



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

**Gordon Institute
of Business Science**
University of Pretoria

Factors affecting the consumer decision-making process in Africa: an exploratory study

Melisha Pather

13380436

A research proposal submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfillment of the requirements of the degree of Master of Business Administration.

10 November 2014

Contact Details:

Cel: 082 562 8878

Email: mpather@deloitte.co.za

ABSTRACT

With more consumer product companies analysing the requirements for successful entry into African markets, the main factors they seek to determine are concerned with understanding the African consumer, so that these companies are enabled to provide products and services that relate to the inherent needs and wants of these consumers.

This research study analysed the factors that affect the consumer decision-making process in East and West Africa. The countries that were focused on for this study were Kenya, Tanzania, Uganda, Nigeria and Ghana.

The results of the study revealed that there is a unique macroeconomic environment in both East and West Africa that has resulted in the rise of low-end and high-end consumers. Profiles of each of these consumer types, as well as regionally specific nuances have been provided. It was also established that there are many factors that affect the consumer decision-making process in these regions. These can be grouped into product factors, marketing factors, environmental factors and purchasing factors.

These behavioural nuances can be used by consumer product companies to properly prepare market entry strategies for East and West African markets in order to meet customer demands.

KEYWORDS

African consumers, Consumer Behaviour, Consumer Decision Making Process

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Melisha Pather

ACKNOWLEDGEMENTS

I could not have successfully completed my thesis without the following individuals:

- My darling husband Sharlin—for your endless love and support. You are my rock and I could not have achieved this without you.
- My beautiful son Tayin – for giving mum enough time to write every day.
- My parents Brian and Lalitha – for teaching me the importance of education and striving for success. I owe all my successes to you.
- My sisters Nivash, Shona and Vosha – for your truth and encouragement. You are my inspiration and strength.
- My thesis advisor Ricardo – for keeping this on the straight and narrow and helping me finish a piece of work I am proud of.
- My employer, Deloitte Consulting – for giving me the freedom to pursue this and for the financial support to complete my studies.
- To all the participants that assisted in my research study – without you I would not have the rich and valuable information to complete this work.

TABLE OF CONTENTS

| | |
|-------------------------------------------------------------------------------------|-------------|
| ABSTRACT | II |
| DECLARATION..... | III |
| ACKNOWLEDGEMENTS..... | IV |
| TABLE OF CONTENTS | V |
| LIST OF FIGURES | VIII |
| LIST OF TABLES..... | IX |
| CHAPTER 1: INTRODUCTION TO RESEARCH PROBLEM..... | 1 |
| 1.1 Introduction | 1 |
| 1.2 Background..... | 1 |
| 1.3 Definition of problem..... | 2 |
| 1.3.1 Maturity of the African market | 2 |
| 1.3.2 Lack of available data | 4 |
| 1.3.3 Lack of knowledge about the African consumer | 4 |
| 1.4 Existing theory on the consumer decision making process and MNCs in Africa..... | 5 |
| 1.4.1 Consumer decision-making process..... | 5 |
| 1.4.2 Large African companies | 6 |
| 1.5 Research methodology..... | 7 |
| 1.6 Scope of study..... | 7 |
| 1.7 Objectives of the study | 8 |
| 1.8 Proposed chapter outline..... | 9 |
| 1.9 Summary of chapter | 10 |
| CHAPTER 2: LITERATURE REVIEW | 12 |
| 2.1 Introduction | 12 |
| 2.2 Literary review methodology..... | 12 |
| 2.3 Consumer behaviour | 13 |
| 2.3.1 Understanding consumer behaviour | 13 |
| 2.3.2 BPM..... | 14 |
| 2.3.3 Classes of consumer behaviour | 16 |
| 2.4 Consumer decision-making process..... | 17 |
| 2.4.1 Overview of the consumer decision-making process..... | 17 |
| 2.4.2 Foxall's consumer decision-making model | 18 |

| | | |
|-------------------|---------------------------------------------------------------------------------------------------------------------|-----------|
| 2.4.3 | Factors affecting the consumer decision-making process | 20 |
| 2.5 | Consumers in Africa | 22 |
| 2.5.1 | African market context | 23 |
| 2.5.2 | The African consumer | 25 |
| 2.6 | Summary of Chapter 2 | 28 |
| CHAPTER 3: | RESEARCH QUESTIONS..... | 30 |
| 3.1 | Introduction | 30 |
| 3.2 | RESERCH QUESTION 1: Understanding the effects of the macroeconomic environment on the African consumer profile..... | 30 |
| 3.3 | RESEARCH QUESTION 2: Exploring factors that affect the decision-making process...31 | |
| 3.4 | Summary of Chapter 3 | 32 |
| CHAPTER 4: | RESEARCH METHODOLOGY | 33 |
| 4.1 | Introduction | 33 |
| 4.2 | Research study methodology | 33 |
| 4.2.1 | Exploratory study..... | 34 |
| 4.2.2 | Sampling technique..... | 34 |
| 4.2.3 | Research method: Interviews..... | 36 |
| 4.2.4 | Interview technique | 36 |
| 4.3 | Selection of African companies used..... | 37 |
| 4.3.1 | Interviewees selected..... | 38 |
| 4.4 | Results analysis | 39 |
| 4.5 | Limitations | 39 |
| 4.6 | Summary of Chapter 4 | 40 |
| CHAPTER 5: | RESULTS..... | 41 |
| 5.1 | Introduction | 41 |
| 5.2 | Interview respondents and results | 41 |
| 5.3 | RESERCH QUESTION 1: Understanding the effects of the macroeconomic environment on the African consumer profile..... | 43 |
| 5.3.1 | The macroeconomic environment and how it affected the consumer | 43 |
| 5.3.2 | Consumer profile..... | 45 |
| 5.4 | RESERCH QUESTION 2: Exploring factors that affect the consumer decision-making process | 47 |
| 5.4.1 | Factors that affect the consumer decision-making process..... | 47 |
| 5.5 | Summary of Chapter 5 | 57 |

| | |
|-------------------------------------------------------------|-----------|
| CHAPTER 6: DISCUSSION OF RESULTS | 59 |
| 6.1 Introduction | 59 |
| 6.1.1 Overview of results..... | 59 |
| 6.2 Comparison of results with the literature..... | 60 |
| 6.2.1 Comparison to consumer behaviour theory | 60 |
| 6.2.2 Comparison to literature on the African consumer..... | 64 |
| 6.3 Comparison to objective of study..... | 71 |
| 6.4 Summary of chapter | 74 |
| CHAPTER 7: SUMMARY OF STUDY | 75 |
| 7.1 Overview of study outcomes..... | 75 |
| 7.2 Recommendations for business | 76 |
| 7.3 Recommendations for future study | 78 |
| 7.4 Limitations of study..... | 78 |
| 7.5 Conclusion | 79 |
| REFERENCES | 81 |
| APPENDIX A – TOP 30 COMPANY LIST | 84 |
| APPENDIX B - INTERVIEW SCRIPT | 86 |

LIST OF FIGURES

| | |
|-------------------------------------------------|----|
| Figure 1: Countries in scope | 8 |
| Figure 2: BPM Framework (Foxall, 2007)..... | 15 |
| Figure 3: Consumer Decision Making Process..... | 19 |

LIST OF TABLES

| | |
|----------------------------------------------------------------------------------------|----|
| Table 1: Summary of non-probability sampling techniques (Saunders & Lewis, 2012) | 35 |
| Table 2: Summary of respondents | 42 |
| Table 3: Results summary table | 57 |
| Table 4: Comparison of literature of African consumers to results..... | 66 |
| Table 5: Summary of objectives met | 72 |

CHAPTER 1: INTRODUCTION TO RESEARCH PROBLEM

1.1 Introduction

Many consumer product companies having reached saturation in their own markets, have commenced the search for opportunities to expand their products into emerging markets (Deloitte Consulting, 2014b). However, very little is currently known about the manner in which consumers make purchasing decisions in these emerging markets (Deloitte Consulting, 2014b).

These companies desire to ascertain the factors that influence consumers' decision-making processes with regards to what they purchase (Hatch, Becker, & Zyl, 2011b). In order to gain a more profound appreciation of this concept, an understanding of consumers' purchasing decision-making processes in these markets first has to be determined.

This research study encompassed an exploratory view from the perspectives of some of the largest African consumer products companies operating within East and West African markets. The aim was to gain an understanding of the companies' perceptions of what are the influencers of consumers' purchasing decision-making processes in emerging markets.

1.2 Background

The African markets represent untapped potential for large multi-national corporations (MNCs) as the potential of the new African consumer cannot be ignored (Hatch et al., 2011b). According to the Euromonitor (2012), consumer spending in Sub-Saharan Africa has grown steadily at four percent per year, reaching nearly \$600 billion in 2010. Furthermore the market is expected to be worth \$1 trillion by 2020.

Previously it was thought that the African consumer had limited potential due to the relatively low per capita incomes evident throughout the continent, but with both gross domestic product (GDP) and income levels on the rise, there is a new emerging middle class in Africa. This growing middle class presents a likelihood for increasing consumer demand across Africa, especially concerning sizeable economic growth and development (Hatch et al., 2011b).

1.3 Definition of problem

As more companies consider the value of expansion in Africa, the need to understand the African consumer is becoming a priority (Hatch, Becker & van Zyl, 2011). However, there is currently very little research that has been conducted regarding the factors that impact the consumer decision-making process in Africa.

The most pertinent problem remains that there are many complexities to consider within the African context, which has compounded the challenge for MNCs that attempt to determine the activators of the African consumers. These complexities have, up until this point, inhibited entrance into these African markets.

Many MNCs struggle in their strategies to reach the African consumer. Resultantly, these companies are forced out of the Africa due to lack of knowledge of the African consumer (CNBC Africa, 2014). Most recently this has been proven by the exit of Woolworths from Nigeria. Whilst Woolworths stated that their exit was as a result of high rental rates, supply chain and marketing challenges, many retail experts had differing views. One view was that Woolworths' exit from Nigeria was a result of Nigeria's growing middle class being more price conscious than they are brand conscious (CNBC Africa, 2014). This again denotes the lack of knowledge and understanding companies have regarding the African consumer. It becomes more important than ever to comprehend the African consumers' purchasing decision-making processes, as well as become enlightened about the nuances in African emerging markets, in order to create a firm presence and provide competition to the current large African companies that currently operate in those markets (CNBC Africa, 2014).

It is imperative to gain an initial perspective from successful African companies, to determine how their understanding of African consumers has allowed them to be successful in these unique markets.

1.3.1 Maturity of the African market

It has been assumed that African companies are not as mature in their analysis and assessment of their consumer base, when compared to companies in developed countries. Maturity in this context can be defined as having progressed to a state of understanding the

required consumer and consumer base. Companies are not mature largely due to their inherent composition, and also because of the consumers that they serve. Much of Africa's markets are also immature, with a large portion of purchasing happening in open markets. It is estimated that approximately 80% of total consumer purchasing happens in open markets in Nigeria, which is one of Africa's largest economies (CNBC Africa, 2014).

Maturity of the African market can be measured according to three broad classifications. Firstly the macroeconomic environment reveals high GDP growth for many Africa powerhouses, especially in East and West Africa such as Nigeria, Ghana, Kenya, Tanzania and Uganda. However, whilst GDP growth has been large, it has been evidenced that most of the wealth is not being redistributed across the population. As such whilst the countries' GDP increases, consumers are not becoming more affluent or changing the way they purchase (Naiva, Spivey, von Koschitzky Kimani, & Chau, 2014).

The second factor to consider is markets and products. As already mentioned, the route to market in African countries is not the standard route to market experienced by developed countries. Much purchasing happens in open markets, and many consumers themselves are small business owners (Spivey, Dupoux, Niavas, & Ermias, 2013). The products they choose to purchase and resonate with are brands that they are familiar with and not always the cheapest product on the shelves (Naiva et al., 2014). Therefore it is essential that the African route to market, as a strategic process, is understood. It would appear that MNCs that aspire to enter Africa need to ensure they have the right product, the right path to market and the right price point to be successful.

The final factor to consider is supply chain. Supply chain in Africa is very challenging due to the lack of good infrastructure; in many cases servicing remote areas is more expensive than it is worth for the company to invest in the expansion (Hatch et al., 2011b). Understanding consumers' locations and relative benefits are important factors that need to be considered (Hatch, Becker, & Zyl, 2011a). Evidence has exposed the notion that the maturity of the African market is a key determiner that has resulted in MNCs failing in Africa; they are unable to understand their consumers and as such do not gain the expected benefits.

1.3.2 Lack of available data

Data concerning the African continent is very also very limited. Research conducted by Euromonitor and Business Monitor International (BMI), do not have consistent information, which has created doubt concerning the credibility of the data.

Due to the dearth of information, other companies that seek entrance into these markets find themselves struggling to determine vital information regarding consumer preferences, how to market to these consumers, as well as to determine how these consumers typically purchase products and services (Hatch et al., 2011a).

Furthermore, information required to determine the market size as well as the spending power of consumers with regards to the products they produce is very difficult. Many companies have to resort to conducting in-depth market entry strategy projects and make use of consultants to find this information (Hatch et al., 2011a). This information is normally supplemented with purchased reports from Euromonitor or BMI that attempt to provide this information for crucial sectors in strategic markets.

Whilst this information is available for some markets, the challenge that most companies face is how to translate this information to target consumers in these markets based their purchasing decisions (Hatch et al., 2011b).

1.3.3 Lack of knowledge about the African consumer

The African consumer is still very much an enigma, especially with regard to certain products in Africa. In their report on African Powers in Consumer Products, Deloitte Consulting covered the top African companies in Africa from a consumer products' perspective. However from this and other reports, it becomes increasingly clear that the amount of information about the African consumer is also very limited (Deloitte Consulting, 2014a, 2014b; Hatch et al., 2011b).

Knowledge of African companies is limited to the sales of products and current strategies, and information is not readily available on the decision process that influences these consumers. As such, large MNCs considering entrance into African markets often have to do so with very limited knowledge of the African consumer (Hatch et al., 2011b).

Resultantly, MNCs are unsure of the portfolio of products that they should take into these markets, or the marketing that is required that would influence consumers to purchase their products. This makes entering African markets difficult and risky for MNCs.

1.4 Existing theory on the consumer decision making process and MNCs in Africa

This section of the document serves to provide a summary of the major areas that have formed the basis of the research study, namely: the consumer decision-making process and large African companies. A complete literature review in Chapter 2 analyses the current available literature, which served to define the research methodology that was used.

1.4.1 Consumer decision-making process

Analysing the consumers' purchasing decision-making processes is essential to the analysis of this research study. The consumer decision-making process was first introduced by John Dewey in 1910. He recognised five major stages to the decision making process namely:

- The problem/need recognition
- Information search
- Evaluation of alternatives
- Purchase decision
- Post-purchase behaviour

Dewey suggested that it is not necessary that customers get through every stage, nor is it necessary that they proceed in any particular order (Kotler, Keller, Koshy, & Jha, 2012).

In the first step, the problem/need recognition, consumers recognise a need or a purchase that will not be made. These are generally triggered by internal stimuli; this step is an important differentiator in determining how East and West African consumers identify their problems and needs to purchase. Presently, there is actual need recognition and perceived need recognition, where effective marketing can place the need in the mind of consumers ((Kotler et al., 2012). This study sought to explore the creation of need recognition in East and West Africa.

The second stage of the process as outlined by Dewey (1910) is the information search, which occurs when the consumer has recognised the need and then searches for information that can satisfy the need (Kotler et al., 2012). This stage is typically where companies make use of marketing, advertising and public relations to disseminate knowledge to their consumers. However, it remains to be proven whether the information needs to be consistent with needs and is required to address needs, or whether the information actually creates a need in the consumer, or whether this information is rendered useless to the consumer.

The third step is the evaluation of alternatives, where the consumer analyses alternatives based on factors of the product service mix. Consumers evaluate the price *versus* the quality, and branded *versus* non-branded goods to determine the best fit for themselves. This is usually where companies/retailers need to find ways to attract and retain customers (Kotler et al., 2012). It is valuable to determine the manner in which this is done in East and West African markets.

The fourth step of the process is the actual purchase. Consumers are likely to be influenced by previous experience. In addition, Kotler, Keller, Joshy and Jha (2012) claimed that the final purchase decision can be disrupted by two factors: negative feedback from other customers and the level of motivation to comply or accept the feedback from those customers. This means the effort of the purchase also has to be well-understood in the consumers' decision-making process and the importance of the purchase for East and West African consumers must furthermore be determined.

The fifth and final step is the post-purchasing behaviour of consumers. This step includes the level of satisfaction or dissatisfaction that the consumer feels from a specific experience or product and the impact of this on their repeat purchase behaviour (Kotler, Keller & Jha, 2012).

1.4.2 Large African companies

MNCs operating in African markets were interviewed to appreciate the factors that affect the consumer decision-making process in East and West African markets. A selection of executives with experience from top consumer product companies were utilised to conduct the research study.

