

Analysis of the Determinants of Repurchase Intention of Soap Products of an Agribusiness Firm in Abia State, Nigeria

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Abstract

The purpose of this study is to analyze the factors that determine the consumers repurchase intention, analyze the socio/economic characteristics of customers of Pz Cussons Nigeria soap products, determine the relationship between customer satisfactions, perceived value and branding as most major variables that influence the consumers repurchase intention. The data used for analysis were collected via questionnaire. The technique of data analysis employed were simple descriptive statistics such as means, percentages, tables and frequencies; Pearson product moment correlation and stepwise multiple regression analysis. The findings of the study showed that perceived value, brand preference and customer satisfaction are significant and positively correlated with repurchase intention. The factors affecting the consumers repurchase intention of the soap products under studied included production of low quality goods, improper use of distribution channels, lack of promotional campaign to back up the product and the use of improper pricing policy adequate for the product. It is recommended that agribusiness marketing firms should produce and market high quality products since perceived value, brand preference and customer satisfaction were major determinants of repurchase intention in the study area.

Introduction

Over the years, it has become increasingly evident that for firms in all industries to survive and grow, they must begin to meet and exceed the expectations of their most important assets – their customers. It is only through a process of understanding the customer, its needs and meeting them that the business can begin to keep and maintain its customers.

Customer satisfaction is all about keeping your customer happy with the product or service offering that you provide. “Customers do not buy what your company sells but rather what those goods and services can do for them” Le Boeuf, (2000).

Understanding customers problem and providing solutions to it helps to make customers profitable to the firm and make them feel good about the transactions as well (Oliver, 1999). As companies seek to fulfill the expectations of their specific customers they can concentrate on providing consistent values, strong brands, that will increase the satisfaction of consumers thereby increasing their chances of purchase which will also improve the economic conditions of the firm’s business.

As competition in all industrial sector grows, there are key principles that affect the viability of any firm; they include customers’ acquisition, customer profitability, customer loyalty and customer life time value. In order to accomplish this, the firm channels its resources towards creating values that will make their brands outstanding in the face of competition. Neol (1997) “The strength of a company is not solely on how to produce a given product but rather on the ability of the people within its environment and beyond to desire to use its products.

This research work is centered on studying the determinants factors that influence customers repurchase intention and the relationships that exist between these variables and the customer repurchase intention.

Review of related Literature

The success of marketing activities in a society has been narrowed down to the ability of the firm’s customers to identify the firm’s product at every point in time so as to facilitate its purchases towards such product. According to Kotler, (2002), “a brand is a name; term, symbol, design or combination of one seller or group of sellers to

differentiate them from their competitors. A brand is a systematic product strategy in which some product attributes like colour, shape, size, style etc or a combination of all, used to differentiate category of related or competitive product from another” Anyanwu (2003). “The value of a brand come from its ability to gain an exclusive positive and prominent meaning in the minds of a large number of customers (Kotler , 2001). The market may be effectively segmented through statistical analysis of brand preference and selection” (Henderson et al; 1998). Customer value gives the market a direction on how best to satisfy the customer’s needs and increase its brand preference by choosing its brand against its competitors brand (Chudy *et al*, 1993).

Many researchers have looked into the importance of customer satisfaction and considered it a worthy factor that helps to enhance customers/consumers repurchase intention of a firm’s product. Kotler (2005) defined “satisfaction as a person’s feeling of pleasure or disappointment resulting from comparing a products perceived performance (or outcome) in relation to his or her expectations”.

Hoyer and Machinnis (2001) said that satisfaction can be associated with the feelings of acceptance, happiness, relief, excitement and delight. Evans and Berman (1997) “companies with satisfied customers have a good opportunity to convert them into loyal customers – who make purchases from those firms over an extended period”. Clarke (2001) said that a business that does not focus exclusively on customer satisfaction runs the risk of becoming an undifferentiated brand whose customers believe only that it meets minimum performance criteria for category”. Long term customer retention in competitive markets requires the supplier to go beyond mere basic satisfaction and look for ways of establishing ties of loyalty that would help ward off competitors attack. Any business is likely to lose its market share, customers and investors if it fails to satisfy them as effectively and efficiently as its competitors (Anderson and Jacobson , 2000).

