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Key Factors in Making a Purchasing Decision

Buying behaviour among students

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ABSTRAKT

ABSTRACT

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1 INTRODUCTION

Whenever we buy a product or service, we make a purchasing decision. That decision can be planned or spontaneous, and the decisions are based on key drivers or factors. They are different for each person and the professional term used for this phenomenon is consumer behaviour.

Consumer behaviour is a very broad term that is used to describe the behaviours of consumers. It measures and answers the questions what, how, how often, and why. For the average consumer this means very little as it is not something that most people think about, but it impacts everyone's daily life.

Consumer behaviour is a complex field of study and includes several different areas such as economics, advertising, psychology, marketing, anthropology, and sociology. Each field contributes to the understanding of consumer behaviour. Studying or understanding consumer behaviour can be useful for businesses, students, and entrepreneurs to mention a few.

For businesses and stores, having an idea of how consumers think gives them an advantage because they can then influence or impact how a consumer acts, to some degree. It can impact everything from the way that they price their products, the type of advertising they use, to how their store is decorated.

1.1 Research problems and objectives

The objective of this thesis is to understand what key factors students consider when making a purchasing decision. The reason behind this is that the research about student consumer behaviour is limited and understanding their consumer behaviour would be beneficial.

There are a few research problems that the author of this thesis hopes to address. First of all, the research concerning students' consumer behaviour is limited and

with this thesis the aim is to expand the knowledge into that field. It should be acknowledged that the thesis will only have a small research area and thus not be a complete picture of what the average student thinks. Secondly, the understanding of the priorities of students is minimal and having that knowledge could help with marketing towards students.

1.2 Aim of thesis

The aim of this research is to understand the key drivers in making a purchasing decision. At the end, the author hopes to understand why a consumer purchases a product and what factors they consider. This study will mostly focus on factors that consumers consider pre-purchasing, and the post-consumer behaviour will be relatively minimal. Pre-purchasing includes the key factors that one considers, and post-consumer behaviour includes how one feels after purchasing the product and how it impacts the consumer.

The focus will be on students between the ages of 20-30 years old. The reason behind this is that students typically have a lower income. In Finland the average student who does not live with their parents have a monthly income of 1475,8€ (EU-ROSTUDENT VI, G.7, 2017) compared to the average income of a worker 3 079€/month (Statistics Finland, 2018). A lot of research about consumer behaviour focuses on people with a steady higher income. A “low income” consumer or “poverty risk” consumer is someone who earns 1 250€/month (Stat, 2018) which is not much lower than the amount that the average student earns per month.

The key questions that this thesis will focus on are:

1. What are the key drivers that a student considers when purchasing a product?
2. How “in control” are they of their behaviour? How much does impulse buying play a role in their purchasing behaviour?

3. What do they consider as novel items or treat items?

1.3 Limitations and restrictions

The empirical study will be conducted through a qualitative interview based on the theoretical study. This is done because a qualitative study is the best option when it comes to gathering behavioural and emotional data. With a qualitative study, you get detailed information however, the amount of responses is significantly less than in a quantitative study. A more in-depth explanation is done in the “research method” section under the “research methodology” chapter.

The study is restricted to the Vaasa area in Ostrobothnia, Finland. This is because of two reasons. Firstly, focusing on one area will make it easier to find respondents and conducting the interview can be done in person. Secondly, Vaasa is home to five universities and universities of applied sciences and every fifth resident is a university student (City of Vaasa, 2020), which is a significant amount for the city.

At the time of writing this thesis, the Covid-19 pandemic is happening and restrictions to everyday life has been implemented. Because of this, the interviews will be completed online through video or audio chatting. This will lead to some interpretation challenges, as most of the non-verbal communication will be lost or harder to interpret. However, if the interviewee feels comfortable then the interview can be done in person as long as proper safety precautions are taken.

1.4 Outline of the research

In the introduction chapter the research problems and objectives, aim of the research, and limitations and restrictions are discussed. In this part the reader will get an insight in what the thesis will contain and the direction it will take as well as a short introduction into the topic of consumer behaviour.

In the theoretical research part, we will look at theoretical research regarding consumer behaviour focusing on Maslow's hierarchy of needs, emotions, brand loyalty, impulse buying, sustainability, and pricing. The different sections will explain the concept as well as how it is relevant to this thesis.

Based on the theoretical part an outline of a questionnaire will be made and it will serve as the base for the interviews. Since this is a qualitative research with in-depth interviews, a fully structured questionnaire would be a hinder and therefore the author decided to make topics that they will discuss with the interviewees. This has been discussed in more detail in the chapter "Research methodology".

After the interviews, a discussion and conclusion will be made based on both the theoretical part and the result from the research. Based on that suggestions for further research will be made and thus concluding this thesis.

