Factors Influencing Behavior of Bread Consumers in Kenya

Dr. Hannah Wanjiku Wambugu, Dr. Raymond Musyoka

[1]*School of Business and Economics, Kirinyaga University, Kenya*
[2]*School of Business, University of Nairobi, Kenya*

*Corresponding Authors: Dr. Hannah Wanjiku Wambugu, School of Business and Economics, Kirinyaga University, Kenya

Abstract: *Globally, the demand for baked products has been on the rise. The demand is even expected to grow by 13% by 2025 for a variety of bakes, and bread segment alone is projected to generate revenue worth US$448,266m. African market is expected to grow by 6.9%, while Kenyan market is expected to grow by 6.7 %for the next 20 years. Despite this projected growth rate, not much research has been carried out to understand the predictors of consumer behavior in regard to the amount of bread bought. This is despite the fact that, knowledge of the outcome of consumer buying behavior assists baking firms when planning and implementing their marketing strategies. The purpose of this study is to analyze factors influencing behavior of bread consumers in Kenya. Factors considered for this study were grouped into three: situational, personal characteristics and marketing factors. Primary data was collected from 1230 adult consumers in Kiambu and Thika towns, and was analyzed quantitatively. Descriptive statistics were only used when analyzing the profile of the respondents. Multiple regression analysis was done to determine the effects of the explanatory variables on the dependent variable (amount of bread bought per week). Regression model results indicated that situational factors elements effect was as follows: time of the day (morning) (Coef 0.250, P-value 0.000), retail out let atmospherics (display) (Coef 0.263, P-value 0.000. Effect of the marketing variables were as follows: Price (Coef 0.0369, Availability((Coef 0.113, P-value 0.000), Importance for brand name and logo(important) (Coef 0.250, P-value 0.000), exposure to promotion(Coef 0.008, P-value 0.009). Effect of the individual factors was as follows: Age (Coef 0.001, P-value 0.000), stage in family life(married) (Coef 0.038, P-value 0.008), health consciousness (high) (Coef 0.118, P-value 0.000), P-value 0.000), Income(Coef 0.0121, P-value 0.010). However, consumers' gender was insignificant (Coef 0.118, P-value 0.00). The findings are important since they could guide bakers and retailers when developing their marketing strategies, mainly communication, pricing, product development and distribution strategies.*

Keywords: *Bakers, Bread, Situational Factors, Personal Characteristics and Marketing Factors*

1. INTRODUCTION

Knowledge of the outcome of consumer shopping behavior assists firms when planning and implementing their marketing strategies (Saleemi, 2011). It also assists marketers to predict how consumers will respond to marketing strategies and market segmentation of the target market (Jobber, 2010). Thus, the better the firms understand the outcome of consumers' shopping behavior, the more likely they become successful in the market place (Hoyer & Maclnnis, 2011). Furthermore, the firm's marketing strategies should address questions related to what products customers buy, when they buy and why they buy them (Saleemi, 2011). This is the only way a firm can succeed in increasing product adoption and repeat purchase (Wambugu, 2015).

There has been an increasing demand for baked products, and the market is expected to grow annually by 13% (CAGR 2020-2025). This projected growth is for a greater variety of bread with ethnic breads and greater varieties of whole-meal **breads**, like oats, bran, seeds, etc.Revenue in the Bread segment is projected to reach US$448,266m in 2020. In global comparison, most revenue will be generated in China (US$69,376m in 2020).In relation to total population figures, per person revenues of US$60.01 will be generated in 2020.The average per capita consumption will stand at 28.0 kg in 2020 (Euromonitor, 2020)

African market was expected to grow by 6.9% between 2016 and 2025. Regarding distribution of bread in Africa, supermarkets and specialist stores handles much of the bread sold in the market, and specialist bakery stores are increasing in number, driven by the growth spurt in shopping centres in residential areas. To compete with supermarket in-store bakeries, specialist bakery stores are hoping to gain and maintain their existing share by also offering coffee stations and healthy juice bars on their premises (www. Indexbox.co,uk, 2019)

By 2010, the Kenyan bread and bakery market increased by -0.6%, falling for the second consecutive year after two years of growth. However, the pace of growth appeared most rapid in 2008, with an increament of 11%. As a result, consumption reached peak level of 6.7 billion dollars from 2009 to 2010. The market is forecasted to continue growing with the same rate for a period of 20 years (Euromonitor, 2020). These forecasts have contributed to fierce competition between firms, and the old firms are upping their games in regard to promotion activities. For example, Broadways Bakery has launched a new diabetes awareness campaign using the hashtag #BeSugarSmart. This campaign is designed to support sales of Broadways Bakery products, which are well known for having a relatively low sugar content compared to the majority of their competitors. The same company has changed its packaging design and material (www. Indexbox.co,uk, 2019)

