FACTORS AFFECTING CONSUMER BUYING BEHAVIOR; THE CASE STUDY OF AFGHANISTAN'S ENERGY DRINK INDUSTRY.

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ABSTRACT

Consumer purchase behavior also known as consumer buying behavior is among key concept in customer relationship management (CRM) and in marketing as a whole concept. consumer behavior can be defined as the activities which are directly associated to the attainment and use of products and services in exchange for the economic value for individual, and the decision-making processes that lead to these activities. Scientists and researchers have long studied the factors that influence this underlying topic.

Among plenty of factors and methods to study this term, the social, personal, psychological, economic and marketing strategy related factors have been examined in various studies and demonstrated significant effect. Each of these factors though, is measured through different factors and scales and are defined through variety of sub concepts of which we selected some. Marketers have always been trying to find the factors that influence consumers purchasing behavior and design their product accordingly to be most favorable.

The worldwide consumption of energy drinks increased 10%, to 8.8 billion liters in 2015, and Red Bull company dominated the market with dedicating 30% of global share of market to itself. Energy drink (ED) as a new trend in Afghan market has flourished in the country in attracting a lot of consumers, which has led a lot firms engaging in ED industry whether by importing from abroad or by launching their own productions inside the country. however, ED market and consumer in general and specifically in Afghan have not received sufficient attention in regard to market analysis and purchase behavior .

Through current study, utilizing survey questionnaire 302 individuals among Herat citizens have been surveyed and administered the questionnaire to explore the most effective factors in buying energy drinks among Afghan consumers. the results have shown the positive relation between personal, social, economic, psychological and marketing strategies with consumer buying behavior.

1. Introduction

Consumer behavior pertains with regard to the choice, buying and consuming of goods and services aimed at serving their specific demands (Schiffman and Kanuk, 2016). Several types of procedures are in place for the Consumer behavior. Numerous features, distinctive features and characteristics affect each person's behavior in who he is and in his decision-making process, shopping preferences, buying patterns, purchasing behavior, what kind of brands he buys or where he goes to. (Hawkins and Mothers bargh ,2014), A purchasing decision is defined as the outcome of any individual and each of its elements. Initially, the user attempts to discover for himself the kind of product he is looking for. (Kotler and Keller, 2009), Then he will select goods that promise a greater benefit . Once the goods have been selected, the customer estimates the money that will be available to spend. Lastly, users analyze the predominant cost of basic commodities and takes the final decision regarding what goods he is supposed to take (Kotler and Keller, 2009). Meanwhile various other factors affecting consumers' purchases, including social, cultural and economic factors, personally and psychologically. (Chaubey and Pant, 2018)

Beverage industry has reserved a great amount of market share to its products. This industry is perhaps border and deeper among young generations. (Australia and New Zealand Food Authority, 2001). Beverage sector perhaps accounts for the most extensive customer segment. Among beverage products energy drinks known as ED has been defined with various characteristics (Ballard et al, 2010). Most consumers of energy drinks are young adults, high school, university students, and athletes. (Duffey and Popkin, 2006). In past two decades, beverage industry, in particular energy drinks, has found its way into the Afghanistan's food and beverage market. ED has flourished in the country in attracting a lot of consumers. Therefore, competition among firms intensified with each looking for a strategy to attract more consumer and increase their market share. Marketers have been imposed to draw creative strategies to influence consumers purchasing behavior. (Afghanistan Research and Evolution Unit (AREU), 2009).

Buying Behavior is the process of decision-making and the actions of the individuals participating in the process of buying and consuming goods which are of social and Mental processing (Ramya and Mohamed Ali, 2016). Kotler (1977 & 2001) expressed the opinion that buying Behavior refers to ways in which individuals, groups and entities may Select, acquire, utilize and recycle any products or services, Develop a set of ideas or expertise to satisfy consumer expectations. It is assumed that some specific factors like economic or personal factors have a great influence in consumers' purchasing behavior than others (Vanhuele, and Wright, 2008).

Therefore, the current research seeks to investigate the factors that affect consumers' behavior in Afghanistan's energy drink industry. Here, the current research looks for influential factors and how they affect the consumers' behavior and the way they are addressed by the firms.