Data about companies operating in African markets is not always easily accessible. More so, ranking these companies is nearly impossible due to differing currencies, rebasing of currencies and the lack of information on privately owned companies (Deloitte Consulting, 2014a).

As such, the source of information that was used to gain a more profound understanding of the consumer product companies operating in Africa was an unpublished Deloitte Consulting report. The report aimed to derive a list of top African companies based on total revenue generated. In order to standardise the revenue figures, the Deloitte Consulting report ranked only listed companies that have declared revenues in annual reports. The list that was generated is for the full African continent (Deloitte Consulting, 2014a). Executives from the companies with presences in East and West Africa were contacted for interviews with the researcher of the current research report, from preferably the companies that are listed. The nine executives who were interviewed have all worked at or have experience with at least one of the companies in the Deloitte Consulting report. A list of these companies is provided in Appendix A.

1.5 Research methodology

A qualitative approach was used for this study, based on purposive sampling and semi-structured interviews.

A detailed account of the research methodology is provided in Chapter 4 of this research paper. The methodology includes the reasons for selecting the particular research methodology as well as how the interviews were structured and who was selected for interview.

Atlas.ti software was employed for analysing all nine of the interviews conducted and the results of the analysis are presented in Chapter 5 of this document.

1.6 Scope of study

This study was limited to East and West regions in Africa.

The map below explains the countries that were the focus of this study. In West Africa (highlighted in blue), only Nigeria and Ghana were considered. In East Africa (highlighted in green), Kenya, Uganda and Tanzania were considered.

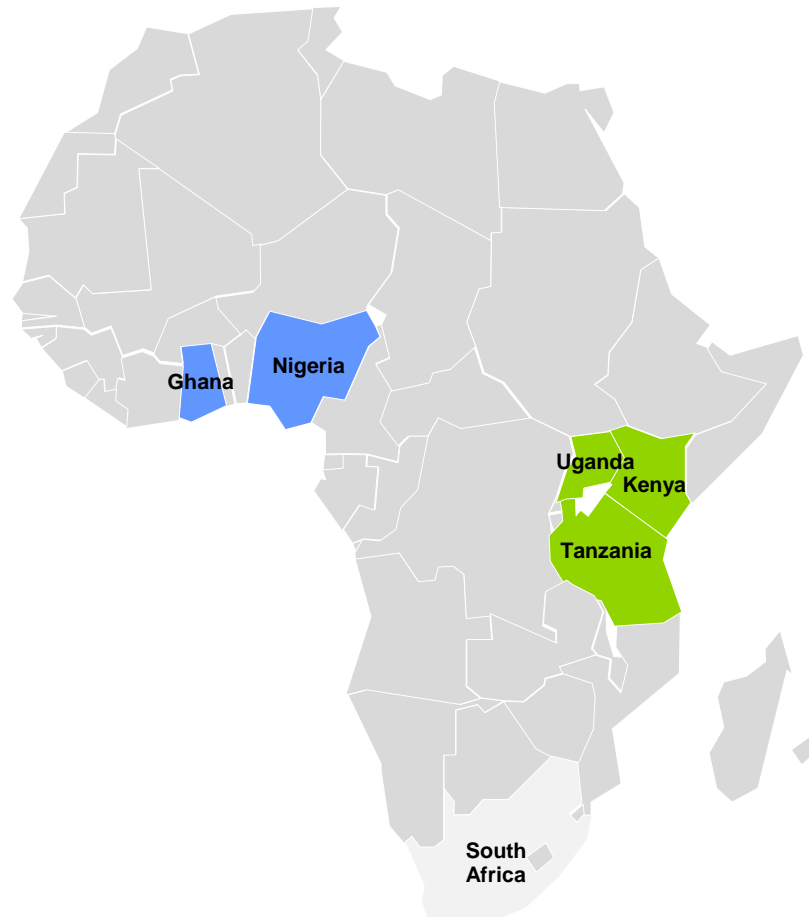


Figure 1: Countries in scope

1.7 Objectives of the study

Based on the problem statement and background to the study, it has been illustrated that MNCs require an understanding of the factors that affect the consumer decision-making process to gain entry into emerging markets. There are secondary research objectives that are hoped to be attained in this research study, and these are listed below:

General context objectives:

- To understand the macroeconomic environment that impacts the consumers in East and West Africa;
- To understand the manner in which consumer product companies operate under these macroeconomic conditions;
- To understand the typical consumer profile in East and West Africa.

Consumer decision-making process objectives include the following:

- To understand the factors that affect the consumer decision-making process in East and West Africa;
- To understand the nuances of consumer behaviour in East and West Africa.

Finally the study aimed to consolidate ideas concerning the similarities and differences in consumer behaviour in East and West Africa. This study was restricted to East and West African regions and particularly focussed on Kenya, Uganda, Tanzania in East Africa and Nigeria and Ghana in West Africa.

The study envisaged the achievement of these objectives, to ensure that consumer product newcomers in African markets would comprehend the activators of consumers' decision-making processes in East and West Africa. Furthermore, MNCs would be able to use this information to make informed decisions regarding consumers in East and West African markets.

1.8 Proposed chapter outline

The reasoning and objectives of this research study have been explored in this initial chapter of the research study. A summary of each chapter is provided below to provide guidance of what can be expected through the research study:

Chapter 1 is the introduction to the research study. The introduction states the problem and the background to the study. A summary of the pertinent literature to the study is provided, and the objectives of the study are presented.

Chapter 2 is a complete literature review concerning consumer behaviour, making use of current literature that explains consumer behaviour theory. Further to this, the chapter focuses

on the consumer decision-making process. The second portion of the literature review relates to African consumers. The African context is provided as well as an overview of the profile of the African consumer, which is fundamental in creating an understanding of the manner in which the African consumer makes decisions.

Chapter 3 states the research questions of this paper. The research questions are divided into two broad categories concerning the general environment of African consumers and the factors affecting the consumer decision making process.

Chapter 4 explains the methodology that was employed to conduct this study. The research methods as sampling techniques are covered. The interview technique and the manner in which the interviewees were selected are also covered.

Chapter 5 describes the results of the interviews conducted. All interviews were transcribed and coded in Atlas.ti software.

Chapter 6 discusses the results in order to provide a meaningful answer to the questions posed as well as to meet the objectives of the research study covered in Chapter 1.

Chapter 7 concludes the research study and makes recommendations for further study. This chapter reiterates the limitations of the study and covers the areas that would be interesting for future studies in this line of study.

1.9 Summary of chapter

With a renewed interest in entering African markets to increase the reach of consumer products, companies are realising the great value in understanding the process that the African consumer employs when making a purchasing decision. Understanding the African consumer becomes increasingly important for companies to determine the markets they should to enter and how to position their products within these markets based on the activators for consumer behaviour, especially in light of the current challenges faced when operating in African markets.

There are five important steps of the consumer decision-making process, each contributing to the consumer's decision to buy or not but a service or good. The aim of this research paper was

to gain an understanding of the factors that affect the consumers' decisions to consume or not consume a good or service consistent with the five steps of the consumer decision-making process.

This study was qualitative in nature, and was based on semi-structured interviews conducted with executives that have worked with or at large consumer product companies in Africa. The scope of the research was limited to East and West Africa.

The results of the study are then used by consumer product companies to make informed decisions regarding their goods and services to positively influence the African consumer's decision to buy their goods or services.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This section comprehensively explains the literature regarding consumer behaviour and consumers in Africa. The first section discusses consumer behaviour and the consumer decision-making process. The aim of this section is to provide an understanding of consumer behaviour, making use of the Behavioural Perspective Model (BPM). The section then narrows the consumer choice and provides more detail to Chapter 1 regarding the consumer decision-making process.

The second section of the literature covers consumers in Africa. Determining consumer behaviour theory is important; however, the nuance of African consumers with regard to consumer behaviour theory is also critical. In the second section of the literature review, the African consumer is discussed in detail by making use of relevant current information.

This chapter is then contrasted with the results that are discussed in Chapter 6, thereby explaining how the results can be compared to current literature.

2.2 Literary review methodology

EbscoHost was used as the main searching source for the literature review, as it provides a search function through all leading academic journals and focuses on journals that were written in the last five years to ensure the validity and applicability of the content in today's markets. A general search on consumer behaviour in Africa was conducted; however there were no results that corresponded with this search. A variety of terms were included in an attempt to find relevant data on Africa, all yielding limited results. Thus the search was then reduced to focus merely on consumer purchasing behaviour theory, so that the applicability of existing theories could be tested against an exploratory study conducted on consumer purchasing decision making process in Africa. Information on the African consumer was thus gained from consulting company reports as well as current information in the public domain. The detail on consumer

behaviour research is presented in the ensuing sections. Pertinent themes are summarised and discussed accordingly.

Before the discussion of pertinent themes, the fundamental definitions need to be clarified as they are perceived and understood in this research paper. Azrina, Hock, Muhammad and Sakina, (2011) defined the consumer “as any individuals or households utilising good and services generated within the economy.” For the purposes of this research study, this definition of consumer was used. Consumer behaviour is defined as the actions that are exhibited by the individuals or households that procure goods and services within the economy. Further to this, Africa in this research study refers to all countries that are part of the African continent. Thus for this research study, there was specific focus on the African consumer in East and West Africa.

2.3 Consumer behaviour

Consumer behaviour is a significant theme in this research paper. In this section the pertinent classifications with regard to the research questions are presented, which include understanding consumer behaviour as well as the Behavioural Perception Model (BPM).

2.3.1 Understanding consumer behaviour

Consumer behaviour can be described as “individuals or groups acquiring, using and disposing of products, services, ideas or experiences”, (Price, Arnould, & Zinkhan, 2004). The authors further posited that to be successful, marketers and policy-makers need to understand the role of consumption activities in consumers’ daily lives. There has been an evolution in the study of consumer behaviour, but modern academic literature says that consumer behaviour is “being concerned primarily with human behaviour, in naturally occurring settings, subject to marketing influence” (Foxall & Sigurdsson, 2013). This emphasises the fact that consumer behaviour is about the actual consumer but also about the environment and the factors that affect consumers’ behaviour such as marketing. As such this research paper explains the macroeconomic environment of the African consumer as well as the identity of the African consumer before exposing the factors that affect the consumers’ decision-making processes. Literature revealed that understanding market segments of consumers is fundamental in determining and studying consumer behaviour (Hatch et al., 2011b).

According to Foxall (2010), consumer research in the context of contemporary markets has been largely cognitive in nature. Consumer behaviour includes all of the activities of buyers, ex-buyers and potential buyers from the pre-purchase thought of buying to the post-purchase evaluation of the good/service, including the continued consumptions and discontinuation of consumption (Foxall, 2005). Consumers move through an intellectual sequence of thinking, evaluating and deciding. The thought process shapes choice along with data inputs into the process and then information is available to the consumer (Foxall, 2005). In addition, certain other factors are also likely to affect consumer behaviour, including the environment in which the consumers find themselves. These factors are of imperative importance for this research paper, to gain understanding of the specific factors that are likely to affect the consumer decision-making process of African consumers due to their environment. Environment is a strategic determinant of how consumers react and environmental contingencies apparently control consumer behaviour (Foxall, 2010).

Further to environment, previous experience is also a major factor that influences the consumer's buying behaviour. Actions that have preceded the current action are likely to impact how the consumer chooses to act in the future (Foxall, 2010). In addition, verbal actions are also likely to impact the consumers' behaviour. What the consumer is told is likely to impact their selection of a specific good or service. However, their experience of the purchase determine whether they perform repeat purchases in the future (Foxall, 2010).

It has also been argued that intention is the most important predictor of consumer behaviour (Deng, 2013). Deng (2013) further postulated that behavioural intention is influenced not only by behavioural attitude and subjective norms, but also by perceived behavioural control. Thus, using Deng's (2013) explanation and Foxall's (2010) findings, it can be said that African consumers' intentions are influenced not only by factors related purely to intention, but also by the environment, as well as how behaviour is perceived based on previous experience and as well as the verbal actions that consumers experience from others who share their purchase experiences.

2.3.2 BPM

A vital theory employed to generate understanding of consumer behaviour is the Behaviour Purchase Model (BPM), as described by Cavalcanti and Oliveira-Castro (2013). The BPM is a

consumer behaviour model that is based on the three-term contingency from behavioural psychology (Cavalcanti, and Oliveira-Castro, 2013). The focus of BPM is the consumer situation which it uses as a direct influence in the shaping and understanding consumer behaviour. BPM stemmed from the need to explain consumer behaviour, acknowledging the role of cognitive psychology and moving away from explaining behavioural responses exclusively by referencing environmental stimuli, as most of the research under consumer behaviour does (Foxall, 2010). So whilst some consumer behaviour can be explained through environmental stimuli, it is important to realise that cognitive psychology also explains consumer behaviour.

The BPM framework is summarised in the diagram below:

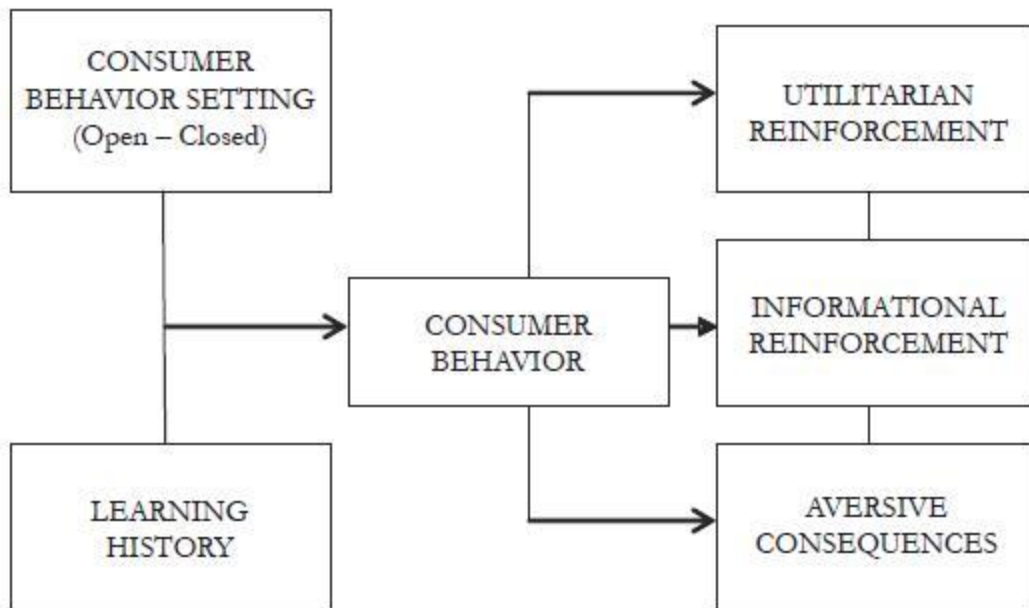


Figure 2: BPM Framework (Foxall, 2007)

According to BPM, behaviour produces consequences, and in a consumer behaviour context the BPM framework defines these consequences as utilitarian reinforcement, informational reinforcement and aversive consequences (Foxall 2001). Utilitarian reinforcement is the tangible functional and economic benefit which stems from purchase, ownership and consumption. This means that consumers see and feel benefits from their purchase of goods that result in them owning the goods or consuming the goods. Informational reinforcement is a consequence of consumer behaviour that is more likely to involve a lifestyle statement through which the

consumer is reinforced by social attention or social status. This means that the consumer makes a purchase as a result of the perception that it creates for them in their communities or social circles. Aversive consequences are those consequences of consumer behaviour that reduce the probability of future purchases. This means that the consumer is against future purchases as a result of a previous bad occurrence when making a purchase of a good or service.

2.3.3 Classes of consumer behaviour

Foxall (2010) referred to four classes of consumer behaviour, which reiterates the intention to move away from the thought that the consumer makes decisions solely on economic factors, as with utilitarian theory. There are consequences that assist in determining consumer behaviour, namely accomplishment, hedonism, accumulation and maintenance.

The first consequence of consumer behaviour is accomplishment. Social and economic achievement can be gained through purchase decisions made, which may give the consumer a sense of social status and personal fulfilment. This sense of accomplishment is likely to influence a consumer's choice to buy a certain product or a certain brand (Foxall, 2010).

The next consequence of consumer behaviour is related to hedonism. This is the outcomes of all forms of popular entertainment and of behaviours which are controlled by the ending of suffering or displeasure (Foxall, 2010). This may be behaviours such as consumption of inflight movies and food, as well as taking medication to alleviate pain.

The next consumer behaviour consequence is accumulation. This behaviour includes collecting, saving, instalment buying and responses to promotional deals that require consumers to collect tokens or coupons (Foxall, 2010). Consumers are likely to indulge in accumulation when it offers them economic savings in the long-term, examples include being bulk-buying that results in saving on unit prices.

The final consequence pertaining to consumer behaviour is maintenance. This involves necessary activities, such as regular food purchasing and fulfilling social and cultural obligations (Foxall, 2010).

