www.ijarp.com ISSN 2456-9992 Page: 01-12

International Journal Advanced Research Publications

Case Study

Volume: 02
Issue: 08

AN INVESTIGATION OF FACTORS THAT INFLUENCE CONSUMER BEHAVIOR ON INDUSTRIAL GOODS (A CASE STUDY OF SUNGROUP OF COMPANIES, LILONGWE AREA 54, SECTOR 7)

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Article Received: 13 July 2026, Article Revised: 02 August 2026, Published on: 22 August 2026

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Doi: https://doi-doi.org/101555/ijarp.1434

ABSTRACT

This case study was carried out at Sun Group of companies in Lilongwe around area 54 sector 7. This research examined key factors influencing industrial consumer behavior within the manufacturing and commercial sectors operated by the Sun Group of companies in Lilongwe Area 54 Sector 7. This study utilized a descriptive research design, in which data was gathered from 19 employees working in procurement and 10 industrial clients using structured questionnaires together with secondary data. The findings reveal that product quality, price competitiveness, and supply chain reliability significantly drive industrial purchasing decisions, whereas brand loyalty plays a secondary role. The data was analyzed using SPSS (Statistical software packages). Findings reveal that product specifications, vendor reliability, and bulk pricing structures heavily dictate industrial purchasing decisions. Recommendations focus on strengthening logistical frameworks and optimizing pricing models to enhance customer retention.

KEYWORDS: The keywords included Consumer Behavior, Industrial Goods, B2B Procurement, Supply Chain Reliability, Sun Group, agro-industrial processing and Industrial buyer behavior.

INTRODUCTION

Industrial consumer behavior differs fundamentally from retail consumer behavior because organizational purchases are driven by formal specifications, economic utility, and long-term operational needs rather than personal impulse (Borg & Hall, 2021). Within Lilongwe's growing industrial hub of Area 54 Sector 7, companies like the Sun Group operate in a competitive business-to-business (B2B) environment. Understanding what motivates industrial buyers to select specific raw materials or industrial goods is vital for market survival and strategic growth (Ndlovu, 2023). This study focused on the factors specifically influencing the industrial goods of Sun group of Companies in Lilongwe. Mohan et al. 2022, highlighted how B2B customer service value is evolving beyond functional product quality and price. Buyers increasingly prioritize relationship quality, trust-building, and collaborative problem-solving.

Background of the study

The industrial goods sector in Lilongwe, Malawi, is rapidly evolving due to shifting macroeconomic conditions and increased competition. Historically, industrial procurement relied heavily on price and direct negotiations. However, modern buyers including both internal corporate consumers and external industrial purchasers are highly influenced by technological advancements, relationship marketing, and perceived supplier value. Sun group of Companies is a prominent business entity operating in the Lilongwe, specifically within sector Area 54. Sun group is a diversified conglomerate in Malawi with subsidiaries like Sun seed Oil, Hi-Tech Manufacturers, and Global Distributors. Their product portfolio is primarily focused on fast-moving consumer goods (FMCG) and AGRO-commodities, such as cooking oils, soaps, maize flour, soya pieces, and water (Sun Group of Companies).

Problem statement

Despite considerable investments in marketing by Sun group in Lilongwe, there remains an unpredictable fluctuation in industrial goods sales and fluctuating client retention rates. Empirical evidence suggests that when companies fail to isolate psychological and organizational factors in their target markets, client churn or customer attrition increases (Mustac et al. 2022).

Main focus was on investigating the factors which influence consumer behavior on industrial goods which led to the following specific objectives;

1. Assessing the impact of psychological factors.
2. Examining personal and demographic factors.
3. Determining the effect of marketing-mix elements.

Literature Review

Natarajan et al. 2022, Investigated the role of attitude, subjective norms, and perceived behavioral control on purchase intentions and subsequent consumption behavior. This provides a foundational framework for why and how consumers prefer one brand or product over another in the B2B or B2C space. Recent studies emphasized that modern industrial consumers prioritize total cost of ownership (TCO) over initial sticker prices (Gbadamosi, 2022). Furthermore, supplier reliability and prompt communication have emerged as core determinants of customer satisfaction in African urban industrial zones (Chisi, 2024).