2. Literature Review

2.1. Consumer Buying Behavior

The process of consumer buying behavior falls into different steps Kotler (1977 & 2001). This process may vary in name but includes need recognition, searching for information, evaluation of alternative products, decision in making purchase, making purchase, and post-purchase evaluation to assess whether it has addressed the needs or not. it can be said that the costumer is considered as decision-making unite (Vanhuele and Wright, 2008).

2.2. Influential Factors in Consumers Buying Behavior

Several influential factors that limit individuals' goal also affect his/her purchasing behavior. When the individuals' needs are not met, a tension begins and since all these tensions are not always passive, they lead to new adaptation in the psychological and social spheres. These adaptations inevitably affect the behavior of consumers. According to Kotler definition, the factors that affect consumers purchasing behavior are divided into five different groups (Engel et al, 1993, Shiau et al, 2015).

- **Cultural Factors**: Cultures, Sub-Culture, Social Class,

- **Social Factors**: Reference Groups, Family,

- **Personal Factors**: Age, Economic situation, life style

- **Psychological Factors**: Motivation, Perception, Learning, Attitudes and Beliefs

- **Economic factors:** Income, family income, income expectation, savings, liquid assets.

Cultural Factors:

Culture is a mixture of values, norms, beliefs, ethnics, art, traditions, and customs. It is one of the main source of needs for individuals (Shiau et al, 2015). All activities carried out by individuals are guided by culture, and most of the purchases are made to meet the basic needs of individuals, provide physical comfort, or carry out their activities that constitute their cultural life. Culture can be defined into different sub-cultures which can be culture in a community, organization, or it can be a social class (Kotler and Armstrong, 2001).

Social Factors

The prevalent factors in a society where a person lives in, are called social factors (Shiau et al, 2015). Since societies are composed of various different individuals, and groups and each of them has their own preferences and behavior, these various behaviors influence the personal preferences of the other individuals when they want to perform those activities, which are acceptable to the society. Social factors that influence consumer behavior fall in groups such as reference group, family, and role and statues. Each these factor may affect a purchasing decision more than another in a specific range (Shiau et al, 2015). For instance, a spouse,

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Page | 3

children, or parent can exert strong influence on the consumers' purchasing behavior when the family intends to buy home appliances.

Personal factors

In consumers' behavior context, the personal factors are the individual factors of consumers which strongly influence their purchasing behavior. These factors are different from one person to another, and therefore, result in a different set of perceptions, attitudes and behavior towards specific goods and services. Some of important factors that affect consumers' behavior are consumers' age, income and job, lifestyle and personality (Shiau et al, 2015).

Psychological factors

The psychological factors are factors that talk about individuals' factors and what drives them to make a purchase. It affects people purchasing behavior by making them to buy the goods which satisfy them psychologically. Psychological factors fall into four broad group, and some of them may be divided into some sub-groups as well. The most significant factors are shown in below figure (Shiau et al, 2015):

Figure 2.1. Psychological Factors Influencing Consumer Behavior

Economic Factors

Economic factor is one of the prominent factors affecting consumers' behavior. Economic factors are about the level of sell in the market and consumers' financial position. For instance, how much a consumer may pay for a good or service and it contributes to overall sale of company. Economic factors fall into six categories as it is shown below (Shiau et al, 2015).

Figure 2.2. Economic Factors Affecting Consumer behavior (businessjargons.com)

The Effect of Viral Marketing on Energy Drink Consumption

Viral marketing is used in the execution of company activities by using consumer communication networks for product promotion and distribution. Viral and media marketing is a strategy of encouraging the sending of a marketing message to others by creating a potential for exponential growth with effective and encouraging messages through the circulation of messages on the Internet and media (Schiffman and Wisenblit, 2016).

In this marketing strategy, any promotion effort made by the firm is transferred from person to person. In recent years, viral marketing practices have been increasing, but it is a more popular form of marketing, especially when visually is high (Moorthy and Madevan, 2014). The message that will encourage mouth-to-mouth marketing in the viral marketing process should be planned and selected. Because it is important to ensure mutual communication in viral marketing, if the brands involve people in a fun way, the mouth-to-mouth communication process will likely be successful (French, 2013).

