

**COMPARATIVE ANALYSIS OF FACTORS INFLUENCING CONSUMER BUYING
BEHAVIOUR IN FORMAL AND INFORMAL RETAIL OUTLETS IN SOUTH-
WEST NIGERIA**

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CERTIFICATION

This is to certify that this Ph.D. research thesis has been read and approved as meeting the requirements of the Post Graduate School on Ph.D. in Business Administration in the Department of Business Administration, Faculty of Management Sciences, University of Ilorin, Ilorin Nigeria.

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DEDICATION

This thesis is dedicated to Almighty Allah, who created the universe and all it contains.

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ABSTRACT

Understanding the buying behaviour of consumers has been difficult for owners of retail outlets; it is therefore a subject of debate in existing literature because of its unpredictable nature. This study undertook a comparative analysis of factors influencing consumer buying behaviour in formal and informal retail outlet in South-west, Nigeria. The objectives were to: (i) examine the differences in the effect of cultural factors on consumer buying behaviour in formal and informal retail outlets; (ii) determine the different effects of social factors on consumer buying behaviour in formal and informal retail outlets; (iii) investigate the differences in the effect of demographic factors on consumer buying behaviour in formal and informal retail outlets; and (iv) examine the differences in the impact of psychological factors on the consumer buying behaviour in formal and informal retail outlets in South-west, Nigeria.

The study adopted survey research design. The study population is infinite. Stratified sampling technique was employed. A sample of 580 consumer respondents was selected based on Godden model sample size determination formular for infinite population. Primary data were collected through structured questionnaire and analysed using ordered logistic regression and t-test of mean difference at 5% level of significance.

The findings of the study were that:

- i. cultural factors have positive and significant effect on consumer buying behaviour in formal and informal retail outlets with wald χ^2 of 66.02 and 28.28; with $p < 0.01$ and $p < 0.01$ respectively and the t-test calculated 10.9027 and tabulated 1.644854 show that there is significant difference in cultural factors in both retail outlets;
- ii. social factors have significant effect on consumer buying behaviour in formal and informal retail outlets with wald χ^2 of 50.89 and 28.32; with $p < 0.01$ and $p < 0.01$ respectively and the t-test calculated 12.1258 and tabulated 1.644854 show that there is significant difference in social factors in both retail outlets;
- iii. demographic factors are significantly different in both formal and informal retail outlets with t-test calculated 12.2068 and tabulated 1.644854 and a positive significant effect on consumer buying behaviour in formal and informal retail outlets with wald χ^2 of 41.22 and 22.90; with $p < 0.05$ and $p < 0.01$ respectively; and
- iv. psychological factors are significantly different in both formal and informal retail outlets with t-test calculated 12.4119 and tabulated 1.644854 and a positive significant effect on consumer buying behaviour in the formal and informal retail outlets with wald χ^2 of 24.14 and 23.18; with $p < 0.01$ and $p < 0.01$ respectively.

The study concluded that all the four factors influencing consumer buying behaviour have positive effects on consumer buying behaviour and they differ significantly in both formal and informal retail outlets. Therefore, the study recommended that retailers should include in their marketing plan, products that are favoured by cultural attributes and make available goods that are tailored towards individual social needs. Management should also take into cognizance the most important demographic and psychological factors as these create good impression in the minds of consumers and also influence their buying behaviour.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Successful retail businesses in both local and formal retail outlets need to understand how to leverage the different factors that influence consumer buying behaviour to effectively market their goods and services in order to achieve meaningful sales. Consumer buying behaviour is the decision process and acts of individuals in buying and using products. It is highly important for retailers to understand the consumer buying behaviour in order to know the reasons why consumers make the purchase that they make.

Consumers are essential partners in the exchange process and without them, exchange would be difficult. They play an important role in the exchange process as they are the ones who are directly involved in the final buying of product (Aremu, Olaniyan, Aremu, 2015). Solomon (1995) viewed the behaviour of consumer as the study of processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires. They are therefore seen as the focus of successful marketing; their needs, wants are the reasons for marketing and without an in-depth understanding of consumer buying behaviour, the market offering cannot possibly be tailored to the demands of potential buyers. Thus, viewing consumers in such a broad context suggests that it is actually a subset of consumer buying behaviour.

Consumer buying behaviour, as an aspect of human behaviour, has been an area of great interest to researchers, especially marketers. Consumer buying behaviour is influenced by varieties of factors which can be grouped into cultural factors, social factors, demographic factors and psychological

factors (Kotler, 2006). These factors are uncontrollable and beyond the hands of marketers but have to be considered in order to have a comprehensive understanding of the complex behaviour of consumers. These factors not only influence the lives of individual consumer but also their purchasing activities in particular.

In the marketing context, the term 'consumer' not only refers to the act of purchase or purchase activities but also the patterns of aggregate buying. These buying patterns vary amongst consumers and they (consumers) take series of decision making steps before finally exhibiting these buying behaviour patterns. Consumers in most cases start with the pre-purchase activities which necessitate the need for growing awareness of a need or want and a search for and evaluation of information about desired products needed to satisfy their wants. The post-purchase activities include evaluation of the purchased item and reduction of any anxiety which accompanies the purchase of expensive and infrequently bought items.

Consumer buying behaviour therefore can be thought of as the combination of efforts and results related to the consumer's need to solve problems. To better understand how consumers behave, how to satisfy their needs and wants, retailers should make decisions that will tie in more closely with consumer's demands. Though, retail market consists of efficiently directing of goods and services in an economical manner, these services and goods must be acceptable to consumers to gain trust and must not be more expensive than their perceived cost, in order for the product to be purchased. These objectives thus can only be achieved in the market place.

Market places in urban demographic settings attract large number of buyers and sellers which can be termed as market thickness. Co-existence of many shopping malls along with traditional markets in a market place causes market congestion. This problem may be resolved by developing small kiosks for transactions and allowing consumers to patronise customized products and services from their

base stores (Roth, 2008). Retail sector in Nigeria is overwhelmingly dominated by traditional and informal trade structures both in the urban cities and rural environment. However, the robust growth, in 2011, of total sale value is as a result of expansion in retail trade in Nigeria and growth level of population in the urban city together with household income in the section of the population (Euro Monitor International, 2012).

Nigeria's retail sector generates 17% of the Gross Domestic Product (GDP) as a result of favorable economic policy initiated by the government in order to make the industry viable. In addition, the retail sector offers opportunity of possibility for purchaser of retail products as well as for the seller and investor (Central Intelligence Agency, 2012). However, despite the glooming retail industry, informal or formal retail outlet is still widely enjoyed by Nigerian consumers. Thus, Nigeria economy has seen accelerated growth in Formal retail trade in the year 2011 and 2012 respectively. In addition, according to 2012 global strategy report, it revealed that Nigerian population have increased with an opportunity for investment in retail sector market in the Africa region.

As the retailing sector in Nigeria continues to expand, the values continue to increase more strongly and faster than real GDP. This is seen as the South-west Nigeria which is the hub of economic activities in Nigeria having Lagos as the largest and Ibadan as the second largest economy in the region (Business Day Intelligence, 2015; Nigeria Retail Report, 2015). Thus, making the modern retail area growing especially due to investments by both local and international retailers. Despite the trend of this expansion, the Nigerian retailing sector is still dominated by informal channels such as open markets and street markets where different items ranging from foodstuff and clothing to electronics, jewelry etc are sold and still contribute immensely to the Nigerian economy.

However, with the emergence of some foreign owned retail outlets like Shoprite in Nigeria in five state capital in the country and still growing has shown another dimension for buyers' broader

choice of shopping experience and buying product in one building location. Overall, there are increasing rate of number of formal retail shopping store expansion and the levels of investment within the supermarket operator in Nigeria are on the higher rate.

This speedy evolution of Nigeria to a market economy has increased the number of products and services available to consumers. A great number of consumers especially the young are satisfying their shopping expectations by patronizing modern, formal stores such as malls, thereby departing the small independently owned stores or local/traditional markets (Bhatnagar, 2008; Sinha & Banerjee, 2004).

These consumers find formal retail outlet as pleasant escape route from the heat being exposed to in informal retail outlets. In addition, they enjoy the opportunities of window shopping, one-stop shopping destination, use of convenient parking space, fine and fast food eateries alongside cinemas and sections for playing games. Despite these, a larger number of consumers still patronise the local markets for benefits of proper haggling which is mostly impossible in formal retail outlet or malls. In a society such as Nigeria, consumers are bound to one another through emotional predispositions, common interests and by mutually agreed-upon social practices.

Therefore, people in Nigeria are believed to have deeply rooted attributes and beliefs with respect to family values. These values have impacted on the traditional markets in fostering unity among market women especially while canvassing during elections and upholding ethnicity and cultural beliefs. In this perspective, the retail sector environments is now competitive, allowing consumers to have the wider options to purchase products whether from formal or informal retail market sector. Also, increases in customers internal and external influencing factors has an attribute on the buying and shopping behavior thereby determining when, how and where they purchase product (Arnould, Price and Zinkhan, 2002; North and Kotze, 2004). Nigeria consumer goods market therefore is

moving towards accommodating the local or traditional street market, as well as formal sector like the supermarket stores or outlet (John, 2011). Thus, the need for comparative analysis of factors influencing consumer buying behaviour in local and formal retail outlets in Nigeria cannot be over-emphasized and becomes imperative.

1.2 Statement of the Problem

Every market is made up of numerous customers with different cultural backgrounds, different religious beliefs, variations in purchasing power, hedonic pleasure and several other differences. This therefore suggests that preferences or expectations will not be the same for each and every customer. Thus, the main focus of any business outlets either formal or otherwise is to identify these differences and exploit transitory opportunities.

Hence, this study is aimed at understanding and proffering solutions to problems ranging from choice of preference for opportunity cost of products by individuals and groups which increase the time wasted in decision making by consumers to their willingness to part with their resources which is a major problem for retailers, and individual interest clash. Also, this study looked into issues attached with identifying the factors responsible for changing shopping patterns, the problems of coexistence between formal retail outlets (shopping malls) and informal outlets (street markets) and congestion problems of shopping malls in urban areas on shopping conveniences and consumer buying behaviour. In addition, the problem of choice of selection of products which has to go with consumers' beliefs, culture and religion and, most especially, the problem of social class which affects the type of products they purchase and the choice of shopping location.

Also, the issues of health status as it affects the type of products being bought by consumers, the age which determines what they can buy, savings, income level and educational level which determines

their exposure creates problems for retailers and producers while determining who buys what, when and where.

More so, the study looked at the problem of choice made by consumers individually and in groups which in turn influence others and to study how purchase decisions are being taken as an individual and as a group. As a result, the understanding of factors influencing consumer buying behaviour is crucial to succeed in business. The better the producer, marketer or retailer understands the behaviour of consumers, the more the sales that can be generated and in contrast, vague understanding of consumer habit makes retailers unable to compete with others favorably and this affects the smooth running of their businesses.

1.3 Research Questions

The broad research questions that formed the basis of this study are:

- i. Is the effect of cultural factors on consumer buying behaviour different in formal and informal retail outlets in South-west Nigeria?
- ii. Is the effect of social factors on consumer buying behaviour different in formal and informal retail outlets in South-west Nigeria?
- iii. Are the influences of demographic factors on consumer buying behaviour different in formal and informal retail outlets in South-west Nigeria?
- iv. What is the difference between the impact of psychological factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria?

1.4 Research objectives

The broad objective of this study is to make comparative analysis of factors influencing buying behaviour in informal and formal retail outlets. In specific terms, the study seeks to:

- i. examine whether or not the effect of cultural factors on consumer buying behaviour is different in formal and informal retail outlet in South-west Nigeria;
- ii. determine whether or not the effect of social factors on consumer buying behaviour is different in formal and informal retail outlets in South-west;
- iii. investigate the differences in demographic factors on consumer buying behaviour in formal and informal retail outlets in South-west, Nigeria; and
- iv. examine whether or not the impact of psychological factors on the consumer buying behaviour is different in formal and informal retail outlets in South-west Nigeria

1.5 Research Hypotheses

H₀₁- effect of Cultural factors on consumer buying behaviour is not significantly different in formal retail and informal outlets in South-west Nigeria;

H₀₂- effect of social factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.

H₀₃- effect of demographic factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria; and

H₀₄- Impact of Psychological factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria

1.6 Justification of the study

The Nigerian market has seen vast changes in political, economical and social environment and this has great impact on consumption. Various issues like the consumption patterns of the consumers, which retail outlets would be preferred (informal or formal retail outlet) amongst others need to be addressed.

The justification for this study is brought about by the fact that most research conducted on the comparison of factors influencing consumer buying behaviour in formal and informal retail outlets were conducted in other countries. There is therefore insufficient research in this area in a developing country like Nigeria as there are limited empirical evidence in terms of quality and quantity. This research would therefore serve as a firsthand work in this area and a template for other researchers that may likely to have interest on the topic.

This study will help both consumers and retailers in understanding the different perceptions that exist in relation to store image and shopping habits. The study will provide the necessary insights to understand consumer's motivation and to patronise traditional and contemporary retail markets.

The study of factors influencing consumer buying behaviour enables better understanding and forecasting on purchases made by consumers, the motives behind purchasing and frequency of purchasing.

A thorough understanding of factors that can determine what motivates Nigerian consumers' and their patronage intentions would benefit managers and store owners in local markets in drawing practical and constructive lessons on strategies to adopt in order to meet the needs of consumers in their market environments.

The findings from this study will be helpful to the appropriate government agencies in formulating policies for planning and budgeting for services for consumers and the society at large.

Finally, prospective owners of new malls and stores in traditional markets would equally benefit from the research findings especially in getting the right customers and capturing a reasonable percentage of the market, and understanding their most favoured reasons for patronage.

1.7 Scope of the Study

This research focused on Comparative Analysis of Factors Influencing Consumer Buying Behaviour in Informal and Formal Retail Outlets in South-West Nigeria. Human beings behave in different ways and the reasons for buying also differ. Therefore, this study focused on the factors that influence consumer buying behaviour. These include cultural factors, social factors, demographic factors and psychological factors.

The Formal retail outlets used in this study are those retail outlets which, by definition, comprises all retail businesses that are registered and pay taxes. Formal retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax and income tax.

Informal retail outlets are those outlets or stores that are run locally by owners or caretakers. The data gathered for this study was thus collected primarily during the year 2016.

1.8 Operational Definition of key Terms

Buying Process: A buying process is the series of steps that a consumer will take to make a purchasing decision. A standard model of consumer purchase decision-making includes recognition of needs and wants, information search, evaluation of choices, purchase, and post-purchase evaluation.

Consumer: A consumer is an individual who purchases goods and services from the market for his/her end-use

Consumer Behaviour: Consumer Behavior is a branch which deals with the various stages a consumer goes through before purchasing products or services for his end use. According to

(Soonthonsmai 2001), Buying Behavior is the consumer act of purchasing some specific products or service. It is the decision processes and acts of people involved in buying and using products.

Informal Retail Outlet

The informal retail outlet in urban settings is regarded as ‘socially responsible distribution centers’ with the initiatives that provides consumers with accessibility of market for commodities that they can benefit from either buying or selling.

Formal Retail Outlet

Formal retail outlets consist of all retail businesses that are registered and pay taxes. These are large retailers that anchor shopping malls and present competitive pressures on small retailers in townships.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This research focused on comparative analysis of shopping behaviour in informal retail and formal retail Outlet in Township areas; therefore, it is imperative to understand what consumer behaviour means, the various factors affecting consumer behaviour, the definition of formal retail outlets and informal retail outlets (as discussed in this chapter). The study reviews the existing literature in the area of different shopping behavior exhibited by customers in formal retail outlets and informal retail outlets.

The second section discusses the theoretical review while the third section discusses the empirical review and the conceptual framework which form the basis of this study.

2.2 Conceptual Review

2.2.1 Consumers

Consumers can be defined as an individual who buys products or services for personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements. Any time someone goes to make a purchase, he is making that decision as a consumer. Gabbott (1994) and Mooij (2003) give their points that every consumer in the market have perceived value when he purchase the same product which means consumers choose different behavior when they are purchasing the same product. In the opinion of Michael, Gary, Soren and Margaret (2006), a consumer is generally thought of as a person who identifies a need or desire, makes a purchase and

then disposes of the product during a three stage consumption process- pre-purchase, purchase and post-purchase. A consumer is therefore a user of a product or a service.

2.2.2 Consumer behaviour

In the works of Jeff Bray citing Solomon, Bamossy and Askgard, (2006) he defined consumer behavior as “the study of the processes involved when individuals or groups select, chose, use or dispose of products, services, ideas or experiences to satisfy needs and desires. ”

Consumer behavior describes how consumers buy different goods and services. Furthermore, consumer behavior also explains how a consumer allocates its income in relation to the purchase of different commodities and how price affects his or her decision. Consumer behaviour refers to buyers who are purchasing for personal, family, or group use. Consumer buying behaviour can be thought of as the combination of efforts and results related to the consumer needs to solve problems. According to Solomon and Rabolt, (2004), consumer buying behaviour is the study of the processes involved where individuals or groups, select, purchase, or dispose of products, services, ideas or experiences to satisfy needs and desires. Kotler, (2003) studies shows that consumer behavior helps the company to improve their marketing strategies. He suggests that all the actions performed by consumers are called consumer behavior. In other words, we can say that consumer behavior is the process of searching, organizing, evaluating, disposing and the use of goods to satisfy their needs and wants.

2.2.3 Factors Influencing Consumer Behaviour

The buying behaviour of consumers is influenced by needs and preferences for which the products are produced. The consumption habits of consumers warrant research to establish not only their present needs but also to form some reliable guide as to their latent and future needs.

Consumer buying behaviour is influenced by an array of variables and it is imperative to know the nature of these variables and draw inferences thereof. Retailers use this information to come up with innovative products and services that satisfy their consumers.

Different factors influence consumers at different point in time as proposed and proven by different schools of thought. The factors influencing the consumer behavior are culture, family, social, society, age, group, friends, environment and psychological. Kotler and Armstrong, (2006) identified four basic factors that could affect or influence consumer buying behaviour in making buying decision. They further stated that though these factors cannot be controlled, they should be taken into account as they go a long way in influencing the reasons for shopping especially in terms of location and products to be purchased. The following are the factors identified and discussed by Kotler and Armstrong, (2006).

- a) Cultural Factor
- b) Social Factor
- c) Personal Factor
- d) Psychological Factor.

(a) Cultural Factors

Culture can be defined as the set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions. Culture is the most basic cause of a person's wants and behaviour. Goodrich and Mooij (2013) describes that culture shows the collection of norms, values, beliefs, custom, behavior and their tradition of one society or country. Every group and/or society has a culture, and cultural influences on buying behaviour may vary greatly from country to country. If an organization wants to be a market leader in international market, then such organization must design their products according to the other countries' culture, not according to their own culture and also adopt other countries' culture, to sell products (Kacen & Lee 2002). Thus, one of the greatest challenges faced by marketers is to spot cultural differences in order to discover new products that might be wanted. Failure to do this might result in ineffective marketing or embarrassing mistakes. Culture can therefore be measured using consumers subculture and social factors.

i. Subculture

Subculture is a group of people with shared value systems based on common life experiences and situations. Each culture contains smaller subcultures. Subcultures include nationalities, religions, racial groups, and geographic regions. Many subcultures make up important market segments and marketers often design products and marketing programs tailored to their needs. This makes subculture one of the deepest and widespread influences on consumer behavior (Kotler 2006). Tomasz and Kendal (2001) said courses on culture and behavior of individuals with similar groups are called sub-culture.

ii. Social Class

Social classes are relatively permanent and ordered divisions in a society whose members share similar values, interest, and behaviours. Yakup, Mucahit and Reyhan, (2011) elaborate in their study that social classes have their own similar values, beliefs, behavior, interests, and style according to their rank. Social class is not determined by a single factor, such as income, but is measured as a combination of occupation, income, education, wealth and other variables. In some social systems, members of different classes are reared for certain roles and cannot change their social positions. Social groups although they don't show in a formal process of similar lifestyle but shows in groups formed by individuals Wayne and Deborah (1997). Marketers are interested in social class because people within a given social class tend to exhibit similar buying behavior in line with Mooij and Hofstede (2002, 2011) which also shed light on the influence of culture.

B) Social Factors

Zitkus and Puskoriute (2013), suggests that social factors also influence consumer's attitude and behavior directly or indirectly such as reference groups, family and social roles and status which affect our behavior. A consumer's behaviour is also influenced by social factors, such as the consumer's small groups, family and social roles and status.

(i) Groups

Groups are two or more people who interact to accomplish individual or mutual goals. A person's behaviour is influenced by many small groups. Groups that have a direct influence and to which a person belongs are called membership groups. In contrast, reference groups serve as direct (face-to-face) or indirect points of comparison or reference in forming a person's attitudes or behaviour. People often are influenced by reference groups to which they do not belong. Reference groups expose a person to new behaviours and lifestyles, influence the person's attitudes and self-concept, and create pressures to conform that may affect the person's product and brand choices.

(ii) Family

Family members can strongly influence buyer behaviour. The family is the most important consumer buying organization in society, and it has been researched extensively. Marketers are interested in the roles and influence of the husband, wife, and children on the purchase of different products and services. Buying roles change with evolving consumer lifestyles. Thus, family is considered as a fundamental structure of initial reference group which have great impact on purchase behaviour (Thomson, Laing, & McKee 2007)

(iii) Roles and status

A person belongs to many groups- family, clubs, and organizations. The person's position in each group can be defined in terms of both role and status. A role consists of the activities people are expected to perform according to the persons around them. Each role carries a status reflecting the general esteem given to it by society. People usually choose products appropriate to their roles and status. Thus, every individual on each role exhibit certain kind of buying behaviour this "kind of behaviors and influences can be found at every level and for every roles and social status" (Pinki, 2014).

C) Personal Factors

A buyer's decisions are influenced by personal characteristics such as the buyer's age and life-cycle stage, occupation, economic situation, lifestyle and personality and self-concept. It is important for marketer's to understand them closely (Yakup & Jablonsk, 2012).

The following characteristics of personal factors as suggested by Kotler and Armstrong (2005) are discussed below:

i Age and life cycle stage

People change the goods and service they buy over their lifetimes. Buying is also shaped by the stage of family life cycle; the stages through which families might pass as they mature over time. Marketers often define their target markets in terms of life-cycle stage and develop appropriate products and marketing plans for each stage.

ii Occupation

A person's occupation affects the goods and services bought (Furaiji, Łatuszyńska, and Wawrzyniak, 2012). Marketers try to identify the occupational groups that have an above-average interest in their products and services. A company can even specialize in making products needed by a given occupational group.

iii Economic Situation

A person's economic situation will affect product choice. A person's economic situation affects product choice and "marketers of income-sensitive goods should monitor trends in personal income, savings and interest rates" (Furaiji, *et.al*, (2012). This is because some marketers target consumers who have lots of money and resources, charging prices to match.

iv Lifestyle

This is a person's pattern of living as expressed in his or her activities, interests, and opinions. Lifestyle captures more than a person's social class or personality. It profiles a person's whole pattern of acting and interacting in the world. It divides consumers into different groups but based on two major dimensions which are primary motivation and resources. Primary motivation includes the Abraham Maslow hierarchy of needs. Consumers within each orientation are further classified into those with high resources and those with low resources depending on their level of income, education, health, self-confidence, energy amongst other factors. Lifestyle frequently provides the

basic motivation and guidelines for purchases, although, it generally does so in an indirect subtle manner (Hawkins, Motherbaugh, & Best, 2007).

v Personality and self-concept

This is a unique psychological characteristic that leads to relatively consistent and lasting responses to one's own environment. Personality comes in form of sociability, autonomy, defensiveness and aggressiveness. Thus, personality can be useful in analyzing consumer buying behaviour for certain products and services. The attribution of human personality trait to products and services leads to the construct of brand personality. A brand is characterized by matching the brand with personality trait (Kim, 2001). Self concept is a blanket of various potential different identities that may guide human being buying behaviour (Jamal and Goode, 2001).