These classes are interesting to investigate, and are pertinent in attempting to understand factors that affect the African consumers' decision-making processes. Many of these consequences are exhibited by the African consumer. Those consequences that seem most applicable to the African consumer are part of the outcomes of the research. In order to investigate the consumer behaviour consequences more profoundly, the consumer decision-making process is discussed comprehensively in the section below.

2.4 Consumer decision-making process

The consumer decision-making process was summarised in Chapter 1 of this research paper to provide context to the problem statement and objectives of the study. This section serves to reveal the consumer decision-making more intricately to aid in generating an understanding of consumer choice.

2.4.1 Overview of the consumer decision-making process

Consumer behaviour theory has evolved significantly over the decades. Early consumer behaviour theory was based on Utility Theory, where the consumer was thought to be a rational economic man. However, as the complexities of consumer behaviour has continued to be studied, it has evolved to include the cognitive processes that the consumer goes through and no longer only includes the act of the purchase (Bray, 2008).

As theory progressed, it was postulated that everyday choices are shaped by cultural norms and motivated by emotional rather than rational outcomes (Foxall, 2005). This is evident from both the overview of consumer behaviour as well as from the understanding of the BPM. The question regarding how consumers actually make the choices that determine whether to consumer a good or service remains to be answered.

There are many consumer behaviour models that have been developed including the Howard–Sheth Model, the Engel Kollat Blackwell Model and Bettman's Model. However for the purposes of this research paper the consumer decision-making process is discussed using the Foxall model, which is deliberated in the numerous books and papers Foxall has written on this topic (Cavalcanti, Oliveira-Castro, & Foxall, 2013; Foxall, Oliveira-Castro, & Schrezenmaier, 2004; Foxall, 1996, 2005, 2007, 2010). Foxall has also been widely cited and referenced on the topic

of consumer behaviour when conducting research for peer reviewed articles on the topic of consumer behaviour. Whilst some of Foxall's consumer behaviour material may seem dated due to being written more than a decade ago, these theoretical concepts remain the same, with more current examples and references being added to the body of work (Foxall & Sigurdsson, 2013).

2.4.2 Foxall's consumer decision-making model

Foxall (2005) provided a model that explains consumer choice. The first part of the model states that understanding the social, business, cultural, political and economic environment is important in understanding the consumer's factors and selection concerning consumption (Foxall, 2005, 2010). This again emphasises the fact that the consumer's environment is important; albeit only one part that influences the consumers.

The next step in Foxall's model is to understand inputs or how the consumer becomes aware of goods and services for consumption. Inputs refer to environmental stimuli, which can be advertisements, interpersonal observation or word-of-mouth (Foxall & Sigurdsson, 2013). Consumers are bombarded daily with a profusion of messages from the environment around them; however it is impossible for individuals to use all the information that is provided to them. Instead, a large amount of the information is filtered out by the individual's attention and perceptual processes and has no effect on the consumer's decision making process (Foxall, 2007). Thus a large part of the consumer decision-making process relies on the consumer's inherent, intrinsic selections.

These steps in the model are external to the central processing or the actual consumer decision-making process. However, these steps are equally important to understand as it has a major impact on the central processes that consumers utilise to evaluate alternatives.

The central process or the actual consumer decision-making process can be summarised in the five steps that are represented in the diagram below:



Figure 3: Consumer Decision Making Process

The first step remains identifying a need or want for a good or service. If the consumer feels that he/she has a high enough involvement with a certain problem that creates a need for a product, will he/she further investigate the claims made by an advertiser (Foxall, 2005).

Once the consumer has indeed identified a need for the product, they conduct an internal search based on previous experience or introspective thoughts on the product, as seen in the second step presented in Figure 3. If the consumer does not have sufficient information, they will then conduct an external search that includes seeking information from various external sources including neighbours, friends, newspapers, advertisements or competing brands (Cavalcanti et al., 2013; Foxall, 2005). However, just because the consumer has processed this information does not mean that it is sufficient to influence the consumer's decision to purchase. This information may be placed in the consumer's short-term memory, in which case the consumer quickly forgets the information gained. Only once the information is entrenched in the consumer's long-term memory is it likely to influence the consumer's purchases (Foxall, 2005).

This assessment allows the consumer to evaluate alternatives that will find the best fit for their identified need, as presented in step 3 in Figure 3. The output of the information processing forms the consumer's attitudes and beliefs about a product and this is what guides them

concerning their selection of alternatives to evaluate; eventually leading to the decision to purchase a product (Foxall, 2010). By evaluating alternatives, the consumer also evaluates the product that he/she believes has the best value, or meets his/her quality requirements. In certain situations the decision regarding alternatives is made on the consumer's brand preference (Kotler et al., 2012).

The purchase step is an equally important step in the consumer decision-making process, which is step 4, as shown in Figure 3. All the information that was made available to the consumer and stored in his/her long-term memory is accessed to determine the consumer's decision to buy (Foxall, 2007). It is the outputs of the information processing that shapes the consumer's decision to buy and activates the consumer purchase or consumption behaviour (Foxall et al., 2004). The actual purchase behaviour can also be impacted by the actual purchase environment in which the consumer purchases the good and is not only determined by the consumer's beliefs and attitudes towards a certain product (Deng, 2013).

Post-purchase behaviour is the final step in the consumer decision-making process, which is otherwise referred to as post-decisional evaluation (Foxall, 2005). The first purchase of a product is considered to be a trial purchase by the consumer. The consumer's feelings towards that purchase post-consumption is what determines the consumer's view of the product. The consumer forms views of the product based on his/her experience of the product or the value he/she perceives of the product purchase (Foxall, 2010).

Consumers may form a negative view of a product if they experience a perceived reduced value, through other consumers finding a better deal and purchasing the products for a cheaper price (Foxall, 2010). This is a very important step in the consumer decision-making process, and according to Foxall (2005), this step has often been ignored in favour of the prior steps in the process. Post purchase behaviour is formative in explaining the consumer's selection and switching of brands as well as what companies need to do to entrench consumers on their products.

2.4.3 Factors affecting the consumer decision-making process

Foxall and Sigurdsson (2013) discussed two main areas that are likely to affect the consumer decision-making process. The first is product and brand preference and the second is

contextual influence on consumer behaviour. Furthermore, another factor that is explored in this research study is the actual consumer's effect on their decision-making process, a theory that is positioned comprehensively by Lee (2012). Consumer awareness is also explored as a factor affecting the consumer decision-making process (Ishak & Zabil, 2012). Finally the concept of price elasticity of demand for consumers is explored as a factor affecting the decision-process (Goodhope, 2012).

Product and brand preference affects consumers' purchasing choices by decisions that allow the consumers to maximise their requirements through a product. This is congruent with the consumer classes and the reasons for purchasing certain products (Foxall & Sigurdsson, 2013). Consumers seeking accomplishment are likely to purchase high-value and branded products whereas the consumer purchasing for maintenance is likely to buy the product at the right price point for them (Foxall & Sigurdsson, 2013). However, according to Foxall and Sigurdsson (2013) the most important factor that impacts the consumer's decision to buy is consistent with BPM and utilitarian and informational reinforcement.

The next factor that is considered is contextual influence on consumer behaviour. Inasmuch, Foxall and Sigurdsson (2013) revealed how consumers are affected by the contextual setting in consumption. Consumers are influenced by discounts and promotions and are likely to purchase a cellular phone today at a high monthly interest premium, rather than saving money and purchasing the phone cash when they have sufficient funds (Foxall & Sigurdsson, 2013). Consumers are also affected by the past (Cavalcanti et al., 2013). Consumers are likely to make decisions based on the contextual influence of what happened previously when similar purchases were made. This further builds consumers' perceptions of brands, as certain brands can be perceived as quality brands based on previous purchases (Foxall & Sigurdsson, 2013).

Consumers, as an entity, have also become a strategic factor that influences the decision-making process. Consumers are now influencers, advocates and contributors to other consumers' decisions to buy (Lee, 2012). Consumers gather information through word-of-mouth and through other social media platforms that have consumers endorsing or criticise certain brands (Lee, 2012). The view of the consumer who affects other consumers is a growing trend for the manner in which consumers gather information.

While this is one way in which consumers can gather information from other consumers, consumer awareness of products is also significant when affecting consumer behaviour. Ishak and Zabil (2012) examined consumers' awareness and knowledge to effective consumers' behaviours. Their results showed that consumer awareness affects consumers' decisions to buy, where lack of awareness results in consumers ignorantly purchasing or reducing their ability to protecting their rights against sellers' expropriations (Ishak & Zabil, 2012).

Price elasticity demand is an economic concept and an important characteristic of consumer behaviour as discussed by Goodhope (2012). The price elasticity of demand is affects the consumers' decision to buy certain products based on the price point of that product. There are two types of products; elastic products that result in demand falling sharply when prices are increased and there are inelastic products that are more likely to remain part of the consumers' consumption patterns, regardless of whether there are price increases (Goodhope, 2012). From a consumer's perspective products such as bread, milk, maize and other essentials tend to be inelastic. When the price of these products rises, the consumer is more likely to continue to purchase the product. However, if the price of fruit juice increases, the consumers can easily select an alternative brand or choose carbonated drinks such as Coca-Cola.

These are some of the factors that have already been considered as pertinent to consumers' decisions to purchase. These factors are compared and contrasted to the results of what was found to be the factors that affect consumer decision-making in East and West Africa.

2.5 Consumers in Africa

Consumer behaviour theory is important to understand for the purpose of this research paper. However, the nuances of African consumers regarding consumer behaviour theory are also critical. The African consumer needs to be analysed by using relevant current information. There is limited information that is specifically focused on the African consumer (Naiva et al., 2014). As such, most of the information used in this section was generated from recent media articles as well as from consulting companies that have been pioneers in the research and have reported on the African consumer. Unfortunately there is limited academic literature on the African consumer, which makes this topic even more interesting to research (Hatch et al., 2011a).

Africa has become a focus for retailers and large companies alike (Moorad, 2014). Whilst there is a definite risk in choosing the right African markets to enter, it seems that the proverbial “size of the prize” makes it worth the risk (Moorad, 2014). Increasingly more MNCs are choosing to enter the African continent and to create customers from the African consumers, therefore how these potential consumers purchase has become increasingly important to comprehend.

The African consumer cannot be generalised, as there are particular distinctions of the African consumer that vary across the continent (Moorad, 2014). Additionally, the fact remains that not all of the 53 African countries are relevant markets to consider when selecting entrance strategies (Hattingh, Sun-basorun, Russo, & Van Wamelen, 2012). It remains to be determined where MNCs should focus their entrance strategies regarding the known factors of consumers in their respective markets

2.5.1 African market context

The African continent has long been overshadowed by the likes of the East Asia and to a lesser degree South America. However over the last decade the African continent has started to grow and prosper, resulting in increased business and investment interest in the continent (Verma et al., 2011). Africa is currently the second largest growing region after Asia and is equivalent to the Middle-East in terms of GDP growth (Hattingh et al., 2012). According to Hattingh *et al.* (2012), Africa’s wealth is concentrated in ten of the 53 African countries, namely: Algeria, Angola, Egypt, Ghana, Kenya, Morocco, Nigeria, South Africa, Sudan and Tunisia which account for nearly 81% of the continents total GDP.

It is generally assumed that the rise in Gross Domestic Product (GDP) is a result of the thriving resource markets, however closer analysis shows that whilst the resource boom has contributed to the GDP growth, the main factors that have influenced the growth included improved political and macroeconomic stability, as well as microeconomic reforms (Roxburg et al., 2010).

In addition to fast growth regarding GDP, Africa is also experiencing rapid population growth, with the population estimated at 1 billion in 2010 and forecasted to grow to 2 billion by 2050 (Hatch et al., 2011b). With the increased GDP growth and population, this in turn translates into more consumers that can be targeted by large MNCs. Whilst there is increased population growth, the overall GDP per capita is higher for the ten African countries listed than that of the

BRIC nations of Brazil, Russia, India and China (Are et al., 2010). This means that the average African consumer may have more to spend on consumer goods.

Roxburg *et al.*, (2010), delineated four categories of business opportunities that together could be worth \$2.6 trillion in annual revenue by 2020. The four categories are consumer goods, resources, agriculture and infrastructure. Consumer goods is the highest category with an estimated \$1.38 trillion in revenues by 2020. This is largely as a result of rising incomes and thus increased expenditure on consumer goods. This makes the consumer purchasing behaviour process even more important for consumer goods companies.

The African continent's great potential for MNCs does not come without its challenges. Despite progress, the African continent still remains a challenging place in which to do business (EY, 2014). The African continent is perceived as a risky business environment, although views are changing rapidly and it is believed that more than risky, the African continent is rather a challenging and complex environment (EY, 2014).

Whilst there is definite appeal to the African continent, it remains to be determined where the MNCs should be focussing their efforts of market entry. As such, the focus of this research paper has been where, in particular in East and West Africa, should the focus be. Studies have demonstrated that there is a definite increase in the perception that the African continent is attractive as an emerging market, as MNCs continue to invest strongly in the continent (EY, 2014). Hatch *et al.*, (2011) identified strategic East African and West African countries that could be regarded as focus areas for companies entering Africa.

2.5.1.1 *East Africa*

The East African region has seen substantial growth over the last decade with more countries attracting foreign direct investment and large MNCs. The countries that were emphasised as the largest focus areas in the East African region included Ethiopia, Kenya, Uganda, then followed by Tanzania (Hatch et al., 2011b). For the purposes of this research paper these four countries received focused attention.

2.5.1.2 *West Africa*

The West African economy has some dominant players; however West Africa can easily be split into Anglophone West Africa and Francophone West Africa, each with vastly different cultures and consumer profiles. According to Hatch *et al.*, (2011), the major West African economies are Nigeria, Ghana and Senegal. For the purposes of this research study, only Anglophone West Africa was focused on, and as such Senegal was excluded from the scope of West Africa. To group Senegal into the Anglophone West African group would yield results that cannot truly be regionalised. Experience has also shown that there is a language barrier to gathering information on Francophone West Africa for English speaking MNCs. All relevant information is in French, which would make the analysis challenging.

2.5.2 **The African consumer**

There has been significant growth in the middle class in Africa, spurred on by the increase in GDP (Mutch, 2012). The Africa middle class is rising and appears to be maintainable, making the African consumer more attractive for large MNCs. It is estimated that by 2020, nearly half of all Africans will be living in cities opposed to farm and rural areas and, as disposable incomes rise, consumer spending will grow to about 1 trillion US dollars (Moorad, 2014). According to Naiva, Spivey, von Koschitzky Kimani and Chau, (2014), there is not a single Africa, but rather regions of influence (and affluence) that constitutes differing countries, markets and consumers. It remains that consumers differ across the African continent and appreciating the differing consumer nuances is important for MNCs who choose to enter these markets (Naiva *et al.*, 2014). However, there has been little research conducted on the African consumer and as such MNCs entering these markets have limited research or applicable strategies to follow (Hattingh *et al.*, 2012).

2.5.2.1 *Factors influencing the rise of the African consumer*

Before exploring the traits of the African consumer, it is important to determine the influencers of the rise of the African consumer; and to understand why the African consumer has become more interesting and attractive to MNCs.

According to Hatch *et al.* (2011), there are a few factors that have influenced the rise of the African consumer:

- A large and growing population which make the number of consumers highly attractive.
- A significant decrease in poverty, which the Accenture report advised would decrease from 45% from the 1980s to 20% by 2020. This is driven by the fact that the rise in GDP is higher than the equivalent rise in the population (Barton, Roche, Huet, Saito, & Danziger, 2013).
- An increase in urbanisation, with the wealthy population living or moving into cities. Hatch *et al.* (2011) stated that by 2050 almost two-thirds of the population will live in cities.

In addition to consumers becoming more attractive for the above stated reasons there are also factors that have resulted in the African consumer being easier to target and pursue:

- There has been an improvement in access to consumers through the use of mobile technologies. There has been significant mobile adoption and as such companies have been able to mobile market to consumers more effectively (Hatch *et al.*, 2011b).
- Africa is also seen to have made great strides in improving its business environment, as seen in the Ease of Doing Business Report that stressed the progress Africa has made within its business environment (Hatch *et al.*, 2011b).
- Urbanisation and the increasing labour force also means that consumers are concentrated in large African cities, that are ever-expanding and growing in terms of consumer expenditure (Roxburg *et al.*, 2010).