Understanding customers’ value position is an important management tool for improving customers’ service delivery. Value is described as a “tradeoff” between overall benefits gained and sacrifices made by the customer.

Customers repurchase intention depends on the value obtained in their previous transactions. “Knowledge of the customers segment to serve, its needs and wants how to get it done better and faster than competitors becomes an imperative task to carry out Okewu, (2005). Customers evaluate future purchase intentions based on the value obtained from previous contacts with relationship benefits being a proxy for expectations of future benefits. Repurchase intention is the individual’s judgment about repeating purchase again in the same firm (William and Auchil 2002). The reason why customers decide to choose the same service provider and purchase the same service is on the basis of their past experiences. Repurchase intention involves an individual’s judgment about the same firm that satisfies its needs and an evaluation of current service situation (McDougall and Levesque, 2002). Fornell (1992) suggested that customers repurchase intention is essentially the most important concept of in marketing. It is the core concept of customer loyalty which is generally considered to be one of the best measurements of customer constancy and it is one of the ways to examine buyer loyalty behavior.

Methodology

This study was undertaken in Abia State, in Aba and Umuahia Metropolis. Consumers of Pz Cussons Nigeria Plc soap products were sampled in both places so as to analyze the determinant factors that influences their repurchase intention. The sampling technique adopted was a non- probability sampling technique and (90) respondents were randomly selected for the study.

The instruments used for data collection were well structured questionnaires. The data gathered were analyzed using Pearson Product Moment Correlation and Stepwise Multiple Regression Analysis.

The Pearson Product Moment Correlation model is specified thus:-

$$R_{xy} = \frac{\sum_{i=1}^n (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum_{i=1}^n (X_i - \bar{X})^2 \sum_{i=1}^n (Y_i - \bar{Y})^2}}$$

Where; r = Coefficient of correlation

n = number of outcome

x = independent variable

\bar{x} = mean deviation of x

y = dependent variable

\bar{y} = mean deviation of y

The descriptive statically model is as follows

$$P(\%) = \frac{F_i}{\sum f_j} \times 100$$

Where F_i = frequency of the different responses

$\sum f_j$ = summation of the frequencies

The Stepwise Multiple Regression Model is Specified as follows

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 \dots \dots \dots B_nX_n$$

Where X = Independent variable

Y = Dependent variable

B_0 = The point where the regression linear equation crosses the Y-axis

B_1, B_2 and B_3 = Population parameters

Y = Repurchase intention

X = factors that influences repurchase intention

Y = ($X_1, X_2, X_3, \dots \dots \dots X_n$)

X_1 = Perceived value

X_2 = Branding

X_3 = Customer satisfaction

Results and Discussion

Analysis of the socio-economic characteristics of consumers of Pz Cussons soap products.

Table 1: Percentage Distribution of PZ Cussons Soap Products According to Sex, Age, and Years of Experience

Characteristics	Frequency	Percentage
Sex		
Female	49	54.4
Male	41	45.5
Total	90	100
Age		
20 – 29	26	28.8
30 – 39	21	23.3
40 – 49	22	24.4
50 – 59	17	18.9
60 – 69	4	4.4
Total	90	100
Years of Experience		
1 – 5	41	45.5
6 – 10	19	21.1
11 – 15	20	22.2
16 – 20	10	11.1
Total	90	100

The table above shows that 54.4% of the respondents are females while 45.6% of the respondents are males. This implies that majority of consumers of Pz Cussons soap products are females who are greatly influenced by change in taste and are mostly managers in the homes and they make the purchases of the type of toiletries that will be needed in the house therefore it increases their purchasing power with respect to the company's soap products.

The customers years of experience in using the product Pz is also noted in the Table 2. The range of the customers experiences are 1 – 5yrs (45%), 6 – 10 years (21.1%) and 10-11years (22.2%). The implication is that majority of the respondents which summed up to 88.8% had experience in the use of the product, and their experience in the use of the product could help them distinguish between adulterated and non-adulterated soap product which when known can enhance their confidence in the firm's brand and satisfaction gained from the products.