2 CONSUMER BEHAVIOR

2.1 What is consumer behaviour?

Consumer behaviour or consumer psychology is a field of study that aims to understand why we consume the way we do, what factors impacts our decisions, and how it affects us after consumption. Consumer psychology is an interdisciplinary area and includes economics, advertising, psychology, marketing, anthropology, and sociology. The most researched areas are tied to how manufacturers, advertisers, and marketers can influence consumers decision to purchase a product. (Jansson-Boyd, 2010)

According to Solomon et. al (2012) anyone can be a consumer from children wanting a doll to big companies looking for materials. The things that can be consumed ranges from tinned goods to massages and other services. If you pay for it, it is considered as consumption.

People consume every day. Understanding why is an important part of consumer psychology as is understanding the effect it has on us. Research into this topic is essential as it helps to understand consumers and helps in many areas of business. Since consumer behaviour is such a broad research field this paper will focus on a few aspects such as Maslow's hierarchy of needs, emotions, brand loyalty, impulse buying, sustainability, and pricing and their effects on consumer behaviour.

2.1.1 Consumer decision making process

The consumer decision making process is typically described in five stages: problem recognition, information search, alternative evaluation, product choice, and post purchase behaviour and disposal.

Problem recognition is the stage that initiates the consumer making process. It is when the consumer recognises a need, problem, or lack of something in their life.

The next stage is information search and that is when the consumer looks for information that might solve the problem. Based on the previous stage it leads to the third stage which is alternative evaluation. This is where the consumer evaluates the different options. Next is product choice and that is when the consumer chooses the product and purchases it. The last step is post purchase behaviour and disposal. This is when the consumer evaluates the purchase and sees if it satisfied the needs and problems. (Bakshi, 2012)

2.2 Maslow's hierarchy of needs

Maslow's hierarchy of needs is a theory within psychology that looks at the needs of an individual and how they are prioritized. Abraham H. Maslow published an article in 1943 titled "A Theory of Human Motivation" where he explained the hierarchy.

