FACTORS INFLUENCING CONSUMER BEHAVIOR AMONG THE YOUTH IN PRIVATE UNIVERSITIES IN NAIROBI: A CASE OF UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

BY

MBURUGU DENNIS MAINGI

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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MBURUGU DENNIS MAINGI

A Research Project Report Submitted to the School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2019
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution other than the United States International University-Africa in Nairobi for academic credit.

Signed: --------------------------- Date -------------------------------
Dennis Maingi (ID 637705)

This proposal has been presented for examination with my approval as the appointed supervisor.

Signed: --------------------------- Date -------------------------------
Prof: Njenga Kefah PhD.

Signed: --------------------------- Date -------------------------------
Dean, Chandaria School of Business
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ABSTRACT

The reasons for conducting this research is due to the researcher’s desire to understand more about consumer behavior. This topic was arrived at after reading through research work from other researchers who conducted their research on Consumers, their behavior and Youths. Kenya has one of the largest youth Population in Africa, therefore, understanding how they react to various factors utilized by marketers is of high importance. Thus, this research aims at determining the factors that affect the behavior of Youths in Kenya towards Marketing efforts. The research questions identified in this research addresses four main factors that affects Consumer Behavior. These include; influence of Product, Price, Place and Promotion factors on Consumer Behavior among the Youths in Private universities in Nairobi whereby this research focuses on United States International University-Africa.

The research design adopted for this study is descriptive research design with a Case Study Approach and was conducted during the months of January 2019 and June 2019. The target population for this study are youths in private universities based in Nairobi, Kenya, focusing on United States International University-Africa students as the sampling frame. The sample frame was based on Undergraduates and Graduates students that fall under the category of Youths. The Youth referred to are those between the age of 18 and 35 years as defined in the Kenyan Constitution of 2010. The Sample was draw from the total population of United States International University-Africa Youths based on a ratio proportionate to the group category total against the population total. The sampling technique used is the probability sampling because this technique ensures that each element has an equal chance. The sample size was determined using the survey monkey formula with a 95 percent confidence interval. Data was collected using a questionnaire whereby a pilot study was done before initiating the final data collection through administering of the questionnaires to the target audience. Additionally, data collected and analyzed using the SPSS software.

The major results and findings were that the main aspects of the Product factor that had majority of the respondents preferring was the Product durability. Whereas a few of the respondents agreed that labeling had little significant influence on the Consumer Behavior. Moreover, the perceived quality of the product had majority of the respondents finding it as most influential while shape of the package was the least influential on consumer behavior.
On the aspect of Price influence on Consumer behavior, a majority of the respondents agreed that their income greatly influenced their behaviors and decisions. The strategy of odd pricing had majority of the respondents indicating that it had little significant influence on their behavior and decisions. This is contrary to the current frequent use of this strategy in the market to outwit competitors. The major finding on Promotion influence on Consumer behavior had majority finding TV and Billboards as the most impactful means of advertising on their decisions and behavior. Radio and Online advertising has the least number of respondents agreeing that they had a significant influence on their behavior and decisions. On the aspect of Place influencing Consumer behavior, majority of them preferred to access products near them as compared to specific locations. Nonetheless, most of them preferred exclusive products being accessed in selective locations. Few of the respondents preferred most of the products being in specific shops or in shops located in suburbs.

The major Recommendations and Conclusions on Product factor are that companies ought to focus on the quality and durability of their products as a major competitive edge as compared to aspects such as shape of the package and labelling. Thus, more efforts by companies should be focused on researching on how to improve the quality of the products to meet the customer needs. The Income of the target market should be put into consideration when setting the Price of the product since it has a significant influence on their decisions. Additionally, the use of odd pricing seems to have reached a level of saturation due to its frequent use making customers immune to its effect. Hence, business should adopt new strategies to stand out. Despite the fact that the wave of advertising is going digital, the traditional media such as TV and Billboards seem to still have a significant influence on Consumer Behavior. Consequently, the hyped digital media seem to have little influence on Consumer Behavior regardless of it being a most cost effective and preferred means by most businesses. Therefore, a balance should be maintained between the traditional and modern media of promotion. Place factor should be determined by the nature of the product. In that, high end products can be located in specific and exclusive outlets while fast moving consumer goods are made accessible to as close as possible to the target consumer.
ACKNOWLEDGMENT

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# TABLE OF CONTENT

STUDENT’S DECLARATION ........................................................................................................... ii
COPYRIGHT ................................................................................................................................ iii
ABSTRACT ................................................................................................................................. iv
ACKNOWLEDGMENT .................................................................................................................. vi
TABLE OF CONTENT ............................................................................................................... vii
LIST OF ABBREVIATIONS ........................................................................................................ ix
LIST OF TABLES ........................................................................................................................ x
LIST OF FIGURES ..................................................................................................................... xi
CHAPTER ONE .............................................................................................................................. 1
1.0 INTRODUCTION ................................................................................................................... 1
   1.1 Background of the Study ........................................................................................................ 1
   1.2 Statement of the Problem ...................................................................................................... 7
   1.3 Purpose of the Study ............................................................................................................. 8
   1.4 Research Questions .............................................................................................................. 8
   1.5 Significance of the Study ...................................................................................................... 8
   1.6 Scope of Study ..................................................................................................................... 9
   1.7 Definition of Terms ............................................................................................................. 9
   1.8 Chapter Summary .............................................................................................................. 10
CHAPTER TWO ............................................................................................................................. 11
2.0 LITERATURE REVIEW .......................................................................................................... 11
   2.1 Introduction ........................................................................................................................ 11
   2.2 Influence of Product on Consumer Behavior ................................................................. 11
   2.3 Influence of Price on Consumer Behavior ......................................................................... 15
   2.4 Influence of Promotion on Consumer Behavior .............................................................. 20
   2.5 Influence of Place on Consumer Behavior ....................................................................... 25
   2.6 Chapter Summary .............................................................................................................. 28
CHAPTER THREE ....................................................................................................................... 29
3.0 RESEARCH METHODOLOGY .............................................................................................. 29
   3.1 Introduction ......................................................................................................................... 29
   3.2 Research Design ................................................................................................................ 29
   3.3 Population and Sampling Design ..................................................................................... 30
   3.4 Data Collection Methods .................................................................................................. 33
   3.4 Research Procedures ......................................................................................................... 34
3.5 Data Analysis Methods ............................................................................................... 35
3.6 Chapter Summary .................................................................................................... 36

CHAPTER 4 ......................................................................................................................... 36

4.0 RESULTS AND FINDINGS ......................................................................................... 36
4.1 Introduction ................................................................................................................. 36
4.2 Demographics ............................................................................................................. 36
4.3 Influence of Product on the Consumer Behavior among the Youth in USIU-A ......... 40
4.4 Influence of Price on the Consumer Behavior among the Youth in USIU-A .......... 45
4.5 Influence of Promotion on the Consumer Behavior among the Youth in USIU-A .... 49
4.6 Influence of Place on the Consumer Behavior among the Youth in USIU-A ........... 53
4.7 Chapter Summary ...................................................................................................... 57

CHAPTER 5 ......................................................................................................................... 59

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATION ........................................... 58
5.1 Introduction ................................................................................................................. 58
5.2 Summary of the Study .............................................................................................. 59
5.3 Discussions ............................................................................................................... 60
5.4 Conclusion .................................................................................................................. 65
5.5 Recommendations .................................................................................................... 67

REFERENCES .................................................................................................................. 69

APPENDICES ..................................................................................................................... 69

APPENDIX I: RESEARCH QUESTIONNAIRE COVER LETTER ....................................... 69
Appendix II: QUESTIONNAIRE ......................................................................................... 69
Appendix II: Research Permit .......................................................................................... 69
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANA/DMA</td>
<td>Association for National Advertisers/ Data &amp; Marketing Association</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>DM</td>
<td>German currency</td>
</tr>
<tr>
<td>NICE</td>
<td>National Institute for Health and Clinical Excellence</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>TV</td>
<td>Television</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>USIU-A</td>
<td>United States International University- Africa</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>EABL</td>
<td>East Africa Brewery limited</td>
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<tr>
<td>SPSS</td>
<td>Statistical packages of Social Sciences</td>
</tr>
<tr>
<td>ANOVA</td>
<td>Analysis of Variance</td>
</tr>
</tbody>
</table>
# LIST OF TABLES

Table 4.1: A representation of the Response Rate ................................................................. 37
Table 4.2: Year of Study ........................................................................................................... 39
Table 4.3: Product Part A and Consumer Behavior ............................................................... 41
Table 4.4: Product Part B and Consumer Behavior ............................................................... 42
Table 4.5: Correlation Co-efficient between Product and Consumer Behavior ................. 42
Table 4.6: Model summary for Product and Consumer Behavior ........................................ 43
Table 4.7: ANOVA for Product Part A and Consumer Behavior .......................................... 44
Table 4.8: Co-efficients for Product Part B and Consumer Behavior .................................... 44
Table 4.9: Chi-Square Tests of Product Part A and Consumer Behavior ......................... 44
Table 4.10: Chi-Square Tests of Product Part B and Consumer behavior ......................... 45
Table 4.11: Price and Consumer Behavior ............................................................................ 46
Table 4.12: Correlation of Price And Consumer Behavior .................................................... 47
Table 4.13: Model Summary for Price and Consumer Behavior .......................................... 47
Table 4.14: ANOVA for Price and Consumer Behavior ....................................................... 48
Table 4.15: Co-efficients for Price and Consumer Behavior ................................................ 48
Table 4.16: Chi-Square Tests Price And Consumer Behavior ............................................ 49
Table 4.17: Promotion And Consumer Behavior ................................................................. 50
Table 4.18: Promotion and Consumer Behavior ................................................................... 51
Table 4.19: Model Summary for Promotion and Consumer Behavior .............................. 51
Table 4.20: ANOVA for Promotion and Consumer Behavior .............................................. 52
Table 4.21: Coefficients for Promotion and Consumer Behavior .......................................... 52
Table 4.22: Chi-Square Tests for Promotion and Consumer Behavior .............................. 53
Table 4.23: Place and Consumer Behavior .......................................................................... 54
Table 4.24: Correlation of Place and Consumer Behavior .................................................. 55
Table 4.25: Model Summary for Place and Consumer Behavior ........................................ 55
Table 4.26: ANOVA for Place and Consumer Behavior ....................................................... 56
Table 4.27: Coefficients for Place and Consumer Behavior ................................................ 56
Table 4.28: Chi-Square Tests for Place and Consumer Behavior ........................................ 57
LIST OF FIGURES

Fig. 2.1: Number of states and territories with VBR programs in USA.......................... 17

Fig 2.2: Data Source: 2018 ANA/DMA Response Rate Report........................................ 23

Fig 4.1: Gender Distribution.......................................................................................... 39

Fig 4.2: Age of the Respondents.................................................................................... 39

Fig 4.3: Education Level.................................................................................................. 40

Fig. 4.4: Monthly Income Distribution............................................................................. 40
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Consumer behavior is defined as the study of how individuals, groups and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Kortler & Keller, 2016, p. 179). The understanding of the behavior of the consumers such as when and how they begin, what social agents are involved and the consumer purchase patterns, is a fundamental tool for the success of any business. This is supported by research studies conducted by Larry Neale and Sam Fullerton, (2010) and (James & Chyon-Hwa, 1997).

The Human behavior is adaptive in nature as they are exposed to various life challenges. As stated by Stanley Mark and Clifford, (2009), the success in evolutionary adaptation determines the form, and expression of Human emotional and behavioral characteristics. In his study Yonggui Wang, (2016), shared that in a study conducted on the Chinese consumers, it revealed various categories with varying characteristics such as traditionalists, Status quo, modern, transitioners, Millennials and Generation Z. The research elaborated that traditionalist tend to live an old fashioned life and resisted change, Status quo do not operate on existing routines, transitioners are poorly educated but are younger and open to change, while modern are the most affluent, well educated, tend to pursue fashionable and materialist life and finally the Generation Z are the most educated, disrespect routines and traditions and worry little about money.

The complexity of Consumer behavior makes it difficult for the individual consumer to know exactly what they want. This is because ninety-five percent of the thought, emotions, and learning occurs in the unconscious mind (Armstrong, Kotler, Harker & Brennan, 2015). Consumers tend to have an affinity for satisfying of the material or basic needs first upon which they pursue positional goods that allow them to position themselves in the society in respect to others that they admire or wish to associate with (Stanley, Mark, & Clifford, 2009). Apart from the four Ps of marketing, the behavior of the consumer is mainly affected by cultural, social and personal factors (Kortler & Keller, 2016).
Culture is a key determinant of the beliefs and perceptions of an individual. Hofstede (2011) defines culture as “the collective programming of the mind that distinguishes the members of one group or category of people from others” (p. 3). Cultural factors are considered to be a set of values and ideologies that influence an individual’s beliefs, habits and principles (Sethi & Chawla, 2014). They consist of culture, subculture and social class. In view of culture, cultural values, language, myths, customs, rituals, laws, or products, have a great impact on a person’s wants and behavior. Subculture is comprised of developments on culture and behavior of individuals with similar values that form smaller groups. Social class comprises of people with varying income, wealth, education, or occupation (Durmaz, 2014).

Social factors that mainly affect consumer behavior include reference groups, immediate family members, relatives, role in the society and social status (Sethi & Chawla, 2014). The main social factors comprise of peer group influence and media exposure because consumers tend to edge towards peer groups and result into media to keep up with trends (Alexandra, Leung, Rachel, & Eric, 2015). Consumers tend to belong to groups called a membership group. The other social groups are reference group, which provides some points of comparison to consumers about their behavior, lifestyle or habits such as family, close friends, neighbors, and work groups (Lautiainen, 2015).

Consumer behavior comprises of the psychological processes that consumers undergo in recognizing their needs, finding ways to solve these needs, and making purchase decisions (Furaiji, Łatuszyńska, & Agata, 2012). Psychological factors are categorized into the individual's motivations, attitudes, learning, beliefs and perceptions. Motivation is a stimulated internal need state leading to goal-directed behavior to satisfy that need (Florence, Waweru, Lewa, & Misiko, 2015). Attitudes are defined as, a person’s persistent favorable or unfavorable intellectual evaluations, emotional feelings, and action tendencies toward some object or idea while beliefs are descriptive thoughts that an individual hold about something. Learning defines changes in an individual’s behavior arising from experiences they are exposed to (Durmaz, 2014). Perception is the process through which an individual select, organizes and interprets the information he or she receives in order to take actions that makes sense(Rani, 2014).
Products are multifaceted since they exist in both tangible and intangible form. A product is a complex bundle of benefits that satisfy customer needs such as a degree, a drink, food, clothing, phones or water (Ivy, 2008). Product is an indicator of the features, quality and quantity of the offering. Most international companies such as McDonald, Coca Cola, EABL and Shoprite standardizes their products but also adopts them to the target markets (Claudio, 2001). The need to understand the customer needs and preferences is key in ensuring product success. Only through the use of marketing principles and techniques can marketers better understand their Customers’ needs, communicate more effectively with a variety of external audiences, and achieve greater efficiency and optimal results in delivering products and services to meet the identified needs of their clients (Vasileiou & Rowley, 2011).