Table 2: Percentage distribution of Pz Cussons Soap products based on family size and level of education

Characteristics	Frequency	Percentage
Family size		
1 – 3	49	54.4
4 – 6	30	33.3
7 – 9	11	12.2
Total	90	100
Level of Education		
Primary	14	15.5
Secondary	23	25.6
Tertiary	53	58.9
Total	90	100

The table above shows that 54.4% of the respondents have within 1 – 3 household size, this is closely followed by respondents with 4 – 6 household sizes being 33.3% of the total respondents. This shows that majority of the

respondents had small family sizes which also influences their purchase decisions. This shows that if the number of individual household size increases, they will likely buy more of the firm's product.

The table equally shows that the firms' customers had one form of education or the other. However, 58.9% of the total respondents completed tertiary education. This means that they are literate enough to accept innovation and recent advancement in technology and this has a way of increasing the firm's market share if they eventually purchase the product.

Table 3: Correlation results on customer satisfaction perceived value, branding and repurchase intention of consumers of Pz Cussons Plc soap products

Variable	Satisfaction	Branding	Repurchase Intention	Perceived value
Satisfaction	1			
Branding	0.252			
Repurchase Intention	0.528**	0.348	1	
Perceived Value	0.522**	-0.158	0.208	1

Source: Field Study Survey, 2012.

** Significant at 5%

The table above shows that there is a positive significant relationship between branding and customer satisfaction. Thus, good branding can attract better patronage. This means that as customer satisfaction increases also with respect to the branding of the products. This is because branding is a distinctive and unique symbol inscribed in a product, so as to help its customers differentiate a firm's from that of its competitors and equally increase the customers drive for that particular product. The more, the effort made by PZ Cussons Nigeria Plc to improve its product and make it outstanding in the face of competition the more the customers loyalty and satisfaction is being improved.

Repurchase intention was significant at 1% and positively related to satisfaction. This implies that as customers satisfaction increases, the customers equally increases its repurchase intention and the decisions to favour the firm's product. Increase in the repurchase intention is attributed to the fact that customers derive maximum satisfaction due to the values incorporated into the product.

The correlation coefficient of 0.528 shows that there is 52.8% degree of relationship existing between customers satisfaction and repurchase intention.

Perceived value was significant at 1% and positively related to satisfaction, this means that as perceived value increase, satisfaction derived from Pz Cussons soap product also increases. The correlation coefficient of 0.522 indicates that there is a 52.2% degree of relationship between perceived value and satisfaction. This means that if Pz Cussons Plc improves the value incorporated into their product, they will enhance customers' satisfaction to a great extent which will equally increase its profitability and customer loyalty to its brand.

Table 4 A Stepwise Multiple Regression on Customer Satisfaction Variables that influences Repurchase Intention of Pz Cussons Soap Products

Variables	B	STB	B	T-Value	R ²	DR ²
Step 1						
Perceived Value	0.000	0.000	0.718	7.796**	0.516	
Step 2						
Perceived value	0.000	0.000	0.439	3.487***	0.585	0.069
Satisfaction	8.89E-055	0.000	0.383	3.042***		
Step 3						
Perceived value	0.000	0.000	0.429	3.681***	0.651	0.066
Satisfaction	9.45E-005	0	0.000	0.407	3.486***	
Branding	7.14E-005	0.000	0.275	3.222***		

Note: *** significant at 1%

Source: Field Survey 2012.

The table above shows that perceived value, branding and customer repurchase intention are statistically significant at 0.001 which is at 1% level of significance. The implication of the results of the stepwise regression analysis is that both perceived value, customer satisfaction, branding are positively significant and impactful to the customers repurchase intention. These results provided a full support for research hypotheses which stated that the variables; customer satisfaction, branding and perceived values are positively related to the dependent variable repurchase intention. This means that if the products are improved in terms of quality, packaging fragrance etc, it will enhance the customer satisfaction. These three predictor variables customer satisfaction, branding and perceived values together explain the variance in repurchase intention of the firms' potential and actual customers.

Conclusion

The study has examined and analyzed the determinant factors that influences customers repurchase intention and has shown that customer satisfaction, branding and perceived value has a significant influence on the customers repurchase intention which to a great extent improves customer's loyalty to the firm's product.

Based on this fact, it is therefore important that the management of the company takes the necessary steps to promote the brand image so as to positively influence the customers repurchase intention. It is hence recommended Pz Cussons Plc produce good quality soap products at an affordable and fair prices to increase customers repurchase intention power.

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