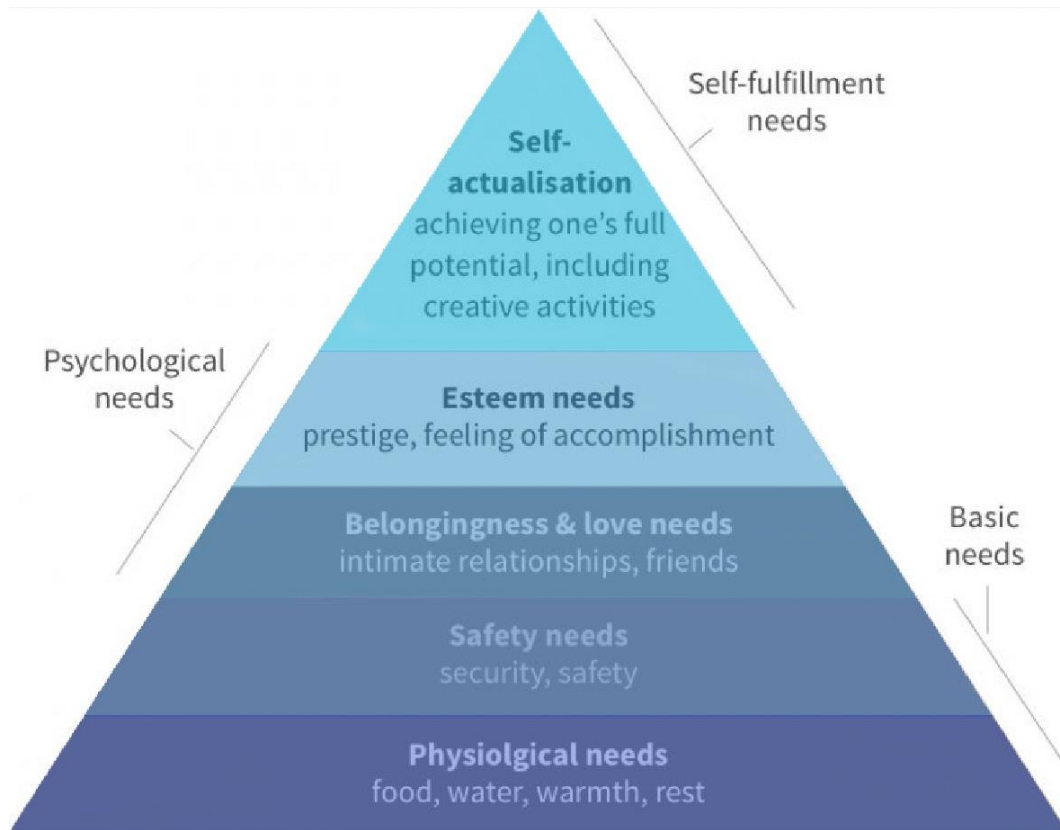


Figure 1: Maslow's hierarchy of needs

The different needs are typically depicted in a pyramid form where the need closest to the ground is the most important and continues up, as seen in figure 1. The first tier is physiological needs. This includes as a place to sleep and food to eat. Second is safety and security this includes health, family, social stability. Third is love and belonging. It includes friendships, intimacy, and a sense of connection. Fourth is esteem which consists of achievement, confidence, and a need to be unique. Lastly, is self-actualization. This includes meaning, morality, creativity, and inner potential. Maslow theorized that few reached the self-actualization step. To put it simply, each step or tier must be fulfilled before moving on to the next one. (Noel and Forsythe, 2003)

How can this be applied to a consumer perspective? If we think according to Maslow's theory then food, clothing, necessities and shelter are the first priorities for an individual. The rest is an added extra to our daily lives. This also implies that

if the basic needs cannot be met that everything else is irrelevant. If you can barely afford to buy groceries for the week then you are not going to spend money on anything extra.

However, according to Pitta, Subrahmanyam, and Thomas Gomez-Arias (2008) the tiers have specific products attached to them. Physiological needs include food and nutrition, energy, housing, and water/sanitation. Safety and security include transportation, health service, financial and banking, and basic education. Love and belonging include information technology and marketplaces. Lastly, self-esteem and self-actualisation include personal hygiene, clothing, household appliances, and cultural entertainment and sports. In this research they suggest that the structure is not necessarily hierarchical but divided throughout. They add that social capital, family systems, cultural differences and compensatory consumption might explain the change in the structure.

To recap, Maslow's hierarchy of needs explains how the needs are categorised and prioritised. If the needs are not met, then it stops at that level. However, when it comes to the basic needs of the consumers it might not be as easy. Each tier or category has items that one needs to live a relatively happy life. To say that the structure is strictly hierarchical would not be accurate.

2.3 Emotions and buying behaviour

Consumers are emotional because people are emotional. Understanding how that affects consumer behaviour is both interesting and necessary. Emotions are a big part of us, and they impact every decision and action in our lives. Most of us would like to think that we are rational and not ruled by our emotions but that is only partly true.

Before the 1990s researchers argued that consumers are rational when it comes to their decision-making process. However, researchers in the past 30 years have argued against that and say that consumers are not rational, and emotions impact our decision-making process. Since then it has become a popular topic to research and the amount of research has significantly increased. (Jansson-Boyd, 2010, P. 69) Now it is said that emotions can be considered as one of the leading drivers towards consumption (Soodan & Pandey, 2016).

According to Jansson-Boyd (2010, p. 73), emotions impact areas such as recall and information gathering. It has been found that people who experience a happy mood retain more information, on both positive and negative aspects, and have an easier time recalling stimuli. On the other side, people who have a negative mood retain less information and are more likely to remember the negative responses. This also indicates that consumers in a happy mood is more likely to purchase or regard products in a positive manner.

Also tied to emotion is the concept of therapy consumption. Some consumers who experience negative emotions might engage in activities to lighten their mood which can be through consumption. It could be by buying self-indulgent gifts or food, listening to music, or watching television. It does not matter what type of consumption they engage in as long as they believe that it will lighten their mood. This offers an opportunity for marketers to market their product as “brining happiness”. (Jansson-Boyd, 2010; Muruganatham et. al,2013)

Since a positive experience or mindset among consumers might lead them to buy more or regard a product in a more positive light, influencing the consumers can be useful. One way to influence the consumers mood in store is called “atmospherics”. The term was first used by Kotler (1973), he suggested that consumers are influenced by more than just the product. Packaging, image, advertising, and store atmosphere played a big role in influencing the consumer. It can be seen today with stores playing music, having a specific scent, or aesthetic decorative look. Berman & Evans (1995, as cited by Jansson-Boyd, 2010, p. 76) outlined four categories:

External variables, interior variables, layout and design variables, and point-of-purchase (POP) and decoration variables. External variables are things like where the store is placed, the amount of parking, and general look of the area. Interior variables include store set up, music, and lighting. Layout and design include placement of furniture, design layout, and how equipment and waiting areas are placed. POP and decoration variables include price displays, decorations, pictures, and product displays. The most researched category is interior variables as it includes: music, lighting, scents, flooring, colour schemes, cleanliness, and temperature. (Jansson-Boyd, 2010, Muruganantham et al, 2013)

In summary, emotions impact customer decision making. Positive emotions lead to more information gathering and recall on both negative and positive aspects. Atmospheric also plays a big role in how the consumer feels in the moment and has an impact on their emotions. A happy consumer may purchase more and have a more positive thought about the store or brand.