3. Research Model and Hypotheses
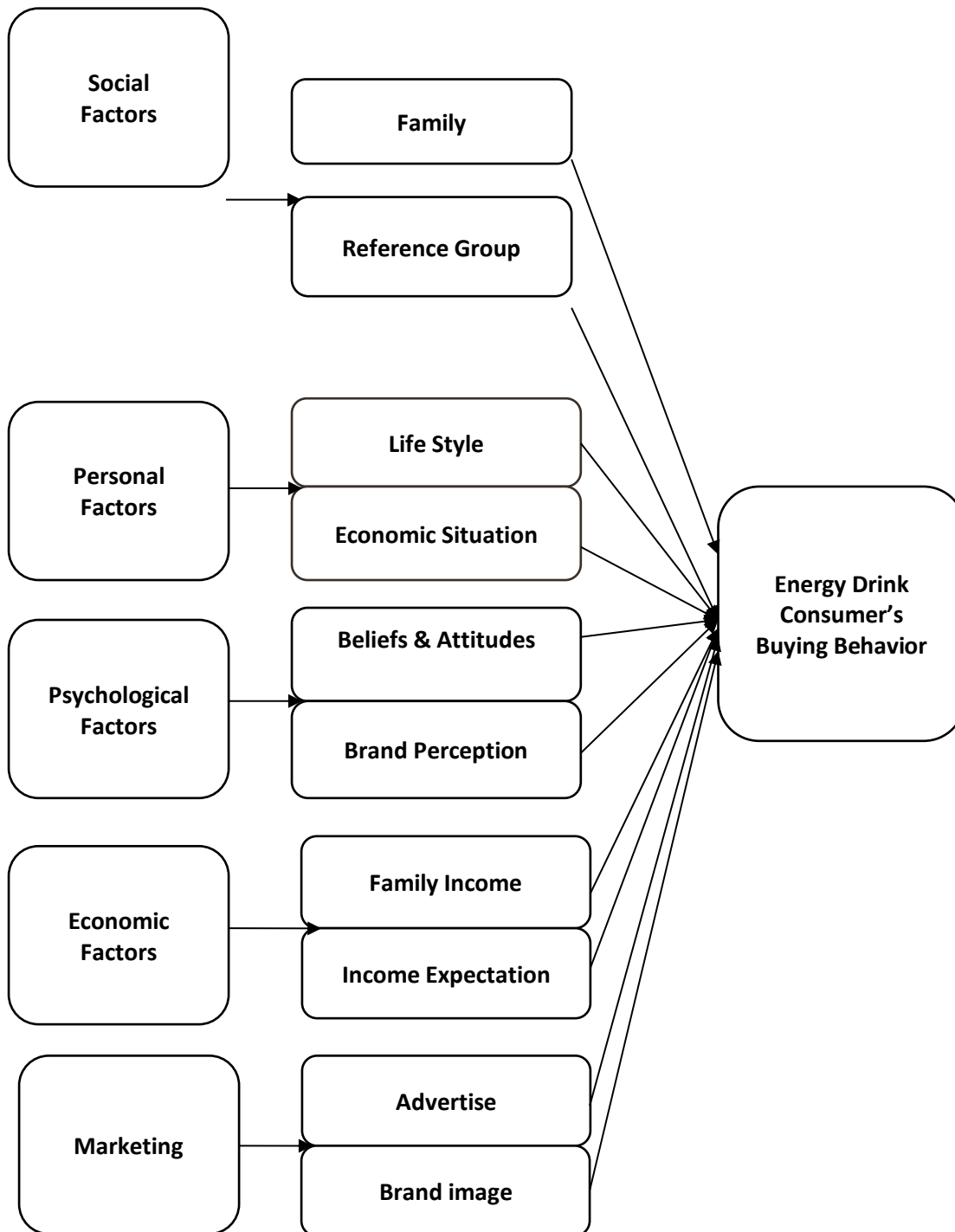
3.1. Conceptual Model

Figure 3.1: Research Path

3.2. Hypotheses:

- **Hypothesis H1:** Social factors affect Afghan energy drink consumers buying behavior.
- **Hypothesis H1(a):** family is positively correlated with Afghan energy drink consumer's buying behavior:
- **Hypothesis H1 (b):** Reference group is positively correlated with Afghan energy drink consumers buying behavior:
- **Hypothesis H2**: personal factors affect the Afghan energy drink consumer's buying behavior.
- **Hypothesis H2 (a):** life style is positively correlated with Afghan energy drink consumer's buying behavior:
- **Hypothesis H2 (b):** Economic situation of an Afghan individual is positively correlated with his energy drink buying behavior:
- **Hypothesis H3**: Psychological factors influence Afghan energy drink consumer's buying behavior.
- **Hypothesis H3 (a):** beliefs and attitudes are positively correlated with Afghan energy drink consumer buying behavior.
- **Hypothesis H3 (b):** brand perception is positively correlated with Afghan energy drink consumer's buying behavior:
- **Hypothesis H4**: Economic factors affect Afghan energy drink consumer's buying behavior:
- **Hypothesis H4 (a):** Family income is positively correlated with Afghan energy drink consumer's buying behavior:
- **Hypothesis H4 (b):** income expectation is positively correlated with Afghan energy drink consumer's buying behavior:
- **Hypothesis H5**: marketing strategies have impact on Afghan energy drink consumer's buying behavior.
- **Hypothesis H5 (a)**: marketing ads are positively correlated with Afghan energy drink consumer's buying behavior.
- **Hypothesis H5 (b)**: brand image is positively correlated with Afghan energy drink consumer's buying behavior.

4. Research Methodology

4.1. Research Design