Despite the projected growth of demand of bread in Kenya, no research has been done to determine the determinants of consumer behavior in regard to bread consumption in Kenya. The available research has focused on the retail bakery performance (Mbindo 2016), others have focused on private label bread of large supermarkets in Nairobi (Nga'ngá 2012). The purpose of this paper is to investigate the factors influencing the behavior of consumer of bread in Kenya. The findings of this study shall assist the competitors in baking industry when planning their marketing strategies in regard to pricing, distribution, types of products and communication/promotion strategies. The retailers would benefit in that they shall be able to plan when stocking their premises depending on the location and other considerations. Specifically, the study aims at:

a) Investigating whether situational factors (time and physical surrounding mainly atmospherics(display)influences the amount of bread bought in Kenya

b) Examining whether consumers' personal characteristics(gender, age, stage of life and income) his behavior in regard to bread consumption

c) Examining whether marketing factors (brand name and logo),product availability and the price and exposure to promotion influences the behavior of consumers of bread in Kenya

2. LITERATURE REVIEW

2.1. Empirical Literature

In American market, Mclaughlin and Hawkes (1995) conducted on supermarket bakery consumers attitudes and preferences, and generally the results indicated that consumers preferred the bakes from local bakeries than those from supermarkets because of freshness. Padamavethy and Muruganathi (2007) studied the consumer buying behavior of bread in India, and the results showed that consumers were not for sweet bread. They preferred milk bread and children played a big role in bread buying decision process. Another study in indian market was by Harish and Pravin (2019) who investigated the consumer buying behavior for baked products, and results revealed that Product & Brand Recognition, Affordability & Availability and packaging are the important factors influence on preference for bakery products. However, the study did not consider situational factors that may influence buying behavior, another study on the purchasing pattern of bakery products was conducted in Brazil by souki, Reis & Moura (2017). The study focused on working and non-working women and the results show that consumers attend bakeries mostly to buy perishable food or food for immediate consumption. Besides, the consumers demonstrated positive mental associations about bread, bakeries and baked products, including those produced by other companies than bakeries. In addition, consumers are not willing to pay more for baked products than for products from other industries, although they have been showing preference for baked products. This study was limited in that it did not consider situational factors and it was focused on only one gender- female. Eglite and Daiga (2015) conducted a survey behavior of bakery consumers in Latvia and the results showed that price competition among kinds of bread and bread producers prevailed in Latvia. Bread quality was

perceived as a permanent value and that consumers chose wheat bread by price. Studies for Kenyan market have focused on the retail bakery performance (Mbindo 2016), others have focused on private label bread of large supermarkets in Nairobi (Nga'ngá 2012). From this overall analysis of empirical literature, the gap exists in that no study have comprehensively analyzed the extent to which situational factors, marketing factors and consumer personal characteristics influences consumer buying behavior, the reason why this study is important.

2.2. Theoretical literature

According to Kibera & Waruingi (2007), income, education, and marital status, gender, age, and stage of life are consumers' personal characteristics that influence purchase decisions. Men and women need and buy different products (Ward & Thuhang, 2007). They also shop differently and in general, have different attitudes about shopping. According to stage of life of an individual influences what he buys from the market, he buys what goes with his personality and also health particularly the old generation.

Situational factors are all conditions particular to time and place of observation that the shoppers react to. They are different from individual (personal) and product characteristics. While personal characteristics are long lasting, situational factors are temporary and are particular to time and place. Situational factors include: antecedent states (cash available during purchase); temporal states (situational factors that are specified in units such as time of the day when shopping is done and the time spent during shopping); physical Environment (the geographical locations, atmospherics and the crowding of the shopping venue). Atmospherics includes the supermarket décor, music, display of milk, colors and sales personnel).The other category of situational factors is the social environment. It describes the presence or absence of companions during the milk shopping activity.

Marketing influences *refer to marketing mix elements which include: product attributes (quality and packaging), promotion, place and price* (Saleemi 2011; Kibera & Waruingi, 2007). The term *'product' refers to anything that is offered to customers for acquisition or purchase,* (Kibera & Waruingi, 2007). Product is not complete, without *packaging, Logo/Labels and Slogans*- This is include the brand name that is used to identify the brand. It is also used for making consumers remember; recognize the brand and for building brand loyalty (Nilsson & Tobias, 2005). A unique brand identity in form of logo and slogan creates a recognizable mark that creates recognition among consumers, which creates familiarity with the product which encourages purchase (Aaker, 2005).

