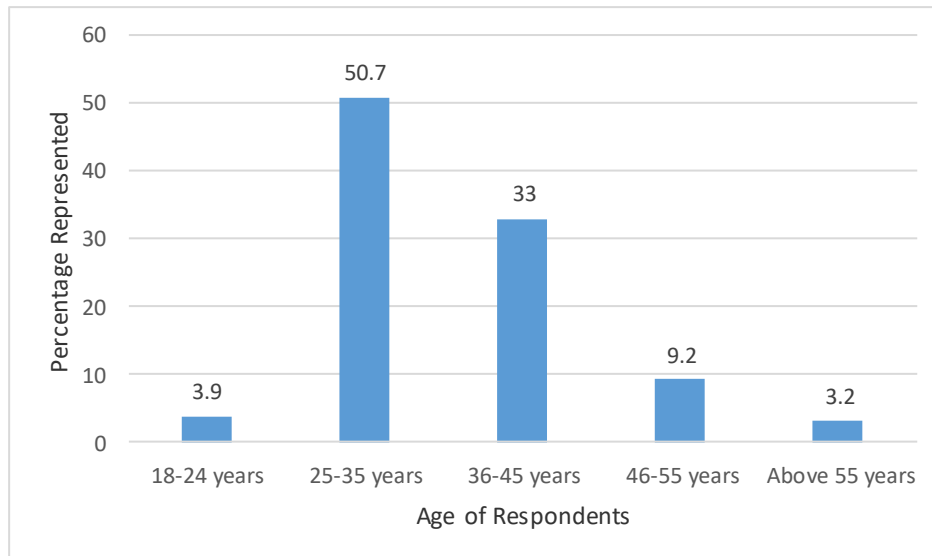
**Source: Author (2019)**

**Figure 4.2: Respondents' Age**

The findings in Figure 4.2 showed that most of the consumers of home furniture from Victoria Courts were aged between 25 years and 35 years and represented 50.7%. Those aged between 36 years and 45 years followed accounting to 33%, ages between 46 to 55 years were 9.2%, between 18 to 24 years were 3.9% while those aged above 55 years were 3.2%. This explains the age differences in terms of earnings. It implied that the majority of the consumers of Victoria Courts which targets middle income and high-income earners were between 25-45 years.

### 4.3.3 Respondents' Level of Education

Further, the level of education of respondents was checked and the responses provided in Figure 4.3.
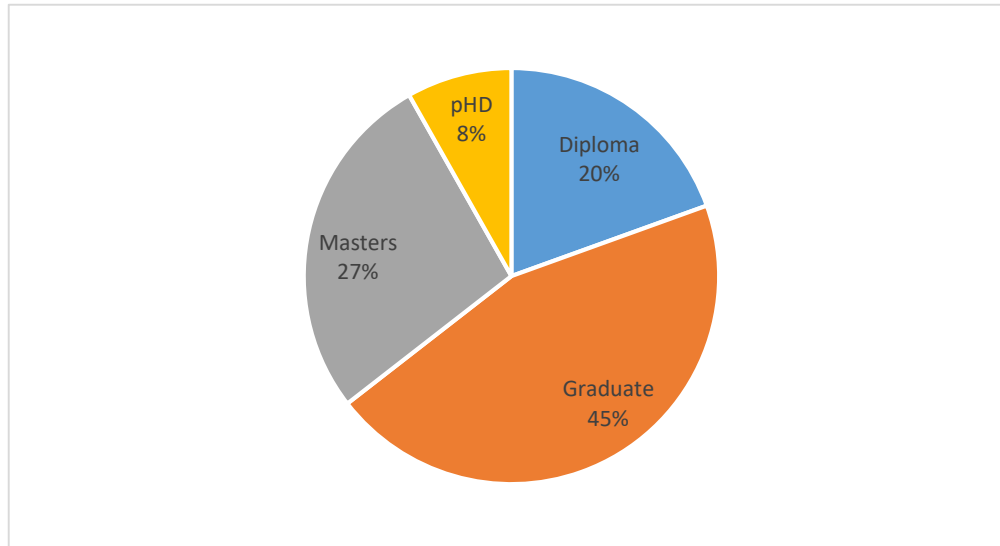
**Source: Author (2019)**

**Figure 4.3: Respondents' Level of Education**

Findings in Figure 4.3 showed that most of the respondents are graduates who represented 45%, those with master's degree followed with 27%, those with diploma represented 20% while those with PhD were 8%. This implied that most of the Victoria courts furniture's consumers have a degree.

## 4.4 Descriptive Statistics

Specific descriptive that were reported included the percentages, the mean and the standard deviation.