Empirical evidence

Mhango 2021, explained that recent studies on African B2B markets suggest that customer-centric supply chain management and personalized service delivery significantly mitigate buyer hesitation and boost client retention. The Sheth Model of Industrial Buyer Behavior specifically breaks down how organizational factors like company size and buying task intersect with psychological factors like active search and previous experience. Mhango 2021, shared that recent supply chain literature explores how customer-centric supply chain management actively mitigates B2B buyer hesitation in developing economies. Relevant literature indicates that purchasing decisions at conglomerates like Sun Group of Companies depend on emotional/perceived value (psychological factors), demographics like income and lifestyle (personal factors), and the evaluation of the 4Ps. Empirical evidence shows that positive motivation and favorable brand perception significantly increase consumer purchase intent, while risk perception acts as an inhibitor.

Conceptual framework and hypothesis (Psychological Impact on Purchasing)

Schiffman & Wisenblit (2019), defined psychological factors as being Internal mental states that dictate how a buyer reacts to industrial products. Consumers and industrial buyers evaluate Sun Group's goods based on their perception of brand reliability and past experiences. Positive attitudes translate directly into trust and a higher propensity to buy. Psychological factors are drivers or independent variables. This study's first hypothesis is that psychological factors such as perception of product value and risk tolerance have a significant impact on the industrial goods purchasing decisions of the Sun Group of Companies. The justification of this hypothesis is that organizational buyers are driven by internal psychological mechanisms in industrial purchasing, the reduction of perceived functional and financial risk significantly dictates supplier selection.

Demographic Moderation

Kotler et al. (2021), stated that socio-economic characteristics and personal attributes dictate purchasing power and define the target market. For instance, the scale of an enterprise in Area 54 dictates the required product volume, while personal income levels shape pricing sensitivity. Personal & demographic Factors are also independent variables.

This study's hypothesis for demographic moderation is personal characteristics such as age, educational background, and occupation of buying committee members significantly influence industrial purchasing decisions within Sun Group's target market and the justification for this is Individual demographic profiles and roles within a company's buying center such as engineers compared to procurement officers dictate their purchasing attitudes and supplier preferences.

Marketing-Mix Efficacy (Getting desired results or producing the intended outcome under ideal conditions)

McCarthy & Perreault (2020), claimed that strategic pricing and clear product attributes directly stimulate psychological triggers such as perceived value, making buyers more receptive to promotions. Promotions serve as market stimuli that convert needs into purchasing action. Marketing-mix elements are controllable tactical tools that Sun Group uses to influence buyer responses. Marketing-mix elements are independent variables. This study's hypothesis for marketing mix elements and industrial buyer decisions is that pricing strategies, product attributes, and promotional activities have a significant positive effect on the purchasing decisions of industrial buyers at Sun Group. The justification for this is that tailored marketing-mix strategies effectively drive purchase intention and subsequent procurement choices in B2B environments. Industrial goods purchasing decisions are dependent variables which dictate the final behavioral intention and actual purchase act regarding Sun Group's industrial goods.

Conceptual frame work diagram

Psychological factors
-Internal mental states
Brand perception and reliability
-past experiences

Personal and demographic moderation
-enterprise scale
-Educational background and age
-occupational role

Independent variable

Marketing mix efficacy
-strategic pricing
-Clear product attributes

Dependent variable
Purchasing decision and supplier selection

Research Methodology (Design)

This study used a descriptive and cross-sectional survey design. This design allows this research to systematically observe and describe the variables exactly as they exist within the target population without manipulation (Creswell 2018).

Target Population

It consisted of procurement staff, contractors, and corporate clients of Sun Group in Area 54 Sector 7. Bhukya & Paul (2023), detailed how demographic and social study populations are selected when analyzing consumer behavior toward fast-moving consumer goods. The total accessible population was 29 relevant stakeholders (employees and active clients).

Sample Size

The sample was 29 which was determined by calculation using Slovin's formula. Slovin's formular was introduced by Leslie Kish, the formula is used to determine the appropriate sample size as stated by Smith (2018). Given the target population (N = 41)) and an error margin of (10%), (e =0.10).

Population (N = 41

Margin of Error (e) = 0.10

e = marginal error (0.10)

$0.10 \times 0.10 = 0.01$

$41 \times 0.01 = 0.41$

$1 + 0.41 = 1.41$

41 / 1.41 = 29.07

n = 29

Table presenting Sample size.

Number	Targets
18	employees
11	consumers
29	TOTAL

Data Collection

Primary data gathered using structured 5-point Likert-scale questionnaires. Secondary data was also collected using Sun Group's public records and peer-reviewed journals. Mlinde 2025, explored market dynamics and consumer preferences in Malawi using a mixed-methods approach.

Data Analysis

Statistical Package for the Social Sciences (SPSS) used for mean, percentage, regression analysis and ANOVA testing. Descriptive statistics such as frequencies, percentages, and means are utilized to summarize demographic and research-specific data (Field, 2018).