Price- Kibera & Waruingi, (2007 p.g 179) defines price *'as the value placed on a product/service by customers at some point in time'*. There are three approaches used by marketers in setting prices: first is cost pricing where traders total their costs and then add a reasonable margin of profits. Second is the demand oriented pricing, where the marketers uses the forces of demand and supply to determine the equilibrium price. Third method used in pricing is where a products price is based on what competitor's charge for their products, (Jobber, 2010). Price set may influence whether consumers will purchase products or not. If they will purchase, the competitive offering is selected (Paul & James, 2007). In some instances, higher prices may not deter purchase because consumers believe that the products or services are of higher quality or are prestigious.

Promotional activities- There are six major components of promotional mix: advertising, personal selling, direct marketing, internet promotion, sales people and publicity (Kibera & Waruingi, 2007; Jobber 2010). In addition to those key promotional tools, marketers can use exhibitions and sponsorship to communicate with target audiences. There are five factors to consider when choosing the promotional mix: resources available to the company, market size, customer information needs and product characteristics. Whicheverthe tool of promotion chosen, they may have an influence on what consumers think about products, what emotions they experience in purchasing and using them, and what behaviors they perform, including shopping in particular stores and purchasing specific brands (Paul & James, 2007). This indicates a need to devise communications that offer consistent messages about products in order create favorable image and perceptions. *Place has to do with availability of the product in the channels of distribution,* and this may influence buyer's purchase behavior.
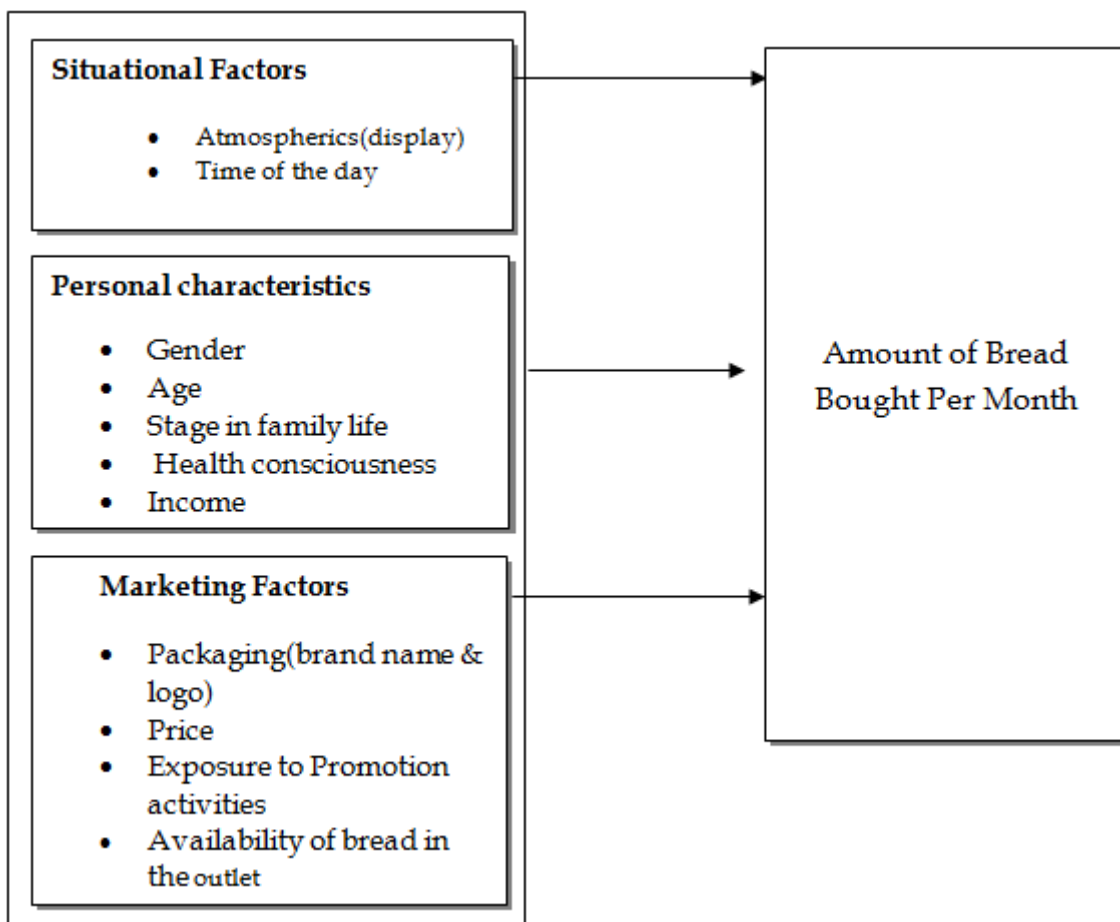
2.3. Operational Definitions of Variables

