Consumer Behaviour Towards Purchase Intention: An Empirical Study of Instant Coffee Market

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ABSTRACT

This study explores the intricate landscape of consumer behavior and their intention to purchase instant coffee in Bangalore City. This study analyzes the influence of demographic factors, sensory attributes, and brand elements on consumers' decision-making while buying instant coffee. The data for this research was collected while administering an online survey to 398 consumers of instant coffee. The data collected was statistically analyzed. The analysis results elucidated that the variables studied in this research influenced the consumers' intention to purchase instant coffee.

Keywords: Consumer Behavior, Decision making, Purchase intention, Sensory attributes, Brand elements.

1. INTRODUCTION

Coffee is grown in more than seven different countries and is one of the most traded commodities in tropical agriculture. It is one of the most popular beverages in the world. Instant Coffee and soluble coffee were created and patented in New Zealand and swiftly spread worldwide. Market trends and consumer preferences highly influence the coffee industry. It has transcended from being just a beverage and a catalyst for social gatherings and business meetings. Consumer behavior and purchasing intention are essential determinants of instant coffee sales. Consumer behavior encompasses people's or groups' activities and choices when choosing, acquiring, and utilizing goods or services. Several elements influence this behavior, such as individual preferences, cultural and social influences, advertising and marketing initiatives, and product qualities. Product attributes, including price, convenience, brand recognition, and availability, impact consumers' purchase intentions.

Instant coffee, several variables, including taste, packaging, pricing, and lifestyle, impact consumer behavior and their intention to purchase. Branding, packaging design, and perceived image also influence consumer behavior. The focus on sustainability and ethical sourcing of coffee has recently increased, impacting customer behavior and purchasing intent.

From the sales point of view, it is vital for companies that produce and market instant coffee to understand consumer behavior and purchase intention. This understanding helps them to adapt their products and marketing tactics to fit the demands and preferences of their target audience. Today's market witnesses an array of brands in the instant coffee segment, thereby making supermarket displays and brand promotions a key element in its sales strategy.

The present study aims to research the purchase intention of instant coffee consumers and the effect of certain factors in their decision-making process.

2. SIGNIFICANCE OF THE STUDY

The popularity of coffee as a beverage has grown over time among consumers in Bangalore. This can be attributed to its increased availability, newer varieties, and branding strategies.

The study aims to understand consumer behavior regarding purchase intention towards instant coffee and the factors that influence this, based on which brands can consider segmenting, targeting, and positioning their products.

3. LITERATURE REVIEW

The coffee market globally is sizable and vibrant; with a noteworthy increase in the production of high-quality coffee, the consumption of coffee is on the rise(Segoro & Nurlita, n.d.) The marketing mix influences the intention of customers to buy instant coffee. As a result, their perception of the importance of product diversity significantly impacts whether or not they decide to buy coffee (Nooraini et al., 2016). Decisions to purchase instant coffee are influenced by the marketing strategy relating to the overall quality of the coffee, including flavor, variety, practical preparation, packaging, and labeling.

Coffee is a crucial commodity in both production and consumption, and this increase in consumption has mainly occurred due to lifestyle changes in urban culture (Rahmah et al., 2018). Alternative marketing strategies are presented based on consumer traits, lifestyle, brand equity, and the marketing mix for coffee.

(Djemdjem Djamaludin & Silmie, 2021) studies how consumers' consumption of instant coffee is highly impacted by marketing effectiveness. Consumer behavior is affected by personality, psychological influence, learning, and knowledge, influencing people when buying coffee.

(Czarniecka-Skubina et al., 2021) studies show the three main groups of coffee drinkers are "neutral," "ad hoc," and "non-specific," meaning they enjoy and drink coffee but don't necessarily have a particular preference for it. The Theory of Planned Behavior assists in identifying the behavioral intents of coffee consumers by focusing on consumer preferences, consumption patterns, and behavior that have all altered as a result of new market trends in coffee consumption. Numerous factors frequently influence customers' coffee preferences. Regarding the lower middle-class group of consumers, who consume the most instant coffee, brands like Nescafe seem to be more well-liked (Dam & Le, 2018).