D) Psychological Factors

Kotler and Armstrong identified four major factors that can influence the buying behaviour of consumers and this is in line with Callwood's (2013) categorization. The factors are motivation, perception, learning, and beliefs and attitudes

i Motivation

Motive, also known as drive can be said to be a need that is sufficiently pressing to direct the person to seek satisfaction of the need. People have varying needs at any given time. Thus, motivation researchers collect in-depth information from small samples of consumers to uncover the deep motives for their product choices. Therefore, research into motivation involves qualitative research design to probe consumers' hidden subconscious motivations. Hashim Zameer (2014) shows the importance of motivation on beverage industry in his study. He described that motivation word is

derived from “motive”. And the meaning of motive is needs, wants and the desire of a person. It means that the behavior a consumer or person shows because of some reason is called motivation. One of the theories that best describe how motivation factors could affect buying behaviour is the Abraham Maslow’s hierarchy of needs. Abraham Maslow explained why people are driven by particular needs at particular times. Maslow identified four human needs starting with the most pressing. They include physiological needs, social needs, safety needs, esteem needs and self actualization needs. He concluded that a person tries to satisfy the most important need first and when satisfied, the need will no longer be a motivator and the person tries to satisfy the next most important need. Consumers are often aware of and will admit to the motives causing their behaviour. Within social, two opposing motivational tendencies drive many consumer behaviours. One we call the motive toward integration or affiliation with other people; the other is motive towards differentiation (Price, Arnould and Zinkhan, 2004).

ii Perception

Perception is called the energy which makes us aware of the world around us and attaches a meaning to it after a sensing process of it (Yakup, 2011). This is a process by which people select, organise, and interpret information to form a meaningful picture of the world. When a motivated person is ready to act, his actions are influenced by his or her own perception of the situation or stimuli. In response to these stimuli, consumers subconsciously evaluate their needs, values and expectations, and then they use that evaluation to select, organize and interpret the stimuli Connolly, (2010). Thus, people can form different perceptions of the same stimulus because of three perceptual processes. These include selective attention, selective distortion and selective retention. Selective attention

helps people to screen out the information they get while selective distortion explains the ability of people to interpret information in a way that will support what they already believe. In terms of studying consumer behaviour, perception is very important to understand which actually affects a consumer's behaviour (Ahmed, Ghingold and Dahari, 2007). After recognising a need or want to buy something, the consumer's perception situation would affect the way he or she behaves. Different people have different perceptions even for the same object or situation since people have their own subjective way of forming their perception (Kim, 2001). Thus, marketers should try to understand the mind-set of consumers and how this will affect their promotional activities

iii Learning

Learning involves changes in individual's behaviour arising from experience. It occurs through the inter-play of drives, stimuli, cues, responses and reinforcement. Learning also occurs from past events and experiences. In other words, learning occurs from our earlier experience and seek to maintain balance or consistency by relating to and interpreting new stimuli in respect to the past or learned stimuli (Blythe, 2008). Drive is a strong stimulus which becomes a motive when directed towards a particular stimulus object. Cues on the other hand are minor stimuli that determine when, where and how a person responds to what. Thus, these cues influence a consumer's response to his or her interest in buying the product.

iv Beliefs and Attitudes

Belief is a descriptive thought that a person holds about something. Beliefs may be based on real knowledge, opinion, or faith and may or may not carry emotional charge.

Attitude is a person's consistently favourable or unfavourable evaluations, feelings, and tendencies toward an object or idea. Attitudes are difficult to change thus, a person's attitudes fit into a pattern, and to change one attitude may require difficult adjustments in many others. Therefore, individual

consumer can have specific beliefs and attitude about specific products and services (Sarangapani, 2009) thus, marketers should fit their products into existing attitudes rather than attempts to change attitude.

According to Saylor foundation, there are numerous factors that influence consumer buying decisions. These influences were grouped into related sets. They include situational influences, the internal influences, and the external influences which deal with factors outside the control of individual that have a strong bearing on personal behaviours. The most important determinant of consumer buying behaviour is behavioral intentions and that depends both on a person's attitude towards performing the behaviour and the influence of others' opinion about the behaviour that is subjective to norms (Solomon, Bamossy, Askegaard & Hogg, 2006).

(a) Situational Influences

The situational influences include the consumer's immediate buying task, the market offerings that are available to the consumer, and the demographic traits. It may also include environment, location, timing and weather condition (Hoyer *et al.*, 2012)

i Buying Task

Buying decisions varies according to frequency of purchase. When a decision involves a low-cost item that is frequently purchased, the buying process is considered as low involvement decision. High involvement decisions, on the other hand, are those that are important to the buyer. They are decisions associated with three types of risks which are financial risks, social risk and psychological risk. These decisions are however complex process of decision making.

ii Market Offering

Market offering talks about availability of product and brand choices. The more extensive the product and brand choices available to consumers, the more complex the buying behaviour is likely to be.

iii Demographic Influences

Demographic influences are important factors that should not be overlooked in studying consumer buying behaviour. Such variables include age, sex, income, education, marital status and mobility which can have significant influence on the consumer buying behaviour.

(b) Internal Influences

The internal influences can be grouped into meaningful segments. They are learning and socialization, motivation and personality, and lifestyle. These factors are internal forces that influence consumers which marketers need to examine critically.

i Learning and Socialization

Learning is an ongoing process. It is described as changes that occur in behaviour as a result of previous experiences. Learning is an experience and practice that actually brings about changes in behaviour. The significance of learning to retailers is that it can build demand for a product by associating it with strong drives (Lamb, 2010). Thus, learning is dynamic, adaptive and subject to change

Socialization refers to the process by which persons acquire knowledge, skills and dispositions that make them members of the society. In other words, behaviour is acquired and modified over the person's lifecycle. The social learning approach stresses sources of influence- "socialization agents".

These agents might include any person, organization or information source that comes into contact with the consumer. This information is acquired from other individuals through modeling, reinforcement, and social interaction. Modeling involves imitating agent's behaviour, while reinforcement involves either a reward or punishment mechanism used by an agent. The social interaction involves a combination of modeling and reinforcement. Thus, learning takes place within a social setting in terms of variables such as social class, sex, and family size.

ii Motivation

A motive is the inner drive or pressure to take action to satisfy a need. Accordingly, motives can be defined as relatively enduring, strong, and persistent internal stimuli that arouse and direct behaviour towards certain goals (Trehan, 2009). Motivation concept is difficult to define. This difficulty accounts for its limited application. To be motivated is to be a goal-oriented individual. Motivation flows from an unmet need, as does all consumer problem solving. For motivation to be useful in marketing practice, a marketing manager or retailer must understand what motives and behaviours that influences consumers in which they engage in buying behaviour. As a result, the best known theory dealing with the individual motivation is provided in the work of Abraham Maslow's hierarchy of needs (Johnson, 2010). These needs include physiological needs such as thirst, hunger and other basic needs. Safety and security need is the second need which is an extension of the basic needs. The third need, love needs which involve needs for belonging and friendship for example they involve a person's interaction with others. The fourth need is the esteem need which is related to feeling good about oneself and having a positive self-image. The fifth need which is the last need is the highest level in Maslow's hierarchy and this is referred to as self-actualization need. This is the

need of a person to reach his full potential in terms of application of his own abilities and interest in functioning in his environment.

iii Personality

Personality is the sum total of a person's trait that makes him unique. Personality is the result of social and environmental influences on a person it is concentrated (Sarker, Bose, Palit, and Haque, 2013). Everybody has distinct trait therefore, attempts have been made to classify people with similar traits. The best known personality types are those proposed by Carl Jung, as a variation on the work of his teacher, Sigmund Freud. He categorized personality into "introvert" and "extrovert". People with introvert personality are defensive in nature, inner-directed, and withdrawn from others. The extrovert is outgoing, other-directed, and assertive. Thus, marketers have, however, found personality to be difficult to apply especially in developing marketing strategy and the primary reason for this is the lack of good way to measure personality trait. Most of the measures available were developed to identify people with medical problems. As a result, most markets have turned to lifestyle analysis.

iii Lifestyle

Lifestyle can be defined as attitudes, interests, and opinions of the potential customers. Lifestyle can be seen as a persons' pattern of living in the world as expressed in activities, interests, and opinions (Pandey and Pandey, 2013). Application of lifestyle concept relates to consumer shopping orientation where different customers approach shopping in different ways thus giving rise to different attitudes and opinions. Attitude can be broken down into three components cognitive, affective and behavioural which a great deal of marketing strategy is based.

Despite the limitations on the predictive power of attitude, it can help understand how choices are made by either changing consumers' attitude to be consistent with product or changing product to be consistent with attitude. However, it is easier to change product than to change customers' attitude.

(c) External Influences

External influences, among other societal elements that can affect consumer buying behaviour, are culture, social class, reference groups and family.

(i) Culture

Culture can be defined as a group of people sharing similar heritage. Culture is the complex of beliefs of human societies, their roles, their behaviour, their values, traditions, customs and traditions (Durmaz Celik and Oruc 2011) the three basic components of culture are beliefs, values and customs. Belief represents a person's particular knowledge and assessment of something. Values on the other hand are general statements that guide the behaviour and influence beliefs while customs are overt modes of behaviour that constitute culturally approved ways of behaving in specific situations.

(ii) Social class

Social class is determined by factors such as occupation, wealth, income, education, power and prestige which affect consumer behaviour. Every society stratifies its members into social classes according to their values to the society and "members of a social class share common values and ways of thinking, speaking and behaving" (Abraham, 2011). In order to have a proper understanding of social class, the best-known classification system includes upper-upper, lower-upper, upper-middle, lower-middle, upper-lower, and lower-lower class. The mass markets consist of the lower-middle and upper-lower classes. These classes categorize people on different levels. The upper-

upper class and lower-upper class consists of wealthy families, the upper-middle are professionals, managers while the lower-middle are mostly the white collar workers.

People in the same social class have similar attitudes. Therefore, marketers should channel their efforts towards not only identifying the needs of the target class but also make sure they capture a larger of the market.

(iii)Reference Group

Reference group is characterized as having individuals who are opinion leaders for the group. Such groups are religious institutions, clubs, schools, notable individuals, and friends. Reference group do help shape a person's attitude and behaviour. Thus, the effects of reference group vary across products and brands (Sakpichaisa 2012 and Chaipornmetta, 2010) the reference group can influence an individual in the following ways:

Role expectation: the reference group a person belongs to will determine the role that would be assumed by that person. The role performed by a person is based on the situation and the person's position in that situation.

Conformity: conformity can be described as the way we modify our behaviour in order to coincide with group norms. Norms are behavioural expectations considered appropriate in respective of the position we hold.

Group communication through opinion leaders: this is a way of seeking information from experts or professionals when making buying decisions. The experts include auto mechanics, beauticians, stock brokers and physicians.

(iv)Family

Family is one of the most important reference groups for an individual. The interaction that exists between husband and wife and the number and ages of children in the family has significant effect

on the buying behaviour. Family as a consuming and decision making unit is a central phenomenon in marketing and consumer buying behavior (Commuri and Gentry, 2000). Blackwell *et al* (2001) in their study found that family members have different roles like initiator, influencer, decider, buyer and user. The first step in understanding the effect of family on buying decision is to identify the decision maker. This will help know the type of product to be produced or service that would be enjoyed most. The second factor is the family lifecycle. Most families pass through an orderly sequence of stages. These stages are:

The bachelor state; young, single people

Newly married couples; young no children

The full nest I and II; young married couples with dependent children:

Youngest child under six (Full nest I)

Youngest child over six (Full nest II)

The full nest III; older married couples with dependent children

The empty nest I and II; older married couples with no children living with them:

Adults in labor force (Empty nest I)

Adults retired (Empty nest II)

The solitary survivors; older single people:

In labor force

Retired

Thus, marketers should be mindful of the fact that each of these stages is characterized by different buying behaviour. Therefore, the family cycle can be helpful in defining the target customers.

Khan (2001) identified several factors that could influence consumer behaviour. These factors can be classified into internal and external factors and this is similar in scope with the view of Wiederman,

Hennigs, and Siebels (2007). Internal factors could be regarded as individual determinants. The individual and external determinants that affect consumer buying behaviour as identified by Khan, (2001) are identified and discussed below:

Individual determinants that affect consumer buying behaviour are:

- Motivation

- Attitudes

- Personality and self concept

- Learning and memory

- Information processing

External determinants are:

- Cultural influences

- Sub cultural influences

- Social class influences

- Social group influences

- Family influences

- Personal influences

- Other influences

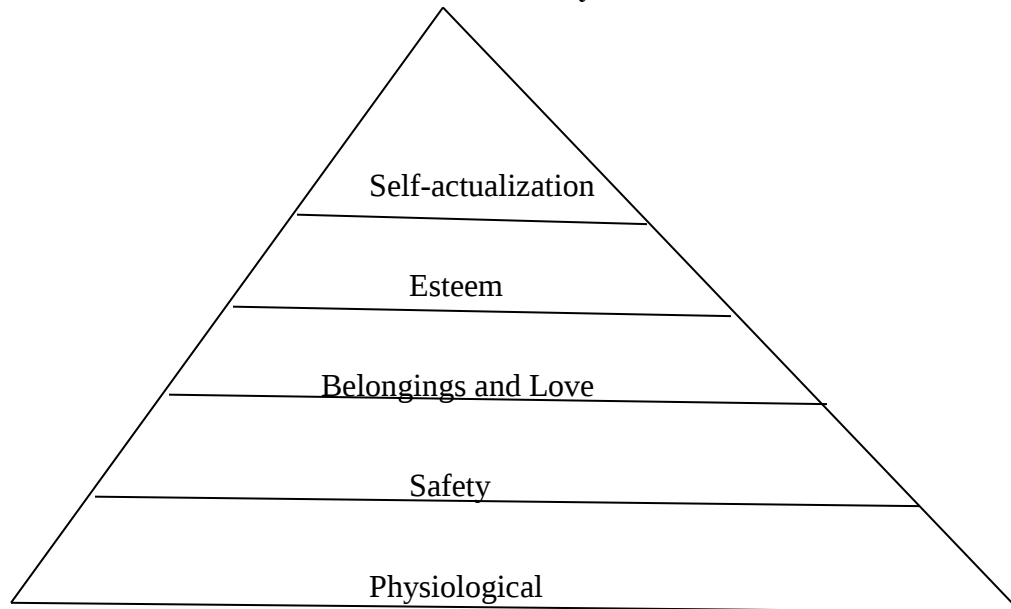
- Motivation and Personality

Motivation plays an important part in the buying decision process. A person can be motivated to buy a product for convenience, for style, for prestige, for self pride, or for being at par with others. Armstrong *et.al* (2007) revealed that psychologists have examined motivation and its importance in human behaviour in several ways while the most common ideas were propounded by Abraham

Maslow and Sigmund Freud Maslow who developed a theory that classifies the needs as “lower and higher” wishes.

Figure 2.1

Abraham Maslow’s Hierarchy of Needs



Source: Maslow, (1954).

(i) Theory of Motivation

Maslow’s hierarchy of needs is a macro theory designed to account for most human behaviours in general. The theory states that a human being has a variety of needs and, these can be classified as primary and secondary needs or, lower order and higher order needs. Once a need is fulfilled, human beings try to fulfill other needs.

The physiological needs include food, water, sleep, clothing, shelter and sex. The safety needs include seeking physical safety and security. This includes safety of person, safety of belongings, and security of job. A social need includes the need to love and be loved, friendship, love appreciation and group acceptance. Esteem needs is the desire for status, superiority, self respect and prestige while self actualization needs is the desire for self fulfillment, the desire to become all that

one is capable of becoming. If retailers, marketers or producers know what creates motivation, they may be able to develop marketing tactics to influence consumers' motivation about their products, Smoke, (2009). Thus Abraham Maslow's hierarchy of needs is a good guide to general behaviour

(i) Personality

This is also an internal determinant which influences our consumption pattern. Personality can be defined as those inner psychological characteristics that determine and reflect how a person responds to his or her environment. Personality shows individual differences such as inner traits like specific qualities and attributes traits, factors, mannerisms that distinguish one person from another. Therefore, personality traits can be categorized into groups on the basis of few traits.

(ii) Attitude

Attitude can be defined as a learned predisposition to respond in a constant favourable or unfavourable manner, with respect to a given object. Boone and Kurtz (2004) describe attitudes as a person's enduring favorable or unfavorable evaluations, emotions or action tendencies toward some object or data People have different attitudes towards different products. An attitude provides a series of cues to marketers. They predict future purchases, redesign marketing effort and make attitude more favourable. Attitude indicate knowledge, feelings and intended action for the given. And they are responsible for our responses and are not inborn but are learnt from people around us. They attitude influence our purchase decisions and consumer behaviour. Therefore, retailers must discover prevailing attitude towards their products and try to position and maintain it (Hoyer and Deborah, 2008).

Personality and self concept: Personality as discussed earlier is consistent and enduring and is only one of the factors that affect consumer behaviour. Personality can be defined as the "dynamic and organised set of characteristics possessed by a person that uniquely influences his or her cognition,

motivation, and behaviour in various situations” (Ryckman, 2004). Personality can change due to major life events. These could be birth, death, marriage. It can also change by a gradual process.

Self concept deals with how one perceives himself and his behaviour in the market place. This is regarded as what one feels about oneself. The self concept is not very realistic because an unconscious component is always present. It can be divided into six types as given below:

- i Actual self: how a person actually perceives himself
- ii Ideal self: how a person would like to perceive himself
- iii Social self: how a person thinks others perceive him
- iv Ideal social self: how a person would like others to perceive him.
- v Expected self: an image of self somewhere in between the actual and ideal self
- vi Situational self: A person’s self image in a specific situation.

Thus, self concept is a social phenomenon and an attitude to the self in which marketers should not only look for the idea of the self concept, but also the image of the brand.

(iii) Learning and Memory

Learning is the key to consumer behaviour. Learning can be done under high or low involvement situations. Learning situation is of degrees and depends on situations. In high involvement learning situation, consumer is motivated to learn while in low involvement learning, there is no motivation to learn about the product. Thus, Solomon, (2006) submitted that apart from affecting behaviour, learning is gained by experience.

Memory on the other hand, is the total accumulation of past experiences from consumer’s prior learning. The memory which could be recalled immediately is called short term memory or working

memory one can work with it or refer to it when required. Long term memory thus, is a permanent storage in the minds of the consumer which is active and can store variety of information consisting of concepts, decisions, and rules, affective states etc. It is therefore imperative for marketers to take into cognizance the image of brand and concepts that consumers had heard about the brand which is made up of various elements. Therefore, our motives, attitudes, personality filters the information, keeping only relevant ones in our minds. This is known as selective retention because we retain only selective information that is of interest to us.

(iv) Information Processing

Information search starts when a need is recognized. It is a deliberate attempt to gain appropriate knowledge about products. All consumers analyze and process the information they receive. These are activities that the consumer engages in while gathering information, then they understand (perceive) by selecting, organising and interpreting it. Consumers assimilate and evaluate selective information and this reflects on their motives, attitudes and personality and self concept. It should therefore be noted that the same information can be evaluated in a different manner by different individuals.

(b) External Environmental Factors Affecting Consumer Behaviour

(i) Cultural Influence

Culture can be defined as the distinct way of life of a group of people and their complete design for living. It is a comprehensive concept and includes all those things that influence an individual in his thinking and behaviour. Solomon, Bamossy, Askegaard, and Hogg (2002) defined culture as the circulation of the values, norms and traditions among the society between generations. Culture influences the pattern of living, of consumption, of decision-making of individuals. Cultural influences involve a complex sum total of knowledge, belief, traditions, customs, art, moral law or any other habit acquired by people as members of a society. Most times, consumers are influenced by our background or culture. Therefore, in consumer behaviour, culture plays a very important role. Thus, culture is one of the main external factors that have a huge effect on consumer behaviour, ideas and wishes Armstrong and Kotler (2007).

(ii) Sub-cultural Influence

There are many groups or segments of people with distinct customs, traditions, and behaviour. : is said to be a distinct cultural group that exists as an identifiable segment within a larger, more complex society (Leon and Leslie 2010). We have different sub-cultures thus, products are designed to suit target group of customers which has similar cultural backgrounds and are homogenous in many respects.

(iii) Social Class

Social class refers to a social position that an individual occupies in a society. Social class is a hierarchical division of a society into relatively distinct and homogenous groups with respect to attitudes, values, lifestyles, etc. The concept of social class involves families rather than individuals. By social class, we refer to the group of people who share equal positions in a society. Social class is

defined by parameters like education, income; occupation etc. people who share the same values, beliefs and tend to purchase similar kinds of product within a social class. Thus, all countries and societies have variations in social standing which makes it unique. By unique behaviour we mean that each social class has its own pattern of purchase, education, occupation, reaction, etc. In a social class, people try to make the same kind of purchases as are expected by their peers. There are different social classes and their buying patterns. There is the upper upper class which is the most wealthy class having lots of property. The lower upper classes though lower in status, but are known for their conspicuous consumption and are smaller target market for luxury goods. There is also the Upper middle class, which have achieved success in life consisting of managers, professionals, lawyers and professors. They are owners of sized business. The lower middle class is the common man class. Some are highly paid workers and small business owners and may not have very high education. Upper lower class lives for present. Their buying habits are influenced by their cultures or sub-cultures and this invariably, influences their purchase of product. The lower level class lives in utter poverty. Their basic concern is to fulfill the basic daily needs like shelter, clothing and food. Their first priority is price because they cannot afford unnecessary expenditure.

Social Group Influences

A group can be defined as that which consists of two or more individuals who share a set of norms, values or beliefs and have certain implicitly or explicitly defined relationship with one another such that their behaviour is interdependent. Groups have influence on a person's behaviour. Reference groups is the direct (face-to-face) or indirect points of comparison or reference in forming a person's attitudes or behavior (Kotler and Keller, 2006). Marketers use the information and knowledge of group influence when designing market strategy. These groups can either be primary group or secondary group. The primary group consists of family group while the secondary group is a

collection of individuals whose relationship is more formal and less personal in nature. These could be study group, political group or work group.

Reference group is a group who one refers to while making buying decisions. Reference groups influence consumer buying behaviour by building items aspirations for the individual and, helping him to choose the product for a particular lifestyle. Thus, reference group can be any person or group of people who significantly influences an individual behaviour (Sakpichaisa, 2012). Reference groups affect consumers by imparting information and by influencing value expressive needs of the consumers.