2.5.2.2 Overview of the African consumer

An increasing number of MNCs are actively analysing the African consumer; however there is little research in this regard. MNCs have had to procure the expertise of consulting firms to better understand the African consumer (Hatch *et al.*, 2011a). With this in mind, there is certain vital statistics regarding the characteristics of the African consumer that are known. Spivey, Dupoux, Niavas and Ermias (2013) emphasised ten characteristics that embody the nature of the African consumer:

- African consumers tend to be optimistic based on the progress seen on the African continent. Consumers are eager to trial new products and spend money on entertainment, cars, homes and education;

- African consumers are entrepreneurial and create their own opportunities in markets by developing businesses;
- Consumers are now active users of internet and technology; they are largely enabled through the use of mobile phones. It is estimated that 22% of urban Africa currently spends up to ten hours a week on the internet (Hattingh et al., 2012);
- African consumers are becoming increasingly aware of international brands and their appetite for these brands are growing;
- Consumers are also brand loyal; they buy quality brands and only buy brands with which they are familiar. This notion is iterated by Hattingh *et al.*, (2012) who stated that in the past consumers had no choice but to purchase cheap and unbranded products, but in the long run companies producing low quality products are not likely to succeed as consumers are influenced by both quality and brand in their decision making;
- African consumers function on a limited budget but the cheapest product does not always guarantee their selection. These consumers happily choose to pay for quality products rather than cheap inferior products;
- The potential market size of the African consumer is thought to be underestimated especially due to limited information, as well as from parallel imports which is rife through the continent;
- African consumers are used to difficult times and unstable wages, and have become routine savers that often save up to 40% of their monthly wages for difficult times. The African consumer has a strong savings culture and as such it is estimated that nearly 70% of all consumers have access to a bank account (Hattingh et al., 2012). Moreover, they are known to pool money and share purchases amongst families and communities;
- The retail preference of the African consumer is changing. Many consumers do not shop in open markets any longer but prefer to shop in up-market shopping malls and supermarkets. According to Hattingh *et al.*, (2012) this is especially true for the urban consumer who has developed modern and sophisticated tastes not much different to urban consumers across the globe;
- Whilst there is much progress for the African consumer, there remains a large portion of the population that faces difficulties and still lives in poverty.

Even though there are some similar characteristics of the African consumer, there continue to be different consumer segments within the African market. Hatch *et al.*(2011b) have identified five different segments to the African consumer:

- Basic Survivors are low income earners and constitute the majority of the African consumers;
- Working Families focus on their children's needs and require financial stability, and are the second largest consumer segment;
- Rising Strivers emerge from the first two segments but have built their purchasing power through credit or other means;
- Cosmopolitan Professionals are brand conscious and are influenced by the media as they are working class people that live in urban areas with active social lives;
- The Affluent are the extremely rich consumers that are considered wealthy regardless of where they travel to. This includes a very small percentage of African consumers.

There are also attitudinal differences to consumers across different geographic areas (Hattingh *et al.*, 2012). This is explored in detail regarding the differences in the consumers' decision-making processes that are contrasted from those who reside in either East or West Africa.

2.6 Summary of Chapter 2

Understanding how consumers interact is vital for consumer product companies to ensure the correct marketing messages as well as product development and branding is implemented (Lee, 2012). Today companies need to ensure that they are placing the customer at the forefront of their minds when making business decisions, as influencing the consumer's decision-making process is vital to success in new markets (Barrera, 2009).

Consumer behaviour and the study of consumer behaviour has evolved significantly since early stages of research into the field (Bray, 2008). The new age of consumer behaviour considers more than just the external environment that influences the consumers and includes the thought process that affects the way the consumers make purchasing decisions. This research paper takes into account the added complexity of the consumer decision-making process for the African consumer.

There is no doubt that the African continent is thriving and developing at a rapid rate. As such, it is a focus for many MNCs; however the complexity of the African continent cannot be underestimated. MNCs that desire to gain entry into African markets need to know where to focus their strategies and have to have a sound understanding of their route to market. There are certain sectors that are thriving and enjoy an increased growth attributed to GDP growth; and a growing population resulting in an increase in African consumers. These sectors include consumer goods, resources, infrastructure and agriculture (Roxburg et al., 2010).

MNCs have to invest time and resources to garner an understanding of the African consumer that they desire to serve. Whilst there are some similarities amongst African consumers that were explored by Spivey *et al.* (2013), there is limited knowledge of the African consumer (Hattingh et al., 2012). Added to this complexity is that there are several consumer segments within the large African market that must also be considered, as well as geographical boundaries that pronounce certain consumer traits and profiles (Hattingh et al., 2012) (Hatch et al., 2011b).

Further to this consumer behaviour and the consumer decision-making process in the African context remains to be fully understood (Naiva et al., 2014). The consumer decision-making process is highly relevant when the factors that affect consumer behaviour are sought to be understood (Foxall, 2010).

CHAPTER 3: RESEARCH QUESTIONS

3.1 Introduction

The literature review in Chapter 2 emphasised the need for MNCs to understand the consumer decision-making process in the African context and to determine the factors that affect the African consumer's purchasing decisions. There is an apparent need for understanding consumer behaviour of the African consumer (Naiva et al., 2014).

As such this chapter clarifies the research questions of this paper, defining comprehensively the research focus. The questions for this research study focused on the factors that affect the consumer decision-making process in Africa, and concentrated on East and West Africa to determine whether specific nuances in these regions existed.

This chapter delineates the research questions that comprised through the exploratory research study.

3.2 RESERCH QUESTION 1: Understanding the effects of the macroeconomic environment on the African consumer profile

This section of questions sought to determine the general perceptions of large African companies that are operating in Africa. The aim of this section was to gain an understanding of the macroeconomic environment in East and West Africa and how this affects the profile of consumers in these regions.

- What is the macroeconomic environment in which these companies operate?
- How does this environment influence the consumer?
- What are the fundamental characteristics of these consumers?
- What levels of the consumer pyramid in these markets are being serviced?

The aim of this section sought to gain a general understanding of the operational environment in which consumer product companies in Africa operate. Further to this, this section wanted to

provide context to the macroeconomic environment that directly influences the type of consumers and also influences consumer decisions.

3.3 RESEARCH QUESTION 2: Exploring factors that affect the decision-making process

This section of questions revealed the perceptions of the same African companies regarding the vital steps they believe to influence the decision-making processes of their consumers. The decision-making process was also explored to ascertain how it contrasts or matches the consumer decision-making process discussed in the literature reviewed in Chapter 2. Probing questions of the five steps of the consumer decision-making process were discussed to gauge whether any elements of the consumer decision-making process mentioned in the literary review are applicable.

The main purpose however was to determine the factors that affect the consumer decision-making process. The questioning also included probing for possible similarities or differences from a West African or East African perspective.

- What are the factors that affect the consumers' decision-making process for African consumers?
- How do consumers gather information?
- Are consumers likely to be influenced by information even if there is no initial need identified?
- How do consumers evaluate alternatives?
- How important is the actual purchase step and is this likely to influence future purchases?
- How important is post-purchase behaviour?
- Are there any nuances of the consumer decision-making process not covered in these questions that you think are worth emphasising?

These questions determined the outcomes of the exploratory study. However, due to the exploratory nature of the study, the aim was only to have semi-structured questions to encourage open-ended answers.

3.4 Summary of Chapter 3

The research question for this paper focused on two major components. The first set of questions sought to understand the macroeconomic environment of the two regions and the operating environment for consumer product companies in the region. Further to this, the first set of questions determined the type of consumer that can be found in these regions, as well as the characteristics that define these consumers. This is important as it provides the context for factors that affect consumers based on different characteristics.

The research question then focused on the consumer decision-making process as well as the factors that affect the consumer decision-making process in Africa. This set of questions sought a more profound understanding concerning the steps of the consumer decision-making process by ameliorating the factors that are likely to affect consumers' decisions to purchase at each of the steps.

These questions formed the basis for the results that are provided in Chapter 5, as well as the discussion of the results that is provided in Chapter 6 of this research study.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

With the research clearly defined, this chapter defines the methodology that was utilised to conduct the research. As defined in the title of the research topic, this study was exploratory in nature due to the limited information on the topic regarding the nature and factors that contribute to the African consumer and perspective (Hatch et al., 2011b; Hattingh et al., 2012; Naiva et al., 2014).

4.2 Research study methodology

There are differing types of studies, namely exploratory study, descriptive study and explanatory study (Saunders & Lewis, 2012). The exploratory study typically gathers general information about a topic that is not presently clearly understood. This type of research is used to gain insight about new problems and new phenomena not yet clearly researched or understood (Saunders & Lewis, 2012). A descriptive study describes the phenomena under research comprehensively by providing an accurate representation of events or a situation (Saunders & Lewis, 2012). An explanatory study, which expands on a descriptive study, analyses the reasoning behind a particular occurrence and establishes casual relationships (Saunders & Lewis, 2012).

An exploratory design was employed for this research study. The reason for selecting exploratory research is two-fold; firstly it allows discovery of general information about a topic that is not yet well understood (Saunders & Lewis, 2012), secondly, this is based on the limited literature and analysis available for the African continent with regard to consumer's purchasing decision-making process, which was discussed in the literature review section of this research study. Comprehensive analysis on data sources was conducted using EbscoHost, which searches multiple academic journals. This analysis revealed that whilst there is sufficient literature on consumer behaviour very little has been written or studied with regard to consumer behaviour in African markets, evidenced by the literature reviewed in Chapter 2.

4.2.1 Exploratory study

An exploratory research study was constructed to answer the "what" questions and in many cases included new studies that was a result of new information or observances or insufficient knowledge on the subject of any study (Saunders & Lewis, 2012). According to Saunders and Lewis (2012), the most usual way of conducting exploratory research is by searching academic literature, interviewing experts in the subject and conducting interviews. For the purposes of this research paper a comprehensive literature review was conducted in Chapter 2 and interviews were arranged with a number of experts to gain insights regarding consumers' decision-making processes in East and West African countries.

4.2.2 Sampling technique

There are two types of sampling techniques, namely probability and non-probability sampling (Salkind, 2012). Probability sampling occurs when it is able to obtain a full list of the population and then a sample is selected from this complete list from a variety of sampling techniques (Saunders & Lewis, 2012). Non-probability sampling involves using sampling techniques when a complete population list is not available (Saunders & Lewis, 2012).

The main reason for using non-probability sampling is due to the difficulty of retrieving a list of the full population of consumers on the African continent or by defining a sample universe that can be randomly sampled in the time (Saunders & Lewis, 2012). This means that probability sampling would not be possible, as there was no sampling frame that could be used, and as such non-probability sampling was utilised.

There are multiple non-probability sampling techniques that were possible to use for this analysis. These included quota sampling, purposive sampling, self-selection sampling, snowball sampling and convenience sampling.

Table 1: Summary of non-probability sampling techniques (Saunders & Lewis, 2012)

| Non- probability sampling techniques | Description |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Quota sampling | Quota sampling ensures that the selected sample represents certain characteristics in the population that the researcher has chosen. |
| Purposive sampling | Purposive sampling is used particularly to select a small sample, and the researcher utilises their judgement to select who will be best to answer the research question. |
| Self-selection sampling | Self-selection sampling is when respondents are asked to identify themselves as possible sample members. |
| Snowball sampling | Snowball sampling occurs when a few sample members are selected and thereafter all subsequent sample members will be identified by previous sample members. |
| Convenience sampling | Convenience sampling occurs when the researcher chooses to use those who are easy to obtain rather than those who have the appropriate experience of the respondent. |

After careful consideration regarding what would be the best fit for the analysis, purposive sampling was selected. This means that judgment was utilised in selecting those experts who would be best suited to answering the research questions (Saunders & Lewis, 2012). The purposive sampling technique identified special participants that had the most information with regards to consumer behaviour in Africa, but participants had to have experience at top consumer product companies operating in African markets. The underlying assumption was that the findings from these experts would be relevant in explaining typical behaviour in East and West African markets (Saunders & Lewis, 2012).

4.2.3 Research method: Interviews

Interviews were selected as the research method to gather information from the executives and as such a detailed interview script was constructed, thereby creating a semi-structured interview approach. Inasmuch, a combination of specific and open-ended questions allowed the interviewees to share as much knowledge on the topic as possible. An interview script is defined as a list of questions consistent with the research questions that were used to conduct the interviews. The interview script and consent statement signed by the recipients can be found in Appendix B. The aim was to have specific questions but also have open ended. The interviews lasted on average an hour, and follow-up interviews were arranged to clarify any questions where required. One interview was not recorded, as a specific request from a participant, but all other interviews were recorded. All interviews, including the un-recorded interview, were transcribed for qualitative data analysis.

4.2.4 Interview technique

According to Aaker, Kumar, Day and Leone (2011), semi-structured or focused individual interviews can be used when the interviewer attempts to present a specific list of topics or sub-areas. The timing of the questions is determined by the interviewer's discretion. This type of interview style is particularly effective when interviewing busy executives, technical experts and thought leaders (Aaker, Kumar, Day, & Leone, 2011). This was the case for this research paper as high level executives were interviewed.

There are some challenges that can be encountered when using this type of interview technique, including the fact that some executives do not enjoy being recorded, as such record keeping can be a challenge (Aaker et al., 2011). This too was experienced in conducting the interviews, as one respondent requested that the interview not be recorded.

In addition, a major challenge is ensuring that the appropriate respondents for the research study are identified and available for the interviews (Aaker et al., 2011). Not all interviewees approached for the study made themselves available to participate in the study, for many reasons. These reasons included inability to schedule time in diaries due to travel schedules and work commitments, required permission from business to participate in the study as well as some not responding at all to the invitation to participate in the study.

However, the interview approach was utilised because of the following advantages, according to Aaker *et al* (2012):

- Interviews avoid responses that are influenced by other people unlike focus groups;
- It is possible to retrieve twice the amount of information in an in-depth interview;
- In-depth interviews can capture all the relevance and salience of the qualitative information;
- In-depth interviews allow for respondents to be carefully selected to represent the topic and the marketplace as accurately as possible;
- One-on-one, face-to-face interviews increase the amount of time each respondent has to share their insights.

For the reasons listed above, interviews were used to conduct this research.

According to Salkind (2012), interviews should be run until saturation is reached. Saturation is reached when the results from interviews no longer differ greatly in content and a clear pattern of results can be established. It was estimated that up to twelve interviews may need to be conducted for saturation to be reached (Saunders & Lewis, 2012). For this research study executives from top consumer product companies were interviewed with some executives having experience at more than one of the companies. As such, whilst twelve interviews were initially required, a minimum of nine interviews were conducted for the study to retrieve a solid amount of information for the qualitative study, before saturation was reached. If saturation had not been reached once the nine interviews were completed, three more interviews would have had to be scheduled. However, there was sufficient information to suggest that saturation was reached on completion of the nine interviews.

Interviews were conducted with the semi-structured interview questionnaire to allow for open-ended questions, which was important for an exploratory study.

4.3 Selection of African companies used

Interviewees were a combination of Africa experts as well as consumer product executives from large African companies. The selection of the right companies was imperative, as it was essential to have large companies that have sufficient consumers that they service in Africa as

well as sufficient turnover. An unpublished Deloitte report was used to determine the top performing African companies, and thereafter a selection of experts from the top thirty listed companies were approached for interviews. The nine executives selected for interviews all had experience at top consumer product companies.

Access to the right experts was essential given the exploratory nature of the study. This research study was based on the assumption that the experts would be able to provide a view of the larger population that this study was not able to reach directly.

Selection of the interviewees was a crucial part of this study. As such only interviewees that work or worked at these top companies were selected and all interviewees had to have the relevant African consumer knowledge. This classification ensured that the selection process met the requirement concerning the credibility of the results that were captured through the study.

4.3.1 Interviewees selected

All interviewees were selected based on their relative expertise of doing business in Africa and their knowledge of the African consumer. The levels of interviewees were each senior in their respective organisations. The titles of interviewees are listed below:

- Head of Marketing: Africa
- Africa Customer Insights Manager
- Director: Head of West Africa Operations
- Independent Africa Consultant
- Head of Consumer Products: Africa
- Head of Africa Operations
- Consumer Insights Manager: Africa
- Head of Strategic Projects: Africa
- Head of International Division

Thus while only nine interviews were conducted, the knowledge and insights gained from the interviewees were of great value and importance as a result of each respondent's exposure within their respective firms as well as of their knowledge of Africa.

4.4 Results analysis

The analyses of results were based on the transcription of all interviews conducted. All interview recordings were transcribed. Where recordings were not available, detailed transcripts were made throughout the interviews. In some cases where transcripts were not clear, the interviewee was contacted in order to clarify certain points or concepts.

Complete transcriptions were then augmented into Atlas.ti software. Atlas.ti is research software that is used for qualitative research. The programme allows for transcripts to be uploaded onto the software and then provides a suite of tools that allows for the coding, and annotates findings in primary data material, to weigh and evaluate their importance, and associate relations between certain concepts.

All nine transcripts were loaded into the Atlas.ti software and unique codes were allocated to concepts established from the dialogue. These codes were then grouped into super codes that formulated the pertinent themes that constituted the two main research questions of this research study. Results are discussed in terms of the frequency of the codes and super codes. Where necessary, quotations were also coded to assist in the classification of themes. These results are provided in Chapter 5 with a discussion of the results presented in Chapter 6.