Situational Factors

- Atmospherics(display)
- Time of the day

Personal characteristics

- Gender
- Age
- Stage in family life
- Health consciousness
- Income

Marketing Factors

- Packaging(brand name & logo)
- Price
- Exposure to Promotion activities
- Availability of bread in the outlet

Amount of Bread Bought Per Month

Figure2.2. *Conceptual Framework*

3. METHODOLOGY

This study was designed in form of survey, where the target population of 1,809, 139 adults from central Kenya were considered for the study. Primary data was collected from sample of 1230 adults in Kiambu town and Thika. The following multiple regression model was constructed to find out whether there is any significant relationship between the amount of bread bought per month and consumer's situational factors, personal characteristics and marketing factors. The specified model was estimated using the method of ordinary least squares, and the model is appropriate because in this study, the dependent variable (amount of bread bought) is continuous.

The **Multiple Linear Regression Model** was **specified as** follows:

$$Y = \alpha_0 + \alpha_1 X_{1i} + \alpha_2 X_{2i} + \alpha_3 X_{3i} + \alpha_4 X_{4i} + \alpha_5 X_{5i} + \alpha_6 X_{6i} + \alpha_7 X_{7i} + \alpha_8 X_{8i} + \alpha_9 X_{9i}$$

$$+ \alpha_{10} X_{10i} + \alpha_{11} X_{11i} + u_i$$

Where: Y = amount of bread purchased, α_0 = constant term. α_1, α_2…………..α_{16} are unknown parameters associated with changing patterns of the explanatory variables which must be estimated. The explanatory variables are: X_1= atmospherics (shop display), X_2= Gender, X_3 = age, X_4 = stage in life, X_5 = consumers level of health consciousness, X_6 = income, X_7 = brand name and the logo, X_8 = price, X_9 = exposure to promotion, X_{10} = Time of the day, X_{11} = availability of bread, μ = random error term. The variables were operationalized as follows.

Variables	How obtained	Description
Amount of bread	Respondent indicated approximately the number of loaves bought per month	Number of loaves bought per month
Supermarket atmospheric	Respondents were asked to rate Retail outlet atmospherics (display of bread) on the scale of 1-7, where 1 = not very good; 7= very good. Average rating of 5-7 were considered as perception of good atmospherics	Supermarket atmospherics= 1 if the store atmospheric is good and store atmospherics =0 if otherwise
Time of the day	Interviewer recorded the time of the day when a buys bread, which was set as follows: morning shopping (8am - 3pm) Afternoon shopping (3pm & beyond	Time of the day = 1 if the shopping was done in the morning and time of the day = 0 if the shopping was done in the afternoon
Availability of bread	Respondents rated availability of bread in desired sizes using a scaled provided set as follows: 1= very low, 2= slightly low 3= low, 4= just average, 5= slightly high, 6= high, 7= very high. Retail outlets with a score 1-4 score were perceived as performing well in regard to availability	Bread availability = 1 if available = 0 if otherwise
Price	The interviewer indicated the price at which he pays for a standard loaf(500grms loaf)	Price in Kenya shillings
Consumers importance for brand name and logo on bread packaging	Respondents rated the importance of brand name and logo on the bread packaging using a scaled provided set as follows: 1= very low, 2= slightly low 3= low, 4= just average, 5= slightly high, 6= high, 7= very high. Ratings of a score of 4-7 as high	Importance for brand name and log= 1 if brand name and logo perceived important =0 if otherwise
Exposure to promotion activities	Respondents rated themselves in regard to exposure to promotion activities of bread brands available in Kenya as follows: 1= very low, 2= slightly low 3= low, 4= just average, 5= slightly high, 6= high, 7= very high. Ratings of a score of 4-7 as high	Exposure to promotion= 1 if highly exposed =0 if otherwise
Gender	Respondents indicated their gender	Gender = 1 if consumer is female and gender = 0 if the shopper was not cash-constrained.
Age	Respondents indicated their age in years	Number of years
Income	Respondents indicated their earnings per month	Earnings in Kenya Shillings
Stage in family life	Respondents indicated whether they are married with children or not.	Stage in life=1 if the consumer is married and with children, and stage in life = 0 if otherwise
Level of Health consciousness	Respondents rated themselves in regard to health consciousness as follows: 1= very low, 2= slightly low 3= low, 4= just average, 5= slightly high, 6= high, 7= very high. Ratings of a score of 4-7 as high	Health consciousness = 1 if highly conscious, and health consciousness =0 if otherwise