### 4.4.1 Economic Factors

The respondents were asked to indicate to what extent they agree to the statements regarding the economic factors that affect their decision-making process on home furniture purchase from Victoria Courts. The responses provided were on a Likert scale of 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree. For purposes of easy interpretations, disagree was the sum of strongly disagree and disagree while agree was assumed to be strongly agree and agree. Table 4.2 showed the descriptive statistics on economic factors.

**Table 4.2: Descriptive Statistics for Economic Factors**

| Statements | Disagree Strongly | Disagree | Neutral | Agree | strongly agree | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| My personal income is a critical factor that influences my decision on the home furniture to purchase | 1.40% | 2.50% | 1.10% | 47.20% | 47.50% | 4.33 | 0.71 |
| I only buy home furniture after meeting basic necessaries of life | 1.10% | 1.80% | 0.70% | 45.00% | 47.50% | 4.39 | 0.73 |
| Price influences the decision I make while purchasing furniture | 1.40% | 1.80% | 0.70% | 46.80% | 44.00% | 4.31 | 0.73 |
| Availability of flexible payment options eg. Loans and hire purchase would influence me to buy furniture | 2.10% | 1.10% | 1.40% | 51.80% | 46.50% | 4.39 | 0.70 |
| If my earnings were to increase significantly, I would purchase new furniture | 1.40% | 2.10% | 1.10% | 50.70% | 47.90% | 4.35 | 0.74 |
| Maintenance cost of the furniture influences my purchasing decision. | 1.40% | 1.80% | 1.40% | 46.50% | 47.20% | 4.4 | 0.74 |
| **Average** | | | | | | **4.36** | **0.72** |

**Source: Author (2019)**

The findings on Table 4.2 showed that majority of the respondents who were 94.7% (47.20+47.50%) agreed that their personal income is a critical factor that influences their decision on the home furniture to purchase. The results also indicated that majority of the respondents who accounted to 92.5% agreed that they only buy home furniture after meeting basic necessaries of life. Additionally, another 90.8% agreed that price influences the decision they make while purchasing furniture. Further, those who agreed that availability of flexible payment options e.g. Loans and hire purchase would influence them to buy furniture represented the majority who were 98.3%. Furthermore, 98.6% agreed that if their earnings were to increase

significantly, they would purchase new furniture. Finally, the majority (93.7%) of the respondents agreed that maintenance cost of the furniture influences their purchasing decision.

The responses mean was 4.36 further supporting the agreement to the statements regarding the economic factors. More so, the SD of 0.72 showed that there were variances although the variation was low. It is only after there is surplus after the family has made purchases for the family's essential needs that the family will make shopping for stock, durables and overabundances. Where there is a huge consumer credit, the consumer will spend on luxuries and comforts since the consumer credit will induce them to make purchase of the said luxuries in order to have a rise in the standard of living

### 4.4.2 Psychological Factors

The respondents were asked to indicate to what extent they agree to the statements regarding the psychological factors that affect their decision-making process on furniture purchase from Victoria Courts. The responses provided were on a Likert scale of 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree.

**Table 4.3: Descriptive Statistics on Psychological Factors**

| Statements | strongly disagree | Disagree | Neutral | Agree | strongly agree | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| My perception towards Victoria Courts and the brand influences me to buy them. | 0.70% | 2.50% | 1.10% | 47.20% | 48.60% | 4.4 | 0.71 |
| I perceive Victoria Courts products to be of high quality | 1.40% | 1.80% | 0.70% | 48.60% | 47.50% | 4.39 | 0.73 |
| My purchasing decision is affected by my attitude towards a particular brand | 1.40% | 1.80% | 0.70% | 46.80% | 49.30% | 4.41 | 0.73 |
| Owning Victoria Courts home furniture is luxurious and satisfies me | 0.70% | 2.10% | 1.40% | 49.30% | 46.50% | 4.39 | 0.69 |
| Victoria Courts products complement my lifestyle and | 1.40% | 2.10% | 1.10% | 50.70% | 44.70% | 4.35 | 0.74 |

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| | strongly disagree | Disagree | Neutral | Agree | strongly agree | Mean | Std Dev |
|---|---|---|---|---|---|---|---|
| personality My purchasing decision is influenced by knowledge sharing with friend | 1.40% | 1.80% | 1.40% | 46.50% | 48.90% | 4.4 | 0.74 |
| **Average** | | | | | | **4.39** | **0.72** |

**Source: Author (2019)**

The findings on Table 4.3 showed that 95.8% (47.2+48.6%) agreed that their perception towards Victoria Courts and the brand influences them to buy the furniture. The results also indicated that majority of the respondents who accounted to 96.1% agreed that they perceive Victoria Courts products to be of high quality. Additionally, another 96.1% agreed that their attitude towards the brand of furniture affects their purchasing decision. Further, those who agreed that owning Victoria Courts home furniture is luxurious and satisfies them represented the majority who were 95.8%. Furthermore, 95.4% agreed that Victoria Courts products complement their lifestyle and personality. Finally, the majority (95.5%) of the respondents agreed that their purchasing decision is influenced by knowledge sharing with friend.

