



# FACTORS AFFECTING COFFEE CONSUMERS' BEHAVIOR: A CASE STUDY OF CONSUMPTION IN BEIJING

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## Abstract

Coffee is a common beverage consumes in the world as well as in Beijing which is also an agricultural plant that is economically important with highest trading ranking in the world. Caffeine is an important component of coffee which stimulates the mind of human beings. Up to date, coffee beverages is one of the most popular or famous beverages in this world. The objectives of this research were as following: 1) To study the personal characteristics that affect the consumers' behavior in using the services of coffee shops in Beijing, China and 2) Study the marketing mix factors affect the consumers' behavior to use the services of coffee shops in Beijing, China. A survey was conducted with a sample size of 400 customers selected by random sampling and cross-sectional survey method throughout 14<sup>th</sup> of October 2022 until 18<sup>th</sup> of November 2022. Questionnaires qualitative approach was the instrument used in this research. The results found that the respondents believed that the general marketing mix factors affect the consumers behaviors at various level. Among all, the highest level was process with mean score as the highest at 3.7298, followed with physical evidence, people, promotion, product, place and lastly price 3.6772. The respondents had high agreeable level that all 7P of marketing mix had influence the consumer behavior.

**Keywords:** Customers in Beijing, marketing mix strategy, consumers' behavior, coffee consumption, coffee shops

# CHAPTER 1

## INTRODUCTION

Coffee is a common beverage consumed in the world as well as in Beijing. [1] Coffee is an agricultural plant that is economically important with highest trading ranking in the world. [1] Caffeine is an important component of coffee which stimulates the mind of human beings. [2] Up to date, coffee beverages is one of the most popular or famous beverages in this world. [3] Muslims have discovered coffee in the 9<sup>th</sup> century at various location such as southern Ethiopia which was brought into other part of the world such as America and European countries. [3] Then it has been widely consumed due to the special component of coffee which is caffeine. [2][3] Many people even drink it a few times a day or take coffee on a regular basis. [3] Coffee was drunk at various events such as at work, throughout the meeting, at leisure, seminars, with breakfast, lunch, high tea and even dinner. [3] China, considered as a late comer to the coffee market has also stood their foot in this market in the recent years. [3] Based on Statista website, in the year of 2020, the coffee drinking quantity in China was only close to 9 cups. [3] Taking to comparison with Western countries like European countries, United Kingdom as well as United States of America, this is way behind them whereby the coffee drinking quantity or the consumption of coffee is way higher. [3] Tea has been dominating the China's hot beverage market which is also the country's national drink. [3] In the recent years, coffee has grown attracted China's younger Generation in particularly those born in the year of 80's, 90's and millennials or rather known as Y and Z consumers, this was mainly due to the western lifestyle that have been well accepted by these few younger generations. [3] Up to date, numerous industrial specialists are having the opinion that coffee market is quite encouraging and has great potential. [3] China was introduced with coffee in the Yunnan province of South China in 19<sup>th</sup> century by French missionaries. [3] Since that moment, Yunnan has become the largest region in China itself in terms of coffee production. [3] The amount of coffee produced by Yunnan has tabulated to 98 % of the total coffee production in China. [3] However, this amount of coffee was far more smaller in terms of volume when compare to neighbor south east country, Vietnam. [3] Vietnam is the second largest coffee producer in year 2020 globally. [3] Putting into China's coffee production capacity into the numbers, it only contributed close to one percent of global coffee production in the year of 2020. [3] Given this fact, China has been relying heavily on import from other countries to fulfil the demand of raising coffee consumption in China and that included Beijing, the capital city of China. [3] Malaysia which is a south east asia country located at the south of China, has becoming China's largest partner in terms in importing of the coffee produced by Malaysia. [3] The major coffee bean produced in Malaysia are of Arabica bean, Robusta bean and Liberica bean. Among all the beans, Liberica was commonly found in Malaysia. [3] Other countries that also export their coffee to China were Vietnam, Italy, and Colombia. [3] In terms of dollar and cents, a more than 50 million U.S. dollars or around 220 million Ringgit Malaysia was supplied by Malaysia in the year of 2020 to China. [3] However, when it comes to volume or the quantity of coffee bean being exported to China, Vietnam top the list by exporting the largest quantity of coffee into the China market. [3] Over the years the number of cafes that serve coffee has been on the increasing trend with mostly independent coffee house. Coffee chains such as Starbucks, Costa, Luckin and so on have also dominating the market share with Starbucks itself is