2.4 Brand loyalty

Brand loyalty can be defined as a consumer repeatedly using or purchasing a product or service (Jansson-Boyd, 2010, p. 131; Mao, 2010). It is something that brands strive to achieve and an understanding in consumer behaviour relating to brand loyalty is essential. Brand loyal consumers usually perceive the brand as different from others in a positive light (Odin, Odin & Valette Florance, 2001, as cited by Jansson-Boyd, 2010). Brand loyal consumers are more likely to repeatedly purchase a product as well as branching out to other products that the same brand offers. Researchers argue that true brand loyalty is different from spurious loyalty which is driven by situational circumstances such as convenience and price (Dick and Basu, 1994; Kumar and Advani, 2005, as cited in Iglesias, 2011).

The reason consumers become brand loyal is difficult to pin down as each consumer has different needs and values. In other terms, the brand satisfies a need that the

consumer has but determining if it is of practical nature or psychological fulfilment can be difficult. (Jansson-Boyd, 2010, p. 143; Solomon, 2012). If a consumer has a good brand experience then that might lead to brand loyalty (Brakus, J. Joško, et al, 2009).

Brand loyalty can be categorised into four different categories: captive, convenience seekers, contented and committed (Rowley, 2005, p.574, as cited by Mao, 2010). Captive loyalty refers to when a consumer repeatedly purchases a brand's product because of a lack of other options. That could be because of a lack of variety or because of the price. Convenience seekers look for how convenient the product is but does not necessarily think about the brand itself. Contented consumer likes the brand itself but will not go out of their way to consume more than necessary. Committed consumers are the ones who like the brand and actively look for more products or services related to that brand. (Mao, 2010) One of the goals for a brand is to understand what category your consumers are in and how to influence them towards a committed consumer.

In summary, consumers who repeatedly purchase a brand can be considered to be brand loyal. However, the reason behind the consumption might be different and knowing what category your consumers are in could be very beneficial for your brand.

2.5 Impulse buying

Impulse buying can be described as a strong urge to buy something and it is unplanned and spontaneous (Muruganatham et. al, 2013). Han et. al (1991, as cited by Muruganatham et. al, 2013) classified four types of impulse buying: Planned, reminded, suggestion, and pure.

Planned impulse buying can refer to when the product is decided but the brand is undecided. For example, you go to the store to buy pasta, but you do not know what

brand you are going to get and that will depend on what is available in the store. Reminded impulse buying is when you do not plan on getting the item but once you see it you are reminded that you need it. An example can be that you walk past the tomato sauce and remember that you need it for the pasta. Suggestion impulse buying is when you are not familiar with the product and once you see it you feel a need to buy it. For example, there is an offer for a new type of cheese that works exceptionally well with pasta. You did not intend to get cheese, but the new type looks so good that you buy it just to try it. Pure impulse buying has nothing to do with the regular or normal purchases and can be considered as novel. That could be grabbing a chocolate bar at the till just before you pay because you want to treat yourself.

Impulse buying can be prompted by external and internal stimuli. External stimuli come from the atmospherics of a store and the use of sales or discounted prices. Internal stimuli come from a consumer's feelings and experiences. Some researchers say that impulse buying comes from a negative headspace and is used to improve one's mood or satisfy one's need. (Muruganatham et. al,2013)

In summary, impulse buying is something that happens in the moment and is not planned. There are different types on impulse buying but they all have something in common and that is that it is hard to predict if a consumer will buy the item on impulse. There are different ways of influencing impulse buying and those are the different deals, sales, atmospherics, and salespeople involved.

2.6 Environmental aspects

Although not the most researched area of consumer behaviour the environmental factor has become more and more popular for consumers. There are different areas under the term environmental issues and this section will go into more in-depth explanations.

2.6.1 Depletion of natural resources

The earth has a limited amount of resources and the modern consumption is putting a heavy toll on what we have. Forests and oil are resources that are rapidly decreasing as well as other resources. Oil is used a lot for transportation and other reasons such as heating. Deforestation is also a major concern as forests are being cut down to produce paper. The amount of paper that we consume is huge and most of it is discarded thus creating tons of waste. Deforestation is also caused by other factors such as farming land, replantation of other crops, cattle land, construction, and other factors. This is not good as forests create oxygen, shelter animals, and helps absorb carbon emissions. (Jansson-Boyd, 2010)

This might impact consumers to be more mindful of what they decide to consume or lead them to look for alternatives. This is where labels like “ethically sourced” or “sustainably sourced” can play a big role in how the consumer acts.