The responses mean was 4.39 which further supported the agreement to the statements regarding the psychological factors. More so, the standard deviation of 0.72 showed that the responses varied although the variation was low. This implies that perception determines specific products that a consumer purchase. If they perceive the product as low quality, they may search for what they perceive as high quality.

### 4.4.3 Socio- Cultural Factors

The respondents were asked to indicate to what extent they agree to the statements regarding the socio-cultural factors that affect their decision-making process on furniture purchase from Victoria Courts. Table 4.4 presented the findings.

**Table 4.4: Descriptive Statistics on Socio- Cultural Factors**

| Statements | strongly disagree | Disagree | Neutral | Agree | strongly agree | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| Family is the most influential social factor that influences my | 0.70% | 2.80% | 1.40% | 49.30% | 45.70% | 4.37 | 0.72 |

31

| | | | | | | |
|---|---|---|---|---|---|---|
| purchase decision. My family traditions and beliefs influence my purchase decisions when buying home furniture. | 1.40% | 1.40% | 0.70% | 47.50% | 48.90% | 4.41 | 0.72 |
| My spouse helps me in making decisions when buying furniture | 1.40% | 1.10% | 1.10% | 46.80% | 49.60% | 4.42 | 0.71 |
| My workmates and peers influence the type of furniture that I buy | 1.40% | 1.40% | 1.80% | 50.40% | 45.00% | 4.36 | 0.72 |
| Shared values with Victoria Courts influence my home furniture purchasing decision | 1.10% | 1.40% | 1.80% | 44.00% | 51.80% | 4.44 | 0.71 |
| My status in the society influences my home furniture purchase decision | 1.40% | 1.10% | 1.10% | 52.10% | 44.30% | 4.37 | 0.7 |
| My religion and belief system influence my purchase decision for home furniture. | 1.80% | 2.10% | 1.10% | 47.20% | 47.90% | 4.37 | 0.77 |
| **Average** | | | | | | **4.39** | **0.72** |

**Source: Author (2019)**

The findings on Table 4.4 showed that 95% agreed that family is the most influential social factor that influences their purchase decision. The results also indicated that majority of the respondents who accounted to 96.4% agreed that their family traditions and beliefs influence their purchase decisions when buying home furniture. Additionally, another 96.4% agreed that their spouses help them in making decisions when buying furniture. Further, those who agreed that their workmates and peers influence the type of furniture that they buy represented the

majority who were 95.4%. Furthermore, 95.8% agreed that shared values with Victoria Courts influence their home furniture purchasing decision. Moreover, majority of the respondents who were 96.4% agreed that their status in the society influences their home furniture purchase decision. Finally, the majority (95.1%) of the respondents agreed that their religion and belief system influence their purchase decision for home furniture.

The mean was 4.39 which further supported the agreement to the statements regarding the socio-cultural factors. More so, the standard deviation of 0.72 showed that the responses varied although the variation was low. These findings imply that culture, subculture, and social class are social factors that are critical in purchasing conduct and is the essential determinant of a man's needs and conduct.

### 4.4.4 Purchase decision

The respondents were asked to indicate to what extent they agree to the statements regarding the decision making on furniture purchases. Table 4.5 presented the findings.

**Table 4.5: Descriptive Statistics for Purchase decision**

| Statements | Strongly disagree | Disagree | Neutral | Agree | Strongly Agree | Mean | Std. Deviation |
|---|---|---|---|---|---|---|---|
| When making decisions on the furniture to buy, I first seek to recognize what I need | 1.80% | 2.80% | 4.30% | 47.50% | 43.60% | 4.28 | 0.82 |
| I conduct a search process before purchasing a furniture | 5.00% | 0.70% | 2.50% | 49.60% | 42.20% | 4.23 | 0.93 |
| I do comparison on the type of furniture available before doing any purchases | 1.80% | 2.50% | 1.40% | 55.00% | 39.40% | 4.28 | 0.77 |
| The selection process is very important when doing purchases for any furniture for my house | 3.20% | 2.50% | 3.20% | 40.80% | 50.40% | 4.33 | 0.91 |
| I also do evaluation of what is available | 5.70% | 4.30% | 4.60% | 43.30% | 42.20% | 4.12 | 1.07 |

| | | | |
|---|---|---|---|
| when doing purchases for my furniture | | | |
| **Average** | | **4.25** | **0.9** |

