

KAMPALA INTERNATIONAL UNIVERSITY

SCHOOL OF BUSINESS AND MANAGEMENT

**THE DYNAMIC CHALLENGE FACING CONSUMER
BEHAVIOR IN AN ORGANIZATION
(CASE STUDY UNILEVER UGANDA)**

SUBMITTED BY

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**A dissertation submitted in partial fulfillment of the award of a degree of
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DECLARATION

I Kabyemera Dorina declare that this is my original work. It has not been presented to any other University or Institution for any academic award and should never be reproduced without my permission.

Kabyemera J. Dorina




Date 6th - August - 2005

APPROVAL

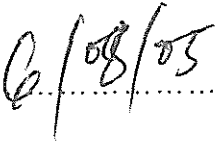
This research has been submitted for examination with my approval as a supervisor.
Kampala International University.

Supervisor;



Dr. Y.B. Nyaboga

Date



DEDICATION

I dedicate this work to my parents Mr. and Mrs. Josiah Kabyemera, my sponsors Mr. G Obhan and all members of my family for all the support rendered to me during this course.

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I extend my gratitude to all those who helped me in one way or another while carrying out this study

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Special thanks go to the members of my family Mrs. Doris, Mr. Jackson, Mrs. Jean, Mr. John, Mr. Jodie, Mr. Geoffrey, Mr. Deusdedith and Mr. Jovin especially my mother who assisted me without hesitation whenever I called on them since I started studying

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Lastly but not least, I thank God for having kept me healthy throughout the duration of this study

ABSTARCT

The study was carried out to establish the communication process used to the consumer by organization in Unilever Uganda..

A survey was carried out using consumer's marketers, employees, students of different universities. The study involved sixty (60) respondents of which 15 students, 1 manager, 2 appointed staff, 1 agent, 18 consumers, 20 others and 3 key information.

The research methods employed include a self-administered questionnaires key guide as an independent data collection followed by open interviews administered to administrators.

The data collected presented in frequency counts and score tables calculated.

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CHAPTER ONE

INTRODUCTION

The study of consumer behavior is the study of how individuals make decisions to spend their available resources (time, money, effort) on consumption – related items.

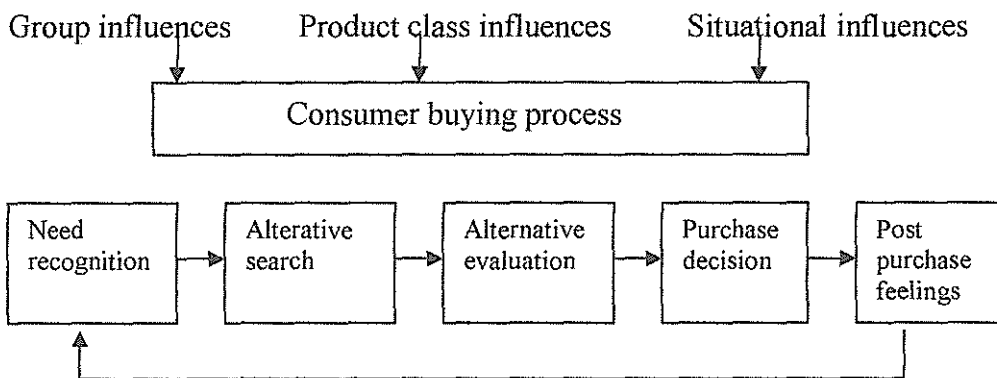
It includes the study of what they buy, why they buy it, when they buy it, where they buy it from, how often they buy it and how often they use it. The research focuses on how and why consumers make decisions to buy goods and services, consumer behavior research goes far beyond these facets of consumer behavior and encompasses all of the behaviors that consumers display in searching for purchasing, using, evaluating and disposing of products and services that they expect will satisfy their need.

Determinants of consumer behavior can be classified as individual (inner-determinants) or social. Inner determinants of consumer behavior are needs, motives, perception, learning and memory, attitude and personality. Social determinants of consumer behavior are culture, social class, social groups influences and influence persuasion and involvement.

Models of consumer behavior aim at identifying the stages through which a consumer passes on the way from identifying a need through making a purchase and consuming a product or service.

An Overview of the buying process.

Consumer behavior



1.1 BACKGROUND OF THE STUDY

The study is aimed at finding various challenges facing consumer behaviors in Unilever Company Limited.

The company was incorporated in March 1960 as East African Uganda limited. Then it became Uganda Association Industry Ltd in 1970's. Then during its time passing, change the name to Unilever Company limited in 1994. The company is found and originated on Seventh (7th) street then shifted to Nyondo Close about five (5) kilometers from town in Kampala District, Nakawa Division 1994, Industrial area, Bugolobi road.

This company up to this moment produces food products, home products and health products. These products include Blue-band, Close-up, Fair & lovely, Haria curry powder, Key soap, Life-bouy, Lux, Omo, Royco, Sunlight powder, Vic cream,

Vic lotion, Vic vitamin E, Vic soap/TEA TREE, Vim, VPJ, COROMA MARGARINE, Home-cup and TEA. These products have different package system to help low and middle income group to satisfy their need due to their economic situation in the society.

Apart from that the Unilever has small improvements to buy ideas innovation enables them to meet people's need and aspirations in ways that engage and delight them.

Attachment of the Unilever Limited distributive price list of June – 1st – 2005.

UNILEVER PRICE LIST 1-JUNE-2005

ITEM	PACK SIZE	NO OF DOZ	PRICE/CARE	PRICE/DOZ	PRICE/UNIT
Asepso 100g	48	#VALUE	30,000	7,500	750
Blueband 100gm	12	4	49,100	49,100	4,700
Blueband 100gm	48	4	19,300	4,060	600
Blueband 250gm	48	4	51,950	13,000	1,250
Blueband 500gm	18	4	37,400	24,950	2,400
Closeup 100ml	48	1.5	77,900	19,500	1,850
Closeup 10ml	288	4	69,800	2,000	300
Closeup 145g	48	24	59,750	14,950	1,500
Closeup 125ml	48	4	101,200	25,300	2,500
Closeup 25ml	144	12	71,500	6,000	650
Closeup 35ml	144	12	47,800	4,000	400
Closeup 50ml	72	6	69,850	11,650	1,200
Closeup whitener 25ml	144	12	100,200	8,350	800
Closeup whitener 100ml	48	4	91,900	23,000	2,200
Fair & Lovely 25mg	72	#REF	75,100	12,550	1,200

Fair & Lovely 50gm	48	6	83,500	20,900	2,000
Fair & Lovely 10gm	144	12	21,600	1,800	200
Fair & Lovely 9gm	576	48	86,400	1,800	200
Geisha 125g	36	0.0833333333	16,500	5,500	550
Geisha 250g	24	6	20,600	10,300	1,000
Geisha 100g	48	4	29,00	7,250	700
Geisha 200g	36	3	37,500	12,500	1,200
Geisha PJ 100gm	144	4	83,850	7,000	800
Geisha PJ 250gm	72	3	79,800	13,300	1,400
Geisha PJ 470gm-500G	36	2	70,800	23,600	2,600
Geisha PJ 50g	288	4	103,350	4,300	500
Haria Curry Powder 10g	6×48	3	86,900	1,400	150
Haria Curry Powder 100g	48	4	59,750	14,950	1,500
Haria Knorr Manjano 10g	16×48	12	30,400	500	50
Haria Knorr Manjano 100g	48	4	16,700	4,200	400
Key soap	25		15,600	7,600	800
Key soap	25		15,600	7,600	800
Lifebuoy 150g	36	10	13,850	4,650	450
Lifebuoy 45g	96	8	22,000	2,750	300
Lux 125g	48	2	36,700	9,200	900
Lux 25g	144	6	18,000	1,500	150
Lux 80g	48	4	25,100	6,300	600
Omo 1000g	12	10	42,800	42,800	4,100
Omo 1kg bucket	8		27,900		4,200
Omo 500g	24	2	43,850	21,900	2,100
Omo 500g bucket	18		32,400	21,600	2,200
Omo 50g	120	10	19,300	1,950	200
Omo 600G JAR New	24	2	55,500	27,750	2,600
Omo 1.2KG JAR New	12	1	53,400	53,400	5,000
Omo 3.5KG JAR New	1		11,500		13,000
Royco 2kmg	6		69,750		14,000
Royco 500gm	12	1	39,700	39,700	3,800
Royco 200g Tub	24	0.666666667	36,200	18,100	1,800
Royco 15g	120	3	14,200	1,450	150
Royco 5g	240		9,000	450	60
Royco 4g	40×10		9,200	950	33
Sunlight powder 50g	120	2.0833333333	16,600	1,700	200
Sunlight piece 200g	48	4	25,000	6,250	600
Sunlight powder 500g	24	2	35,000	17,500	1,700
Sunlight powder 500g jar	18	6	32,000	21,350	2,000
Sunlight powder 1kg	8	#REF!	26,800	40,200	3,800
Sunlight powder 5kg	1	1	12,600		14,000
VBJ 100g	48	0.67	51,000	12,750	1,250
VBJ 250g	12	#REF!	56,000	28,000	2,800
VIC Cream 100gm	24	6	114,500	28,650	3,000

VIC LOTION DF 100MLS	48	4	38,900	19,500	1,900
VIC LOTION DF 200MLS	24	2	71,600	35,800	3,500
VICLOTION CELLULITE	24	2	40,900	20,500	1,900
VIC Lotion (AL) 200mls	24	2	71,600	35,800	3,500
VIC Lotion (AL) 100mls	24	2	38,900	19,450	1,900
VIC Lotion 100mls (H&N)	24	2	38,900	19,500	1,700
VIC Vitamin E 100ml	24	6	32,350	16,200	1,700
VIC SOAP/TEA TREE/AL	48	4	35,050	8,800	900
Vim 500×2	24	2	20,900	10,500	1,000
Vim 4kg	1	1	7,000		8,000
Vim 15kg	1	1	21,100		22,000
VPJ 100g	12	0	65,000	10,850	1,050
VPJ 250g	24	8.333333333	52,000	26,000	2,500
VPJ 50g	72	3.333333333			
COROMA MARGERINE	1	1	24,600	24,600	25,800
TEA		No of Packs		Price/Pack	
Home Cup 100g	144	24	71,400	7,200	900
Home Cup 250g	40		71,400	7,200	2,200
Home cup 2g×100	100	10	31,500	31,500	3,600
Home Cup 4g	10	10	36,500	500	50
Home Cup 500g	40	40	71,400	3,600	4,200
Home Cup 50g	900	15	71,400	3,600	450

1.2 STATEMENT OF THE PROBLEM

Consumers aim at utility maximization. Organizations on the other hand want to maximize profits, hence co-operations have used every means at their disposal to attract customers, make more sales and maximize profits. Buyers nowadays are being bombarded with a lot of adverts about products, some of which are of poor quality, at high prices and so on.

