

Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
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Factors affecting consumers' buying decision in the selection of a coffee brand

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Abstract

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The purpose of this research was to study how different factors of consumer behavior effect on decision-making during coffee brand selection. Consumer behavior consists of four factors: cultural, social, personal and psychological. In this study the focus was limited only to social, personal and psychological factors.

The thesis was divided into a theory part and empirical part. The theoretical part discusses the basics of factors affecting purchase decision, decision-making process and brands. The empirical part of the thesis includes a survey that was carried out through the Internet. Data were collected by a self-administered questionnaire. A link to the questionnaire was published on Facebook and shared among people. The quantitative research method was applied in this study.

The result of the study has indications that social, personal and psychological factors have effect on a consumer's decision-making process when selecting a coffee brand. However, the result was not totally reliable due to the fact that credible correlation was missing.

Key words: consumer behavior, decision-making process, decision-making types, brand

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1 Introduction

1.1 Background of the study

Consumer behavior is a widely studied field. Understanding it completely is impossible, because it is related so closely to human mind. However, forecasting how a human behaves in purchasing situations can be estimated through previous purchasing decisions. Consumers make buying decisions every day and many people do not even know the factors that drive them to this decision. Buying a coffee comes almost automatically and does not need much information search. There are characteristics behind every buying decision that can come from cultural, social, personal or psychological factors. Each of these factors includes dimensions that can be used in marketing. Marketers can use these factors so subtle that consumers might not even recognize it. Consumers might think that “I have always bought this same brand or product”, but they do not recognize that the affecting factor behind this decision can come from their family.

This thesis studies these factors behind purchasing decisions through personal, social and psychological factors of consumer buying behavior. The author has chosen coffee brands as a research subject on this thesis. Coffee is daily used commodity and the purchasing decision can be made routinely without any conscious activity. It is interesting to study how the consumer has ended up selecting the specific coffee brand and what has been the effect of social, personal and psychological factors.

1.2 Objectives and limitations of the study

The first objective is to examine if personal, social and psychological characteristics have affect on consumer buying behavior. The second objective of this thesis is to gain knowledge on how the purchase decision process is being made by individual consumers.

Consumer behavior consists of factors that have effect on consumers' buying decisions. These factors have distinct characteristics that can be divided into

four categories: cultural, social, personal and psychological factors. In order to have a manageable topic the scope of the subject has been limited. Cultural factors have been left out intentionally. The reason to leave out cultural factors is that Finland is a relatively small country and cultural differences are not so significant. Additionally, post purchase behavior is only shortly described in the theoretical part of the study, because it is part of the buying process, but left out of the empirical part of the study. This limitation has been made because the focus is only on the actual buying process and not on after purchase actions.

1.3 Research question

The main research question is:

Which factor of social, personal or psychological characteristics has the most effect on the consumer decision-making process when selecting a coffee brand?

1.4 Structure of the study

This thesis is divided into two parts: theoretical and empirical. The theory part starts with the definition of the consumer behavior concept and is followed by the characteristics of consumer behavior. For getting a better understanding of the total concept of consumer behavior, the decision-making process and the types of decisions are taken into the study. These issues are followed by the concept of a brand. All of these concepts are part of consumer behavior and have effect on each other.

The empirical part is conducted by using the quantitative research method. Data for this study is gathered by a questionnaire. At the end of the study, results are presented and conclusions drawn.

2 Factors affecting consumers' purchasing decision

Consumer behavior studies individuals and groups when they select, purchase, use and dispose products, ideas, services or experiences. There is a huge variety of consumers from a small child asking mum to buy a new game to an

international corporation executive making a huge investment deal. Consumers seek items to satisfy their basic needs and desires. Consumer behavior is much more than studying what consumers buy. It attempts to understand how the decision-making process goes and how it affects consumers' buying behavior. (Solomon 2004, pp. 6-8.) Marketers study consumers buying patterns to solve where they buy, what they buy and why they buy. However, why consumers buy a specific product is not easy to solve because the answer is locked deep within the consumers' mind. (Kardes et al. 2011, p. 8; Kotler&Armstrong 2010, p. 160.) Generally consumers can be categorized to individual and organizational consumers. Individual consumers try to satisfy their own needs and wants by purchasing for themselves or satisfy the need of others by buying for them. These individual consumers can come from different backgrounds, ages and life stages. (Kardes et al. 2011, p. 8.)

A consumer's buying behavior is influenced by cultural, social, personal and psychological factors. Consumer behavior is a part of human behavior and by studying previous buying behavior, marketers can estimate how consumers might behave in the future when making purchasing decisions. (Kotler&Armstrong 2010, p. 160.) The following chapters focus on the social, personal and psychological characteristics of consumer behavior.

2.1 Social factors

Social factors affect consumer behavior significantly. Every individual has someone around influencing their buying decisions. The important social factors are: reference groups, family, role and status. (Perreau, 2014.)

Every consumer is an individual, but still belong to a group. The group to which a consumer belongs is called a membership group. This is a direct and simple classification. The second group type is a reference group. The reference group influences the self-image of consumers and consumers' behavior. The reference group provides some points of comparison to consumers about their behavior, lifestyle or habits. Usually there are many smaller reference groups, which are formed by family, close friends, neighbors, work group or other people that consumers associate with. The groups to which a consumer does

not belong yet can also influence. These aspirational groups are groups where a consumer aspires to belong and wants to be part in the future. (Kotler&Armstrong 2010, p. 164; Khan 2006, p. 58.)

Family members can influence individual consumers' buying behavior. A family forms the environment for an individual to acquire values, develop and shape personality. This environment offers the possibility to develop attitudes and opinions towards several subjects such as social relations, society and politics. A family creates first perceptions about brands or products and consumer habits. (Kotler&Armstrong 2010, p. 169; Khan 2006, p. 68.) For example, the consumers who have created brand perceptions when they were young, can carry out these same brand selections in the adult life without even recognizing that their family influenced these selections.

Individuals play many different roles in their lives. Each role consists of activities and attitudes that are expected from an individual to perform according to the persons around him. (Kotler&Armstrong 2010, p. 170.) Social status reflects the position that individuals have in social groups based on such things as money and wealth, education or occupation. In many societies status is important and people want the admiration of others. Social status can be acquired by being successful in life or being born into money. Product and brand selection often reflects the social role and status. (Wright 200, p. 360.)

2.2 Personal factors

An individual's decisions are influenced by personal factors such as a buyer's age and life cycle state, occupation, economic situation, lifestyle, and personality and self-concept.

Consumers' change during their life and buying of products alter depending on age and stage of life. Age related factors are such as taste in food, clothing, recreation and furniture. Moreover, environment, values, lifestyle, hobbies and consumer habits evolve during lifetime. Family life stages change purchasing behavior and brand selection. Traditionally a family life cycle included only young singles and married couples with children. Nowadays marketers are focusing on alternative, nontraditional stages such as unmarried couples,

childless couples, same sex couples, single parents and singles marrying later in life. (Kotler&Armstrong 2010, p. 170.) It can be assumed that consumers' taste can change during lifetime and has influence on coffee brand selection in different stages of life.

A consumer's occupation and purchasing power influence purchasing decisions and buying behavior. The income level affects what consumers can afford and the perspective towards money. People, who share similar occupations, tend to have similar taste in music, clothing and leisure activities. They usually socialize with each other, and share the same kind of values and ideas. Income level affects on what consumer can afford and perspective towards money. (Solomon 2004, p. 12.) Individuals from lower income groups are probably more interested in buying products that are necessary for survival than spending on luxury brands or designer clothes.