The findings on Table 4.5 showed that majority of the respondents who were 91.1% agreed that when making decisions on the furniture to buy, they first seek to recognize what they need. The results also indicated that majority of the respondents who accounted to 91.8% agreed that they conduct a search process before purchasing a furniture. Additionally, another 94.4% agreed that they do comparison on the type of furniture available before doing any purchases. Further, those who agreed that the selection process is very important when doing purchases for any furniture for their house represented the majority who were 91.2%. Finally, the majority (85.5%) of the respondents agreed that they also do evaluation of what is available when doing purchases for my furniture. The responses mean was 4.25 which further supported the agreement to the statements regarding the decision-making process. More so, the standard deviation of 0.9 showed that the responses varied although the variation was low.

### 4.5 Correlation Analysis

Correlation analysis was also conducted to determine the strength and the direction of the relationship between the independent variables and the dependent variable. Pearson's correlations which runs between -1 to 1 was used to test the correlation. A coefficient on the negative side showed that the relationship was negative, a coefficient of 0 showed that there was no correlation while a positive coefficient showed a positive relationship. Table 4.6 presented the correlation analysis results.

**Table 4.6: Correlation Results**

| | | Economic Factors | Psychological Factors | Socio-Cultural Factors | Purchase decision |
|---|---|---|---|---|---|
| Economic Factors | Pearson Correlation | | | | |
| | Sig. (2-tailed) | | | | |
| Psychological Factors | Pearson Correlation | 0.089 | | | |
| | Sig. (2-tailed) | 0.137 | | | |

| | | | | |
|---|---|---|---|---|
| Socio-Cultural Factors | Pearson Correlation | .126* | 0.112 | |
| | Sig. (2-tailed) | 0.035 | 0.06 | |
| Purchase decision | Pearson Correlation | .315** | .332** | .302** |
| | Sig. (2-tailed) | 0.000 | 0.000 | 0.000 |

**Source: Author (2019)**

The correlation results on Table 4.6 showed that economic factors were positively and significantly related (r=0.315, p=0.000). The results also indicated that psychological factors are also positively and significantly related (r=0.332, p=0.000). Further, the results showed that socio-cultural factors are positively and significantly related (r=0.302, p=0.000). This implied that a unit increase in any of the factors would lead to an improvement on the decision-making process of home furniture consumers.

### 4.6 Regression Analysis

Multiple regression analysis was conducted to determine the relationship between the independent variables (external factors) and the dependent variable (purchase decision).

### 4.6.1 Model of Fitness

A model of fitness was shown in Table 4.7.

**Table 4.7: Model of Fitness**

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .865a | 0.748 | 0.74 | 0.34592 |

**Source: Author (2019)**

The results indicated an R squared of 0.74. This means that jointly all the independent variables explained 74% of the total variations in the dependent variable. The remaining 26% was explained by other factors not included in this study.

### 4.6.2 Analysis of Variance

F-test is done to test the effect of independent variables on the dependent variable simultaneously. The F-statistic test basically shows whether all the independent variables included in the model jointly influence on the dependent variable.

**Table 4.8: ANOVA Results**

|  | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 10.958 | 3 | 3.653 | 30.524 | .000 |
| Residual | 33.266 | 278 | 0.12 |  |  |
| Total | 44.224 | 281 |  |  |  |

**Source: Author (2019)**

Based on the study results of the ANOVA Test or F-test in Table 4.8, obtained F-calculated was 30.524, which was greater than F-critical (2.53) with significance of 0.000. Since the significance level of 0.000<0.05 we conclude that the set of independent variables influence the decision-making process by home furniture buyers and this meant that the overall model was significant. This implied that the model would be significant in explaining the decision-making process of home furniture buyers.

### 4.6.3 Regression of Coefficients

**Table 4.9: Model Coefficients**

|  | B | Std. Error | t | Sig. |
|---|---|---|---|---|
| (Constant) | 0.527 | 0.391 | 1.348 | 0.179 |
| Economic Factors | 0.262 | 0.053 | 4.951 | 0.000 |
| Psychological Factors | 0.324 | 0.06 | 5.386 | 0.000 |
| Socio-Cultural Factors | 0.277 | 0.061 | 4.506 | 0.000 |

**Source: Author (2019)**

The model coefficients result in Table 4.9 showed that the variable economic factors had a positive and significant relationship with purchase decision by home furniture buyers ($\beta$ =0.262, p=0.000). Similarly, the variable psychological factors also had a positive and significant relationship with purchase decision ($\beta$ =0.324, p=0.000). Finally, the results revealed that the

variable socio-cultural factors had a positive and significant relationship with purchase decision of home furniture buyers.

