

# **Influences of Consumer Behavior: Research about Beverage Brands of Pakistan**

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## **Abstract:**

Consumer behavior plays an important part for the success of any organization. Without study of consumers and their behavior organization and marketers can't achieve their goals and sale the products. Purpose of present study to explore the relationship between consumer behavior and beverage brands (Coca cola and Pepsi cola). Frequency and regression analysis use in present study. The data for present study has been collected from 3 major cities of Pakistan namely Lahore, Multan and Layyah. Results from present study explore that Majority of Pakistani prefer Coca cola and results further suggest that the consumer behavior can significantly influence the beverage brands of Pakistan. We can say that if the beverage industry of Pakistan put their focus upon the consumer behavior and produce their products according to their customer Demand and satisfy their needs then it wills leaders towards a positive increase in purchasing of beverage brands.

**Key words:** Consumer Behavior, Beverage Brands and Factors of Consumer Behavior.

## **1. Introduction:**

Consumer behavior has been very important to all branded companies in all over the world. Because the research about the consumer behavior shows that what are the needs and wants of consumer, how consumer think, how consumer feel and select the branded products. The behavior of the consumers remains not same in all the time the consumers behavior change with the passage of time in future. The behavior of consumer is temporary for short time not permanently. The factors influences the consumer behavior are culture, family, social, society, age, groups, friends, environment and psychological factors (Brosekhan & Velayutham). The purpose of the research is how the factors of consumer behavior affect or influences the branded product. And the other purpose of this research is to gain the more knowledge about consumer behavior and improve the writing and thinking ability.

Gabbott (1994) and Mooij (2003) gives their points that every consumer in the market has perceived value when he purchased the same product mean every consumer's shows different behavior when they are purchasing the same product. It mean consumer behavior of every individual is different from other depending on buying choice which is effected by their social class, psychological factors, friends, family, groups and other personal factors. For example one consumer purchase the car for status, 2<sup>nd</sup> consumer purchase for taxi business, 3<sup>rd</sup> consumer

purchase for quality and 4<sup>th</sup> consumer for other reason. It mean every consumer have different thinking and perception when they are purchasing the same product.

Kotler (2003) studies show that consumer behavior helps the companies to improve their marketing strategies. He suggests that all the action that perform as a consumer is called consumer behavior. In other words we can say that consumer behavior is the process of Searching, organizing, evaluating, disposing and the using of goods to satisfy their needs and wants. Bhattacharya & Mitra (2012) "Consumer psychology is the study of the interactions between consumers and organizations that produce consumer products". There are five various visions/roles of consumer when he purchase the branded products. 1<sup>st</sup> when consumer purchase the product to solve the problem the consumer acting as a problem solver, 2<sup>nd</sup> sometime consumer have some finance and when he thing how he spend the money in market in this condition consumer act as a economic creature, 3<sup>rd</sup> sometime consumer visit the market just for experience or for the judgment of branded products in this condition consumer act as a revolvers, 4<sup>th</sup> sometime consumer has store the information about branded products in their mind so in this condition consumer act as a computer and 5<sup>th</sup> is when consumer visit the market for shopping in this condition consumer act as a shopper. It means consumer shows different behavior in different condition.

## **2. Literature review:**

Brosekhan & Velayutham (n.d) suggests that "consumer behavior refer all the mental and physical activities that consumer performs to fulfill their needs and wants and all these mental and physical activities use for the product". Here the question is arise what is consumer, how is consumer? "Consumer means anyone who uses the product."

Now I will explain those factors that influence the consumer behavior. I already discuss these factors in introduction namely and here I will briefly discuss.

### **Factors influence the consumer behavior:**

#### **Cultural factors:**

*Culture:* Goodrich & Mooij (2013) describe that culture shows the collection of norms, values, beliefs, custom, behavior, and tradition of one society or country. To understand the behavior of consumer in any country the culture is an important concept. Culture is different from one society to other society or one country to other country on the behalf of their norms, values, tradition, beliefs, custom, behavior and their thoughts. For example the culture of Pakistan and India is different. International market believes that people / consumer in a country will eat the same food and wear the same clothes according to their culture. Therefore if an organization wants to be a market leader in international market then organization must be design their products according to the other countries culture not according to own culture and also adopt other's countries culture to sell the products (Kacen & Lee, 2002)

*Sub culture:* the culture of a country or society has different subcultures. Under culture there are smaller group of people or subculture. These groups include geographical regions, groups, nationalities and religions. For example the subculture of Pakistan according to geographical regions is Sindhi, Balochi, Punjabi and Sarhadi and according to religion are Shia and Sooni. The norms, values, clothes, behavior, talking style, custom are also different in subcultures. It means the individual who live very close to each other can be different on the behalf of their

subculture. Therefore organization made the segments of their products according to the subcultures. So one of the deepest and widespread influences on consumer behavior are subcultures (Kotler et al, 2006).