Promotion is a means of communicating with the target customer. It comprises of tools that marketers can use to provide the market with information on its offerings (Ivy, 2008). Promotion encompasses of several other subcategories ranging from advertising, direct marketing, sales promotion, publicity and public relations, and personal selling. Marketers ought to pay close attention to the nature of local markets and factors that may affect the performance of the products (Claudio, 2001). In some instances, marketing and promotion are perceived as independent entities yet marketing is about service and adding value while promotion communicates the service and value through various media channels (Vasileiou & Rowley, 2011).

The price plays a very key role in determining customer behavior especially for low end and fast moving products. According to Kotler and Armstrong (2010), price is the value or amount which consumer pays for any product or service. Marketers ought to offer favorable prices for their offering because price fairness is an extremely significant concern that leads toward satisfaction and can greatly affect the customer’s behavior (Afzal, et.al, 2013). Price tends to have three components which includes; objective price, perceived non-monetary price, and sacrifice. Objective monetary price is the amount of money paid for product, perceived non-monetary price is the price as understood and recorded in the mind of customer while sacrifice is the price paid there is no memory of the actual price (Amir, Muhammad & Mudassir, 2018).
Youths comprises of the largest population globally due to the high mortality rates and improved living conditions for most people in the world. According to United Nations Educational, Scientific and Cultural Organization [UNESCO] (2015), Youth is best defined as a period of transition from the dependence of childhood to adulthood’s independence and awareness of one’s interdependence as members of a community. This definition encompasses the variations between different definitions of Youth, whereby in some instances it’s considered to be the people between 12-24 years (Tariq, 2017), 17-24 years, and in other instances its 18-35 years (Garg & Singh, 2018). The Kenyan constitution on article 260 defines Youth as individuals in Kenya between the age of 10 – 35 years. Nonetheless, the youths are considered to be the energy of the nation. In our contemporary times, Children are maturing faster and youths have an increasing influence on what their families purchase ranging from food and beverages to clothes, mobile phones, computers, Television sets and even Automobiles (Christensen, 2002).

In a survey conducted from 83 countries, it was realized that in Brazil, the rate for young people aged 15–24 years of age was 79.6 per 100,000. This was from a research on the rate of violence in Latin America. The data was worrying because they are considered to be the future engines of economies hence the need to help and prevent them from engaging in criminal activities (Jacinto & Fanelli, 2014). In Egypt, the Youth is confronted with the ethics that constitute one significant pole of adolescent development, and as researchers have confirmed there exist a longstanding concern for the spiritual well-being of youth rooted in the Islamic tradition that greatly poses a threat to them (Shakry, 2011). The desire to promote youth participation in societal affairs does not arise only through the young people’s privileges to participate, but also by societal anxieties linked to young people (Aaltonen and Maatta, 2016).

The Kenyan government has for years focused its attention in youth empowerment through financial credit schemes, namely the Youth Fund, Uwezo Fund and Youth Enterprise Development Fund. The youth’s contributions to the economy through informal employment sector resulted in creation of some 625,000 jobs in between 2013–2014 (Ojwang, 2017). In Meru, Miraa trade has benefited a lot of Youth especially in Meru region due to its great
demand despite its ban in United Kingdom. This cash crop has generated income that has enabled many to acquire further education (Carrier, 2005).

The literacy levels in the world have been on the rise with the developed nations having the highest rates of literacy. According to UNESCO (2015), the percentage of literate youth compared to adults worldwide was 91 percent and 85 percent respectively. The demand for higher education is constantly rising, and it’s likely to be 160 million by 2025. This is due to the high birth rate in most developing nations accompanied by increased access to education. Private Universities in Japan, South Korea, Philippines and Taiwan, accommodates more than 70 percent, in India and Malaysia more than 30 percent, in Mainland China, Thailand and Vietnam, more than 15 percent of the students (Gupta, 2008).

The Africa population is mainly comprised of youths yet very few have enrolled in universities. Awiti & Scot (2016), stated that; Kenya is a considered to be a youthful country with its median age being estimated to be at 19 years, having about 80 percent of the population below 35 years. According to Jane Onsongo (2007), the first private university in Kenya - United States International University-Africa, was established in 1970. Since then, other private universities such as Daystar University (1973), University of East Africa (1978), and Catholic University of East Africa (1984) were established to meet the increasing demand for higher education in Kenya (Mwebi & Simatwa, 2013).

United States International University-Africa (USIU-A) was first established in 1927 when Leland Ghent Stanford chartered a private graduate institution called Balboa Law College in San Diego (USA). The institution was renamed to Balboa University in 1945 and later to California Western University in 1952. Dr. William had a vision of sharing international education with the world to ensure that students and faculty share and embrace knowledge around the world. In 1968, he relocated the university’s undergraduate and graduate programs to Scripps Ranch in northeast San Diego, then formally changed the university’s name to United States International University (USIU). Dr. William aimed at entering the African education market through Nigeria, Ghana and Kenya, but he later decided to settled for Nairobi, Kenya. United States International University – Africa was registered under the Companies Act (Cap 486) on 18th September, 1969. In 1970, Dr. William signed a Memorandum of Understanding with the Government of Kenya that allowed the institution
to offer business programs and any other degree programs not being offered by the public universities.

The main challenges in entering Africa for Dr. William was managing to convince the Kenyan government that an American education was equally as good as a British one. Additionally, he had to convince the USA accrediting body (Western Association of Schools and Colleges – WASC) of the viability of an international multi-campus system. Years on other campuses were established in Mexico City, London and Tokyo. It is not until in 1977, that the university began to offer accredited full degree programs in Business Administration, Psychology and International Relations with the first students to graduate from the Nairobi campus graduating in 1979.

Dr. Dee Aker whose term as Executive Director was the first to lead USIU-A from 1981 and he term lasted for three years, when Dr. Lillian K. Beam succeeded her. During Dr. Beam ten-year term there were major shifts in the regulation of higher education in Kenya. To ensure the institution complied with the new quality assurance standards enshrined in the Universities Act of 1986 and the rules and regulations that followed in 1989, Dr. Beam purchased 20 acres of property in Kasarani, Nairobi where the campus moved to in 1991. Coincidentally, due to the labor disputes in public universities, USIU-A saw an influx of new students, as well as many faculty members from public universities enroll into the university to complete their college degrees. Despite the end of the disputes the students and faculty stayed on forming the foundation for USIU-A fledging new campus.

In 1994, then USIU-A President Dr. Garry B. Hays, offered Dr. Freida A. Brown, then USIU Coordinator of international campuses, a chance to take over from the retiring Dr. Beam as Executive Director. Coincidentally, in 1995, the university was granted its Charter by then Kenyan President H.E. President Daniel T. Arap Moi, at a ceremony that also featured the inauguration of Dr. Brown as USIU-A, first Vice Chancellor. In 2014, the university rebranded, reverting to its former United States International University – Africa. Prof. Paul T. Zeleza succeeded Dr. Freida Brown as USIU-A, second Vice Chancellor on Thursday, April 7, 2016. Currently USIU-A prides itself for having a student population of over 6,700 (USIU-A datasheet, February 3, 2019). Out of this 91 percent are Youths between the age of 16 to 35 years. Therefore, we can conclude that USIU-A heritage and population has a
global representation especially among the Youths (United States International University-Africa [USIU-A], 2019).

1.2 Statement of the Problem
The youth’s population is fast growing in the world today. Neville Otuki (2017), writes that Kenya has among one of the highest youth to population ratio in the world with youths aged between 15-24 years comprising of 20.3 percent higher than the world average of 15.8 percent and Africa average of 19.2 percent. According to the Kenyan Constitution of 2010, article 260 defines a Youth as individuals in the republic who have attained the age of eighteen years but have not attained the age of 35 years. This article was used as the standard reference in this research when referring to a Youth.

There is considerably few research work on the consumer behavior targeting specifically on Youths in Africa that I was able to come across during my research. Among those accessed during this research include; “Social factors influencing tourist activity among youths” by Rózycki, and Winiarski (2005), “The factors influencing consumers’ behaviour on wine consumption in the Turkish wine market” by Gunay, and Michael, (2011), “Factors affecting Taiwanese consumers’ responses toward pop-up retail” by Wei-Chen Chen, Ann Marie Fiore, (2017), “Factors affecting consumers’ green product purchase decisions” by Prashant, and Bhimrao, (2015), “Factors affecting consumers’ online product review use” by O’Reilly, macmillan, Mumuni, and Karen, (2018) and “Cultural factors affecting consumer behaviour: a new perception model” by Pantano, (2011). Rózycki, and Winiarski (2005), focused on Tourist activity of secondary school students between 15 and 19 years. Gunay, and Michael, (2011), conducted their research due to recent development on wine consumption culture in Turkey, hence there is a need to examine factors that affect consumer wine consumption to better understand consumers’ buying processes. Prashant, and Bhimrao, (2015), was inspired to research on Indian consumers’ purchase behaviour towards green products which was not yet clearly understood. O’Reilly, et.al. (2018) examined on the factors affecting the extent of consumers’ use of electronic word-of-mouth, specifically online product reviews, during their decision-making process. Pantano, (2011) focused the research on consumers’ perception regarding Calabrian local products and the role of Magna Graecia culture in their buying behavior. Due to the little information available on the youth’s behavior and factors
that influences their behavior, the researcher decided to investigate on the factors influencing consumer behavior among the youth in private universities in Nairobi.

1.3 Purpose of the Study
The purpose of this study was to determine the factors influencing consumer behavior among the youth in private universities in Nairobi.

1.4 Research Questions

1.4.1 Does Product influence the Consumer Behavior among the youth in USIU-A?
1.4.2 Does Price influence the Consumer Behavior among the youth in USIU-A?
1.4.3 Does Promotion influence the Consumer Behavior among the youth in USIU-A?
1.4.4 Does Place influence the Consumer Behavior among the youth in USIU-A?

1.5 Significance of the Study
The research finding would be important to various stakeholders. These includes; Students, Business managers, future Researchers and Academicians, Government of Kenya, and Private University management. Below are details on how each would benefit:

1.5.1 Private University Management
It will help the management to understand the factors affects the students’ behaviors in response to various exposures especially relating to the institutions and also degree courses offered. This will enable them to plan adequately to ensure a favorable environment and more satisfying programs that align with the market demand while satisfying the customer.

1.5.2 Academicians and Researchers
Academicians and researchers will utilize the findings to contribute new knowledge in the area of consumer behavior among Youths in Private Universities. The study would also offer a pool source of reference for future scholars and academicians besides suggesting areas for further research.

1.5.3 Business Managers
The business managers will gain insight on how the four (4Ps) influences the consumer behaviors in relation to social, psychological, and cultural factors. This will enable the
managers to understand how their corporate applications of the 4Ps relates to the customer life aspects ranging from social, cultural to psychological aspects.

1.5.4 Government of Kenya

The government will use the information to make better strategic plans, develop flexible policies and create the necessary regulations that creates a friendly and balance environment for the Youths in relation to other businesses and institutions.

1.6 Scope of Study

The scope of the research was focused on identifying factors influencing consumer behavior among the youth in private universities in Nairobi. The research was focused within the United States International University-Africa (USIU-A) that was selected as a Case Study. The Population targeted was selected from youths (18-35yrs) who are currently enrolled for their degree programs at USIU-A. The study was conducted between February 2019 and August 2019.

1.7 Definition of Terms

1.7.1 Product

A product is defined as anything that can he offered to a market to satisfy a need or want. Kotler, Armstrong, Sanders, & Wong (1999).

1.7.2 Place

Place is mainly defined as a means by which businesses enables their customers gain access to the firm's product or service by identifying a suitable the point of sale (Kotler, et.al. 1999).

1.7.3 Price

Price is defined as the amount people pay to receive the offering’s benefits (Kotler, et.al. 2005)

1.7.4 Promotion

This consist of specific blend of advertising, personal selling, sales promotion and public relations tools that the businesses use to pursue their marketing communication objectives Kotler, et.al. (1999).
1.7.5 Consumer Behavior

It is defined as “the study of how individuals, groups and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants” (Kortler & Keller, 2016, p. 179).

1.7.6 Youth

The definition of youths differs with the society with the main definitions ranging from ten to eleven year-olds to as high as age thirty-five in sub-Saharan Africa including Kenya (Ojwang, 2017). As per the Kenyan Constitution of 2010, a youth is any individual in Kenya that is 18 year and not yet 35 years of age.

1.7.8 Private University

According to Halai (2013), private universities are universities that is not operated by the government but is subject to government regulations and may even be receiving some form of government support in the form scholarships for students and student loans.

1.8 Chapter Summary

This chapter provided the background of the study in relation to the factors that influence consumer behavior among the Youth in Private Universities. It has briefly explained the background of the study. In addition, the statement of the problem has been stated followed by the purpose of the study and the research questions that the research will seek to answer. The chapter has also discussed the significance and scope of the study and finally definitions of terms used within the study have been expounded. The next chapters provide the literature review of the four research questions selected. Chapter three explains the research methodology that covers; research design, population and sampling population, data collection methods, research procedures, data analysis method and chapter summary. Chapter four covers on results and findings from the questionnaire analyzed data and chapter five covers on discussions, conclusions and recommendations based on the analyzed data.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter was structured according to the research questions and presented analysis, reviewed literature and covered studies done by other scholars and researchers on factors that affect consumer behavior among youths in USIU-A. The topics covered are influence of Product, Price, Place and Promotion on consumer behavior among the youths in private universities, a case of USIU-A. For each topic there are subtopics that explains the various aspects of the factor under study in detail.

2.2 Influence of Product on Consumer Behavior
According to Armstrong, Kotler, Harker and Brennan (2015), “a product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need” (p. 232). A good is a tangible physical entity while a service is an intangible entity that can only be experienced after use. Product is anything that offers value to a consumer and can be offered through voluntary marketing in exchange for an equivalent value (Grewah & Levy, 2010). Products are not limited into being tangible entities such as cars but can also represent places such as theme parks, and the beach where as the services can be swimming, fishing, riding roller coaster or the spinning wheel. In some instances, what the customer buys might be considered a product yet it’s a service. For instance, purchase of food such as pizza would be considered a product yet the customer might be paying for the taste and customer experience offered rather than the food itself (Jobber, 2010).

2.2.1 Features
Product features are competitive tools for differentiating a company’s products from those of the competitors. Companies should interact more with their customers and conduct market research so as to identify the best and most compatible features to add into their products (Armstrong, et.al., 2015). To understand the impact of product features, marketers tend to
use the binary method in which the features are categorized as positive or negative in their effect.