4.5 Limitations

Even with a well-designed methodology there are still several limitations of the study that need to be considered. These have been listed below:

- This study was based on the perceptions of large African companies operating in these geographies and not specifically East and West African consumers. The findings of this study have been further validated through primary survey research of East and West African consumers to validate whether the perceptions of the companies interviewed are in fact the actual realities for these consumers;
- The study is limited to consumer product companies operating in these geographical areas. Thus the finding of this study may not be applicable to multiple industries;

- Companies from the top of the list generated by the unpublished Deloitte report were selected based on availability of strategic individuals; this may not be the best selection criteria and crucial companies may have been excluded of the list.
- These results cannot be generalised as only one research method was used. Results should be considered according to strategic themes that can be used for further quantitative research.

4.6 Summary of Chapter 4

A rigorous and well-planned approach was followed to gather the research outcomes contained in this research paper. An exploratory methodology was followed due to the limited information that is currently contained on the subject. Further to this non-probability, purposive sample was utilised for interviewee selection. There is limited literature currently on consumer behaviour in Africa and as such an exploratory research study with a semi-structured questionnaire with the relevant experts allowed for the factors that influence consumer purchasing behaviour to be revealed. Despite the fact that these factors were based on perceptions of large African companies, it started revealing factors that could be tested with a more in-depth study conducted through quantitative research with consumers themselves. Due to time limitations and the difficulty in meeting numbers for quantitative research, this was not possible for this particular research study.

Interviews were used as a number of benefits that can be attributed to using interviews. There were some challenges regarding the completion of interviews, including not being able to record all interviews due to apprehension from interviewees. However all interviews were comprehensively transcribed. Interviewees with relevant experience and knowledge were selected from top consumer product companies operating in Africa.

Transcripts were uploaded onto Atlas.ti software and coded for results analysis. Whilst the process was well planned several limitations of the study were acknowledged. The following chapter of this research paper provides results of the study, and the discussion of the results follows in Chapter 6.

CHAPTER 5: RESULTS

5.1 Introduction

In this chapter the results of the nine expert interviews conducted are provided. The nine interviews conducted were all transcribed and coded in Atlas.ti software. There were several key themes that emerged with respect to the respondents answering the two broadly posed research questions. These themes are revealed in this chapter.

The first research question garnered an understanding of the macroeconomic environment as well as an understanding of the African consumer profile from a classification of the following themes:

- Challenges of the macroeconomic environment and how that affects the consumer
- Low–end consumer
- High–end consumer

The second research question concerning the factors affecting the consumer decision-making process provided the following strategic themes:

- Product factors
- Marketing factors
- Environmental factors
- Purchase factors

These themes are comprehensively discussed in this chapter.

5.2 Interview respondents and results

The nine interview respondents were all interviewed and their responses were used to generate the results and themes contained in this chapter. The summary of the respondents are contained below as well as their experience in each region. Respondents were all selected from

a list of top performing consumer product companies, as generated by the list from the unpublished Deloitte report (Deloitte Consulting, 2014a).

The ethics clearance document that was granted for this research study provided the respondents with assurance that their names and specific company names would not be specified in this report. As such respondents are identified by title.

Table 2: Summary of respondents

| Company | Respondent Title | Experience in East Africa? | Experience in West Africa? |
|------------------|------------------------------------------|-----------------------------------|-----------------------------------|
| Company 1 | Head of Marketing: Africa | Yes | Yes |
| Company 2 | Africa Customer Insights Manager | Yes | Yes |
| Company 3 | Director: Head of West Africa Operations | | Yes |
| Company 4 | Independent Africa Consultant | Yes | Yes |
| Company 5 | Head of Consumer Products: Africa | Yes | Yes |
| Company 6 | Head of Africa Operations | Yes | Yes |
| Company 7 | Consumer Insights Manager Africa | Yes | Yes |
| Company 8 | Head of Strategic Projects: Africa | Yes | Yes |
| Company 9 | Head of International Acquisitions | Yes | Yes |

Table 2 evidences that all executive levels were interviewed with the aim to gain the best knowledge and insight available at these top consumer product companies. In addition all

respondents had experience in both East and West Africa, with the exception of one respondent who only had experience in West Africa.

The results were sound and valuable with regard to garnering answers for the two research questions posed that were focused on understanding the effect of the macroeconomic environment on the consumer profile as well as the factors that affect the consumer decision-making process in these geographical areas. The next section explores the results regarding the macroeconomic environment in East and West Africa that has resulted in a particular type of consumer profile that has emerged.

5.3 RESEARCH QUESTION 1: Understanding the effects of the macroeconomic environment on the African consumer profile

This section of results revealed the themes that emerged regarding the macroeconomic environment and how it affected the African consumer, as well the consumer profiles and characteristics.

5.3.1 The macroeconomic environment and how it affected the consumer

An understanding in the macroeconomic environment was important in terms of the challenges faced by consumers in the East and West African markets. In addition, the macroeconomic environment provides the context for the segments of consumer profiles as well as the characteristics that they exhibit. The major macroeconomic factors are well-known on the East and West African region (Verma et al., 2011); however the purpose of the research question provided the context of how the environment affects African consumers. Firstly, common themes were investigated before exploring unique East and West African factors.

According to the respondents, one of the first most influencing factors has been the increased GDP growth. As a result of GDP growth in the region there has been an increase in consumer spending. Most of the executives also mentioned the increased young population, which further increased the base of consumers to target. There has also been a huge growth in urbanisation that has meant that more consumers are easy to access through city centres. An executive provided the example that there are nearly 22 million people in Lagos alone.

5.3.1.1 *East Africa*

However whilst there are many rewarding factors from an economic perspective, there are significant challenges in conducting work in East Africa that include political instability, currency risk and the increasing risk of disease. Additionally, there was also the sentiment that the middle-class was steadily growing across both East and West Africa and that the majority of the consumers still reside at the base of the consumer pyramid who earn less than \$2 a day. However, all executives that were interviewed agreed that Africa was the new frontier for businesses wanting to expand, and with an overwhelming increase in Chinese funding and Chinese presence on the continent, MNCs have had to act rapidly to establish their presence and ensure that consumers are aware of their brands and products.

The respondents distinctly mentioned that Kenya was the 'darling' of the East African market. Kenya was mentioned as the leading economy for doing business, followed by Tanzania and Uganda lagged behind. There was also the view that access to the Kenyan market provided strong access into the East African block. When products are locally produced in Kenya, they are often exempt from duties in Tanzania, Uganda, Rwanda and Burundi. There was also the perception that East Africa, and especially Kenya, was a more politically stable environment in which to do business, even with the increase in terrorism in the country. East Africa is also largely influenced by Indian products due to the historical ties with India, so whilst there is an indisputable Chinese presence like with most African regions, the Indian influence seems to be stronger in the East African region.

5.3.1.2 *West Africa*

In the West African region it was no surprise that Nigeria was mentioned as the strongest regional player, followed by Ghana. Nigeria's largest benefit was its robust economy and its entrepreneurial spirit. Most Nigerians were thought to be entrepreneurs, which increased the informal economy but also created a larger base of consumers with money to spend, as opposed to other African countries where consumers are thought to be government employees that may, on occasion, not get paid. The West African region and especially Nigeria is dominated by open markets, as opposed to formal retail. An executive stated that nearly 85% of the total trade is estimated to occur in open markets. Therefore, accessing consumers in these markets has to be through the open market channel. Most of the executives agreed that Ghana

was thought to be more politically stable than Nigeria. However Ghana faced its own sets of challenges including the recent reassessment of the Ghanaian Cedi, which was frequently mentioned by the executives.

5.3.1.3 Consumer dynamics

With unique macroeconomic factors affecting East and West Africa, it still emerged that there were two broad segments of consumers in these markets. The consumer products executives reiterated that there had not been much research regarding the consumer segmentation and that MNCs referred to one of the two broad segments of consumers. This was an overwhelming finding from a qualitative research perspective. It was found that there is a low-end consumer and a high-end consumer. The African continent still lacks a definite middle-end consumer. A middle-end consumer, according to one executive, is a consumer that earns above \$20 a day, and is professionally employed, but is not as wealthy as the high-end consumer. This consumer class is still growing on the African continent (Hatch et al., 2011b), and appeared to be both an East and West African phenomenon. However, there was one mention of a growing middle-class in Nigeria, which would translate into the growth of a middle-end consumer. The characteristics of these consumers are discussed in the ensuing sections of the research paper.

5.3.2 Consumer profile

As discussed above, due to the unique macroeconomic environment there is a clear emergence of a low-end and high-end consumer. This section investigates the profile and characteristics of the low-end and high-end consumer, which are important to understand for the purposes of this research study. It remains to be established whether the factors affecting the consumer decision-making process of the low-end consumer are significantly different to the factors affecting the consumer decision-making process of high-end consumers.

5.3.2.1 Characteristics of low-end consumer

Low-end consumers constitute the majority of the consumers in both East and West African markets. The low-end consumer is characterised by their needs for basic necessities and they consume largely for survival. The low-end consumer is also a day-to-day shopper and makes purchase decisions more regularly. This is due to the fact that this consumer searches for

immediate gratification and cannot benefit from delayed gratification due to the nature of the products that he or she purchases.

The low-end consumer is driven by affordability and how to divide their share of wallet between the required necessities of housing, food and transportation. They then have very little or nothing at all to spend on non-essential goods.

5.3.2.2 Characteristics of the high-end consumer

High-end consumers are perceived to constitute a very small portion of the total number of consumers in East and West Africa. However, respondents indicated that the high-end consumer is thought to be aspirational and therefore acts as an influencer to the low-end consumer. Respondents also stated that the high-end consumer is generally very well educated and travels frequently to Western countries, and therefore has access and disposable income to shop and is influenced by global brands. In addition, it was said that the high-end consumer is thought to be extremely wealthy and money is generally not an issue for them. They make their purchases whilst travelling or have global products imported for them and their families. Whilst the high-end consumer travels regularly, they are still perceived to be highly patriotic and they continue to support local brands in their respective countries.

There is also the added dynamic of the Diaspora within high-end consumers. Executives mentioned that they had observed many high-end consumers who reside outside their home nation but still send money home to support their low-end family members.

5.3.2.3 Servicing both consumers

It appears that due to the more attractive high-end consumers, all consumer product companies would be targeting the high-end consumer. However, according to the consumer product executives, whilst the high-end consumer is high-value, the sheer number of low-end consumers in both the East and West African markets makes it highly attractive for the companies to create and implement targeted strategies that follow a dual target of both high-end and low-end consumers.

Some executives mentioned promoting premium brands to high-end consumers to strategically creating those brands as aspirational brands for low-end consumers. The alcoholic beverage

executives mentioned the fact that consumers in both the East and West African markets were highly social consumers. This meant that they wished to consume what the other drinkers were consuming as well as share the consumption of alcoholic beverages. Thus when aspirational brands were created, consumers would save up and pool money for a premium whiskey to share between each other at month-end as it was seen to be an aspirational product.

The alcoholic beverage executives also mentioned that high-end consumers were exposed to global brands while they travelled. Thus, where the companies had well-known global brands in their portfolio, they were already well-known by the high-end consumer. Thus, they were able to establish those brands easily in new markets that targeted the high-end consumer.

It was evident from the interviews that most executives focused on servicing both ends of the consumer spectrum. In some instances, consumer product companies chose to only take in low-end products (especially in FMCG), to target the low-end consumer.

The results from the questioned answered regarding research question 1 have been produced. The next section provides the exploratory results that have emerged with regard to research question 2.

5.4 RESERCH QUESTION 2: Exploring factors that affect the consumer decision-making process

In this section the results that emerged with regard to the second research question posed are explored. This section investigates the factors that affect the consumer decision-making process for consumers in East and West Africa.

5.4.1 Factors that affect the consumer decision-making process

The results demonstrated that there are two uniquely different consumer profiles that have to be kept in mind when discussing the consumer decision-making process and the factors that affect it. This theme emerged in the research, showing different factors affecting the two types of consumers.

5.4.1.1 *Product factors*

Based on the qualitative research conducted from the nine respondent interviews, the highest occurring codes on Atlas.ti qualitative software were price, quality and availability which were grouped under product factors. This was specifically related to the low-end consumer.

5.4.1.1.1 Price

Based on the description of the low-end consumer, it is not surprising that price emerged as the most influential factor when purchasing a product. One consumer product executive stated that “*price is king*”. Price drives whether a consumer actually has enough money to buy a certain product in the market. This is especially true for products that are deemed to be luxury products. Executives mentioned products such as cigarettes and alcoholic beverages as well as fast moving consumer goods (FMCG) such as ketchup and mayonnaise and other condiments that are considered as luxury products by low-end consumers. Consumers easily switch products based on price alone. Some executives argued that price was the most important factor that was considered by the low-end consumer.

5.4.1.1.2 Availability

The other factor that executives argued was just as important to the consumer as price, is quality. The argument stems from the fact that the consumer has very little to spend on a certain product, especially in the FMCG category. Based on this reality, some of the executives claimed that they have seen consumers compromise on price if it resulted in the purchase of a better product for themselves or their families. These consumers are happy to spend more on a quality product or brand if they are convinced that it would provide them with satisfaction or generate happiness for their families. The same sentiment was felt concerning luxury products. An executive from a leading tobacco company operating across Africa mentioned that they have witnessed consumers who are happy to buy one global brand cigarette and share it amongst a group of smokers, rather than for each one of them to buy a cheap local cigarette each to smoke. This is largely due to the quality that is associated with spending the extra cash and gaining the satisfaction from the quality product.

High-end consumers are not price sensitive and thus price was not seen to be a factor for them. However, quality is a major determiner for the high-end consumer. These consumers typically

search for quality and aspirational brands. The executives mentioned that due to the consumer profile and the high-end consumer's frequent exposure to international and global brands through travels, the high-end consumer generally seeks imported products from a consumer products' perspective. From a retail perspective, these consumers are likely to buy most of their apparel when travelling abroad. One executive mentioned that the high-end consumer even has specific whiskeys imported specifically for him/her if these are not available in his/her respective country.

Nearly all of the executives also mentioned the importance of availability in affecting the consumer's decision to purchase. In a formal market, this would be an obvious statement. The product would have to be available for the consumer to consider purchasing it. But availability in East and West African markets is generally difficult to ensure. As a result, executives found that availability in African markets largely influence the consumer's decision to buy. This may mean that the consumer wants to purchase the product as it is at the right price point and the right quality, but it is not on the shelf where they make their purchases.

In addition, executives commented on the infrastructural challenges and geographical challenges that make it nearly impossible for the consumer to change the place where they purchase a product.. This again is largely influenced by companies that ensure availability of their product through a distributor model, which is discussed further in Section 5.5.5 of the document. In addition, one executive added that the challenge of availability was that many consumer product companies rely on third party distribution. They distribute into major cities within a country. There are two major cities in Kenya, two major cities in Tanzania, Kampala in Uganda, two major cities in Ghana and there are seventeen major cities to consider in Nigeria, due to the large population density in each of the seventeen cities. This means that getting product to the masses is easy in East Africa and Ghana, but Nigeria posed its own set of availability challenges. Relying on third party distribution in each respective country also does not guarantee product availability. Thus the challenge of availability has a major influence on the consumers' decision-making processes in African markets.

5.4.1.1.3 Quality

The combination of these three factors was thought to be a major consideration especially for the low-end consumer. If the product is out of the low-end consumer's price range there is no

chance that they would be able to afford it. However, in certain cases the low-end consumer is willing to trade price for quality – they would pay more for a high quality product than a cheap product that would not give them the satisfaction they were looking for or fulfil its purpose to them. However, executives were all agreed that the main determining factor was availability. By availability, the executives meant that if the product is unable to be placed where the consumer wanted it, the product in question could not be purchased by the consumer, even if they had already made the decision to purchase this product. These three factors are especially applicable to the consumer's evaluation of their need in the consumer decision-making process, but these are also be considered by consumers when evaluating alternatives.

5.4.1.2 Marketing factors

The next set of factors that can be grouped together that affect the consumer's decision-making process is marketing factors. Marketing factors influence the consumer at multiple steps in the decision-making process. The marketing factors that were frequently mentioned by executives interviewed were visibility and trials and promotions.

5.4.1.2.1 Visibility

A strong factor that was thought to impact the consumer decision-making process was product visibility. Consumer product executives firmly believed that the more visible the products were, the more the companies were able to influence the consumer in terms of their need recognition of the product, the collection of information as well as selecting their product over alternatives. There are several ways that were discussed by the executives that would affect the consumer's decision-making process through the use of marketing. This was again largely dependent on the type of product and the type of consumer that was being targeted.

The first way to increase visibility was through advertising. Executives mentioned numerous ways in which the advertising was executed, dependent on the type of product being promoted and the type of consumer that was targeted. Traditional media that includes television, radio and billboards was reserved for large scale or premium brands that were marketed. The alcoholic beverage executives mentioned that this type of advertising is expensive and hence is reserved for special campaigns and strategic focus brands. An FMCG executive also mentioned

that there is significant complexity involved in mass advertising as there are many dialects and languages spoken across East and West Africa.