*Social class:* Yakup, Mücahit and Reyhan (2011) elaborate in their study that the social classes have their own similar values, behavior, interests, and style according to their rank. So companies should give the ranks of social classes by seeing their clothes, income, home, gaming activities and entertainment. For example upper class consumer prefer books, magazine, TV program and news, sub class consumer like television and lower class consumer like films and support channels. The language between social classes is also different. Therefore organization should be design the products, advertize the products and communicate according to the class level. Mooij and Hofstede (2002) (2011) also shed light on the influence of culture.

### **Social factors:**

Zitkus & Puskoriute (2013) suggest that Social factors also influence our attitude and behavior directly or indirectly such as reference groups, family and social roles and status affect our behavior.

*Reference groups:* Refer those groups that directly or indirectly influence the consumer behavior. In reference groups those groups that directly influence the consumer behavior are called membership group or primary groups such as friends, neighbors, family and coworkers. People or consumers or also influence by religious, professional and trade union groups these groups are called secondary groups. Some other groups that influence people are aspirational groups. Aspirational groups are those groups a consumer want to become the member of these groups.

*Family:* Especially the people of Pakistan and India prefer joint family system. It means the people of Pak and India like to live within the family rather than individually. But in Europe people prefer individual system. They are like to live individually rather than within the family. A Family has a one big boss who runs the family and control the other factors mean he is the king who has the authority to do anything and other member follow him. So in a family one's buying behavior strongly influence by other family members (Pandey & Dixit, 2011).

*Roles and status:* Every consumer belongs to the many groups such as family groups, religious groups, organizational groups and class. These groups help to define the roles and status of the consumer. The CEO of the company has more status than a general manager and the general manager has more status than a sales manager. So consumer shows their behavior according to their roles status. For example a CEO of the organization purchases the high price and high quality product and a sales manager purchase the low price and low quality product. Therefore each roles and status strongly influence consumer behavior.

### **Personal factors:**

Age and stages of life cycle, occupation and economic circumstances and person's personality include in personal factors. These factors influence the buying decision of consumer directly. And it's important for marketer's to understand them closely Yakup & Jablonsk (2012).

*Age & stages of life cycle:* the growth of human body increase over the time continuously. And the consumption level also increase or change with the growth of age. For example the consumption level of 5 year old child has been less than 14 year old boy. According to the

growth of age the goods and services consume also change. Taste, food, clothes and behavior change with increasing age of a person and responsibility also increase when a person reached mature age. For example the financial burden has been less of unmarried man than those with family.

*Occupation and economic situation:* the profession or jobs in which a person work will strongly affect the goods and services consumed. For example a average job holder person buy low quality and low cost clothes, goods and shoes but on the other hand a company president buy high quality and high cost dress suit, goods and shoes. Therefore marketers should try to identify the high occupational groups and provide high quality product and services and also identify the low average occupational groups and provide goods and services according to their level. The economic situation of any country also strongly influences the buying behavior of consumer. Mean the consumer choice strongly affect by economic circumstances. If the living standard of the people is high then they also purchase good food, clothes and other things. It also influence by the income level, political satiability, import and export and currency value.

*Personality:* each person has different personality characteristics and traits. That makes a person unique. Personality created by the set of inner characteristic and psychological traits that both determine and reflect how a consumer will respond or react in a certain situation. According to the Freudian theory he suggests that personality is developing by unconscious needs or biological drives.

Human personalities have the combination of different traits and all these traits are qualitative nature. And these traits strongly affect on consumer buying behavior or choice. The major consumer traits are bellow:

- Consumer innovativeness and related traits
- Cognitive personality traits
- Consumer materialism to compulsive consent

### **Psychological factors:**

The two major psychological factors that highly affect on consumer behavior are:

*Motivation:* Hashim Zameer (2014) shows the importance of motivation on beverage industry in his study. He describes that motivation word is derived from “motive”. And the meaning of motive is needs, wants and the desire of a person. It means that the behavior a consumer or person shows because of some reason it is called motivation. Motivation occurs when a need aroused and consumer wish to satisfy. The human requirements are called need. There are two main types of needs. 1<sup>st</sup> primary needs and 2<sup>nd</sup> secondary needs. So it’s important for marketers to understand the needs and motivate the consumer. Abraham Maslow describe the certain needs into hierarchy of needs and tell us why people trying to satisfy certain needs in a certain situation.