The other method that is used is the counting skill method whereby the number of negative and positive feedbacks from the customers is calculated. Opinion count method is mainly used to compare two or more products (Archak, Ghose & Ipeirotis, 2011). Acquiring knowledge on the customer through repeated conjoint studies of the customers enable researchers to develop trend lines that reveal the progression of each feature's weight in determining consumer utility tradeoff between products (Damangir, Yuxing Du & Ye Hu, 2015).

Consumers tend to prefer products with superior features over others. As stated by Malaviya and Sternthal (2009), customers that were surveyed, were asked to choose between two products each represented by different values but with same features. The researchers hinted that one product was more important than the other. The audience inclined towards the products that they knew had superior features based on information offered. According to Sam, Rod, (2013) when targeting lead users, the availability of new product features significantly influences the possibility of the customer to switch between brands. This is because customers love to acquire better products or services from the one they own or have experienced. Al-Kwifi, Ahmed, and Yammout, (2014) shares that product features provide unique capabilities that make users opt to accept the switching costs and their consequences, hence offering them higher pay-offs in the long run.

2.2.2 Quality

Quality is of significant value when reviewing a product and deciding on the purchase. Product quality is the ability to satisfy and/or meet a customers’ needs and wants. This is because the quality determines how a customer perceives a product and how it will fit into some intended purposes (Cannon, McCarthy & Perreault, 2010). The actual meaning of quality varies between the producer view and the customer view. However, the customer view is mostly considered since a quality product is one that meets or exceeds their expectations. Quality can be presented through being designed to meet customer needs or to fit the use the customer needs it for (Sebastianelli & Tamimi, 2002). Due to the vast access to the internet most consumers are highly knowledgeable hence they use the country of origin
as a measure of the quality especially when the information was consistent with a linked brand name or a particular level of physical quality.

For instance, German and British product as perceived as high quality globally while Chinese products are questionable in quality yet this might not always be the case (Lee & Tai, 2009).

The desire for businesses to outwit each other has resulted in many seeking ISO certifications. The ISO 9000 series seeks to ensure certified businesses apply of the set practices, and conforms to therequirements, hence enabling them to deliver products and services that consistently meet the quality requirements of customers (Blessner, Mazzuchi & Sarkani, 2013). In a research conducted in China, it was determined that the effect of a country’s image was moderated by varying socio-demographics and national culture characteristics, whereas the attitudes of consumers towards the country of origin and business image wielded a great influence on their perceptions of product quality and purchasing intentions (Lee, & Tai, 2009). This idea is supported by efforts made in china to empower the cooperative societies so as to ensure they delivered high quality products that can be sold locally and in international markets by adopting food safety and quality standards (Cai, Ma & Su, 2016). Therefore, the quality is a major determinant to most consumers and also businesses since it offers assurance and additional advantage respectively.

2.2.3 Labelling

A Label enables a customer to identify the product or brand such a Fanta, Harrier, or Pearson. Hence, labelling facilitates a product to be easily identifiable and distinguishable from other products (Armstrong & Kotler, 2008). Label acts as the source of consumer information through the information displayed on the product package. Consumers also learn about the product attributes through quality signaling in the form of informational labeling (Dimara, Skuras, 2005). In some cases, some labels offer incomplete information in terms of providing full disclosure of the intended message or only address one aspect of the message. For instance, the Manji digestive biscuits have a clear label, “High Fibre biscuits”, whereas the fibre content consist of the lowest percentage among the ingredients and also the fibre addressed comprise of processed fibre rather than actual fibre contained in vegetables (Borin, Cerf & Krishnan, 2011).
Labelling tend to develop a conditioning among the consumer through the repeated messaging. For instance, Manji used the high fiber as conditional stimulus where as it communicated of the richness and the health benefits of the biscuit which is the unconditional stimulus. Labelling also acts as a product differentiator from similar products in the market hence reducing the need for intensive advertising to inform the customer on the differences (Wright, 1997). In a research conducted in 2008, 68% of Canadians surveyed reported that they acquired the nutrition information from food labels, and 57% of the Canadians surveyed reported that they always or usually read the nutrition label before making a purchase decision (Acton, Vanderlee, White & Hammond, 2016). At times the information provided about a product can be overwhelming to a consumer, hence businesses have to adopt Selective information provision which also become a challenge in determining what information to share. For instance, if a company is launching a new product, they have to decide on how to organize the information and how many language translations to use (Altintzoglou & Nostvold, 2014).

2.2.4 Packaging

The material used to protect the product is crucial to ensure safety and ease of use. Armstrong, et.al. (2015) defines packaging as designing and producing the container or wrapper for a product. Its traditional use was to hold and protect the product. Packaging exist as primary and secondary packaging. Primary packaging consists of the basic material that is in contact with the product, such as water or milk bottle or wrapper. Secondary packaging contains one or more primary packages and serves to protect, identify the product and communicate the qualities of the product. For instance; the shape, hardness, ease of use and safety of the content (Ampuero, & Vila, 2006). The current environmental issues and waste discussions has resulted into numerous purchases of products with different packaging that is environmentally friendly such as recyclable or decomposable product packaging. For instance, Java coffee cups are decomposable (Bahrainizad & Rajabi, 2018).
Additionally, currently packaging of the products tends to aim at attracting attention, describing the product and making the sale. Various products have undergone package redesigning over time due to changing market needs. A change of packaging material might be of low benefit in face value but it’s a huge differentiator against the substitute product (Rundh, 2009). In various research work, the brand, package and advertising have been identified as indirect factors which impact consumer perceptions and hence influence purchasing decisions (Khan, Zaheer, & Rehman, 2010). This means that these factors are the conditional stimulus that influence the desire for the certain need or wants. When we look from the consumers’ perspective, the package often represents the product itself while overall features can also underline the uniqueness and originality of the product and influence the quality judgements toward purchase of a product. (Vergura, & Luceri, 2018).

2.3 Influence of Price on Consumer Behavior
The main goal of many businesses is to meet and satisfy the consumer needs and wants while building a relationship. This however, costs the businesses and this cost is transferred to the consumer in form of pricing. Price is “the value exchanged for product(s) in a marketing transaction” (Ferrell and Pride, 2011, p. 281.). Price is also considered as the gain the company gets back after engaging in the efforts of producing and marketing a product. This definition, expresses price as a means of recovering cost rather than offering value of the product offered (Jobber, 2010). The price of a product is set based on the pricing variable which is an organizations pricing policy that is used to define pricing models and set prices for goods and services offered. Online pricing has proven a challenge in justifying for many businesses given the vast options available for the consumers and the reduced cost of e-tailing (Chaffey & Ellis-Chadwick, 2016).

2.3.1 Value-based Pricing
The value of a product in most cases is expected to align with the product perceived value. Value-based pricing uses the customer perception of a product value as the key to pricing. At this stage, the value of a product is set before the marketing program is signed into action (Armstrong & Kotler, 2009). Companies that use this method tend to set the target price first and then make decision on the product design and cost of production (Armstrong et.al, 2015). The determination of value-based pricing uses the approach that reveals the value a
product or service delivers to a segment of customers. The value is how the product improves the life of the customer upon interaction with the product (Maral & Guerreiro, 2018).

According to Health for Change report the several states in USA are adopting Value based reimbursement (VBR) programs aimed at improving health care in the US. Figure 2.2 below shows the increase in adoption of the program over the years (Change Healthcare, 2019, p. 5)

![Number of States and Territories with VBR Programs](image)

Fig: 2.1: Number of states and territories with VBR programs in USA.

The use of value in determining pricing makes it easier to market a product. The UK government has been on a trend of legalizing the use of value pricing on new drugs to ensure that customers paid for the value the new drugs offered rather than its imposed pricing. The government empowered the National Institute for Health and Clinical Excellence (NICE) to determine the maximum price for the new drugs. The was aimed at making medicines affordable and beneficial to the patients (Hawkes, 2011). A research conducted by Hinterhuber and Liozu (2012) concluded that firms using value-based pricing support their product-pricing decisions by relying on formal market research, scientific pricing methods and expert recommendations. A formula for determining the value a customer perceives a product to offer was developed by Monroe (Ge, 2002). The formula perceived acquisition value to be:

\[
\text{Perceived benefits or Quality} = \frac{\text{Perceived Total Sacrifice}}{\text{Perceived Total Sacrifice}}
\]
Whereby:

**Perceived total Sacrifice to buyer** = Purchase Price (P) + Start Up Cost [Acquisition, transport, installation and order handling costs] + Post Purchase Cost

**Perceived benefits or Quality** = Some combination of physical Attributes + Service Attributes + Technical support available in relation to particular use of a product, Purchase price and other indicators of perceived quality (p. 3).

### 2.3.2 Predatory Pricing

According to Jobber, (2010), this involves a situation in which a business reduces its pricing with an aim of driving out competition. In this case a company can opt for short-term loses aiming at long term profitability once the competition is out. This strategy can easily cost the company especially if the competitors decides to play on value rather than pricing or have more cash flow that cautions them. For instance, Airtel and Telkom plan on robbing Safaricom its market share through price reduction has had little impact on the giant (Thairu, 2015). A business that uses cost leadership strategy must have higher quality product and lowest price in the market. This however is not the case for Telkom and Airtel in terms of their product quality. Therefore, the two companies have little or no chance of seizing Safaricom market share (Kang’uru, 2017).

Most companies main goal is to dominate the markets they operate in. Thus, companies with vast financial capabilities tend to aim at driving out competition by lowering the price. The main reason for use of predatory pricing is for a firm to able to charge supra-competitive pricing and acquire monopoly once the competition has been eliminated or weakened (Deirdre & Hay, 2015). Research on economic theory and empirical work over the past several years suggested that predatory pricing occurs more often, and is more frequently successful when it does occur, than its typically assume to. This is because the companies engaging in this practice tends to hide their actual cost hence allowing them to lower the prices to below the actual costs with huge success to many (Scott, 2001). There are a few countries in Europe such as France, Belgium, Luxembourg, Portugal, Spain and Italy that have banned predatory pricing. This pricing was however beneficial to the customers in the
short term but once the competition is eliminated the monopoly company tends to increase their prices making it a double edged sword (Colla & Lapoule, 2008).

Examples of firms that have engage in predatory pricing in recent times are Uber USA, Air Canada and Wal-Mart. Uber USA was accused by Flywheel Taxi of cutting cost hence losing money on every UberX and UberXL ride in San Francisco with the biggest impact being felt by Yellow Cab Co-Op, San Francisco's largest taxi company, who filed for Chapter 11 bankruptcy in January 2016 (Solomon, 2016). Air Canada was sued by Canada's Commissioner of Competition under a tribunal for predatory pricing against WestJet Airlines Ltd. and CanJet Airlines, a division of Halifax-based IMP Group Ltd. Competition Bureau slapped a cease-and-desist order on Air Canada based on CanJet's complaint resulting in the company retracting its previously lowered prices (Mcarthur, 2001).

On the other end, Wal-Mart was sued by Government officials in Wisconsin, Oklahoma and Germany for predatory pricing. In Wisconsin they were accused of selling butter, milk, laundry detergent, and other staple goods below cost in stores in Beloit, Oshkosh, Racine, Tomah, and West Bend. In Germany the federal Cartel Office accused Wal-Mart and two other large supermarket chains of selling goods below cost and ordered the companies to raise prices immediately otherwise Wal-Mart could face fines of DM1 million ($434,000) if it fails to comply. In Oklahoma, Crest Foods, a three-store supermarket chain, filed a predatory pricing suit against Wal-Mart for selling goods in its store in Edmond in order to force Crest Foods out of business (Mitchell, 2000).

2.3.3 Odd Pricing
This involves selling products a few cents off an even number or price tag. For instance, a product going for sh. 500 can be priced at sh. 499 so as to look cheaper in the eyes of the customer. The effect is that customers tend to perceive the price as being higher than sh. 400 rather than less than sh. 500 (Hartley, Kerin & Rudelius, 2009). The odd pricing in cognitive process results into two categories. First is level effects which describe how odd prices can lead consumers to underrate prices during perception and/or retrieval of price information from memory. The effect is called the rounding downward effect, whereby consumers are
biased towards rounding prices down during their first perception. The consumers unconsciously apply truncation encoding strategy that involves cutting off left-to-right processing of a price’s digits. For example, when a price is Ksh.399, the digit 3 is more significant than 9, which in turn is more significant than the rightmost 9; hence the consumer is likely to perceive Ksh. 300 or Ksh. 390 more than Ksh.399 (Alessandro & Gianluigi, 2004). The other effect is the left-to-right comparison effect, that develops from consumers’ bias to compare prices from left to right. For example, perceiving $1.89 to be a better offer than $1.83 yet the later might have a discount of $0.2 (Peluso & Guido, 2004).

The odd pricing is a double edged sword in that, prolonged use of it make the customers immune to its effect. When the price is odd ending customers tend to perceive them to have higher discounts than the even or zero ending (Guéguen & Legoherel, 2004). This form of pricing in some instances is used by retail firms to enable consumers to use price endings as association mechanisms for retail image and product quality. That is, consumer associate meaning with the rightmost digit on the price (Bonner, Kinard & Capella, 2013). The right brain is linked with mental imagery and understanding of spatial relationships thus it relates better with the right pricing digit thus acquiring a positive customer image (Coulter, 2002).

2.3.4 Cost-based Pricing

This is the easiest way of determining the price since only a markup is added to the marginal cost to ensure the business makes a predetermined profit (Armstrong & Kotler, 2009). This is product driven since the price is based on the actual cost plus a markup. In case the price is considered too high by the market, the business reduces on its profit margin (Armstrong et.al. 2015). Furthermore, the cost-based price approach uses data from cost accounting to determine the price per unit that should be transferred to the customer in form of price. This is because business aim at meeting all their cost through the sales before aiming for the markups (Maral& Guerreiro, 2018).

Use of cost-based pricing is still prevalence in the current markets. The cost based strategy is easier to develop and interpret hence its widespread use by many businesses with an additional mark-up on the price. The main method used in cost base pricing is cost plus margin due to its simplicity in use. However, this method tends to be rigid in price changes and may also result in setting of the price below the value (Amaral & Guerreiro, 2018).
Additionally, the cost-based pricing is also developed from the average cost based, that is average of the total cost of making a product (Fjell, Foros & Pal, 2010). The use of cost-based approach from the values of full-cost approach is more preferable over the variable-cost approach. This is because it incorporates all the cost expenses into the pricing (Govender, 2000).

This strategy is the main excuse given by companies when they intend to increase their prices on certain products. For instance, Starbucks increase the prices of the large coffee cups by 1% and the reason given is the cost of labor and non-coffee commodity. Cost based pricing is mainly used where demand is difficult to determine. The price is calculated as;

\[
\text{Unit cost} = \text{Total cost} + \% \text{ Mark up.}
\]

Where; \textbf{Total cost} is the cost of manufacturing the product

\textbf{Mark-up} is the desired profit margin(Dawson, 2013).

