Factors Influencing Consumer Buying Decision towards Herbal Products in Monaragala District, Sri Lanka

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Abstract

Appeal towards herbal products is increasing these days, because consumers become conscious about natural ingredients and harmless offers. This study aims to identify the influencing factors on consumer buying decision towards herbal products. This is a quantitative study which gathered data from 200 customers from Monaragala district, Sri Lanka using snowball sampling technique. The data were analyzed by using descriptive, correlation and multiple regression analyses. Findings of the study show that there is a strong positive relationship between independent variables (health conscious, social influence, product price, perceived value, trust) and consumer buying decision. Also, highlights that health conscious, social influence, product price, perceived value, and trust have significantly impact on consumer buying decision. Among the independent variables, social influence is the most influencing factor on consumer buying decision. This study will be helpful to the consumers to make effective decision during the consumption process and to the companies to place their strategies effectively.

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Introduction

Consumers become more sophisticated and more demanding in this contemporary global context. Companies need to know about how the consumers think, feel and choose their products. Consumer willingness to buy a certain product or service is known as purchase intention which depends on several external and internal factors. Increasing threats from unknown diseases restrains the consumers enthusiasm in spending on harmful products, hence there is an emerging need for herbal products across the globe. A range of herbal products are produced by local manufacturers in Sri Lanka and more products are being imported from abroad. Herbal products are mostly considered in Food and Beverage, Health Care and Personal Care industries. This study focuses on consumer buying decision towards personal care herbal products in Monaragala District, Sri Lanka. Globalization of markets and production encourage intense competition among industries. This study is useful to herbal producers or sellers to implement appropriate successive marketing programs in this competitive business context. No business can survive without understanding its customers. Identifying customers' expectations is vital to design their offers.

Consumer behaviour should be monitored during all three stages of consumer decision making process: pre-purchase, purchase, and post-purchase. Consumers always prefer herbal products than artificial products, but they are still ambiguous about the purity of herbal products available in the market. Indeed, consumers are searching for more information about the suitable herbal personal care products before, during and after the purchase. The value of natural ingredients will help to protect the health of the people, but the question is whether the companies include all the said natural or herbal ingredients or not. Depend on the knowledge and awareness level of the customers, they trust the inclusion of pure natural or herbal ingredients. Therefore, the ways they respond to this concept differ from consumer to consumer. This study ultimately tries to identify the influencing factors on consumer decision making process towards herbal products. Previous studies portrayed positive and negative influences of the selected independent variables on consumer decision making process and with these various findings, this study focuses on how these variables affect purchasing decision towards herbal cosmetic products in Sri Lankan market. There is a dearth of studies in Sri Lankan context in this topic.

Literature Review

Buying decisions means consumer will buy a product after an evaluation and analyzes the worth of buying (Keller, 2001). While consumers select one product, the final decision on accepting or rejecting it depends on consumers' intention. Also, many external factors have been recognized, which can affect Buying decisions (Keller, 2001). Schiffman and Kanuk (2012) stated that interest is one of the psychological aspects that has a considerable influence on behavioral attitudes. Consumer assessment of the product depends on knowledge of information about the actual function of the product, thus consumers who are interested in purchasing a product are influenced by the information received.

Consumer buying decision is a process, through which individuals or groups select, purchase, use, and dispose products. While consumers select one particular product, the final decision on accepting or rejecting it depends on several factors. Customer buying decisions described as a customer tendency to buy a brand or take an action that related to purchasing and measuring it with the level of customer possibility to purchase (Kinnear & Taylor, 1996).

