Implication

Business, Marketing

ANOVA ANOVA The first ANOVA test is used to determine whether LIDL and Kellogg breakfast bread is a good value for money. The testis whether consumers would still buy LIDL and Kellogg breakfast bread if a product as good as the two was introduced into the market. The first aspect of the test is the significant figure. This figure is used to determine whether or not the model in question is meaningful and worth interpreting. The significant figure, in essence, determines whether the entire ANOVA table is valid with reference to the suitability of the model. In this instance, the significant figure is 0. 002 indicating that the model in question is indeed worth evaluating. We then proceed to the f test.

In this instance, we are terming two hypotheses. The null hypothesis is that the other brand will be referred to LIDL breakfast bread and Kellogg breakfast bread. We test this null hypothesis against an alternative hypothesis. In this instance the alternative hypothesis is that irrespective of the addition of a new brand of breakfast bread into the market, many consumers stay loyal and prefer to purchase LIDL and Kellogg breakfast breads. The scenario can be presented as follows:

H0: new breakfast bread is preferred to LIDL breakfast bread and Kellogg breakfast bread

HI: LIDL breakfast bread and Kellogg breakfast bread remain popular irrespective of new additions into the market.

The computed F value is 5. 004. This f value is compared to the tabulated f value at 3 and 156 degrees of freedom that are the regression and residual sums of squares. Indeed, the computed f value is greater than the tabulated f value at the r= 0. 05 level of significance. This means that at the r= 0. 05

level of significance; we reject the null hypothesis and conclude that irrespective of new additions to the market, LIDL and Kellogg bread remain most popular. This is affirmed by the t-test that concludes that Kellogg and LIDL breakfast breads are good value for money and that they are reasonably priced.

The second ANOOVA table is used to test bread preference from the perspective of quality. We have a significant figure of 0. 03 indicating that the model is indeed valid and worth evaluation.

The two hypotheses being tested are that a new bread of the same quality as Kellogg and LIDL would not be preferred to an alternative a new bread with the same features as LIDL and Kellogg would be preferred. This can be presented as follows:

H0: LIDL and Kellogg bread are preferred irrespective of addition of new bread with the same features into the market

H1: New bread with the same features will be preferred to Kellogg and LIDL bread.

At the r= 0. 05 level of significance, f tabulated is greater than f computed hence we fail to reject the null hypothesis and conclude that LIDL and Kellogg breakfast bread perform consistently irrespective of new additions to the market.

The t-test also confirms that LIDL/ Kellogg breakfast bread will perform consistently irrespective of quality. The conclusion is that the population is more concerned about price than quality.

Reference List

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