2.4 Influence of Promotion on Consumer Behavior

There is need for a consumer to be aware of the product in order to develop interest. Thus promotion is defined as the communication that builds and maintains favorable relationships by informing, reminding and persuading the consumers to have a positive perception of a product or brand (Ferrell & Pride, 2011). The main role of promotion is to trigger demand for a product or service being offered. The promotion structure is utilized in the integrated marketing communication model where the elements of product which include; Advertising, sales promotion, direct marketing, personal selling and public relations and publicity are discussed.

2.4.1 Advertising

Advertising is any paid non-personal communication about an organization, the products or services offered, and is transmitted through mass or electronic media such as Television, newspapers, Social media or web advertising (Ferrell & Pride, 2011). According to the American Marketing Association, “advertising is the placement of announcements and persuasive messages in time or space purchased in any of the mass media by businesses, non-
profit organizations, government agencies and individuals who seek to inform and or persuade members of a particular target market or audience about their new products, services, organizations or ideas” (Grewah & Levy, 2010, p. 532). Adverts affect the consumer perception towards a brand and in turn influences purchase intention and brand choice. This is true because adverts tend to pop up every day hence influencing the brand position on the consumer’s mind (Craton & Lantos, 2012). For instance, The Safaricom adverts can be found on billboards, building walls, on social media and print media hence reaching a huge audience.

Companies have resulted in using children as targets to indirectly attract the parents through gifts. This is highly utilized during the Christmas and new year seasons with an aim of having the children to drive parents into making purchase (Steven, Mary, Norman, Cummins, Hernandez, Holland, & Rasmussen, 2018). The most challenging part for brands is to use advertising to create and maintain perceptions of authenticity since most competitors focus on tarnishing the image of others rather than focusing on their own (Beverland, Lindgreen & Vink, 2008). For instance, in the advert titled “Summer Time is Pepsi Time” commercial, Pepsi made fun of Coke with one of Coca-Cola’s most recognizable branding icons; Santa Claus. The ad features Santa dancing at a beach bar during his “break” and ordering a Pepsi over Coca-Cola to cool off (Ismail, 2015). This Pepsi advert created a buzz since Santa Clause was a long time symbol of Coca Cola brand. The fact that it showed that on vacation Santa would prefer Pepsi was an indicator that Santa works for Coca Cola but on Vacation he would rather have Pepsi to boost his fun. The goal of the advert was to recover the lost Pepsi second position in the market that was taken by diet coke. According to Goldsmith and Lafferty, (2002) advertisers have focused so much on emotional appeals that they do not communicate to the customer on what the product offers and why it’s needed. This makes the advertisements to have little impact on consumer preference of the brand in the long-term.

2.4.2 Direct Marketing
Jobber (2010), defines it as the distribution of products, information, and promotional benefits to the target consumer through interactive communication in such a way that enables measuring of responses. In the current contemporary times, direct marketing is most suitable on social networks. Marketers need to interact with selected communities to achieve a variety
of benefits, including spreading positive word of mouth and gathering information about buyers’ needs and preferences since it is the target customers that create and select their communities not businesses (Koenig- Lewis & Palmer, 2009). Through direct marketing businesses and organization have been able to build relationships and acquire direct timely responses from the target customer. This helps to grow a community under the company brand (Harridge- March, 2008). For example, Chunky Kitkat sent a mail to their target customers in-order to promote their chocolate bar. The company sent a card stating; “we’re sorry we couldn’t deliver your parcel” which was delivered to the targeted customer doors, under the pretense ‘it was too chunky to fit through the letterbox. This saw an increase in demand for their chocolate bar as they were able to attend to each customer individually adding a personal touch to the deal (Washington Direct Mail[WDM], 2017).

Direct marketing is suitable when reaching a specific audience in a small market. This also ensures the products are directly delivered to the target consumers hence increasing demand and creating a possibility of better prices such as on agricultural produces (Park, 2015). Previously the most popular form of direct marketing was via mail or e-mail which is still a popular form of direct marketing. This form of marketing is however losing ground especially on email where most mails are spammed. The expected response rate on mail advertising by US Direct Marketing Association is 2.61 per cent with most of the 97.9% being spammed mails (Irene, 2005). The differences in the political, economic, social, and political technological environment, differs by country hence making USA the most active in use of direct marketing method per dollar in reaching their consumers. This is because direct marketing can also be costly especially when the company has global presence (McAlister,Widmier &Wilkinson, 2007). Surprisingly, based on response rate on direct marketing, direct mail has been on the top of the charts over the years.
2.4.3 Sales Promotion

It refers to the “activity or material that act as direct inducement, offering, added value or incentive for the product to resellers, sales people or consumers” (Ferrell & Pride, 2011, p. 409). Sales promotions entails more of incentives such as coupons, rebates, contests, free samples, and point of purchase displays that encourages the target customers to purchase a certain product or service (Grewah & Levy, 2010). The use of price in sales promotion has been viewed to have little effect in sales growth and they tend to cause a negative effect on the brand differentiation. This is because in most products price is an indicator of value, hence a reduction in price indicates a reduction in value (Esteban-Bravo, Múgica & Vidal-Sanz, 2009).

Sales promotion tend to be aimed at improving the perception of the target market or audience since the customers have been conditioned to associate higher value with better lifestyle. Sales promotion is perceived as any incentive used by manufacturers, retailers, or distributors to provoke trade with other retailers, distributors, or the consumers while encouraging the sales force to aggressively sell the items (Ernest & Jee, 2013). The aim of Sales promotion is to inspire and attract existing and potential customers toward business activities in an effort to increase profit margin in instant sale or after immediate purchase decision by the customer (Ismail, Rehman, Yusoff & Zabri, 2017). Sales promotion has great

Fig 2.2: Source: 2018 ANA/DMA Response Rate Report.
impact on the target audience perception of the brand value. Additionally, it tends to vary in success depending on the market culture, hence it cannot be globally standardized in its application. For instance, the USA market might prefer free returns, loyalty points and discounts, while those in Europe might prefer bonus points, vouchers, and money-off coupons (Lisa, 2013).

2.4.4 Internet Marketing

This refers to the promotion of a product to consumers or customers through electronic media (Jobber, 2010). Internet marketing is defined in other research to include; “banner advertisements, search engines, direct mails, infomercials (online magazines, online guides, testimonials), e-commerce, and home shopping channels” (Binshan, Khong & Siong-Choy, 2013, p. 6). Due to mobile and tablet technology, and social media, long-term internet marketing and e-commerce sales growth is expected to outperform that of more traditional channels such a print media and televisions. This has resulted in vast research on internet marketing to date (Nill, Peltier, Pomirleanu & Schibrowsky, 2013).

The understand of the purchasing behavior of the customers online is proving challenging due to the diversity and variations of customer preferences over time. Marketers have to understand the instruments of virtual shopping and the behavior of the online consumer due to the intense competition and fast expanding virtual marketplaces (Constantinides, 2004). Most customers tend to have little time to conduct intense research on product, therefore they rely on their conditional stimulus to make quick and accurate decisions. Moreover, the rapid growth of information richness on the internet raises a dilemma for such customers who find it difficult to quickly process and interpret the immense amount of information since they mainly rely on web sites that offer straight forward information on products or their previous experiences with similar or exact products (Chan, Leung & Wong, 2005). Internet marketing has helped greatly in improving the marketing cost per target audience through the data collected that enables businesses to improve their customer relationship management databases. The type of data collected ranges from descriptive data, transaction history, direct preference measures and externally derived data (O'Leary, Perry & Rao, 2004).
2.5 Influence of Place on Consumer Behavior

Place involves “making goods and services available in the right quantities and to the right location when customers’ needs them” (p. 263). The success of this system is dependent on the specialists that form the distribution channel which refers to a channel that involves a series of firms or individuals who participate in the flow of products or services from the producer to the consumer (Canon, McCarthy & Perreault, 2015). To reach the consumer, businesses use two main methods of distribution which are Direct and Indirect methods. However, for the success of these methods, three marketing system were developed. These include, Vertical Marketing System, Horizontal marketing system and Multichannel Distribution system (Armstrong & Kotler, 2009).

2.5.1 Direct Distribution

This involves the producer and consumer interacting directly with each other. For instance, Microsoft selling computers and Software’s directly to the consumers via the internet (Hartley, Kerin & Redelius, 2009). Direct channels are not only beneficial to the producer but they enable offering of a lower price to the final consumer. This is because indirect distribution has each intermediary adding their markup over the cost hence making the final product more expensive (Nicolau, 2013). Direct channels enable an interaction between the consumer and the producer, hence the producer offers direct value to their customers which eventually builds a relationship and a bond (Brandl, 2017).

The reasons for using direct distribution include; a) Need to increase Profit margin. In some markets, the competition can be too intense hence some businesses opt for direct marketing as a way of increasing markup rather than sharing it with intermediaries (Jobber, 2010). b) Development of the internet technology, In the music industry, the development of iTunes, Sound-cloud and Spotify to name a few, has resulted in elimination of recording studios who acted as intermediaries (Jobber, 2010). This ubiquity nature of the internet has enhanced ease of access to the products by the consumers at any time and any place. c) The need to maintain control of the marketing mix, is of paramount importance since intermediaries make decisions based on the benefits to their businesses. Use of direct distribution eliminates the biased use of agents that have divided loyalty hence affecting the marketing mix (Canon, et.al, 2015). d) Direct interaction with the customer is essential
because it allows for immediate adjustment of marketing mix and study of consumer behavior (Canon, *et.al*, 2015).

### 2.5.2 Indirect Distribution

It involves one or more intermediaries before a product reaches the consumer (Hartley, *et.al*, 2009). Businesses that invest in understanding of their distribution channels are able to take out significant cost out of their business. In some indirect channels there are manufacturer set retail price (MSRP) that ensures the retailers get some benefits while having control on the price (Dawn, 2001). Through this the consumers tend to receive a more favorable price compared to open channel with no manufacturer pricing. For instance, Sale of manufacturers sell at wholesale to retailers to ensure there is profit for retailers. This method can be important when; a) **Intermediaries offer vital information**, especially when they are close to their customers hence they are able to anticipate customer needs and forecast demand therefore reducing on inventories. Additionally, customers are more satisfied when they interact on a personal level with an agent close by rather than visiting websites or company offices only to experience delays. b) **Discrepancy of quantity assortment**, is the difference between the quantity of a product that is economical to manufacture and the quantity that the consumer wants. The intermediary especially retailers, takes in large quantities of the products and sell to the final consumer based on their demands. c) **Bulk breaking**, involves dividing large quantities into smaller quantities as the products get closer to the market. d) **Sorting of products**, involves separating the products into grades and quantities desired by different target markets (Canon, *et.al*, 2015).

### 2.5.3 Hybrid Marketing

This is a combination of direct and indirect channels of distribution whereby they are used for the same target market. This is a popular method since it incorporates both direct and indirect enabling for reach of different customers in the same geographical or market segment (Brian, Ferrell, Outi, Sharon & William, 2015). For instance; Toyota sells their cars using their showrooms and through intermediaries. As business managers ought to reduce on costs and increase market coverage, they resulted in adding of new channels to existing ones by using direct sales as well as distributors, retail sales as well as direct mail, direct mail as well as direct sales and communications methods hence developing a Hybrid Marketing
System (Moriarty & Moran, November–December 1990 ISSUE). Companies such as IBM adopted Hybrid system whereby different divisions developed their Hybrid go to Market models hence enabling the company to serve its customers better and improve its processes (Alessandro & Padelletti, 1999).

2.5.4 Intensive Distribution

It’s a form of distribution that is aimed at Maximum market coverage whereby the producer strives to ensure their product is at every outlet where the potential customers can reach the product (Charles, Joe & McDaniel, 2009). This is mainly used when a company is trading in convenience goods such as food, water and any item that is frequently purchased. All possible retailers are utilized to reach the target market. Consequently, this form of marketing is suitable for markets with intense competition and fast moving products that are constantly on demand (Patrick & Robert, 2008). This strategy is also vital for convenience goods that require no service but are bought on the go. Companies such as Procter and Gamble, Bidco Kenya, and Safaricom rely on this method to offer their product to as close as possible to the final consumer (William & Ferrell, 2010). Consumer prefer convenience in satisfying their daily needs hence making this method highly effective.

The customers in this kind of market tends to seek to satisfy their psychological and security needs hence the need for assurance of availability upon need. For instance; when a customer needs sugar, soap, water or airtime, they always opt for products that are readily available and easily accessible almost in ubiquity.

2.5.5 Selective Distribution

As the word dictates, selective distribution involves a business choosing a select or limited number of retailers in a market to operate in its line. This ensures reduction in market costs and improved relation with retailers. The selected retailers must abide with the rules for pricing, advertising, and display of products (Kim, Kurtz & McKenzie, 2010). The smaller number of retailers used are mainly common with businesses focused on the brand value. For instance, an original iPhone can only be acquired through the authorized iPhone dealers or agents (Patrick & Robert, 2008). The manufacturers using this strategy aims at retaining superior product image hence allowing them to charge a premium price. For instance, Java products are only found through their franchises that operates by Java rules and branding.
(Charles, Joe & McDaniel, 2009). This is more focused on shopping goods such as furniture’s, dresses, electronic items and appliances.

### 2.5.6 Exclusive Distribution

In exclusive distribution, only one trader is used in the distribution channel. This is common where the products are of high value, fragile or targets a small market segment. That is specialty goods (Patrick & Robert, 2008). The most common exclusive distribution is; Rolls Royce, Ferrari, Rolex and Chris Craft Power Boats that are only sold through a single retailer. This method ensures the retailers enjoys exclusive limelight of the producer marketing efforts in the select market segment with no competition (Charles, et.al, 2009). This form of trade not only make a product scarce, prestigious and more valuable but also it reduces marketing cost and efforts of managing the distribution channel. The consumers purchasing these products are in the category of self-esteem and actualization on Hofstede’s hierarchy of needs. Additionally, they also seek to satisfy their superego as per Freuden Theory where personal desires dominate such as recognition, status, or belonging whereby, the society has set standards for their lifestyle (Kim, et.al, 2010).

### 2.6 Chapter Summary

This chapter reviewed literature on factors influencing consumer behavior among the youth in private universities in Nairobi, based on the set research questions. The literature was collected from Journals, Case Studies, and Books. The chapter looked at various objectives such as product, price, place and promotion factors that influences customers’ behavior. It went further into developing various subcategories under each objective that contributes affects consumer behavior. The literature was mainly focused on addressing the influence of the factors on youths in Private Universities due to the limited research data in the stated area. Chapter three presented on the various research designs used, methods of data collection, Population and Sample size, Procedures and data analysis methods used to carry out the research.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This research provided information and discussion on various processes proposed by the researcher to achieve the objectives of the study. The research design was inclusive of the Population under study, the sample size, sampling design, data collection methods, research procedures and data analysis methods. The section offered further information on the respondents who were approached, where and how the research was carried out and how it was analyzed.