2.6.2 Sustainability

Sustainable products, eco-friendly products, and sustainably sourced have been the newer focus point of consumers. It can be defined as ‘using the world’s resources in ways that will allow human beings to continue to exist on Earth with an adequate quality of life’ (Oskamp, 2000, p. 496, as cited by Jansson-Boyd, 2010). Sustainable consumption is not necessarily about consuming less but to consume in an efficient manner.

Using renewable resources is highlighted in sustainable consumption as they are renewable and will continue to exist if consumption is regulated. On the other side, oil is not a renewable source and once that has been used up there will not be any left. Therefore, it is important to manage our resources efficiently so that we will not run out. (Jansson-Boyd, 2010)

Sustainability also ties to purchasing items of higher quality so that they will last longer and therefore avoid unnecessary consumption. It also saves money in the

long run. (Iannuzzi, Al, 2010) On the other hand, second-hand buying has become more popular as a way of being more mindful with the things you are consuming. Second-hand stores and charity stores offer used products in good condition for a fraction of the original price. Not only is that good for the wallet but you are reducing the amount of new consumption. Online trading sites gives the consumers the chance to trade their items for something else and leaving the monetary aspect out.

To summarise, the demand for sustainable products are increasing and so are the different ways of obtaining them. Outside of traditional stores there are other ways of purchasing items that are perceived as a more sustainable way such as second-hand stores, charity shops, and trading sites.

2.6.3 Recycling

Other behaviours tied to sustainable consumption is how the product is disposed of when it has been used up or broken. The demand for greener packaging and recycling has increased in the past years. (Iannuzzi, Al, 2010) In Finland we are exceptionally good at recycling paper and plastic according to a statistic found on Stat.fi (OSF, 2020) It showed that 0 tonnes of paper and cardboard waste ended up in landfill and only 559 tonnes out of 21 949 tonnes plastic waste ended up in landfill. This indicates a high rate of recycling and conscious thinking when it comes to disposing of products.

In summary, recycling is a big part of the Finnish consumers lifestyle as it has such a big emphasis throughout day to day activities and recycling stations are clearly labelled and easily accessible. (Weaver, 2013) Therefore, if the packaging or product is made in a way that makes it easy to dispose of or in a way that uses less materials, it might give an advantage when it comes to selecting one product over another.

2.7 Pricing

Pricing is a subject that includes many different areas of research such as marketing, consumer behaviour, and finance. Depending on the type of information you want about pricing the different research areas will vary.

Consumer surplus refers to the difference of what a customer is willing to pay and the actual price in the store. If the actual price is lower than the price the customer is willing to pay, then the customer reacts in a positive manner. To illustrate, Jack goes to the store to buy some milk and is willing to pay 1,50 € for one litre. Once he gets to the store, he sees that the actual price is only 1€ for one litre. He will be happy that the price is lower and therefore be happy to purchase the product. This means that the surplus is 0,50€. A positive surplus means that the customer is happy. On the other hand, if the price for one litre of milk 2€ then he might react in a negative way and reconsider if he really needs milk. The next time Jack goes to the store he will expect the milk price to be 1€ and that becomes the price he is willing to pay. (Marburger, 2015)

Based on the example of consumer surplus it leads to another concept called diminishing marginal utility which states that with each purchase the utility (happiness) decreases. With each purchase the customer gets less satisfaction from it and therefore the less a customer is willing to pay for the same product again. (Marburger, 2015; Kenton, 2020)

One “rule” or concept that is generally accepted is that if the price is high that the demand will decrease. On the other hand, if the price is low the demand will increase. The quantity that a customer is willing to purchase depends on many factors such as change in income, changes in price expectations, change in tastes and preferences, and change in the complimentary goods or substitute products. (Marburger, 2015)

The price itself plays a big role in the decision to purchase something. For lower income consumers the price plays a big role when it comes to grocery shopping according to an article by Steenhuis, Ingrid HM, et al. (2011). In the article they authors suggest that low income consumers are more sensitive to price as well as other pricing strategies such as discounts, “buy one, get one free or half off”, and bonus systems. Additionally, they mention that people with a higher income are less likely to pay attention to price when it comes to groceries or other items.

To summarise, behaviour around price and pricing strategies are different depending on the expectations you have and your income. Consumer surplus and diminishing marginal utility are concepts to keep in mind when it comes to pricing products. Each concept relates to how a consumer perceives the price and its value and that can be difficult to influence. A more direct way to influence consumers is through deals and the price of the product.

3 RESEARCH METHODOLOGY

3.1 Research method

There are many ways of collecting empirical data. Empirical means that the data is gathered through experience or observation. There are two ways of collecting empirical data and they are through a quantitative or qualitative study.