*Maslow's Hierarchy of Needs:*

1. Psychological needs
2. Safety needs
3. Love / belonging needs
4. Esteem needs

## 5. Self actualizations

*Consumer skills and knowledge:* consumer knowledge and skills is important factor that strongly influences the consumer choice because consumers firstly prefer those products about they have some information. It is necessary for all marketers to give the proper information to consumer about their products through the learning theories.

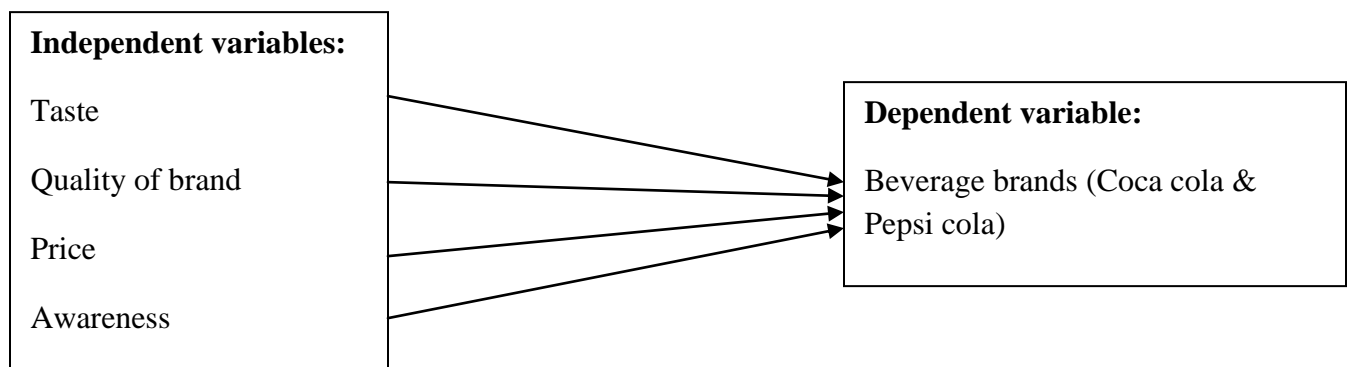
## 3. Theoretical Framework

### Consumer behavior:

This study involve consumer behavior is an independent variables. In independent variables consumer behavior the factors that strongly influence the beverage brands in Pakistan are taste, quality of brand, price and awareness.

### Beverage brands:

According to literature review beverage brands as a dependent variable. And in dependent variable the main beverage brand that is mostly use in Pak include Coca cola and Pepsi cola.



### Hypothesis development:

**H1:** consumer behavior does not influence the beverage brands of Pakistan.

**H0:** consumer behavior does influence the beverage brands of Pakistan.

## 4. Material and Methods:

### a. Research instrument and sample:

To examine the influence of consumer behavior towards beverage brands of Pakistan survey method is applied. Questionnaire I have designed comprises of three sections. First section is related to the personal profile of the respondent including their age and gender etc. which is measured by nominal scale. Second and third sections related to the questions related the variables namely consumer behavior and beverage brands measured by 5 point likert scale and staple scale. I selected the 3 major cities of Pakistan Layyah, Multan and Lahore for questionnaire survey. 150 questionnaires were distributed to the citizen personally but 126 people give response. The model will be as:

*Beverage Brand* = *F (Consumer Behavior)*

*Beverage Brand* =  $B_0 + B_1 \text{ConBehv} + e$

**b. Analysis, Findings and Interpretation of Results:**

To observe the influence of consumer behavior towards beverage brands first I used frequency analysis on variables to examine the frequency of people and the majority of people are brand conscious or brand unconscious. Second, regression analysis is used to examine the connection between dependent and independent variables.

*Frequency analysis:*

**Table 1.1. Purchased**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	125	99.2	99.2	99.2
No	1	.8	.8	100.0
Total	126	100.0	100.0	

**Source:** Author's Estimation

Table 1.1 Indicate that 99.2% people purchased beverage brand and 0.8% people not used beverage brands. It shows that majority of people in Pakistan used beverage brands.

**Table 1.2. Choice**

	Frequency	Percent	Valid Percent	Cumulative Percent
Coca cola	76	60.3	60.3	60.3
Pepsi cola	50	39.7	39.7	100.0
Total	126	100.0	100.0	

**Source:** Author's Estimation

Table 1.2 indicates that 60.3% people in Pakistan prefer Coca cola and 39.7% people's choice is Pepsi cola that shows majority of people in Pakistan like coca cola brand.