Consumers are therefore unknowingly buying products that are either not important to them or are of poor quality and expensive because of advertisements.

Consumer's behavior is thus being faced by many challenges. This study will therefore undertake to analyze the challenges consumers face in making decisions.

1.3 OBJECTIVES OF THE STUDY

- 1) To study what influences customer choices.
- 2) To discover how organizations influence consumers choice.
- 3) To find out how people's lives affects their consumption choices
- 4) To find out problems faced in choosing what to buy.

1.4 RESEARCH QUESTION

- 1) What influences consumers to choose certain products from certain organizations?
- 2) How do organizations or co-operations influence consumer's decision of where to buy it from and what to buy?
- 3) How do people's lifestyles affect their consumption packages?
- 4) What are the problems consumers face in choosing what to buy?

1.5 SCOPE OF THE STUDY

The study is aimed at understanding consumer behavior and challenges facing them. Thus in understanding of consumers and their needs and purchasing behavior is integral to successful marketing.

The study is to analyze the buying processes that are in five stages which include

- Need
- Recognition
- Alternative search
- Alternative evaluation
- Purchase decision and post purchase feelings.

The emphasis put on collecting information from individual consumers, homes, workers, business men, students, step by step or one after another considering economic, social groups, psychology, social psychology so that must be integrated to understand consumer behavior and what challenges that are facing them.

The study of consumer behavior on how individuals make decisions to spend their available resources on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it from, how often they buy it and how often they use it.

Consumer behavior also involves a sequence of decisions and activities. Although much of the focus of this study is on decision about brand, a number of other decisions precede or follow brand selection. It is useful to think of consumer behavior in 5 phases of decision making.

- i. Decision about whether to consume
- ii. Decision about what categories of goods and services to consume
- iii. Decision about what brand to consume
- iv. Decision about buying and shopping behavior
- v. Decision about how products will be used and discarded

I. Whether to consume

In this early phase consumers decide whether to consume and how much to consume. The decision depends on economic and demographic variables which are possible to characterize every family. The amount and type of goods a family consumes depend largely on measure upon its income level. In-fact income alone has a major impact on consumer behavior determining to a significant extent whether the consumer buys Unilever products or not.

II. Product category spending

Given a predisposition to spend, consumers next decide from what product categories to consume. Different categories of goods and services are consumed but different demographic segments of consumers.

Demographic characteristics are easily quantifiable factors like income or age. The incidence of vacation travel and vacation home ownership e.g is positively related to income even education providing.

An intelligent aspect of product – category spending is the order in which goods from various categories are acquired and how this pattern changes from one generation to another.

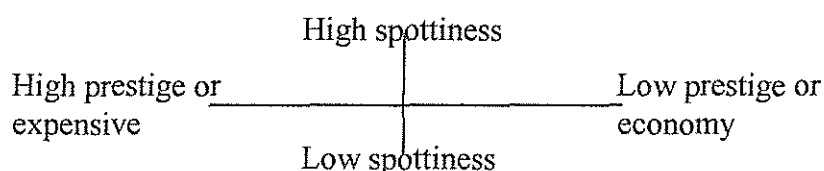
As an important factor that influences product category spending is lifestyle, which denotes the consumer's pattern of interests. Lifestyle may be characterized on a number of dimensions, including the following:-

- Active versus passive. Participating in sports and attending live concerts versus watching television and listening to records.
- Ostentations versus private e.g acquiring public symbols of success versus acquiring private goods.
- Family versus carrier e.g having children and spending on family activities versus having no children and spending time on carrier advancement.
- Local versus cosmopolitan e.g orientation to the local community versus orientation to the broader world.

III. Brand selection

Brand selection is the most important phase of consumer behavior from the view point of the marketing manager, selling a particular brand. Many theories and models of consumer information processing explicitly focus on how individual consumers select, evaluate and use information in making brand decisions.

The process of brand selection varies depending on involvement products that are socially visible or ego-related. Consumers often go through fairly complex process of brand selection basing on socially visible and not ego-related. The process of brand selection may be quite simple and base on limited information. For both types of products, however, consumers frequently form reasonably stable brand preferences as an alternative to having to make decisions every time a product is purchased.



Consumers vary in their propensities to consume and save

Some economists propose the concept of relative income to help explain the proportion of income devoted to consumption. This concept suggests that not only income at a particular time is important but also the consumers sense of what the family's permanent income will be over the family lifecycle.

In particular consumer confidence is an important intervening variable between income and consumption. At constant income level, consumers may or may not buy durable goods.

Economics is not the only discipline that contributes to your understanding of whether or how much people will consume. Anthropologists who study different cultures and sociologists who study social issues and subcultures within the society provide further insight into consumption.

Consumption may be used as a ritualistic means of exhibiting social articles of adornment specify a certain status in society. On the other hand deliberately not consuming may be a symbol of adornment in certain religious subculture.

1.6 CONSUMERS DECISION HIERACHY

1. Whether to consume

- Whether to consume or save
- Amount of goods and services to consume.
- Timing of consumption, depending on such factors as the state of the economy.

2. Product category spending

- Allocation of funds to different product categories.
- Priority patterns in consumption (what household goods to buy first, second etc)

3. Brand selection

- What brand to choose depending on factors such as the following:-
 - i. Brand preferences

- ii. Brand loyalty patterns
- iii. Decision rules or product benefit sought e.g (price, status, reputation).

4. Buying/shopping behavior

- What channels of distribution to select.
- Whether to make a comparison of shops.
- What information to seek in store.
- How organizations or families gather, evaluate and use information to make purchase decision.

5. Usage and disposition

- When to use the product and in what situation.
- When to dispose of the product.

IV. Buying/shopping behavior

The actual buying or shopping process is the next phase in the hierarchy of consumer behavior. Note that phases may occur simultaneously e.g while shopping consumers may select brands in response to a store display or a reduced price rather than deciding on brands before shopping

At this stage household consumers must select a channel (e.g store and decide on the amount of effort to devote to buying. These decisions depend on the product and the consumers “involvement” level. For high involvement products, such as fashion items, consumers may engage in extensive shopping and information processing. They may select stores on the basis of image or positioning.

The kinds, amounts and sources of information consumers utilize when they shop is of considerable interest. How much information do people seek? What kinds of people seek what kind of information? How important a source of information is the store versus other sources such as friends and advertising? How much do consumers use unit – pricing or nutritional labeling information? Which types of consumers use such information and for what products?

Consumers buying may be conducted on a 'team' basis often in a family context. The following patterns are quite typical.

- i. One family member may seek information.
- ii. Another may actually buy the product (the buyer however, may not be the decision – maker but only the purchasing agent).
- iii. Another family member may seek information.
- iv. Another member of the family may have VETO POWER (much of children's influences. comes from the veto power of refusing to eat certain foods).

Thus for any product or services it is important to study the buying process within the family and the roles that various family members play in that process.

V. Product usage and disposition

The final picture of consumer behavior involves the actual use (and disposition) of products. Of interest here the various ways people use the same product e.g Blue-band for bread (jam) and the same time in pottage as source of taste, and the difference between individuals who make heavy use` of products and those who make light use.

Also of interest are the factors that determine when and ion what situations people dispose of products. The brand selected may also vary situationally as when people serve premium brands selected when guests are presented but inexpensive brands to the family.

The topic of disposition has received only limited attention from researches in consumer's behavior. They have tended to study why people consume but not why they dispose of products. Yet interest has risen recently because of consumers increased willingness to hold on to older Unilever products thus limiting new product sales. It may be that in order to sell a new product marketers must know whether consumers are willing tom dispose of old products.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 INTRODUCTION

This chapter focuses on the challenges facing consumer behavior. Here the author has attempted to accumulate, analyze and synthesize the information gathered in the course of the research. This information will be used to recommend a cause of action to the problems facing them like buying products with low quality, decision about brands, facing expired goods in the market and fixed price being fixed by sellers.

The purpose of the study was to help majority of people (public) to know what influences consumers choices, to find out problems consumers face in choosing what to buy, how to buy, where to buy, which to buy, to know how organization influence consumers choices and to find out how peoples lifestyle affects their consumption choices.

2.1 DEFINITION OF CONSUMER BEHAVIOR

Leon .G. Schiffman and Lesli LazarKanuk (1997) describe consumer behavior as the study of how individuals make decisions to spend their available resources (time, money, effort) on consumption related items.

It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it and how often they use it.

Brennan, Paul Baines and Paul Garneall (2003) pg 19. What is consumer behavior and where does it come from?