Thus, the regression equation would be written as:

$Y = 0.527 + 0.262X_1 + 0.324X_2 + 0.277X_3$

Where;

Y= Purchase decision

$X_1$ = Economic Factors

$X_2$= Psychological Factors

$X_3$= Socio-cultural Factors

# CHAPTER FIVE

## DISCUSSION, CONCLUSION AND RECOMMEDATIONS

### 5.1 Introduction

This chapter outlines the summary of findings, conclusions and recommendations. This is done as per the study objectives. The study purpose was to establish external factors influencing consumer purchase decision of home furniture buyers in Kenya through a case analysis of Victoria Courts. Specifically, the study sought to answer the questions; What is the effect of economic factors on consumer purchase decisions in Kenya's home furniture industry? How do psychological factors influence consumer purchase decisions in Kenya's home furniture industry? and What are the social-cultural factors affecting consumer purchase decisions in Kenya's home furniture industry? The study adopted a descriptive research design and targeted customers who bought furniture at Victoria Courts whereby a questionnaire was adopted for data collection. The data was analysed through descriptive statistics and inferential statistics.

### 5.2 Summary of Findings

The specific factors that were considered in this study were economic factors, psychological factors and socio-economic factors and summarised below. The data was collected through a questionnaire form the Victoria Courts customers and analysed using descriptive analysis, correlation and regression analysis.

### 5.2.1 Influence of Economic Factors on Consumer Purchase Decisions in Kenya's Home Furniture Industry

One of this study's objectives was to determine effect of economic factors on consumer purchase decisions in Kenya's home furniture industry. The study found that economic factors exhibited a positive and a significant relationship with purchase decision of home furniture buyers. This was in line with Kotler's (2010) findings who found that family pay influences on family purchasing conduct. Surplus family wage, staying after usage on essential needs of family, is made open for securing shopping stock, durables and overabundances. This also agreed with Lawson et al. (2016) who established that augmentation in the discretionary wage induces an improvement in

the use on different things. A fall in the extra cash, obviously, prompts a fall in usage on various things. The optional personal wage suggests change remaining coming about to meeting essential necessaries of life. Furthermore, the findings were consistent with Beatty and Talpade (2014) who indicated that consumer credit has an influence on consumer behaviour and that if much consumer credit is accessible on liberal terms, expenditure on luxuries and comforts increases, as it triggers consumers to buy the goods, and improve their standards of living.

### 5.2.2 Influence of Psychological Factors on Consumer Purchase Decisions in Kenya's Home Furniture Industry

The second objective sought to determine how psychological factors, influence consumer purchase decisions in Kenya's home furniture industry. The findings indicated that psychological factors positively and significantly affected the decision-making process of home furniture buyers. The findings were consistent with those of Auma (2014) who noted that in the process of perceiving marketing information, consumers form images of brands, stores, and companies. Perception is key since consumers perceive selectively that which they require and this influences how they view the risk in a purchase. Perception determines specific products that a consumer purchase. If they perceive the product as low quality, they may search for what they perceive as high quality. The findings were also in line with Ross and Harradine, (2014) who indicated that the attitude of a consumer towards a product or a company determines whether he will purchase the company's products or not. The attitude of the consumer towards a brand is critical in process of making decision and is determined by various factors like economic circumstances, education, family, experience, age, social background and the law. Moreover, the findings agreed with Parasuraman, Zeithaml and Berry (2016) who established that high perceived quality contributes to a repeat in purchase and is the bedrock of any entity. Consumers could overly be influenced by previous image of poor quality. Due to this, consumers might fail to believe in new claims, or they might not be ready to take time to verify them. Therefore, it is important to offer brand protection from getting a reputation for shoddy quality since recovery is hard and at times impossible.

### 5.2.3 Socio- Cultural Factors Affecting Consumer Purchase Decisions in Kenya's Home Furniture Industry

The third objective further sought to stablish social-cultural factors affecting consumer purchase decisions in Kenya's home furniture industry. The research established a positive and significant relationship between socio-cultural factors and decision-making process of home furniture buyers. The findings agreed with Lee and Marshal (2014) who found that family impact includes activities by relatives that have any kind of effect amid the choice procedure and that noteworthy sorts of impact have been distinguished: the immediate impact which is constructing specifically with respect to the chief's own needs and aberrant impact in which the leader considers other relatives' needs in a roundabout way. The Family structure determines the power, duties, exercises, and part desires for every part (Lawson et al., 2016). The findings also were in line with Kibera and Waruingi (2014) who asserted that reference groups fill in as models for one's conduct and as a point of reference for basics in leadership. Assael (2014) also indicated that the reference group can either lead to a direct or indirect impact on the attitudes or behavior of a person. In addition, Lamb, Hair and Daniel (2011) asserted that culture is the key determinant of a man's needs and conduct while Kotler (2010) asserted that culture is the essential determinant of a man's needs and conduct.