Ethical considerations

For this academic research, approval was gained from DMI St john the Baptist University which is often a mandatory step to ensure compliance with national research guidelines. This research also required permission from the organisation (SUNGROUP) including their privacy and confidentiality in consideration with publication of this research.

Findings from primary data

Product Quality

The study shows that 31.0% of respondents strongly agreed that strict adherence to product specifications dictates their choice of industrial goods from Sun Group. The demographic skew suggests that this research may primarily reflect male purchasing behaviors, decision-making dynamics, and operational preferences in the Lilongwe industrial market.

Pricing and Terms

This research study shows that 58.6% indicated that flexible credit terms heavily sway their loyalty when competing suppliers offer identical goods.

Delivery Reliability

The study shows that 10.3% rated timely delivery as the single most critical factor preventing them from switching to alternative Lilongwe-based suppliers. This was also the case for brand reputation of Sun Group. ANOVA testing was for significant differences between multiple groups in-terms of age, gender and levels of education. High regression weights on marketing strategies, emotional/psychographic variables, and discounts. These statistics allows analysts to track complex buyer patterns over time. Findings in all tables and figures validates how internal motivations and external marketing tactics drive industrial B2B purchasing.

These specific insights were obtained because demographic and functional values dictate risk tolerance, while strategic demos and pricing mitigate those risks. B2B consumers naturally seek to minimize risk. A highly reliable brand identity lowers the perceived risk of a bad investment. Sun Group must continue cultivating a strong, authoritative brand presence.

High purchase loyalty shows that buyers view Sun Group as an industry partner rather than just a vendor. An individual's educational background and job function shape their decision-making criteria, budget control, and expectations for return on investment. Industrial procurement usually requires heavy financial commitment and organizational buy-in. Test runs and fair pricing provide concrete, tangible proof of value, directly answering the buyer's functional needs. This strongly supports the extended technology acceptance model in industrial marketing, where trialability and cost-benefit ratios are the primary drivers of purchase adoption. Sun Group should maintain transparent, competitive pricing strategies while heavily prioritizing hands-on product trials. This tactile, experiential marketing lowers the barrier to entry and builds buyer confidence.

Findings from secondary data

For the first research objective, industrial buyers for and within Sun Group prioritize risk mitigation over novelty. Trust in a supplier's track record, warranties, and post-purchase support heavily dictates decisions to secure daily operations. Buyer motivation revolves around total cost of ownership rather than impulse. Decision-makers are motivated by long-term capacity planning and the optimization of input materials.

Regarding the second research objective, decisions rarely fall on one person. They are distributed among users, influencers like engineers, buyers or procurement, and deciders like executives. Each demographic's role alters the criteria; while the factory manager focusses on the machine output, a procurement officer focus on the price. The demographic makeup of engineers, technicians, and quality control personnel shapes purchasing. Because these influencers have high technical literacy, they require hard data and performance metrics to approve a purchase.

For the third research objective, price sensitivity is high for raw materials and packaging. However, buyers accept premium pricing if the product lowers long-term operational and maintenance costs. In manufacturing and industrial goods, technical performance, durability, and standardization are the most significant selection criteria. Test-run availability and physical product demonstrations are critical to validating product quality before adoption.

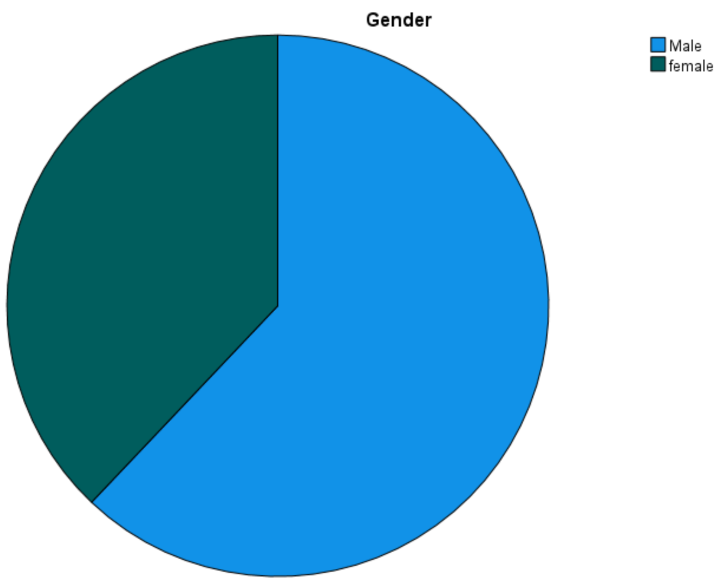
Unlike B2C (business to consumer) markets, B2B promotional strategies rely on personal selling, direct B2B marketing, and trade shows rather than mass media advertising. Developing a positive supplier reputation and offering value-added services are more effective in securing contracts.