In addition, there is the additional complexity of regional challenges. The example provided was a television advertisement for a product that was produced in Swahili for the Kenyan market, but as the official language in Tanzania is also Swahili, the same advertisement was launched on Tanzanian television. This had a negative impact on the consumer purchasing behaviour in Tanzania, as consumers immediately identified that this was a Kenyan Swahili advertisement and not especially made for the Tanzanian consumer. Thus whilst visibility and advertisement was important, the right type of advertising is important to have the desired effect of the consumer's purchasing decision. The West African executives that were interviewed mentioned that in West Africa, local endorsement of products through television and radio bears a great influence on consumers.

In the alcoholic beverage market, for the mainstream customer less traditional media is generally used. It was perceived by interview respondents that a better way to influence the consumer's decision to purchase was through posters and branding in outlets. Point-of-sale (POS) branding is utilised to advise the customer of their alcoholic beverage options. Pricing posters and promotions are also placed at the front of store to influence the consumer's buying decision.

In the East African market social media is also a very influential factor when influencing consumer's decision-making, as social media is steadily growing, especially in Kenya, according to the executives interviewed. Text and mobile advertising has also increased in popularity across both East and West Africa due to the increase in technology and mobile adoption. According to a consumer product executive interviewed, the perception is that mobile messaging is more widely adopted in the East African market and especially Kenya and is still growing in West Africa.

Word-of-mouth is considered to be a huge visibility and advertising tool for consumer product companies in East and West Africa. The respondents indicated that consumers are more influenced by what other consumers tell them of the product than what they are told through media and advertising. Community leaders are also used to influence consumer's decisions to buy a product. The alcoholic beverage companies mentioned that getting bartenders to

recommend their product over the competitors also was very impactful in influencing consumer's decisions. The general view of respondents was that in Kenya the consumers themselves are the single most important factor that determines the success of a brand in the market. If the consumers are not convinced of a buying experience it is likely that regardless of the amount of advertising done, the brand will not be successful in that market.

MNCs have the additional challenge that they operate in African markets while still adhering to strict international company policies. The tobacco company executive mentioned that the way they advertised in African markets were as strict as their operations in Western markets. They would not try to influence non-smoking consumers to become smokers nor would they ease on health warnings on packaging, even if it wasn't a requirement of the home country. As such, less established local players may be more able to influence consumers to purchase from a visibility and advertisement perspective in the tobacco industry.

5.4.1.2.2 Trials and promotions

The final factor for consideration in terms of factors that affect the consumer decision-making process is trial and promotions. When there is no initial need for a product in the market, or if it is a new product introduced into a market, trials are used to influence the consumer's decision to buy. FMCG executives mentioned that they cannot convince a hard-earning, low-end consumer to purchase a product that they have never tasted before. They have low affordability and want to spend their money on tried and tested products. Thus by conducting in-store activations with consumers they may be able to convince the consumer to select their brand or product.

5.4.1.3 *Environmental factors*

Environmental factors are factors that have been grouped together as direct consequence of the East and West African environment. These are unique factors and have risen due to many macroeconomic factors in the East and West African region, including bribery and corruption. These factors include illicit goods, counterfeit good and distribution models.

5.4.1.3.1 Illicit goods

Respondents defined illicit goods as goods that have passed through borders without the necessary payment of duties and taxes. These are also referred to as parallel imports. These products are imported into one country and cross the border into neighbouring countries to be sold without the necessary duties being paid on the product. This is a large phenomenon in the East African region where the borders are comparatively more open between Kenya, Tanzania and Uganda. The impact of parallel imports is that products enter markets without duties and taxes being paid, and as such, they are able to be priced lower than the existing brand in-country. The respondents indicated that this has multiple effects on the consumer's decision to buy. Firstly, the consumer may now be able to afford a branded product that they may not have been able to afford before. If the illicit product is a competitor product, this will likely result in them switching from the known product to a competitor product. If it is the known product that becomes available in the market at the lower price, the consumer now purchases the product at the reduced price.

According to executives this has a negative effect on the consumer's decision to buy the product in future as they may associate this new price to the value of the product, and will not be willing to pay the 'new' increased price when they come across the legitimate good that is on the shelf. Thus, the impact of illicit goods on the consumer decision-making process has the ability to effect the consumer's decision to evaluate alternatives and switch if the competitor's product is lower. It also has the ability to effect the consumer's decision to buy if the product is purchased at a lower price and it will impact the consumer's decision to buy the product in the future if they perceive that they are paying a higher price for the same product.

5.4.1.3.2 Counterfeit products

The next environmental factor that effects the consumer's decision to buy is counterfeit products. Counterfeit products are a huge challenge in both the East and West African regions according to the executives interviewed. There are many steps that executives implement in attempts to protect their brands from counterfeiting, but it is still a challenge faced in African markets. Counterfeit products have an impact on the pricing perception of a product. It is most likely that counterfeit products can be priced lower than the original product in the market, according to executives. This results in consumers purchasing a product or brand that they

would not otherwise be able to afford. However, the impact is that the quality of the counterfeit is significantly lower than the original product. In some cases the product can even be toxic or harmful to the consumer. This reduction in quality has a lasting effect on the consumer's decision to buy this product in future. Executives mentioned that consumers that have negative experiences with counterfeit brands have not purchased the product again. In addition, they are likely to influence friends and family to not purchase the product or brand either. Thus many of the executives mentioned that they have to now invest in significant packaging innovations to ensure consumers are aware of counterfeit goods. In beverages, executives mentioned placing plastic seals on water packaging. In infant formula, there are sms lines where you can sms a code to check whether the infant formula batch is a legitimate product. These investments are beneficial to the companies in the long-term, because they protect the consumer from harm and poor quality, and they increase trust and value in the brand..

5.4.1.3.3 Distributor model

The final factor that affects the consumer decision-making process from an environmental factor perspective is the distributor model that is followed by many companies in the respective countries. Following a distributor model in-country largely leaves consumer product companies at the whim of the distributors that serve their products. With a distributor model, consumer product companies are unable to assure the availability of their product to consumers. According to respondents this is due to the fact that they are unable to control the availability of where their product is being placed. In addition, if a distributor finds a more competitive product, the company's product could be given second priority to the other product. Further to this, respondents that have in-country presence mentioned that the consumer product companies that run distributor models eventually lack the in-market knowledge of the consumer, which is vital for developing the product and brand in countries. Some executives mentioned that they exclusively follow a distributor model in the East and West African markets in which they operate. These consumer product companies are likely to be preclude vital consumer purchasing information that could inform them how to operate more efficiently in-country. Through this research it would appear that companies that have made acquisitions in-market or have in-market presence are more likely to have better knowledge of their consumer's preferences as well as better knowledge of product availability. If this is the case why are so many companies still following distributor models in-country? According to executives that follow distribution models, this minimises the in-country risk when operating through a distributor.

Market capitalisation is low to service the market and executives are able to test their product portfolios in the market without significant capital outlay. However, executives indicated that the distributor model, whilst less risky, does not allow for the consumer product company to really know and understand their consumers.

5.4.1.4 Purchasing factors

The final set of factors to consider regarding factors that affect consumer decision-making processes is purchasing factors. Purchasing factors are factors that affect how and what the consumer buys. The two factors that received high frequencies of mentioning throughout the qualitative analysis conducted on Atlas.ti were open market purchasing and understanding consumer preferences in terms of product and palate.

5.4.1.4.1 Open markets

Open market purchasing is an important part of purchasing behaviour in African markets. In West Africa, executives estimate that between 80 and 85% of all purchasing is done in open markets. Whilst it is significantly less in East Africa (and especially Kenya where there is a growing supermarket culture), it is still a large part of the purchasing environment. Executives mentioned that placing product only in formal trade would significantly reduce their ability to target the mass of consumers, especially low-end consumers who would almost always shop in the open market.

5.4.1.4.2 Taste and product preference

Whilst most of the factors thus far mentioned have been applicable to both the East and West African market, the taste and preference factor is unique in each market and country context. Most executives interviewed mentioned the importance of understanding consumer preferences in terms of product and palette. Product preferences are very important and include product innovation, product portfolio selection and even packaging. Executives mentioned that across the different geographical areas different products were preferred by consumers. Executives also mentioned that products that were successful in South African markets were not necessarily successful across African markets. In many cases the product portfolio selection that is taken into each market is essential, if the company has correctly determined the consumers' taste preferences. This is even applicable for the tobacco industry, where the

executive mentioned that certain blends of tobacco had to be changed in West Africa due to taste preferences that were mentioned by the consumers.

If there are no products in portfolio that meet consumer preferences then product innovation may be necessary to meet consumer preferences. Product innovation also comes in the form of innovating pack sizing to make smaller more affordable products for consumers on the low-end of the consumer spectrum; this is a strategy employed by several of the companies interviewed. In addition product innovation can come in the form of convenience for high-end consumers, turning a stock cube into a paste that can be added directly to a stew, instead of being diluted in water first. Whilst these are just two examples, it becomes imperative to understand consumer preferences as it determines both product selection as well as product innovation.

5.4.1.4.3 Product packaging

Product packaging is also a factor that influences the consumer as a purchasing factor. If packaging has been changed and it no longer meets the consumer's perceived image of the product, significant work must be done in terms of rebranding the product in the consumer's mind to ensure that they purchase the product in the new packaging.

5.4.1.4.4 Post-purchase behaviour

The more research that is done in-country in the East and West African regions, the more companies will be able to gather information on the consumer's product and palette preferences. It was clear through the research that an area where very little actual knowledge on the consumer is known is post-purchase behaviour. Only one company that has been operating on the African continent over 60 years with an in-market model was able to exhibit knowledge of consumer preferences and listed factors that cause consumers to change from one brand to another. According to the executive in this company, this is again impacted by consumer preferences, which may change over time or may be altered when a competitor product enters the market; or consumers may switch due to price. There is brand loyalty to premium brands that are purchased by high-end consumers. However, the executive mentioned that whilst low-end consumers want to remain brand loyal they are often unable to stay loyal to a brand that they are no longer able to afford.

5.5 Summary of Chapter 5

This chapter presented the results that emerged through the qualitative research conducted. Through an exploratory method, the macroeconomic factors affecting the consumer were established. Moreover, two clear types of consumers emerged, namely the low-end consumer and the high-end consumer. The characteristics of both types of consumers were established. Further to this, it was perceived that most MNCs entering the East and West African market choose to focus on both sets of consumers in those markets.

Understanding that two distinct classifications of consumers exist is important when the factors that affect the consumer decision-making process are explored. Different factors would likely impact different consumer profiles. In addition, different factors can be related to different steps in Foxall's decision-making model (Foxall, 2007). The factors and their connections to the different steps of the model are summarised in the table below.

Table 3: Results summary table

| Super Grouping | Factor | Consumer Decision-Making Steps affected |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Product Factors | <ul style="list-style-type: none"> • Price • Quality • Availability | <ul style="list-style-type: none"> • Need recognition • Evaluating alternatives |
| Marketing Factors | <ul style="list-style-type: none"> • Visibility <ul style="list-style-type: none"> ○ Traditional Media ○ Social Media ○ POS branding ○ Word-of-mouth • Trials and promotions | <ul style="list-style-type: none"> • Need recognition • Gathering information • Evaluating alternatives |
| Environmental Factors | <ul style="list-style-type: none"> • Illicit products • Counterfeit products • Distribution models | <ul style="list-style-type: none"> • Evaluating alternatives • Purchase decision • Post purchase behaviour |

| | | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Purchase Factors | <ul style="list-style-type: none">• Open markets• Understanding customer wants (product and palate)• Product packaging | <ul style="list-style-type: none">• Purchase decision• Post purchase behaviour |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|

In Chapter 6 the results presented in this chapter are discussed and compared to the literature reviewed in Chapter 2. It will also be determined whether the objectives formulated in Chapter 1 have been met.

CHAPTER 6: DISCUSSION OF RESULTS

6.1 Introduction

This chapter intricately discusses the results of the research, as presented in Chapter 5. It includes a comparison the results achieved and of what was learned about the consumer decision-making process and African consumers as emphasised in the literature review presented in Chapter 2. Overall the results of this research aimed to answer two questions, an explanation of how the macroeconomic environment affects consumers in East and West Africa, as well as an exposition about the factors that affect the consumer decision making-process in these markets.

6.1.1 Overview of results

Chapter 5 revealed that due to the unique macroeconomic factors there have been two distinct groups of consumers that have emerged, namely the low-end consumer and the high-end consumer. The results also revealed that, according to consumer product executives, the consumer segment between the low-end and high-end is still very small in both the East and West African markets. The majority of consumers are categorised in the low-end consumer segment; however there is a growing middle-end consumer due to the growth of the middle-class in both the East and West African markets. In addition, it was revealed that there are numerous factors that affect the consumer decision-making process. These can be classified as product factors, marketing factors, environmental factors and purchasing factors. Each of these factors impacts different steps of the consumer decision-making process, as summarised in Table 3 in Chapter 5.

6.2 Comparison of results with the literature

In this section, a comparison of the most important findings that correlate with the literature reviewed in Chapter 2 is conducted. The aim of this section is to determine how the findings of this research study add to or differ from the current existing literature.

The results of the analysis resonate with the literature provided in Chapter 2, which is comprehensively discussed in S 6.2.1 and 6.2.2. The results are compared to Foxall's classes of consumer behaviour as well as the factors that affect consumer behaviour, as described in Section 2.3.3 of the literature review. A comparison with the existing literature regarding the African consumer is performed, to determine how the results presented in Chapter 5 add to the current literature as well as where the results differ from current literature. Finally, from the results presented in Chapter 5, it will be determined whether the research study was able to meet the objectives of the study formulated in Chapter 3.

6.2.1 Comparison to consumer behaviour theory

This section focuses on the main areas of comparative similarity and difference regarding the results presented in Chapter 5 and the literature reviewed, as presented in Sections 2.2 (Consumer behaviour) and Section 2.3 (Consumer decision-making process).

6.2.1.1 Comparison to classes of consumer behaviour

Regarding the classes of consumer behaviour that was discussed in section 2.2.3 of the literature review, it can be said from the results discussed in Chapter 5, that whilst the unique environments of East and West Africa have a very specific impact on the factors that affect the consumer decision-making process, the applicability of Foxall's classes of behaviour are also evident. Foxall (2010) mentioned four classes of behaviour, namely accomplishment, hedonism, accumulation and maintenance.

Accomplishment is closely be related to the high-end consumer. Accomplishment is thought to have social and economic achievement that affect the consumers' decision-making process (Foxall, 2010). Through the results garnered, respondents mentioned that high-end consumers are likely to purchase premium brands that are likely to award them status in their social

communities. Results demonstrated that this connection to high-end consumers further acts as aspirational determiner for low-end consumers who aspire to purchase those same brands.

The concept of hedonism refers to the outcomes of all forms of popular entertainment and behaviours, which are controlled by the ending of suffering or displeasure (Foxall, 2010). Whilst this is possibly applicable to African consumers at large, especially in terms of consumption of required medications, this was not visible through the consumers' decision-making process with regard to consumer products in this study.

The third consequence discussed in the literature review is accumulation. Accumulation is definitely an occurrence in low-end consumers. Low-end consumers are more likely to indulge in collecting, saving and instalment buying as evidenced in Section 5.4.4, which described the research results pertaining to market factors that influence low-end consumers in terms of promotions that allow for savings and collecting coupons for further savings. The low-end consumer is more inclined to respond to promotional deals to engage in savings. From the results gained in Chapter 5, whilst bulk-buying allows for saving on unit prices, the low-end consumer may not be able to afford to purchase items in bulk due to low affordability.

Both groups of consumers are likely to engage in the consequence of maintenance, which is conducting the necessary activities for regular food purchasing and fulfilling social and cultural obligations. High-end consumers were also seen to conduct maintenance buying – however their inclination was to purchase premium products based on quality. The low-end consumer predominantly engaged in maintenance purchasing. They consumers are likely to spend the greater part of their money purchasing maintenance products for everyday living.

Thus the consequences of consumer behaviour are definitely visible in the research conducted on the African consumer. Three of the four consequences were highly applicable to both consumer types, whereas the consequence of hedonism was not applicable in terms of consumer products. Further research will have to be conducted to determine whether hedonism is applicable to the East and West African consumer.

6.2.1.2 *Comparison to factors affecting consumer behaviour*

Several factors of consumer behaviour were discussed in the literature reviewed in Chapter 2, Section 2.3.3. A further comparison seeks to determine how the factors contained in the literature review compare to the factors presented Chapter 5, Section 5.4.1.

The concepts discussed by Foxall and Sigurdsson (2013) were compared. The authors mentioned product and brand preferences that affect the consumer decision-making process as well as contributing contextual influence as a determiner of decision-making. Both these factors emerged strongly in the results contained in Chapter 5. Product and brand preference is particularly strong amongst the high-end African consumer. According to the results, the consumers are not concerned about the costs of products and are likely to purchase premium products based on quality. Low-end consumers may also choose quality above price and thus prefer a particular product or brand, but their decision to purchase is still determined by their affordability for a product, which again reinforces the theory discussed by Foxall and Sigurdsson (2013).