### 5.3 Conclusion

The findings of the study led to the conclusion that economic factors, the psychological factors and the socio-economic factors influenced purchase decision of home furniture buyers. The economic factors that determine the buying decision include the price, the income and the customer credits. The individual or family wage determines the furniture's to be bought while the availability of credit drives a consumer to purchase furniture. The psychological factors include perception, the attitude and the perceived quality. A consumer's perception and attitude towards a particular furniture determines if he/she will purchase the furniture. The perceived quality of a particular furniture brand also leads to repeated or non-repeated purchase of the furniture. The socio-cultural factors include the family, the reference groups such as workmates and peers and the culture. The family relatives the reference groups such as peers and colleagues determine the kind of furniture that a consumer will purchase. The culture, such as how one was brought up also determines if a consumer will or will not purchase the furniture. The study

therefore concluded that the external factors significantly and positively influenced the decision-making process.

## 5.3 Recommendations

Following the findings of the study, the study makes these recommendations.

The study recommended the management of the furniture industry to consider the prices of their products and the circle of people who can afford, the income status of different customers and their credit status as this will help them set the prices as in line with the customer's income and credit status. They should also consider the income status of the different customers and provide furniture prices for the different customers. They should also put into consideration providing credit facilities to customers. In doing so, they will be able to attract more customers who would be willing to buy their furniture but are put off by the existing prices. The management is also recommended to offer hire purchase options since this will lead to increased purchases as consumers will tend to feel less burdened as they will pay at a slow rate.

On the psychological factors, the study recommends the management of the furniture industry should do regular assessments of their customer's perception towards their brand of furniture, their attitude and how they perceive the quality. In doing so, they will understand whether their product is of right quality and if not make necessary amendments. The study also recommends the management of the furniture industry to put into considerations their customers' preferences in terms of quality. As such the company will custom make their products in reference to different tastes of different consumers. Policy makers also recommended to formulate policies regarding the quality of furniture sold to the customers which will also push the sellers to produce high quality products to their advantage.

The study recommends the furniture industry management to seek to understand the different family values, the cultures represented among the customers and the social statuses. They can then make products that are designed for every of the identified factors so that a larger spectrum of customers is attracted to their products. Their regulators are also recommended to set rules and regulations that would ensure that none of the customers are locked out of the industry for lack of furniture that suits their desire as corresponds to their beliefs and their cultures.

## 5.4 Limitations of the Study

The study was limited in a number of ways. First, the researcher encountered limitations while distributing the questionnaires with some respondents being reluctant of providing the responses. Nevertheless, the researcher assured the respondents that their information would be kept private and not be used for other purposes other than the intended academic purpose. The researcher was also limited in terms of the respondents taking too long to respond to the questionnaire and return. To solve this, the researcher made some reminders to the respondents. Time and costs were also some of the limitations encountered during the study process.

## 5.5 Recommendations for Further Study

The current study was limited to only the external factors. Therefore, future researchers could consider furthering this study by focusing on the internal factors. Other researchers could also work on other industries apart from the home furniture industry.
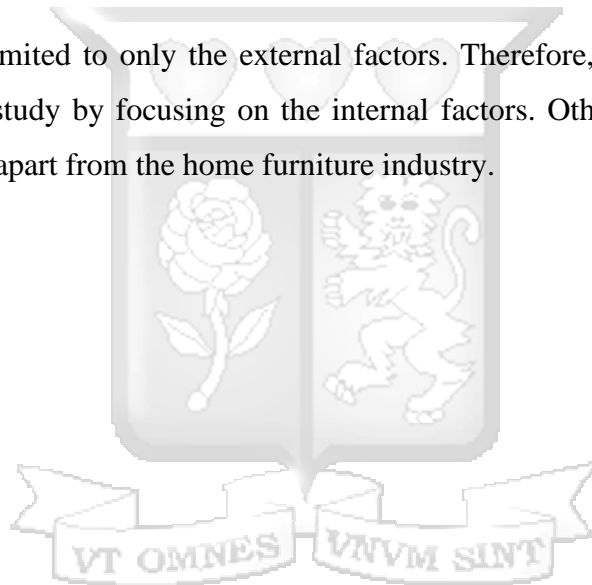
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# APPENDICES

## Appendix I: Letter of Introduction

March 2019

Dear Respondent,

## RE: REQUEST FOR RESEARCH DATA

I am a Master of Business Administration (M.B.A) student at the Strathmore University. I am required to submit as part of my course work assessment, a research on **"EXTERNAL FACTORS INFLUENCING CONSUMER PURCHASE DECISION BY HOME FURNITURE BUYERS: CASE OF VICTORIA COURTS KENYA".**

To achieve this, your organization is the one selected to generate data required for this study. This information will be used purely for academic purpose and your name will not be mentioned in the report. Findings of the study shall upon request be availed to you.