**Table 1.3. Compared**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	31	24.6	24.6	24.6
Neutral	26	20.6	20.6	45.2
Agree	69	54.8	54.8	100.0
Total	126	100.0	100.0	

**Source:** Author's Estimation

Table 1.3 indicate that 24.6% people are not compared different brand before purchasing, 20.6% neutral and 54.8% people are fully agree to compared the different beverage brands before purchasing. Mean majority of people in Pakistan are branding conscious.

**Table 1.4 Taste**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undesirable	7	5.6	5.6	5.6
Neutral	12	9.5	9.5	15.1
Desirable	107	84.9	84.9	100.0
Total	126	100.0	100.0	

**Source:** Author's Estimation

Table 1.4 indicates that 5.6% people are undesirable about the taste when they choosing a beverage brand, 9.5% are neutral and 84.9% are desirable about the taste when they choosing a beverage brand.

**Table 1.5. Quality brand**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undesirable	11	8.8	8.8	8.8
Neutral	11	8.7	8.7	17.5
Desirable	104	82.5	82.5	100.0
Total	126	100.0	100.0	

**Source:** Author's Estimation

Table 1.5 indicates that 8.8% people are undesirable about the quality of beverage brands when they choosing, 8.7% are neutral and 82.5% people are desirable about the quality of beverage brands..

**Table 1.6. Price**

	Frequency	Percent	Valid Percent	Cumulative Percent
Undesirable	19	15.1	15.1	15.1
Neutral	39	31.0	31.0	46.1
Desirable	68	53.9	53.9	100.0
Total	126	100.0	100.0	

**Source:** Author's Estimation

Table 1.6 shows that 15.1% people in Pakistan are undesirable about the price of beverage brands of Pakistan, 31% are neutral and 53.9% people are desirable

**Table 1.7. awareness**

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Undesirable	9	7.1	7.1	7.1
Neutral	11	8.7	8.7	15.9
Desirable	106	84.1	84.1	100.0
Total	126	100.0	100.0	

**Source:** Author's Estimation

Table 1.7 indicates that 7.1% people are undesirable about the awareness of beverage brands when they choosing, 8.7% are neutral and 84.1% people are desirable. It shows majority are desirable about the awareness of beverage brands.

*Regression analysis:*

**Table 1.8**

Dependent variable: Beverage Brand					
Method: Least Squares					
Variables	Coefficient	Standard Error	T-Value	Prob.	Beta
Constant	1.991	0.434	4.590	0.000	
Consumer Behavior	0.229	0.079	2.889	0.005	0.251

**Source:** Author's Estimation

Table 1.8 shows beta values which means individual independent consumer behavior variable influence on dependent variable of beverage brands (Coca cola & Pepsi cola) of Pakistan. Results indicate that consumer behavior has the strong influence on beverage brands (Coca cola and Pepsi cola) of Pakistan with beta value 0.251. If we increase the 1 unit of consumer behavior its influence on beverage brands is 1.23%.

**5. Conclusion:**

The questionnaire sample of present study was 150 and distribute questionnaire in three major cities of Pakistan Multan, Layyah and Lahore but 126 people give the response. 60.3% people of Pakistan like Coca cola and 39.7% people like Pepsi cola. Majority of Pakistani people are brand conscious mean to say they pay attention to ads and consider many factors before purchasing



any beverage brand. According to survey more than 50% people view that the price of beverage brands products are high in Pakistan. In this study having consumer behavior is independent variable and beverage brands (Coca cola and Pepsi cola) is dependent variable. I follow the kotler et Al. In present research's literature review I give my points of view related to the consumer behavior and also describe those factors that can change the consumer's behavior and choice. Cultural factors, social factors, personal factors and psychological factors strongly influence the consumer behavior. Present study is used to examine the relationship between consumer behavior and beverage brands (Coca cola and Pepsi cola) of Pakistan.

Results from present study suggest that if the beverage industry produce or made their brands according to the consumer/customer needs (taste, price, choice and awareness) their brands then consumer automatically increase and industry achieve their goals easily. The results further suggest that the consumer behavior can significantly influence the beverage brands of Pakistan. We can say that if the beverage industry of Pakistan put their focus upon the consumer behavior and produce their products according to their customer demand and satisfy their needs then it will leaders towards a positive increase in purchasing of beverage brands.

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