A quantitative study can be done in many ways such as through polls, surveys, or by manipulating pre-existing material. The important factor is that the information is objectively measured and analysed using a mathematical, statistical, or numerical method. The quantitative research emphasises the amount of data that you collect and is used to determine what a demographic think. When collecting the data yes/no or scale rating questions are asked and through that you can draw a conclusion. The benefits of doing a quantitative study is that you get a more accurate result of what the chosen respondents think. It is also relatively easy to interpret the results and many programs exist to help with that. The downsides to quantitative research are that it is harder to get in depth responses or additional information from the respondents. (USC Libraries,2020)

Qualitative research is used when looking at data that is not measured by amount, frequency, intensity, or quantity instead they focus on subconscious feelings such as emotions or consumer behaviour. This can be done by text analysis, focus groups, and in-depth interviews. The positives with qualitative research are that you get a deeper understanding of what you are researching as it allows for flexibility and added questions. The downsides are that it can give you a limited or narrow understanding as it usually has fewer respondents. It can also take a lot of time to do everything that is included in the whole process. (USC Libraries,2020)

For this research, a qualitative research is chosen because it is the best method of gathering the information needed as it is behavioural and emotional data. Getting

the detailed results needed would be significantly harder with a quantitative research as it is more restrictive with the answers. Additionally, the qualitative method was chosen because it gives the respondents a chance to elaborate and explain their answers.

The method chosen is a semi-structured interview. Semi-structured referred to an interview where there are not a strict set of questions but topics to discuss. This means that the topics discussed will vary and be mostly determined by what the respondent talks about. The duration is recommended to not be longer than an hour to not fatigue both the interviewer and interviewee. In a semi-structured interview, it is recommended to have questions that you can use to spark conversation or use as backup in case the conversation runs dry. It is recommended to have the questions in an order of priority as there is a possibility that not all questions will be asked. (Adams, 2015)

The reason this method was chosen is because it allows for in-depth and follow up questions to be asked based on the answers given by the respondent. It is also a good way of collecting behavioural and emotional data. The interview will be recorded and transcribed for optimal analysis of the responses.

3.2 Questionnaire construction

Constructing the semi-structured questionnaire started with creating five sections that relates to consumer behaviour. Each section has a couple of questions relating to that topic. Each section's questions are based on the theory presented in the theoretical part. A specific part may have a stronger connection to a certain theory and that will be explained further on.

The first section deals with demographic questions such as age, income, living situation, and their education. This is to get an overview of who the respondent is, and

the data will help in understanding the responses later. This section is not based on any of the theory presented but is an important part of the questionnaire.

Section two is titled “Grocery habits pre- purchasing behaviour”. The questions here ties to the pre-purchasing behaviour and includes questions like how often they go to the store, if they have a grocery list, and if they critically think about their shopping habits. This is to get an understanding on how they view their purchases.

Section three is the “grocery habits in the store” and includes questions like what factors they consider, if they have preferred brands, and if they stray from their grocery list. This is to understand what they are influenced by in the store and how deals, atmospherics, and impulse buying affect their behaviour. The questions tie to the theory in the section’s impulse buying, brand loyalty, and emotions.

Section four deals with “non-grocery purchases”. The questions here ties to the factors they consider when making a purchase of higher value. This is to see how their behaviour changes when a bigger purchase is involved. The theory the questions are based on here is from the section’s environmental aspects and Maslow’s hierarchy of needs.

Section five is dedicated to other questions tied to purchasing behaviour that does not fit within the other sections. This is also where the respondents will have an opportunity to bring up topics that were not discussed in the other sections.

3.3 Data collection

The data was collected in a two-and-a-half-week span from the 9th of September to the 24th of September. The total amount of responses was 6. The aim was to get 8-10 responses but due to the circumstances and despite the researcher’s best efforts

only 6 respondents were found. The data was collected by doing an interview via phone with five of the respondents that was recorded and later transcribed for easier interpretation, one interview was done in person. The reliability and validity will be discussed in greater detail later. The average time for the interviews were 20 minutes.

3.4 Reliability and validity

Reliability refers to the consistency of the results. If the same questions were asked again to different individuals that the outcome would be the same. Validity refers to the trustworthiness of the outcome, how accurate the study was conducted and that the right principals were followed.

Since only 6 people were interviewed the answers and conclusion cannot be said to be the opinion of all students of Vasa. The gender split was very female dominant with 5 of the respondents being female and 1 being male. The age varied from the youngest being 22 and the oldest being 24.

Although the respondents were from different backgrounds, different schools, and had different monetary restrictions the conclusion is very specific to those individuals. Therefore, the study would not be considered as the general opinion of students in Vasa. Furthermore, when discussing their consumer behaviour many said that it had changed drastically because of the Covid-19 pandemic. So, the answers are not what they would consider their normal behaviour but what the pandemic has, in a sense, forced them to do.