3.2 Research Design

A research design defined as “a detailed framework or plan that helps guide you through the research process, allowing a greater likelihood of achieving your research objectives” (Wilson, 2014, p. 115). The research was based on exploratory research with a Case Studies approach. Naresh (2010) states that descriptive research design defines the characteristics of relevant groups, for whom in this research were the youths in USIU-A in Nairobi. Descriptive research is conducted to determine existing or past phenomenal such as Consumer buying habits (Wilson, 2014). This research utilized both qualitative and quantitative data to ensure that there is synergy in the final results. The independent variable
is the factor that was identified and the dependent variable is the consumer behavior. Sekaran(2003) refers to Case Study as a method of solving problems, understanding phenomena of interest and generating further knowledge in an area through examination of studies done in other similar environments. Ranjit (2011), argues that a Case Study should be treated as the overall study of a population as one entity. That is, the Case Study Should represent the entire population under study. The research strategy that was used is survey. It was used for gathering of data based on cross-sectional time horizons because the research period was limited to within the academic period hence the data was only collected once since there was a probability of the research environment and variables changing over time. The tool used for analysis was the Statistical Package for the Social Sciences (SPSS) software program that analyzed the qualitative data acquired.

3.3 Population and Sampling Design

3.3.1 Population

The population under study formed the basis upon which the sample was derived. Population is referred to as the entire group of people, events or things that the researcher wishes to investigate(Uma & Roger, 2013). The population proposed for this study was student youths in USIU-A, Nairobi, Kenya. The Population was derived from the USIU-A as a Case Study that was selected based on its diversity of students. The population comprises of students undertaking either undergraduate, and graduate, programs, have a source(s) of income, have a purchasing parity, consume various products or services, interact with various media such as TV and internet, aged between 18 and 35 years, are either local or international and are literate in technology.

The data of our population was derived from one private university since this is a case study. According to Commission of University Education 2017 report, the number of accredited universities in Kenya was 74 with 23 being private institution. Out of the 23 institutions, 18 are chartered private universities and 12 are located in Nairobi. The university that formed the context of study was selected from the 12 private universities. Since this was a case study, the private university selected for the study was USIU-A with a population of 6,769 (USIU-A Summer 2018 Factsheet). The institution prides itself of having 70 nationalities which is a huge diversity for a locally based University. Out of the 6,769, the study targeted a
sample of 6,134 youths from the institution. The undergraduates were 5,170, and the graduates were 1,452 and doctorate were 147. The sample was selected from the population. The reason for deriving a sample is because they are more cost effective, have greater accuracy, greater speed of data collection and represents majority of the population elements.

### Table 3.1 USIU-A Student Population

<table>
<thead>
<tr>
<th>University</th>
<th>Undergraduate</th>
<th>Graduate</th>
<th>Doctorate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USIU-A</td>
<td>5170</td>
<td>1452</td>
<td>147</td>
<td>6,769</td>
</tr>
<tr>
<td>Percentage</td>
<td>76</td>
<td>21</td>
<td>2</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: USIU-A registrar’s office (Spring 2019).

#### 3.3.2 Sampling Design

##### 3.3.2.1 Sampling Frame

The sample frame under this study will be derived from a list of youths in USIU-A. Cooper and Schindler, (2014) states that a Sampling frame is defined as the list of all population elements from which the sample will be drawn. Sampling frame for this study is based on Youths enrolled in USIU-A, targeting students aged between 18 years to 35 years. The students are mainly graduate, undergraduate, and doctorate for whom are currently enrolled for either of the programs. The institution under study is United States International University- Africa (USIU-A). Out of its population a sample size will be selected. The Sample will be draw from the total population based on a ratio proportionate to the group category total against the population total. That is total undergraduate youth against the total population, total graduate youth against the total population against the total population.

##### 3.3.2.2 Sampling Technique

Uma and Roger, (2013) expressed that the sampling techniques can be probability or non-probability. The sampling technique used in this research is the probability sampling because this technique ensures that each element has an equal chance of being selected into the final sample and the results can be generalized to the target population with minimal margin of error. Probability sampling consists of simple random sampling, systematic random
sampling, stratified random sampling and cluster sampling. The main technique under probability sampling that was used in the study was stratified random sampling, which was a process by which the sample was constrained to include elements from each of the segments (Cooper and Schindler, 2014).

The sample selected using this method can be divided into subgroups such as gender, age, or status. Umar and Roger (2013) states that Stratified random sampling involves dividing a population into relevant, appropriate and meaningful as per the context of study. The stratified technique was used to derive a sample from the two (2) Strata, undergraduate, and graduate youths. A random sample was selected from each stratum based upon the percentage that each subgroup represents in the total population. This ensured the larger group which in this case was the undergraduate is evenly represented compared to the graduates.

3.3.2.3 Sample Size

According to Cooper and Schindler (2014), Sample size is dependent on the variances within the target population, the desired precision of the estimate, error range, confidence interval in the estimate and subgroups of interest within a sample. A sample size is expected to be a clear representation of the overall population hence the larger it is the more accurate the results. The sample size was derived based on 95 percent confidence interval at 5% error. The sample size was calculated based on the survey monkey formula;

$$ \text{Sample size} = \frac{Z^2 \times P(1-P)}{e^2} $$

where $Z = z$-Score (95% = 1.96)

$P = \text{Percentage value (0.5)}$

<table>
<thead>
<tr>
<th>University</th>
<th>Undergraduate</th>
<th>Graduate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USIU-A</td>
<td>4,989</td>
<td>1,117</td>
<td>6,106</td>
</tr>
<tr>
<td>Percentage %</td>
<td>82</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: USIU-A registrar’s office (Spring 2019).
\[ 1 + \left( \frac{Z \times P (1-P)}{e^2 N} \right) \]

\[ N = \text{Population Size} \]
\[ e = \text{Margin of error (5%)} \]

\[ \frac{(Z^2)p(1-p)}{e^2} \]
\[ e = 5\% \]
\[ p = 0.5 \]
\[ N = 6134 \]

\[ \frac{1 + \frac{(Z^2)p(1-p)}{e^2 N}}{0.0025} \]
\[ 3.8416 \]
\[ 0.25 \]
\[ 0.9604 = 384 \]

\[ \frac{1}{15.335} \]
\[ 3.8416 \]
\[ 0.25 \]
\[ 0.9604 = 1.0626 \]

<table>
<thead>
<tr>
<th>Undergraduate</th>
<th>Graduate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>4989</td>
<td>1117</td>
</tr>
<tr>
<td>%/ ratio</td>
<td>81.3%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Sample</td>
<td>294</td>
<td>66</td>
</tr>
</tbody>
</table>

Sample = 360

**3.4 Data Collection Methods**

Data collection method refers to the means by which a researcher obtains the empirical data to be used to answer the research questions (Christensen, Johnson & Turner, 2014). Data can be collected from primary sources that offer first-hand information and secondary data that offer information from existing sources. Data collection methods includes Interviews (face to face, telephone, computer assisted or electronic media interviews such as skype or WhatsApp), Observation and questionnaires. Our research adopted the questionnaire as the method of data collection and it was personally administered to the sample population by the researcher and some research assistants. Self-administering is suitable for the local USIU-A
The respondents tend to prefer to offer their inputs when the questionnaire is interesting, of value, short, clearly thought through, and well presented. A researcher can use introductory letters, reply paid envelopes and follow-up telephone calls to offer assistance and increase the response rate for self-administered questionnaires (Dr. Thomas, 2001). The questionnaire structure was based on the research questions stated in this study to ensure relevance to the research. A pilot study of 5 questionnaires was conducted to improve questionnaire structure and content. The study involved a few randomly selected respondents from the target population. The feedback from the selected respondents was used to improve the final structure of the questionnaire. The questionnaire was accompanied by an introductory letter from the school research department.

The questions of the questionnaire were structured to offer the respondents with fixed responses for ease of data analysis and interpretation. The first questions on section A were general questions aimed at categorizing the respondents. The Questions on section B involved questions on the first research question on product and were structured based on the rating scales such as Likert Scale- (1) Strongly agree, to (5) Strongly Disagree, and an open a ranking question. The questions on section C of the questionnaire addressed on research question two on Price. The structure of the questions was based on rating scale which was the Likert Scale. The questions on section D addressed on the research question three on Promotion and it was based on the structure of ranking scale. The questions on section E addressed the topic on Place and it was based on the structure of rating scale from most to least preferable. The last part on section F addressed the independent variable and was based on multiple choice questions (Cooper & Schindler 2014). The instrument for data collection was developed by the researcher.

3.4 Research Procedures

The population data was collected from the university registrar with authorization from the university and a sample size computed based on a 95% confidence interval. The sampling design used was stratified random sampling that was categorized based on strata of graduate and undergraduate youths in the university. The permission to collect data was
issued by the university research department. The questionnaire consisted of 5 sections in which the first section contained general questions, the next three sections addressed on the three research questions and the last section addressed on the independent variable. To test for validity and reliability, a pilot testing of a random group of 5 respondents were issued with the questionnaire and their feedback used to improve on the questionnaire design before initiating the final process of data collection. The questionnaires were self-administered and the respondents were expected to take 10-12 minutes to complete the questionnaire and hand it over to the researcher. There was letter of confidentiality from USIU-A attached to the questionnaires to assure the respondents of the privacy of their responses. The questionnaires were passed through editing process to eliminate incomplete questionnaires to avoid increased error on the final results.

3.5 Data Analysis Methods
There are several data analysis methods but the one selected is dependent on the nature of the research being conducted. Data analysis refers to a variety of specific procedures and methods. It is a method of examining, cleaning, converting and analyzing data collected in a research (Academy for Educational Development[AED], 2006). Data from the questionnaire was coded and entered onto the data analysis software, additionally, it was edited and verified before analyzing. The methods that were used to analyze the general data were measures central tendency such as mean. The measures of dispersion used are Variance, Standard deviation, and inferential Statistics used are Regression Analysis, Chi-square and ANOVA. The measures of central tendency are mainly suitable for general questions while variance, and standard deviation were used indicate the spread and distribution of the main factors that affect consumer behavior. Regression Analysis was used to indicate the effect of the main factors under objectives on the consumer behavior. Chi-square was used to evaluate the tests of independence between product characteristics and consumer behavior. ANOVA was useful in indicating the effect of two independent factors on a single dependent factor. The data instrument that was used to analyze data was Statistical Programs for Social Sciences (SPSS) software (Uma & Roger, 2013). Finally, data was presented in form of Charts and Tables.
3.6 Chapter Summary
The chapter addressed on the research methodology that was used in the study. It described the research design used, target population, Sampling frame, Sampling technique and Sample size, Data collection method, research procedure and data analysis methods that were used during the research. The next chapter discussed on results and findings based on data collected through the questionnaire.

CHAPTER 4

4.0 RESULTS AND FINDINGS

4.1 Introduction
In this chapter, the results and findings of the study are presented starting with descriptive analysis of the demographic data, followed by the results of the first, second, third research questions and data on the independent variable respectively. The general objective of the study was to determine factors influencing consumer behavior among the youth in private universities in Nairobi: A case of USIU-A. The tool used for data analysis was Statistical packages for social sciences (SPSS) software which was used to code, classify and tabulate the findings. A summary of findings is given at the end of this chapter.

4.2 Demographics
The information collected from the first part of the questionnaire sought to find out some of the basic information of the respondents. The results that were obtained with regard to the general information were about the Gender of the respondent, classification of respondents by age, respondents level of education and the respondents estimated income level.

4.2.1 Response Rates
The questionnaires administered were three hundred and sixty-two (362), out of which 328 respondents filled and submitted the questionnaire, representing a response rate of 91% as shown in table 4.1.

Table 4.1: A Representation of the Response Rate

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>328</td>
<td>91%</td>
</tr>
<tr>
<td>Incomplete and returned</td>
<td>12</td>
<td>3%</td>
</tr>
<tr>
<td>Did not return</td>
<td>22</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>362</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.2.2 Gender of the Students

The information below shows the distribution of the respondents based on Gender. The percentage of the responds was close with 51% of them being male and 49% being female as shown in the figure 4.1 below.

Fig 4.1: Gender Distribution

4.2.3 Age of the Respondents
The study sought to establish respondents’ distribution by age. The highest number of respondents surveyed was between 22 to 26 years old comprising of 56% of the sample, followed by 18 to 21 years at 26%, 27 to 31 years at 10% and finally the smallest group was from those aged between 32 to 35 years comprising of only 8% of the respondents.

![Age of Respondents](image.png)

**Fig 4.2: Age of the Respondents**

4.2.4 Education Level

The research aimed to determine the level of education of the respondents. As per figure 4.3, the percentage of Undergraduates sampled were 80% while the Graduates were 20% of the respondents.

![Frequency](image.png)
Fig 4.3: Education Level

In view of the data below the undergraduates were further categorized based on the year of study. The first year students comprised of 16%, second year were 14%, third year were 36% and Forth year were 35%. Thus, majority of the undergraduate respondents were the third year with minority being the second year students.

Table 4.2: Year of Study

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year</td>
<td>42</td>
<td>16%</td>
</tr>
<tr>
<td>Second year</td>
<td>36</td>
<td>14%</td>
</tr>
<tr>
<td>Third year</td>
<td>93</td>
<td>36%</td>
</tr>
<tr>
<td>Forth year</td>
<td>91</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>262</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.2.5 Respondents Income Level

The research aimed at gathering information about the income level of the respondents that will be used in determining the correlation between the income of a person and their purchase decisions. In view of figure 4.4 the highest number of respondents earn between 0 to 10,000 Kenya shillings per month followed by those earning between 10,001 to 20,000 shillings. The least income bracket is that of respondents earning above 150,000. Nevertheless, there was a group of respondents that declined to share their monthly income and they comprise of 7% of the respondents.
4.3 Influence of Product on the Consumer Behavior among the Youth in USIU-A

The first question aimed at gathering data on the first objective that addressed on the influence of product on consumer behavior. The respondents were asked a set of questions to indicate what extent they agree or disagree with statements. Using a five point Likert scale where 1 Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree and 5 Strongly Agreed and a ranking scale of 1-5. The questionnaire comprised of two subsections on the question on Product. Thus the data has been analyzed for product based on the two sections which are referred to as part A and part B in the research.

As per the results on table 4.3, majority of the respondents, that is 51%, agreed that the features of a product had a significant influence on their behavior ($M = 4.14$, $SD = 1.07$). As per the data 28% of the respondents agreed that they preferred products with bright colors over other products while 24% were undecided on the influence of bright colored products ($M = 3.07$, $SD = 1.29$). There was a high preference for products with superior features as 57% of the respondents strongly agreed ($M = 4.30$, $SD = 0.96$). Forty-nine percent of the respondents of the respondents strongly disagreed that labelling of the products had an influence on them ($M = 2.29$, $SD = 1.46$). Thirty-seven percent of the respondents strongly agreed that the design of a product influences their decision ($M = 3.80$, $SD = 1.23$). Seventy-
two percent of the respondents were in favor of durability of a product as a key factor that they consider ($M = 4.50, SD = 0.98$).