Family Influences

It is imperative for marketers or retailers to know the family structure and its consumption characteristics. Family is two or more people living together and are related by blood or marriage. (Durmaz and Sebastian, 2012) defined family as part of household which consists of individuals living singly or together with others in a residential unit. Consumer buying behavior is influenced not only by the consumer's personality and motivations, but also by the relationships within families (family is a familiar social unit). Family is a social group and a decision making unit (Tenda, John and Richard 2012). There are three main influences father's, mother's and other family members'. (Blackwell, Miniard and Engel 2001) discovered in their study that family members have different roles like initiator, influencer, decider, buyer and user. The family thus, impact on the type of products to be purchased which depend on family size, structure and hierarchy. Basically, we have two main types of family which are the nuclear and the joint family. In a joint family, many decisions are jointly made which also leave an impression on members of the family. These days, the composition of family is changing from joint to nuclear. Thus, all purchases are influenced by family members or other family members

Personal Influence

The buying decision made at this stage is highly influenced by individual personality. Each individual process the information received in different ways and evaluates the products in his own personal way and this go a long way in influencing the purchase of a product.

Other Influences

National or regional event like sports, war or calamity could influence consumers buying decision. These leave either permanent or temporary impression on the mind of the consumer and tend to affect the behaviour of such customer.

For the purpose of this study, the factors influencing consumer buying behaviour raised by Kotler and Armstrong is adapted. The reason for adaptation is basically because some of the factors discussed might not work in the African environment. Also, our cultural beliefs, motivational level of satisfaction and income level vary greatly.

These factors were adapted because it relates to the objectives earlier stated in this study with particular reference to the personal or demographic factors. Also, the proxy for some of these factors was modified to suit the objectives of this study.

The variables for cultural factors include subculture and social class. Subculture was measured using criterion like nationalities, religions, geographic region, custom, tradition, and language. Social class was measured using the different class grades i.e. upper, middle and lower class. Social factors will include variables like reference groups while family will include joint or nuclear and who makes the buying decision.

Personal factor was modified to demographic factor which will have variables like age, gender, marital status, income, employment status, health status, educational level, occupation, inflation rate

and savings. Psychological factor was measured using four variables such as motivation, perception, learning and attitudes.

For the purpose of this study also, attitude was measured using cognitive, affective and behavioural intention as variables while consumer buying behaviour was measured by level of involvement i.e. high, middle or low level of involvements.

2.2.4 Types of Buying Decision Behaviour

The buying behaviour exhibited by consumers varies greatly. The more complex the decision to be made is, the more the level of involvement of the buyer. Sproles and Kendall, (1986), defined a consumer decision making style as “a mental orientation characterizing a consumer’s approach to choices”.

According to Kotler and Armstrong, (2005) there are four types of buying behaviour. They are; complex buying behaviour, dissonance buying behaviour, habitual buying behaviour and variety-seeking buying behaviour.

The complex buying decision behaviour is undertaken by consumers when they are highly involved in the purchase of a particular product and when the perceived significant difference is quite much. These products may be expensive, risky, purchased frequently, and highly self-expressive. Complex buying decision involve consumers taking their time to learn about the product category thereby passing through some processes which involve developing beliefs about the product, then attitudes and then making a purchase choice.

Dissonance buying behaviour occurs when consumers have high level of involvement in making purchase of expensive products, but see little differences among the brands. This is usually termed as consumers having a ‘high-low’ involvement decision.

The habitual buying behaviour is usually exhibited when consumers have low involvement in making their purchase decision. There is little significant difference among the brands of products under consideration here. Consumers do not search extensively for information about brands instead, they passively receive information as they watch television adverts or read magazines, signs and postal

Variety seeking buying behaviour is undertaken by consumers which involve low involvement but significant perceived brand differences. Consumers often do a lot of brand switching and this occurs for the sake of variety rather than because of dissatisfaction.

Applebaum, (1951), also identified different buying patterns of consumer during purchase.

The buying patterns of consumers are not permanently fixed. Many factors are operating in combination to change customer buying behaviour patterns. Among these are the automobile, the super market and self-service, the progress in the development and merchandising of frozen foods, prepared flour mixes and other highly perishable raw and prepared foods; and the public's receptive disposition to easier and less time consuming ways of living. Similar, and perhaps, even more pronounced changes are affecting customer buying behaviour patterns of non food commodities. The following are the behavioral patterns exhibited by individuals as espoused by Applebaum, (1951):

Place of Purchase

Items

Time and Frequency of Purchase

Method of Purchase

Response to Sales Promotion Devices

Place of purchase:

Customers shop in more than one outlet. This results in them dividing their purchases among a number of stores. At times, customers do not buy their meats or fresh fruits and vegetables where they buy their groceries, even though all these goods are available in the same store. So, the milkman, the produce huckster, and the hole-in-the-wall are all getting a share of the total business.

Where customers have the choice of purchasing the same goods in a number of stores, their patronage loyalty to any of such stores is by no means permanent. Studies of customer buying behaviour patterns with respect to place of purchase are useful in selecting store locations, in choosing distributors for a product, and in merchandising.

Items Purchased

Every customer's purchase and every store sale consists of a transfer of one or more specific commodities. No one customer purchases all the different items for sale in a store. Over a period of time, a customer will purchase a substantial selection of the total items available in the store, but that selection will vary somewhat with each customer. Therefore, in studying customer buying behaviour patterns it is necessary to ascertain (a) what items and (b) how much of each item customers purchase.

Rarely does a customer purchase a single potato or a single carrot. On the other hand, very seldom does a customer purchase more than one watermelon at a time. The amount of each item purchased depends on many factors, of which the following are probably the most important: number of customers for whom the item is intended; perish ability of the item; purchasing power and ready cash; unit of sale; and price.

The introduction of new products and the change in dietary habits also affect customer's choice of items and the amount purchased.

As previously pointed out, in so far as the customer is the purchasing agent for a family or a number of customers, the purchases reflect the characteristics of all the consumers involved.

From the distributors' manufacturers' and producers' points of view it is essential to study what items and how much of each the customer buys by brand or quality, by size or weight, by price, by type of container, and by season.

Time and frequency of purchase

Store operations must be geared towards together with the customer's time of purchase pattern. Store buyers and merchandise must keep on schedule with it. Merchandise must be available in the store in adequate supply if maximum sales are to be achieved. In studying time of purchase pattern it is necessary to relate this to a season, whether and regional differences. Every retailer knows from experience that his volume of sales is not consistent by days of the week, nor by hours of the day. The variations are very pronounced, especially in the food business.

Attempts by retailers to modify customer time of purchase behaviour patterns, with the view of improving service to customers or raising efficiency of operation, have no means keeping customers waiting impatiently to be checked out in super markets during peak periods in contrast to the customers' time of purchase pattern.

Frequency of purchase depends primarily on the type of commodity involved. Frequency of purchase also varies among customers. The size of the total purchase, the number of items and the quantity of each item bought all vary frequently with customer's visits to outlets.

Method of purchase

Whether a customer buys on a cash and carry or on a charge and delivery basis, whether a customer shops alone or is accompanied by someone else, and whether a customer walks or rides to the store are

some of the elements in method of purchase. Size and frequency of purchase in grocery stores are definitely affected by the mode of travel to the place of purchase.

Couples shopping in super markets buy more per transaction than does a woman or man shopping alone. Many a woman will invite her husband to help her select a purchase; the husband influences the choice and frequently approves the acquisition of a more expensive item.

Response to Sales Promotion Devices

Those who have goods to sell use many devices to induce consumption and to promote purchase. These devices used in stores can be grouped under the following heading:

Displays

Pricing

Demonstration

Sales Talks

Displays: consumer goods are packaged to create eye appeal when put on display. Thus the shape, size label, and packaging material of the product all play their part in sale promotion. The manner in which an item is arranged on a shelf or table, in a display case or window, the space and position given to it, and the type of point of sale promotional material used for reinforcement are also influencing factors.

Pricing: regular and bargain prices, combination deals, coupons, prizes, contests, and unit pricing where the price quoted is for two or more units of an item are all pricing devices to promote sales.

Demonstration. This aims at influencing customer purchases by getting them to test a product or learn about the uses or other merits of the products

Sales talk. It can be expressed orally or in writing, in advertisements or by a sales clerk, the aim of all sales talks needs no explanation.

2.2.5 Location Criteria for Retail Businesses

Scarborough, (2011) identified some factors considered by consumers in terms of location criteria These are:

Trade Area size

Every retail and service business should determine the extent of its trading area, i.e the region from which a business can expect to draw customers over a reasonable time span. The primary variables that influence the scope of their trading area are the type and the size of the business. If a retail store specializes in a particular product line and offers a wide selection and knowledgeable sales people, it may draw customers from great distance. In contrast to convenience store with a general line of merchandise has a small trading area because it is unlikely that customers will drive across a town to purchase items that are available within the blocks of their homes.

Retail compatibility

Shoppers tend to draw to cluster of related businesses. That's one reason shopping malls and outlet shopping centers are popular destination for shoppers and are attractive location for retailers. The concentration of businesses pulls customers from a larger trading area than a single free-standing business does. Retail compatibility describes the benefits of a company receives by locating near other businesses that sell complementary products and services or generate high volume of foot traffic. Clever business owners choose their business with an eye on the surrounding mix of businesses.

Degree of competition

The size, location and activity of competitors businesses also influence the size of trading area. If business will be the first of its kind in a location, its trading area might be quite extensive. However, if the area already has eight or ten nearby stores that directly compete with a business, its trading area might be very small because the market is saturated with competitors. Market saturation is a problem for businesses in many industries, ranging from fast food restaurants to convenience stores.

Transportation Network

The transportation networks are the highways, roads, and public service routes that presently exist or are being planned. If customers find it inconvenient to get to a location, the stores trading area is reduced. Entrepreneurs should verify and be sure that the transportation system works smoothly and is free of barriers that might prevent customers from reaching their shopping destinations.

Physical and Psychological Barriers

Trading area shape and also are size influenced by physical and psychological barriers that may exist. Physical barriers may be parks, rivers lakes or any natural or manmade obstruction that hinders customer's access to the area.

Customer Traffic

Perhaps the most important screening criterion for potential retail (and often for a service) location is the number of potential customers passing by the site during business hours. To be successful, the business must be able to generate sufficient sales to surpass break-even point, and that requires an ample volume of customer traffic going past its doors. The key success factor for many retail stores is high volume location with easy accessibility.

Adequate parking

If customers cannot find convenient and safe parking, they are not likely to stop in the area. Many down areas have lost customers because of inadequate parking space.

Reputation

Like people, a site can have a bad reputation. In some cases the reputation of previous business lowers the value of the location. Sites where businesses have failed repeatedly, create negative impressions in customer's minds: many people view the business as just another one that will soon be gone.

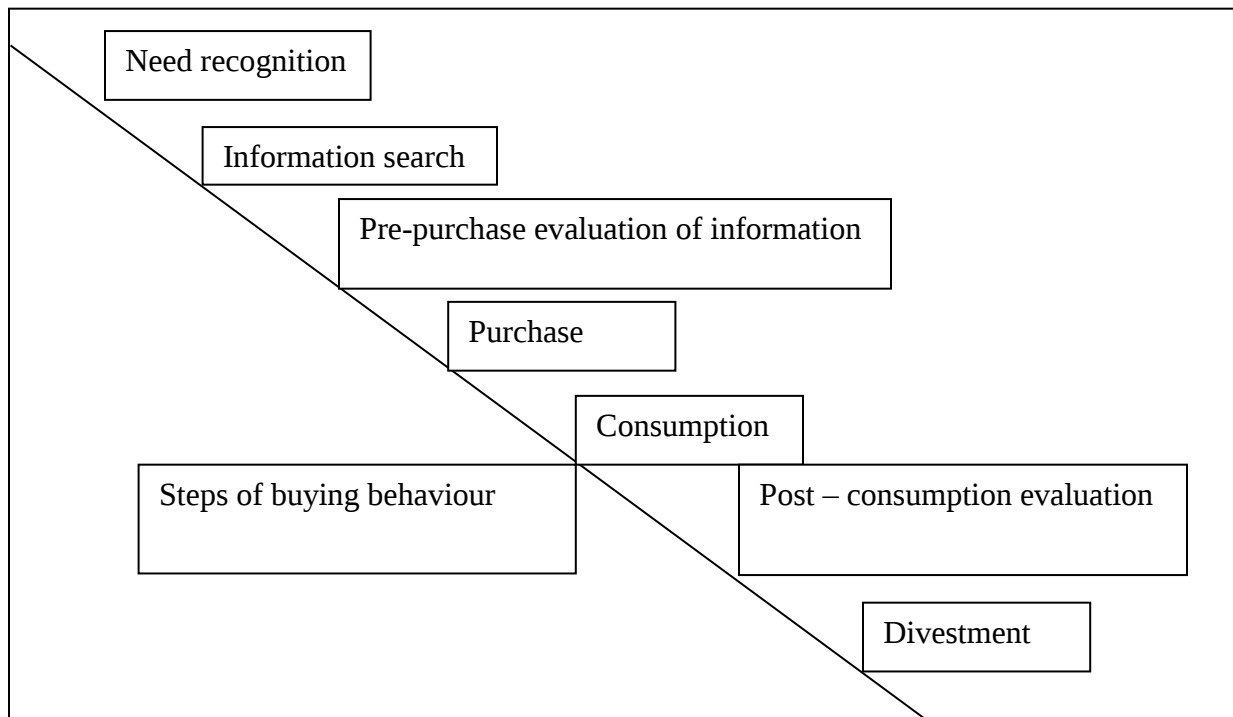
Visibility

Highly visible location simply makes it easy for customers to find a business and make purchases. A site that lacks visibility puts a company at a major disadvantage before it ever opens its doors for business.

2.2.6 Consumer Decision Making Process

Blackwell *et al.* (2001) found in his study that consumer buying decision starts with a need recognition and ends up with divestment process. These paths of purchase behavior enable marketers to interpret the buyer in one of these steps and change his decision. The diagram below shows ways in which consumers pass through before and after buying a good or a service.

Figure 2.2: Schematic model of consumer decision process



Source: Blackwell, Miniard and Engel Consumer Behaviour, (2001)

Need recognition: Armstrong *et. al* (2007) in their study discussed that the first stage is the need of consumer towards a product. These needs can emerge from the individual cause like physical necessities or from the environment of the person like society. Tyagi, (2004) describes need recognition at various levels to often occur during the process of encountering with the product at various circumstances. (Tyagi, 2004) convincingly argues that an individual might not be aware of the need for a specific product until he or she encounters the product as a result of window-shopping or advertisement. Blackwell *et al.* (2001) in their study found that manufacturers and market actors should continuously trace the consumers' problems and needs of the consumers. Otherwise even big companies can make the mistake of introducing wrong products to the market, where almost no demand is raised.

Information Search

Solomon (2006); Armstrong *et al.* (2007) in their studies accorded that after the recognition of a need the consumer starts to seek for information in the external area. Also, there can be information in a person's mind and additionally a person can be so close to the targeted object. So, in this case consumer probably buys this product instead of searching. Colleagues, peers, friends and family members are highlighted as important sources of information (Kahle and Close 2006). Though, the extent of these influences depends on some factors such as the nature and level of relationships, level of personal influence, extent of opinion leadership associated with specific people amongst others. On the other side, some consumers like to go shopping and spend time for inquiring. In many cases, the search takes a short time while consumers' actions depend on their memories such as remembering a brand or a price or they just repeat their old purchases.

Pre-purchase evaluation of alternative

Blackwell *et al.* (2001); Armstrong *et al.* (2007) in their studies found that consumer spends much of the time to choose in-between alternatives. Some product groups have hundreds of different brands like spice and on the other hand, some brands have different sorts like edible oils. Before purchasing, the consumer will ask himself about his alternatives and try to select the best. Mostly, consumers use the stored evaluation like price, brand or service in their memory; and choose from them. Moreover, consumers continuously evaluate the shopping mall and choose between different offers that fit best their needs. According to (Ha, Janda. and Muthaly 2010), the process of evaluation of alternatives can sometimes be difficult, time consuming and full of pressure for consumers. This is as a result of the difficulty in finding an ideal product that best satisfy the need of the consumer because of certain factors hindering the consumer buying decision process. Consumers are mostly sensitive to price, size, and quality changes of the preferred brands. If a price raise occurs in their preferred brand, they

will evaluate the appropriateness if it is proper or not. If the perceived change is inconvenient, the purchase probability of the product will decrease. Marketers should survey properly and cautiously how consumers evaluate the alternatives in the market.

Purchase

Blackwell *et al.* (2001); Armstrong *et al.* (2007) found in their studies that after evaluating the different products, a person came with a decision of purchasing. But this purchase step, sometimes do not end with the decided product. Kacen, (2002) classified purchase into three different types: planned purchase, partially purchase and impulse purchase. This is supported by Hoyer and Macinnis (2008) stating that there are a number of factors that can affect the purchasing process like availability of desired product. Another factor is the unexpected changes during the purchase. For example, decrease in the price of a particular product for a specific time in order to change the decision of the consumer.

Consumption

Blackwell *et al.* (2001) found in his study that following the purchase step, purchase and then consumption of the product takes place. It is important to find out how consumers use the products as this will determine the satisfaction of the consumer that affects the pre-purchasing activities. Moreover, how the product is used is an indicator of a lasting endurance.

Post-consumption evaluation

Solomon (2006) in his study found out that as people begin to coalesce their purchased products to their habits, post-purchase evaluation starts. Thus, this stage reflects the consumer's experience of purchasing a product or service. In view of this, Ofir (2005) mentioned that consumer decision

making process is a repetitive action and that a good experience is vital in reducing the uncertainty when the decision to purchase the same product or service is considered the next time.

Divestment

Blackwell *et al.* (2001) accorded that divestment is the last stage in the consumer decision process. Consumer can dispose, recycle or sell the product after use. Depending on the environmental concern of the consumers, they can decide on whether to dispose or recycle the packaging of the consumed good. Moreover, a person can again market the used product to other consumers like second hand cars.

2.2.7 Retailing

Retailing can be described as an interface between the producer and individual consumer buying for personal consumption which does not include direct interface. The retail industry is a unit of the economy that consists of individuals and firms dealing with the sale of final products to terminal users or consumers (Farfan, 2011). Reynolds (2007) defined a retail format as a physical representation in the form of firm's activities which relates to the business model developed by the retailers and their business strategies. Retailing is therefore the last step in the process of distribution (Barman and Evans, 2010) and thus, retail industry is divided into informal and formal retail outlets (Gupta, 2012).

2.2.8 Formal retail outlet

Formal retail outlets consist of all retail businesses that are registered and pay taxes. These are large retailers that anchor shopping malls and present competitive pressures on small retailers in townships. According to Tata (2007), formal retail stores have been defined as stores characterized by large professionally managed format stores providing goods and services that appeal to

customers, in an ambience that is favorable for shopping and agreeable to customers. Thus, retailing is inter-linking the individual consumer with the manufacturing and the distribution chain (Panchanatham and Gnanaguru, 2008)

2.2.9 Informal Retail Outlets

The informal retail outlets in urban settings may be regarded as ‘socially responsible distribution centers’ with the initiatives that provides consumers with accessibility of market for commodities that they can benefit from either buying or selling. Therefore, neutralizing the disadvantages they suffer due to inadequate physical links with large retail outlets, information asymmetries and weak bargaining power (Vachani and Smith, 2008)

2.3 Theoretical Review

The decision making process of consumers have long been of interest to researchers. There are various theories and models of consumer buying-behaviour dealing with how decisions are being made. These models are drawn from different fields of study.

2.3.1 Economic Model

The early approach to studying consumer buying behaviour was from the economic perspective. The economist were the first to dominate model building in the area of buying behaviour. In this model, consumer buying behaviour was viewed as a single act of purchase and post-purchase reactions. This model is based on “utility” theory viewing consumers as ‘rational economic man’ Zinkhan (1992). Thus, the individual buyer seeks to spend his income on those goods that will deliver the most utility (satisfaction). The antecedents of this view can be traced back to (Smith 1776). The economic man model is based on:

Price effect which means the lesser the price of the product, the more the quantity purchased. The substitution effect which states that the lesser the price of the product, the lesser the utility of the original product bought and income effect when more is earned, or more money is available, then, the more the quantity purchased.

2.3.2 Psychological Model

The psychological model on the other hand discusses the motivational variables that have effects on the consumer buying decision making. This was based on Abraham Maslow’s hierarchy of needs in which it was believed that the purchasing process and behaviour is governed by motivational forces.

Figure 2.3

Abraham Maslow’s Hierarchy of Needs



Source: Durmaz, (2014).

The motivational variables identified in this model is believed to stimulate people into action in which when a need arises and it is being satisfied, human beings long for another upper or pressing need.

2.3.3 The Pavlovian Model

The Pavlovian model, was named after the Russian Physiologist, Ivan Pavlov, involves a learning process which consists of some variables such as drives which involve stimuli like pain and cold. The model also involves reinforcement which is as a result of satisfaction derived from using a particular product.

Thus the models discussed above were criticized by the behavioral scientists as not being complete as it assumes the homogeneity of the market, concentrates on only product and price, it did not put into consideration the process involved in making decision. It also ignores other aspects of attitudes, socio-cultural factors, demographic factors and psychological factors. The theory also underscores the importance of internal mental process in consumer decision making.