Typically, customers choose coffee based on its flavor and price. Customers frequently behave in particular ways toward a coffee brand based on the relationship with brand experience, which results in customer satisfaction and brand loyalty. (Gurusamy et al., 2018) Explains how a customer's experience with a coffee brand affects the loyalty that will develop over time. Consumer tastes are influenced by the variety of coffee options available, including ground coffee, instant coffee, coffee beans, instant coffee blends, and instant cappuccino (Gajić et al., 2022).

The younger generation drinks more coffee than the middle and senior generations combined, according to (Lee & Kim, 2021). A coffee brand's distinguishing qualities impact their decision to choose a particular coffee brand. In most cities, drinking instant coffee has become a sign of social standing, which has sparked the establishment of numerous brands that provide consumers with premium coffee options (Indah Harya, 2020).

With the advent of different coffee brands in the market, consumers need to differentiate between the brands. The availability of cappuccino, latte, and mocha varieties frequently creates confusion in the minds of consumers, and the factors that influence a consumer's decision to purchase a particular brand vary greatly. The proliferation of competing brands and the absence of a clear point of differentiation offered by the brands create a level of saturation in the minds of consumers. It makes it difficult for them to make informed purchasing decisions. The purchase intention of instant coffee is influenced by demographic factors, sensory attributes, and brand elements. These variables influence consumers while making a purchase, and hence, brands should analyze the influence and craft strategies to create a strong positioning in consumer minds.

4. OBJECTIVES OF THE STUDY

The study analyzes the influence of demographic factors, sensory attributes, and brand elements on the intention to purchase instant coffee.

1. To examine the effect of demographic factors on consumer purchase intention of instant coffee.
2. To study the effect of sensory attributes on the purchase intention of instant coffee.
3. To analyze the influence of brand elements on the purchase intention of instant coffee.
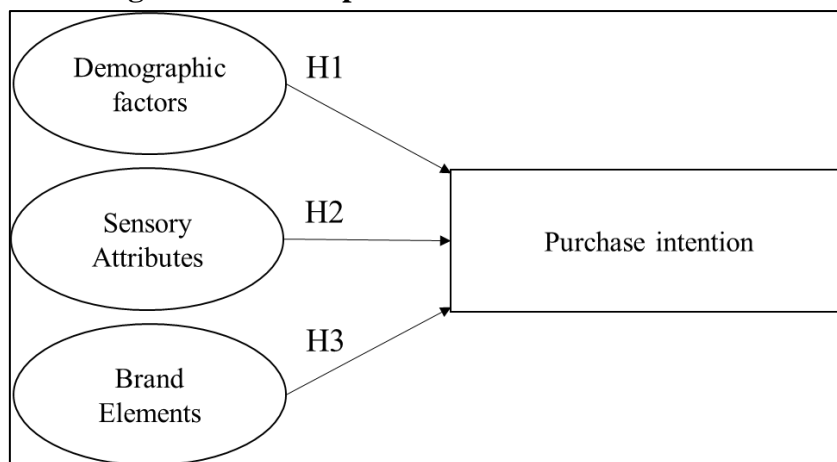
5. THEORETICAL CONSTRUCTS FOR THE CONCEPTUAL MODEL

Table 5.1: Theoretical constructs of the Model

Demographic factors	Sensory Attributes	Brand elements
Gender	Taste	Name
Age	Smell	Logo
Marital status	Appearance	Package
Occupation		Graphics
Monthly income		Promotions

5.1 CONCEPTUAL FRAMEWORK

Figure 5.1: Conceptual Framework of Variables

6. RESEARCH METHODOLOGY

This empirical study was based on primary data collected from 398 respondents who were at least 18 years old, from different socioeconomic backgrounds, and made non-random coffee purchases in Bangalore. A five-point Likert scale was used to collect responses from respondents. Secondary data for the study was collected from research articles and online sources. A reliability test was conducted to check the internal consistency of the research instrument. The data collected was analyzed using regression analysis.

7. HYPOTHESIS FOR THE STUDY

H1: Demographic factors significantly influence consumers' coffee purchase intention.
H2: Sensory attributes significantly influence consumers' coffee purchase intention.
H3: Brand elements significantly influence consumers' coffee purchase intention.

8. ANALYTICAL TESTS

8.1 KMO AND BARTLETT'S TEST

Table 8.1: KMO and Barlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.741
Bartlett's Test of Sphericity	Approx.Chi-Square	2681.068
	df	276
	Sig.	0.000

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is 0.741, which is substantial compared to the minimum value advised (0.5), indicating that the data is appropriate for further analysis.