This study applies quantitative research method. Effect of different factors on consumer buying behavior in Afghan energy drink marketplace is assessed using a survey questionnaire. Research population is Afghanistan's energy drinks consumers' and the target population is consumers in Herat city. Respondents were picked up by using multistage clustering method data. the data analysis has been proceeding and finalized by Amos 20 and SPSS.

4.2. Procedure

Two online and offline version of survey has been designed in which the authorized translated version –in Persian_ has been applied. First participants are being asked to enter their personal information then they have been administrated 20 item questionnaire.

4.3. Participants

The questionnaire has been distributed among people in Herat city. Current sample size consists of 302 respondents Around 145 of which has been Female participants that almost contributes to 38% of whole sample. Male participants were 157 individuals that is roughly 42% of sample size.

5. Data Analysis

5.1. General Descriptive Statistics of Sample

Table 5.1 Shows the sample population Mean and general statistics.

Table 5.1: Sample Population

N	Valid	302	302	302
	Missing	40	40	40
Mean		22.26	.48	2.09
Median		22.00	.00	2.00
Std. Deviation		3.842	.500	.508
Skewness		5.834	.080	3.508
Std. Error of Skewness		.140	.140	.140
Range		47	1	5
Minimum		18	0	0
Maximum		65	1	5

5.2. Descriptive Statistics

Basic descriptive statistics as well as total score of items has been shown in Table 5.2. The mean scores obtained during current survey show acceptable consistency.

Table 5.2: How Often Do you Drink Energy Drink?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	.3	.3	.3
	1	32	9.4	10.6	10.9
	2	47	13.7	15.6	26.5
	3	29	8.5	9.6	36.1
	4	50	14.6	16.6	52.6
	5	86	25.1	28.5	81.1
	6	57	16.7	18.9	100.0
	Total	302	88.3	100.0	
Missing	System	40	11.7		
Total		342	100.0		

Table 5.3: Most Effective Factor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid					
	Taste	181	47.9	59.9	60.3
	Price	33	8.7	10.9	71.2
	Recom	37	9.8	12.3	83.4
	Brand	50	13.2	16.6	100.0
	Total	302	79.9	100.0	
Missing	System	76	20.1		
	Total	378	100.0		