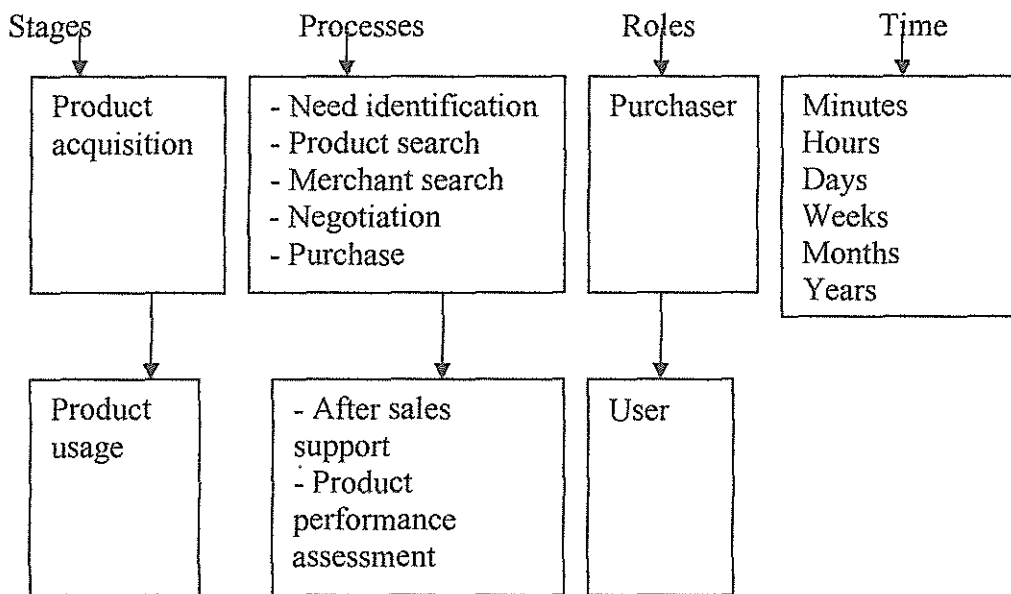
For the purposes of this study a “consumer” requires goods and services of al types for personal as well as household usage. Sometimes referred to as a client, patron, shopper, or simply customer, each consumer is something of an original marketer.

- How does he/she perceive products, brands, stores or even entire organization?
- How are individual product choices made? Is customer loyalty attainable?
- Is the consumer genuinely interested in engaging in long term buying relationship with a particular merchant?

The field of consumer behavior has emerged in recent years to help strategic marketers better understand critically important issues such as these;

- Schiffman and Kanuk (2000) describe consumer behavior quite simply as an investigation into the way individuals make decisions on how to spend their available resources(time, money, effort) on personal and household products. Sheth etal (1999) adds that the consumer may act as a buyer, payer, user or any combination of these roles at any given time. An even more comprehensive vie can be found in Hoyer and Machins (2001). They suggest that a proper study of consumer behavior ought to consider what occurs before people consume something, what goes on during the consumption period itself and how consumers handles the disposal of what they have consumed.

A consolidate view of consumer behavior. Fig 1.0



The figure above represents an attempt to consolidate the view of the authors into a single model. Here the word “product” is used in the largest possible sense to include goods, services, artistic works, events, ideologies and so forth.

This holistic of consumer behavior illustrates the truly multifaceted nature of this relatively new find of inquiry. A greater understanding of customers has become invariable to market researchers and strategic decision makers the world over.

2.2 THE CONSUMER BEHAVIOR PROCESS

To begin unraveling the many mysteries of the consumers mind today's researchers typically draw from many fields; Psychological (experimental, clinical, developmental, social), Micro/Macroeconomics, Sociology, Semiotics, demography and anthropology. The central theme is simply to interpret human consumption behavior so that marketers can improve their efficiency.

2.3 INNER- DETERMINANT OF CONSUMER BEHAVIOR

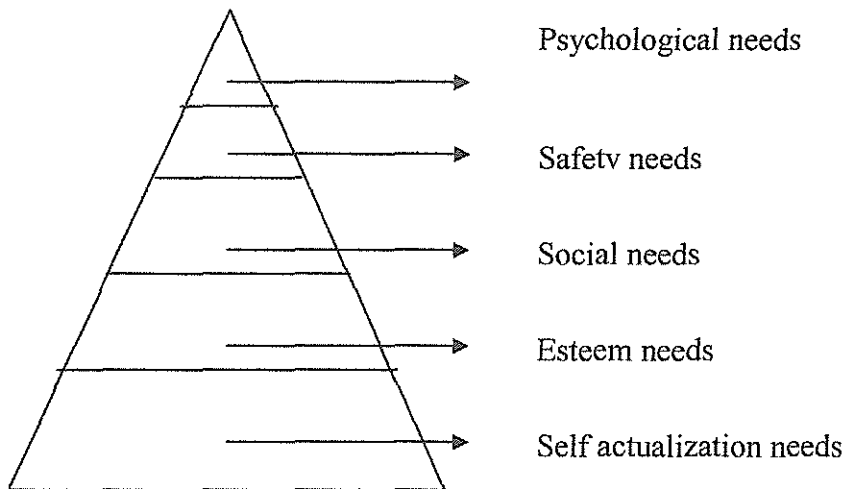
First we need to look at the consumer as a unique person whose psychological make up has considerable effect on day to day consumption patterns. Every day we all have needs to be satisfied. We experience drives that condition our actions, we take into thousands of sensory perceptions that require interpretation, we learn, we formulate attitudes, and beliefs, and somehow find time to develop an individual personality in the process. Researchers have found it useful to explore these inner determinants of our behavior in considerable detail.

a) Needs and motives

Simply put, need is lack of something useful. Human beings find many things useful from a simple Blue-band to spiritual well being. Probably the most widely used model illustrating the range of human needs is psychologist Abraham Maslow's hierarchy of needs (Maslow, (1997). He believed that in much of the western world people tend to satisfy their lower level needs first, then move on to satisfying higher needs. From lowest to highest his hierarchy of needs looks like this:

1. Psychological needs – such as sustenance and reputation.
2. Safety needs – such as protection and shelter.
3. Social needs - such as love and togetherness.
4. Esteem needs – including recognition, status and self esteem.
5. Self actualization needs leading to the full development of one's potential.

It can look like this in the table below



Depending on our age, degree of education, income, country of birth and so on, each of us tries to satisfy a number of needs each and everyday. Because effective marketing is fundamentally about satisfying customer needs well.

Marketing scholars Sheth et al (1999) have identified five (5) sets of needs which underpin most of our consumption choices:-

1. Functional needs are met by a product that simply does what it says on the tin, such as shampoo.
2. More sophisticated social needs are satisfied by goods and services that provide associations with societal segments (for example clothes you wear indicate membership of a certain social group); such as “branded” products are often selected on the basis of what they say about the consumer.
3. Consumer also buy products that help satisfy their emotional needs make purchase that help as express our love, regrets, sympathy and so on.
4. Epistemic needs refer to our tendency to what to explore the unknown. We buy book, travel abroad and take classes for this reason.
5. Finally situational needs are those contingents upon time and place. We often make unplanned purchases when unexpected events pop up.

Once we have a better understanding of a nature and variety of our needs, we ought to focus our attention to the relationship between needs and motivation.

Motives are simply the inner drives that move us to act this way or that. Our physical activities (including shopping) are “driven” by our desire too satisfy our need for example;

At first you are sitting comfortably in your favorite chair reading a highly engaging novel. You are alone for hours, uninterrupted. After some time you have trouble concentrating on the story because your stomach is starting to hurt. It gets worse and you put down the book. You realize that you are very hungry. You have not eaten for hours and hunger has now set in. you tro off to the kitchen and make yourself a quick meal. Once satisfied you hurry back to your chair hopefully to finish the story before anyone comes home. What we have here is a typical situation involving needs, motives, perceptions consumptions behavior and the like.

b) Perception

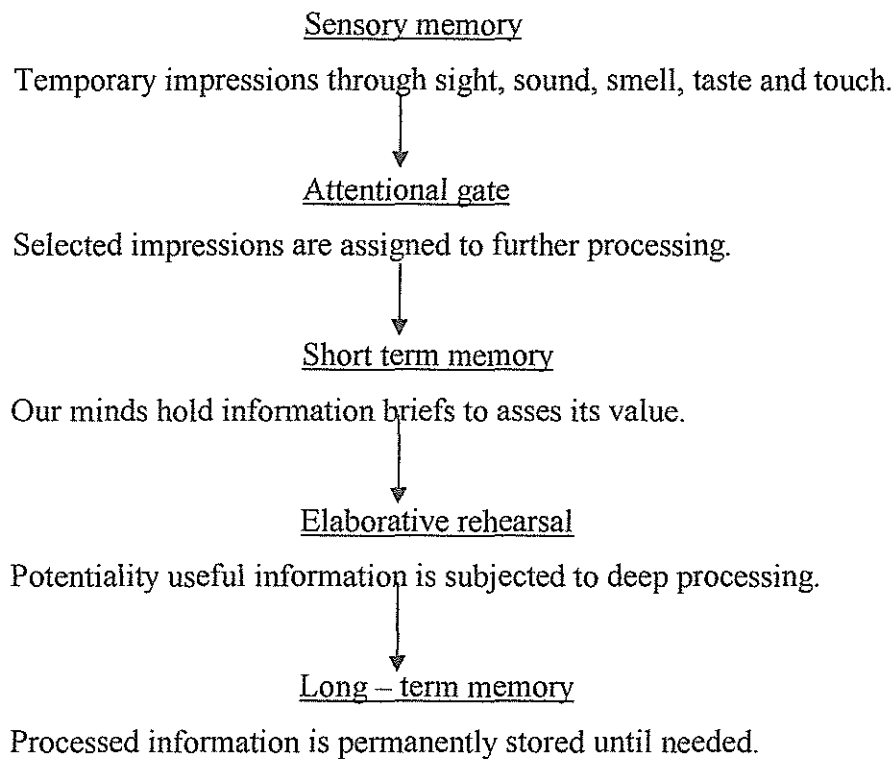
In additional to wanting to satisfy our various needs, our consumption behavior is also influenced by the ways in which we perceive our world. At each waking moment, our sense – sight, hearing, smell, taste and touch – allow a steady stream of sensory inputs to penetrate our being. The sensations are then processed by the brain and little by little to the formulation of attitudes and beliefs we come to hold about our world and the product choices we make each day.