Consumers' life style tells how the person lives and spends money. It is combined from earlier experiences, current situation and congenital characteristics. The product choices that consumers make are related to their lifestyle. An individual's lifestyle consists of different life style dimensions. (Khan 2006, p. 18.) These dimensions are:

1. Activities describe how consumers spends their time, e.g. work, hobbies or vacations.
2. Interests are consumers' preferences and priorities e.g. family, home or food.
3. Opinions tell how consumers feel about different issues, e.g. themselves, politics or products. (Plummer 1974, p. 34.)

These life style dimensions express a person's pattern of living. Lifestyle will influence consumers' buying behavior and decisions. (Kotler&Armstrong 2010, p. 170.)

Personality distinguishes one person from another by individual traits. These personal traits can be self-confidence, adaptability, sociability and dominance. (Kotler&Armstrong 2010, p. 172.) Personality determines how we see ourselves and the world around us as well as how other people see us. Attitudes, values

and people around us shape our personality. Personality alters during life when a person grows up and changes surroundings. (Wright 2006, p. 296.) Self-concept is a multi-dimensional and complex term. Kardes et al. (2011) describes the self-concept as follows “Self-concept is often described as the totality of an individual’s thoughts and feelings regarding him/herself as an object.” In another words, it is the image that people hold about their selves formed by attitudes and beliefs. Many brands have developed an image and personality that correspond with consumers’ values and traits. It allows consumers to express themselves through brand choices. (Kardes et al. 2011, p. 230.) There are five dimensions of brand personality: sincerity, excitement, competence, sophistication and ruggedness.

Each of these dimensions includes different factors that relate to human personality dimensions, as shown in Figure 1. In the first dimension sincerity brings amiability of the brand by reflecting honesty and down-to-earth values. Excitement offers consumers up-to-date information and a spirited alternative like technology brand Apple. When using Mac computers, consumers can feel themselves young and laid back. While a brand that stands for competence offers responsibility and security to consumers. Sophistication affects upper class consumers by charming with luxury, e.g. designer products such as Gucci or Rolex. The fifth dimension is ruggedness that attracts consumers opposite of sophistication. Ruggedness represents brands that are seen as tough, strong and outdoorsy. (Kotler&Armstrong 2010, p. 172; Kardes at el. 2011, p. 243; Arpan 2011.)

A BRAND PERSONALITY FRAMEWORK

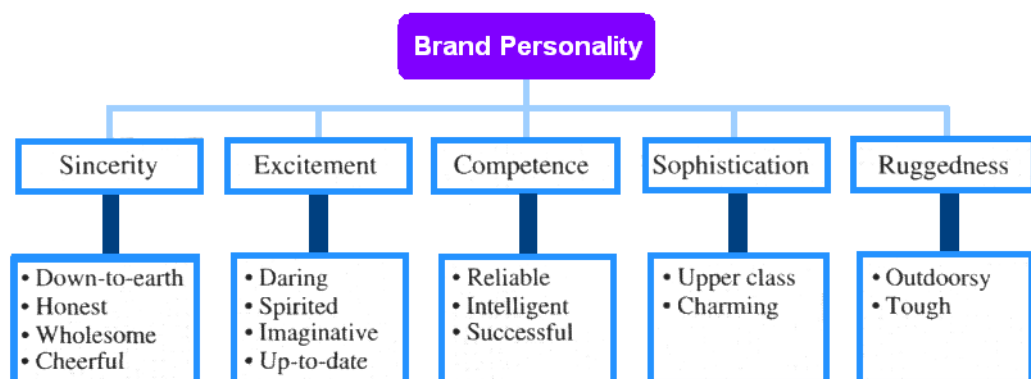


Figure 1. A brand personality framework (Arpan 2011)

2.3 Psychological factors

A buyer's choices are also influenced by four psychological factors, i.e. motivation, perception, learning, and beliefs and attitudes.

A consumer is an individual who has different kind of needs. These needs can be biological like thirst or psychological arising from the need of recognition or belonging. A need can be aroused to a sufficient level of intensity when it alters a motive. A motive is basically a need that drives a person to seek satisfaction. Abraham Maslow is probably the most know psychologist who has examined these human needs. He sought to explain why humans are driven by different needs at different times. (Kotler&Armstrong 2010, p. 173.) Figure 2 shows Maslow's hierarchy of needs from the most pressing at the bottom and the least pressing at the top. The basic rule is to satisfy first the basic need before proceeding up the ladder. When that need has been fulfilled, it stops being a motivator and a person focuses on the next most important need. Maslow's needs are:

1. Physiological: basic need such as sleep, food or water.
2. Safety: need to feel secured and protected.
3. Belongingness: need to feel loved and be accepted by others.
4. Ego needs: to accomplish something and have status among others.
5. Self-actualization: to have enriching experiences and feel self-fulfillment.
(Solomon 2004, p. 122.)

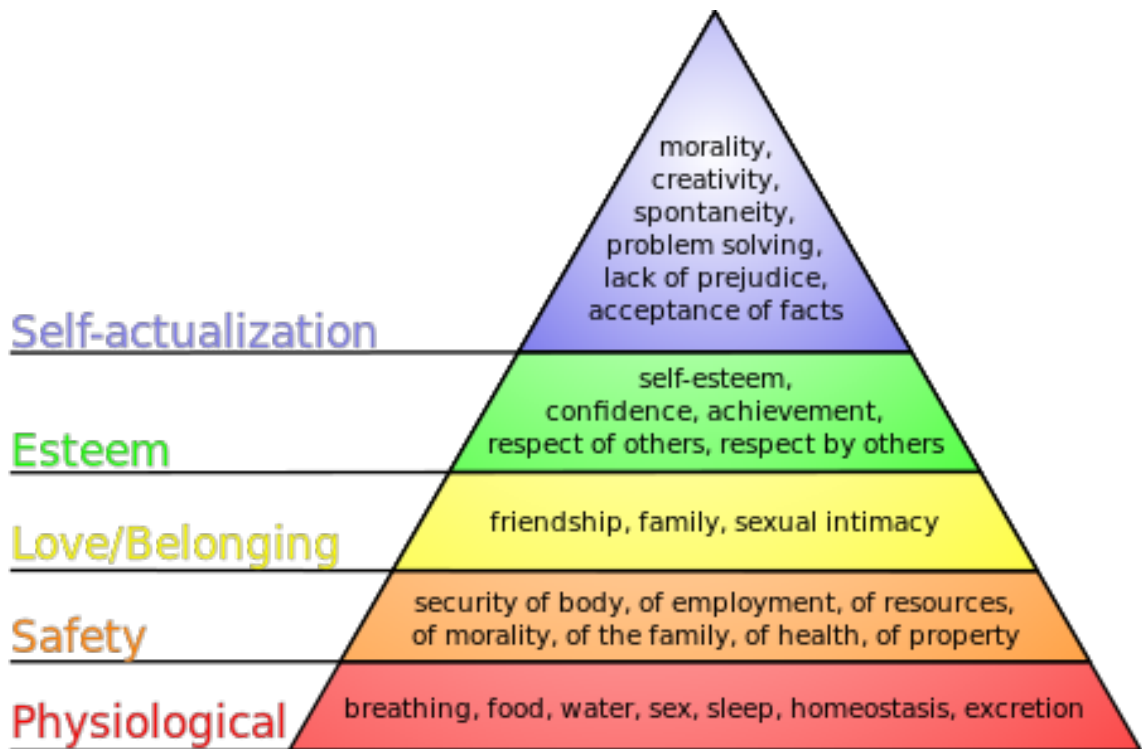


Figure 2. Maslow's Hierarchy of Needs (Wikimedia Commons 2013)