Table 5.4: Basic Descriptive Statistics and Total Score

Factor	N	Min	Max	Mean	Std. Deviation
Social	302	1.00	4.75	3.302	.721
Personal	302	1.25	5.00	3.925	.869
Psychological	302	1.50	5.00	3.285	.655
Economic	302	1.75	4.75	3.299	.701
Marketing	302	1.25	4.75	4.080	.890

Table 5.4 displays the Mean value and standard deviations for each items in questionnaire. The numbers are based on 1-5 grading. As can be seen, most of mean values report amounts higher than mid-point that can be interpreted due to population age (young

population aged 17-35) and education level (mostly academic degree students). Recognizable from Tables 5.1 and 5.4, standard deviations exhibit lower amounts than those for each items as formers are based upon the averages of items. in this study there will be no gender monopoly in regard to result interpretation. Current study applies CR measure to assess the reliability. Assessment has been simplified by employing Amos plugins. Table 5.6 exhibits reliability and validity among factors.

Table 5.5: Basic Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Q1	302	1	5	3.12	.951
Q2	302	1	5	3.25	1.231
Q3	302	1	5	3.78	.969
Q4	302	1	5	3.26	1.101
Q5	302	1	5	3.03	.905
Q6	302	1	5	4.05	.919
Q7	302	1	5	3.67	.811
Q8	302	1	5	3.78	.840
Q9	302	1	5	2.98	1.511
Q10	302	1	5	3.56	1.121
Q11	302	1	5	3.89	1.165
Q12	302	1	5	3.57	1.174
Q13	302	1	5	4.36	.879
Q14	302	1	5	4.34	.935
Q15	302	1	5	3.29	.874
Q16	302	1	5	3.75	.902
Q17	302	1	5	4.14	.901
Q18	302	1	5	4.23	.861
Q19	302	2	5	4.05	.945
Q20	302	1	5	3.98	.968

Table 5.6: Validity, Reliability and Inter-Correlation Among Factors

	CR	AVE	MSV	MaxR(H)	M	S	P	PS	E
MARKETING	0.75	0.537	0.02	0.775	**0.661**				
SOCIAL	0.80	0.513	0.04	0.883	0.157	**0.716**			
PERSONAL	0.74	0.616	0.05	0.789	0.171	0.210	**0.65**		
PSYCHOLOGIC	0.76	0.469	0.05	0.833	-0.061	-0.026	0.22	**0.68**	
ECONOMIC	0.85	`	0.04	0.864	0.145	-0.020	0.00	0.21	**0.77**

S: Social, P: Personal, PS: Psychological, E: Economic, M: Marketing

To test our hypotheses, we conducted 5 multiple regressions, where in each analysis the five personality traits considered independent variables and overall SUS scores are dependent variables. It could be useful to mention that the five personality scores have been imputed using Amos and Imputation scores imported in SPSS as independent variables. Results are demonstrated in Table 5.7 to 5.11.

Table 5.7: Social Factors Multiple Regression Output (N: 302)

Model	Correlations Output				Model Summary		
	B	Std. E	Beta	Sig.	R^2	Adj R^2	ANOVA Sig.
Constant	.11	1.65		.000	.21	.20	.000
Family	.012	.021	.12	.051			
Reference Group	.023	.047	.018	.032			

Table 5.8: Personal Factors Multiple Regression Output (N: 302)

Model	Correlations Output				Model Summary		
	B	Std. E	Beta	Sig.	R^2	Adj R^2	ANOVA Sig.
Constant	4.17	.035		.000	.37	.36	0.000
Life Style	.008	.048	.007	.001			
Economic Situation	.042	.059	.043	.024			

Table 5.9: Psychological Factors Multiple Regression Output (N: 302)

Model	Correlations Output				Model Summary		
	B	Std. E	Beta	Sig.	R^2	Adj R^2	ANOVA Sig.
Constant	1.65	.123		.000	.35	.33	.000
Beliefs	.013	.065	.013	.051			
Brand Perception	.361	.069	.360	.036			

Table 5.10: Economic Factors Multiple Regression Output (N: 302)