It is interesting to recall here that successful marketers are those who manage to ‘position’ their products favorably in our minds. They use every single component of their marketing programme (price, place, promotion and product), to ensure we develop a positive mind set about their product, their brand, their store, the organization

c) Learning and memory

We can see marketing messages must first make it through the consumers ‘attentional gate’ (in competition with a lot of clutter). Once the information about a particular brand or store is in short memory, the consumer will quickly decide whether or not to lace this information into long term memory or not.

Fig 1.3 e. Current view of our memory systems:



The figure suggests that we go through a process of elaborative rehearsals as we attach deep meaning to these inputs. This explains how we formulate, overtime, certain positive (or negative) attitude about products and organizations. Later on, when we need something, the favorable brands will be evoked in our minds and we will purchase the product with the most favorable position in our mind.

In marketing, a widely used form of behavioral learning is instrumental conditioning. For example our shopping behavior may well be 'shaped' by Kiosk, retailer, supermarket and who regularly provides rewards such as discounts, vouchers, and loyalty point for buying Unilever products like Omo, Blue-band, branded merchandise.

- Cognitive learning on the other hand is normally under the consumer acts as problem solver. The buyer will consider the facts intently and will probably make a choice based on internal reflections and feelings. Regardless of how we learn, if it were not for our memory we would not learn at all.

d) Attitudes

Favorable attitudes are important to marketers simply because it is much easier (and less costly) to maintain a customer's positive attitude rather than to try and turn around an attitude that may have gone sour. For example many largest telecommunications firms (most being ex-monopolies) find themselves constantly battling to arrest the loss of market share to smaller, more nimble competitors. The new competitors are quick to exploit a new attitude among consumers in terms of their freedom to switch to a supplier they consider to be more favorable.

Peter et al (1999) pg 17 suggests that; today most researchers agree that the one dimensional concept of attitude which define attitude as a persons favorable or unfavorable feelings toward an object is most useful. The object is most useful the object can be for example, a good, service ideology or belief system.

e) Personality

To conclude the discussion concerning consumption behavior, we now turn to the idea of personality. As a 'person' each one of us enjoys a unique set of characteristics and attributes. These in turn delineate our identity. Schiffmann and Kanuk (2000) pg 95 point out that "in the study of personality three (3) distinct properties are of central importance.

- i. Personality reflects individual differences.
- ii. Personality is consistent and enduring.
- iii. Personality can change.

Our personality comes from within and is then projected outwards as consumers, we tend to depict ourselves. We constantly pick and choose products that help us project who we are and or who we aspire to be.

Schiffmann and Kanuk (2000) pg 109 also suggest that even brands can be said to have a personality. Exposed to clever and consistent advertising consumes eventually 'attribute various descriptive "personality like" traits or characteristics to different brands in a wide variety of product categories'. Shoppers will see certain products or brands as

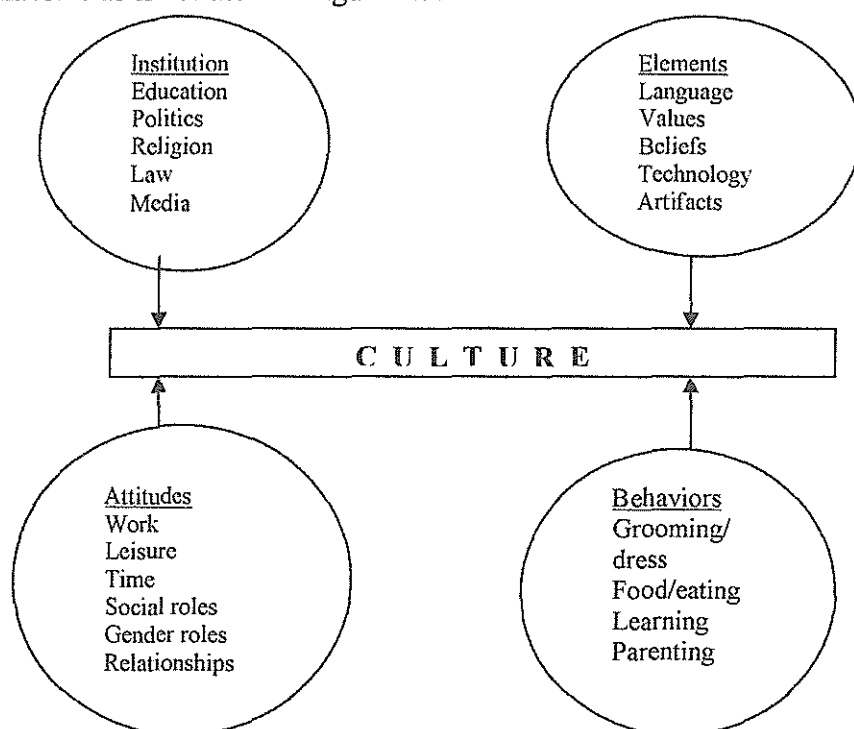
rugged, exciting, and sophisticated and so on . such a 'position' in consumers minds may be exploited repeatedly by marketing professionals skilled in new product development, packaging design, advertising, point of sale promotions and so on

2.4 IMPACT OF SOCIAL CONTEXT ON CONSUMER BEHAVIOR

We have seen that the behavior of individual consumers is routinely influenced by inner determinants such as our needs, drives, beliefs and personality. Now we turn the other side to the many external forces that face/affect the way we shop. In particular marketing decision makers need to understand the impact of cultures social class and groups.

Culture

Although as we have seen, attitudes are typically personal in nature; Rice (1997) pg 70 reminds us that culture can be defined as 'The values, attitudes, beliefs, ideas, artifacts and other meaningful symbols represented in the pattern of life adopted by people that help them interpret, evaluate and communicate as members of a society: To illustrate this more clearly Rice suggests that we look at culture as originating in our culminating (religions, politics, language and so on) and culminating in set of collective attitudes and behaviors as illustrated in Figure 1.4



Social class

Everywhere we go we can see that people are grouped into distinct communities, each with its own characteristics and behaviors. A useful particularly life has been regroup consumers into six categories according to a combination of three (3) key functions namely

1. social standing
2. occupation and
3. income

These are:-

1. Upper – upper class (old money).
2. Lower – upper class (nouveaux riches).
3. Upper – middle class (managers)
4. Lower – middle class (skilled workers)
5. Upper – lower class (unskilled workers)
6. Lower – lower class (not working or fixed income).

Market strategies can use this classification in a number of ways. One country or region can be compared with another in terms of market potentially, product portfolio decisions can be better balanced, and consumer aspirations can be observed more specifically.

Looking at consumer in this way leads to the notion of ‘lifestyle’ defined by Assael (1998) pg 421 as ‘consumers’ modes of living as reflected in their attitudes, interests and opinions’. Most marketers like to think of lifestyle simply as the way people spend their time and their money. The way people eat, drink, spend leisure time, vote, and work and so on. These behavioral profiles are updated regularly to reflect the ever changing nature of people’s behavior.

Social/group influences

Hoyer and Madnnis (2001) pg 387 informs us that social influences are essentially ‘information by an pressures from individuals, groups and the mass media that affect how

a person behaves'. They also point out that some of these influences tend to be marketer dominated (mass media advertising, company websites, store environment) while others are not (general 'mass' media, word of mouth, opinion leaders, family, friends).

Individual shoppers tend to 'refer' to such groups (their 'reference group') prior to, during and or after the act of buying.

Solomon et al (1990 pg 269 state that a reference group is 'an actual or imaginary individual or group conceived of having significant relevance upon an individual's evaluations, aspirations or behavior: the behavior of each of us is frequently influenced by our circle of friends, family, members, work colleagues, athletic team mates, celebrities, politicians and so forth.

Bearden, Ingram and Laforae (1995) define consumer behavior as the mental and emotional processes purchase use, and dispose of products or services to satisfy particular needs and desires. Identifying and understanding consumer needs and preferences and their determinants is critical in the pursuit of profitable business opportunities.

Harry L Hansen defines consumer behavior as "a system of inter-related activity designed to develop, price, promote and distribute goods and services to group of customers".

The following are most important factors which marketing department under organization must organize marketing activities to fulfill consumer needs.

The first step in marketing is to set guidelines and organize the people needed to run the marketing programme.

The second step is the management process is concerned with strategic planning. In strategic planning the company;

1. Sets corporate mission and objectives.
2. Analyses performance of business units and identifies further opportunities.

3. Develops strategies for each unit of the business.

The next step from management is to select market segmentation to be the targets of the marketing efforts to consumer. Once this is done the manager must design a marketing program to reach the target segments. Product or services must be created to match consumer needs and be appropriately priced.

Then channel of distribution need to be organized and directed. Managers must also plan promotional activities to encourage purchases. This usually includes advertising to inform customers about the product and direct contact by the field sales force to get the order. After a marketing program has been created, managers must continually monitor results so that improvements can be made as market conditions change.

Analyzing marketing opportunities involves making a decision to treat the market either as a single large unit or as a group of separate parts (segments). A market that is treated as a single homogenous unit whose parts are alike in all respects. This concept is known as market aggregation.

Market aggregation enables a company to maximize its economies of sale in production physical distribution and promotion.

Reaching and selecting target markets involves collecting specific data and generally understanding how consumer and organizational market work. To gain insight into future market potentials, organization need to undertake formal marketing research is an indispensable ingredient of modern day marketing and companies can only serve their locations, buying practices and so on.