The contextual influence was also a determining factor for African consumers in making their purchasing decisions, as evidenced in Section 5.3.1 that discussed how the macroeconomic environment in East and West Africa affects the consumer in those markets. According to the results in Section 5.3.1, high-end consumers travel frequently and are exposed to international brands, thus they are more likely to seek and purchase imported international brands when they are in their home countries. The low-end consumer may want to purchase a higher quality product but their contextual circumstances are of such a nature that they cannot generally afford anything other than the low-end product. In addition, both low-end and high-end consumers are influenced by their previous experience of purchasing a particular product, as discussed in Section 5.4.1 regarding the results garnered from the research study in terms of purchase factors. The low-end consumer was more influenced by poor purchase decisions, as it affected their everyday life more than the high-end consumer, as realised in the results.

The next factor discussed from the literature reviewed was the consumers' own influences that affect the consumer decision-making process. Consumers are thought to be influencers, advocates and contributors to other consumers (Lee, 2012). These findings were confirmed in Chapter 5 that related to market factors affecting the African consumer. The African consumer

gathers a great deal of information by word-of-mouth and is highly influenced by the experience of other consumers' previous purchases. This was a very prominent factor mentioned by the executives with regard to African consumers, thereby supporting the theory discussed in Section 2.3.3 in the literature review.

Consumers are also thought to be influenced by product awareness. Results from this research study affirmed that consumer awareness affects consumers' decisions to buy (Ishak & Zabil, 2012). The results of the study culminated in a list of marketing factors that executives mentioned that are likely to influence the consumers' decision to buy. The executives mentioned visibility of product as the theme that would influence or inhibit consumers to purchase their product instead of competitor products, or convince consumers to try their product, as is strongly propounded in the literature discussed in Section 2.3.3.

The final factor discussed in the literature review was price elasticity (Goodhope, 2012). It can be said that low-end consumers are more price inelastic as they are constrained by affordability. The results from Chapter 5 Section 5.4.1, revealed that the high-end consumer is more price elastic and is willing to pay more for a premium product. According to the literature in Section 2.3.3, price elasticity is discussed in terms of products. Essential products such as maize, bread and rice were considered to be more price inelastic, because even when there are price changes the product remains to be purchased. Results from Chapter 5 support this, however if there is no affordability of these products for the low-end consumer they typically choose an alternative product as they are unable to purchase the product. The literature reviewed explained that luxury products are more elastic and are easily substituted according to the literature. This was confirmed to a certain extent by the results presented in Chapter 5. High-end consumers that seek specific brands are not likely to change a specific brand or product regardless of whether the price changes. Conversely, the low-end consumer is very price sensitive, especially with regard to more luxury products and these consumers are likely to alter their selection when the price increases. Thus the findings from Chapter 5 reveal that the low-end consumer is price inelastic regardless of the type of good due to their affordability, whereas the high-end consumer is more price elastic irrespective the type of product.

All the factors that were discussed in the literature review were visible in the results demonstrated in Chapter 5. However, there were specific factors that emerged that were not mentioned in the literature review. These include the unique environmental factors, which

emerged particularly as a consequence of business on the African continent in the East and West African regions. This included the trade in illicit and counterfeit products, and consumer product companies operating under distributor models. Not enough information was known about purchase behaviour in literature to comment, however open market purchasing is a unique East and West African market phenomenon. The findings presented in Chapter 5 conclude that there are some similarities in the existing literature to the results found about the African consumer; however, there are also some uniquely African factors.

In the next section, a comparison of the results of the existing literature concerning the African consumer is conducted.

6.2.2 Comparison to literature on the African consumer

A detailed review of the African consumer was provided in Section 2.4.2. There were several pertinent points that were exposed in this section that can be compared to the results that were compiled in Chapter 5.

There are both similarities and differences that are evident from the comparisons of the listed factors that have resulted in the rise of the African consumer and the macroeconomic factors that were perceived by MNCs to have affected the African consumer. Furthermore, the overview of the African consumer will be compared with the general learnings that were gained from the research study pertaining to African consumers.

6.2.2.1 Comparison of factors affecting the rise of the African consumer

Within Section 2.4.2.1 there were several factors that were listed as having affected the rise of the African consumer. These included a growing population, the decrease in poverty and an increase in urbanisation.

What was learned from MNCs were considered to be true for the regions of both East and West Africa. Inasmuch, it must be reiterated that other macroeconomic factors have resulted in the rise of importance in the African consumer.

The executives that were interviewed confirmed that the attractiveness of East and West Africa lay in the growing population, which made for a large consumer base to target. Further to this,

results exhibited that the population was not only growing, but also that it was a young population, which differs significantly from aging populations in Europe and now Asia (Are et al., 2010).

The decrease in poverty did not emerge as a major theme in the results presented in Chapter 5. However, the decrease in poverty is attributed to the increase in the middle-class in East and West African markets, which according to the results displayed in the previous chapter, increased the spending power of African consumers. The results displayed in Chapter 5 revealed that the majority of African consumers are still classified as the low-end consumers who are more price conscious. Thus the results of the research study would suggest that whilst there is a rise in the spending power of the African consumer the inclusive spending of consumers remain when the spend-per-consumer is considered.

Results in Chapter 5 also revealed that urbanisation is a theme that has affected the African consumer. Executives mentioned that major cities have large numbers of consumers that are now easier to reach. With more consumers in densely populated cities, MNCs do not have to target consumers in outlying areas that are often challenging and retrieve uncertain yields. The example provided in Section 5.3.1 was that a Lagos has approximately 22 million people alone to target, which can be considered “easier” than focussing on the large rural populations that are sparse and difficult to reach.

The research study’s results as presented in Section 5.3.1.3 revealed that there are unique factors that affect the consumer dynamic in both East and West African markets. This lends to two distinct consumer profiles: the high-end consumer and the low-end consumer. Much of the existing literature regarding African consumers illustrates that African consumers are typically categorised into the low-end consumer (as seen by the factors covered in Section 2.4.2.1, as propounded by Hatch *et al* (2011)). However, results confirmed that there is a distinct high-end consumer that is affected by different factors such as upward mobility, international travel as well as high spending potential. While Hatch *et al* (2011b) did explain consumer segmentation for five consumer segments that they believe to exist in African market, the research study’s results as presented in Chapter 5 revealed that there are only two consumer segments. Effectually, there was not sufficient insight gained to analysis the segments within the low-end consumer and the high-end consumer groups, which were broad segments provided to assist with the core of this research study, being the consumer decision-making process. Further

research could be conducted to gain a more profound understanding on the differing consumer segments within the East and West African markets.




6.2.2.2 Comparison to overview of the African consumer



In this section the results produced in Chapter 5 is are compared with the existing literature on the knowledge of the African consumer.

In Section 2.4.2.2, ten characteristics of the African consumer were provided (Spivey *et al.*, 2013). For ease of reference the comparison of these characteristics with the results in Chapter 5 is provided in Table 4 below:



Table 4: Comparison of literature of African consumers to results

| Existing knowledge of the African consumer | Results on African consumer | Match? |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <p>African consumers tend to be optimistic based on the progress seen on the African continent. Consumers are eager to test new products and spend on entertainment, cars, homes and education;</p> | <p>Not enough information was gained about the optimism of the African consumer.</p> <p>What was confirmed was that the low-end African consumer is actually more reluctant to test new products, especially when they have not heard about the product or tried it out before. Thus trials and promotions are used to allow the consumer to test the product in the hope that they will purchase the product in future.</p> | <p>?</p> |



| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <p>African consumers are entrepreneurial and create their own opportunities in markets by developing businesses;</p> | <p>Results showed that a vital characteristic of the African consumer was their entrepreneurial spirit; this was especially true for West Africa markets such as Nigeria.</p> |  |
| <p>Consumers are now active users of internet and technology; they are largely enabled through the use of mobile phones. It is estimated that 22% of urban Africans spend up to 10 hours a week on the internet (Hattingh et al., 2012);</p> | <p>Results in Chapter 5 have revealed that the consumer for East and West African markets is very technology savvy. Both low-end and high-end consumers have access to mobiles. In the East African market social media is very prominent.</p> <p>However, again this can only be confirmed for the East and West African markets as these are much more developed than other African markets.</p> |  |
| <p>African consumers are becoming increasingly more aware of international brands and their appetite for these brands is growing;</p> | <p>Results revealed that African consumers are becoming more brand conscious. The high-end consumer is especially brand conscious due to their exposure to international brands through travels. The low-end consumer is starting to recognise the quality of certain brands and is willing to sacrifice price for quality in some instances.</p> |  |

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <p>Consumers are also brand loyal; they buy quality brands and only buy brands with which they are familiar. This is further iterated by Hattingh et al., (2012) who stated that in the past consumers had no choice but to purchase cheap and unbranded products, but in the long-term companies producing low quality products are not likely to succeed as consumers are influenced by both quality and brand in their decision making;</p> | <p>Brand loyalty was not tested in this research study. What was confirmed in the results is that consumers (both low-end and high-end) seek quality brands and products.</p> <p>Product availability still remains a consideration though. Even if consumers seek a certain brand or a certain quality product it may not always be available and they will have to select an alternative.</p> |  |
| <p>African consumers function on a limited budget but this does not mean that they inherently select the cheapest product. They are happy to pay for quality products over cheap inferior products;</p> | <p>Results revealed this comment is again dependent on the type of consumer profile in question.</p> <p>High-end consumers do not operate within a budget nor are they price conscious. They seek the best product regardless of price. The low-end consumer is price conscious but will compromise price on occasion for a better quality product. However, this is again dependent on the affordability of the product, as even if the low-end consumer wants better quality, they may not be able to afford it.</p> |  |

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <p>The potential market size of the African consumer is thought to be understated, especially due to limited information as well as parallel imports which is rife through the continent;</p> | <p>Not enough information on the market size of the African consumer was gained through this research study.</p> <p>What can be confirmed is that there is a large amount of illicit products and counterfeit products in the market.</p> | <p>?</p> |
| <p>African consumers are used to difficult times and unstable wages. As a result they will often save up to 40% of their monthly wages for difficult times. The African consumer has a strong savings culture and as such it is estimated that nearly 70% of all consumers have access to a bank account (Hattingh et al., 2012). In addition, they are known to pool money and share purchases amongst families and communities;</p> | <p>Not enough information was gathered to comment on the consumers' saving culture.</p> <p>What can be confirmed is that consumers in East and West African markets are communal purchasers and they are likely to purchase goods together in social settings or in families or communities. Sharing of goods is not uncommon.</p> | <p>?</p> |

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <p>The retail preference of the African consumer is also changing. Many consumers do not shop in open markets any longer but prefer to shop in up-market shopping malls and supermarkets. According to <i>Hattingh et al.</i>, (2012) this is especially true for the urban consumer who has modern and sophisticated tastes, not much different to urban consumers across the globe;</p> | <p>Formal retail purchases may be true for the high-end consumer. They seek brands that they are likely to find only in formal retail. The Kenyan market was found to be the most converted with regard to formal retail purchasing by consumers.</p> <p>The low-end consumer is still likely to be purchasing in open markets, which was found to still be a major factor affecting a consumer's decision-making process.</p> |  |
| <p>Whilst there is much progress for the African consumer, there remains a large portion of the population that still faces difficulties and still lives in poverty.</p> | <p>Results confirmed that the majority of consumers in the East and West African market still fall in the low-end consumer segment.</p> |  |

Key to table

| | |
|-------------------------------------------------------------------------------------|----------------------------------------------------|
|  | <p>Result confirmed by results</p> |
|  | <p>Result not confirmed or partially confirmed</p> |

In addition to the above-mentioned comments, the following results were also revealed about East and West African consumers:

- Macroeconomic factors are unique to each region. Unique factors were found in East Africa and West Africa. These have different impacts on the consumers in each region;
- African consumers greatly differ from country to country and even from region to region. Making general comments about African consumers can be dangerous as it is not applicable to all consumers or all African markets;
- Understanding consumer segments is vital to determine consumers' wants and preferences. This study found that low-end consumers act significantly differently to high-end consumers. This means that general characteristics mentioned by Spivey *et al* (2013) cannot be generalised to all consumers;
- Consumers in different markets are likely to have different taste preferences. Understanding the consumer and their wants and needs is important to building a brand in African markets. Products that work in other markets will not necessary work for African consumers;
- East and West African consumers are highly influenced by previous purchases. Building a good product experience is importance for success in these markets.

Thus this study has been able to confirm some theory that exists concerning African consumers. In addition, it was able to add to the knowledge about East and West African consumers. Most importantly this study has hopefully spurred the encouragement that MNCs require to move away from thinking that there is one African consumer. African consumers differ greatly from region to region, country to country and even from area to area within a country.

In the next section, the results achieved in Chapter 5 are compared with the initial objectives that were formulated in Chapter 1.

6.3 Comparison to objective of study

The full set of objectives of this study was initially formulated in Chapter 1 of this research paper. To ensure the ease of matching objectives to the achievements, each of these have been tabulated below:

Table 5: Summary of objectives met

| Objective | How was this objective met? |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Research Question 1: What are the effects of the macroeconomic environment on the African consumer?</p> | |
| <p>Determine the macroeconomic environment impacts on the consumers in East and West Africa.</p> | <p>Through the semi-structured interviews, executives were able to provide information on the macroeconomic environment in East and West Africa.</p> <p>A separate macroeconomic profile was provided for each of these regions in Chapter 5. In addition, how the macroeconomic consequences affect the consumers was also provided in Chapter 5.</p> |
| <p>Determine the consumer product companies operations in these macroeconomic conditions.</p> | <p>An understanding was gained concerning the macroeconomic environment and how companies operate in the East and West African regions, given the challenges of working in these geographies.</p> <p>Further to this it was ascertained through the research that consumer product companies operating in these geographies choose to serve both types of consumers – the low-end consumer and the high-end consumer.</p> |

| | |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Determine the typical consumer profile in East and West Africa.</p> | <p>It was established in Chapter 5 that across the regions of East and West Africa that there were two typical groups of consumers, namely the low-end consumer and the high-end consumer.</p> <p>Profiles of each of these types of consumers are provided in Section 5.4 of Chapter 5. Specific nuances of low-end and high-end consumers were provided by area, and confirmed with information when it was available.</p> |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Research Question 2: What are the factors that affect the consumer decision-making process?

| | |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Determine the factors that affect the consumer decision-making process in East and West Africa.</p> | <p>Factors that affect the consumer decision-making process in East and West Africa are provided in Chapter 5, Section 5.5. There were four groupings of factors that emerged from the research study. Product factors, marketing factors, environmental factors and purchase factors.</p> <p>Examples of each of these factors and nuances per region were provided, where information was available per area.</p> |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Determine the nuances of consumer behaviour in East and West Africa.</p> | <p>As per the objective above, nuances per area were provided, where sufficient information was provided by area.</p> <p>In many cases the factors affecting the consumer purchasing decision was found to be the same. Further analysis will have to be completed regarding the importance of each of the factors to the differing regions. Palate was found to differ across regions and that would need to be further understood across the various regions.</p> |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

As per the table above, it is evident that the objectives of the study that were formulated in Chapter 1 have been met. Some objectives require further analysis and can perhaps be covered in future studies to further describe the differences between the East and West African regions.

6.4 Summary of chapter

In this chapter the results from Chapter 5 were briefly compared to the literature reviewed in Chapter 2. The aim of the chapter was to confirm that the results from this research study add to existing literature and to emphasise where the research study's findings differs from existing literature.

Results were compared in terms of classes of consumer behaviour, factors affecting consumer behaviour and a comparison of what was learned about African consumers in comparison to what is currently known in existing literature about African consumers.

Finally the results achieved in Chapter 5 were compared to the objectives that were initially formulated in Chapter 1 of this research study. It can be stated that the results achieved meet the objectives that were initially formulated in Chapter 1. In some cases, further research is required to comprehensively discuss the differences between the East and West African regions. Much of the results revealed similarities in the factors that affect the consumer decision-making process, however the extent to which these factors affect each region and the relative importance that these factors are likely to offer remains to be determined.

CHAPTER 7: SUMMARY OF STUDY

7.1 Overview of study outcomes

This study was conducted to ascertain the factors that affect the consumer decision-making process in African markets. The study made use of a qualitative approach by employing semi-structured interviews that were conducted with top consumer product companies operating in African markets. A total of nine interviews were conducted, transcribed and coded using Atlas.ti software to reveal the results of the study.

The results that were presented in Chapter 5 of this study revealed that there was a high-end consumer and a low-end consumer to consider when discussing the factors that affect the consumer decision-making process. In addition, the results revealed that there were many factors that affect the consumer decision-making process and these can be classified as product factors, market factors, environmental factors and purchase factors. The factors categorised as product factors included price, quality and availability. Market factors included visibility and comprised of a number of marketing initiatives exercised by firms as well as trial and promotions. Features listed under environmental factors that were unique to the East and West African environment; including the trade of illicit products, counterfeit products and distributor models. Open markets, understanding consumer wants and product packaging were all listed under purchase factors.