The respondents gave detailed answers and responded well to follow up questions. The answers that they gave reflected the theories presented in the beginning of the thesis. As a conclusion the validity is guaranteed, and the reliability is mostly guaranteed.

4 FINDINGS

In this chapter the results of the semi-structured interview are presented as well as a conclusion that was drawn based on those answers. The interviews were primarily done in English with one exception when it was held in Swedish because the participant was not comfortable speaking English. All sections and their responding questions can be found under appendices.

4.1 Interview results

The questionnaire was structured with five different sections. The first section had demographic questions, the second and third section dealt with grocery store related purchase behaviour, section four focused on non-grocery store related purchasing habits, and section five had questions relating to treat purchases and generalisations related to purchasing behaviour.

4.1.1 Demographic questions

Respondent	1	2	3	4	5	6
Age	24	23	22	22	22	22
Gender	Female	Female	Female	Male	Female	Female
Nationality	American	Finnish	Finnish	Finnish	Finnish	Finnish
Place of studies	Vasa	Vasa	Vasa	Vasa	Vasa	Vasa
Study year	4 years	3 years	3 years	2 years	3, 5 years	2,5 years
School	VAMK	VAMK	ÅA	Novia	ÅA	ÅA
Average monthly income	1000 €	82 €	500 €	400-500 €	500 €	1500 €
Living situation	Roommates	Parents, sister	Alone	Roommate, parents	Alone	Partner

Table 1: Demographic answers

As seen in the table above the age range of the respondents were 22-24. The average monthly income varied from 82 €- 1,500€ per month. All were students in

Vasa and have different living situations. One respondent was male and five were female, and a majority had Finnish citizenship and one had an American citizenship.

4.1.2 Pre purchasing behaviour

In the pre purchasing behaviour section the respondents were asked about the frequency of their shopping habits, if they plan their purchases beforehand, if they have any monetary restrictions, and if they think critically about their shopping habits.

A majority of four said that they go to the grocery store 1-2 times per week while the two others responded that they go 3-5 times per week. Five out of six respondents also commented that during the past few months that their shopping habits have changed so that they try to go as few times as possible.

All respondents said that they have a grocery list before going to the store but three also said that they usually forget it at home. All respondents also mentioned that they do not follow their list strictly but use it as a guideline of what needs to be purchased.

When it comes to a budget or monetary restriction only two respondents answered that they have one. One respondent tries to keep their weekly shopping to under 30 euros and the other replied that they try and keep their bank account over a certain amount. The rest of the respondents said that they do not have a budget or restrictions.

Critical thinking towards shopping habits had a majority of four who said that they do to some extent think critically about their shopping habits. Two respondents said that they do not. With critical thinking most respondents referred to keeping mental track of how much they have spent and doing a pro- con list in their head before buying something.

4.1.3 Instore purchase behaviour

The instore purchase behaviour section included questions about the factors they look at when choosing a product, brands they tend to go towards, straying from their grocery list, and how often they come home with more than they intended.

When asked what factors they look at when choosing a product, the overwhelming response was price. Quality and local or sustainable products were also mentioned but many respondents followed with that it depends on the price. The American respondent emphasised that they stick to brands that they know and product that are easily recognisable as English is their main language. Other factors that were mentioned were eco and vegan friendly products, locally sourced products, higher priced brands, and the ingredients it is made of.

When asked about brands most of the respondents said that they tend to go for Pirkka or Extra products that are more affordable than name brand products. There were two exceptions. One of the respondents felt very strongly about purchasing Oltermanni cheese and emphasised that heavily. When asked why they stick to that brand they replied that it is just something that they do at home that followed them when moving out. The other respondent said that they stick to brands that are easy to recognise from packaging or if it has English text. The respondent in question is American and do not speak Swedish or Finnish.

When asked about straying from their grocery list and if they come home with more than intended, each respondent said that 90% of the time they come home with more than they intended. They said that the reason for that was because of seeing a product and realising that they need it, getting it because they want to treat themselves, and seeing a good deal in the store.

4.1.4 Non grocery store related purchases

In this section of non-grocery store related purchases, the questions asked related to purchases of a higher value and if it changes the factors the participants would consider.

The majority answered that money is the main factor that they would consider when buying something of higher value. After that came quality and if they have an actual need for the product. Even when asked to remove the monetary aspect all together many replied that it felt impossible because money played such a big role in how they determine if they should buy a product or not.

Quality, ingredients/material of a product was mentioned by five of the respondents as one of the factors that they would consider the most if money were not a factor. Sustainable and ethically made products was mentioned by two respondents as factors they would consider.

4.1.5 Other questions

This section dealt with questions that did not fit in any other category. Treat purchases and the respondent's generalisations to purchasing behaviour was discussed.