Marketing strategy spells out the manner in which a company desires to attain its objectives it consists of making decisions on expenditure, marketing mix and marketing location. here normally the executives of a company sit together and review the marketing strategy further and be able to alter it as times change.

Not mentioned above but a major aspect of marketing is the channel of distribution. Distribution is concerned with organizing systems of transportation, storage and communication so that goods and services will be readily available to customers. The objective is to minimize the cost of storing and shipping merchandise while maintaining or improving sales to the ultimate users:

Mc Cathy says:

“Goods and services often move to customers through channels of distribution. A channel of distribution is any series of firms (or individuals) from producer to final user or consumer”.

There are literally hundreds of ways goods can be distributed to customers. These range from bulk shipment to the use of complex arrangements of brokers, wholesalers, and retailers. No one distribution system can satisfy the need of every firm and many organizations use several combinations of middlemen (distribution channel) to reach different market segments. Distribution systems also change over time one which works well in a small organization is bound to be inefficient if used when the organization has grown. Thus marketing executives must continually seek new procedures that will lower costs and improve services to customers.

Thomas S Robertson, Joan Zielinski and Scottward (1984) define consumer behavior as an interdisciplinary field of study that focuses on how and why consumers behave as they do. Its objective is to understand, explain and predict consumer actions under given circumstances.

Consumer can refer to the ultimate consumer or the “organizational” consumer. The ultimate consumer is the end user of products and services, frequently referred to as the “household” consumer. The organizational consumer is also involved in the consumption of goods and services, but not for personal use. Industrial firms, government agencies, universities, charitable groups and so forth are all organizations that consume goods and services.

A significant amount of human activity is consumer behavior. We play a consumer role whenever we engage in economic transactions, although we may be more conscious of this role and more involved in it when we purchase expensive durable goods than when we buy an inexpensive, routinely purchased item, such as tooth paste. None the less both transactions involve consumer behavior, although the amount of information processed and the complexity of the decision process may be different for each.

Michael Solomon, Gary Bamossy, Soen Askegaard (2002) define as the field of consumer behavior covers a lot of ground. It is the study of the process involved when individual or groups select, purchase, use or dispose of products, services, ideas, or experience to satisfy need and desires.

Consumers take any forms, ranging from a six years old child pleading with he mother for wine gums, Blue-band to an executive in a large cooperation deciding on an extremely expensive system. Need and desires to be satisfied range from hunger and thirst to love, status or even spiritual fulfillment. There is a growing interest, in consumer behavior, not only in the field of marketing but from the social sciences in general.

This follows a growing awareness of the increasing importance of consumption in our daily lives, in our organization of daily activities, in our identity , formation, in politics and economic development, and I the flows of global culture, where consumer culture seems to spread in new forms to the other parts of Uganda and the world as well. Indeed consumption can be regarded as playing such as an important role in our social, economical, political and cultural lives that today it has become the vanguard of history.

Again the same book pg6 consumer behavior as a process.

Marketers now recognize that consumer behavior is an ongoing process not merely what happens at the moment a consumer hands over money or a credit card and in turn receives some goods or services.

Adrian Buckley (1997). He defines consumer behavior as 'a dynamic interaction of effect and cognition, behavior, and environmental events by which being conduct the exchange aspects of their lives.

- a) Consumer behavior is dynamic; changing and evolving. This means that many statements about consumer behavior will eventually become, irrelevant as fashions in thought and social conditions change. Even the brief culture will show that there are very few absolute rules to human behavior and that new ideas and approaches are constantly being adopted.
- b) Consumer behavior involves interaction; we need to know what consumers think (cognition) what they feel (affect) what they do (behaviors) and the things and places that influences and are influenced by what they think feel and do (environment). Clearly thoughts and emotions color, behavior, but behavior itself leads to other related behavior.
- c) Consumer behavior involves exchanges between human beings. Trade can only happen when both parties end up better off; if this were not so , people would not want to trade. Behavior is therefore the result of a complex intervention of many factors, most of which will vary from one individual to the next.

Michael J Etzel, Bruce J Walker and William J Stanton (2001) describe the buying behavior of ultimate consumers can be examined using a five part model:

The buying decision process, information, social and group forces, psychological forces and situational factors.

- 1) The buying decision process is composed of five stages consumers go through in making purchases. The stage are
 - a) Need for recognition
 - b) Identification of alternatives
 - c) Evaluation of alternatives
 - d) Purchase and related decisions
 - e) Post purchase behavior

Buying decisions are either high or low involvement

Low involvement decision include fewer stages ; higher involvement decisions consist of all five stages.

Low involvement situations occur when there is brand and store loyalty and in impulse buying. Information finds the buying – decision process without it, there would be no decisions. There are two categories of information sources:

1. Commercial sources include advertising personal selling by phone and personal involvement with a product; word of mouth, observation and experience with a product owned by someone else are social sources.
2. Social and group factors are composed of culture, subculture, social class, reference groups, family and households. Culture has the broadest and most general influence on buying behavior, whereas other household occupants have the most immediate impact on an individual. These social and group forces have a direct impact on an individual purchase decision as well as a person psychological make up.

Psychological forces that impact buying decisions are motivation, perception, learning, personality, and attitudes. All behavior is motivated by some aroused need. Perception is the way we interpret the world around us and us and is subject to three (3) types of selectivity

- a. Attention
- b. Distortion
- c. Retention

- Learning is a change in behavior as a result of experience.
- Stimulus –response learning involves drives-cues, responses, reinforcement and punishment; continued reinforcement leads to habitual buying and brand loyalty.
- Personality is the sum of an individual's traits that influence behavioral responses.

The Freudian psychoanalytic theory of personality has had a significant impact on marketing. It has caused marketers to realize that the true motives for behavior are often hidden. The self concept is related to personality. Because purchasing and consumption

are very expressive actions, they allow us to communicate to the world our actual and ideal self concepts.

- Attitudes are learned predisposition to respond to an object or class of objects in a consistent fashion. Besides being learned, all attitudes are directed toward an object, have direction, and intensity, and tend to be stable and generalizable strongly held attitudes are difficult to change.
- Situational influences deal with when, where, how and why consumers buy, and the consumer's personal condition at the time of purchase. Situational influences are often so powerful that they can override all the other forces in the buying decision process.

CHAPTER THREE

METHODOLOGY

The study has been conducted through personal interviews with different consumers. The study has also been conducted through administering questionnaires, interviews and visits to the company's headquarters and subsidiary companies. One marketing manager, one assistant manager, one agent of Unilever products, one good customer of various commodities dealt by the company.

3.1 INTRODUCTION

In this chapter the study lays out the methodology used in compiling this report. The study describes the research design, the study area, sample selection and size, data collection and analysis of data.

3.2 RESEARCH DESIGN

A cross section survey research design was considered because the sample size was large. Self report methods were also considered to be the most appropriate because the study involved a cross section of people from whom information was to be collected. In the study, questionnaire and interviews schedules were used in eliciting responses.

The two methods of data collection were used in order to ascertain the reliability of the information. The research was conducted as a field survey. It was basically qualitative research but quantitative techniques were also applied.

The study began with library search including review of theories and related literature on the consumer behavior and how it is facing challenges or how the challenges facing consumer behavior in Uganda and elsewhere.

The purpose of this review was to assess the link between consumers and its factors affecting or facing them and also theoretically to get a general view of the background study before field work. The questionnaire was administered to mere customers, business

men, students, workers, and supermarkets. This questionnaires were to a great extent administered at the sub county level because this is where customers are centered. The councilors, lecturers and resellers were also very critical respondents here.

3.3 AREA OF STUDY

The study was carried out in Unilever Limited Kampala District in Nyondo close, Nakawa division, where it is about five kilometers from town to the company's premises.

3.4 STUDY SAMPLE

The target sample size was one hundred and eighty respondents. It comprised of the marketing manager of Unilever Company, the assistant marketing manager, agents of various commodities delt by the company, consumers of Unilever products, re-sellers, workers of shops and supermarkets, lecturers, councilors and organizations and the general public. These categories were selected because they perform council functions, and trade fair on their behalf.

3.5 SAMPLE SELECTION AND SIZE

Figure 3.1

NO	Category of respondents	Target population
1	Key information	30
2	Marketing manger and assistant	2
3	Agents of various commodities	28
4	Consumers	40
5	Appointed workers (staff)	10
6	Members of he general public	70
	TOTAL	180

To select the sample size, stratified simple random sampling and purposive techniques were used. Stratified simple random sampling was used because the study involved different categories of respondents. These include; appointed consumers of Unilever products, appointed agent, manager, re-sellers, student and workers of shops and supermarket and workers of Unilever company.

A simple random sample was taken for each of the stratum. Key informants were selected using purposive methods. This enable the researcher to select respondents who were knowledgeable for particular purposes.

3.6 DATA COLLECTION METHODS AND TECHNIQUES

Questionnaires and interview schedules were applied. The instrument were found adequate in that the responses made were answering the research question. A few adjustments were made in respect to making them a bit simpler considering that they were to be administered to people with varying levels of education.

After this exercise, the main study was carried out as shown in the appendix or figure 3.1. this study involved two categories of research instruments namely the questionnaire and face-to-face interviews following a prepared interviews schedule. The instrument used in a study were the self administered questionnaires and the interview guide. This approach was considered appropriate because the study population was fairly literate. It also proved useful in obtaining information from the expressions and feelings of participants especially where the interviews guide as applied.

The self administered questionnaire was applied all categories of respondents who are at the centre of he consumer in the street.

For both the questionnaire and interviews schedule, open-ended and close-ended questions were used. However open-ended questions were mostly used because this study required depth information, feelings and experiences from the participants regarding the issues under investigation.