The results of the study were able to confirm three out of four of the consumer behaviour classes according to Foxall (2010), as discussed in Chapter 6. In addition, the factors also included the elements that were discussed in Chapter 2, only adding in unique environmental factors.

Based on the results of this study, recommendations for businesses as well as recommendations for future study are advised. All recommendations and results must be interpreted through the known limitations of this study.

7.2 Recommendations for business

Based on the results of the study, there were several factors that can be emphasised by other consumer product companies with a desire to enter African markets by understanding the factors that are likely to affect the consumers' decisions to buy their product.

The first recommendation to business is that it must be understood that in both the East and West African markets there are two sets of consumer profiles. These consumers have different desires and expectations, and different factors will influence their decisions to buy a product. In addition, based on the consumer profile being targeted in that market, companies need to ensure that a specific portfolio of products needs to be selected to target that consumer. Products that work in other markets may not necessary work in new markets.

Once companies have selected the portfolio of products for the East or West African market, appropriate pricing is essential. Based on the product quality, companies need to ensure that the price point of the product meets the expectations of the consumers, and that the pricing provides a comprehensive value proposition for the consumer at a particular price point.

In addition, it is highly recommended that consumer product companies understand that providing high quality products to the East and West African markets is fundamental to ensuring market penetration and market sustainability. Both low-end and high-end consumers are highly influenced by quality products. East and West African markets cannot be seen as a dumping ground for low quality products.

Availability of products should also be a crucial consideration for consumer product companies operating in East and West African markets. Even with the right price point and a good quality product, if the product is not readily available to the consumer who seeks it, they will select available alternatives. Determining the location of potential consumers and then ensuring a steady product flow in those areas is critical to the success of the market entry.

Another important recommendation for business is to ensure visibility of products. Implementing innovative ways to guarantee that the product is top of mind for the consumer in these markets will likely to influence their purchase decision. Encouraging word-of-mouth endorsement from other consumers can also greatly affect consumers' decisions to purchase. Where a product is

new in market, trials and promotions are important to convince the consumer that the product is worth their money. Low-end consumers are especially averse to spending their money on untrusted and untested products.

Companies also have to be aware that product and brands protection is vital to safeguard against counterfeit products in markets. Counterfeit products are likely to greatly diminish the value of a brand in the market and in the mind of the consumer. Successful companies have found ways to protect their products in the market, through innovations such as plastic seals on water bottles and SMS lines with product codes to verify the originality of the product. Illicit products are also a challenge from a pricing perspective, however due to corruption and bribery at country borders in Africa, this adds to the challenges for consumer product companies to consider and mitigate (Hatch et al., 2011b).

Companies should also carefully consider distributor models when operating in African markets. The results demonstrate that companies who utilise and implement distributor models in East and West African markets are less likely to understand their consumer's wants, and these companies also find it more difficult to guarantee or understand the availability of their products. Companies should understand that while distributor models are much less risky when operating in very challenging East and West African markets, as a result these distributor models limit companies' operating capabilities and can act as a restraint for growth.

Product packaging should also be an important consideration for consumer product companies operating in East and West African market. Based on the target consumer profiles, the appropriate sizes of product packages need to be designed for the specific consumers. Low-end consumers are typically more attracted to smaller packaging that is more affordable for them. Innovative packaging that allows for repurposing of product containers should also be a consideration for companies.

The final and most important recommendation is that consumer product companies have to invest in understanding their consumer. Consumers differ from country to country and even differ from specific regions in a country. As such companies need to ensure that they significantly invest in understanding their customers' wants and needs as well as the particular price points, brands and advertising that will be most effective for their consumer. Whilst these are the factors that affect the consumers' decision-making process, how to effectively apply

these factors correctly for each consumer in each market remains critical. For example, the price point for the consumer in Mombasa, Kenya could be significantly different to the price point for the consumer in Kanu, Nigeria. Thus, as companies understand more about the consumers they serve, the more likely the companies are to be able to positively affect consumers' decision-making process.

7.3 Recommendations for future study

This was an exploratory study based on a qualitative research methodology. As such, the results of this study reveal pertinent themes with regard to the factors that affect the consumer decision-making process.

Future studies could be based on a quantitative study to verify and examine the factors that have emerged through this study. Future studies could be conducted with the actual consumers in each of the East and West African markets. These studies would then be able to test the applicability of each of the identified factors to each of the markets. In addition, these studies would also be able to reveal the ranking and importance of the factors.

Individual studies can be completed by analysing high-end consumers as well as on low end consumers in each of the markets, which could also advise companies on how the different sets of consumers rank each of the identified consumers.

Additional factors should also be tested to determine the consumers' value regarding factors that affect the consumers' decision-making process and these answers could be compared to this current study to determine whether there are any differences in the perceived factors as propounded by MNCs and the factors that were listed by the actual consumers in the markets.

7.4 Limitations of study

A rigorous approach was followed to determine the results as presented in Chapter 5 of this research paper. However, even with this rigorous approach it is still necessary to repeat the limitations of this study that were initially expounded in Chapter 4 of this study:

- This study is based on the perceptions of large African companies operating in these geographies and not East and West African consumers themselves. The findings of this study will have to be further validated through primary survey research of East and West African consumers to validate whether the perceptions of the companies interviewed are in fact the actual realities for these consumers;
- The study is limited to consumer product companies operating in these geographies. Thus the findings of this study may not be applicable to multiple industries;
- Companies from the top of the list were selected based on availability of crucial individuals; this may not be the best selection criteria and strategic companies could have been excluded of the list.
- These results cannot be generalised as only one research method was employed in this research study. Results should be interpreted as presenting strategic themes that can be considered by business for further quantitative research.

7.5 Conclusion

This study has revealed that there are several factors that affect the consumer decision-making process of consumers in both East and West African markets. Following a rigorous and well-formulated qualitative approach, nine interviews were conducted executives from top consumer product companies. The results of this study confirmed that there are four strategic classifications of factors that affect the consumers' decision-making process. These four strategic classifications include product factors, market factors, environmental factors and purchase factors.

This research aligns closely with the classes of consumer behaviour that was discussed by Foxall (2010). In addition, several of the theoretical factors that affect the consumer decision-making process, as discussed in Chapter 2, were also evidenced in the results. However, there were some unique factors resulting in the unique environmental aspects of the East and West African regions. The results of this study were able to confirm the theory concerning the African consumer, and significantly added to the depth of knowledge available that concentrated on the East and West African consumer.

The aim of this study was to help MNCs who desire to enter African markets attain a more profound understanding of the consumers in East and West African markets. There are several recommendations that MNCs can take from this study and employ these to assist preparations for market entry. It remains necessary to consider and appreciate that there are several limitations of this study.

This study establishes the foundation for further research to be conducted in this new but very relevant area that focusses on the African consumer. While much of the theory on African consumers is very general, new research can serve to categorise and focus research topics to ensure that MNCs recognise that there are inherent differences between African consumers. This study is the pioneering step in trying to determine the differences between African consumers through a regional view of East and West Africa. Further studies should consider further classification that concentrates on a country view of the consumer as well as expanding on the knowledge of the dichotomous African market.

References

- Aaker, D. A., Kumar, V., Day, G. S., & Leone, R. P. (2011). *Marketing Research, International Student Version*. Hoboken: Wiley.
- Are, L., Chabenne, S., Dupoux, P., Ivers, L., Michael, D. C., & Morieux, Y. (2010). *The African Challengers*.
- Azrina, A., Hock, H., Muhammad, R. R., & Sakina, S. (2011). Quality and labeling of minerals in selected bottled mineral water. In *International Conference on Consumer Law 2011: Social Justice and Consumer Law Proceedings*. Bangi: Malaysia.
- Barrera, R. (2009). *Overpromise and Overdeliver*. New York: Penguin.
- Barton, C., Roche, C., Huet, E., Saito, N., & Danziger, J. (2013). *The Resilient Consumer*.
- Bray, J. (2008). *Consumer Behaviour Theory: Approaches and Models*.
- Cavalcanti, P. R., Oliveira-Castro, J. M., & Foxall, G. R. (2013). Individual differences in consumer buying patterns: A Behavioral Economic Analysis. *The Psychological Record*, 63(2), 259–276.
- CNBC Africa. (2014). *Understanding Woolworths' dramatic exit from Nigeria*. Retrieved from <http://www.cnbcfric.com/news/western-africa/2013/11/13/e-commerce-is-the-way-forward-for-retailers-in-nigeria/>
- Deloitte Consulting. (2014a). *African Powers of Consumer Products - Unpublished Report*.
- Deloitte Consulting. (2014b). *The Deloitte Consumer Review Africa : a 21st century view*.
- Deng, X. (2013). Factors influencing ethical purchase intentions of consumers in China, *Social Behaviour and Personality*, 41(2012146), 1693–1704.
- EY. (2014). EY's attractiveness survey.
- Foxall, G. R. (1996). *Consumers in Context*. London and New York: Routledge.

- Foxall, G. R. (2005). *Understanding Consumer Choice*. London and New York: Palgrave Macmillan
- Foxall, G. R. (2007). Explaining consumer choice: Coming to terms with intentionality. *Behavioural Processes*, 75, 129–145.
- Foxall, G. R. (2010). *Interpreting Consumer Choice*. Basingstoke, UK, and New York: Routledge.
- Foxall, G. R., Oliveira-Castro, J. M., & Schrezenmaier, T. C. (2004). The behavioral economics of consumer brand choice: Patterns of reinforcement and utility maximization. In *Behavioural Processes*, 66, 235–260.
- Foxall, G. R., & Sigurdsson, V. (2013). Introduction to the Special Issue: Consumer Behavior Analysis: Behavioral Economics Meets the Marketplace. *The Psychological Record*, 63(2), 231–238.
- Goodhope, O. O. (2012). Globalization: the emerging new knowledge economy and consumer behaviour dynamics. *International Journal of Academic Research*, 4(6), 197–203.
- Hatch, G., Becker, P., & Zyl, M. Van. (2011a). *Africa Market Entry : Strategies for consideration*.
- Hatch, G., Becker, P., & Zyl, M. Van. (2011b). *The Dynamic African Consumer Market : Exploring Growth Opportunities in Sub-Saharan Africa*.
- Hattingh, D., Sun-basorun, A., Russo, B., & Van Wamelen, A. (2012). *The rise of the African consumer*.
- Ishak, S., & Zabil, N. F. M. (2012). Impact of Consumer Awareness and Knowledge to Consumer Effective Behavior. *Asian Social Science*, 8(13)
- Kotler, P., Keller, K. L., Koshy, A., & Jha, M. (2012). *Marketing Management* (13th Edition). New Delhi: Pearson Education.
- Lee, B. (2012). *The Hidden Wealth of Customers*. Boston: Harvard Business Review Press.

- Moorad, Z. (2014). *Retailers spurred on by African consumers*. *Financial Mail*. Retrieved from <http://www.financialmail.co.za/moneyinvesting/2014/04/03/retailers-spurred-on-by-african-consumers>
- Mutch, T. (2012). The rise of the middle class in Africa. *New African*, (February), 38–40.
- Naiva, S., Spivey, L., von Koschitzky Kimani, M., & Chau, G. (2014). *Understanding Consumers in the “ Many Africas .”*
- Price, L., Arnould, E. J., & Zinkhan, G. M. (2004). *Consumers* (2nd Edition). New York: McGraw-Hill.
- Roxburg, C., Dorr, N., Leke, A., Tazi-Riffi, A., van Wamelen, A., Lund, S., Zeino- Mahmalat, T. (2010). *Lions on the move : The progress and potential of African economies*.
- Salkind, N. . (2012). *Exploring Research* (8th Edition). California: Sage Publications.
- Saunders, M., & Lewis, P. (2012). *Doing Research in Business and Management*. Pearson: Edinburgh Gate.
- Spivey, L., Dupoux, P., Niavas, S., & Ermias, T. (2013). *Ten Things to Know About African Consumers Capturing the Emerging Consumer Class*.
- Verma, S., Sanghi, K., Michaelis, H., Dupoux, P., Khanna, D., & Peter, P. (2011). *2011 - BCG Global Challengers - Companies on the Move*.

APPENDIX A – TOP 30 COMPANY LIST

1. British American Tobacco
2. Compagnie Fin Richemont
3. Steinhoff International Holdings Ltd
4. Brasseries Du Maroc
5. Tiger Brands Limited
6. SABMiller PLC
7. El Sewedy Cables
8. Pioneer Food Group Limited
9. Dangote Cement PLC
10. Clicks Group Limited
11. Aspen Pharmacare Holdings Limited
12. Distell Group Limited
13. Flour Mills Of Nigeria PLC
14. Nigerian Breweries PLC
15. Tongaat Hulett Limited
16. Life Healthcare Group Holdings Ltd
17. AFRGI Limited
18. Marjane Holding
19. Illovo Sugar Limited
20. SIFCA
21. AVI Limited
22. Astral Foods Limited
23. RCL Foods Limited
24. ENL Land Limited
25. PPC Limited
26. Clover Industries Ltd
27. Guinness Nigeria PLC
28. Nestle
29. Lyonnaise des Eaux de Casablanca

30. Consumar

** The companies on this list were confirmed as at November 2014. This list may have minor changes when confirmed and the complete report is published.

APPENDIX B - INTERVIEW SCRIPT

Consent Statement

I am conducting research on *The factors affecting the consumer decision making process in Africa*. Our interview is expected to last about an hour and will assist in understanding what factors affect consumers buying behaviour. **Your participation is voluntary and you can withdraw at any time without penalty.** All data will be kept confidential. If you have any concerns, please contact me or my supervisor. Our details are provided below.

Researcher: Melisha Pather

Email: mpather@deloitte.co.za

Phone: 0825628878

Supervisor: Ricardo Machado

Email: Machar@unisa.ac.za

Phone: 012 429 4020

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

Purpose of the study

The purpose of this study is to conduct exploratory research on the factors affecting the consumer decision making process in Africa. This study will be focusing on East and West African consumers.

Interviewees' role in the study

The interviewee will be required to share their knowledge and expertise in terms of their knowledge of the consumer decision making process in East and West Africa. The interviewee will do this through answering a set of open ended questions which are listed in this document. The interviewee will be provided with the outcomes of the study following the completion of the research study.

The interviewee is encouraged to stay on topic but is welcome to share information that is pertinent and relevant but may not necessarily directly answer the question that is posed.

Interview questions

This section covers the questions that will be covered through this interview

Perceptions of large African companies operating in Africa

This section of questions covers general perceptions of large African companies that are operating in Africa. The analysis is limited to Consumer Product companies and general perceptions are covered in this section.

- What is the macroeconomic environment in which these companies are operating? *(Probe: The interviewer will probe for the operating environment in East and West Africa and the possible differences or similarities that could be affecting the consumer decision-making process).*
- How does this environment influence the consumer? *(Probe: The interviewer will probe for the macroeconomic factors that affect the consumer's decision-making process in East and West Africa).*
- What are the pertinent characteristics of these consumers? *(Probe: The interviewer will probe for the type of consumer in East Africa versus the type of consumer in West Africa. What are the key characteristics of these consumers?).*
- What levels of the pyramid are being serviced? *(Probe: The interviewer will probe for the type of consumer that the interviewee has information on to determine if different levels of consumers have different consumer decision-making processes).*

Exploring the steps in the decision making process

This section of questioning covers the perceptions of the same African companies on the keys steps they believe influence the decision-making process of their consumers. The decision-making process is explored as well, to determine the contrasts or matches of the consumer decision-making process compared with the literary section. Probing questions on the five steps of the consumer decision-making process are also covered to gauge if any elements of the consumer decision-making process covered in the literary review are applicable.

- What are the key factors that affect the consumer's decision-making process for African consumers? *(Probe: The interviewer will probe for the factors and steps that influence the consumer decision-making process in East and West Africa. Focus on how the consumer buys and what factors affect the process).*
- How do consumers gather information? *(Probe: The interviewer will probe for the way in which consumers gather information in these markets).*
- Are consumers likely to be influenced by information even if there is no initial need identified? *(Probe: The interviewer will probe for how susceptible consumers are to marketing and promotions and general information even if they do not have a need for the consumer product at first).*
- How do consumers evaluate alternatives? *(Probe: The interviewer will probe for views on whether consumers evaluate or are swayed by alternatives).*
- How important is the actual purchase step and is this likely to influence future purchases? *(Probe: The interviewer will probe for perceptions of whether consumers are affected by the 'experience' of buying. Will this affect the decision-making process in future?).*
- How important is post-purchase behaviour? *(Probe: The interviewer will probe whether consumers are affected by the behaviour post-purchase).*
- Are there any nuances of the consumer decision-making process not covered in these questions that you think are worth highlighting? *(Probe: This is a general question that the interviewer will use to understand if there is anything in the consumer decision-making process that has not been covered by the other questions of the interview).*