A person acts according to his or her perception of the situation. Each person receives thousands of sensory stimuli like light, color, sound, smell, taste and texture per day. Perception is the process through which these sensations are selected, organized and interpreted to form a meaningful picture of the world. People have a possibility to form different perceptions of the same stimuli due to three perceptual processes: selective attention, selective distortion and selective retention. At the selective attention process an individual focuses only on a few stimulus that he is exposed. Consumers might neglect many stimuli in the environment and only focus on those related to their current need. For example, a consumer who desires to have a new car will pay more attention to different car ads while neglecting ads about houses. Selective distortion describes how people will interpret information in the way that it supports what they already believe. Every individual has different perception based on own experience, beliefs and attitudes. Selective distortion leads people to situations that are compatible with their beliefs and values. For example for brands, the message that brands communicate will never be the same among different consumers. When people are exposed to a huge amount of information and stimuli, they are not able to retain all of it. Selective retention means what

person will retain from particular stimuli or situation. This can be seen when consumers remember good points about brand they favor and forget everything good about rival brand. (Kotler&Armstrong 2010, p. 174.)

When people are motivated, they are ready to act. Learning comes from action. Learning illustrates changes in a person's behavior that emerge from experience. People can also learn by observing others without having their own personal experience. Learning can happen even unconsciously. Consumers can hum many jingles and recognize several brands even without using those themselves. This is known as incidental learning. People can learn all the time. Consumers' knowledge of the world changes constantly as they are exposed to new stimuli and situations. They can receive feedback that allows them to alter behavior when finding themselves in the same kind of situation than before. (Kotler&Armstrong 2010, p. 175; Solomon 2004, p. 83.) The consumer who has negative experience with a coffee is more likely to avoid that brand in the future because he remembers the previous experience with that.

Through learning and experiencing, consumers acquire beliefs and attitudes. A belief is a vision that consumer has on something. It can be based on real knowledge, faith or opinion. External influence like family or neighbors combined with learning produces beliefs that will influence consumers' buying behavior. Different kind of people have different attitudes concerning religion, politics, food, music and many more. The attitude describes consumers' feelings or evaluations toward an object or idea. Both beliefs and attitudes are hard to change. Those are anchored deep in consumers mind and can be part of a person's personality. (Kotler&Armstrong 2010, p. 175.)

3 Consumer buying behavior

A consumer engages in purchasing activities several times per day. The purchase itself is the only visible evidence of a more complex process that a consumer goes through for every decision he or she makes. However, every purchase decision is different and requires different amount of time and effort.

3.1 Decision-making process

A consumer's decision-making process includes five stages that the consumer goes through before the actual purchase. During these stages the consumer recognizes the need, gathers information, evaluates alternatives and makes the purchase decision. After the actual purchase comes post purchase behavior where the consumer evaluates the received satisfaction level. (Kotler&Armstrong 2010, p. 177.) Kotler and Armstrong (2010) suggest that the consumer can skip a few stages during a routine purchase. However, when a consumer faces a new and complex purchase situation, all of these five stages that are shown in Figure 3, need to be used to complete the buying process.

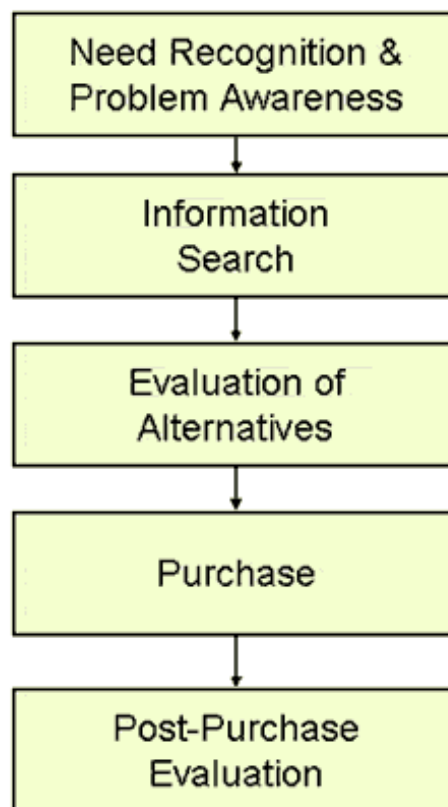


Figure 3. A buyer's decision-making process (Riley 2012)

A decision-making process starts with the recognition of need. There are a few types of classifications of need recognition. One type is where the buyer recognizes a need or problem that can be triggered by internal or external stimuli. Internal stimuli are a human's basic needs, for example hunger that makes stomach grumble and gets the consumer buy a hamburger. External

stimuli can be for example an advertisement that can get you to thinking about buying a new computer. (Kotler&Armstrong 2010, p. 178.) At this stage the consumer often sees a significant difference between the current state and desired state. The need recognition process can occur naturally but often marketers can set it in motion. Marketers are trying to create demand where consumers are encouraged to use a product regardless of the brand they choose. Marketers will try to convince consumers to choose their brand instead of others. (Solomon 2004, p. 297.) Another classification type of need recognition includes:

1. Functional need: the need is related to a functional problem. The consumer purchases a washing machine to avoid doing laundry by hands.
2. Social need: the need comes when a consumer wants social recognition or desire belongingness. The consumer can purchase luxury items to look good in front of others.
3. Need for change: the consumer feels need to change. This can result in the purchase of new clothes or furniture to change current appearance. (Perreau, 2014.)

At the second stage of the decision-making process, the consumer engages with information search. Sometimes consumers can choose products without any information and other times information need to be searched carefully for identifying all alternatives. (Solomon 2004, p. 299.) The consumer can get information from multiple sources by talking with friends or family, reading magazines or using the Internet search or handling the product. The amount of the searching will mostly depend on your drive, obtaining of the information and satisfaction got from the search. Nowadays consumers get a huge amount of information from commercial sources that are controlled by marketers. Still, the most effective sources tend to be personal such as family or friends. Consumers can obtain information and increase awareness towards available brands. This information helps consumers to drop some brands when making the final selection of the brand. (Kotler&Armstrong 2010, p. 178.)

After information is collected, the consumer will be able to evaluate the different alternatives. The evaluation of alternatives will vary among customers and purchases. (Wright 2006, p. 28.) In some cases customers make little or no evaluation and make their buying decision based on impulse and intuition. In cases where little or no evaluation of alternatives is used can be originated by a habitual decision process. On the other hand, the consumers who are engaged to an extended problem solving process may carefully evaluate among several brands. The alternatives that are actively considered during the selection process are known as consumers' evoked set. This evoked set consists of products or brands that are already in the consumer's memory plus important ones in retail environment. Even if a consumer ponders among many alternatives, the evoked set usually includes only a small number of alternatives. These alternatives share few similar features with each other. (Solomon 2004, p. 305.)