All diagrams from findings

Gender of respondent table

Gender	Frequency	Percentage
Male	18	62%
Female	11	37%
Total	29	100%

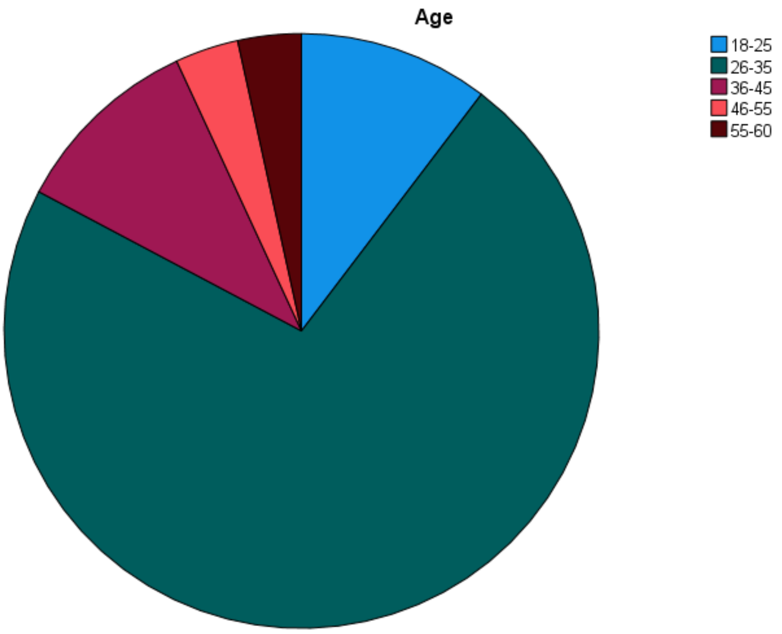
Gender of respondent pie chart graph

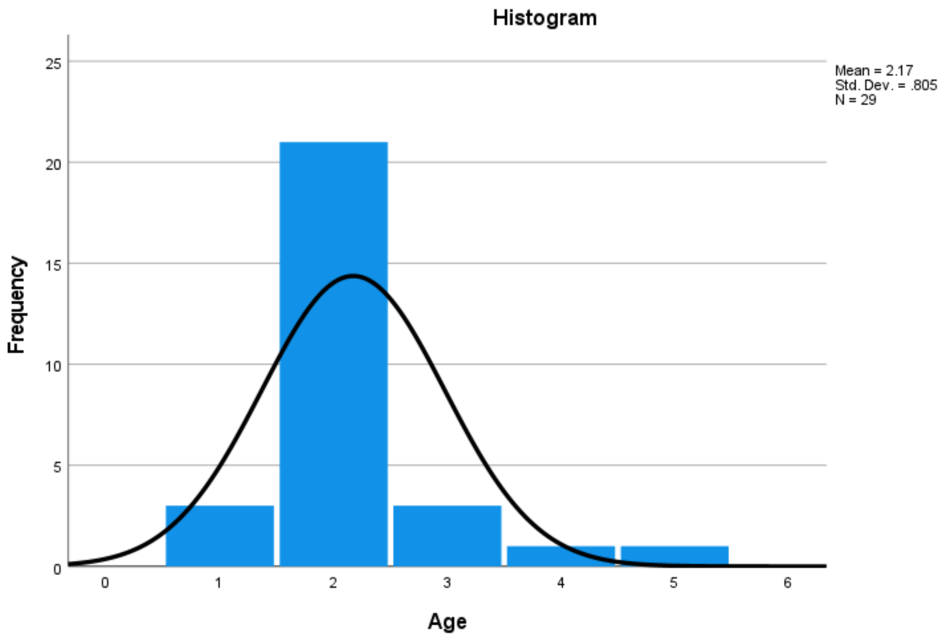


Age of respondent table

Age Range	Frequency	Percentage
18 – 25 years	3	10.3%
26 – 35 years	21	72.4%
36 – 45 years	3	10.3%
46 –55 years	1	3.4%
55 – 66 years	1	3.4%
Total	29	100%