Your assistance and cooperation will be highly appreciated.

Thank you in advance.

**BELDINA. M. A. OMONDI**

**MBA STUDENT – RESEARCHER**

**STRATHMORE UNIVERSITY BUSINESS SCHOOL**

**Appendix II: Consent Letter**

**Title of Project**: External factors influencing consumer purchase decision by Home Furniture Buyers: Case of Victoria Courts Kenya.

**Principal Investigator:** Beldina Omondi, Master of Business Administration, Strathmore University

**Purpose of the Study**: The purpose of this research is to to establish external factors influencing consumer purchase decision by home furniture buyers: Case of Victoria Courts Kenya.

**Procedures to be followed:** You will be asked to answer some questions regarding consumer purchase decision by home furniture buyers: Case of Victoria Courts Kenya.

**Duration:**

It will take about 15 minutes to complete the survey.

**Statement of Confidentiality:**

Your participation in this research is confidential. Your name will not be recorded on the questionnaire. The data obtained will be treated with utmost confidentiality and only the researcher will have access to it. In the event of a publication or presentation resulting from the research, no personally identifiable information will be shared.

**Right to Ask Questions:**

Please contact the researcher on 0724944162 in case of any questions after the questionnaire session is over.

**Benefits of participation:**

All participants will benefit from implementation of findings of this study as Victoria Courts will be more responsive to consumer needs and tastes.

**Voluntary Participation:**

Your decision to be in this research is voluntary. You can stop at any time. You do not have to answer any questions you do not want to answer.
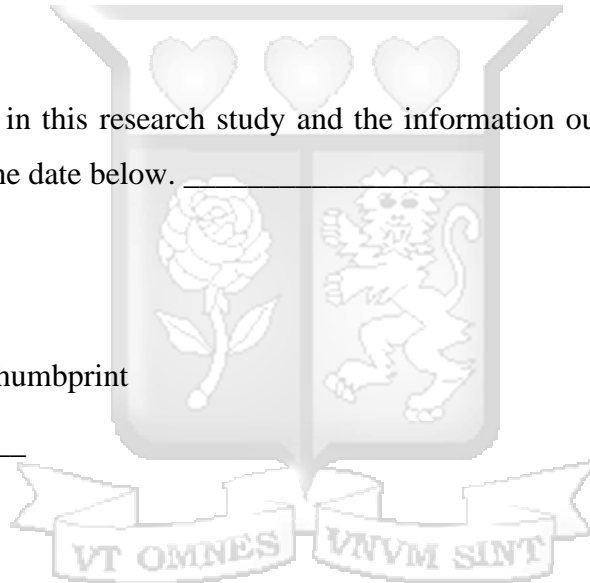
If you agree to take part in this research study and the information outlined above, please sign your name and indicate the date below. _____

_

Participant Signature or thumbprint

_____

Date

_____

Name and signature of person Obtaining Consent

_____

**Appendix III: Questionnaire**

Data collected in this survey is intended for academic purposes only and will be used in partial fulfillment of a Masters Research project to establish external factors influencing consumer purchase decision by home furniture buyers: Case of Victoria Courts Kenya. All information gathered will be handled with the strictest of confidentiality. There are 4 sections.

**Instructions**

Do not indicate your name on the questionnaire.

Tick only one answer (box) for each question.

**PART A: BACKGROUND INFORMATION**

**Please tick the most appropriate**

**1. Gender**

Male [ ]

Female

**2. Age**

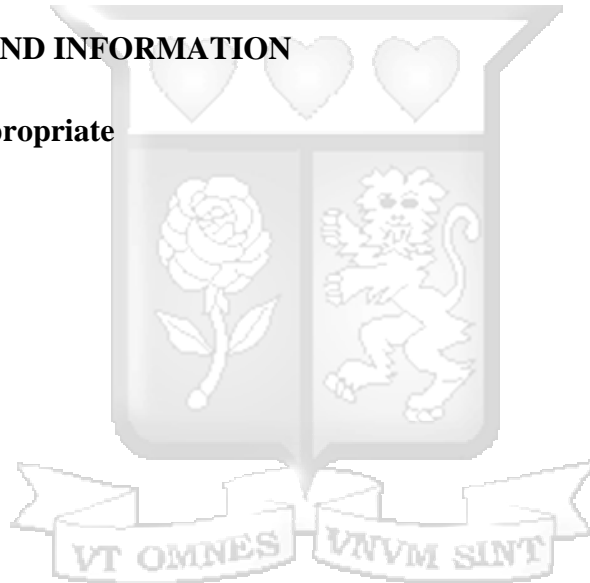18-24 [ ]