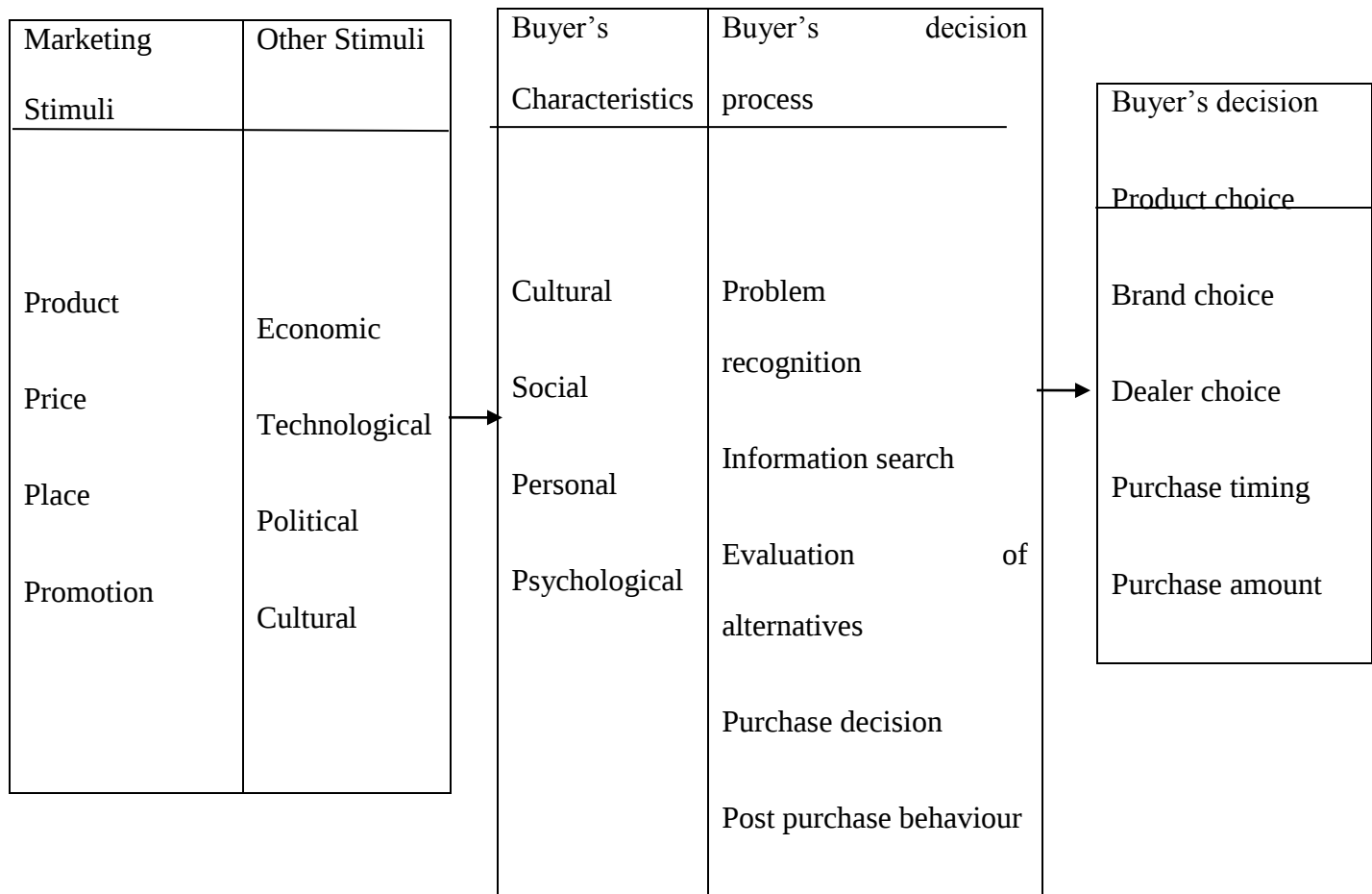
The theory explains how individuals or people respond to information, the ways in which different types of behaviour are exhibited and how information is learned. This is the cognitive learning theory

which examines the ways in which people respond to information and the ways in which different types of behaviour are grouped or separated. Thus for cognitive theorists, learning represents a change in the content, organization, behaviour and storage of information. The cognitive approach therefore suggests that learning is controlled by the learner. The learners here (consumers) decide on what is important to learn and develop strategies on how to go about the learning process. Thus, for the purpose of this study, the Pavlovian theory submitted by the cognitive theorists was adapted. This Pavlovian theory insists that consumers respond to stimuli without any measure of control over their behaviour and this is in line with the motive of the study which looks at how some psychological variables have influenced the buying behaviour of consumers.

2.3.4 The Behavioural Model

The behavioural model emphasizes the role of both internal and external factors which affects the behaviour of consumers. Thus, the behaviourists approach the consumer, as a 'black box'. The black box model is in three stages. These stages are in terms of stimuli, which serve as input, the decision making process and the buyer's response which serves as the output. The buyers' black box contains the buyer characteristics and the decision process, which determines the buyer's response. The black box model considers the buyers response as a result of a conscious, rational decision process, in which it is assumed that the buyer has recognized the problem

Figure 2.4

The Buyer's Black Box

Source: Kotler, P., Gary A., (2005) Elements of Marketing page 135

The black box model can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people). Mittal (2008), compared consumer's mind to a black box and this black box model's focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer.

The first part of this model shows how consumers will begin by identifying the marketing stimuli which would be Product, Place, Price and Promotion. Other stimuli that the consumer may take into account during this process are PEST factors. This information is then put into the Buyer's Black

Box, which is where the consumer's personal characteristics was taken into account in order to begin the Buyer Decision Process. The characteristics that can have effect on the behaviour of the buyer are:

Cultural - Such as specific cultures and religions

Social - Such as family and reference groups

Personal – Including age and lifecycle stage, economic circumstances and lifestyle

Psychological – Beliefs, perception, attitudes and motivation

From the information that has been processed in the buyer's black box, they will then be able to provide a response as to which specific product/brand they wish to purchase and assess other factors such as pricing and if the timing for the purchase is right.

Therefore, for the purpose of this study, the general framework for studying consumer buying behaviour as submitted by the behavioural scientists was adapted and this theory serves as the leading theory for studying the differing behaviour of consumers. This is because the buyer's black box is the vital point that companies and other actors in the market have discovered in analyzing and understanding consumer buying behaviour Armstrong *et.al*, (2007). It also has similar assumptions; which are very relevant to the study. The model comprises of two sub components; the buyer's characteristics and the buyer decision process. These buyer's characteristics are the factors which influence the way consumers behave while the buyer decision process are the steps taken by the consumers when deciding on their purchase intentions. The black box model describes how consumers get input from marketing efforts of the firms through the 4ps and other stimuli. These inputs are being processed in the mind (black box), which are the characteristics of the consumers or buyers and the decision making process. The output is the response given by the consumers in terms

of product choice, brand, dealer choices, purchase timing and purchase amount. This is synonymous with the researcher's conceptualization for this research work, where buyer's characteristics can be liken to factors influencing consumer buying behaviour such as cultural factors, social factors, demographic factors and psychological factors. These characteristics affect the buying decision process which in turn results in the buyer exhibiting some behavior in terms of choices being made.

2.4 Empirical Review

The study conducted by Rajesh (2012), focused on retail customers and measuring their level of satisfaction in the chosen retail stores in the city of Ahmedabad. Primary data was collected through a structured questionnaire. Respondents were randomly selected to fill the open and close ended questionnaire. The parameters used to measure the factors that could contribute to consumer's level of satisfaction were convenient location, adequate parking space, good ambience, quality, price, layout and availability of varieties. Three stores were chosen for the purpose of the study and they are lifestyle, Pantaloons and Westside. The study concluded that visiting retail outlet has become a group activity. Consumers are basically influenced by advertisement, friends and colleagues and that only 80 of the respondents out of 150 came for shopping inside the store. The rest came for meeting friends; hang out, rest and getting refreshed. It was also discovered that Westside and Pantaloons were more visited by consumers whose income level was less than Rs. 10,000 and it is evident that these outlets were made for higher class consumers and visited more by them.

Rajagopal (2010) in his study of coexistence and conflicts between shopping malls and street markets in growing cities carried out an analysis of shoppers' behaviour. This examined how consumers' decision-making styles shift towards shopping at malls as well as street markets in Mexico City. The study on the basis of exploratory data and with the use of theoretical model of consumer decision-making styles, addressed the causes and effects of coexistence of shopping malls

and street markets. The study revealed that there are various economic and market place ambience-related factors that affect the consumer decision towards shopping. It therefore concluded with specific suggestions for reducing conflicts and increasing cohesiveness with regard to shopping behaviour between malls and street markets, and advancing strategic retailing strategies to establish the coexistence of contemporary and conventional market systems.

A comparative study on place of purchase in selected consumer products in Indian urban and rural market by Sampath, Kumar, and Ravikanthi (2012) identified great changes that have occurred in the field of marketing. In his study, a simple non-probabilistic convenience sampling method was adopted to know the behaviour exhibited by consumers. The sample size for the study included 400 respondents (200 customers from Hyderabad which is urban market and 200 rural customers from Telangana region). The study reveals that due to rural-urban migration in India, majority of the consumers are now-a-days a highly enlightened lot. This accounted for the larger number of consumers patronizing the urban market as compared to the rural market. The researcher therefore recommended that marketers must make efforts to supply quality goods at reasonable prices and maintain good relations with their retailers because the retailer is a major influencing person at the point of purchase.

Oghojafor and Nwagwu (2013) carried out a research on Choice of Shopping Outlets for Grocery Products and Socio Economic Profile of Female Consumers in Lagos Nigeria. The study employed a descriptive and cross-sectional research design. Female residents of Lagos State Nigeria constituted the respondents. These females by culture shop for their families especially for groceries. The instrument for data collection was questionnaire distributed to 275 respondents based on convenience sampling technique. Two hundred and twenty (220) were successfully completed and returned. Pearson moment correlation coefficient and the chi square were used to test the hypotheses.

The results obtained were statistically insignificant with all the null hypotheses. The study concluded that the choice of retail outlet for groceries by Nigerian women is not influenced by their socioeconomic variables such as income, level of education, type of employment marital status and family size.

According to Zai and Al-Ghaswyneh (2013) in their study on Impact of Shopping Experiences on Consumer Loyalty argued out that irrespective of the type of retail outlet (Formal or Unorganized), shopping experiences play an important determinant factor for consumer's loyalty. The study adopted a Structural Equation Modeling Technique which was applied on a sample of 706 consumers based on convenience sampling method to know the impact of various factors of shopping experiences taking place in consumer's loyalty. The study is cross-sectional because data was collected only once. The results indicated that every factor of shopping experience considered for the study has positive impact on consumer loyalty. Execution Related Excellence (which means patiently explaining and advice, checking stock, helping to find out products, having product knowledge and providing unexpected product quality) has the least impact with CR value of 2.18 whereas Problem Recovery which means helping to resolve and compensate for problems upgrading quality and ensuring complete shopper satisfaction) has the highest impact on consumer loyalty with CR value of 3.14.

In a study conducted John (2016) on the influence of cultural factors on purchase of pork in Nigeria. The study focus was informal retail outlets, the study examined to see how cultural factors affect the purchase of pork in Nigeria. Data for the study are obtained through structured questionnaire administered by the Researcher. A total of 82 questionnaires are administered. Tools used for statistical analysis Multiple Regression Analysis and Relative Important Index (RII). Findings reveal

that cultural variables exert significant influence on consumer behaviour. The study then recommends that cultural factors should not be taken for granted.

In another study carried out in Turkey by Durmaz, Celik, and Oruc (2011). This study investigated how cultural factors affect consumer behaviors in Turkey with the participation of 1286 people in the provinces. The obtained data are interpreted quantitatively. The results obtained showed that cultural factors particularly belief among others were major cultural factors influencing consumers from patronizing formal retail outlets.

In the study conducted by Al-Azzam (2014), he examined the impact of social factors on consumer buying behaviour in the purchasing home products in Jordan. The objective of this study investigated the effect of social factors on consumer buying behaviour in Jordan and the focus was on the household purchases in both formal retail and informal retail outlets. Also, questionnaires were distributed and self-administered to 400 respondents. Descriptive analysis, factors analysis, correlation test, and regression analysis were used for data analysis for this study. The study results demonstrated that there is a positive and significant relationship between reference group, role in family as influencing consumer buying behaviour.

An empirical study conducted in Denmark by Martensen and Gronholdt (2008), the article examined a child's role and their need on the family decision making process when purchasing in 14 different product categories. Based on the survey, findings indicated that children exercise quite strong influence on the family decision making processes, particularly for products relevant to them (like cereal, juice, soft drinks, and mobile phones). The study reveals that child's need influenced the timing and the retail outlets where the family shops. But gender does not contribute significantly to decision making. Thus, the study recommended that marketers should explicitly acknowledge children's role in the family decision making process.

In a study conducted by Kumar (2013) on the influence of children on the processes of family purchase decision, it showed that it depends on a number of parameters and situations. Children exercise various methods to influence their parents' decision of buying. This influence varies from one product to another. It depends on the education of the parents, their profession, income, whether the parent is single and working, or both parents work and also the family type, types of product (high, low, and child centric product) among others. Descriptive statistics are used to summarize variables in terms of central tendency and measures of dispersion. Reliability test were done using Cronbach's alpha. Pearson's product correlation, one-way ANOVA, Two-way ANOVA were used in analyzing the data. Regression is used to prove the causality between independent variables on dependent variable. The children's influence is at maximum for in high and low involvement products and where the products are being bought.

Gupta (2012) considered the social factors in his investigation on the changing consumer preferences from informal retailing towards formal retailing. Primary data was collected from 150 respondents (75 consumers shopping from formal retail outlets and 75 shopping from informal retail outlets. The 150 respondents were selected by convenience sampling technique. Consumers shopping at formal retail outlets and informal retail outlets were interviewed to collect the primary data. The data collected through survey and interview was analyzed and presented in master table and required sub tables were prepared. The result showed that the social factors influencing consumer buying behaviour investigated by the researcher all had more influence on consumers of formal retail outlets than in informal retail outlets.

2.5 Summary of Literature Reviewed and Gaps Identified in the Literatures.

The study reviewed related literatures such as Kotler (2006) and Tomasz and Kendal (2001), and focused on key concepts of consumer buying behavior such as definition, factors influencing

consumer behavior, types of buying decision behavior, location criteria for retail outlet, consumer decision making process, other areas include retailing, types of retailing and general framework for studying factors influencing consumer buying behavior.

From the reviewed literature, it was observed that consumer behavior is relevant to any retail outlet in this turbulent business environment but retailers are still not putting the factors that could influence consumer buying behavior of their consumers into much consideration as it has great effect on their buying patterns. In addition, the available studies in the field are mainly foreign and very few were conducted by African authors, thereby based mainly in their prevailing business environment. There is, therefore, a rear complete absence of empirical studies in the field which focus on developing economies like Nigeria, especially juxtaposing in informal and formal retail outlets.

Although literature in consumer behavior is vast, there is little research on the comparative of factors influencing consumer buying behavior in informal and formal retail outlets such as Al-Azzam (2014) Sampath, Kumar, and Ravikanthi (2012) and Rajagopal (2010); it is this gap that the study explored the effect of each factor in the buying behavior of consumers through which they decide on the retail outlet to patronise.

Furthermore, the author's model exposed the reality of how different factors could influence the consumer buying behavior of customers in both informal and formal retail outlet in developing economy such as Nigeria.

It was observed that most of the theories in consumer behavior were developed in developed countries such as Economic model and the Pavlovian model. The study developed model in accordance with developing economies business environment especially in consumer goods sector in

south-west, Nigeria. Most previous studies, especially in Nigeria, focused on a factor or two, while this study considered the four factors influencing consumer buying behavior.

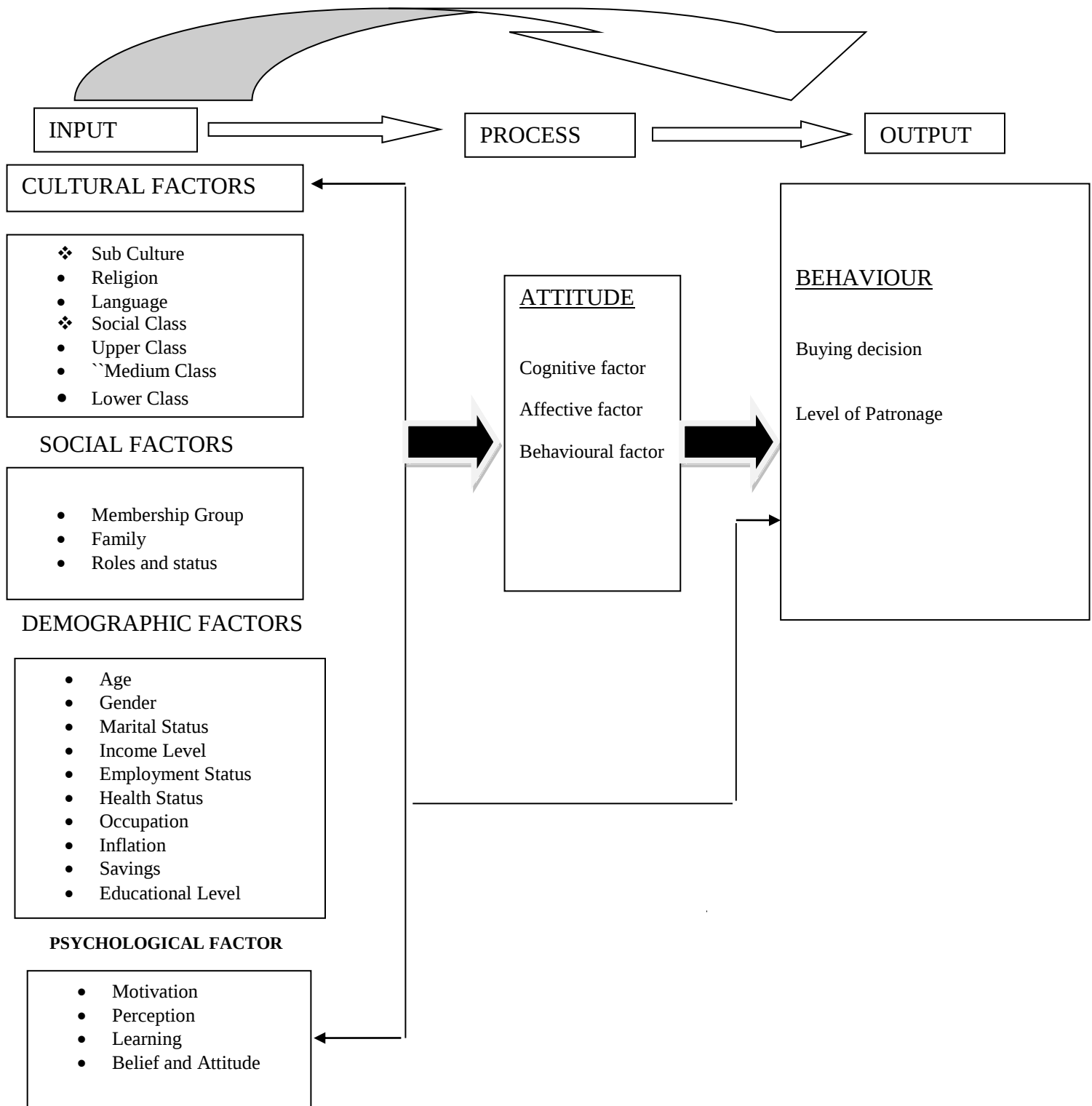
In addition, most of the studies conducted made use of ANOVA, SEM, and Pearson while very few, including this study employed regression analysis (Ordered logistic regression model).

This study, therefore bridged the gaps based on the existing works of scholars such as Al-Azzam (2014), Sampath, Kumar, and Ravikanthi (2012), Rajagopal (2010), by conducting research on comparative analysis of factors influencing consumer behavior (measured by cultural factors, social factors, demographic factors and psychological factors) and retail outlets (informal and formal) in South-West Nigeria. In other words, the study inquired into whether the same situation that holds in India, Jordan, Mexico and other countries with respect to the comparative analysis of factors influencing consumer behavior in informal and formal retail outlet also holds in South-West, Nigeria.

2.6 Research Framework

The framework in this study focused on factors influencing consumer buying behaviour as independent variable and behaviour as dependent variable. This is informed by the broad objective of the study which is; to make comparative analysis of factors affecting consumer buying behaviour in both informal and formal retail outlet. Therefore, the model of the study is presented below:

The Study Frame Work



Source- Author's Conceptualization, 2015

The study's framework was developed based on Kotler, (2005), factors influencing consumer buying behaviour but modified by the author to suit Nigerian environment. This is because some of the factors identified by Kotler are not applicable in the Nigerian situation. Cultural factors, social factors, demographic factors and psychological factors will be influenced by attitude which can be in form of affective, cognitive and behavioural intention. All the three components are relevant, but might vary in their degree of importance. The affective component relates to the feelings or emotional reactions to an object. The cognitive component is related to the consumer's belief about the product, while behavioural intention is the tendency to respond in a certain manner towards the object. All these components will, in turn, lead to behaviour based the buying decision made by customers and their level of patronage. The amount of involvement assigned to an attitude has a critical influence on how consumers behave. Thus, whether an individual's attitude affects his or her behaviour or not depends on their buying decision and level of patronage (MacInnis, 2001)

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter describes the methodology which discusses the methods that were employed for the research work. It deals mainly with the objectives and procedures of carrying out the study. This chapter explains the research procedure to be used in gathering and analyzing data which include research design, statement of hypotheses, sampling and sample frame, methods of data collection, instrument of data collection and methods of data analysis.

Also, a pilot study was conducted in order to authenticate the tools to be used for data gathering. This helped in filtering the questions in the questionnaire in order to make the questionnaire response-friendly and be able to achieve the study objectives

3.2 Research Design

The study made a comparative analysis of factors influencing consumer buying behaviour between formal and informal retail outlets. The survey method was employed for the purpose of this research work. This is supported by Ravindran, Sundar, and Kumar (2009), Talreja and Jain (2013). According to Ijaya (2000), survey research is a study which involves an investigation of the entire population of people or items by collecting data from samples drawn from population and assuming that these samples are true representatives of the entire population. The fundamental idea of the survey approach to be applied is to confront (actual) consumers with questions in the context of real buying behaviour and within a real buying environment, Bloch, Ridgway, and Dawson (1994). Thus, this approach enabled us to collect data on the various factors influencing consumer buying

behaviour that were proposed to have strong effects on the buying behaviour. Thus, questionnaire option was adopted to collect the primary data and this is supported by Ravikanthi (2012).

3.3 Re-Statement of Hypotheses

H₀₁- effect of Cultural factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria;

H₀₂- effect of social factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.

H₀₃- effect of demographic factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria; and

H₀₄- Impact of Psychological factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria

3.4 Population of the Study

The population of the study was the entire customers of both formal and informal retail outlets in South-western Nigeria. South-western Nigeria was selected because it is the heart of most commercial activities of the country (Nwagwu & Oni, 2015). The states are Oyo, Osun, Lagos, Ogun, Ondo and Ekiti states. For the purpose of this study, two states were selected in carrying out the survey- Oyo and Lagos, and to be specific, Ibadan and Ikeja were selected for the study. The choice of Ikeja and Ibadan is subjected to the study of Abegunde (2011) who found that these places have become business district centres in South-western Nigeria to serve its immediate regions and economically contribute to the development of communities. Due to many industries located within

these regions, the communities were served with both formal and informal commercial activities that operate both day and night.

The list of the current leading players in retail outlets includes names as Shoprite, Justrite, SPAR, PEP and Gamestore, whereas Shoprite was chosen for the study based on the fact that its outlets were strategically located in choice areas in cities in Nigeria (Ibrahim, 2015). However, Shoprite in Ikeja and Ibadan were selected for formal retail outlets while Alade market (Ikeja) and Bodija market (Ibadan) were chosen as informal outlets, since these markets are in close proximity to these outlets. The exact number of customers that patronise these outlets and markets per day is unknown. Therefore, a five day visitation to Shoprite Ikeja and Ibadan was made to have a specific figure for the study. Presented below is the average number of customers that patronise Shoprite per day in the selected areas.

Table 3.1: Average Number of Customers that Patronise Shoprite per Day

S/N	Days	Customer Patronage per day (Shoprite Ikeja)	Customer Patronage per day (Shoprite Ibadan)	Grand Total
1.	DAY 1	4,581	3566	8147
2.	DAY 2	5032	4017	9049
3.	DAY 3	4322	3811	8133
4.	DAY 4	4412	3273	7685
5	DAY 5	5648	5006	10654
	Average No. per day	4799	3935	8734

(Source: Field Survey, 2016)

In an attempt to have accurate figure for the informal sector, the total number of customers used for the formal outlets were also used for the informal outlets and this is in line with the study conducted by Sampath, Kumar, and Ravikanthi (2012) and Gupta (2012). Hence, the total number of customers that was used for this study is seventeen thousand four hundred and seventy two (17,468) i.e. (8734 X 2). All these were done to ensure accurate report of responses to the questionnaire and this minimize misrepresentation of the respondents.

3.5 Sampling Frame, Sample Size and Sampling Techniques

Based on the scope of the study, only customers of Shoprite (Ikeja), Shoprite (Ibadan) and customers of close markets to these outlets i.e. Alade market and Bodija market were used for this study. In choosing the sampling size and securing representative responses, the sample size determination formula, according to Godden (2004), for indefinite population (where the population is less than 50,000) was adopted.