When asked about treat purchases, items they buy to make themselves feel good, all of them replied that food, especially sweets and other snacks was high on their list of treats. Many also added that those purchases were usually not planned but once they saw it in the store, they wanted to buy them. Another category that three respondents mentioned were skincare, makeup, and shoes. They said that the items were not things they needed but enjoyed buying and having so therefore they considered them as a treat purchase. Some respondents also added that the treat purchases are not always planned but happen in the moment once they see the product and justify it by thinking that it is a treat.

When asked what people in general might consider as their main factor for deciding to purchase something all six replied that money might be the main factor. Quality was the second most mentioned factor and last was eco-friendly and sustainable products. One of the respondents said: “people with a lot of money don’t have to worry about the money aspect” and further explained that because of a limited budget money is the most important factor for them and people around them.

4.2 Interpretation of the results

What we can conclude from the results is that money is the biggest factor that the respondents consider when purchasing a product. This was explained by the respondents as the most important factor because their funds were limited. Lastly, the respondents mentioned that the price factor was at times more important than personal values such as buying eco-friendly, sustainable, and local products.

Impulse buying also played a big role in how they purchased products of a smaller value. Many said that they come home with more than they intended because they saw items at the store and bought them. The items in question might be sweets at the till, soap, the newest type of cheese. The types of impulse buying were pure impulse buying, reminded impulse buying, and suggestion impulse buying.

Additionally, the respondents showed a more controlled behaviour when buying things of a higher value, something that costs more money. They expressed that more factors and consideration time was spent on items of a higher value. The actual need for the product, quality, aesthetics, sustainability, and origin of product were categories that they considered.

5 CONCLUSION

This chapter will look at the comparison between the literature review and empirical results as well as looking at the objective of the thesis. There were three questions asked at the beginning of the thesis:

1. What are the key drivers that a student considers when purchasing a product?
2. How “in control” are they of their behaviour? How much does impulse buying play a role in their purchasing behaviour?
3. What do they consider as novel items or treat items?

What we can conclude is that, from the small sample, the students in Vasa have price as the main factor when deciding what to purchase. Even though they might have other personal values they would like to have as their main priority, money will be the main one if income is limited, thus answering the first question.

All participants acknowledged that they often buy more than they intended whenever they go to the grocery store. Whether the purchases are based on promotions, pure impulse, or being reminded of something they need, the conclusion is that for the most part that they are partly in control of their purchasing behaviour.

Novel or treat items are personal but for the most part it is something that they can consume like sweets, food, and alcohol but also skincare, shoes, and makeup is in that category. Items they can live without but gain pleasure from having thus making them treat items. Some of the respondents also mentioned that the treat items are often purchased spontaneously without having planned them beforehand.

To conclude, in the literature review we looked at Maslow’s hierarchy of needs, emotions tied to buying behaviour, impulse buying, environmental aspects, and pricing. The empirical results tie into the theory well with most answers having a corresponding theory.

6 SUGGESTIONS FOR FURTHER RESEARCH

For further research, the suggestion would be to have a larger number of respondents with a larger area. Additionally, focusing in on a narrower field could give a better view of how the respondents think and act. Doing another research when there is not a worldwide pandemic would give a different point of view. Furthermore, a personal meeting would be recommended as it is easier to ask follow up questions and get more detailed answers.

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FIGURES

Figure 1. Maslow's hierarchy of needs. Wikimedia Commons, Creator: Chiquo, File: Maslow's Hierarchy of Needs.jpg, Created: 10.04.2019. Accessed: 19.05.2020. Access method: https://commons.wikimedia.org/wiki/File:Maslow%27s_Hierarchy_of_Needs.jpg#filelinks

APPENDICES

Thesis Questionnaire outline

Five sections tied to different topics; each has a few questions tied to them.

Section 1- Demographic questions

- Age
- Gender
- Nationality
- Studies (how long have you studied at your current education)
- Average monthly income (estimates)
- Living situation (parents, alone, partner, children, etc)

Section 2- Grocery habits pre- purchasing behaviour

- How often per week do you go to the grocery store on an average?
- Grocery list (purchases planned before hand)?
- Do you have a budget or monetary restrictions?
- Do you think critically about your shopping habits?

Section 3- Grocery habits in store

- What factors do you consider when choosing a product? Alt. What do you look for in a product?
- Are there any specific brands that you go for when shopping?
 - Which ones?
- Do you stray from your grocery list?
 - What makes you do that?
- How often would you say that you come home with more than you intended?

Section 4- Non grocery purchases

- What matters the most when making a purchase that is not food or necessities? Something of higher value?
- If money were not a factor, what other factors would you look at?

Section 5- Other questions

- What would you consider as a “treat” purchase?
- What do you think is the main factor that someone might consider when buying stuff?
- What factors do you not consider when purchasing a product?