At the fourth stage, the consumer has evaluated alternatives and is ready to proceed to the actual purchase itself. Typically, the consumer's purchase decision is to buy the most preferred brand. There are factors that can affect the consumer's buying decision such as the attitudes of others or beliefs about the brand created by marketers. (Kotler&Armstrong 2010, p. 179.) Sometimes to simplify purchasing decisions, consumers can make mental shortcuts that can lead to hasty decisions. Particularly when limited problem solving occurs before making a choice. These kinds of shortcuts can range from universal thoughts like "higher price products are higher quality" or "buy the same brand than last time" to specific "buy the same brand that my mother used to buy". These shortcuts can turn out to be unfavorable to the consumer. (Solomon 2004, p. 312.)

As mentioned earlier, the decision-making process continues after the purchase decision has already been made. The last stage of the buying process is post purchase behavior. After the consumer has purchased the product, the consumer will evaluate the satisfaction level. If the consumer feels disappointment, expectations towards the product have not been met. (Khan 2006, p. 168.) If the product meets expectations, the consumer will be satisfied and willing to spend more on this specific brand in the future. Furthermore,

consumers' high level of satisfaction can be translate into brand loyalty. This usually happens when consumers' expectations have been exceeded. (Kardes et al. 2011, p. 91.)

3.2 Different types of decision-making

All consumer-buying decisions are not alike and amount of effort put into the decision making process differs. When the decision-making process is almost automatic, snap judgment can be made with little information search. This kind of routinely made buying decision involves little risk and low involvement. Other times the decision-making process requires a lot of time and information search. The products that are bought rarely involve high risk and extensive problem solving. (Kardes et al. 2011, p. 71.) Figure 4 shows four types of decision-making based on the degree of consumer involvement.

	High involvement	Low involvement
Significant differences between brands	Complex buying behavior	Variety-seeking buying behavior
Few differences between brands	Dissonance-reducing buying behavior	Habitual buying behavior

Figure 4. Four types of buying behavior (Kotler&Armstrong 2010, p. 176.)

Complex buying behavior can be initiated by a motive that is central to an individual's self-concept. The products that are bought seldom like a house or a car require considerable amount of consideration before the purchase decision. The consumer is highly involved because the product is expensive, risky and reflects the consumer itself. Many brands can be evaluated separately to see which brand responds best to the set of desired characteristics. (Kotler&Armstrong 2010, p. 176; Solomon 2004, p. 295.)

During dissonance-reducing buying behavior consumers are highly involved, because the product can be expensive, self-expressive and bought infrequently. However, consumers see little or no difference among the brands. It is a straightforward and simple activity to choose a product among alternatives even

if the consumer may shop around. (Kotler&Armstrong 2010, p. 176; Solomon 2004, p. 295.)

Habitual decision-making choices are usually made routinely with little or no conscious effort. This is almost opposite to extended decision-making where information is searched. Many decisions are made so routinely that the consumer does not even realize them before seeing products in the shopping cart. It is almost like consumer works automatically without conscious control. This kind of activity can be seen dangerous or stupid, but at the same time efficient. The consumer can minimize the time used selecting products and energy spends on decisions. This habit becomes a problem for marketers when they want to change the consumer's old habits by introducing a new product. (Solomon 2004, p. 295.) The products that are purchased frequently, like coffee in this case, can be categorized to the habitual decision-making mode. Selecting a coffee brand does not need high consideration or information search; it can be just picked up from the shelf and bought. The involvement level is low in this case and consumers are likely to stay with one brand for a long time.

The last type of decision-making is variety seeking buying behavior. As the name already reveals, consumers are interested to change the brand for the sake of variety rather than dissatisfaction. Consumers can make buying decisions without evaluation and evaluate the brand during consumption. However, next time the consumer might pick up a different brand simply to try another brand. (Kotler&Armstrong 2010, p. 177.) These kind of decisions are usually made with the products that are bought everyday like cookies or coffee. Marketers can encourage consumers to variety seeking by offering low prices, free samples, or special deals.

4 Brands

A brand is a name, design, symbol or other feature that distinguishes one product from another. It is more than just a tangible product or service because it can be packed with the consumer's feelings and perception towards the product. It is a promise to the customer. (Kotler&Armstrong 2010, p. 260.) A

great brand can be something the consumer can trust and hang on with when the world around changes. It can reflect you as a person or what you want to be. A brand should provide values, personalities, stories, benefits and slogans for consumers. (Mallik 2009, p. 4.)

A product can have a strong brand image that corresponds with consumers' personality. Consumers can express themselves through brand choices or give image of an ideal self. A brand image is consumers' perception towards the product and set of beliefs concerning the brand. Marketers can strengthen these brand images by advertising, promotions and packaging. (Wright 2006, p. 431.) When consumers are buying a product, they are also buying a brand image. The image should be positive and unique. This brand image can be combined with brand personality. The brand can have personality that corresponds to a set of human traits (Aaker 1997, p. 347). These brand personality dimensions were discussed earlier in more detail in the chapter concerning the personal factors of consumer behavior.

Decisions concerning branding require a lot of time from marketers. They need to position their brands in a way that they reach consumers' mind. In order to succeed in that, marketers can use three levels of positioning. At the lowest level, a brand can be positioned by product attributes. For example, in coffee brands can have attributes such as an environmentally friendly package or dark roast. Universally positioning by attributes works, but competitors can copy these attributes easily and the gained benefit with these attributes is lost. Fortunately, consumers are not so interested in attributes but in what these attributes can do for them. A better way to position a brand is to join its name with desirable benefits, e.g. car brand Volvo represents safety, Nike is known from its performance and Maserati with quality. Consumers can associate a brand name and its benefits in their mind without even having seen any tangible products. Highest level of brand positioning goes beyond attributes and benefits. It concerns strong beliefs and values. Brands are appealing to a consumer's emotional state by creating excitement and passion around the brand. (Kotler&Armstrong 2010, pp. 262-263.)

Consumers can engage in brand switching for many reasons. It can be a lack of interest in a current product or simply the interest to try a new brand. When consumers want to try new things, they get involved in variety seeking. This happens especially when there is less stimulation in the environment or people are in a good mood. (Solomon 2004, p. 300.) Another reason for brand switching can be better price, better quality, better selection or better features. If consumers switch the brand due to a lower price and the product does not deliver its promise, it will not keep consumer long. (Perreau 2014.) Nonetheless, people tend to buy same brand every time they go to store. As mentioned earlier, consumers can buy a specific brand out of habit, because the decision can be made with little or no effort. In these situations another product can be bought also easily, for example if the original product is out of stock. Consumers just need the right incentive to change the brand without consideration. On the other hand, the consumer can also be brand loyal and buy the same brand every time when the experience with the same brand has been positive and the consumer has made a conscious decision to buy that brand. Over time this purchase decision that has been based on brand loyalty, will chance to habitual buying. (Solomon 2004, pp. 318-319.)

5 Methodology

There are two types of methods used in research, qualitative and quantitative. Both research methods have advantages depending on the nature of the study and what the researcher wants to solve. Qualitative research is usually applied in studies where in-depth information is gathered by interviewing focus groups. This research method provides an opportunity to study matters in their natural environment by observing people and their interactions. Qualitative research focuses on people's feelings and thinking whereas quantitative research relies more on numbers and data. Quantitative research is usually referred as hypothesis testing research. The study starts from theory from which hypotheses is generated. Data will be collected and analyzed by statistical tests according to the hypotheses. The conclusion can be drawn from results to confirm or conflict with the theory. (Jha 2008, pp. 45-48.) The quantitative research method is applied in this thesis.