Sample Size - Infinite Population (where the population is greater than 50,000)

$$SS = \frac{Z^2 \times (p) \times (1 - p)}{C^2}$$

SS = Sample Size

Z = Z-value (1.96 for a 95 percent confidence level)

P = Percentage of population picking a choice, expressed as decimal (0.5)

C = Confidence interval, expressed as decimal (.04 = +/- 4 percentage points)

$$SS = \frac{3.8416 \times .5 \times .5}{0.0016}$$

SS = 600

$$\text{New SS} = \frac{SS}{[1 + (SS - 1)]}$$

Note: Calculate the sample size using the infinite population formula first. Then, use the sample size derived from that calculation to calculate a sample size for a finite population.

Example:

$$\text{New SS} = \frac{600}{\frac{[1 + (600 - 1)]}{17,472}}$$

$$\text{New SS} = 580.111$$

$$\text{New SS} \approx 580$$

This study employed stratified sampling methods to select the individual member of the sample, because it involves dividing the entire population (which are customers of formal and informal retail outlets in Southwest Nigeria) into subgroup (Lagos and Oyo State), thereafter, state capital was chosen based on the location of Shoprite in the area. The informal retail outlets were chosen based on proximity to the selected Shoprite in these areas (Ibadan and Ikeja). For each outlet and market, the sub-sample size was determined as (sub-population size/total population) x required sample size. that is $n_h = (N_h/N \times \text{RSS})$ where n_h is the sample size for stratum h , N_h is the population size for stratum, N is total population size, RSS is total sample size (Anthony, 2003).

Table 3.2: Sampling Size Determination

S/N	Targeted Companies	Customers of Formal Outlet	Customers of Informal Outlet
1.	Ikeja	319	319
2.	Ibadan	261	261
	Total	580	580

(Source: Author's Computation, 2016)

3.6 Method of Data Collection

Primary data was used for this study and were collected through questionnaire. Primary data was employed to ensure active participation of respondents involved and get accurate information needed. For the purpose of this study, the questionnaire method of collecting primary data was employed. The likert scale of 1-5 (strongly agree, agree, disagree, strongly disagree and neutral) was used and this is in tandem with the study conducted by Faldu, (2012). The questionnaires were distributed to customers of the selected formal and informal retail outlets using purposive sampling method. The questionnaires were administered using both personal contact and research assistants who are based in the selected states. This is informed by the large number of customers involved in the study.

3.7 Instrument of Data Collection

The questionnaire was designed based on the literature regarding the identified factors influencing consumer buying behaviour according to Kotler and Armstrong, (2005) and was adapted and modified by the researcher to suit the Nigerian environment. The questions were piloted by at least two professors, two senior lecturers (all in management sciences) and twenty-five (25) customers

each patronizing the both formal and informal retail outlets. This was done to ensure that the required questions asked were in accordance with the stated objectives and also to avoid ambiguities in the questions as well as validate the instrument to be used.

3.8 Reliability of Instrument

Cronbach's alpha is known as a measure of internal consistency and a measure of scale reliability. It measures how closely related a set of items are as a group. Cronbach's alpha generally increases as the inter correlations among test items increase, and is thus known as an internal consistency estimate of reliability of test scores. Cronbach's alpha is widely believed to indirectly indicate the degree to which a set of items measures a single one-dimensional latent construct.

3.3 Case Processing Summary

		N	%
Cases	Valid	477	97.5
	Excluded ^a	12	2.5
	Total	489	100.0

a. Listwise deletion based on all variables in the procedure.

The Cronbach's Alpha test conducted for the set of variables in this research work shows that 477 valid cases are retained out of the total cases of 489 while 12 cases are excluded. This shows that 97.5% of the cases are valid and are used in the computation of the Cronbach's Alpha.

3.4 Reliability Statistics

Cronbach's Alpha	N of Items
.841	50

The calculated Cronbach's Alpha shows a value of 0.841 for 50 items. This indicates the reliability test score for this instrument and falls in the good range of internal consistency according to a

commonly accepted rule for describing internal consistency which is in accordance with the works of George & Mallery (2003), Kline (2000), and DeVellis, (2012).

3.9 Method of Data Analysis

Two types of analysis were carried out on the intended data collected. This was in line with the objectives of the study. The study employed percentages, frequency counts and cross tabulations in the descriptive analysis of the data collected. The study also employed inferential statistics such as regression analysis and t-test of mean difference to achieve the study objectives and hypotheses formulated.

3.10 Testing of Hypotheses

Objective 1: To examine the differences in the effect of cultural factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria.;

In order to achieve this objective, the following hypotheses were tested:

Hypothesis- H_{01} effect of Cultural factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria;

Method

The Ordered Logistic regression model was employed to test if cultural factors have significant effect on consumer buying behaviour in formal and informal retail outlets. The choice of method was influenced by the fact that the dependent variable is an ordered discrete choice variable in a Likert scale ranging from Strongly Disagree to Strongly Agree. The predicted probabilities of both retail outlets were then obtained and a t-test of mean difference was conducted to compare if there is significant difference as to how cultural factors influence these two retail outlets and which of them

is best predicted by cultural factors. T-test was chosen as the appropriate technique for the comparison between the two outlets because the predicted probabilities are continuous and the comparison is based on two groups.

Decision rule:

Accept H_0 : if $p \leq \alpha$. Where p is the probability value that the test statistic is greater than the critical value and this will show statistical significance of the test statistic. α is the level of significance. For the purpose of this study, the level of significance is 5%.

Model specification:

$$\Pr(CB) = f(CF) \dots\dots\dots 1$$

Where:

$\Pr(CB)$ = probability of buying in a retail outlet

CF= Cultural Factors which include tradition, religion, beliefs, language, and norms and values.

Therefore, equation 1 can be re-specified in a structural form as;

$$\Pr(CB) = \beta_0 + \beta_1 TRA_i + \beta_2 REL_i + \beta_3 BEL_i + \beta_4 LANG_i + \beta_5 NV_i + \mu_i \dots\dots\dots (2)$$

Where:

TRA = Tradition

REL = Religion

BEL = Belief

LANG = Language

NV = Norms and Values

μ = Stochastic Error Term

β_0 is the Constant term

$\beta_1 - \beta_5$ are the coefficient of each of the factors

Explanation of Model

The consumer buying behaviour could be measured by cultural factor in terms of subculture and social class. Subculture includes religion and language while social class includes consumer's level of income which is divided into upper income earners, middle and low income earners. All these are considered significant as it helps retail outlets to know which appropriate marketing strategies to employ for those who have the same cultural heritage. Thus, for an organization or producer to be a market leader, products must be designed according to the country's culture rather than to his own culture. Also, a consumer's racial heritage can exert influence on media usage and various other aspects of the purchase decision process. Thus, cultural factors are essential in measuring consumer buying behaviour and this is supported by Kacen and Lee, (2002), Kotler *et al*, (2006)

Objective 2:

To determine the different effects of social factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria.

In order to achieve this objective, the following hypothesis must be verified:

Hypotheses – H_{02} - effect of social factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.

Method

The Ordered Logistic regression model was employed to test if social factors have significant effect on consumer buying behaviour in formal and informal retail outlets. The choice of method is influenced by the fact that the dependent variable is an ordered discrete choice variable in a Likert scale ranging from Strongly Disagree to Strongly Agree, just as it is in objective 1 above. The predicted probabilities of both retail outlets were also obtained and a t-test of mean difference was conducted to compare if there is significant difference as to how social factors influence these two retail outlets and which of them is best predicted by social factors. T-test was chosen as the appropriate technique for the comparison between the two outlets because the predicted probabilities are continuous and the comparison is based on two groups.

Decision:

Accept H_0 : if $p \leq \alpha$. Where p is the probability value that the test statistic is greater than the critical value and this will show statistical significance of the test statistic. α is the level of significance. For the purpose of this study, the level of significance is 5%.

Model specification

$$\Pr(CB) = f(SF) \dots\dots\dots 3$$

Where:

$\Pr(CB)$ = probability of buying in a retail outlet

SF= Social Factors which include social groups, joint decision taking, family purchase, role in the family, position held in a social group, and children needs.

Therefore, equation 3 can be respecified in a structural form as;

$$\Pr(CB) = \beta_0 + \beta_1 SG_i + \beta_2 JD_i + \beta_3 FP_i + \beta_4 ROL_i + \beta_5 POS_i + \beta_6 CN_i + \mu_i \dots\dots\dots (4)$$

Where:

SG = Social Groups

JD = Joint Decision Taking

FP = Family Purchase

ROL = Role in the Family

POS = Position held in a Social Group

CN = Children's Need

μ = Stochastic Error Term

β_0 is the Constant term

$\beta_1 - \beta_6$ are the coefficient of each of the factors

Explanation of Model

Social factors include variables such as group, family and roles and status. These are one of the adequate ways of measuring consumer behaviour. Groups refer to various reference groups called membership group. Family on the other hand can either be nuclear or joint and each member of the family and the position they hold influence what they buy and where they buy from. Roles and status

is measured by the individual role played in clubs, organizations or family. All these variables together make up social factor which influences attitudes and behaviour directly or indirectly and this is supported by Zitkus & Puskoriute, (2013).

Objective 3

To investigate the differences in the effect of demographic factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria

In order to achieve this objective, the following hypothesis must be verified:

Hypothesis- H₀₃ effect of demographic factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.

Method

The Ordered Logistic regression model was employed to test if cultural factors have significant effect on consumer buying behaviour in formal and informal retail outlets. The choice of method is influenced by the fact that the dependent variable is an ordered discrete choice variable in a Likert scale ranging from Strongly Disagree to Strongly Agree, just as it is in objective 1 above. The predicted probabilities of both retail outlets were then obtained and a t-test of mean difference was conducted to compare if there is significant difference as to how demographic factors influence these two retail outlets and which of them is best predicted by demographic factors. T-test was chosen as the appropriate technique for the comparison between the two outlets because the predicted probabilities are continuous and the comparison is based on two groups.

Decision:

Accept H_0 : if $p \leq \alpha$. Where p is the probability value that the test statistic is greater than the critical value and this will show statistical significance of the test statistic. α is the level of significance. For the purpose of this study, the level of significance is 5%.

Model specification:

$$\Pr(\text{CB}) = f(\text{DMF}) \dots\dots\dots (5)$$

Where:

$\Pr(\text{CB})$ = probability of buying in a retail outlet

DMF= Demographic Factors which include age, nature of job, price level, level of savings, being married, gender, poverty level, monthly income, educational qualification, and health condition.

Therefore, equation 5 can be respecified in a structural form as;

$$\Pr(\text{CB}) = \beta_0 + \beta_1 \text{AGE}_i + \beta_2 \text{JOB}_i + \beta_3 \text{PR}_i + \beta_4 \text{SAV}_i + \beta_5 \text{MAR}_i + \beta_6 \text{GD}_i + \beta_7 \text{POV}_i + \beta_8 \text{INC}_i + \beta_9 \text{EDU}_i + \beta_{10} \text{HLT}_i + \mu_i \dots\dots\dots (6)$$

Where:

AGE = Age of Respondent

JOB = Nature of Job

PR = Price Level

SAV = Level of Savings

MAR = Being Married

GD = Gender

POV = Poverty Level

INC = Monthly Income

EDU = Educational Qualification

HLT = Health Condition

μ = Stochastic Error Term

β_0 is the Constant term

$\beta_1 - \beta_{10}$ are the coefficient of each of the factors

Explanation of Model

Demographic factors include the combination of various variables which can be referred to as human personalities. They include age, gender, marital status, income level, employment status, health status, educational level, occupation, inflation rate and savings. Age of consumers dictates what they buy and where they buy from. Occupation and income level also affect the behaviour of consumers as high income earners tend to consider convenience, comfort, and quality over price while low income earners consider price as first factor during purchase. The economic situation such as inflation, savings and income of any country also strongly affects the buying behaviour of consumers. If the standard of living is high, consumers would prefer goods of high quality and vice versa. These variables need to be taken into consideration as it influence the behaviour of consumers and this is supported by Yakup & Jablonsk (2012).

Objective 4:

To examine the differences in the impact of psychological factors on the consumer buying behaviour in formal and informal retail outlets in South-west, Nigeria.

In order to achieve this objective, the following hypothesis needs to be verified:

Hypothesis - H₀₄

Impact of Psychological factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.

Method

The Ordered Logistic regression model was employed to test if cultural factors have significant effect on consumer buying behaviour in formal and informal retail outlets. The choice of method is influenced by the fact that the dependent variable is an ordered discrete choice variable in a Likert scale ranging from Strongly Disagree to Strongly Agree, just as it is in objective 1 above. The predicted probabilities of both retail outlets were then obtained and a t-test of mean difference was conducted to compare if there is significant difference as to how psychological factors influence these two retail outlets and which of them is best predicted by psychological factors. T-test was chosen as the appropriate technique for the comparison between the two outlets because the predicted probabilities are continuous and the comparison is based on two groups.

Decision:

Accept H_0 : if $p \leq \alpha$. Where p is the probability value that the test statistic is greater than the critical value and this will show statistical significance of the test statistic. α is the level of significance. For the purpose of this study, the level of significance is 5%.

Model specification:

$$\Pr(\text{CB}) = f(\text{PSF}) \dots\dots\dots (7)$$

Where:

$\Pr(\text{CB})$ = probability of buying in a retail outlet

PSF= Psychological Factors which include perception, needs, attitude, past experience, knowledge, personality, lifestyle.

Therefore, equation 7 can be re specified in a structural form as;

$$\Pr(\text{CB}) = \beta_0 + \beta_1 \text{PREF}_i + \beta_2 \text{NEEDS}_i + \beta_3 \text{ATT}_i + \beta_4 \text{PE}_i + \beta_5 \text{KNW}_i + \beta_6 \text{PERS}_i + \beta_7 \text{LFS}_i + \mu_i \dots\dots\dots (8)$$

Where:

PERC = Perception

NEEDS = Needs

ATT = Attitude

PE = Past Experience

KNW = Knowledge

PERS = Personality

LFS = Lifestyle

μ = Stochastic Error Term

β_0 is the Constant term

$\beta_1 - \beta_7$ are the coefficient of each of the factors

Explanation of Model

Psychological factors include motivation, perception, learning, attitude and belief. A motive is an inner drive taken to satisfy a need. Consumers have different patronage motives and thus, influences their buying behaviour. When a motivated person is ready to act, his actions are influenced by his or her own perception of the situation. Therefore, people can form different perceptions of the same. Thus marketers should try to understand the mind set of consumers and how this will affect their business activities. Learning, on the other hand, occurs as changes in behaviour resulting from previous experiences. Learning is an experience and a practice that brings about changes in behaviour. Belief is a descriptive notion that a person holds about something which is based on knowledge, opinion, or faith and may or may not carry emotional charge while Attitude is a person's consistently favourable or unfavourable evaluations, feelings, and tendencies toward an object or idea. Therefore, for adequate results in measuring consumer buying behaviour, the above mentioned variables that define the psychological factors are not negligible. This is supported by Zameer, (2014)

3.11 Ethical Consideration

This study has no impending injury to people. However, it follows the laid down ethical standards in management sciences. Permission was sought from the management of Shoprite in all respective selected locations before questionnaires were to be administered. The confidentiality of the respondents was also strictly maintained for this study. An ethical clearance to conduct the study was

obtained from the University of Ilorin Ethical Review Committee. The findings of this study will be disseminated to the public through publication in local and international journals.

3.12 Chapter Summary and Justification for methodology

This chapter discussed the methodology adopted for the study and highlighted the major variables that were employed to measure the research constructs. The study employed Ordered Logistic regression. This is because the dependent variable in the model of this study is not continuous but an ordered discrete-choice categorical variable; Ordinary Least Squares (OLS) method cannot be used. Rather, a better method of estimation in this case is an Ordered Logistic Regression method. Using OLS to analyze an ordered discrete-choice categorical variable is seen by some authors as being naive (Torres-Reyna, 2013). In a logistic regression, the estimate of each of the independent variables does not express linear relationship with the dependent variable; hence, a change in the explanatory variable(s) does not induce a constant change in the dependent variable (as it is in OLS method). Usually in discrete choice models, the signs of the estimates are taken into consideration and not the values, since the values may not make any sense to interpret. The statistics here are slightly different from statistics output of OLS, in that, test for individual significance of variables is based on z-score rather than a t-statistic, test for joint significance is based on Wald Chi-squared rather than F-statistic, because Maximum Likelihood estimator have large – sample Wald Chi-squared distribution. The goodness of fit is also measured in Pseudo R^2 rather than usual R^2 . Pseudo R^2 is not interpreted the same way as R^2 in linear regression which measures the percentage of variation in the dependent variable explained by the explanatory variables. Ordered Logistic Regression was employed by studies in both international and local journals, some of which are Dijk and Pellenbarg (2000), Gillespie and Uzzi (2002), Cummings (2004), Dimov and Clercq (2008), Cyr and Choo (2010), Ogunsiji and Akanbi (2013), Appleyard (2014) and David, Abina and Oyeniran (2015).

3.13 Limitations of the Study

Despite the contributions of this study to the body of knowledge, this study has its associated limitations, among which are;

The study only employed Consumer buying behaviour variables posited by Kotler and Armstrong (2006), out of every Consumer buying behaviour variables identified by different authors as discussed in the literature. This was because most of these factors are similar and inter-related.

Also, because of the lackadaisical behaviour of the respondents, the study employed convenience sampling method for the distribution of questionnaire. This was as a result of the attitude of the respondents during the process of questionnaire administration in the selected formal and informal retail outlets in South-West Nigeria.

The study only covers the data gathered by the researchers from questionnaires. This was due to non-availability of quantitative data on the behaviour of consumers both in the formal and informal retail outlets, as the required secondary data on specific variables related to this work are not available in the public domain.

Furthermore, because the author works with a private institution, accessing grant for the program from organizations like Tertiary Education Trust Fund (TETFUND) became extremely difficult, though, the author made judicious use of the available resources.

3.14 Relationship Matrix showing Research Questions, Research Objectives, Research Hypotheses and Statistical Techniques

Table 3.1 Summary of Table showing Research Questions, Research Objectives, Research Hypotheses and Statistical Techniques.

S/N	Research Questions	Research Objectives	Research Hypotheses	Statistical Techniques
1	Is the effect of cultural factors on consumer buying behaviour different in formal and informal retail outlets in South-west Nigeria?	To examine the differences in the effect of cultural factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria.	Effect of Cultural factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.	Regression Analysis and T-test of Mean Difference
2	Is the effect of social factors on consumer buying behaviour different in formal and informal retail outlets in South-west Nigeria?	To determine the different effects of social factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria	Effect of social factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.	Regression Analysis and T-test of Mean Difference
3	Are there influences of demographic factors on consumer buying behaviour different in formal and informal retail outlets in South-west Nigeria?	To investigate the differences in the effect of demographic factors on consumer buying behaviour in formal and informal retail outlets in South-West Nigeria.	Effect of demographic factors on consumer buying behaviour is not significantly different in informal and formal retail outlets in South-West Nigeria.	Regression Analysis and T-test of Mean Difference
4	What is the difference between the impact of psychological factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria?	To examine the differences in the impact of psychological factors on the consumer buying behaviour in formal and informal retail outlets in South-west, Nigeria.	Impact of Psychological factors on consumer buying behaviour is not significantly different in formal and informal retail outlets in South-west Nigeria.	Regression Analysis and T-test of Mean Difference

CHAPTER FOUR

PRESENTATION OF DATA, ANALYSIS AND DISCUSSION

4.0 Introduction

The data collected from the respondents were analyzed and interpreted in order to achieve the research objectives of the study. This chapter examined the demographic features of the respondents, analysed and presented the results in order to answer the research hypotheses and achieve the objectives of the study. Furthermore, a total of 580 copies of questionnaire were distributed each to the respondents of the selected formal and informal retail outlets, but coincidentally, 489 questionnaires each were returned from each of the outlets and used for computation, while the rest of the questionnaires were either not returned, or not completely filled. This represented an overall successful response rate of 84.3%. According Babbie (2004), return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good.

Table 4.1.: Response Rate

Response Rate		Formal Outlets		Informal Outlets		
	Freq	(%)		Freq	(%)	
Returned	Shoprite (Ikeja)	268	46.2	Alade Market	291	50.2
	Shoprite (Ibadan)	221	38.1	Bodija Market	198	34.1
		489	84.3		489	84.3
Unreturned	Shoprite (Ikeja)	51	8.8	Alade Market	28	4.8
	Shoprite (Ibadan)	40	6.9	Bodija Market	63	10.9
		91	15.7		91	15.7
Total		580	100.0		580	100.0

(Source: Author's Computation, 2017)

4.2 Demographic Characteristics of the Respondents

Six items were used to examine the demographic characteristics of the respondents. The items include: age, gender, educational level, occupation, family nature and monthly income. The result is presented in the table below:

Table 4.2.1: Cross Tabulation of Distribution of Consumers by their Patronage in Informal Retail Outlet												
S/n	Variables	Categories	Informal Retail Outlets				Formal Retail Outlets				Grand Total	(%)
			Alade Mark.		Bodija Mark		Shoprite Ikeja		Shoprite Ibadan			
			Freq	(%)	Freq	(%)	Freq	(%)	Freq	(%)		

1	Gender	Male	125	43.0	91	46.0	122	45.5	103	46.6	441	45.1
		Female	166	57.0	107	54.0	146	54.5	118	53.4	537	54.9
		Total	291	100	198	100	268	100	221	100	978	100
2	Age	Below 21 yrs	36	12.4	19	9.6	27	10.1	24	10.9	106	10.8
		21 – 30 years	51	17.5	37	18.7	53	19.8	51	23.1	192	19.6
		31 – 40 years	77	26.5	68	34.3	84	31.3	76	34.4	305	31.2
		41 – 50 years	69	23.7	52	26.3	54	20.1	49	22.1	224	22.9
		Above 50 years	58	19.9	22	11.1	50	18.7	21	9.5	151	15.5
		Total	291	100	198	100	268	100	221	100	978	100
3	Educational Level	SSCE	86	29.6	67	33.8	17	6.3	10	4.5	180	18.3
		Diploma	79	27.1	59	29.8	73	27.2	59	26.7	270	27.7
		HND/B.Sc.	74	25.4	52	26.7	109	40.7	88	39.8	323	33.0
		Postgraduate & Professionals	52	17.9	20	10.1	69	25.8	64	29.9	205	21.0
		Total	291	100	198	100	268	100	221	100	978	100
4	Occupation	Student	21	7.2	10	5.1	40	14.9	43	16.0	114	11.7
		Public Employee	92	35.1	70	35.4	77	28.7	56	20.8	295	30.2
		Private Employee	79	27.1	56	28.3	76	28.4	57	25.8	268	27.4
		Entrepreneur	34	11.7	21	10.6	31	11.6	21	9.5	107	10.9
		Housewife	65	24.9	41	20.7	44	16.4	44	19.9	194	19.8
		Total	291	100	198	100	268	100	221	100	978	100
5	Family Nature	Nuclear	151	51.9	105	53.0	166	61.9	142	64.2	564	57.7
		Joint	147	48.1	93	47.0	102	38.1	79	35.8	414	42.3
		Total	291	100	198	100	268	100	221	100	978	100
6	Income Level	Less than #20,000	38	13.1	24	12.1	12	4.5	8	3.6	82	8.4
		#20,001 - #30,000	45	15.5	31	10.6	19	7.1	12	5.4	107	10.9
		#30,001 - #40,000	51	17.5	40	20.2	22	8.2	19	8.6	132	13.5
		#40,001 - #50,000	43	14.8	32	16.2	25	9.3	26	11.8	126	12.9
		#50,001 - #60,000	51	17.2	33	16.7	40	14.9	31	14.1	155	15.9
		#60,001 - #70,000	45	15.5	21	10.6	59	22.0	52	23.5	177	18.1
		Above #70,000	18	16.2	17	8.6	91	34.0	73	33.0	199	20.3
		Total	291	100	198	100	268	100	221	100	978	100

Source: Author's Computation, 2016.