Health consciousness plays a vital role during consumer purchase decision (Nor, et al., 2016; Becker, et al., 1977; Kulikovski and Agolli, 2010; Rizal and Koe, 2014). Consumers give importance to social

influence, when they make their purchases (Turner, 1991; Wan, et al., 2014; Liu, 2003; Burch, et al., 2001; Khan, 2012). Irawan and Darmayanti (2012) came-up with an interesting finding that social influence has no relationship with purchase intention of university students towards natural products. Price of the product influences consumer purchase decision (Etgar and Malhotra, 1981; Monroe, 2003; Anssi and Sanna, 2005). Consumers prefer to purchase a product, when they feel it has required value (Day, 1990; Monroe, 2003; Dodds and Monroe, 1985; Zeithaml, 1988; Blythe, 2013; Dickson and Sawyer, 1990; Chen and Chai, 2010). There is a positive relationship between trust and consumer buying decision (Teng and Wang, 2015; Nuttavuthisit and Thogersen, 2017). Previous studies showed that buying behaviour of women highly influence by herbal and cosmetic products (Rajasekaran and Marimuthu, 2018; Balasubramaniam, 2018). Mubarak and Mufeeth (2020) found that, there is a positive strong significant relationship between consumer purchase intention and perceived quality, value, price, and advertisement and by contrast perceived quality shown a significant negative relationship and also found that perceived quality, risk, price, and trust were the significant influential factor in purchasing herbal products intensively.

Methodology

This study is quantitative and descriptive in nature as it explains the relationship between the variables using numeric data. Also, this indents to investigate the causal relationship. Hence, this is probably a causal study intending to find the cause-and-effect relationship. Unit of analysis is at the individual level, the customer, who buys herbal products in Monaragala district.

Since there is no defined list of personal care herbal product users in Monaragala District, the researcher followed snowball sampling technique to select 200 customers as sample from the total population. Data were collected through standardized, structured questionnaires. Descriptive statistics, correlation analysis and regression analysis were performed to reach the objectives of this study. This is a positivism study as it used quantitative techniques and dealt with human behaviour. Mono method approach was followed in this study as it used only quantitative technique. Since data were collected within a particular period, this study is identified as a cross-sectional study.
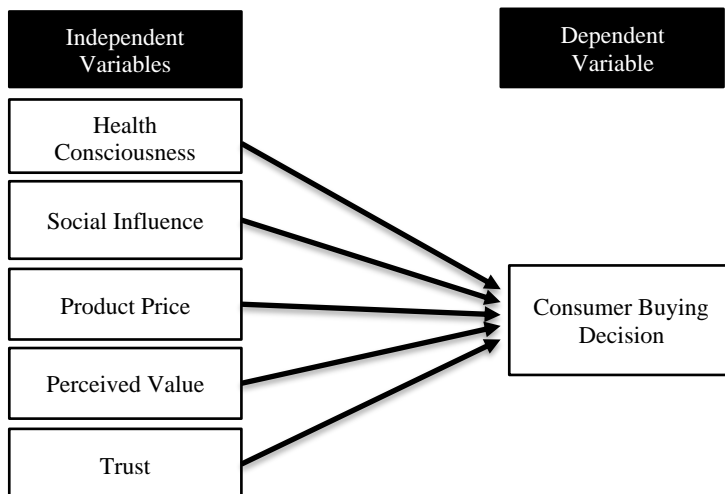

Figure 01: Conceptual Framework

Source: Developed by the researchers

Results and Discussion

Validity Test

According to Table 1, Kaiser-Meyer-Olkin (KMO) measures for health conscious, social influence, product price, perceived value, trust and consumer buying decisions are above 0.5 and the Bartlett's Tests of Sphericity are significant at 5% significant level. Based on that, it is concluded that the items which have been included in each variable contain an adequate sample and there is a significant inter item correlation between all the items of the variables. Content validity, construct validity and criterion validity also show favourable indications to ensure the higher validity of this study and its methods.

Table 01: Validity Test

Variable	KMO	Bartlett's Test Sig
Health Conscious	0.765	0.000
Social Influence	0.731	0.000
Product Price	0.752	0.000
Perceived Value	0.727	0.000
Trust	0.683	0.000
Consumer Buying Decisions	0.812	0.000

Source: Surveyed Data

Reliability Test

Cronbach's alpha values are used to determine the reliability of the variables used for the study. According to Table 2, Cronbach's alpha values of tested items are above 0.7, which shows the selected variables are sufficiently consistent to ensure reliability.