Age of respondent pie chart graph

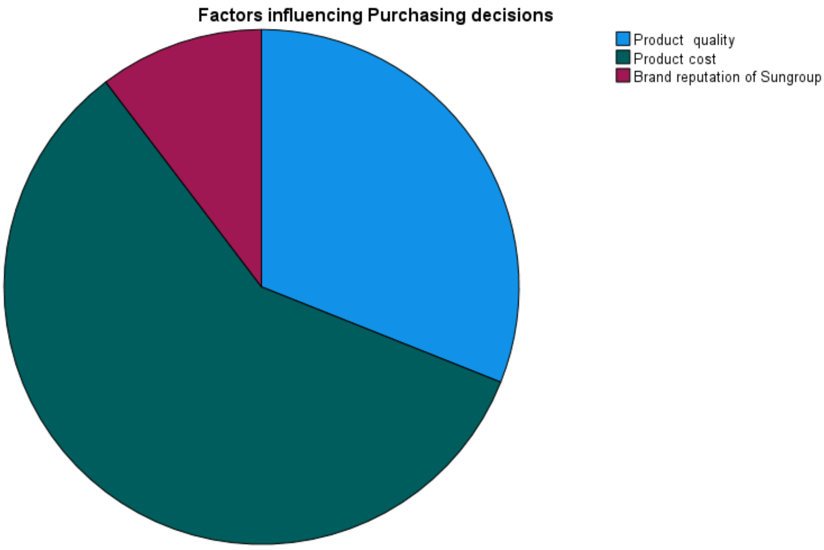




Histogram showing age

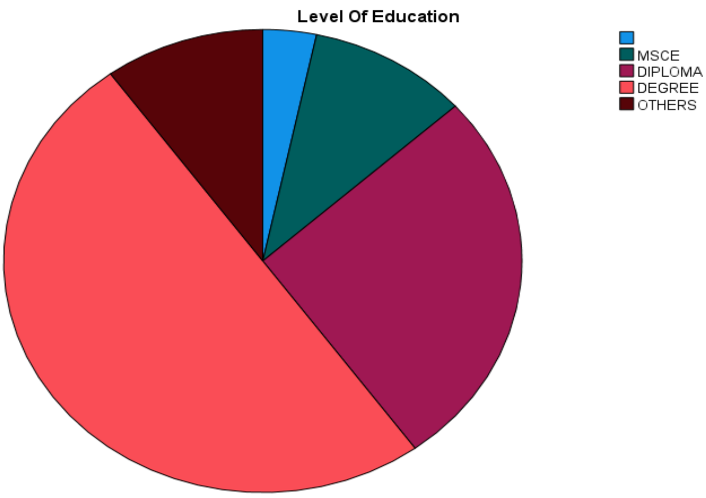
Table showing factors affecting purchasing decisions or consumer behavior.

Factors affecting purchasing decisions	Frequency	Percentage
Product quality	9	31.0%
Product cost	17	58.6%
Brand reputation of Sun Group	3	10.3%
Total	29	100%



The education background has an impact on the quality of data provided for the study and the findings are as provided in table below

Levels of Education	Frequency	percentage
Degree	15	50.0%
Diploma	8	26.7%
MSCE	3	10%
Other	3	10%
Total	29	100%



Pie chart graph of level of education.

Interpretation of findings

Industrial consumer behavior is primarily utility-driven, anchored on consistent product quality and predictable delivery timelines. Price flexibility and favorable credit arrangements serve as decisive competitive advantages. Interpersonal relationships and technical support provided by vendor sales teams reinforce long-term B2B retention.

Recommendations

Sun Group should upgrade its local warehousing in Area 54 to maintain higher buffer stocks, minimizing stockouts and delivery delays.

Management must introduce tiered volume discounts and structured credit windows for high-volume industrial contractors.

Technical sales training should be enhanced to provide buyers with better on-site consultation and product customization options.

CONCLUSION

Industrial consumer behavior at the Sun Group is governed by pragmatic operational demands where quality assurance, reliable delivery, and fair pricing outweigh emotional brand attachment. By refining supply chain efficiency and payment terms, the company can secure a stronger competitive position in the Lilongwe industrial market.

Acknowledgements

This research was conducted by Mayamiko Sefasi under the supervision and guidance of Mr Benjamin Mwakilama and Mr Madalitso Mukiwa. Acknowledgement also goes to DMI-ST JOHN THE BAPTIST UNIVERSITY and SUNGROUP OF COMPANIES for allowing the conduction of this research and its publication.

About the author

Mayamiko Sefasi is a dedicated student at DMI-ST JOHN THE BAPTIST UNIVERSITY and currently pursuing his bachelor's degree in business administration. His research concerned factors influencing consumer behavior on industrial goods in Malawi. Apart from academics he writes and draws comic book magazines, musician, film actor and practices philanthropy**.** This data can be made available upon reasonable request of the researcher.

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