8.2 RELIABILITY ANALYSIS

Table 8.2: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
0.805	14

The Cronbach's alpha test determines the reliability of the survey, and the 14 items included in the questionnaire have a high internal consistency. The Cronbach's Alpha coefficient of 0.805 shows the validity of the research instrument.

8.3 REGRESSION ANALYSIS

Table 8.3: Regression Analysis

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

1	.353ᵃ	0.125	0.118	1.128	1.850
a. Predictors: (Constant), Brandelements, Demographic, Sensory					
b. Dependent Variable: Purchaseintention					

The model summary explains the variation in the value of the dependent variable, which is purchase intention. In the above Model Summary, the R-squared value of 0.118 indicates that the combined influence of the independent variables, demographic factors, sensory attributes, and brand elements on the dependent variable of purchase intention is relatively weak, explaining only 11.8% of the variance in purchase intention.

Table 8.4: Anova Table

ANOVAᵃ						
	Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	71.339	3	23.780	18.698	.000ᵇ
	Residual	501.083	394	1.272		
	Total	572.422	397			
a. Dependent Variable: Purchaseintention						
b. Predictors: (Constant), Brandelements, Demographic, Sensory						

The ANOVA table gives the value of the F-statistics 18.698, and its significance level is 0.000; this shows that demographic factors, sensory attributes, and brand elements significantly predict purchase intention. It can be concluded that at least one of the predictors significantly influences the dependent variable.

Table 8.5: Coefficients Table

Coefficientsᵃ								
		Unstandardized Coefficients		**Standardized Coefficients**			**Collinearity Statistics**	
	Model	**B**	**Std. Error**	**Beta**	**t**	**Sig.**	**Tolerance**	**VIF**
1	**(Constant)**	1.128	0.333		3.382	0.001		
	Demographic	0.231	0.082	0.152	2.825	0.005	0.771	1.297
	Sensory	0.246	0.081	0.170	3.036	0.003	0.711	1.407
	Brandelements	0.186	0.081	0.126	2.309	0.021	0.742	1.348
a. Dependent Variable: Purchaseintention								

The above table shows that the standardized coefficient of demographic factors is 0.152, the t-value is 2.825, sig. value is 0.005, which means that the null hypothesis is rejected, indicating a significant impact of demographic factors on the purchase intention of instant coffee.

From the table, we can infer that the standardized coefficient of sensory attributes is 0.170, the t-value is 3.036, sig. value is 0.003, which means that the null hypothesis is rejected, indicating a significant impact of sensory attributes on the purchase intention of instant coffee.

The standardized coefficient of brand elements is 0.126; the t-value is 2.309, sig. value is 0.021, which means that the null hypothesis is rejected, indicating a significant impact of brand elements on the purchase intention of instant coffee.

The VIF value measures how much the variance of a coefficient is inflated due to multicollinearity. This model's VIF values are below 3, indicating no significant multicollinearity among the independent variables.

It is observed that all three independent variables have a positive impact on the purchase intention of instant coffee, and this could be proved statistically. That means the extent to which demographic factors, sensory attributes, and brand elements increase the purchase intention of instant coffee will also increase. The data reveals that demographic factors, sensory attributes, and brand elements significantly impact purchase intention, where the sensory attribute is the most important predictor, followed by demographic factors and brand elements.

9. FINDINGS

The reliability analysis aimed to determine the internal consistency of the data collected through the survey. A Cronbach's Alpha coefficient of 0.805 was obtained, indicating that the 14 items included in the instrument are consistent.

The regression analysis determined the impact of dependent variables on the purchase intention of instant coffee. The interpretation of the analysis is that at least one predictor significantly influences the dependent variable: purchase intention. The analysis also revealed that sensory attributes significantly impact purchase intention, followed by demographic factors and brand elements. This suggests that other factors that affect consumers' purchase intention toward instant coffee should also be captured in future research.

10. RESULTS AND DISCUSSION

Instant coffee has become a staple in many households across Bangalore city, with most consumers purchasing it from supermarkets and grocery stores. The study suggests that taste and convenience are important purchasing decisions that significantly determine where consumers buy coffee.

Regarding brand preference, Nescafe and Bru are the most popular brands among consumers in Bangalore city. This may be due to their long-standing reputation and widespread availability in the market. However, consumers are also open to trying alternative brands when their preferred brand is unavailable in a particular purchase channel.