Table 02: Reliability Test

Instrument	Cronbach's Alpha
Health Conscious	0.795
Social Influence	0.805
Product Price	0.762
Perceived Value	0.720
Trust	0.749
Consumer Buying Decisions	0.831

Source: Surveyed Data

Sampling Profile

Sample profile of this study is portrayed in Table 3, which shows nearly 90% of the sample are female, because it may the reason that, female is much familiar with cosmetics. Comparatively married category is ¾ of the sample and age category between 25 to 35 is nearly ½ of the sample. Nearly 70% of the sample has the education qualification up to G.C.E A/L or above.

Table 03: Sampling Profile

Factors		Frequency	Percentage %
Gender:	Male	24	12.0%
	Female	176	88.0%
Civil Status:	Single	51	25.5%
	Married	149	74.5%
Distribution of Age:	Below 25	18	9.0%
	25-35	109	54.5%
	36-45	64	32.0%
	Above 45	9	4.5%
Education:	Up to G.C.E O/L	61	30.5%
	Up to G.C.E A/L	63	31.5 %
	Diploma	55	27.5%
	Degree	21	10.5%

Correlation Analysis

The correlation analysis is initially carried out to explore the linear relationship between independent variables (health conscious, social influence, product price, perceived value and trust) and dependent variables (consumer buying decisions). Table 3 indicates, health conscious, social influence, product price, perceived value, and trust have strong and significant positive relationship with consumer buying decisions with correlation values respectively 0.889, 0.861, 0.829, 0.850, and 0.852 at 0.01 significant level.

Table 04: Correlation Analysis

Variables	Health Conscious	Social Influence	Product Price	Perceived Value	Trust
Consumer Buying Decision	0.889**	0.861**	0.829**	0.850**	0.852**

** denotes significant level at 0.01
Source: Surveyed Data

Multiple Regression Analysis

Multiple regression analysis explains the relationship between multiple independent variables and single dependent variable. Table 4 portrays that independent variables have significant impact on consumer buying decision as a whole. It shows approximately 87 percent of variation in consumer buying decision is determined by these independent variables and the rest may be from other factors. Table 5 shows when health conscious, social influence, product price, perceived value, trust increase by one unit, consumer buying decision will increase by 0.261, 0.274, 0.136, 0.191, and 0.173 respectively.

Table 05: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F-Statistic	P-Value
1	.934[a]	.873	.869	.28194	265.967	.000[b]

a. Predictors: (Constant), HC, SI, PP, PV, T

Table 06: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	-.090	.115		-.786	.433
HC	.261	.065	.252	4.026	.000
SI	.274	.052	.269	5.241	.000
PP	.136	.047	.140	2.881	.004
PV	.191	.056	.186	3.421	.001
T	.173	.056	.168	3.074	.002

Source: Surveyed Data

Conclusion and Recommendations

The primary objective of this study is to identify the factors influencing consumer buying decision towards herbal products in Monaragala District. Findings of the study portrays that, all the independent variables, health conscious, social influence, product price, perceived value, and trust have significant relationship with consumer buying decision. Further, all the independent variables highly influence the consumer buying decision process. Among them, social influence is the most influencing factor on consumer buying decision, which indicates consumers give more importance to social influence during their decision-making process towards the consumption of herbal products. Comparatively, female and married consumers were the majority among the total respondents. Hence, these findings will be highly applicable for them in general.

Contribution of this Study

This study provides substantial facts to herbal product producers and distributors to make their effective decisions towards the aspects to be considered during their product distribution. This study highlights how to attract consumers during their decision-making process and to which features or dimensions, the organizations should give more priority during their herbal product development strategies. Marketers should insist and highlight the benefits and importance of herbal products to consumers. This study will support the future researchers by giving a meaningful insight about consumer behaviour towards herbal products in Sri Lanka and they can do their studies in a broader scale by covering more districts in Sri Lanka.

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