3.7 PROCESS AND ANALYSIS OF DATA

Quantitative data collected through in-depth interviews continuously analyzed at the time of collection. Narrative and content method were used where information was cross-examined using the questions put in he questionnaire for the purpose of checking the authenticity and correctness of the answers given, their categories formed to analyze this data more systematically. Most of the data was tabulated for easy analysis and

interpretation. The data from key informants was also summarized before it was integrated in the rest of the data. The process and analysis of data were done using SPSS (Statistical package for social scientists) computer packages.

3.8 LIMITATION OF THE STUDY

The major limitation was obtaining personal data from consumers of the market. It was impossible to get data (personnel number) from the personnel shops malls as it was considered confidential and others were afraid to be asked.

The data had to be sourced from the marketing manager department who however did not have the updated version of the personnel numbers. In department the person concerned was also reluctant to give data on personnel numbers and qualification of consumer buying behavior. Others did not note how consumers behave in their markets, and which factors face them. There was also conflict between the department and their customers therefore it was difficult to give specific detail on how consumers behave because sometime the company was the cause of the misunderstanding. E.g placing order on time and get it on time with quality and specific quantity. This made it difficult for the researcher to use the intended proportionate distribution of respondents in sampling to avoid data bias.

One other limitation incurred was the inability to secure an interview with customers straight after buying their product in the market place, they refused to give an interview on the basis that the policy is still in its infancy hence they would not comment on it.

Further more there was the problem of the nature of work of the targeted respondents, who were quite elusive and hence difficult to get. A number of the members of the marketing department are engaged in research and other consultancies like the general manager of marketing department had to train one assistant manager (new staff) for work, which made them highly mobile and this reduced the targeted sample size of one hundred and eighty. A lot of follow-ups and telephone calls had to be made which ended up being very expensive for the search.

Factors influencing information search by consumers;

<u>Influencing factors.</u>	<u>Factors causes search to increasing the influence</u>
<u>I. Market characteristics.</u>	Increase
a. Number of alternative	increase
b. Price change	Increase
c. Store concentration	Increase
d. Information availability	Increase
1. Advertising	
2. Point of purchase	
3. Sales personnel	
4. Packaging	
5. Experienced consumers	
6. Independent sources	
<u>II. Product characteristics</u>	
a. Price	Increase
b. Differentiation	Increase
c. Positive products	Increase
<u>III. Consumer characteristics</u>	
a. Learning and experience	Decrease
b. Shopping orientation	Mixed
c. Social status	Increase
d. Age, gender and household, lifestyle	Mixed
e. Perceived risk	Increase
<u>IV. Situational characteristics</u>	
a. Time availability	Increase
b. Purchase for self	Decrease
c. Pleasant surroundings	Increase
d. Social surrounding	Mixed
e. Physical/mental energy	Increase

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF DATA

4.0 INTRODUCTION

This chapter focuses presentation, analysis and interpretation of data according to each research question.

4.1 ANALYSIS OF RESPONSES

The respondents comprised of the Manager, assistant manager, agents of various commodities of Unilever products, consumers, appointed workers (staff) and members of the general public interested to the title. Out of the one hundred and eighty (180) targeted respondents were ninety of them Sixty (60) responses were received.

Table 4.1.1

A summary of the targeted population response rate is given in the table below

Category of respondent	Targeted sample	Responses received	Non-response
Key information	5	3	1
Students	20	15	10
Marketing and Assistant manager	4	1	1
Appointed staff	5	2	2
Agents	16	1	1
Customers/Consumers	20	18	5
Other members	20	20	10
TOTAL	90	60	30

Source:- Primary data

As per the table, above, according to the analysis targeted samples were as follows, key information had 5 targeted sample, 3 responded and 1 did not, students had 20, 15 responded while 10 did not, marketing and assistant manager had 4, 1 responded and 1 did not, appointed staff had 5, 2 responded and 2 did not, agents had 16 1 responded, while 1 did not, consumers had 20, 18 responded, while 5 did not, others members had

20, where 20 responded and 10 did not. In total the targeted sample was 90 and 60 out of the sample responded while 30 did not.

The discussion of the research question focused on the following major aspects of developments. These are

4.1.2 (i) What influences consumer to choose certain products from certain organization? And what are the problems consumers faces in choosing what to buy?

Consumers always face the problem of how individuals make decisions on how to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it from, how often they buy it and how often they use it. For example one of the consumers, from the interview, had money but she faced a problem of choice. Therefore due to the organization advertisement she can be influenced to buy the type of product from any organization. Other consumers are influenced by friends from what to buy and their friends can tell how often to use such products.

Table 4.1.2 (a)

Consumer purchase of Unilever products

Serial No	Particulars	No of respondents	Percentage (%)
a	Daily	20	11.1
b	Weekly	80	44.4
c	Monthly	10	5.56
d	More than one week	30	16.67
e	More than one month	40	22.22
TOTAL		180	

Source :- Primary data

This table indicates that most consumers purchase more Unilever products weekly

Table 4.1.2 (b)

Reasons for purchasing Unilever products

Serial No	Particulars	No of respondents	Percentage (%)
a	Their prices are affordable	15	8.33
b	They are well packed	25	13.8
c	The products are easily accessible	30	16.6
d	The products are of superior quality	30	16.7
e	My friend uses only Unilever products	70	38.8
f	Others	10	5.56
TOTAL		180	

Source:- Primary data

The table above shows that a higher percentage of respondents purchased Unilever products because their friends used them, this shows how friends influence in purchasing some of the products than any other factor like affordable prices, well packaging, easily accessible products and many more factors.

Table 4.1.2 (c)

Consumer expectation of Unilever products

Expectation	No of respondents	Percentage (%)
Good quality	80	44.44
Maximum performance	60	33.33
Minimum performance	20	11.1
Average	20	11.1

Source:- Primary data

According to the above table respondent have generally responded to the positive side in high percentage of good quality of Unilever products with 44.44%. but maximum performance of the product, minimum performance of the product and average performance of the product scored 33.3%. This in my opinion is an important part of the consumer expectation hence the organization should find away to increase on its production of good quality products since customers go for good quality.

4.1.2 (ii) The impact of social context on consumer behavior

The behavior of individual consumers is routinely influenced by inner-determinants such as needs, drives, beliefs and personality. Not only that but also many external forces affect consumers the way they shop. In particular marketing decision-makers need to understand the impact of social class, culture and groups.

Apart from that, from the questionnaire the major factors influencing consumer behavior are cultural factors and social factors.

The competition of price also is another problem facing consumers.

Table 4.1.2 (a)

Factors that influence consumption of Unilever products

Serial No	Particulars	No of respondents	Percentage (%)
1	Through radio and television	50	27.78
2	Through newspaper advertisement	10	5.56
3	Through sales promotion	20	11.1
4	Through friends and colleagues	90	50
5	Others	10	5.56

Source:- Primary data

From the table above it can be seen that 50 respondents were influenced to purchase Unilever products through radio and television, 10 through newspaper advertisement, 20 through sales promotions, 90 through friends and colleagues and 10 had other reasons.

4.1.3 Competition

In market there is stiff competition in what to buy, where to buy and at what time to buy the products.

Competition comes in family income, friend's interaction and company convenience through advertising. There is need to know what exactly consumers think, what they feel, what they do, and the things and places that influence by what they think, feel and do (environment)

Table 4.1.3

Problems/obstacles faced when making a decision to purchase Unilever products

Particulars	No of respondents	Percentage (%)
The competitiveness of the price	40	22.22
Availability of cheap and Accessible alternatives	40	22.22
The lead time taken to receive the products	50	27.78
The quality of the product	50	27.78

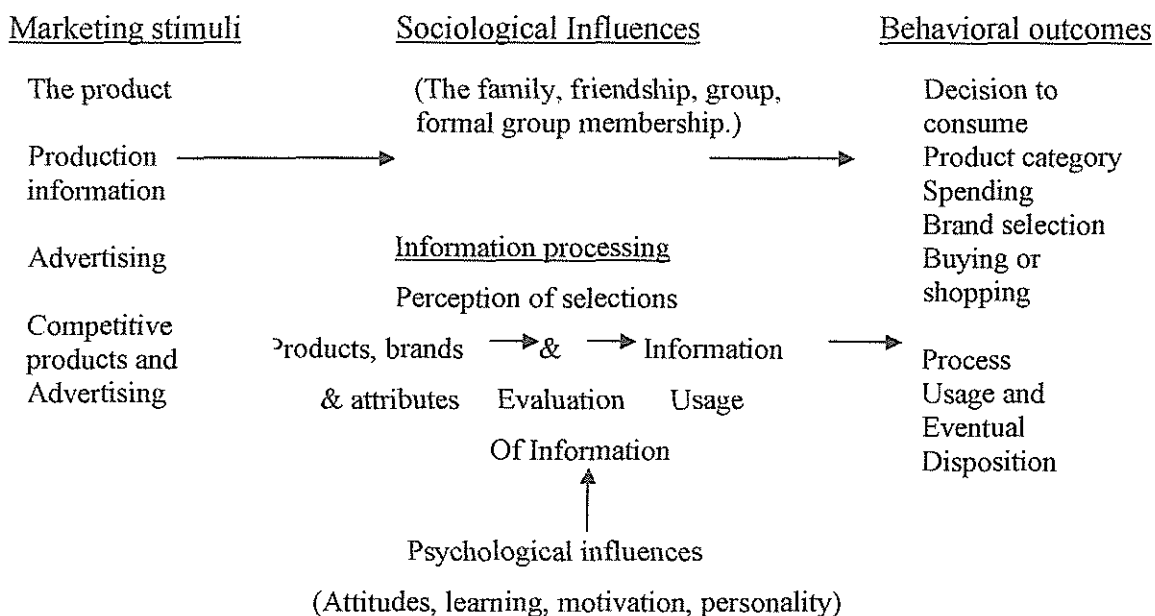
Source:- Primary data

According to the questionnaire the researcher wanted to find out the problems/obstacles being faced in the making of decisions when purchasing Unilever products and the lead time taken to receive the products. The quality of the products took high percentage of 27.78 than the competitiveness of the price availability of cheap and accessible alternative with 22.22 percent.