**Table 4.3: Product Part A and Consumer Behavior**

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer products with more features</td>
<td>7%</td>
<td>1%</td>
<td>22%</td>
<td>22%</td>
<td>51%</td>
<td>4.14</td>
<td>1.07</td>
</tr>
<tr>
<td>I like products that have bright colors</td>
<td>16%</td>
<td>17%</td>
<td>24%</td>
<td>28%</td>
<td>14%</td>
<td>3.07</td>
<td>1.29</td>
</tr>
<tr>
<td>Products with superior features over competitor products appeal more to me</td>
<td>1%</td>
<td>5%</td>
<td>14%</td>
<td>22%</td>
<td>57%</td>
<td>4.3</td>
<td>0.96</td>
</tr>
<tr>
<td>Labelling of the product does not matter to me.</td>
<td>49%</td>
<td>8%</td>
<td>18%</td>
<td>13%</td>
<td>11%</td>
<td>2.29</td>
<td>1.46</td>
</tr>
<tr>
<td>The design of a product influences my decision.</td>
<td>7%</td>
<td>9%</td>
<td>18%</td>
<td>28%</td>
<td>37%</td>
<td>3.8</td>
<td>1.23</td>
</tr>
<tr>
<td>The durability of the product matters to me</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
<td>16%</td>
<td>72%</td>
<td>4.5</td>
<td>0.98</td>
</tr>
</tbody>
</table>

According to table 4.4, majority of the respondents at 55% stated that the perceived quality of a product was the most influential on their decision to make purchase ($M = 2.26, SD = 1.61$). New features on the product was the second most influential factor at 25% ($M = 2.65, SD = 1.31$). The third choice was the information provided with a percentage of 28% favoring it as a third factor that influences their behavior ($M = 2.84, SD = 1.41$). The shape of the package had 30% of the respondents preferring it as fourth Choice ($M = 3.56, SD = 1.369$). The least influential had a tie as the respondents had a 29% feedback on both the color used and the shape of the package ($M = 3.39, SD = 1.48$).
Table 4.4: Product Part B and Consumer Behavior

<table>
<thead>
<tr>
<th></th>
<th>Most influential</th>
<th>2nd Choice</th>
<th>3rd Choice</th>
<th>4th Choice</th>
<th>Least Influential</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Color Used</td>
<td>19%</td>
<td>7%</td>
<td>18%</td>
<td>22%</td>
<td>29%</td>
<td>3.39</td>
<td>1.48</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>55%</td>
<td>11%</td>
<td>4%</td>
<td>13%</td>
<td>17%</td>
<td>2.26</td>
<td>1.61</td>
</tr>
<tr>
<td>New Features</td>
<td>24%</td>
<td>25%</td>
<td>25%</td>
<td>13%</td>
<td>12%</td>
<td>2.65</td>
<td>1.31</td>
</tr>
<tr>
<td>Information provided</td>
<td>25%</td>
<td>16%</td>
<td>28%</td>
<td>13%</td>
<td>18%</td>
<td>2.84</td>
<td>1.41</td>
</tr>
<tr>
<td>Shape of the package</td>
<td>13%</td>
<td>12%</td>
<td>14%</td>
<td>30%</td>
<td>31%</td>
<td>3.56</td>
<td>1.37</td>
</tr>
</tbody>
</table>

4.3.1 Correlation between Product and Consumer Behavior

The correlation coefficient measures the degree of a linear relationship between two variables. It ranges from a range of +1 through 0 to -1. Hence a Pearson correlation analysis was conducted to determine the relationship between Product and Consumer Behavior. According to the results in Table 4.5 there is a weak positive correlation of 0.077 between the product part A and the dependent variable with a P value of 0.191 which is greater than 0.05. There is a weak positive correlation of 0.121 and a significant relationship of 0.041 between Product Part B and the dependent variable consumer behavior.

Table 4.5: Correlation Co-efficient between Product and Consumer Behavior

<table>
<thead>
<tr>
<th></th>
<th>Consumer Behavior</th>
<th>Product (Part A)</th>
<th>Product (Part B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.077</td>
<td>.121*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.191</td>
<td>0.041</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>304</td>
<td>292</td>
<td>284</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.077</td>
<td>1</td>
<td>-0.069</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.191</td>
<td>0.238</td>
<td></td>
</tr>
</tbody>
</table>
Pearson Correlation

<table>
<thead>
<tr>
<th>N</th>
<th>292</th>
<th>316</th>
<th>296</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.121*</td>
<td>-0.069</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.041</td>
<td>0.238</td>
<td></td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

4.3.2 Regression analysis of Product and Consumer Behavior

Linear regression is an indicator of the ability of an independent variable to predict the result of a dependent variable. The researcher conducted a regression analysis to determine the effect of the independent variables on the dependent variable. R denotes the correlation between product and consumer behavior. R Square indicates the proportion of variance in consumer behavior that can be explained by independent variables. Adjusted R² measures unbiased estimate of the population. Table 4.6 shows that R is 0.121 hence a small positive relationship between the variables. R Square is 0.015 meaning that only 1.5% of consumer behavior can be explained by product features.

Table 4.6: Model summary for Product and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.121ª</td>
<td>.015</td>
<td>.011</td>
<td>.49926</td>
</tr>
</tbody>
</table>

ª Predictors: (Constant), Product (Qn.2)

4.3.3 ANOVA of Product and Consumer Behavior

ANOVA reveals if the regression model used was fit to determine the predictor compared to using the mean comparison. Table 4.7 below indicates the variance between product and Consumer behavior. The P-value and F-value indicates that level of significance (0.05) of product features is significant in predicting the consumer where, F = 4.195 and P = 0.041. Thus the regression model was not suitable for predicting the outcome variable since p < 0.05.
Table 4.7: ANOVA for Product Part A and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.046</td>
<td>1</td>
<td>1.046</td>
<td>4.195</td>
<td>0.041</td>
</tr>
<tr>
<td>Residual</td>
<td>70.292</td>
<td>282</td>
<td>.249</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71.338</strong></td>
<td><strong>283</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Behavior

b. Predictors: (Constant), Product Part A

Table 4.8 shows that the regression weight coefficients model in this study was partially significant. The analysis showed though the service quality of customers can influence customer satisfaction ($\beta = 0.096$, $t = 2.048$, $p < 0.05$) for product. Therefore, product characteristics are statistically significant predictor of consumer behavior.

Table 4.8: Co-efficients\(^a\) for Product Part B and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.680</td>
</tr>
<tr>
<td></td>
<td>Product Part B</td>
<td>.096</td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: Consumer Behavior

4.3.4 Chi-square between Product and Consumer Behavior

Chi-square is used to evaluate the tests of independence between product characteristics and consumer behavior. Tables 4.9 shows that there is a significant relationship of 0.00 which is less than 0.05 between the product characteristics and consumer behavior.

Table 4.9: Chi-Square Tests of Product Part A and Consumer Behavior
a. 183 cells (92.4%) have expected count less than 5. The minimum expected count is .01.

Tables 4.10 shows that there is a significant relationship of 0.00 which is less than 0.05 between the product characteristics and consumer behavior.

**Table 4.10: Chi-Square Tests of Product Part Band Consumer Behavior**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>529.773$^a$</td>
<td>168</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>414.315</td>
<td>168</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.716</td>
<td>1</td>
<td>.190</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>292</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 143 cells (93.5%) have expected count less than 5. The minimum expected count is .01.

**4.4 Influence of Price on the Consumer Behavior among the Youth in USIU-A**

Correlation co-efficient reveal the magnitude and direction of relationships. It ranges from a range of +1 through 0 to -1. The section aimed at gathering data on the influence of price on consumer behavior. The respondents were asked a set of questions to indicate what extent they agree or disagreed with statements. Using a five point Likert scale where 1 Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree and 5 Strongly Agreed.
Table 4.11: Price and Consumer Behavior

<table>
<thead>
<tr>
<th>Price and Consumer Behavior</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The higher the price the better the quality</td>
<td>16%</td>
<td>9%</td>
<td>26%</td>
<td>20%</td>
<td>30%</td>
<td>3.4</td>
<td>1.40</td>
</tr>
<tr>
<td>Products ending with 99 look cheaper.</td>
<td>29%</td>
<td>11%</td>
<td>20%</td>
<td>20%</td>
<td>19%</td>
<td>2.89</td>
<td>1.494</td>
</tr>
<tr>
<td>I tend to buy more if the price ends with a 9 than with a 0.</td>
<td>27%</td>
<td>23%</td>
<td>22%</td>
<td>16%</td>
<td>11%</td>
<td>2.6</td>
<td>1.331</td>
</tr>
<tr>
<td>I trust companies that price based on cost over perceived value.</td>
<td>12%</td>
<td>21%</td>
<td>22%</td>
<td>16%</td>
<td>27%</td>
<td>3.26</td>
<td>1.375</td>
</tr>
<tr>
<td>How much I earn affect my choice of what to buy</td>
<td>11%</td>
<td>2%</td>
<td>10%</td>
<td>18%</td>
<td>58%</td>
<td>4.11</td>
<td>1.319</td>
</tr>
<tr>
<td>If I earned more I would buy more expensive items</td>
<td>11%</td>
<td>8%</td>
<td>21%</td>
<td>19%</td>
<td>41%</td>
<td>3.72</td>
<td>1.359</td>
</tr>
</tbody>
</table>

The data on table 4.11, was aimed at investigating the influence of various price tactics on consumer behavior. These are value based, predatory pricing, odd pricing and cost based pricing. Only 30% of the respondents strongly agreed that a higher price is an indicator of higher quality ($M = 3.4, SD = 1.398$). 29% of the respondents Strongly disagreed that items that were priced at 99 looked cheaper. ($M = 2.89, SD = 1.494$). Prices set ending with 9 had 27% and 23% strongly disagreeing and disagreeing respectively on their influence in decision making ($M = 2.60, SD = 1.331$). 27% of the respondents strongly agreed that they would trust companies that price based on cost over perceived value ($M = 3.26, SD = 1.375$).

58% Strongly agreed that how much they earn affect their choice of what to buy (Mean 4.11 and Standard deviation of 1.319). 41% of the respondents agreed that if they earned more they would buy more expensive items (Mean 3.72 and Standard deviation of 1.359).

4.4.1 Correlation between Price and Consumer Behavior

Correlational analysis was used to find out if there was a relationship between price and consumer behavior. The findings from Table 4.12 shows that there was a weak negative
correlation of -0.184 between price and consumer behavior with a significance relationship of 0.002.

**Table 4.12: Correlation of Price and Consumer Behavior**

<table>
<thead>
<tr>
<th>Price factor</th>
<th>Consumer Behavior</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>.002</td>
<td>302</td>
</tr>
<tr>
<td>Consumer Behavior</td>
<td>Pearson Correlation</td>
<td>-.184**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.002</td>
<td></td>
<td>278</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>278</td>
<td>304</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

**4.4.2 Regression analysis of Price and Consumer Behavior**

The study conducted a regression analysis to determine the effect of the independent variables on the dependent variable. Table 4.13 shows that R is 0.184 hence a positive relationship between the variables. R Square is 0.34 meaning that only 34% of consumer behavior can be explained by the price.

**Table 4.13: Model Summary for Price and Consumer Behavior**

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.184**</td>
<td>.034</td>
<td>.030</td>
<td>.51030</td>
<td>9.655</td>
<td>1</td>
<td>276</td>
<td>.002</td>
</tr>
</tbody>
</table>
4.4.3 ANOVA of Price and Consumer Behavior

ANOVA shows whether the regression model was fit to determine the predictor than using the mean comparison.

Table 4.14 above indicates the variance between price and Consumer behavior. The P-value and F-value indicates that level of significance (0.05) of product features is significant in predicting the consumer where $F = 9.655$ and $P = 0.002$. Thus the regression model was suitable for predicting the outcome variable since $p < 0.05$.

**Table 4.14: ANOVA for Price and Consumer Behavior**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.514</td>
<td>1</td>
<td>2.514</td>
<td>9.655</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>71.873</td>
<td>276</td>
<td>.260</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>74.387</td>
<td>277</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Behavior

b. Predictors: (Constant), Price factor

Table 4.15 shows the regression weight coefficients model in this study was significant. The analysis showed that price factor had a significant influence on consumer behavior ($\beta = -1.194$, $t = 0.062$, $p = .002$). Therefore, price is statistically significant predictor of consumer behavior.

**Table 4.15: Coefficients for Price and Consumer Behavior**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>------</td>
<td>------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2.677</td>
<td>.225</td>
<td>11.921</td>
<td>(.000)</td>
</tr>
<tr>
<td>Price factor</td>
<td>-1.194</td>
<td>.062</td>
<td>-.184</td>
<td>-3.107 (.002)</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Behavior

### 4.4.4 Chi-square between Price and Consumer Behavior

Chi-square is used to evaluate the tests of independence between product characteristics and consumer behavior. Table 4.16 shows that the price and consumer behavior are not independent of each other and have a significance relationship of 0.00 < 0.05.

<table>
<thead>
<tr>
<th>Table 4.16: Chi-Square Tests Price and Consumer Behavior</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>df</td>
</tr>
<tr>
<td>-------</td>
<td>----</td>
</tr>
<tr>
<td></td>
<td>184</td>
</tr>
</tbody>
</table>

\(a.\) 203 cells (94.0%) have expected count less than 5. The minimum expected count is .01.

### 4.5 Influence of Promotion on the Consumer Behavior among the Youth in USIU-A

The section aimed at gathering data on the influence of promotional activities on consumer behavior. The respondents were asked a set of questions to indicate what extent they agree or disagreed with statements. The questions used ranking scale where the respondents were expected to rank from 1 to 8 with 1 being most impactful and 8 being least impactful.

According to data on table 4.17, the respondents that considered TV advert as having the most impact on their decisions were 30% \((M= 3.68, SD = 2.23)\). Twenty-one percent of the
respondents stated that radio adverts as the second least impactful on their behavior towards products ($M = 4.94$, $SD = 2.97$). The number of the respondents that agreed billboards influenced their behavior was 34% ($M = 4.14$, $SD = 1.99$). Online advertisements had only 18% of the respondents choosing them as the third most probable means to influence their behavior ($M = 2.99$, $SD = 2.06$). Discounts and coupons were found to be most impactful by 24% of the respondents ($M = 3.05$, $SD = 2.16$).

