Effect of Price Increasement in Essential Food Commodities on Consumer Purchase Intention: A Case Study in Kuliyapitiya, Sri Lanka

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I.   Introduction

Essential food items including rice, flour, sugar, lentils, onions, chickpeas, sprats, and canned fish are not selling to consumers at a fixed price, in order to facilitate the consumers to purchase essential food items at affordable prices. Price can be defined as decided quantity requisite as payment for something presented for sale. Pricing is the procedure of formative and apply price to commodities and services. It's one of the 4 Ps of marketing (product, place, price and promotion) and it is maybe the most significant one due to that it is the only determinant that engenders income to the business organization (Riggs, 2008). Prices are strong-minded by the balance of demand and supply that set with a convinced degree of self-assurance that customers might pay it. Price is the one element of the marketing mix that produces revenue; the other elements produce costs. They also stated that purchase decisions are based on how customers recognize prices and what they think about the present real price to be. Understanding how consumers arrive at their perceptions of prices is an important marketing priority (Kotler & Keller, 2012). The economical crisis impact on consumption levels of consumer. Prior researchers concluded that a lot of consumers consider that in a few months when prices might be higher, they would have to spend more on essential requirements and therefore would have lesser resources at their removal for the purchase of popular but nonessential goods and services. Due to that reason, price increasement lead to the deferral of optional expenditures (Katona, 1974).Most of the consumers are not the same and not all the people have the same insight about a situation with unenthusiastic impacts like economic crisis. The most important factors which model the consumer's behaviour in such a situation are risk attitude and risk perception (Amalia & Ionut, 2009).

II.   Research Problem

The examination of consumer buying intention has been so extended attract a lot of academic studies due to that of its very important to businesses around the globe. By forecast consumer buying intention, a business can appreciate consumer requirements, and can effort on fulfilling the needs and gathering the prospect of their customers. This might ultimately aid business organizations to uphold their wealth and attain their long term goals. Price increasement would possibly occur to consumers' buying behaviour as a result of the global financial crisis (Nistorescu & Silvia, 2009).

When it comes to the problem, the recognition of the impact of price increasement on consumer buying intention is important to understand. That can influence on purchase intention of essential food items at supermarkets as well as other stores in Sri Lanka. The main goal of every essential food item selling company is to improve its sales and satisfaction among customers but it can never be possible without proper price settlement.

III.   Research Objectives

•   To study the impact of price increasement on consumer buying intention of essential food consumption in Kuliyapitiya-west in divisional secretariatcustomer

Specific Research Objectives

•   To study the relationship between price increasement on consumer buying intention of essential food consumption in Kuliyapitiya-west divisional secretariatcustomer

•   To study the most influential pricing factoron consumer buying intention of essential

food consumption in Kuliyapitiya-west divisional secretariatcustomer

IV. Methodalogy

This research is used the positivist research philosophy because the knowledge of the research based on natural phenomena and their properties and logical observation. This study developed hypotheses based on existing theory in the literature, and then designs a research strategy to test those hypotheses. Therefore this research follows deductive approach as a research approach. This study was designed according to survey technique (quantitative method). It was helped to analysis truthful information to achieve research objectives successfully. This is a cross sectional type research because compare different population groups at a single point in time. Findings are drawn from whatever fits into the frame. It allows researchers to compare many different variables at the same time.The super market customers (those who purchase items at super markets in Kuliyapitiya West divisional secretariat) can be considered as population of the study.Convenience sampling method used as sampling technique. The sample of 384 super market customers was chosen based on convenience sampling basis. (Customers selected based on the ease of access of the customers).

Negative emotion, price sensivity and perception of expensiveness were taken as independent variables and purchase intention was taken as dependent variable.The correlation analysis was used to describe the nature of relationship among selected independent variables and purchase intention.Regression analysis is a statistical tool for investigate and measure the quantitative relationship among the variables of impact of negative emotion, price sensivity and perception of expensiveness were on purchase intention.

Figure 1: Conceptual framework

Independent variables   Dependent variable
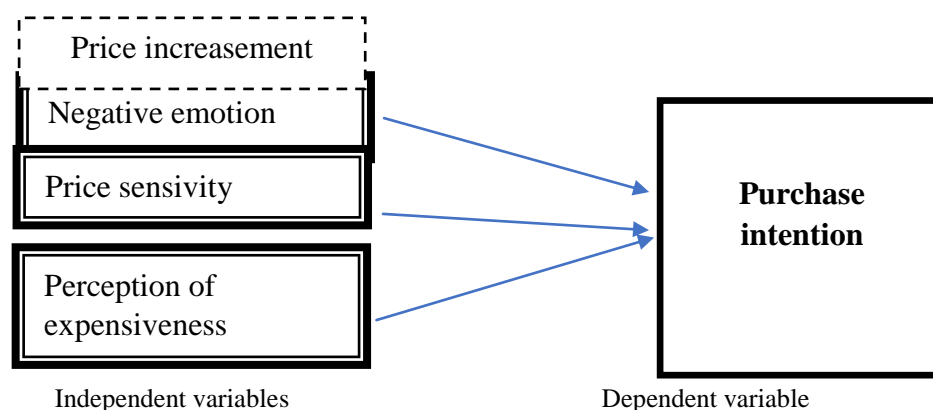
The selected individuals were evaluated by using different questions about negative emotion; price sensivity, perception of expensiveness and purchase intention(5 point Likert scale).Alternate hypotheses of the research are listed out below.