4.2 THE MAJOR DISCIPLINES AND CONCEPTS IN THE STUDY OF CONSUMER BEHAVIOR

Socio-cultural Influences

(Culture, social, class subculture)



Nonetheless, concepts and theories from many of the basic disciplines provide a useful basis for explaining a particular aspect of consumer behavior. For example the research in the area of advertising effects on children has usefully drawn from child-development theories in psychology as well as from sociological concepts of family life.

4.2.1 Factors studied

They are in three (3) major disciplines that influence consumer actions

1. Psychological factors. Cognition, perception, learning, personality motivation and attitudes. These are essentially psychological and social-psychological variables.
2. Sociological factors. Family, group membership, social influence. These are basically sociological and socio-psychological variables.
3. Socio-cultural factors. Social class, subcultures, and cultures. These sociological and cultural – anthropological variables.

The production concept assumes that consumers are mainly interested in product availability of low prices. Its implicitly marketing objectives are cheap, efficient, production and intensive distribution. This orientation makes sense when consumers are more interested in obtaining the product than they are in specific feature and will buy what's available rather than wait for what they really want.

“The product concepts, assumes that consumers will buy the product that offers them the highest quality, the best performance and most features. A product orientation leads the company to strive a constant to improve the quality of its product and add new features that are technically feasible, without finding out first whether or not consumers really want these features.

Table 4.2.1

Factors influencing consumer behavior

Factors	No of respondents	Percentage (%)
Cultural factors	80	44.44
Psychological factors	10	5.56
Social factors	80	44.44
Personal factors	10	5.56

Source:- Primary data

Not only does advertisement and company market force can influence consumer behavior but also the major factor which influence consumer mostly are cultural factors and social factors which score a high percentage of 44.44% than other factors

4.3 HOW PEOPLE'S LIFESTYLE AFFECT CONSUMPTION PACKAGE

The researcher wanted to find out how people's lifestyles affected consumption packages. The average suit lifestyle has a life expectancy of five to ten years during which fashions, and product does not still. A constant flow of color and pattern ideas freshens styles each season.

The effect can be caused by seasonal effects, whereby people living with high expectancy salary can affect the consumption packaging system compared to people with low income because they can suit to change to another consumption or product due to capital and the area.

According to the definition of consumption in economics that is the using up of goods created by production;

- i. The package must maintain the purity and freshness of it's contents and protect them from the outside environment if the contents are harmful, corrosive or poisonous, the package must also protect the outside environment.
- ii. The packaging itself must present no chemical hazard as well. The package must identify the contents and their quantity and it must facilitate distribution.
- iii. The package may contribute to the convenient use of its contents by special dispensing or closure features.

4.4 HOW ORGANIZATIONS/CO-OPERATIONS INFLUENCE CONSUMERS DECISION OF WHAT TO BUY AND WHERE TO BUY FROM?

i) Science and technology.

From small improvements to big ideas, innovation enables the organization to meet people's needs and aspirations in ways that engage and delight them. The research development teams focus on helping consumers look good, feel good and get more out of life.

Unilever has a clear goal to drive the growth of the country leading brands through fast, large scale, existing innovation. Research and development are at the heart of this combination country and world class science with deep consumer insight to produce revolutionary new technology that delights consumers around.

ii) Purpose and principles

The cooperate purpose states that “success requires the highest standards of cooperate behavior towards the employees, consumers, the societies and world in which we live”.

The co-operation aims to make a positive impact in many ways: through the brands, commercial operations and relationships, through voluntary contributions, and through the various other ways in which engage with society.

Organization also committed to continuously improving the way to manage environmental impacts and are working towards longer term goal of developing a suitable business.

Co-operations purpose sets out aspirations in running the business. Its underpinned by the code of business principles which describes the operational standards that everyone at Unilever follows whenever they are in the country even the world. The code also supports the approach to governance and cooperate responsibility.

The organization wants to work with supplies that have values similar to Unilever and work to the same standards.

Table 4.4 (ii)

Organizations objectives

Serial No	Particulars/Objectives	No of respondents	Percentage (%)
I	Profit maximization	30	16.67
II	Customer satisfaction	70	38.8
III	Both I and II	40	22.22
IV	Others	40	22.22

Source:- Primary data

According to table 4.4 (ii) it indicates some of the objectives of this organization (Unilever). 30 of the respondents were received, 70 customer satisfaction were interviewed and received, 40 were basing in both profit maximization and customer satisfaction, 40 respondents were basing on other objectives.

iii) Environment and society

Everyday people in the countries choose the product of Unilever to feed their families and clear themselves and their homes.

This simple fact illustrates a key way in which a company makes a positive contribution to society. By meeting people's basic nutrition and hygiene needs with needs with brands they produce and sell.

But the company believe the very business of doing business in a responsive way that they have a positive social impact. For example create and share wealth, develop people's skills and spread expertise across the borders.

The company committed to managing social environmental impacts responsibility to work in partnership with stakeholders, to address social and environmental challenges and to contribute to sustainable development. They also provide updates and examples of the business action as well as regular performance reporting and details of the external rankings.

iv) Our people

In many respects, Unilever is thought of as a community, rather than an organization. This community is shaped and led by its people, who operate creatively within a framework of shared values and business goals or because our people (customers) are fundamental to the way we do business, they are at the centre of everything we do. Their professional fulfillment, their work/life balance, their ability to contribute equally as part of a diverse workforce...these are all issues to which we give priority . we grow as a company by growing our people fulfilled and committed. Its also why we stay connected with and connect together our employees around the country, conducting surveys and 'pulse checks' which then feed into the future direction of the business.

v) Nutrition hygiene and personal care.

The company constantly learns about the links between food and the well being. It helps the company create more food that make a positive contribution to health.

As one of the largest food enjoyed by millions of people around the country everyday. That means the company can make a big impact on people's health – a responsibility that the company takes very seriously.

But then health and nutrition have been among the highest priorities. Unilever company is among the first to add Vitamins to margarine to make it more nutritious. And today cutting edge research helps the company constantly learn more about health and nutrition expertise that they use to create nutritious food that suit today's tastes and life styles.

In fact the expertise in this field is countrywide renowned. Combined production capabilities and the skills of marketing teams, it puts the company in a unique position to provide foods that make healthy eating easy convenient and delicious. The focus is in vitality – helping people look good, feel good and get more out of life – keep healthy and nutrition at the very heart of the business.

The knowledge of health and nutrition grows daily and as new research about the health properties of individual ingredients comes to light the change of product formulations.

Many of the brands also have initiatives looking at how they can reduce ingredients like saturated fats, sugar and salt. But the company doesn't just create and market foods. It also helps raise awareness about benefits of a healthy lifestyle, not just diet through the partnerships and collaborations with healthcare professionals and leading global health bodies like UNICEF and the World Health Organization (WHO).

A passion for vitality, health and nutrition are at the heart of Unilever and will continue to work hard to develop new products that make healthy eating enjoyable, convenient and affordable for people everywhere.

4.5 CONCLUSION

The study established that the company has to deal with the identified challenges through good communication system and good management system. This has lead to clarification of the policy or system and better understanding of how the consumer are facing the challenge in a society.

Generally the above analysis from all categories of respondents showed that the low level of consumers was facing different challenges in regard to establishing a good communication system and management system. It was revealed that this class has the obstacles to be aware of product and buy on time, with quality and not expired goods and to buy at the right time.

Basing the result the performance of the appointed worker has been enhanced through the restructuring process that was aimed at having the right people ate the right offices.

This has been coupled with the training programmes directed towards the staff.

All categories of respondents strongly agree that the consumers have been instrumental in bringing about much development programme/process which captures a big number of customers.

The analysis of this research question is pointing at how effectively the company has captured consumers through their image of production capacity of food, health and home products. Most of the respondents noted some of the problems affecting consumers base on the income choice, sound factors and psychological factors.

With the limited resources at the level of consumer effectively, monitoring, evaluation cannot be fully realized. The local people who are the majority and low class level who are in the vicinity can only make the consumer's behavior to be checked in deep and ensure that the alternative solution has been implemented by the company but they don't have the capacity to monitor for advertising through out the urban and rural area but value for money is low.

CHAPTER FIVE

RECOMMENDATIONS, SUGGESTIONS AND CONCLUSION

5.0 INTRODUCTION

This chapter discusses the findings in chapter four in respect of the objectives and research questions and review of literature. It also summarizes the findings, methodology, conclusions and gives recommendations that can be used by the organization (adopted and implemented in trying to solve, guide and capture customers, to know challenges facing consumers and find the alternative.

5.1 RESPONDENTS

The respondents sampled by the researcher comprised of, key information, students, marketing manager and assistant manager, appointed staff, agents of the Unilever products, consumers and customers and other members. The sample size was a hundred and eighty (180) and out of it sixty (60) responses were received. This shows how difficulties arise in findings especially during interviewing took place because quarter of the sample responds.

According to the data collected, the company shows how it qualified to implement to train the society to come to know their products well, attending trade fair to gain experience of different companies products to attend schools for more explanation to display Unilever products, promotion, advertising and using different means of communication.

Unilever company ltd needs an effective and efficient marketing, distribution, communication and good management system. Such a system leads to a high standard of capturing consumers. It attracts competition and enhances ongoing development and quality of service to customers. Several factors should be put into consideration that affect the consumer choice of their product because a channel of distribution should be

determined by customers buying habits. The nature of the market is the nature of the key factor that influences consumers choice of channels.

Other considerations are the products, quality, middlemen and the company itself.

When selecting its channel of distribution Unilever Company should follow the criteria of three “Cs” i.e channel control, market coverage and the cost that is consistent with desired level of customer services.