The influence of sales people on consumer behavior was found to be most impactful by 18% of the respondents ($M = 4.32$, $SD = 2.29$). There was an equal number of respondents who stated that personalized Ads had influence on their behavior. 18% of the respondents chose personalized Ads as their fourth and seventh choices ($M = 4.24$, $SD = 2.26$). Word of mouth from friends, family and celebrities had 28% of the respondents finding it most impactful ($M = 3.32$, $SD = 2.16$).

### Table 4.17: Promotion and Consumer Behavior

<table>
<thead>
<tr>
<th></th>
<th>Most Impact</th>
<th>2nd choice</th>
<th>3rd choice</th>
<th>4th choice</th>
<th>5th choice</th>
<th>6th choice</th>
<th>7th choice</th>
<th>Least Impact</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Advert</td>
<td>30%</td>
<td>5%</td>
<td>13%</td>
<td>11%</td>
<td>21%</td>
<td>4%</td>
<td>15%</td>
<td>2%</td>
<td>3.68</td>
<td>2.23</td>
</tr>
<tr>
<td>Radio Advert</td>
<td>9%</td>
<td>10%</td>
<td>12%</td>
<td>7%</td>
<td>13%</td>
<td>20%</td>
<td>21%</td>
<td>7%</td>
<td>4.94</td>
<td>2.67</td>
</tr>
<tr>
<td>Billboard Advert</td>
<td>34%</td>
<td>19%</td>
<td>12%</td>
<td>9%</td>
<td>12%</td>
<td>4%</td>
<td>9%</td>
<td>2%</td>
<td>4.14</td>
<td>1.99</td>
</tr>
<tr>
<td>Online Advert</td>
<td>9%</td>
<td>16%</td>
<td>18%</td>
<td>14%</td>
<td>16%</td>
<td>9%</td>
<td>17%</td>
<td>2%</td>
<td>2.99</td>
<td>2.06</td>
</tr>
<tr>
<td>Discounts and Coupons</td>
<td>24%</td>
<td>13%</td>
<td>14%</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
<td>12%</td>
<td>3.05</td>
<td>2.16</td>
</tr>
<tr>
<td>Sales people influence</td>
<td>18%</td>
<td>9%</td>
<td>12%</td>
<td>11%</td>
<td>13%</td>
<td>15%</td>
<td>14%</td>
<td>8%</td>
<td>4.32</td>
<td>2.29</td>
</tr>
</tbody>
</table>
4.5.1 Correlation between Promotion and Consumer Behavior

Correlational analysis was used to find out if there was a relationship between promotion and consumer behavior. It ranges from a range of +1 through 0 to -1. Table 4.18 below shows that there is weak negative correlation between promotion activities and consumer behavior. There is no significant relationship since the P value is 0.183 which is greater than 0.05.

Table 4.18: Promotion and Consumer Behavior

<table>
<thead>
<tr>
<th>Promotion factor</th>
<th>Consumer Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion factor</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Consumer Behavior</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

4.5.2 Regression analysis of Promotion and Consumer Behavior

The study conducted a regression analysis to determine the effect of the independent variables on the dependent variable. Table 4.19 shows that R is 0.79 hence a positive relationship between the variables. R Square is 0.006 meaning that only 0.6% of consumer behavior can be explained by the price.

Table 4.19: Model Summary for Promotion and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>R Square Estimate</th>
<th>Change</th>
<th>Change df1</th>
<th>df2</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
a. Predictors: (Constant), Promotion factor

### 4.5.3 ANOVA of Promotion and Consumer Behavior

ANOVA shows whether the regression model was fit to determine the predictor than using the mean comparison. Table 4.20 below indicates the variance between promotion and Consumer behavior. The P-value and F-value indicates that level of significance (0.05) of product features is significant in predicting the consumer where $F = 1.785$ and $P = 0.183$. Thus the regression model was not suitable for predicting the outcome variable since $p > 0.05$.

#### Table 4.20: ANOVA for Promotion and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>.468</td>
<td>1</td>
<td>.468</td>
<td>1.785</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>74.024</td>
<td>282</td>
<td>.262</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>74.493</td>
<td>283</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Behavior  
b. Predictors: (Constant), Promotion factor

Table 4.21 shows the regression weight coefficients model in this study was not significant. The analysis showed that promotion factor had no significant influence on consumer behavior ($\beta = -0.39$, $t = -1.336$, $p = 0.183 > 0.05$). Therefore, promotion is not statistically significant predictor of consumer behavior.

#### Table 4.21: Coefficients for Promotion and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant) 2.124</td>
<td>.120</td>
</tr>
</tbody>
</table>

52
a. Dependent Variable: Consumer Behavior

4.5.4 Chi-square between Promotion and Consumer Behavior

Chi-square is used to evaluate the tests of independence between product characteristics and consumer behavior. According to Table 4.22 there is a significant relationship between promotion and consumer behavior with a p value of 0.00.

Table 4.22: Chi-Square Tests for Promotion and Consumer Behavior

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>498.785(^a)</td>
<td>248</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>399.815</td>
<td>248</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.780</td>
<td>1</td>
<td>.182</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>284</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) 277 cells (96.2\%) have expected count less than 5. The minimum expected count is .01.

4.6 Influence of Place on the Consumer Behavior among the Youth in USIU-A

The section aimed at gathering data on the influence of place on consumer behavior. The respondents were asked a set of questions to indicate their level of preference based on the statements. The respondents were expected to rate from 1-5. 1 being least preferable and 5 being most preferable.

According to table 4.23, when the respondents were asked if they would prefer to buy expensive products straight from the manufacturer 30\% of the respondents found that least preferable. The mean of the responses was 3.16 and standard deviation was 1.544. 29\% of the respondents preferred to access products from shops near them (Mean 2.88, and standard deviation 1.547). 26\% of the respondents most preferred to access products through authorized manufacturer dealers. The mean was 2.92 and standard deviation was 1.443.
of the respondents most preferred to access high end products in carefully selected shops. The mean of the responses was 2.9 and standard deviation was 1.491. 32% of the respondents shared that they found it least preferable to have high value products in specific shops (Mean 3.27 and standard deviation 1.932). The feedback on having the product or service an exclusive shop was chosen as the third most preferable option by 31% of the respondents. The response mean was 3.05 and standard deviation was 1.333. The question on having the product or service located in a suburb had 30% of the respondents finding it third most preferable and another 30% as least preferable. The mean of the responses is 3.35 and a standard deviation of 1.408.


Table 4.23: Place and Consumer Behavior

<table>
<thead>
<tr>
<th>Most preferable</th>
<th>2nd choice</th>
<th>3rd choice</th>
<th>4th choice</th>
<th>Least preferable</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying an expensive product directly from the manufacturer.</td>
<td>22%</td>
<td>13%</td>
<td>24%</td>
<td>11%</td>
<td>30%</td>
<td>3.16</td>
</tr>
<tr>
<td>Being able to get a product from any shop close to me.</td>
<td>29%</td>
<td>15%</td>
<td>19%</td>
<td>13%</td>
<td>24%</td>
<td>2.88</td>
</tr>
<tr>
<td>Buying directly from manufacturer through authorized people or businesses.</td>
<td>26%</td>
<td>12%</td>
<td>24%</td>
<td>20%</td>
<td>18%</td>
<td>2.92</td>
</tr>
<tr>
<td>Expensive products should be in carefully selected shops.</td>
<td>31%</td>
<td>6%</td>
<td>23%</td>
<td>22%</td>
<td>18%</td>
<td>2.9</td>
</tr>
<tr>
<td>High Value products to be in exclusive shop.</td>
<td>30%</td>
<td>8%</td>
<td>16%</td>
<td>14%</td>
<td>32%</td>
<td>3.27</td>
</tr>
<tr>
<td>The product or service to be in a specific shop</td>
<td>17%</td>
<td>17%</td>
<td>31%</td>
<td>16%</td>
<td>20%</td>
<td>3.05</td>
</tr>
</tbody>
</table>
The product or service I want should be located in a suburb.

### 4.6.1 Correlation between Place and Consumer Behavior

Correlation co-efficient reveal the magnitude and direction of relationships. It ranges from a range of +1 through 0 to -1. According to table 4.24, there is a weak positive correlation between place and consumer behavior with a significance relationship of 0.058.

**Table 4.24: Correlation of Place and Consumer Behavior**

<table>
<thead>
<tr>
<th>Place factor</th>
<th>Pearson Correlation</th>
<th>Consumer Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td>.114</td>
<td>0.058</td>
</tr>
<tr>
<td>N</td>
<td>299</td>
<td>275</td>
</tr>
<tr>
<td>Consumer Behavior</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.058</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>275</td>
<td>304</td>
</tr>
</tbody>
</table>

### 4.6.2 Regression analysis of Place and Consumer Behavior

The study conducted a regression analysis to determine the effect of the independent variables on the dependent variable. Table 4.25 shows that $R$ is 0.114 hence a positive relationship between the variables. $R$ Square is 0.013 meaning that only 1.3% of consumer behavior can be explained by the price.

**Table 4.25: Model Summary for Place and Consumer Behavior**

<table>
<thead>
<tr>
<th>Std. Error of the</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted R</td>
<td>R Square</td>
</tr>
<tr>
<td>Model</td>
<td>R</td>
</tr>
</tbody>
</table>

55
4.6.3 ANOVA for Place and Consumer Behavior

ANOVA shows whether the regression model was fit to determine the predictor than using the mean comparison. Table 4.26 below indicates the variance between place and Consumer behavior. The P-value and F-value indicates that level of significance (0.05) of product features is significant in predicting the consumer behavior where; F = 3.610 and P = 0.058. Thus the regression model was suitable for predicting the outcome variable since p~0.05.

Table 4.26: ANOVA for Place and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1</td>
<td>1.018</td>
<td>3.610</td>
<td>.058b</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>273</td>
<td>.282</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>274</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Behavior
b. Predictors: (Constant), Place factor

Table 4.27 shows the regression weight coefficients model in this study was significant. The analysis showed that place factor had a significant influence on consumer behavior (β = 0.57, t = 1.14, p = 0.58~0.05. Therefore, promotion is statistically significant predictor of consumer behavior.

Table 4.27: Coefficients for Place and Consumer Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td>18.638</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Place factor</td>
<td>.057</td>
<td>.114</td>
<td>.058</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Behavior
4.8.4 Chi-square between Place and Consumer Behavior

Chi-square is used to evaluate the tests of independence between product characteristics and consumer behavior. According to Table 4.28 there is a significant relationship between place and consumer behavior with a p value of 0.00.

4.28: Table Chi-Square Tests for Place and Consumer Behavior

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>676.496a</td>
<td>216</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>461.853</td>
<td>216</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>3.576</td>
<td>1</td>
<td>.059</td>
</tr>
</tbody>
</table>

N of Valid Cases 275

a. 248 cells (98.4%) have expected count less than 5. The minimum expected count is .01

4.7 Chapter Summary

This chapter has presented the results and findings of the study. Descriptive analysis of the demographic data was first presented. This was followed by the results of research questions which includes product, price, place and promotion respectively. The data was analysed using descriptive statistics. Correlations, regression, Chi-square analysis and One-way ANOVA. The next chapter offered relevant information on Discussion, Conclusions and Recommendations on consumer behavior.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction
This chapter deliberates on the results as found in the previous chapter followed by the discussions of these results as compared to the findings on previous research in the literature review. A conclusion is then made based on the findings and research questions sought by the study. Finally, recommendations and suggestions are made for areas that further studies can be conducted on.
5.2 Summary of the Study

This study aimed at discussing the factors that influence consumer behavior among the youths targeting students at USIU-A. The research questions under study are; Does Product influence the consumer behavior among the youth in USIU? Does Price influence the consumer behavior among the youth in USIU? Does Promotion influence the consumer behavior among the youth in USIU? Does Place influence the consumer behavior among the youth in USIU?

Further the research adopted the descriptive research design that was aimed at discussing the qualitative or quantitative data acquired and the factors that influences consumer behavior. The target population were the students from United States International University-Africa who are still in session. The research data was collected from 328 student who formed our sample size. Out of these 82 percent were undergraduates and 18 percent were the graduates. Stratified random sampling technique was adopted since the target population had stata who consisted on undergraduates and graduates. The undergraduates were further categorized as freshmen, sophomore, junior and senior year students. Data was collected using a questionnaire that was administered to all 362 students directly. The data was then analyzed using the SPSS tool whereby data was analyzed based on measures of central tendency to get the mean, measures of dispersion to get the standard deviation and variance. Data was further analyzed based on inferential Statistics which are; Regression Analysis, Chi-square and ANOVA. For vivid descriptive of results the data was presented in charts, and tables.

From the results and findings, out of the 362 questionnaires administered, 328 respondents filled and submitted the questionnaire, representing a response rate of 91%. 12 questionnaires were incomplete and 22 not returned. These 3% and 6% respectively of the total sample. The target sample was comprised of 51% male and 49% female of whom 55.5% comprised of 22 to 26 years old students, 26.5%, were those from 16 to 21 years, 10.1% are those in 27 to 31 years and finally the smallest group was from those aged between 32 to 35 years comprising of only 7.9%. Based on the questionnaire feedback 80% of the respondents were the undergraduates 20% the graduates. The freshmen students comprised of 16%, sophomore were 13.7%, junior were 35.5% and senior were 34.7%. According to the data, the highest
number of respondents earn between 0 to 10,000 Kenya shillings per month making 53%, followed by those earning between 10,001 to 20,000 shillings at 22.9%, those earning 20,001 to 50,000 shillings at 4.3% and 50,001 to 100,000 had no respondents while 100,001 to 150,000 were 3.7%. The least income bracket is that of respondents earning above 150,000 who consist of 7%.

According to the data analyzed there is a weak positive correlation of 0.077 between the productA and the consumer behavior with a P value of 0.191 and additionally, a weak positive correlation of 0.121 and a significant relationship of 0.041 between ProductB and the consumer behavior. In the second objective (Price) had a weak negative correlation of -0.184 when compared to consumer behavior with a significance relationship of 0.002. The third objective (Promotion activities) had a weak negative correlation compared to consumer behavior with a P value is 0.183. The fourth objective (Place) had a weak positive correlation compared to consumer behavior with a significance relationship of 0.058. Data on regression revealed that only 1.7% of consumer behavior can be explained by product features while only 34% of consumer behavior can be explained by the price. Moreover, only 0.6% of consumer behavior can be explained by the price whereas only 1.3% of consumer behavior can be explained by the place. In view of the data on Chi-square price and consumer behavior are not independent of each other just like price and consumer behavior whereby both have a significance relationship of 0.00 < 0.05. Moreover, there is a significant relationship between promotion and consumer behavior and place and consumer behavior both with a p value of 0.00.