Quantitative research can provide data from large number of units. These units are usually people or matters. The data that is collected from the units is known as variables. Variables are characteristics that the researcher is interested in, for example age or gender. The researcher should limit the variables before the study because there is a certain number of variables that can be studied at once. However, in a qualitative research unexpected variables can appear during the study but in quantitative study variables need to be set before hand. (Muijs 2004, pp. 2-8.) In this study the author has chosen different variables that are compared to each other to reveal relationships. On one side there are social, personal and psychological factors such as age, relationship status and occupation. On the other side there are issues related to decision-making processes such as information search and evaluation of alternatives.

In research, reliability is usually referred as repeatability. A measure can be considered as reliable if the same results can be received over and over again. When conducting research, the design should be so functional that different researchers using it to study the same phenomenon would arrive to the same conclusion. This means that reliable research can be replicated. (Vogt 2007, p. 113.) There is one notice that needs to be taken into consideration when dealing with people. Any test that involves human judgment can be set under question (Shuttleworth 2008). At the questionnaire, consumers need to choose the alternative that indicates their opinion or attitude best. It can be questioned, if consumers can analyze themselves objectively enough to respond truthfully to the questionnaire.

A hypothesis for research can be refined from the objectives that have been set for research. Traditionally there are two types of hypotheses: the null hypothesis and the alternative hypothesis. In practice the null hypothesis is the opposite of truth and the alternative hypothesis is the one that is true. Usually the null hypothesis is the one that is tested because standard statistical tests are just for testing that hypothesis. (Muijs 2004, pp. 17-18.) Characteristics affecting consumer behavior were presented earlier in the theory part and are based on those factors the research hypothesis created. The following hypothesis was formulated:

- Family has no connection on individuals' decision making process
- Employed consumers do not have time to search information about the product
- Consumers do not have any prejudgments towards coffee brands

Data for this study was collected via an Internet survey. The author used Google forms to create a self-administered questionnaire. The self-administered questionnaire was chosen because the cost is low, minimal staff is required, respondents can stay anonymous while answering and respondents can complete the form by themselves. The questionnaire was published in Finnish and in English. A link to the questionnaire was posted on Facebook that diminishes random of the sample. This leads to the situation that the sample is not representative. The sample technique had to be chosen according to the fact that all consumers do not have an equal chance to take part in this survey. A convenience sampling method was selected to form a suitable sample size. Convenience or accidental sampling includes the aspect to draw samples from the population that is close to hand. Data can be collected from population that is conveniently available and willing to participate. The downside in this sampling method is that it is the least reliable sampling method and findings cannot be generalized. (Powell 1997, p. 68; Krishnaswami&Satyaprasad 2010, p. 77.)

The questions in the questionnaire were based on the theory of factors affecting consumer behavior and the consumer decision-making process. The questionnaire included a series of multiple-choice questions and one open-ended question. Questions were planned in the way that respondents can choose a numerical answer that describes best the respondents' attitudes or opinions. Liker-type scale allows the respondent to express how much they agree or disagree with the statement. (Vogt 2007, p. 88.) These agree/disagree categories can be analyzed as ordinal scales of the measurement level. The nominal level measurement has distinct categories, and questions related to gender, age and status were scaled to this measurement (Mirola 2011.)

The questions from two to five and 14 were created to measure the social and personal factors of consumer behavior. These questions concerned age,

occupation, income, relationship status, and personality and self-concept. Questions seven and eight were gathered information about coffee brands; what the brands that Finnish consumers are consuming and how long they have been consuming those. To receive information about psychological factors, the author decided to ask consumers' attitudes with questions nine and ten. The questions asked about the consumer's prejudices and where they come from. Additionally, the consumer's motivation for coffee consumption was examined with question 13. To study the consumer's decision-making and buying process, questions 11 and 12 were created. The aim of these questions was to find out influencing factors of decision-making and where consumers can receive information during the buying process. Related to decision-making, question 16 purely focused on information search. Question 15 was set to get general information about important features of coffee packages. The last question, number 17 was set to gather information concerning brand switching.

The questionnaire was tested before publishing. The test group consisted of five individuals from different age groups. There were two questions that stand out during testing. One question was changed so that respondents can choose more than one alternative and for another question, the Likert scale was modified to an understandable form. The questionnaire was open for one week and it generated 86 responses. Two responses were in English and the rest of the 84 responses were in Finnish.

The results of the questionnaire were analyzed with statistical program SPSS Statistics. The program provides an opportunity to analyze and interpret the results in a numerical form. This numerical data can be refined by a statistical method and modeled into a format that supports conclusion making. Statistical measures help to find correlations between variables and relations between issues. To test the hypotheses and analyze correlations, the author selected Chi-square tests. If the significance of a Chi-square test is lower than 0.05, the variables are dependent on each other. (Kothari 2004, p. 19; Mirola 2011.) If a correlation can be found, it enhances the fact that the theory supports the findings and for the further analysis of the correlation, a Spearman test will be used to measure the strength of the relationship.

6 Results

The questionnaire generated the total of 86 responses. The questionnaire started with basic questions about the consumer's background and status. 57 respondents were females and 29 were males. Age was divided into three categories and 40.7 percent of the respondents were 17-27 years old, 46.5 percent were 28-45 years old and 12.8 percent were 45+ years old. 44.7 percent of the respondents were in a relationship, but not married. 32.9 percent were married and 22.4 percent were single. 14 respondents were from Helsinki and 37 people chose *some other location* as residence. The first two questions were compulsory. The impact of this was that a few respondents did not respond to the following questions because those were not compulsory.

The respondents' income level per year showed that 35.29 percent were receiving over 25 000 - 40 000 euros (Figure 5), which is the average income level in Finland. This leads to the assumption that most of the respondents were in working life. This assumption was confirmed with the question concerning occupation. 57 people stated to be employed and two as entrepreneurs of 83 responses concerning occupation. Three people did not answer to this question because it was not compulsory.

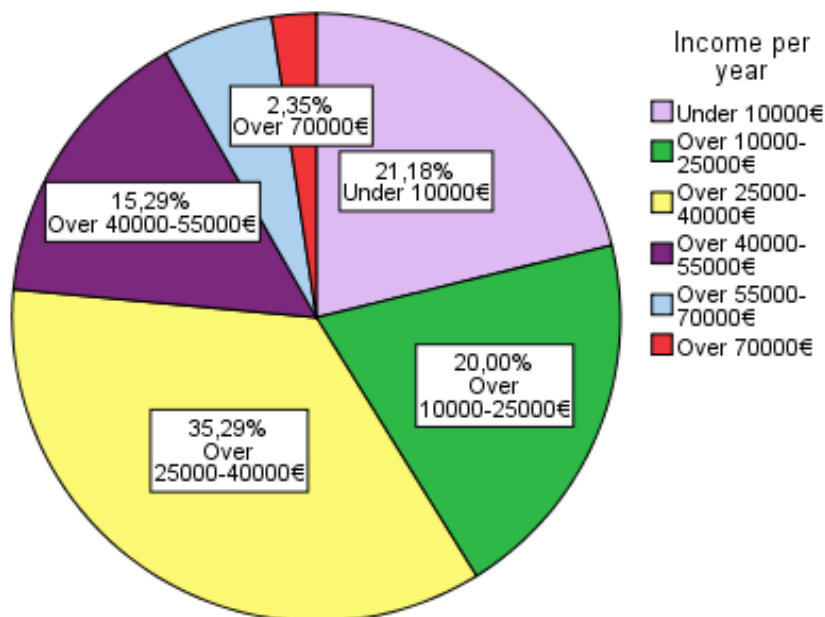


Figure 5. Income per year

To know what coffee brands consumers consume, respondents were asked to state the name of their current coffee brand. 41 people of 86 stated of using Juhla Mokka coffee and eight people using Presidentti Tumma Paahto. These two were the biggest brands given in the survey. The following question was how long consumers have consumed that brand. Figure 6 indicates that 14 people of the age group of 28-45 years old have consumed the same coffee brand for 1-3 years. 11 people from the age group of 17-27 years old have consumed the same coffee brand more than five years. This result is interesting because the age group consists of young people and it can be assumed that the information about the brand could have come from their family. It can be that the person might have consumed same brand before moving out from home to study.