25-35 [ ]

36-45 [ ]

46-55 [ ]

Above 55 [ ]

**3. Highest level of Education (tick one)**

☐ Diploma [ ]

☐ Degree [ ]

☐ Masters [ ]

☐ PhD    [ ]

☐ Others (Please specify) _____

**5.** Occupation _____

## SECTION B: ECONOMIC FACTORS INFLUENCING CONSUMER PURCHASE DECISIONS

8) Kindly indicate your level of agreement to the statements below relating to economic factors influencing consumer purchase decisions. Use a scale of 1 to 5 where: **1 -** Strongly Disagree (SD), **2** - Disagree (D), **3** - Unsure (S), **4** - Agree (A), **5** - Strongly Agree (SA)

| Statement | 1 SD | 2 D | 3 S | 4 A | 5 SA |
|---|---|---|---|---|---|
| My personal income is a critical factor that influences my decision on the home furniture to purchase. | | | | | |
| I only buy home furniture after meeting basic necessaries of life | | | | | |
| Price influences the decision I make while purchasing furniture | | | | | |
| Availability of flexible payment options eg. Loans and hire purchase would influence me to buy furniture | | | | | |
| If my earnings were to increase significantly, I would purchase new furniture | | | | | |
| Maintenance cost of the furniture influences my purchasing decision. | | | | | |

## SECTION C: PSYCHOLOGICAL FACTORS INFLUENCING CONSUMER PURCHASE DECISIONS

10) Kindly indicate your level of agreement to the statements below relating to psychological factors influencing consumer purchase decisions.

Use a scale of 1 to 5 where: **1 -** Strongly Disagree (SD), **2** - Disagree (D), **3** - Unsure (S), **4** - Agree (A), **5** - Strongly Agree (SA)

| Statement | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| My perception towards Victoria Courts and the brand influences me to buy them. | | | | | |
| I perceive Victoria Courts products to be of high quality | | | | | |
| My attitude towards the brand of furniture affects my purchasing decision. | | | | | |
| Owning Victoria Courts home furniture is luxurious and satisfies me | | | | | |
| Victoria Courts products complement my lifestyle and personality | | | | | |
| Knowledge sharing from friends and colleagues influences my purchase decision of home furniture | | | | | |

## SECTION D: SOCIAL-CULTURAL FACTORS INFLUENCING CONSUMER PURCHASE DECISIONS

12) Kindly indicate your level of agreement to the statements below relating to social-cultural factors influencing consumer purchase decisions. Rate your level of agreement with the following statements.

Use a scale of 1 to 5 where: **1 -** Strongly Disagree (SD), **2** - Disagree (D), **3** - Unsure (S), **4** - Agree (A), **5** - Strongly Agree (SA)

| Statements | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Family is the most influential social factor that influences my purchase decision | | | | | |
| My family traditions and beliefs influence my purchase decisions when buying home furniture | | | | | |

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| My spouse helps me in making decisions when buying furniture | | | | | |
| My workmates and peers influence the type of furniture that I buy | | | | | |
| Shared values with Victoria Courts influence my home furniture purchasing decision | | | | | |
| My status in the society influences my home furniture purchase decision | | | | | |
| My religion and belief system influence my purchase decision for home furniture | | | | | |

## SECTION E: CONSUMER PURCHASE DECISION

Kindly indicate your level of agreement to the statements below relating to consumer purchase decisions. Rate your level of agreement with the following statements.

Use a scale of 1 to 5 where: **1 -** Strongly Disagree (SD), **2** - Disagree (D), **3** - Unsure (S), **4** - Agree (A), **5** - Strongly Agree (SA)

| Statements | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| When making decisions on the furniture to buy, I first seek to recognize what I need | | | | | |
| I conduct a search process before purchasing a furniture | | | | | |
| I do comparison on the type of furniture available before doing any purchases | | | | | |
| The selection process is very important when doing purchases for any furniture for my house | | | | | |
| I also do evaluation of what is available when doing purchases for my furniture | | | | | |

**\*THANK YOU FOR TAKING YOUR TIME TO FILL IN THIS QUESTIONNAIRE\***