The result presented in Table 4.2.1 shows that active consumers who patronised and responded to the questionnaire were 978 in both formal and informal retail outlets, this represents a 91.8% of the total sample size. Going by this response rate, 43.0% of male consumers patronise Alade market,

while 57.0% of female consumers patronise the same market in informal retail outlets. 46.0% of male consumers patronise Bodija market, while 54.0% of female consumers patronise the same market in informal retail outlets. 45.5% of male consumers patronise Shoprite Ikeja, while 54.5% of female consumers patronise the same market in formal retail outlets. 46.6% of male consumers patronise Shoprite Ibadan, while 53.4% of female consumers patronise the same market in formal retail outlets. Comparatively, 43.0% of male consumers patronise Alade makets, while 46.0% of male consumers patronise Bodija market in informal retail outlets, meaning that higher per cent of male consumers patronised Bodija market than the male consumers that patronised Alade market in informal retail outlets. 45.5% of male consumers patronise Shoprite Ikeja, while 46.6% of male consumers patronise Shoprite Ibadan, meaning that higher per cent of male consumers patronised Bodija market than the male consumers that patronised Alade market in informal retail outlets. 57.0% of female consumers patronise Alade makets, while 54.0% of female consumers patronise Bodija market in informal retail outlets, meaning that higher per cent of female consumers patronised Alade market than the female consumers that patronised Bodija market in informal retail outlets. 54.5% of female consumers patronise Shoprite Ikeja, while 53.4% of female consumers patronise Shoprite Ibadan, meaning that higher per cent of female consumers patronised Shoprite Ikeja than the female consumers that patronise Shoprite Ibadan, but the difference is insignificant. Overall, 45.1% of male consumers patronise both formal and informal markets, while 54.9% of female consumers patronise both formal and informal markets. This result implies that female consumers demonstrated significant patronage to formal and informal retail outlets than their male counterpart.

Going by the age group of respondents, results presented in table 4.1.1 shows that 12.4% of consumers below age 21 years patronise Alade Market compared to 9.6% of the same age group that patronise Bodija Market in informal retail outlets. 17.5% of customers between the ages of 21 –

30 years patronise Alade Market compared to 18.7% of the same age group that patronise Bodija Market in informal retail outlets. 26.5% of customers between the ages of 31 – 40 years patronise Alade Market compared to 34.3% of the same age group that patronise Bodija Market in informal retail outlets. 23.7% of customers between the ages of 41 – 50 years patronise Alade Market compared to 26.3% of the same age group that patronise Bodija Market. 19.9% of customers above the ages of 50 years patronise Alade Market compared to 11.1% of the same age group that patronise Bodija Market. Further analysis from formal retail outlets shows that 10.1% of consumers below age 21 years patronise Shoprite Ikeja compared to 10.9% of the same age group that patronise Shoprite Ibadan in formal retail outlets. 19.8% of customers between the ages of 21 – 30 years patronise Shoprite Ikeja compared to 23.1% of the same age group that patronise Shoprite Ibadan in formal retail outlets. 31.3% of customers between the ages of 31 – 40 years patronise Shoprite Ikeja compared to 34.4% of the same age group that patronise Shoprite Ibadan. 20.1% of customers between the ages of 41 – 50 years patronise Shoprite Ikeja compared to 22.1% of the same age group that patronise Shoprite Ibadan. 18.7% of customers above the ages of 50 years patronise Shoprite Ikeja compared to 9.5% of the same age group that patronise Shoprite Ibadan. This trend shows that younger people do not enjoy buying in both formal and informal retail outlets as older people do. The cumulative percent of those that patronise both formal and informal retail outlets is seen to be increasing with age, but later drop for those above 50 years of age. This may indicate that much older people do not really enjoy buying in informal retail outlets.

The educational qualification of customers in both formal and informal retail outlets were also considered in the study. Table 4.2.2 shows that 29.6% and 33.8% of customers with SSCE patronise Alade Market and Bodija Market respectively, compared to 6.3% and 4.5% of customers with SSCE that patronise Shoprite Ikeja and Shoprite Ibadan, meaning that informal market is largely patronised by SSCE holders compared to those with SSCE holders that patronise formal retail outlets. 27.1%

and 29.8% of customers with Diploma Certificate patronise Alade Market and Bodija Market respectively, compared to 27.2% and 26.7% of customers with Diploma Certificate that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is no significant differences in term of percentage of customers that patronise both formal and informal retail outlets. 25.4% and 26.7% of customers with HND/B.Sc Certificate patronise Alade Market and Bodija Market respectively, compared to 40.7% and 39.8% of customers with HND/B.Sc Certificate that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is larger percentage of customers with HND/B.Sc Certificate that patronise formal retail outlets compared to those customers that patronise informal retail outlets. 17.9 and 10.1% of customers with Postgraduate and Professional Certificate patronise Alade Market and Bodija Market respectively, compared to 25.8% and 29.9% of customers with Postgraduate and Professional Certificate that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is larger percentage of customers with Postgraduate and Professional Certificate that patronise formal retail outlets compared to those customers that patronise informal retail outlets.

In term of occupation of respondents, results presented in table 4.2.2 shows that 7.2% and 5.1% of customers that are students patronise Alade Market and Bodija Market respectively, compared to 14.9% and 16.0% of customers that are students patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that larger percentage of students patronise formal retail outlets compared to number of students that patronise informal retail outlets. 35.1% and 35.4% of customers that are public employee patronise Alade Market and Bodija Market respectively, compared to 28.7% and 20.8% of customers that are public employee patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that public employee patronise informal retail outlets compared to public employee that patronise formal retail outlets. 27.1% and 28.3% of customers that are private employee patronise Alade Market and Bodija Market respectively, compared to 28.4% and 25.8% of

customers that are private employee patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is no significant differences in terms of private employees that patronise formal and informal retail outlets. 11.7% and 10.6% of customers that are entrepreneur patronise Alade Market and Bodija Market respectively, compared to 11.6% and 9.5% of customers that are entrepreneur patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is no significant differences in terms of private employees that patronise formal and informal retail outlets. 24.9% and 20.7% of customers that are housewife patronise Alade Market and Bodija Market respectively, compared to 16.4% and 19.9% of customers that are housewife patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that housewife patronise informal retail outlets compared to those housewife that patronise formal retail outlets.

Table 4.2.2 also show that 51.9% of customers from nuclear family patronise Alade market, while 48.1% of customers from joint family patronise the same market in informal retail outlets. 53% of customers from nuclear family patronise Bodija market, while 47.0% of customers from joint family patronise the same market in informal retail outlets. 61.9% of customers from nuclear family patronise Shoprite Ikeja, while 38.1% of customers from joint family patronise the same market in formal retail outlets. 64.2% of customers from nuclear family patronise Shoprite Ibadan, while 35.8% of customers from joint family patronise the same market in formal retail outlets. Comparatively, 51.9% of customers from nuclear family patronise Alade makets, while 53.0% of customers from nuclear family patronise Bodija market in informal retail outlets, meaning that higher per cent of customers from nuclear family patronised Bodija market than the customers from nuclear family that patronised Alade market in informal retail outlets. 61.9% of customers from nuclear family patronise Shoprite Ikeja, while 64.2% of customers from nuclear family patronise Shoprite Ibadan, meaning that higher per cent of customers from nuclear family patronised Shoprite Ikeja compared to those customers that patronised Shoprite Ikeja. 48.1% of customers from joint

family patronise Alade makets, while 47.0% of customers from joint family patronise Bodija market in informal retail outlets, meaning that higher per cent of customers from joint family patronised Alade market than the customers from joint family that patronised Bodija market in informal retail outlets. 38.1% of customers from joint family patronise Shoprite Ikeja, while 35.8% of customers from joint family patronise Shoprite Ibadan, meaning that higher per cent of customers from joint family patronised Shoprite Ikeja than the customers from joint family that patronise Shoprite Ibadan, but the difference is insignificant. Overall, 57.7% of customers from nuclear family patronise both formal and informal markets, while 42.3% of customers from joint family patronise both formal and informal markets. This result implies that customers from nuclear family demonstrated significant patronage to formal and informal retail outlets than their counterpart customers from joint family.

Finally, table 4.2.2 shows the income level of respondents. 13.1% and 12.1% of customers with Less than #20,000 patronise Alade Market and Bodija Market respectively, compared to 4.5% and 3.6% of customers with Less than #20,000 income that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that informal market is largely patronised by customers with Less than #20,000 income compared to those with Less than #20,000 income that patronise formal retail outlets. 17.5% and 20.2% of customers with #20,001 - #30,000 income patronise Alade Market and Bodija Market respectively, compared to 8.2% and 8.6% of customers with #20,001 - #30,000 income that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that informal market is largely patronised by customers with #20,001 - #30,000 income compared to those with #20,001 - #30,000 income that patronise formal retail outlets. 17.5% and 20.2% of customers with #30,001 - #40,000 income patronise Alade Market and Bodija Market respectively, compared to 8.2% and 8.6% of customers with #30,001 - #40,000 income that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is larger percentage of customers with #30,001 - #40,000 income that patronise informal retail outlets compared to those customers that patronise formal retail outlets.

14.8% and 16.2% of customers with #40,001 - #50,000 income patronise Alade Market and Bodija Market respectively, compared to 9.3% and 11.8% of customers with #40,001 - #50,000 income that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is larger percentage of customers with #40,001 - #50,000 income that patronise informal retail outlets compared to those customers that patronise formal retail outlets. 15.5% and 10.6% of customers with #60,001 - #70,000 income patronise Alade Market and Bodija Market respectively, compared to 22.0% and 23.5% of customers with #60,001 - #70,000 income that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is larger percentage of customers with #60,001 - #70,000 income that patronise formal retail outlets compared to those customers that patronise informal retail outlets. 16.2% and 8.6% of customers with above #70,000 income patronise Alade Market and Bodija Market respectively, compared to 34.0% and 33.0% of customers with above #70,000 income that patronise Shoprite Ikeja and Shoprite Ibadan respectively, meaning that there is larger percentage of customers with #60,001 - #70,000 income that patronise formal retail outlets compared to those customers that patronise informal retail outlets. This trend also shows that preference for buying in informal retail outlets does not really depend on increase of customer's level of income.

4.3 Presentation and Analysis of the Empirical Result on Research Variables

This section presents the regression analysis and t-test of mean difference carried out to achieve the stated objectives and verify the hypotheses of this study. The first objective examines the differences in the effect of cultural factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria. Objective 2 determines the different effects of social factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria. The third objective investigates the differences in the effect of demographic factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria while the fourth objective is to examine the differences in the impact of psychological factors on the consumer buying behaviour in formal and informal retail outlets in South-west, Nigeria.

The ordered logistic regression is used to achieve these objectives. The use of this method stems from the fact that the dependent variable in each of these models is a naturally ranked discrete variable. Hence, the ordered logistic regression model is used to determine the influence of cultural, social, demographic, and psychological factors on the probability that an individual will buy from a formal and an informal retail outlets.

Objective One: Examines the differences in the effect of cultural factors on consumer buying behaviour in formal and informal retail outlets in south-west Nigeria.

The table 4.3.1 presented below shows the result of ordered logistic regression where the effects of cultural factors such as tradition, religion, belief, language, and norms and values are seen on the probability of buying in formal and informal retail outlets.

Table 4.3.1: Ordered Logistic Regression – Cultural Influence on Consumer buying behaviour in formal and Informal Retail Outlet

VARIABLES	(1)			(2)		
	Informal Retail Outlet	z-statistic	p-value	Formal Retail Outlet	z-statistic	p-value
Tradition	0.222*** (0.0832)	2.66	0.008	-0.0675 (0.0803)	-0.84	0.401
Religion	0.00353 (0.0880)	0.04	0.968	0.309*** (0.0893)	3.46	0.001
Belief	-0.0274 (0.0800)	-0.34	0.732	0.233*** (0.0803)	2.78	0.001
Language	0.214*** (0.0800)	2.64	0.006	0.257*** (0.0804)	3.20	0.001
Norms and Values	0.0918* (0.0538)	1.71	0.088	0.00352 (0.0354)	0.10	0.921
Observations	476			476		
wald Chi-squared	28.28***			66.02***		
P-value (LR Chi ²)	0.0000			0.0000		
Pseudo R-squared	0.3249			0.3535		

Source: Author's Computation, 2016

Standard errors in parentheses

*** p-value<0.01, ** p-value<0.05, * p-value<0.1

The first model presented in table 4.3.1 above shows the effect of cultural factors on the probability of buying from an informal retail outlet. The result shows that tradition, religion, language, and norms and values have positive effects on the probability of buying in an informal retail outlet. Belief on the one hand has a negative effect on the probability of buying in an informal retail outlet. The result also shows the positive effect of tradition and language is found to be statistically significant (even at 1% significance level). This is shown by their probability value (p-value) which is less than the chosen 5% significance level (0.05) while other factors have p-value greater than the chosen 5% significance level. Norms and values are also seen to significantly affect the probability of buying in an informal retail outlet but only at 10% significance level (since the p-value is less than 0.1 which is the value for 10%). This indicates that of all cultural factors, only tradition and language significantly affect the probability of buying in an informal retail outlet at 5% significance level. This means that peoples' tradition and language positively influence their likelihood of buying in an informal retail outlet. The reported wald chi-squared test of significance of the combined effect of cultural factors on the probability of buying in an informal retail outlet shows a value of 28.28 and p-value of 0.0000, indicating it is significant. This indicates the rejection of null hypothesis that cultural factors, altogether, do not significantly affect the probability of buying in an informal retail outlet and acceptance of the alternative. The reported pseudo R-squared also implies the model is moderately fitted.

The second model presents the result of the influence of cultural factors on the probability of buying in a formal retail outlet. The result shows that religion, belief, language, and norms and values have positive effects on the probability of buying from a formal retail outlet. Tradition on one hand, has a negative effect on the probability of buying in an informal retail outlet. The result also shows that the positive effects of religion, belief and language are found to be statistically significant. This is shown by each of their probability values being less than the chosen 5% significance level (0.05) while

other factor of norm and values have p-value greater than the chosen 5% significance level. The effects of tradition and norms and values are found to be statistically insignificant since each of their p-values is greater than 0.05. This indicates that cultural factors such as religion, belief and language influence the probability that individuals will buy in a formal retail outlet while factors such as tradition and norms and values do not influence the probability that individuals will buy in a formal retail outlet. This means that peoples' religion, belief and language positively influence their likelihood of buying from a formal retail outlet. The reported wald chi-squared test of significance of the combined effect of cultural factors on the probability of buying in a formal retail outlet shows a value of 60.02 and p-value of 0.0000, indicating it is significant. This indicates the rejection of null hypothesis that cultural factors altogether do not significantly affect the probability of buying in an informal retail outlet and acceptance of the alternative. The reported pseudo R-squared of 0.3535 also implies the model is moderately fitted.

Table 4.3.2: Test of Mean Difference of the Effect of Cultural Factors in Formal and Informal Retail Outlets

Group	Mean	Standard Error
Informal	0.0209784	0.0004792
Formal	0.0375434	0.0014418
<i>Difference</i>	-0.016565	0.0015193
Difference = Mean(Informal) – Mean(Formal)		t = -10.9027
p-value (diff < 0) = 0.0000	p-value (diff != 0) = 0.0000	p-value (diff > 0) = 1.0000

Source: Author's Computation, 2016.

The result presented in table 4.3.2 is a t-test of mean difference conducted on the predicted probabilities of cultural factors in buying behaviour in the two retail outlets. The predicted probabilities are the predicted effect of each factor on buying behaviour. The result shows that the mean of predicted probabilities in informal and formal retail outlets is 0.0209784 and 0.0375434 respectively. The difference between the mean of predicted probabilities in the two outlets is 0.016565. The test shows t value of -10.9027 and null hypothesis states that the difference is zero, in

other words, the mean of predicted probabilities is not significantly different in both outlets. Three alternative hypotheses are specified. One-sided left tail ($H_a: \text{diff} < 0$) indicates that the difference is negative (i.e. average predicted probabilities in informal is less than that of formal); One-sided right tail ($H_a: \text{diff} > 0$) indicates that the difference is positive (i.e. average predicted probabilities in informal is greater than that of formal); and the two tailed test ($H_a: \text{diff} \neq 0$) indicates that the difference is significantly different from zero. The test indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000). The test also indicates accepting alternative hypothesis that the difference is negative (i.e. average predicted probabilities in informal is less than that of formal). This is also shown by the highly significant p-value (0.0000). On the other hand, the test indicates not accepting alternative hypothesis that the difference is positive (i.e. average predicted probabilities of informal is greater than that of formal), and this is shown by the highly insignificant p-value (1.0000). This implies that the influence of cultural factors on the two retail outlets is significantly different from each other, and the influence of cultural factors on informal retail outlet is significantly less than their influence on formal retail outlet. A conclusion can be arrived at that cultural factors affect formal retail outlet than they affect the informal retail outlet.

Objective Two: determine the different effects of social factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria

The table 4.3.3 below shows the result of ordered logistic regression where the effects of social factors such as social group, joint decision taking, family purchase, role in the family, position held in a social club, children's needs are seen on the probability of buying in formal and informal retail outlets.

Table 4.3.3: Ordered Logistic Regression – Social Impact on formal and Informal Retail Outlet

(1)	(2)
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VARIABLES	Informal Retail Outlet	z-statistic	p-value	Formal Retail Outlet	z-statistic	p-value
Social Group	0.131* (0.0794)	1.65	0.099	0.259*** (0.0796)	3.31	0.001
Joint Decision Taking	0.136 (0.0856)	1.59	0.111	0.158* (0.0849)	1.86	0.063
Family Purchase	0.0840 (0.0835)	1.01	0.314	-0.0108 (0.0821)	-0.13	0.895
Role in the Family	0.165** (0.0782)	2.11	0.035	0.202** (0.0846)	2.39	0.017
Position held in a social group	0.00830 (0.0828)	0.10	0.920	0.257*** (0.0794)	3.23	0.001
Children's Needs	0.0338 (0.0573)	0.59	0.555	0.210** (0.0866)	2.42	0.015
Observations	474			474		
wald Chi-squared	28.32***			50.89***		
P-value (LR Chi ²)	0.0001			0.0000		
Pseudo R-squared	0.3249			0.3413		

Source: Author's Computation, 2016

Standard errors in parentheses

*** p-value <0.01, ** p-value<0.05, * p-value<0.1

The first model presented in table 4.3.3 shows the effect of social factors on the probability of buying from an informal retail outlet. The result shows that all social factors have positive effects on the probability of buying in an informal retail outlet. The result also shows that there is positive effect of role in family. It is the only factor which is found to be statistically significant at 5% significance level. This is shown by its probability value (p-value) being less than the chosen 5% significance level (0.05) while other factors have p-value greater than the chosen 5% significance level. The social group one belongs to is also seen to have significantly affected the probability of buying in an informal retail outlet but only at 10% significance level (since the p-value is less than 0.1 which is the value for 10%). This indicates that of all social factors, only role in family significantly affect the probability of buying in an informal retail outlet at 5% significance level. This means that the role of an individual in the family positively influence their likelihood of buying

in an informal retail outlet. The reported likelihood-ratio wald chi-squared test of significance of the combined effect of social factors on the probability of buying in an informal retail outlet shows a value of 28.32 and p-value of 0.0001, indicating it is significant. This indicates the rejection of null hypothesis that social factors altogether do not significantly affect the probability of buying in an informal retail outlet and acceptance of the alternative. The reported pseudo R-squared also implies the model is moderately fitted.

The second model presents the result of the effects of social factors on the probability of buying in a formal retail outlet. The result shows that all social factors have positive effect on the probability of buying in a formal retail outlet except family purchase which has a negative effect on the probability of buying in a formal retail outlet. The result also shows that the positive effects of the social group to which an individual belong, role of someone in the family and the position held in a social group and children's needs are found to be statistically significant. This is shown by each of their probability values being less than the chosen 5% significance level while other factors have p-value greater than the chosen 5% significance level. The effect of joint decision taking in a social setting is also found to significantly affect the probability of buying in a formal retail outlet but only at 10% significance level. This indicates that social factors of the social group an individual belongs, the role an individual plays in the family, the position someone holds in a social group and children's need, all influence the probability that a consumer will buy in a formal retail outlet. This means that the social group to which an individual belongs, peoples' role in their family and the position they hold in their social group and the needs of their children positively influence their likelihood of buying from a formal retail outlet. The reported wald chi-squared test of significance of the combined effect of social factors on the probability of buying in a formal retail outlet shows a value of 50.89 and p-value of 0.0000, indicating it is significant. This indicates the rejection of null hypothesis that social factors altogether do not significantly affect the probability of buying in a

formal retail outlet and acceptance of the alternative. The reported pseudo R-squared of 0.3413 also implies the model is moderately fitted.

Evidences from the two models above showed that social factors influence consumer buying behaviour in formal retail outlets than in informal retail outlets. They also show that only role in family influences consumer buying behaviour in an informal retail outlet while the social group to which an individual belongs, role in the family and position held in a social group and children's need influence consumer buying behaviour in a formal retail outlet. Therefore, social factors explain consumer buying behaviour in a formal retail outlet than they do in an informal retail outlet.

Table 4.3.4: Test of Mean Difference of the Effect of Social Factors in Formal and Informal Retail Outlets

Group	Mean	Standard Error
Informal	0.0211637	0.0004935
Formal	0.0380222	0.0012998
<i>Difference</i>	<i>-0.0168585</i>	<i>0.0007465</i>
Difference = Mean(Informal) – Mean(Formal)		t = -12.1258
p-value (diff < 0) = 0.0000	p-value (diff != 0) = 0.0000	p-value (diff > 0) = 1.0000

Source: Author's Computation, 2016.

The result presented in table 4.3.4 is a t-test of mean difference conducted on the predicted probabilities of social factors in buying behaviour in the two retail outlets. The predicted probabilities are the predicted effect of social factors on buying behaviour in both outlets. The result shows that the mean of predicted probabilities in informal and formal retail outlets is 0.0211637 and 0.0380222 respectively. The difference between the mean of predicted probabilities in the two outlets is 0.0168585. The test shows t value of -12.1258 and null hypothesis states that the difference is zero, in other words, the mean of predicted probabilities is not significantly different in both outlets. Three alternative hypotheses are specified. One-sided left tail (H_a : diff<0) means that the

difference is negative (i.e. average predicted probabilities in informal is less than that of formal); One-sided right tail ($H_a: \text{diff} > 0$) means that the difference is positive (i.e. average predicted probabilities in informal is greater than that of formal); and the two tailed test ($H_a: \text{diff} \neq 0$) means that the difference is significantly different from zero. The test indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000). The test also indicates accepting alternative hypothesis that the difference is negative (i.e. average predicted probabilities in informal is less than that of formal). This is also shown by the highly significant p-value (0.0000). On the other hand, the test indicates not accepting alternative hypothesis that the difference is positive (i.e. average predicted probabilities of informal is greater than that of formal), and this is shown by the highly insignificant p-value (1.0000). This implies that the influence of social factors on the two retail outlets is significantly different from each other, and the influence of social factors on informal retail outlet is significantly less than their influence on formal retail outlet. A conclusion can be arrived at that social factors affect formal retail outlet than they affect the informal retail outlet.