Age ^ Time of consumption in years Crosstabulation

Count		Time of consumption in years				Total
		0-1 years	1-3 years	3-5 years	More than 5 years	
Age	17-27 years	8	8	8	11	35
	28-45 years	10	14	3	13	40
	45+ years	2	2	2	5	11
Total		20	24	13	29	86

Figure 6. Coffee consumption in years

To understand how people can consume the same coffee brand for so long periods, consumers were asked to indicate why they are consuming coffee. 72.09 percent of respondents stated that the reason was habit and 13.95 percent said that it was addiction (Figure 7). This result arises a question if respondents have been totally honest while answering because a habit is almost like an addiction. Some people can have different symptoms if they have not drunk their morning coffee. But does the habit cause for example headache or you feel that you have not even woken up? However, it is hard to indicate motivation that drives consumers to consume coffee.

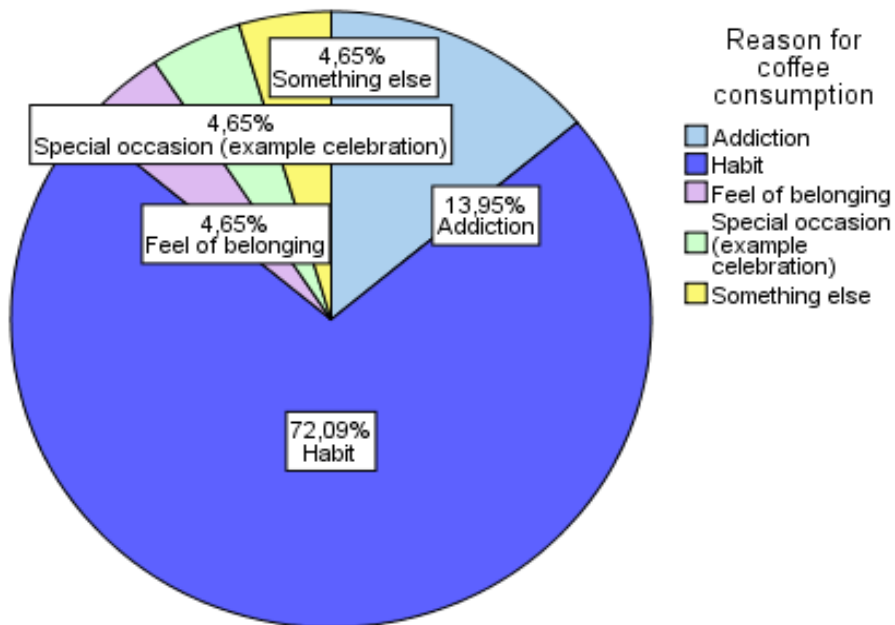


Figure 7. Reason for coffee consumption

To find out factors behind buying decisions, consumers were asked to tell if they were having prejudices towards their current coffee brand. 37 respondents had prejudices towards the coffee brand and eight respondent said maybe. This disproves the third hypothesis: Consumers do not have any prejudices towards coffee brands. If consumers replied yes or maybe, they were asked to reply also to the following question to indicate the reason for this prejudice. 23 people indicated that the reason for this prejudice was information received from family, friends, or someone close to them. Both reasons, previous experience and knowledge of the brand, received 16 replies. Only 10 people chose information received from ads, Internet or blogs. To this question respondents were able to choose more than one alternative, because attitudes can consist of many factors.

One important step of the decision-making process is information search. To find out if consumers use time for this step, a question concerning information search was asked. A chi-square test was done to find out if there was a relationship between occupation and information search. Test showed that eight of the employed people have *often* time to search information about the product (Figure 8). Significance in this test was higher than 0.05 so there was no relationship. This result disproves also the hypothesis set stating that employed

people do not have time to search information about products. It cannot be said that employed people are too busy and do not have time for information search. However, 21 people stated that they *never* have time for information search. It can be that the product used in this study is not meaningful or simply people do not have time. This result also shows that consumers make habitual purchasing decisions if they do not engage in information search.

Occupation * I use time searching information about the product Crosstabulation

Count		I use time searching information about the product				Total
		Never	Rarely	Sometimes	Often	
Occupation	Student	7	7	0	0	14
	Employed	21	20	8	8	57
	Senior citizen	0	1	0	0	1
	Unemployed	0	2	0	1	3
	Entrepreneur	2	0	0	0	2
	Something else	5	1	2	0	8
Total		35	31	10	9	85

Figure 8. Time for information search during purchasing decision

To gain knowledge of why people decide to buy specific brand, it is first important to know where they receive information about the product. 38,37 percent of respondents received information from family, friends and neighbors. Another important source was ads, packaging and salespeople with 36,05 percent (Figure 9). It seems to be that consumers rely on family and people close to them when searching information about products. This result disproves the first hypothesis set for this study that family has no effect on the decision-making process. It is interesting that consumers receive only little information from Internet, consumer ratings and blogs when in these days social media is so powerful.

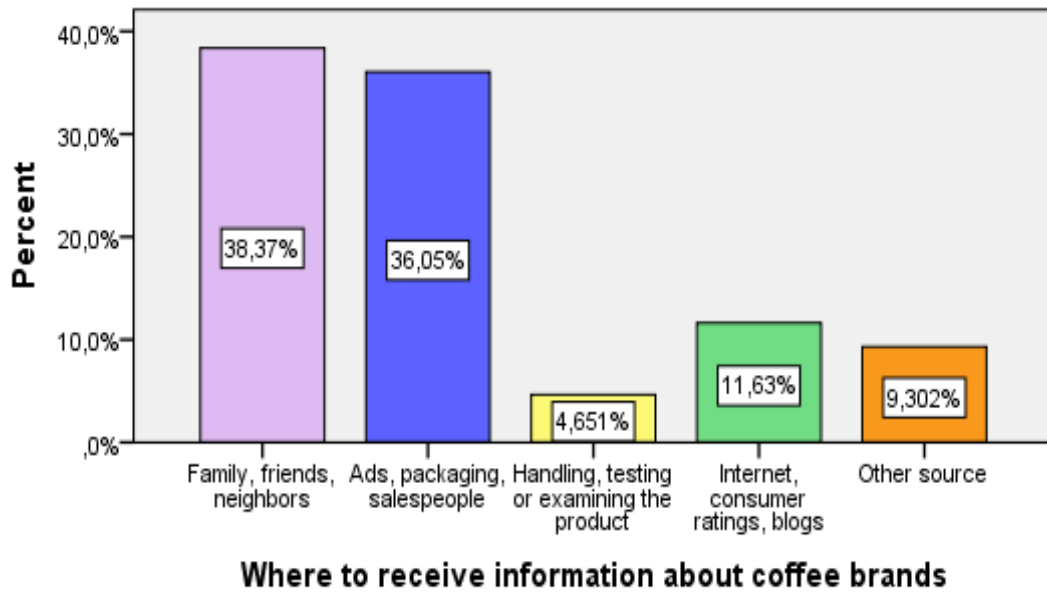


Figure 9. Where consumers receive information about coffee brands

To understand what kind of purchasing decisions consumers make, questions including seven different claims were set. Consumers were asked to choose from scale 1 (never) to 5 (always) what describes the best consumers' attitude towards the claim. One of the claims was concerning promotions, deals and discounts. This claim was compared to gender to see if there were any differences between females and males. Figure 10 shows that 6.97 percent of females always check promotions, deals or discounts when males never do that. It seemed that males *never* pay attention to promotions, deals or discounts. This can be a result from the factor that males can have enough money or it is not common for their lifestyle.