4. RESULTS

The response rate was 100% which can be attributed to the fact that, one- to-one interviews method of data collection was used, making it possible to replace a questionnaire that was wrongly completed by interviewing another respondent. 42% of the respondents were male, implying that 52% were female. The average age of consumers was 34 years. The average family size was 3.6 (approximately 4 persons). 55 % of the old consumers were health conscious.

The mean monthly family income was KSh 24,642.800 per month, with a minimum of Ksh 6000 and a maximum of KSh. 210,000. 50 % of respondents were exposed to promotional and 72.4% of them bought bread during the day, thus only a few of them (27.6%) bought bread in the afternoon. 68.2%

of the respondents found the retail outlet atmospherics (display) good implying that 31.8% found the retail outlet not good (not enjoyable). 44.1% of consumers perceived packaging characteristics (brand name and logo) as very important, which implies that 55.9 did not perceive packaging characteristics as very important. The average price for bread was KSh 50 per loaf.

4.1. Estimation of Regression Model

		No.obs	=	1230
		F(15, 1214)	=	310.29
		Prob > F	=	0
		R-squared	=	0.832
		Adj R-Squaured		0.819
Linear regression		Root MSE	=	0.380
	Coef.	Std.Err	t	P>t [95%]
Time of the day(morning)	0.250	0.025	-10	0.000
Retail Atmospherics/ display	0.263	0.023	11.63	0.000
Availability of bread in the store	0.113	0.030	3.767	0.000
Shoppers importance for brand name and logo	0.119	0.025	4.69	0.000
Shopper's Gender(female)	0.240	0.025	9.76	0.513
Shopper's age	0.001	0.002	-0.22	0.000
Level of Exposure to promotion	0.008	0.006	-1.25	0.009
Consumers stage in family life	0.038	0.014	2.66	0.008
Level of Health consciousness	0.118	0.026	4.80	0.000
Price	-0.0369	0.000	-1.15	0.000
Income	0.0121	0.0000	1.31	0.010
_cons	1.2004	0.0961	10.49	0.000

This implies that about 83.2 % of the variation in the amount of bread bought from the supermarket and other retail outlets could be explained by the combined action of the ten predictors together in the model. The Adjusted R- squared was 0.819, while F (15, 1214) was 310.29 and with significance of 0.000. Thus, the probability of these results occurring by chance was less than 0.05. Therefore, a significant relationship was present between the amount of bread bought and the ten variables. The model therefore fit the data well. RMSE was 0.380, an indication of a higher degree of goodness of fit of the regression model. The results indicate that all the explanatory variables considered in this study except gender were significant predictors of the amount of bread bought by consumers per month.

5. CONCLUSION AND RECOMMENDATIONS

From the analysis above, it can be concluded that the amount of bread bought from reatail outlets is dependent on situational factors such as time of the day and display. Marketing factors such as the price, awareness through promotion and availability of bread are also important to the consumers when buying bread. Personal characteristics apart from gender also influences the amount of bread bought in Kenya. Consumers' health consciousness is also influencing behavior of bread consumers in regard to the amount bought.

It is therefore recommended that the retailers should display bread in a good way to attract consumers. Since much of the bread is bought in the morning, it is appropriate that the retailers stock their shelves with enough bread in the morning. Since consumers are health conscious, it is important bread and other bakes be made with this consideration in mind. Sugar should be reduced, while fibre should be added to make bread attractive to the health conscious consumers before they turn to substitutes.

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AUTHORS' BIOGRAPHY

Dr Hannah Wambugu, has a Masters of Science in international Business Management from Goteborg University Sweden, and a PhD in Marketing from Kenya Methodist University, specializing in marketing. She is a Senior Lecturer in School of Business at Kirinyaga University, and has published alot in marketing and Strategic Management area.

Dr Raymond Musyoka, has a PhD in Marketing from University of Nairobi, specializing in marketing. He is a Senior Lecturer in School of Business at University of Nairobi, and has published alot in marketing area.