Model	Correlations Output				Model Summary		
	B	Std. E	Beta	Sig.	R^2	Adj R^2	ANOVA Sig.
Constant	2.19	.258		.000	.41	.38	.000
Family Income	.174	.098	.175	.009			
Income Expectation	.216	.016	.219	.011			

Table 5.11: Marketing Strategies Factors Multiple Regression Output (N: 302)

Model	Correlations Output				Model Summary		
	B	Std. E	Beta	Sig.	R^2	Adj R^2	ANOVA Sig.
Constant	5.85	1.26		.000	.29	.26	.000
Advertise	.001	.193	.001	.054			
Brand Image	.361	.044	.370	.026			

6. Discussion

6.1. Findings and Reasoning

Tables 5.1 to 5.5 depicts the correlations and model summary, in left side of tables the coefficients correlations are shown, and in right side the model summary values with R squared and adjusted R squared and P-Values are shown.

H1 (a): family is positively correlated with Afghan energy drink consumer's buying behavior: Shown in table 5.10 P-value for economic situation shows insignificant amount (sig = 0.051) which rejects our null hypothesis that there is no correlation between Family and consumer purchase behavior. B and Beta coefficients show positive values that indicates positive correlation between family and consumer purchase behavior, so that more effect of family results to more purchase of energy drink in our target population. Therefore H1 (a) is supported by our findings.

H1 (b): Reference group is positively correlated with Afghan energy drink consumers buying behavior: Shown in table 5.1 P-value for reference group shows insignificant amount (sig = 0.032) which rejects our null hypothesis that there is no correlation between reference group and consumer purchase behavior. B and Beta coefficients show positive values that indicates positive correlation between family and consumer purchase behavior, so that more effect of reference groups results to more purchase of energy drink in our target population. Therefore H1 (b) is supported by our findings.

Through approval of hypotheses H1 (a) and H1 (b) the hypotheses H1 is approved with P-Value of 0.000 while adjusted R squared of 0.31 implies the amount of variance in consumer buying behavior that can be explained through social factors.

Other hypotheses from H2 to H5 (a &b) same are supported through our findings that proves the effect of life style(P-value = .001), economic situation(P-Value =0.024), beliefs and attitudes(P-Value = 0.051), brand perception (P-Value = 0.036), family income (P-Value= 0.009),income expectation (P-Value = 0.011), advertise (P-Value = 0.054) and brand image (P-Value = 0.026) while all show positive correlation between underlying scales and consumer buying behavior. this indeed supports the main hypotheses of H2 to H5 through significant level of 0.000 for all hypotheses that rejects our null hypothesis of lack of relation between scales and consumer buying behavior and therefore there is positive correlation between personal, psychological, economic and marketing factors and consumer buying behavior. Where respectively 36, 38, 33 and 28 percent of variance is explained by personal, psychological, economic and marketing factors.

6.2. Research Limitations

The most critical limitation of the study has been respondents. Getting people involved in such surveys in Afghanistan does not seem easy. People have safety and political concerns

regarding their information, privacy and purpose of survey. generally studies like this need to make peoples of different groups of society involved, however, literacy and education level in Afghanistan prevented us of easily convincing other groups to attend the survey, therefore, we had to concentrate our target group to more educated groups of people studying or working. Such studies indeed require support of local academic entities in order to gain more trust and involvement.

6.3. Suggestion for Future Research

There exists different approaches to this subject, a promising approach can be to concentrate only in political factors that rarely have been studied. This aspect seems more important in Middle East countries such as Afghanistan that holds a unique and complex political structure, in regard to politics, trading, applying religious laws that might affect purchase behavior. Safety as a sub topic under politic itself is a critical aspect in this field which affects the priority of consumer and , availability of products in areas. Though there are common factors that can be studied or employed worldwide, other factors are limited to particular countries/regions and in that regard we will be mistaken if compare consumers behaviors in different regions of the world. Due to limited studies being conducted concerning Middle East consumers, we are hoping this subject will receive sufficient attention to provide comprehensive understanding of one of the biggest consumers regions in the world and promote quality of life in such regions.

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Page | 14

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Page | 15

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