operating more than 5000 stores in China. [3] Due to the growing demands of coffee shops in Beijing as well as increasing competitiveness among coffee shops, the researcher has developed a high level of interest in studying on the factors affecting coffee consumers' behavior in Beijing. [3] With all the reasons as mentioned, the researcher has become interested in studying the influential factors of the marketing mix on consumers who use the services of coffee shops in Beijing. The research results can be applied for coffee businesses to further improve their business and management by offering better and tailored services with the right strategies to meet the consumer's need and behaviors, and at the same time to better manage the coffee business [3]

The research conceptual framework of this study is as follows. It is divided into independent and dependent variables. Independent variables are personal characteristics included gender, age, status, level of education, monthly income and occupation while service's marketing mix factors included products, prices, place, promotions, people, process and physical evidence. The dependent variables on consumers' behavior in using coffee shop services in Beijing included important of consumptions urges, frequency of consumptions and quantity of consumptions. This are illustrated in Figure 1 as below.

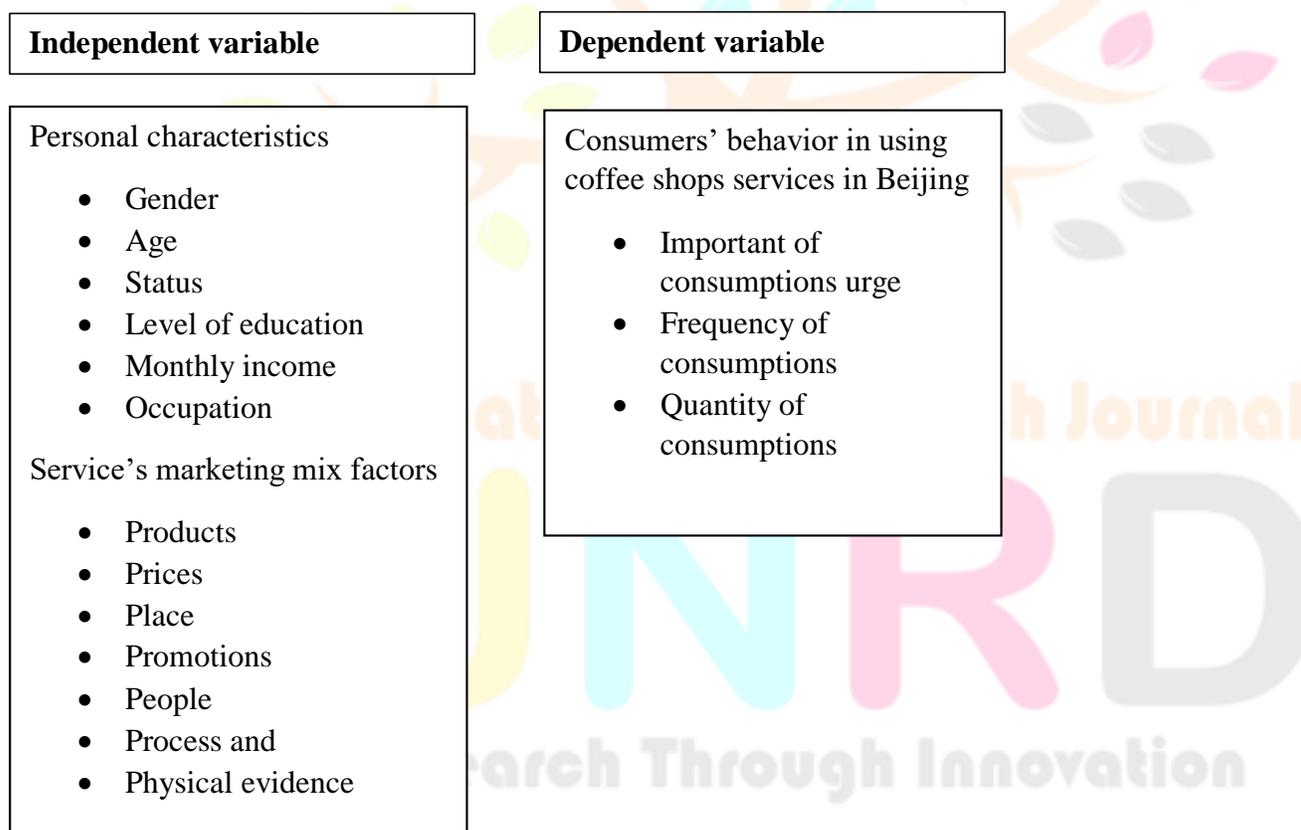


Figure 1: The Research Conceptual Framework

## 1.1 RESEARCH OBJECTIVES

In a study on the factors that affect the Consumers' Behavior in Using the Services of Coffee Shops in Beijing City, China, the researcher has the following objectives:

- (1) To study personal characteristics (that affect the consumers' behavior in using the services of coffee shops in Beijing City, and
- (2) To study the factors of marketing mix that include 7Ps that affect the consumers' behavior in using the services of coffee shops in Beijing City

## **1.2 DESIRED BENEFITS**

1. Identify the personal characteristics variable factors and how it can affect the consumer behavior on coffee consumption in the capital city of Beijing, China
2. Identify the marketing mix which are 7Ps and how it affect the consumer behavior on coffee consumption in Beijing, China
3. Apply the research results in developing an effective marketing strategies for coffee related food and beverages business in the capital city of Beijing, China

## **CHAPTER 2**

### **LITERATURE REVIEW**

There were numerous researches have already been conducted in the world included China to study on the factors affecting consumer behavior and what actually shapes their purchasing behavior when come to coffee consumptions. [4][5] One significant aspect will be the personal characteristics that will have influence or have impact on coffee related food and beverages business when using the services [4][5] in the capital city of Beijing, China. Personal characteristic examined in various research include the following parameters such as the gender whether they are male or female, different age group, their educational level which could be tertiary education or high school level, occupation or career and also the income level whether there are high income group, middle income or low income group which is also link to their social class indirectly.