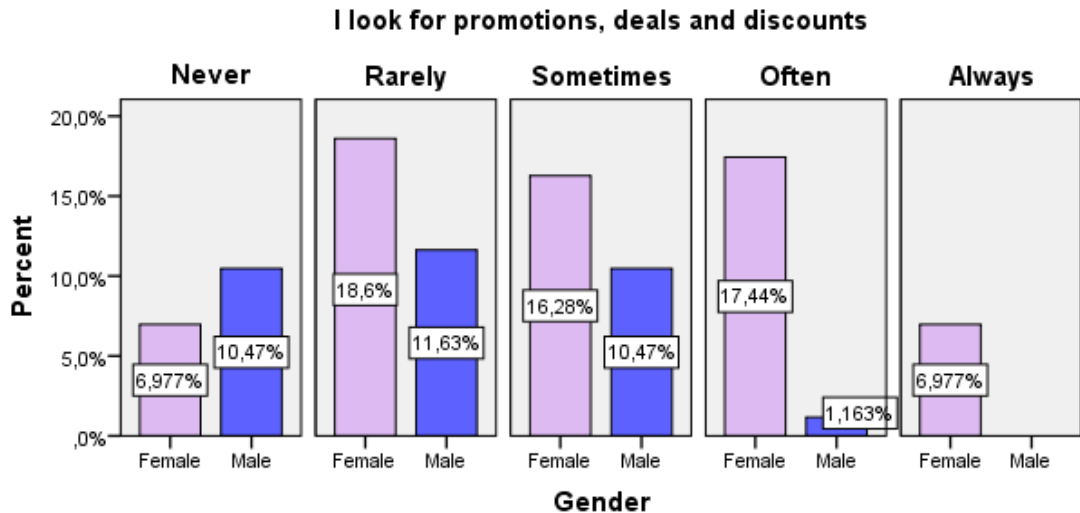


Figure 10. Gender vs. promotions, deals and discounts

Another claim related to the same question concerned impulsive buying decisions. Results showed that 41 persons *sometimes* make impulse buying decisions. It is almost half of the respondents so it can be assumed that information can be received from many sources, people can discard those and just buy products impulsively. But it is wise to remember that the product in question was a commonly purchased product. The last claim in this question asked if does people base their buying decisions on their own preferences or opinions. 63.1 percent of respondents stated *often* to base decisions on their own preferences or opinions. This indicates that one of the psychological factors, beliefs and attitudes affects consumers' decision making.

Question 14 was asking how consumers describe themselves as buyers. In the age group of 17-27 years old people described themselves as spirited, up-to-date and imaginative (Figure 11). This corresponds to the excitement traits of brand personality. People can feel themselves as young and laid back as people in that age are assumed to be. The result in the age group of 45+ years was interesting, because usually older people are maybe more described as reliable, responsible or honest and genuine. In this result consumers described themselves more as spirited, up-to-date and imaginative buyers.

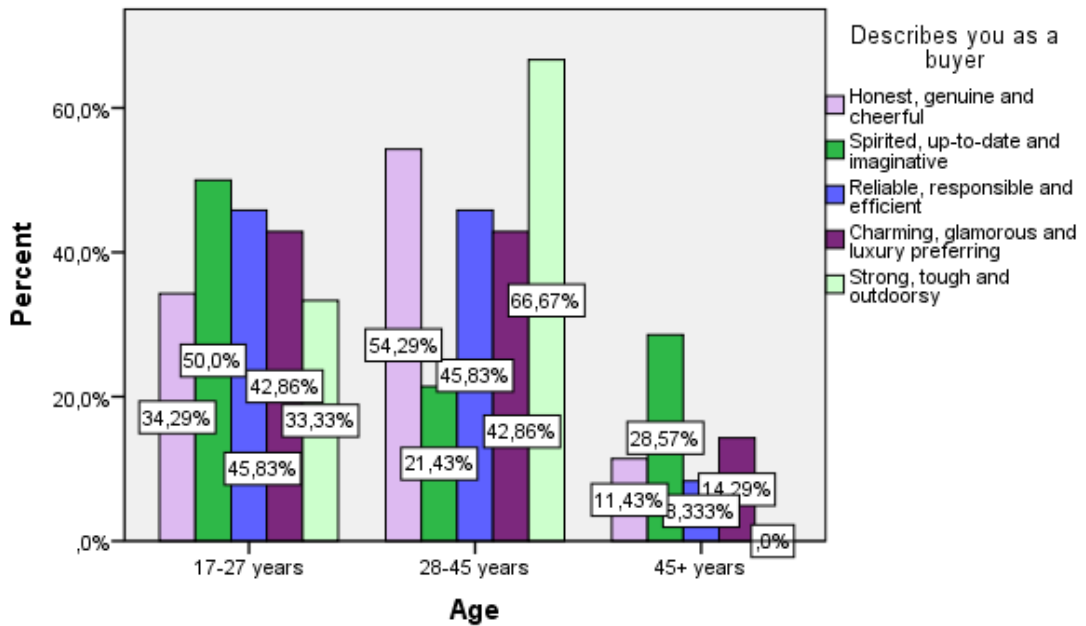


Figure 11. Brand personality

The last question asked the reason for changing a coffee brand. A chi-square test was executed between the reason to change a coffee brand and age (Figure 12). Significance was lower than 0.05 so a relationship was found. However, credibility of the test showed that the result was not credible. A Spearman's correlations test was made to confirm this issue. The correlation that was found was not credible because it was not shown in the Spearman's correlation test. Still, the main reason to change a coffee brand was better taste.

Reason to change coffee brand * Age Crosstabulation

Count		Age			Total
		17-27 years	28-45 years	45+ years	
Reason to change coffee brand	Price	11	4	5	20
	Promotion	0	2	0	2
	Better quality	6	5	1	12
	Better taste	17	22	3	42
	Brand	0	0	1	1
	Ecological or environmental issues	0	4	0	4
	The lack of interest in your current brand	1	3	1	5
Total		35	40	11	86

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22,863 ^a	12	,029
Likelihood Ratio	22,936	12	,028
Linear-by-Linear Association	,845	1	,358
N of Valid Cases	86		

a. 15 cells (71,4%) have expected count less than 5. The minimum expected count is ,13.