H_1: **There is significant relationship between dimension of price increasement in essential food items and purchase intention.**

H_2: **There is significant impact of dimension of price increasement in essential food items on purchase intention.**

V. Result and Discussion

Cronbach's alpha value for purchase intention, negative emotion, price sensivity, and perception of expensiveness were 0.883, 0.885, 0.803 and 0.782 respectively. Those values were greater than 0.6 (Westfall, 2021). Therefore, that showed good reliable under the Cronbach's alpha standard.All the test values were greater than the required level of 0.5. These findings mentioned that the convergent validity is satisfactory for the entire variables.Descriptive statistics; Mean value for purchase intention was 3.68 and it mostly came under disagree with the statements related to purchase intention (Mean value lied between 1.80 - 2.40).The standard deviation was 1.167. Mean rank values for the negative emotion, price sensivity and perception expensiveness were 3.68, 3.76 and 3.66 those values were mostly come under agree with those statements. (Mean value lied between 3.40 - 4.20 ranges). Therefore most consumers felt about

price increasement.Minimum and maximum rank values for all the variables were 1 and 5   respectively.

Table 1: Summary of the Correlation analysis

Independent Variable	Correlation value	Significance value	Relationship exhibit with purchase intention
Negative emotion	(-0.563**)	0.000	Moderate negativesignificant relationship
Price sensivity	(-0.541**)	0.000	Moderate negativesignificant relationship
Perception of expensiveness	(-0.585**)	0.000	Moderate negativesignificant relationship

Source: SPSS output

According to the correlation analysis, the correlation value between negative emotion and purchase intention was (-0.563**) and that was showed evidence of moderate negative relationship between those two variables. The relationship was statistically significant (Significance value < 0.05).So, the Alternate hypothesis H_{1a} was accepted.The correlation value between price sensivity and purchase intention was (-0.541**) and that was showed evidence of moderate negative relationship between those two variables. The relationship was statistically significant (Significance value < 0.05).So, the Alternate hypothesis H_{1b} was accepted.Similarly, the correlation value between perception of expensiveness and purchase intention was (-0.585**) and that was showed evidence of moderate negative relationship between those two variables. The relationship was statistically significant (Significance value < 0.05).So, the Alternate hypothesis H_{1c} was accepted.

Table 2: Summary of the Regression Analysis

Model: $Purchase\ intention = \alpha + \beta1NE + \beta2PS + \beta2PE + \varepsilon$			
	Unstandardized coefficient	t	Sig
(Constant)	5.027	26.810	.000
Negative Emotion	-.259	-3.680	.000
PriceSensivity	-.145	-1.756	.080
PerceptionofExpensiveness	-.316	-3.833	.000
Dependent variable: **Purchase Intention**			
Adjusted R Square	0.370		
F stat	77.004		
Sig	0.000		

Source: Author complied

According to regression analysis, 37.3% of variance in the purchase intention can be explained by the regression model and model was significant (significance value was 0.000). According to coefficient values mathematical model developed as follow

$$Puurchase\ Intention = (5.027) + (-0.259)NE + (-0.145)PS + (-0.316)PE + \varepsilon$$

NE   = Negative Emotion
PS   = Price Sensivity

PE   = Perception of Expensiveness

Allselected independent variables showed negative impact on purchase intention. Significance values for negative emotion, price sensivity, and perception of expensiveness were 0.000, 0.080 and 0.000 respectively.So on this base, the hypothesis H_{2a} and H_{2c} is accepted and H_{2b} rejected. The entire tolerance values are greater than 0.20. Due to that reason, all variables on the study are acted separately. All the VIF values were lesser than 10. Therefore, there is no Multicollinearity problem in study's model.

VI.   Concluding Remarks

Prior studies were taken price increasement factors (negative emotion, price sensivity, and perception of expensiveness) as influential factor for purchase intention and those studies also mentioned significant negative relationship existed between price increasement and purchase intention(Cakici & Tekeli, 2020).This research concluded that negative moderate significant relationship existed between price increasement and purchase intention.

The way consumer's process information and their familiarity with supermarket prices have an impact on their purchase intention. Consumers' price level perception and emotions toward supermarkets will affect consumers' purchase intention weakly or strongly depending on their perception toward price increasement. Understanding how price level perception changes over time helps retail managers better understand changes in consumers' behavior. Determining the impact of consumers' price sensitivity, price level perception and emotions toward supermarkets can lead supermarket managers to understand the behavioral changes and consumers' perceptions and to offer affordable products that can affect consumers' purchasing behavior by developing pricing strategies. Hence, super market operating authorities might discuss these price levels of essential food items with manufactures and suppliers and set appropriate margin might enhance the customers purchase intention toward essential food items.

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