Objective Three: investigates the differences in the effect of demographic factors on consumer buying behaviour in formal and informal retail outlets in South-west Nigeria.

The table 4.3.5 presented shows the result of ordered logistic regression where the effects of demographic factors such as age, nature of job, price level, monthly income, marital status, gender, poverty, educational qualification, health condition, and savings are seen on the probability of buying in formal and informal retail outlets.

Table 4.3.5: Ordered Logistic Regression – Demographic Impact on formal and Informal Retail Outlet

VARIABLES	(1)			(2)		
	Informal Retail Outlet	z-statistic	p-value	Formal Retail Outlet	z-statistic	p-value
Age	0.236***	2.84	0.005	0.225**	2.71	0.011

	(0.0830)			(0.0820)		
Nature of Job	0.0283	0.59	0.581	0.0443	0.46	0.644
	(0.0981)			(0.0958)		
Price level	-0.104	-1.05	0.296	-0.228**	-2.38	0.017
	(0.0997)			(0.0960)		
Level of Savings	-0.0746	-0.78	0.437	-0.141	-1.51	0.132
	(0.0960)			(0.0934)		
Being Married	0.130	1.48	0.139	0.125	1.47	0.142
	(0.0878)			(0.0816)		
Gender	-0.0533	-1.23	0.220	0.0182	0.34	0.731
	(0.0435)			(0.0529)		
Poverty level	-0.00722	-0.08	0.935	0.0560	0.66	0.506
	(0.0880)			(0.0842)		
Monthly Income	0.205**	2.46	0.014	0.170**	2.09	0.037
	(0.0835)			(0.0848)		
Educational Qualification	-0.0491	-0.58	0.562	0.208***	2.45	0.014
	(0.0847)			(0.0853)		
Health condition	0.0298	0.61	0.539	206***	2.50	0.012
	(0.0485)			(0.0826)		
Observations	451			451		
wald Chi-squared	22.90**			41.22***		
P-value (LR Chi ²)	0.0111			0.0000		
Pseudo R-squared	0.3211			0.3354		

Source: Author's Computation, 2016

Standard errors in parentheses

***p-value<0.01, ** p-value<0.05, * p-value<0.1

The first model presented in table 4.3.5 above shows the effect of demographic factors on the probability of buying from an informal retail outlet. The result shows that of all these demographic factors, only age, nature of job, being married, monthly income and health condition have positive effects on the probability of buying in an informal retail outlet. Other factors have negative effects on the probability of buying in an informal retail outlet. The result also shows that only the positive effects of the age and price level are found to be statistically significant at 5% significance level. This is shown by each of their p-value being less than the chosen 5% significance level (0.05). Effects of other factors are found to be insignificant since they have p-values greater than the chosen 5% significance level. This indicates that of all demographic factors; only age and monthly income of individuals significantly affect the probability of buying in an informal retail outlet at the chosen 5% significance level. This means that higher monthly income and age positively influence the

likelihood that people will buy in an informal retail outlet. The reported wald chi-squared test of significance of the combined effect of demographic factors on the probability of buying in an informal retail outlet shows a value of 22.90 and p-value of 0.0111, indicating it is significant at 5% level of significance. This indicates the rejection of null hypothesis that demographic factors altogether do not significantly affect the probability of buying in an informal retail outlet and acceptance of the alternative. The reported pseudo R-squared also implies the model is moderately fitted.

The second model presents the result of the effects of demographic factors on the probability of buying in a formal retail outlet. The result shows that all demographic factors have positive effect on the probability of buying in a formal retail outlet except price level and level of savings, which have negative effects on the probability of buying in a formal retail outlet. The result also shows that the positive effects of age, monthly income, educational level, health condition and the negative of price level are found to be statistically significant. This is shown by each of their probability values being less than the chosen 5% significance level. Effects of other factors are found to be insignificant, as evident from their respective p-values being greater than the chosen 5% significance level. This indicates that demographic factors such as age, monthly income, educational qualification and health condition positively influence the probability that an individual will buy in a formal retail outlet. On the other hand, price level negatively influences the probability that an individual will buy in a formal retail outlet. Hence, the reported wald chi-squared test of significance of the combined effect of demographic factors on the probability of buying in a formal retail outlet shows a value of 41.22 and p-value of 0.0000, indicating it is significant. This indicates the rejection of null hypothesis that demographic factors altogether do not significantly affect the probability of buying in a formal retail outlet while accepting the alternative. The reported pseudo R-squared of 0.3354 also implies the model is moderately fitted.

Table 4.3.6: Test of Mean Difference of the Effect of Demographic Factors in Formal and Informal Retail Outlets

Group	Mean	Standard Error
Informal	0.0222085	0.000496
Formal	0.0376008	0.0011593
<i>Difference</i>	<i>-0.0153922</i>	<i>0.001261</i>
Difference = Mean(Informal) – Mean(Formal)		t = -12.2068
p-value (diff < 0) = 0.0000	p-value (diff != 0) = 0.0000	p-value (diff > 0) = 1.0000

Source: Author's Computation, 2016.

The result presented in table 4.3.6 is a t-test of mean difference conducted on the predicted probabilities of demographic factors in buying behaviour in the two retail outlets. The predicted probabilities are the predicted effect of demographic factors on buying behaviour in both outlets. The result shows that the mean of predicted probabilities in informal and formal retail outlets is 0.0222085 and 0.0376008 respectively. The difference between the mean of predicted probabilities in the two outlets is 0.0153922. The test shows t value of -12.2068 and null hypothesis states that the difference is zero, in other words, the mean of predicted probabilities is not significantly different in both outlets. Three alternative hypotheses are specified. One-sided left tail (H_a : diff<0) means that the difference is negative (i.e. average predicted probabilities in informal is less than that of formal); One-sided right tail (H_a : diff>0) means that the difference is positive (i.e. average predicted probabilities in informal is greater than that of formal); and the two tailed test (H_a : diff !=0) means that the difference is significantly different from zero. The test indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000). The test also indicates accepting alternative hypothesis that the difference is negative (i.e. average predicted probabilities in informal is less than that of formal). This is also shown by the highly significant p-value (0.0000). On the other hand, the test indicates not accepting alternative hypothesis that the difference is positive (i.e. average predicted probabilities of informal is greater than that of formal), and this is shown by the highly

insignificant p-value (1.0000). This implies that the influence of demographic factors on the two retail outlets is significantly different from each other, and the influence of demographic factors on informal retail outlet is significantly less than their influence on formal retail outlet. A conclusion can be arrived at that demographic factors affect formal retail outlet than they affect the informal retail outlet.

Evidences from the two models above show that demographic factors influence consumer buying behaviour in a formal retail outlet than in an informal retail outlet. They also show that only age and monthly income influence consumer buying behaviour in an informal retail outlet while age, monthly income, educational level, health condition and price level influence consumer buying behaviour in a formal retail outlet. Therefore, demographic factors explain consumer buying behaviour in a formal retail outlet than they do in an informal retail outlet.

Objective Four: Examine the differences in the impact of psychological factors on the consumer buying behaviour in formal and informal retail outlets in South-west Nigeria.

The table 4.3.7 presented shows the result of ordered logistic regression where the effects of psychological factors such as needs and perception for certain goods, attitude, past experience, knowledge about the product, personality, and lifestyle are seen on the probability of buying in formal and informal retail outlets.

Table 4.3.7: Ordered Logistic Regression – Psychological Impact on formal and Informal Retail Outlet

VARIABLES	(1)			(2)		
	Informal Retail Outlet	z-statistic	p-value	Formal Retail Outlet	z-statistic	p-value
Perception	0.224*** (0.0827)	2.98	0.013	0.289*** (0.0861)	3.22	0.005
Needs	-0.0799 (0.0940)	-0.85	0.395	-0.107 (0.0950)	-1.12	0.261
Attitude	0.125 (0.0890)	1.41	0.159	0.159* (0.0926)	1.72	0.085
Past Experience	0.265***	3.13	0.002	0.189**	2.22	0.027

	(0.0847)			(0.0854)		
Knowledge	-0.0611	-0.66	0.509	0.0802	0.88	0.379
	(0.0924)			(0.0912)		
Personality	0.0742	0.80	0.425	0.268**	3.14	0.010
	(0.0929)			(0.0936)		
Lifestyle	0.0591	0.63	0.530	-0.0876	-0.96	0.339
	(0.0941)			(0.0916)		
Observations	467			467		
wald Chi-squared	23.18***			24.14***		
P-value (LR Chi ²)	0.0016			0.0011		
Pseudo R-squared	0.3206			0.3202		

Source: Author's Computation, 2016

Standard errors in parentheses

*** p-value<0.01, ** p-value<0.05, * p-value<0.1

The first model presented in table 4.3.7 above shows the effect of psychological factors on the probability of buying from an informal retail outlet. The result shows that all these psychological factors have positive effect on the probability of buying in an informal retail outlet except needs and knowledge which have negative effects. The result also shows that only the positive effect of perception and past experiences is found to be statistically significant at the chosen 5% significance level. This is shown by its p-value being less than the chosen 5% significance level (0.05). Effects of other factors are found to be insignificant since they have p-values greater than the chosen 5% significance level. This indicates that of all psychological factors; perception and past experiences significantly affect the probability of buying in an informal retail outlet. This means that the higher the perception level and past experience of a consumer, the more the likelihood that people will buy in an informal retail outlet. The reported wald chi-squared test of significance of the combined effect of psychological factors on the probability of buying in an informal retail outlet shows a value of 23.18 and p-value of 0.0016, indicating it is significant. This indicates the rejection of null hypothesis that psychological factors altogether do not significantly affect the probability of buying in an informal retail outlet and acceptance of the alternative. The reported pseudo R-squared also implies the model is moderately fitted.

The second model presents the result of the effects of psychological factors on the probability of buying in a formal retail outlet. The result shows that all psychological factors have positive effect on the probability of buying in a formal retail outlet except needs and lifestyle. The result also shows that the positive effect of perception, past experience and personality is found to be statistically significant. This is shown by its probability value being less than the chosen 5% significance level. Effects of psychological factors such as attitude and knowledge are also seen to be statistically significant but only at 10% significance level. Effects of other psychological factors are found to be insignificant. This indicates that only perception, past experience and personality positively influence the probability that an individual will buy in a formal retail outlet. This means that the higher the perception, past experience and personality of a consumer the more the likelihood that individuals will buy in a formal retail outlet. The reported wald chi-squared test of significance of the combined effect of psychological factors on the probability of buying in a formal retail outlet shows a value of 24.14 and p-value of 0.0011, indicating it is significant. This indicates the rejection of null hypothesis that psychological factors altogether do not significantly affect the probability of buying in a formal retail outlet while accepting the alternative. The reported pseudo R-squared of 0.3202 also implies the model is moderately fitted.

Table 4.3.8: Test of Mean Difference of the Effect of Psychological Factors in Formal and Informal Retail Outlets

Group	Mean	Standard Error
Informal	0.0215145	0.0004848
Formal	0.0323945	0.0007303
<i>Difference</i>	<i>-0.0108799</i>	<i>0.0008766</i>
Difference = Mean(Informal) – Mean(Formal)		t = -12.4119
p-value (diff < 0) = 0.0000	p-value (diff != 0) = 0.0000	p-value (diff > 0) = 1.0000

Source: Author's Computation, 2016.

The result presented in table 4.3.8 is a t-test of mean difference conducted on the predicted probabilities of psychological factors in buying behaviour in the two retail outlets. The predicted

probabilities are the predicted effect of psychological factors on buying behaviour in both outlets. The result shows that the mean of predicted probabilities in informal and formal retail outlets is 0.0215145 and 0.0323945 respectively. The difference between the mean of predicted probabilities in the two outlets is 0.0108799. The test shows t value of -12.4119 and null hypothesis states that the difference is zero, in other words, the mean of predicted probabilities is not significantly different in both outlets. Three alternative hypotheses are specified. One-sided left tail ($H_a: \text{diff} < 0$) means that the difference is negative (i.e. average predicted probabilities in informal is less than that of formal); One-sided right tail ($H_a: \text{diff} > 0$) means that the difference is positive (i.e. average predicted probabilities in informal is greater than that of formal); and the two tailed test ($H_a: \text{diff} \neq 0$) means that the difference is significantly different from zero. The test indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000). The test also indicates accepting alternative hypothesis that the difference is negative (i.e. average predicted probabilities in informal is less than that of formal). This is also shown by the highly significant p-value (0.0000). On the other hand, the test indicates not accepting alternative hypothesis that the difference is positive (i.e. average predicted probabilities of informal is greater than that of formal), and this is shown by the highly insignificant p-value (1.0000). This implies that the influence of psychological factors on the two retail outlets is significantly different from each other, and the influence of psychological factors on informal retail outlet is significantly less than their influence on formal retail outlet. A conclusion can be arrived at that psychological factors affect formal retail outlet than they affect the informal retail outlet.

Evidences from the two models above showed that psychological factors influence consumer buying behaviour in formal retail outlets more than they do in informal retail outlets. They also show that only perception and past experiences influence consumer buying behaviour towards informal retail

outlets while perception, past experience and personality influence consumer buying behaviour towards formal retail outlets at the chosen 5% significance level.

4.4 Findings of the study

The results showed that all the age groups were covered as the ages of the respondents span across below 20 years of age to 51 years and above. It also revealed that both genders, educational levels, occupation groupings, family types and monthly income ranges were all covered in the study of the administered questionnaire. This shows that the respondents are the right audience for this study as it is not limited to a particular demographic variable. The first objective of the study examined the difference in the effect of cultural factors on consumer buying behaviour in informal and formal retail outlets in South-West Nigeria. The objective was achieved with ordered logistic regression and t-test analysis. The study's findings showed that there is a positive likelihood association between cultural factors and consumer buying behaviour in both formal and informal retail outlets. To compare results, religion, belief and language have positive effect on consumer buying behaviour in formal retail outlets while in the informal retail outlets only the two factors of tradition and language were significant. This is not farfetched from the fact that in formal retail outlets like Shoprite; consumers of various religions in the world can find various products from foreign liquor brands to baby products and world class electronics which are specific to their needs. Belief is a major cultural factor having significant influence on consumers' shopping behaviour in formal retail outlet. This may be based on real knowledge, opinion, or faith and may or may not carry emotional charge, hence consumers attachment to other elements they hold within their lives, to a large extent, influence their shopping habits. This result is supported by the works of Durmaz, Celik, and Oruc (2011) who reported that belief influences behaviour of consumers buying behaviour. In the case of languages as a cultural factor, consumers speaking various languages from across the world such as Chinese, English, Polish, Spanish, Portuguese and other would find products related to their needs. Diplomats, Businessmen, Tourists and a host of other foreigners speaking various international languages would find formal retail outlets more convenient to shop since the universal and official

language of a country is usually the language of communication in formal retail outlets. Unlike in the case of informal retail outlets, where the language of communication is specific to the locality where the outlet is domiciled. But interestingly language also influence buying behaviour in informal retail outlets, this is basically because the language of a locality is the primary language of communication in informal retail outlets which would equally make negotiation easier. The results of the analysis conducted also showed that tradition determines the propensity of consumers' patronage in informal retail outlet, this shows that the indigenous tradition of a locality to a large extent influence the consumers' buying behaviour, this is in line with the findings of John (2016). Unsurprisingly, the overall results indicates that although cultural factor influences consumer buying behaviour in both formal and informal retail outlets, however, the influence is more significant in formal retail outlets.

The second objective which states that effect of social factors on consumer buying behaviour is not significantly different in informal and formal retail outlets in South-West Nigeria was achieved by ordered logistic regression and t-test analysis . This second objective studies the effect of social factors of social group, joint decision taking, family purchase, role in family, position held in social group, and children's need on consumer buying behaviour in formal and informal retail outlets. For informal retail outlets, all the variables for social factors had positive effect on consumer buying behaviour, however only role in family had significant impact. Consumers who patronise informal retail outlets are only significantly influenced by their role in their family; this is supported by the findings of Al-Azzam (2014) where role in family influenced the behaviour of consumer towards patronizing informal retail outlets for household products.

As for formal retail outlets, the results shows that social group, role in family, position held in social group and children's need were all relevant for consumer buying behaviour in formal retail outlets as

they all had significant impact. The social group to which consumers are members or reference group such as aspirational groups to which consumers wish to belong influence where they buy. Particularly consumers would like to shop where they find people they want to associate with, the results of this study shows that consumers of formal retail outlets are influenced by these social groups, this is line with the findings of Al-Azzam (2014) who reported that the group to which an individual belong or wish to belong influences consumer buying behaviour towards formal retail outlets. It is also shown in the results of the study depicts that role consumers occupy in their respective families be it mother, father or child positively influence them towards buying in formal retail outlets. This is because majority of formal outlets serves the need all individuals in family from parents to children under one roof, this makes shopping a lot easier, this is also supported by the works of Al-Azzam (2014). The position held in social group has been reported to have also significantly influenced the behaviour of consumers towards formal retail outlets. Individuals hold several positions in the respective groups such as clubs, societies, organisations and associations to which they belong; consumers who patronise formal retail outlets are influenced by these positions. Some of these consumers believe they are on a higher social class as a result of their position, therefore would want to shop in retail outlets which closely matched the positions they occupy in these social groups.

Unsurprisingly, children's need even had a significant effect on consumer buying behaviour in formal retail outlets; this was also reported in the findings of Thomson, Laing, and McKee (2007), Martensen and Gronholdt (2008) and Kumar (2013). Many families patronise formal retail outlets because of the needs of their kids. In fact kids do follow their parents to shop in formal retail outlets since these outlets are well organized and children's needs are all organized under one roof along with their parents' need.

Evidences from the above explanations of results on social factors shows that social factors influence consumer buying behaviour in a formal retail outlet more than it does in an informal retail outlet. Therefore, social factors explain consumer buying behaviour in a formal retail outlet than they do in an informal retail outlet. This was supported by the findings of Gupta (2012), where he reported that social factors influence consumers towards patronizing formal retail outlets than informal retail outlets.

Thirdly, the objective on how to investigate the difference in the influence of demographic factors on the consumer buying behaviour of customers in informal and formal retail outlets in South-West Nigeria was achieved by the third hypothesis using ordered logistic regression and t-test analysis. Comparing the result of the influence of demographic factors in informal retail outlets as against formal retail outlets, it was observed that only age and monthly income influence consumer buying behaviour in an informal retail outlet while age, price level, monthly income, educational qualification and health condition influence consumer buying behaviour in a formal retail outlet. This shows that there are more demographic variables that explained the rationale behind consumers' patronage of formal eateries. This result is surprising as only two of the tested demographic variables accounted for consumer buying behaviour in informal retail outlets. Consumers of both formal and informal retail outlets believe their age and monthly income influence them towards.

Also, an increase in the health status of consumers leads to increase in the effect on consumer buying behaviour in formal retail outlet. Thus health concern is directly and positively associated with the behaviour of consumers in informal retail outlet. This is supported by Chen 2007; Chinnici, D'Amico and Peorino 2002; Lea and Worsley 2005; Lockie *et al.* 2002. In addition, an increase in the level of education will lead to an increase in the consumer buying behaviour in formal retail

outlet. Thus the higher the level of education of consumers, the higher the effects on their buying behaviour in formal retail outlets. This is in line with Margetts, Martinez, Saba, Holm and Kearney (1997). Furthermore, monthly income of consumers in both informal and formal retail outlets has effects on consumer buying behaviour and it is a significant variable that influence the behaviour of consumers, which is supported by the study carried out by Chen, (2012).

Amazingly, price level has effect on consumer buying behaviour only in formal retail outlet. Thus the higher the price, the lower the patronage level in formal outlet and this is supported by Willock, (2004). Overall, there are more demographic variables that account for the consumers' buying behaviour in formal eateries as against the informal retail outlets, hence demographic factors altogether significantly affect the probability of buying in both retail outlets, however, demographic factors explain consumer buying behaviour in formal retail outlet than they do in an informal retail outlet.

The fourth objective was achieved by the fourth hypothesis using ordered logistic regression and t-test analysis. This objective examined the difference in the impact of psychological factors on the consumer buying behaviour of customers in informal and formal retail outlets in South-West Nigeria. This result is quite surprising as the only significant psychological factors that influence consumer buying behaviour in both formal and informal retail outlets. Although, the evidence from the result showed that psychological factors influence consumer buying behaviour in formal retail outlets slightly more than they do in informal retail outlets.

Also, customers' learning has positive effect on consumer buying behaviour in informal retail outlet as well as in formal retail outlets. This implies that the customers learning proxy by customers past experience with the outlets influence where they buy their product. Therefore, the findings reflect that the experience of consumers keep making them to patronise a particular form of retail outlet.

Their experience ranges from what they have known in terms of convenience, reputation, type and quality of product and overall knowledge about the retail outlet.

Closely related to experience is customer's perception which has positive effect on consumer buying behaviour in informal retail outlet as well as in formal retail outlets. This implies that the customers' perception about a product influence where they buy. This is in line with the study conducted by Radhakrishnan (2003).

In addition to experience and perception, consumers in formal retail outlets nevertheless are further influenced to shop in the formal retail outlets by their personality. Overall, psychological factors have significant effect on consumer buying behavior both in informal and formal retail outlets. This finding is in line with the study conducted by Zameer (2014) and he was of the opinion that psychological factors have significant effects on consumer buying behaviour.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter summarised the major findings of the study, presented the conclusion while recommendations were made based on the findings of the study. Also, the study's contributions to knowledge and the suggestions for future research are presented in this chapter.

5.1 Summary of findings

The study compared the effects of consumer buying behaviour in formal and informal retail outlets in South-Western Nigeria.

Summary of findings revealed that the respondents spread across all age groups making the views to be far-reaching and diverse. The study also shows that the respondents' cut across all other demographic variables as well.

Summary of major findings on the study are:

- i. The results of the Ordered Logistic Regression for objective one shows that the cultural factors have effect on consumer buying behaviour in formal and informal retail outlets in South-West Nigeria. The cultural factors of tradition and language in the case of informal retail outlets while religion, belief and language in the case of formal retail outlet have significant effects on consumer buying behaviour and this is supported by the alternative hypothesis which states that "Cultural factors have effect on consumer behaviour in informal and formal retail outlets in South-West Nigeria".