Figure 12. Reason to change coffee brand

Generalization of the results cannot be made because consumers are defining themselves as buyers and it cannot be sure if respondents answered truthfully to all questions. Another issue that stands out from the results was that there was not a credible relationship between variables even if many tests were conducted among different variables.

7 Conclusion

The aim of this study was to examine how social, personal and psychological factors have effect on consumer behavior when selecting a coffee brand, and gain knowledge of the decision-making process. The theory part included the overview of these factors and steps of the decision-making process. A questionnaire was created based on these issues. The empirical research focused on finding these social, personal and psychological factors behind consumer behavior and the effect of those in the decision-making process.

Results of the empirical study indicated that there was a relationship between social, personal and psychological factors and the decision-making process in coffee brand selection, but it was not credible. It can be said that these factors have effect when consumers are making decisions concerning purchasing. The result shows that family, friends and neighbors are the most important factors that affect on decision making when selecting coffee brand. This gives an answer to research question that was set for this study. In addition, consumers can also base their selection on beliefs and attitudes of psychological factor. The research showed that consumers are using different steps of the decision-making process during purchasing. However, there was indication that consumers make often impulse decisions when the steps of the decision-making process are discarded. The results of the study give the general view that social, personal and psychological factors have some effect, but statistical reliability is not strong.

For future studies concerning this topic, it is recommended to have a larger sample and to create smaller groups when analyzing data. It could be possible then to find relationships with different correlation tests. In this study it would have been wise to group at least occupation and age to smaller groups. Additionally, if the product in this study would have been more expensive and rarely purchased, results could have been different.

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Appendix

Questionnaire. Consumer's buying behavior in coffee brand selection

Dear respondent,

This survey is part of my Bachelor's thesis at Saimaa University of Applied Sciences. This questionnaire will take about 5 minutes of your time. Your responds are completely anonymous and confidential. The results will be published in my final thesis. Please read all questions carefully and respond according the instructions.

Kind regards,
Tanja Lautiainen
tanja.lautiainen@student.saimia.fi

1. What is your gender:
 - Male
 - Female
 - Other
2. How old are you:
 - 17-27
 - 28-45
 - 45+
3. What is your occupation:
 - Student
 - Employed
 - Senior citizen
 - Unemployed
 - Entrepreneur
 - Something else
4. What is you income level per year:
 - Under 10000 - 10000€,
 - Over 10000 - 25000€,
 - Over 25000 - 40000€,
 - Over 40000 - 55000€,
 - Over 55000 - 70000€,
 - Over 70000€

5. Relationship status:
 - Single
 - Married
 - In a relationship
6. What is your current residence:
 - Helsinki, Vantaa, Tampere, Turku, Oulu, Espoo, Jyväskylä, Lappeenranta, Joensuu, Lahti, Kuopio, Kouvola, Some other location
7. Which coffee brand do you currently consume? (example Presidentti, Presidentti Tumma Paahto, Juhla Mokka etc.)
8. How long have you been consuming your current coffee brand?
 - 0 to 1 year
 - More than 1 year to 3 years
 - More than 3 years to 5 years
 - More than 5 years
9. Did you have any prejudices towards your current coffee brand before an actual consumption of it?
 - Yes
 - No
 - Maybe
10. Which of these alternatives caused your prejudices towards the brand?
Please answer ONLY if you have selected Yes or Maybe on previous question.
 - Previous experience
 - Knowledge of the brand
 - Brand reputation
 - Information received from family, friends or some one close to you
 - Information received from ads, Internet, TV, blogs
11. When purchasing the product, how important is the recommendation or information received from one of the following, please rate following on a scale of one to five (1 = strongly disagree, 5 = strongly agree)
 - Family, neighbors, friends
 - Ads packages, salespeople
 - Handling, testing or examining the product
 - Internet, consumer ratings, blogs

12. How do you make your purchasing decision when buying coffee? Please rate following on a scale of one to five (1 = never, 2 = rarely, 3 = sometimes, 4 = often, 5 = always)

- I use time to search information about the product
- I make impulse buying decisions
- I buy different coffee brand if advertising is appealing
- I look for promotions, deals and discounts
- I buy the same product every time
- I use time to evaluate between alternatives
- I have my own preferences or opinions on which to base my buying decision

13. What is the reason for your coffee consumption?

- Addiction
- Habit
- Status symbol
- Feel of belonging
- Special occasion (example celebration)
- Something else

14. What describes you most as a buyer?

- Honest, genuine and cheerful
- Spirited, up-to-date and imaginative
- Reliable, responsible and efficient
- Charming, glamorous and prefer luxury
- Strong, tough and outdoorsy

15. What is the most important feature of the coffee package you choose to purchase?

- Your idea of what coffee inside it tastes like
- Design of the package
- Ecological issues
- Size
- Shape
- Color of the package
- Something else

16. How do you receive information about coffee brands?

- Family, neighbors, friends
- Ads, packages, salespeople
- Handling, testing or examining the product
- Internet, consumer rating, blogs
- Other source

17. If you were to change your buying preferences and purchased another coffee brand instead of your regular coffee brand, what would be the reason for it?

- Price
- Promotion
- Better quality
- Better taste
- Brand
- Ecological or environmental issues
- The lack of interest in your current brand
- Something else

Appendix

Answers to question: Which coffee brand do you currently consume? (example Presidentti, Presidentti Tumma Paahto, Juhla Mokka etc.)

presidentti	juhla mokka
Juhla Mokka	juhla mokka
Presidentti Tumma Paahto	Presidentti Tumma Paahto
Presidentti Tumma Paahto	Juhla-Mokka
Puhdistamo	Presidentti Tumma Paahto
Juhla Mokka	Juhla Mokka
juhla mokka	Paulig Colombia
juhla mokka	Arvid Nordquist
Löfbergs Cresendo	Juhla Mokka
Paulig Brasil	Juhla Mokka tumma paahto
Warrior Coffee	Juhla Mokka
Mitä vaan	kulta katriina
Juhla Mokka	Juhla Mokka
juhla mokka	Arvid Nordquist
ulkomaalainen, ei saa suomesta	Juhla Mokka
Juhla Mokka	Löfbergs Lila
Juhla Mokka	Juhlamokka tummapaahto
Pirkka Ranskalainen paahto	Kaffa Roastery
Juhla Mokka	Juhla Mokka
Juhla Mokka	Juhla Mokka
Juhla Mokka	Juhla Mokka
löfbergs	Juhla Mokka
Juhla Mokka, Kulta Katriina	Kulta katriina
Juhla Mokka	Juhla mokka
Juhla mokka	Juhla Mokka
Juhla Mokka	juhla mokka
Presidentti Tumma Paahto	Presidentti
Juhla Mokka	Juhla mokka
rainbow, pirkka costa rica0	Juhla Mokka
Kulta Katriina luomu	Juhla Mokka Tummapaahto
Juhla Mokka	Kulta Kariina
juhla mokka tumma paahto	juhla mokka
Kulta Katriina	Juhla Mokka
juhla mokka	Juhla Mokka
Kulta katriina	presidentti
juhla mokka	Juhla Mokka
Presidentti Tumma	Löfbergs
Starbucksin kenya ja etiopia	Löfbergs Serenad, tumma luomu

Juhla Mokka	Reko-kahvi, Arvid Nordquist
Rombouts&Malongo	nordqvist reko
Brazil	Presidentti tumma paahto
Presidentti tumma paahto	Parisien (Paulig)
robert paulig	Presidentti