Channel design should begin with the final customer and work backwards to Unilever Company Ltd, because channels should be determined by the buying habits of consumers. The channels finally selected must be flexible enough so that the use of one channel does not permanently close the use of another. There is a high degree of interdependence among the firms in the channel for any given product. There can be no weak link in the chain if it is to be successful and channels of distribution and middlemen are always on trials and changes occur constantly.

Middlemen survive only when their existence is economically viable and socially desirable. Furthermore middlemen or channels arise to do new jobs to attract consumers in the street or to do existing jobs better.

5.2 FACTORS INFLUENCING CHOICE OF CHANNELS

The factors that should influence Unilever Company Ltd in Uganda basically regarding attracting consumers include the following.

***Market:**

a) Number of potential customers

In areas with relatively few potential customers Unilever Company ltd may use its own sales fore to sell directly to customers in districts, towns with a larger number of customers such as Kampala district, Mbarara and Jinja the company can use middlemen.

b) Geographical concentration of the market

Some segments such as Kampala have a higher density rate than others. The company may establish sales branches in a densely populated market but the company can use middlemen in the less concentrated markets.

Other factors include

- Choice of the product
- Brand name
- Income (low income)
- Competition

All in all these factors can be categorized under, social, economic and psychological factors.

c) Product

The unit values of the product affect the amount of funds available for distribution and the risk to consumers. For example higher value of products than the lower the unit value, the lounge usually are the channels of distribution to meet customer satisfaction.

d) Middlemen

- Services provided by middlemen

Unilever company should select middlemen that will provide those marketing services that the company is either unable to provide or cannot economically perform to meet customers.

- Availability of desired middlemen.

The middlemen who a company desires should exist and should not carry out a competitive line.

- Attitude of middlemen toward company's objective and policies

Sometimes Unilever Company, choices of channels are limited because their marketing policies and profit margins are not acceptable to certain type of middlemen. Some are

willing to carry out marketing of Unilever products only if government could keep off its hands on their lines.

Basing on Paul E Green, Donalds Tull and Gereldabaum (1988). He says these activities operate within a given environment bounded by the organizations resources, legal constraints and the social conscience of the community hence the need to organize marketing activities which will be fully coordinated and well managed.

The market management process consists of studying the opportunities available in the market

- Researching
- Selecting
- Distribution channels
- Developing viable market strategies
- Planning marketing factors
- Implementing and controlling the whole marketing effort

Leonard Palisons and Douglas Dalrymple in their book; marketing management – strategy and cases say. “The job of marketing manager has been to plan and implement a set of activities that help the firm achieve its goal (?)”

5.3 CONCLUSION:

In the survey, the study tries to discuss the historical background, analyze problems of effectiveness of distribution of products to satisfy consumers and analyze behaviors facing them. I would like to point out that it is true of the objective that the system of advertisement influence consumers choices, and consumers unknowingly buy products that are either with poor quality, high price, brand and packaging. (these remain ineffective and inefficient to majority consumers).

The system is not well defined to promote the interests and objectives of the company. It is important for the company management to check the problems, and recommend and advance in the study. This is to suggest that management can use these as a basis for

management to problems and solutions. They can select what is relevant to achieving company objective.

5.5 RECOMMENDATION

I recommend that the Unilever Company put much emphasis on advertisement, communication, and training to the staff, agents, middlemen, managers and some of their supplies since it will enable them to discover the problem/challenges facing their consumers adjust and embrace any opportunity that is going to help the organization in any way.

- The school put so much emphasis to the topic of consumer behaviors so that the students can help to solve the problem encounter.
- Extra time should be added to the development period of the project; hence this will enable students to have enough time to work on their projects.

5.6 SUGGESTION

I suggest that in order for Unilever Company to handle the dynamic challenge facing consumer behavior in its organization, it should put more emphasis on its agents not to only work in town but go also into the deeper villages to get more customers. This would enable the company know exactly what their customers need and what they like and do not like about the companies goods and services. Hence they will be able to know how people's lifestyle affects their consumption choices hence be able to provide as per their choices.

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APPENDICES

KAMPALA INTERNATIONAL UNIVERSITY

QUESTIONNAIRE (ORGANISATION)

As part for the requirement for the award of a Bachelors Degree in Business

Administration. I am undertaking the research entitled "The dynamic challenge facing consumer behavior in an organization".

You are kindly requested to fill this questionnaire indicating what you think are the most sincere answers to the questions asked.

This research project is purely for academic purposes and all information gathered will be handled and treated with confidentiality

1. Do you face stiff competition from other organizations?

2. The following are the measures mostly employed by organizations to maintain and retain all consumers and attract new customers (Tick (✓) the appropriate)

- | | |
|--|--------------------------|
| a.Constant advertisements through all channels | <input type="checkbox"/> |
| b.Continuous market research | <input type="checkbox"/> |
| c.Offering customers credit facilities | <input type="checkbox"/> |
| d.Offering free transport to bulky purchases | <input type="checkbox"/> |
| e.Others specify | |

3. How often do you carry out market research? (Tick (✓) the appropriate)

- | | |
|--------------------------------|--------------------------|
| i. Once a year | <input type="checkbox"/> |
| ii. Twice a year | <input type="checkbox"/> |
| iii. More than twice a year | <input type="checkbox"/> |
| iv. Once in two or once a year | <input type="checkbox"/> |

4. What is your target market? (Tick (✓) the appropriate)

i. Middle income group

☐

ii. Low income group

☐

iii. Low and middle income group

☐

iv. High income group

☐

v. Others specify

5. Where are your products found? (Tick (✓) the appropriate)

i. Small shops

☐

ii. Supermarkets mostly

☐

iii. Kiosks and supermarkets

☐

iv. Shops of all sizes and supermarkets

☐

v. Others specify

6. What are the main objectives of your organization?

i. Profit maximization

☐

ii. Customer satisfaction

☐

iii. Both (a) and (b)

☐

iv. Others specify

7. The following are the major factors influencing consumer behavior, Tick (✓) the ones mostly adhered to and influenced.

i. Cultural factors

☐

ii. Psychological factors

☐

iii. Social factors

☐

iv. Personal factors

8. How do you relate with your customers?

a.

b.

c.

d.

9. Mention some of the problems or obstacles you face in the process of making decision when purchasing Unilever products?

i.

ii.

iii.

iv.

10. What do you think are the major roles played by the customers in increasing the productivity of Unilever products?

a.

b.

c.

d.

KAMPALA INTERNATIONAL UNIVERSITY

QUESTIONNAIRE (CUSTOMERS]

As part of the requirement for the award of a Bachelors Degree in Business Administration. I am undertaking a research entitled "The dynamic challenge facing consumer behavior in an organization".

You are kindly requested to fill this questionnaire indicating what you think are the most sincere answers to the questions asked.

This research project is purely for academic purposes and all information gathered will be handled and treated with confidentiality.

1a) i. Do you consume Unilever products? (Tick (✓) the appropriate)

YES

☐

NO

☐

ii. If, Yes mention some of the products you normally consume

a.

b.

c.

d.

e.

b) How often do you purchase Unilever products (Tick (✓) the appropriate)

b. Daily

☐

c. Weekly

☐

d. Monthly

☐

e. More than one week

☐

f. More than one month

☐

2. How did you come to know of Unilever products? (Tick (✓) the appropriate)

- ii. Through radio and television advertisement ☐
 - iii. Through newspaper advertisement ☐
 - iv. Through sales promotions ☐
 - v. Through friends and colleagues ☐
 - vi. If other specify ☐
-

3. From where do you normally purchase Unilever products? (Tick (✓) the appropriate)

- i. Kiosk ☐
 - ii. Retail shop next to my residence ☐
 - iii. Supermarket ☐
 - iv. Others (specify) ☐
-

4. The following are the reasons as to why Unilever products are purchased (Tick (✓) the ones applicable to you)

- A. Their prices are affordable ☐
 - B. They are well packaged ☐
 - C. Their products are easily accessible ☐
 - D. The products are of superior quality ☐
 - E. My friend use only Unilever products ☐
 - F. Others (specify) ☐
-

5. In what quantities do you normally prefer in purchasing Unilever products? (Tick (✓) the appropriate)

- i. In units of one ☐
 - ii. In bunches ☐
 - iii. In units of four ☐
 - iv. Others (specify) ☐
-
-

6. (a) Do all Unilever products indicate expiry dates? (Tick (✓) the applicable)

i. YES ☐ ii. NO ☐ iii. I DON'T KNOW ☐

b) Do you normally check expiry dates of the products before purchasing? (Tick (✓) the appropriate)

i. YES ☐ ii. NO ☐ iii. SOMETIMES ☐

7. How do you grade (rate) unilever products in comparison with others? (Tick (✓) the applicable)

ii. 0 – 25% ☐

iii. 25 – 40% ☐

iv. 40 – 60% ☐

v. 60 – 80% ☐

vi. 80 – 100% ☐

vii. Others (specify)

8. How do you rate the prices of Unilever products? (Tick (✓) the appropriate)

ii. Fair ☐

iii. Expensive ☐

iv. Average/ok ☐

v. Others (specify)

9. How often do you get motivated (influenced) to purchase Unilever products? (Tick (✓) the appropriate)

ii. Always ☐

iii. Sometimes ☐

iv. More than once a week ☐

v. Others (specify)

10. How do you encounter (Internet) with the employer, employees of Unilever products?

- a. _____
- b. _____
- c. _____
- d. _____

11. After receiving the goods and services from Unilever Company, what are your expectations?

- a) _____
- b) _____
- c) _____
- d) _____

12. What is your reaction after consuming most of Unilever products?

i. Satisfied

☐

ii. Unsatisfied

☐

iii. Others specify

THANK YOU FOR BEING SO HELPFUL