- ii. The results of objective two show that social factors have statistical impact on consumer buying behaviour in both informal and formal retail outlets in South-West Nigeria. The result shows that role in family was significant to consumers' behaviour in informal retail outlets while the social group to which an individual belongs, role of someone in the family, the position held in a social group and children's needs have significant impact on consumers' buying behaviour for formal retail outlets. This led to the acceptance of the alternative hypothesis of: "social factors have statistical impact on consumer buying behaviour in informal and formal retail outlets in South-West Nigeria".
- iii. The third results objective show that demographic factors of age and monthly income have significant positive impact on consumer buying behaviour in informal retail outlets. However the demographic factors of age, monthly income, educational qualification and health condition were of significant positive impact on consumer buying behaviour in formal retail outlet in South-Western Nigeria except for price level which has a significant negative impact.
- iv. The results of the Ordered Logistic Regression for objective four shows that the psychological factors have impact on consumer buying behaviour in both formal and informal retail outlets in South-West Nigeria. The psychological factors of perception and past experience in the case of informal retail outlets while perception, past experience and personality in the case of formal retail outlet have significant impact on consumer buying behaviour and this is supported by the alternative hypothesis which states that "Psychological factors have significant impact on consumer buying behaviour in informal and formal retail outlets in South-West Nigeria".

5.3 Conclusion

The buying behaviour of consumers is influenced by the identified by four factors while the consumption habits of consumers warrant research not only to establish their present needs but also to form some reliable guide as to their latent and future needs. Consumer buying behaviour is influenced by an array of variables and it is imperative to know the nature of these variables and draw inferences there from. At this juncture, it is essential to draw out certain conclusions based on the findings made.

The effect of cultural factors on consumer buying behaviour in both formal and formal retail outlets is strong as the reported likelihood-ratio of the significance of the combined effect of cultural factors on the probability of buying in an informal retail outlet shows a value of 28.28 and p-value of 0.0000, indicating it is significant. The reported likelihood-ratio of the significance of the combined effect of cultural factors on the probability of buying in a formal retail outlet shows a value of 60.02 and p-value of 0.0000, indicating it is significant. Therefore the effects of cultural factors on consumer buying behaviour are stronger in formal retail outlets than informal retail outlets. Additionally, a t-test of mean difference conducted on the predicted probabilities of cultural factors in buying behaviour in the two retail outlets indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000) which means that the influence of cultural factors on the two retail outlets is significantly different from each other.

The test indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000) which means that the influence of cultural factors on the two retail outlets is significantly different from each other.

The effect of social factors on consumer buying behaviour in both formal and informal retail outlets is a significant one. In the case of informal retail outlets, the combined effect of social factors on the probability of buying in an informal retail outlet shows a value of 28.32 and p-value of 0.0001, indicating it is significant. Also, reported likelihood-ratio of the significance of the combined effect of social factors on the probability of buying in a formal retail outlet shows a 50.89 and p-value of 0.0000, indicating it is equally significant. From the foregoing, it is concluded that social factors have more far reaching influence on consumers in formal retail outlets than it has on those of informal retail outlets. Furthermore, a t-test of mean difference conducted on the predicted probabilities of social factors in buying behaviour in the two retail outlets indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000) which means that the influence of social factors on the two retail outlets is significantly different from each other.

Moreover, the influence of the demographic factors on consumer buying behaviour in formal and informal retail outlets is very strong. Therefore, it is concluded that the higher the demographic factors the greater the willingness of consumers to patronise their respective outlet of choice. In the case of informal retail outlets, the reported likelihood-ratio significant combined effect of demographic factors on the probability of buying in an informal retail outlet shows a value of 22.90 and p-value of 0.0111, while that of formal retail outlet is 41.22 and p-value of 0.0000, both indicating they are significant. Hence demographic factors have greater influence on consumer buying behaviour in formal retail outlet than in informal retail outlets. In addition, a t-test of mean difference conducted on the predicted probabilities of demographic factors in buying behaviour in the two retail outlets indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000)

which means that the influence of demographic factors on the two retail outlets is significantly different from each other.

Finally, the psychological factors influencing consumer buying behaviour have impact on the buying behaviour in both formal and informal retail outlets. Although that of formal retail outlets is slightly higher than that of informal retail outlets, this is revealed by the combined effect of psychological factors on the probability of buying in an informal retail outlet which shows a value of 23.18 and p-value of 0.0016 as against the formal retail outlet of 24.14 and p-value of 0.0011. Also, a t-test of mean difference conducted on the predicted probabilities of psychological factors in buying behaviour in the two retail outlets indicates the rejection of null hypothesis that the difference is not different from zero and acceptance of the alternative. This is shown by the highly significant p-value (0.0000) which implies that the effect of psychological factors on the two retail outlets is significantly different from each other.

Conclusively, all the four factors influencing consumer buying behaviour have greater influence on the buying behaviour of consumers in formal retail outlets than their informal counterparts.

5.4 Recommendations

Based on the findings and conclusions drawn from this study, the following recommendations are made:

- i. The management of formal retail outlets should include in their marketing plan aspects that will ensure proper channeling of products towards the cultural attributes of their consumers, particularly language, religion and belief, as their consumers spread across nationalities. Store owners in informal retail outlets should ensure that the tradition specific products are sold in wherever locality they operate as it is the major cultural factor influencing their consumers.
- ii. In formal retail outlets, their management should take cognizance of children's need and things that attract them as it is major social factor influencing their patronage level. They are also advised to sell goods that are tailored towards social classes and monitor their sales to know which one to keep stocking. In informal retail outlets, store owners should identify by taking into cognizance the role an individual plays in a family while stocking goods and making marketing plans.
- iii. Management of formal retail outlets should take cognizance of the price level of the products they sell and try to stock more products that have adequate information such as expiry date, usage etc because the health conditions of their consumers influence their shopping behaviour. They are also advised to consider other demographic factors influencing their consumers which are age, monthly income, and monthly income in making their marketing plans. In informal retail outlets, age and monthly income are the major factors influencing the buying behaviour of their consumers; these should be taking into cognizance while formulating their marketing strategies.

- iv. Owners of stores in both formal and informal retail outlets are advised to create a good impression in the minds of their consumers as their past experience forms part of the learning/psychological process that influences their buying behaviour. Their perception should also be observed. The management of formal retail outlet is also advised to consider the personality of their consumers while planning.

5.5 Suggestions/ Direction for Future Research

Although, this study made significant contributions to knowledge by comparing the factors influencing consumer buying behaviour between formal and informal retail outlets, some areas still left uncovered by the scope of this study needed to be investigated. Among which are;

- i. Future research should focus on such factors like the information processing and compare these results accordingly since there are other factors influencing consumer buying behaviour in literatures such as information processing that was not captured in this study
- ii. Also, this research can be replicated in other geo-political zones in Nigeria.

5.6 Contribution to Knowledge

The study revealed the comparison of the factors influencing consumer buying behaviour between formal and informal retail outlets in South- West Nigeria. It provides a direction for both the management of formal retail outlets and store owners in informal retail outlets in understanding the behaviour of their consumers and the most paramount factors they need to look into in drawing their marketing plans.

The study also covered the psychological gap as the comparison conducted happens to be among the first few in this part of the country.

In addition, the study also considered and compared the major factors influencing consumer behaviour unlike most past studies where just one or two of the factors were considered.

Conclusively, the study adapted and expanded the variables affecting consumer buying behaviour making them suitable for Nigerian business environment and thereby providing a template for explaining the factors influencing consumer buying behaviour in South-West Nigeria.

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APPENDIX I

Faculty of management sciences, Department of
business administration, University of Ilorin,

Ilorin, Nigeria.

QUESTIONNAIRE

Dear sir/ma,

The purpose of this study is to explore the “**factors influencing consumer buying behaviour in formal and in formal retail outlets in South-west Nigeria**”. The study is part of the requirements to complete Degree of Doctor of Philosophy (Ph.D.) in the above named institution.

All information obtained from this study will be strictly used for academic purposes. It will also be used to enhance attainment of business objectives through in-depth understanding of the varieties of factors that could influence consumers to make purchase.

You are therefore implored to please, answer all questions according to your true opinion. Your co-operation is germane to the success of this study.

Thank you for your time and cooperation

Yours sincerely,

Signed

Olodo, Hameedat Bukola.

SECTION A

Demographic Characteristics of the Respondents

Age: (a) less than 21 years() (b) 21 -30 () (c) 31-40 () (d) 41-50 () (e) 51 and above()

Gender (a) Male ☐ (b) Female ☐

Educational Qualification: (a) SSCE () (b) Diploma () (c) B.Sc or HND ()

(d) Masters () (e) Ph.D () (f) Professional Qualification ()

Occupation (a) Student () (b) Private Employee () (c) Government/Public employee ()
(d) Entrepreneur () (e) Housewife ()

Family Nature (a) Nuclear () (b) Joint ()

Monthly Income (a) less than #20,000 () (b) #20,001- #30,000 () (c) #30,001- #40,000 (d)
#40,001-50,000 () (e) 50,001- 60,000 () (f) 60,001- 70,000 ()
(g) 70,001 and above ()

SECTION B: General Questions

INSTRUCTION- Please tick as appropriate

Note: S.A = Strongly Agree, A= Agree, D= Disagree, S.D= Strongly Disagree, N= Neutral

	S.A	A	D	S.D	N
The type and quality of product I buy influence where I buy from					
The price and promotional activities influence my buying decisions and where I buy from					
I prefer to shop where I can find best bargains and sales for my goods					
Prices offered at local markets are lower than that of organized retail outlet.					
I prefer to shop close to my home irrespective of the type of outlet					
I patronise any newly opened retail outlet					
The route traffic to retail outlets affects where I buy from					
The number of customers patronizing a retail store determines if I will buy from the outlet					

I consider availability of other retail outlets beside where I shop before I make purchase					
I consider the convenience and security of parking space in my chosen place of purchase					
The reputation of a retail outlet determines my place of purchase					
The visibility and easy access to a retail outlet determine where I buy from					

SECTION C

INSTRUCTION- Please tick as appropriate

Note: S.A = Strongly Agree, A= Agree, D= Disagree, S.D= Strongly Disagree, N= Neutral
CULTURAL FACTORS

S/N	The effects of cultural Factors on consumer buying behaviour	S.A	A	D	S.D	N
1.	My tradition affects what I buy and where I buy from.					
2.	The religion I practice influences my attitude towards shopping					
3.	The religion I practice determines where I buy from and how I buy					
4.	The Language I speak affects my buying behaviour and where I buy from					

SOCIAL FACTORS

S/N	The effects of social Factors on consumer buying behaviour	S.A	A	D	S.D	N
1.	The group I belong to influences my attitude and my purchase behaviour					
2.	Purchase decision is jointly taken in the group					
3.	I make the purchases for my family					
4.	My role as a husband, wife, child or relation affects what I buy for the family					
5.	The position I hold in the club or organization influences what I buy and where I buy from					
6.	Children's needs influence purchase decision and where shopping is being made					

DEMOGRAPHIC CHARACTERISTICS

S/N	The effects of demographic factors on consumer buying behaviour	S.A	A	D	S.D	N
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1.	My age affects what I buy and where I buy from					
2.	The nature of my job and location influence my buying behaviour and where I buy from					
3.	The country's inflation rate affects what I buy and where I buy from					
4.	My monthly Income determines my savings and where I buy from					
5.	Being married or being single determines where I buy and What I buy					
6.	My gender influences my purchase and the place I buy from					
7.	Poverty and low income earning affect my purchase decisions and where I buy from					
8.	I seek the opinions of others when buying					
9.	I can decide on what to buy without people's influence					
10.	My educational Qualification determines my purchase decision					
11.	My health condition determines what I buy and where I buy from					
12.	My savings affects the type of products I buy and the place I buy from					

PYSCHOLOGICAL FACTORS

S/N	The effects of psychological factors on consumer buying behaviour	S.A	A	D	S.D	N
1.	My preference for certain goods affects where I buy them					
2.	The need that motivates me influences where I buy from and how I buy					
3.	My attitude reflects what I buy and where I buy from					
4.	I base my buying on past experiences					
5.	I take my time to learn about products before I choose to buy them					

APPENDIX II

Cultural Factors and Consumer Behaviour in Informal Retail Outlets

Iteration 0: log likelihood = -568.03232
 Iteration 1: log likelihood = -554.06156
 Iteration 2: log likelihood = -553.89332
 Iteration 3: log likelihood = -553.89295
 Iteration 4: log likelihood = -553.89295

Ordered logistic regression

Number of obs = 476
 LR chi2(5) = 28.28
 Prob > chi2 = 0.0000
 Pseudo R2 = 0.3249

Log likelihood = -553.89295

q1	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q15	.2216196	.0832165	2.66	0.008	.0585184	.3847209
q16	.003528	.0879838	0.04	0.968	-.168917	.1759731
q17	-.0273857	.0799761	-0.34	0.732	-.184136	.1293646
q18	.2146621	.0800236	2.64	0.006	-.0254393	.2882475
q19	.0918499	.0538106	1.71	0.088	-.013617	.1973169
/cut1	-2.489818	.4280309			-3.328743	-1.650893
/cut2	-.7223937	.3244919			-1.358386	-.0864014
/cut3	-.2377491	.3178359			-.860696	.3851978
/cut4	1.653566	.3278826			1.010928	2.296204
/cut5	7.801062	1.086117			5.672313	9.929812

Cultural Factors and Consumer Behaviour in Formal Retail Outlets

Iteration 0: log likelihood = -617.14359
 Iteration 1: log likelihood = -584.74948
 Iteration 2: log likelihood = -584.13236
 Iteration 3: log likelihood = -584.13113
 Iteration 4: log likelihood = -584.13113

Ordered logistic regression

Number of obs = 476
 LR chi2(5) = 66.02
 Prob > chi2 = 0.0000
 Pseudo R2 = 0.3535

Log likelihood = -584.13113

q2	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q15	-.0674732	.0803195	-0.84	0.401	-.2248378	.0898914
q16	.3086723	.0892981	3.46	0.001	.133651	.483693
q17	.0233332	.0803195	2.78	0.001	.0193708	.3372258
q18	.2570537	.0803634	3.20	0.001	.0995443	.414563
q19	.0035181	.0353991	0.10	0.921	-.0658629	.0728988
/cut1	-1.174748	.3648324			-1.889806	-.4596892
/cut2	.7400076	.316193			.1202807	1.359734
/cut3	1.165166	.3208278			.5363554	1.793977
/cut4	3.450101	.3607925			2.742961	4.157241

Social Factors and Consumer Behaviour in Informal Retail Outlets

Iteration 0: log likelihood = -567.82369
 Iteration 1: log likelihood = -553.71229
 Iteration 2: log likelihood = -553.66169
 Iteration 3: log likelihood = -553.66167

Ordered logistic regression

Number of obs = 474
 LR chi2(6) = 28.32

Log likelihood = -553.66167

Prob > chi2 = 0.0001
Pseudo R2 = 0.3249

q1	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q20	.1307838	.0793841	1.65	0.099	-.0248062	.2863738
q21	.1361925	.0855704	1.59	0.111	-.0315224	.3039075
q22	.0840045	.0834621	1.01	0.314	-.0795783	.2475872
q23	.165065	.0781598	2.11	0.035	.0118746	.3182555
q2	.0082994	.0828299	0.10	0.920	-.1540442	.1706429
q25	.0337811	.0572574	0.59	0.555	-.0784412	.1460035
/cut1	-2.00886	.5000103			-2.988862	-1.028857
/cut2	-.2696412	.4168695			-1.08669	.5474081
/cut3	.2013201	.4120281			-.6062402	1.00888
/cut4	2.121644	.4240197			1.29058	2.952707
/cut5	7.502927	.8323776			5.871497	9.134357

Social Factors and Consumer Behaviour in Formal Retail Outlets

Iteration 0: log likelihood = -615.43323
Iteration 1: log likelihood = -590.33842
Iteration 2: log likelihood = -589.98621
Iteration 3: log likelihood = -589.98581
Iteration 4: log likelihood = -589.98581

Ordered logistic regression

Number of obs = 474
LR chi2(6) = 50.89
Prob > chi2 = 0.0000
Pseudo R2 = 0.3413

Log likelihood = -589.98581

q2	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q20	.1060053	.0793224	3.31	0.001	.0494637	.2614744
q21	.1581122	.0848909	1.86	0.063	.008271	.3244954
q22	-.0108061	.0821014	-0.13	0.895	-.171722	.1501097
q23	.202194	.0845979	2.39	0.017	.0363851	.3680029
q24	.2567537	.0793806	3.23	0.001	.1011706	.4123369
q25	.0866122	.0543276	2.42	0.015	.089738	.1232225
/cut1	-.9031818	.4525763			-1.790215	-.0161485
/cut2	.9829811	.4188891			.1619735	1.803989
/cut3	1.411272	.4220467			.5840754	2.238468
/cut4	3.640246	.4534746			2.751453	4.52904
	-.0079446	.0380706	-0.21	0.835	-.0825615	.0666723

Demographic Factors and Consumer Behaviour in Informal Retail Outlets

Iteration 0: log likelihood = -541.55985
Iteration 1: log likelihood = -530.19773
Iteration 2: log likelihood = -530.11228
Iteration 3: log likelihood = -530.11224
Ordered logistic regression

Number of obs = 451
LR chi2(10) = 22.90
Prob > chi2 = 0.0111
Pseudo R2 = 0.3211

Log likelihood = -530.11224

q1	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q26	.2356488	.0829909	2.84	0.005	.0729896	.398308
q27	.0283133	.0980668	0.59	0.581	-.2011425	.1832721
q28	-.1042418	.0997431	-1.05	0.296	-.2997346	.0912511
q29	-.0746105	.0959782	-0.78	0.437	-.2627244	.1135033

q30	.1301124	.0878403	1.48	0.139		-.0420514	.3022762
q31	-.0533398	.0434667	-1.23		0.220	-.138533	.0318534
q32	-.0072174	.0879879	-0.08		0.935	-.1796706	.1652358
q34	.2054005	.0834587	2.46		0.014	.0418245	.3689764
q35	-.0490595	.08466	-0.58		0.562	-.21499	.1168709
q36	.0298093	.0484907	0.61		0.539	-.0652307	.1248494
/cut1	-2.752516	.6296013				-3.986512	-1.51852
/cut2	-1.028431	.5636939				-2.133251	.0763883
/cut3	-.5767715	.558688				-1.67178	.5182369
/cut4	1.29855	.5613519				.198321	2.39878
/cut5	6.629784	.905906				4.854241	8.405327

Demographic Factors and Consumer Behaviour in Formal Retail Outlets

Iteration 0: log likelihood = -581.92681

Iteration 1: log likelihood = -561.54666

Iteration 2: log likelihood = -561.31592

Iteration 3: log likelihood = -561.31576

Iteration 4: log likelihood = -561.31576

Ordered logistic regression

Number of obs = 451

LR chi2(10) = 41.22

Prob > chi2 = 0.0000

Pseudo R2 = 0.3354

Log likelihood = -561.31576

q2	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q26	.0079446	.0666723	2.17	0.011	.0825615	.2422657
q27	.0442625	.0958427	0.46	0.644	-.1435857	.2321108
q28	-.2282932	.095952	-2.38	0.017	-.4163558	-.0402307
q29	-.140701	.0933781	-1.51	0.132	-.3237186	.0423167
q30	.1252831	.0852898	1.47	0.142	-.0418818	.2924481
q31	.0181824	.0528712	0.34	0.731	-.0854434	.1218081
q32	.0559692	.0842421	0.66	0.506	-.1091422	.2210806
q34	.170357	.0815623	2.09	0.037	.0104978	.3302162
q35	.2080923	.0847879	2.45	0.014	.0419112	.3742734
q36	.20645	.0825954	2.50	0.012	.0445659	.3683341
/cut1	-1.763905	.6005151			-2.940893	-.5869171
/cut2	.0397398	.5650259			-1.067691	1.14717
/cut3	.4434526	.564917			-.6637643	1.550669
/cut4	2.620675	.5820673			1.479844	3.761506

Psychological Factors and Consumer Behaviour in Informal Retail Outlets

Iteration 0: log likelihood = -562.22329

Iteration 1: log likelihood = -550.67368

Iteration 2: log likelihood = -550.6325

Iteration 3: log likelihood = -550.63249

Ordered logistic regression

Number of obs = 467

LR chi2(7) = 23.18

Prob > chi2 = 0.0016

Pseudo R2 = 0.3206

Log likelihood = -550.63249

q1	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q38	.2248221	.0827424	2.98	0.013	.0973896	.266154
q39	-.0798961	.0940001	-0.85	0.395	-.2641328	.1043406
q40	.1253437	.0890257	1.41	0.159	-.0491434	.2998309
q41	.2648112	.0847352	3.13	0.002	.0987334	.4308891
q42	-.0610556	.0923602	-0.66	0.509	-.2420782	.119967
q43	.0741931	.0929135	0.80	0.425	-.107914	.2563001
q44	.0590661	.0941499	0.63	0.530	-.1254642	.2435964
/cut1	-2.215393	.5563315			-3.305783	-1.125003
/cut2	-.4936814	.4831609			-1.440659	.4532965
/cut3	-.0008887	.4785957			-.9389191	.9371417
/cut4	1.890984	.4877008			.9351078	2.84686
/cut5	7.230932	.8643494			5.536839	8.925026

Psychological Factors and Consumer Behaviour in Formal Retail Outlets

Iteration 0: log likelihood = -599.00756

Iteration 1: log likelihood = -587.01443

Iteration 2: log likelihood = -586.93645

Iteration 3: log likelihood = -586.93643

Ordered logistic regression

Number of obs = 467

LR chi2(7) = 24.14

Prob > chi2 = 0.0011

Pseudo R2 = 0.3202

Log likelihood = -586.93643

q2	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
q38	.2891817	.0860638	3.22	0.005	.1550999	.2214633
q39	-.1067124	.0950346	-1.12	0.261	-.2929767	.0795519
q40	.1593622	.0925643	1.72	0.085	-.0220604	.3407849
q41	.189403	.0853742	2.22	0.027	.0220727	.3567334
q42	.0801513	.0911866	0.88	0.379	-.0985712	.2588739
q43	.2681586	.093551	3.14	0.010	.0151979	.3515152
q44	-.0875816	.0915926	-0.96	0.339	-.2670998	.0919366
/cut1	-1.908224	.5423099			-2.971132	-.845316
/cut2	.0374325	.4977095			-.9380601	1.012925
/cut3	.4525091	.4980123			-.523577	1.428595
/cut4	2.619753	.5146353			1.611087	3.62842

T-test of Mean Difference

Two-sample t test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]	
Informal	454	.0222085	.000496	.0105676	.0212339	.0231832
formal	454	.0376008	.0011593	.0247021	.0353224	.0398791
combined	908	.0299046	.00068	.0204898	.0285701	.0312392
diff		-.0153922	.001261		-.0178669	-.0129175

diff = mean(Informal) - mean(formal) t = -12.2068
Ho: diff = 0 degrees of freedom = 906

Ha: diff < 0 Ha: diff != 0 Ha: diff > 0
Pr(T < t) = 0.0000 Pr(|T| > |t|) = 0.0000 Pr(T > t) = 1.0000

Two-sample t test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]	
Informal	470	.0215145	.0004848	.0105096	.020562	.0224671
formal	470	.0323945	.0007303	.015833	.0309593	.0338296
combined	940	.0269545	.0004727	.0144914	.0260269	.0278821
diff		-.0108799	.0008766		-.0126002	-.0091596

diff = mean(Informal) - mean(formal) t = -12.4119
Ho: diff = 0 degrees of freedom = 938

Ha: diff < 0 Ha: diff != 0 Ha: diff > 0
Pr(T < t) = 0.0000 Pr(|T| > |t|) = 0.0000 Pr(T > t) = 1.0000