5.3 Discussions
5.3.1: Effect of Product characteristics on Consumer Behavior

According to the findings most of the people tend to prefer products that have more features. This is because features tend to offer more value and act as differentiator of a product or service from competing products or services. The findings are supported by Sam, Rod, (2013) where he stated that, when targeting lead users, the availability of new product features significantly influences the possibility of the customer to switch between brands.
A large percentage of customers preferred product with superior features. Customers end up satisfying the idea of ego by Freuden where they seek to be associated with superior products as individuals while maintaining the societal morals. This is in line with the study conducted by Malaviya and Sternthal (2009), whereby they concluded that the respondents were more inclined towards the product that they perceived as superior. The results can also be explained by Freuden theory, the superego, whereby the societal desire for better life unconsciously inclinepeople towards the perceived superior products.

Majority of the respondents strongly agreed that they preferred high quality products. Blessner, Mazzuchi, and Sarkani, (2013), explains that, in the desire to express quality without physical evidence, businesses have acquired the ISO certification as evidence that their products meet the international quality standards. The act of quality is based on the perception that a customer has and how the product or service fits the intended purpose hence the need for preference of high quality products by most customers (Cannon, McCarthy and Perreault, 2010).

A relatively large number of respondents agreed that labelling is important to them. This aligns to a study conducted in Canada that revealed that majority of the people acquire nutritional information from the product labels (Acton, Vanderlee, White & Hammond, 2016). Wright, (1997) states that labelling acts as a product differentiator from similar products in the market hence reducing the need for intensive advertising to inform the customer on the differences.

5.3.2: Effect of Price on Consumer Behavior

“Price is the value exchanged for product(s) in a marketing transaction” (Ferrell and Pride, 2011, pg. 281.). Most of the respondents agreed that the pricing should aligns with the value of the product. This value is mainly a perceived value from the customer’s perspective.
According to Armstrong & Kotler, (2009) value-based pricing uses the customer perception of a product value as the key to pricing and its set before the marketing program.

However, an average number of people agreed that higher prices are an indicator of higher value. Whereas majority of them disagreed that they would prefer low priced products. This is in contrary to predatory company’s strategy of using very low pricing to drive out competition and acquire monopoly once the competition has been eliminated or weakened (Deirdre & Hay, 2015). Scott(2001) reveals that based on past data, businesses engaging in this practice tends to hide their actual cost hence allowing them to lower the prices to below the actual costs with huge success to many. The explanation for this deviation may be explained by the fact that majority of the respondents agreed that they would prefer higher pricing and higher quality.

Majority of the respondents disagreed that the used of odd pricing influenced their decision to buy certain products. Contrary to this, Hartley, Kerin, and Rudelius, (2009) published that customers tend to perceive the odd priced products or services such as 499, as being higher than sh. 400 rather than less than sh. 500. The rounding downward effect seems to be having a law of diminishing return as Guéguen, and Legoherel, (2004)statedthat the odd pricing is a double edged sword in that, prolonged use of it make the customers immune to its effect.

Cost based pricing is the easiest way of determining the price since only a markup is added to the marginal cost to ensure the business makes a predetermined profit (Armstrong & Kotler, 2009). Additionally, the method tends to be rigid in price changes and may also result in setting of the price below the value (Amaral & Guerreiro, 2018). The data collected revealed that an average number of customer actually preferred products priced based on cost as compared to value. A higher percentage of the respondent also agreed that their income had a high impact on how the made their decision on what to buy not mainly the price. The finding explain why businesses tend to use cost as a justification for their price increase so as to retain their customers (Dawson, 2013).

5.3.3: Effect of Promotion on Consumer Behavior

Ferrell and Pride, (2011) explains the importance of promotion by stating that promotion is a communication tool that builds and maintains favorable relationships by informing,
reminding and persuading the consumers to have a positive perception of a product or brand. The main method of promotion is advertising since adverts affects the consumer perception towards a brand and in turn influences purchase intention and brand choice (Ferrell & Pride, 2011). Only 30% of the respondents chose television as the main medium on which they interact with most adverts on products or services.

Radio adverts had majority of the respondents choosing them as the sixth and seventh option as a medium of influencing their decision to make a purchase. The choice could be explained by Goldsmith and Lafferty, (2002) who explains that advertisers have focused so much on emotional appeals that they do not communicate to the customer on what the product offers and why it’s needed. This makes the advertisements to have little impact on consumer preference of the brand in the long-term.

Billboard had majority of the respondents choosing them as most impactful and second most impactful medium of sharing information. Craton & Lantos, (2012) states that adverts that tend to pop up every day influences the brand position on the consumer’s mind which is a common case with the positioning of billboards along the roads.

Most of the respondents indicated the use of personalized adverts as the second, fourth and seventh choice on its ability to influence their behavior. Washington Direct Mail, (2017) explains that personalized adverts can have an immense success as evident with the success of the Chunky Kitkat promotion campaign where they apologized via mail for not being able to mail the chocolate bar to their customer only to personally deliver it to their doorstep.

Internet marketing is a popular media for product promotion. Jobber, (2010) defines it as promotion of a product to consumers or customers through electronic media. Majority of the respondents selected online advertising as the second and third most impactful form of promotion. Constantinides (2004) expresses that there is need for marketers to understand the instruments of virtual shopping and the behavior of the online consumer due to the intense competition and fast expanding virtual marketplaces.

A considerable number of respondents at 13% considered use of sales people as the most impactful form of promotion while 24% considered the use of discounts and coupons as the most impactful. The resulted are supported by Grewah and Levy, (2010) who states that
incentives such as coupons, rebates, contests, free samples, and point of purchase displays encourages the target customers to purchase a certain product or service. Sales promotion is expected to vary it in success depending on the market culture, hence it cannot be globally standardized in its application ((Lisa, 2013).

5.3.4: Effect of Place on Consumer Behavior

Most of the respondents expressed that they least preferred to purchase products directly from the manufacturer with only 22% agreeing to this option as being preferable. This is contrary to the manufacturer perception that this method enables them to offer direct value to their customers which eventually enhances their relationship (Brandl, 2017). The method is also beneficial to the manufacturer since it allows them to maximize profit while offering lower prices as compared to use of intermediaries who inflates the final price (Nicolau, 2013).

A majority of the respondents preferred accessing products from nearby outlets wherever they are. This supports the use of indirect channels that allow for wide reach. The argument is backed by the difference between the quantity of a product needed and the vital information immediate feedback offered by the intermediaries (Canon, Perreault, & McCarthy, 2015).

(Brian, et.al, 2015) states that hybrid channel of marketing incorporates both direct and indirect enabling for reach of different customers in the same geographical or market segment. The data acquired supported this method as majority of the respondent preferred this method compared to direct channel. Additionally, companies prefer this method too due to its ability to reduce on costs and increase market coverage (Moriarty, & Moran, 1990 ISSUE).

The reach of product is as important as its location. Companies tend to prefer to ensure their product is at every outlet where the potential customers can reach the product (Charles, Joe & McDaniel, 2009). The respondents backed this up whereby majority opted not to have the products they seek in exclusive shops. Consumers tend to prefer convenience in satisfying their daily needs hence making this method highly effective.
A high percentage of the respondents preferred to have high end products in select outlets. Charles, Joe & McDaniel, (2009) supports this idea through their research indicating that companies offering high end products tends to be selective on choosing a small number of retailer that drive their superior brand image. Patrick, & Robert, (2008) add to the argument by stating that the brand of the company is essential hence the need for selective outlets and few retailers.

Exclusive channels are common where the products are of high value, fragile or targets a small market segment. That is specialty goods (Patrick, & Robert, 2008). On the contrary the respondent disagreed with this argument as majority least preferred on having high end products in exclusive shops. Only 30% of the respondents compared to 32% and 14% that disagreed with this.

5.4: Conclusion

5.4.1: Effect of Product on Consumer Behavior

The study reveals that the main product characteristic that influences consumer behavior is the quality of the product. This is because quality tend to define the value of the product and its ability to meet the intended needs. Quality is also accompanied by innovation since innovative companies are associated to offer superior features and product qualities. The test for authenticity is on the product labels where important information about a product is shared. The least effective trait is features and use of bright colors. The respondents believe that features are not major factors since in the current market most products have similar features. The brightness of a color is not a point of consideration for many since only the mentioned above traits have a greater influence.
5.4.2: Effect of Price on Consumer Behavior

On the basis of pricing, most people prefer to associate the price to value hence in case the customer perceived value is less than the pricing the customer has a higher chance of rejecting the product. Additionally, other than the value, customer associate high quality to premium prices whereby they are customers willing to exchange value for the product. Contrary to the current trend in the market, the use of odd pricing might have reached its diminishing point as majority of the respondents disagreed that odd pricing influenced their decision to perceive certain products as cheaper. Reasons for this could be due to the high focus on one’s income rather than on pricing as a determinant of the affordability of a product or service.

5.4.3: Effect of Promotion on Consumer Behavior

The data revealed that despite the digital age that is dominating the marketing world, Billboards are the most impactful media on consumers’ decision to buy certain products or services. Television is still a dominant media and its considered to be a great source of information and have a great impact on the consumers’ decisions. The use of word of mouth is also a popular means of influencing consumer behavior followed by discounts and coupons. This supported by the fact that most people trust their family and friends are the most influential on their decisions to make certain purchases.

5.4.4: Effect of Place on Consumer Behavior

Majority the consumers prefer having expensive products in specific shops and high value products in exclusive shops. The explanation for this is that, most customers seeking high end products would prefer to have specialized outlets as compared to general outlets due to the complexity of the products. Despite the fact that most customers would prefer exclusivity when buying high end products, a lot of customers preferred to have an intermediary or an agent when seeking to buy a product directly from the manufacturer. Furthermore, a large number of people love convenience hence the need to have needed products in easily accessible places.
5.5: Recommendations

5.5.1: Recommendations for Improvement

5.5.1.1: Effects of Product on Consumer Behavior.

Business managers ought to understand that the modern consumer is more quality driven in that despite their levels of income, they still consider quality. Therefore, there should be more focus on offering quality and important information on the product to ensure the product sells itself.

5.5.1.2: Effects of Price on Consumer Behavior.

Marketers should understand that pricing on value is more preferred compared to the odd pricing that is common in the market. Thus, businesses should reduce on odd pricing which has little to no effect on consumer behavior.

5.5.1.3: Effects of Promotion on Consumer Behavior.

Despite the dominant campaign on use of digital platforms such as social media sites, there is need to still focus on use of billboards and television as a main form of advertising supported by the social media campaigns. The trend of offering discounts and coupons is still very effective as many customers still yearn for the offers.

5.5.1.4: Effects of Place on Consumer Behavior.

Businesses dealing with high end products should focus on using selected and exclusive outlets as compared to trying to reach more customer through more general outlets. Moreover, for fast moving consumer goods, consumers prefer to have their product in convenient and easily accessible places.
5.5.2: Recommendations for further Research

The study was focused on factors that influence the behavior of Youths in private universities, a case of USIU-A. The factors addressed were the four Ps of marketing. That is product, price, place and promotion. The research can therefore be replicated to other private universities. However, more studies should be conducted on youths in other private and public universities. Additionally, research should be conducted on traditional media in relation to the digital method of advertising to understand which method of advertising has more influence on consumer behavior.
REFERENCES


APPENDICES

APPENDIX I: RESEARCH QUESTIONNAIRE COVER LETTER

30th May 2019

To Whom It May Concern

RESEARCH PROJECT BY DENNIS MAINGI MBURUGU

I’m pursuing my Master’s Degree in Business Administration (MBA) concentrating in Marketing.

As part of the program I’m required to undertake a research project on “Factors Influencing Consumer Behavior among the Youth in Private Universities in Nairobi: A case of United States International University- Africa (USIU-A).” This requires that I collect data and information from various relevant institutions.

Kindly assist by offering relevant and honest feedback on each question. The information collected will be analyzed and used for academic purpose only. The feedback you provide will be treated with utmost confidentiality limited to only academic use. The questionnaire has simple questions that should take you between 10-15 minutes to complete.

Your participation is highly appreciated.

Yours sincerely,

Dennis Maingi

MBA Student

United States International University - Africa
Appendix II: QUESTIONNAIRE

SECTION A: General Information
Kindly tick inside the box on the appropriate response.

1. What is your Gender?
   Male   Female
   Other

2. What’s your age in years?
   18 – 21    22 – 26
   27 – 31    32 – 35

3. What is your current level of education?
   Undergraduate   Graduate

   (FOR UNDERGRADUATE ONLY) Which year of study are you in?
   First year   Second year
   Fourth Year   Third Year

4. What is your monthly income level?
   0 – 10,000  10,001 – 50,000  50,001 – 100,000
   100,001 – 150,000   150,001 and Above

Section B: Products
1. Please tick your answers according to the number that best describes the impact of each question on your decision making. The scale is from (1) **Strongly Disagree (SD)** to (5) **Strongly Agree (SA)**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I prefer products with more features</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>I like products that have bright colors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I prefer products that are innovative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Products with superior features over competitor products appeal more to me</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The quality of a product matters to me</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I prefer products that offer important information on labels.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>The labeling of a product does not matter to me.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>The design of a product influences my decision.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>The durability of a product mostly matters to me</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Kindly indicate in order from 1-5, the thing that **Mostly** influences your buying decision. With **1** being the **LEAST** and **5** being the **MOST** to influence your decision.

   a) Color Used
   b) Perceived Quality
   c) New Features
   d) Information provided
   e) Shape of the package

**Section C: Price**

1. Please tick your answers according to the number that best describes the impact of each question on your decision making. (1) **Strongly Disagree** to (5) **Strongly Agree**
Section D: Promotion

1. Kindly rank from 1-8, the following based on their impact on your decision to buy. (1 being the LEAST likely and 8 MOST likely).

a) TV Advertisements. 

b) Radio Advertisements

c) Billboard Advertisements

d) Online Advertisement (Instagram, Websites)

e) Discounts and Coupons (10% off)

f) Sales people influence

g) Personalized Advert (You name on a Coke Soda)

h) Word of Mouth (Friends, Family or Celebrities)

Section E: Place

The questions below intend to gather information on effects of the locations used. Kindly rate the following from 1-5, 1 being LEAST preferable and 5 being MOST preferable.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying an expensive product directly from the manufacturer.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Being able to get a product from any shop close to me.

Buying directly from manufacturer through authorized people or businesses.

Expensive products should be in carefully selected shops.

High Value products such as Rolex, iPhone, or Ferrari to be in specific shops.

The product or service to be in an exclusive shop e.g. Java

The product or service I want should be located in a suburb. That is; highly secure place.

---

Section F: Consumer behavior

The questions below are aimed at gathering information on the Consumer behavior. They are Multiple Choice Questions. Kindly select the best response.

A. Who has the most influence on your life decisions?
   - [ ] Family
   - [ ] Friends
   - [ ] Celebrities
   - [ ] Religion

B. Which Factor mainly influence your decisions?
   - [ ] Attitude
   - [ ] Belief
   - [ ] Perception
   - [ ] Personality

C.

D. Does your lifestyle affect your decision to buy certain products?
   - [ ] Yes
   - [ ] No
   - [ ] Maybe

Thank you for your Participation