Demographic factors such as age, gender, education level, sensory attributes such as taste, aroma, and appearance, and brand elements such as packaging, advertising, and brand reputation are all significant predictors of purchase intention for instant coffee. However, the most critical predictor among these factors is sensory attributes. This suggests consumers are primarily driven by the coffee's taste, aroma, and appearance when purchasing.

11. SUGGESTIONS

Sensory attributes, such as taste, aroma, and appearance, are the most important predictors of purchase

intention; companies should focus on improving these aspects of their instant coffee products. Conducting sensory tests and gathering customer feedback can help companies understand what aspects of their products need improvement. With customers often switching to alternate brands due to a lack of availability of the preferred brand, expanding product availability to different purchase channels can help brands retain customers and increase brand loyalty. With Nescafe and Bru being the most popular brands, companies can differentiate their products by offering unique blends, flavors, and packaging. This can help attract new customers and create a niche market for the brand.

Brand reputation and advertising can shape consumer perception and purchase intention. Companies should increase their advertising efforts to improve brand recognition and create a positive brand image. Brands can also introduce health-focused options; while health benefits may not be significant for most consumers, introducing options, such as low-calorie or organic instant coffee products, can attract health-conscious customers and create a new market segment for brands.

12. LIMITATIONS OF THE STUDY

The study found weak influences of the independent variables, including demographic factors, sensory attributes, and brand elements, on the purchase intention factor. Brand loyalty plays a role in shaping consumer perception and purchase intention; the research ignores brand loyalty, an essential factor influencing the purchase intention of instant coffee among consumers. The study recognizes the existence of a wide range of additional variables that may affect customers' purchasing intentions, such as cultural and social variables, individual values, and lifestyle variables, among others.

13. CONCLUSION

This study emphasizes the complexity of consumers' purchasing choices in the instant coffee market in Bangalore City. According to the study, most consumers buy instant coffee as part of their routine and habits. The study determines how demographic factors, sensory attributes, and brand elements influence consumers' purchase intentions for instant coffee. The study suggests businesses enhance product quality and availability in purchase channels to retain customers.

14. APPENDIX

Section I

1. Age

A. 18-28 years

B. 29-39 years

C. 40-50 years

D. Above 50 years

2. Gender

A. Male

B. Female

3. Marital status

A. Single

B. Married

4. Occupation

A. Self-employed

B. Office worker

C. Unemployed

D. Student

Section II

1. Do you consume Instant Coffee?

A. Yes

B. No

2. How often do you purchase instant coffee?

A. Never

B. Rarely

C. Sometimes

D. Often

E. Very often

3. Where do you purchase Coffee?

A. Supermarket

B. Convenience store

C. Grocery store

D. Online

E. Others

4. How likely are you to purchase a new brand of instant coffee in the next month?

A. 1 (not likely at all)

B. 2

C. 3

D. 4

E. 5 (very likely)

5. What is the primary reason for purchasing coffee?

A. Habit

B. Convenience

C. Price

D. Availability

E. Health benefits

6. Which brand of instant coffee have you recently purchased?

A. Nescafe

B. Bru

C. Tata Coffee

D. Levista

E. Others

Section III

Question on Independent Variable

Following the Likert scale- Strongly Agree/ Agree/ Neutral/ Disagree/ Strongly Disagree.

Demographic Factors

1. I believe coffee consumption is typical for people of all ages.
2. I believe that gender does not play a role in determining who becomes a coffee drinker.
3. I believe coffee consumption is not affected by an individual's marital status.
4. I think a person's occupation plays a role in determining the type of coffee they purchase
5. I think an individual's monthly income influences coffee purchase intentions.

Sensory Attributes

1. I think the taste of coffee plays a role in your decision-making process when purchasing coffee.
2. I think the smell of coffee is essential in making a purchase decision.
3. I believe that the appearance of coffee influences your purchase intentions.

Brand Elements

1. I think instant coffee's brand name plays a role in determining purchase intentions.
2. I believe that the logo of an instant coffee brand is an essential factor in determining purchase intentions.
3. I think that the design of a coffee package influences purchase intentions.
4. I believe that graphics on the package of instant coffee impact purchase intentions.
5. I think that promotions offered by instant coffee brands influence purchase intentions.

Question on Dependent Variable
Purchase Intention

1. I want to purchase instant coffee.

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