[4][5] Secondly, the well- established 7Ps Marketing Mix Factors will also have a significant effect on the behavior of consumers in using services of coffee related food and beverages business in Beijing. [4][5][6][7]

#### **2.1 THEORIES ON MARKETING MIX OF 7PS**

There are 7 Ps in marketing mix which are product, place, price, promotion, people, processes and physical evidence. [4][5][6][7] The marketing mix affect the consumer's purchasing behavior. The Fundamental of Marketing Mix or in short called as 4P's representing the controllable variables in the marketing context in which the company can leverage on these variables and derive suitable strategy and tactical out of it in order to their target customer. [8] This it curial to result in satisfaction within the variable set which is controllable and directly aim at the target group. [8] The 4P has evolved over the year with addition of 3 new elements of the services marketing mix which comprises of

the people, the process and the physical evidence. [8][9] With these 3 new additions, it gives the 7Ps and the new 3Ps are unique especially to the marketing of services such as coffee shop. [8][9] The marketing mix ideology or concept has an undeniably critical role simple as it merges all important marketing decision that will be used in the management so that business such as coffee shop or coffee related food and beverages business can tailored better service to serve the needs of the customers. [8][9] The first P which is product such as aroma of the coffee, type of coffee bean used, method of roasting and so on will affects the consumer's choice when come to selecting a coffee product that is to their liking. [8][9] The second P is price. Price is important because it uses dollar and cents to tell how much a product worth. [8][9] Consumer often use price to estimate and set their expectation on the value they are getting from the shops. [8][9] The value here can be quality of coffee, innovation of coffee and even the services rendered along the way such as quality of the service from the service crew. [8][9] This estimation of value has been occasionally used and hence making price an important P to be considered. [8][9] The right pricing strategy will encourage consumers to purchase the coffee and hence increase the sales. [8][9] However, there are certain groups will prefer high price as they are living a luxurious lifestyle. So an expensive coffee or higher dollars and cents can encourage this group of customers as they took pride in buying expensive products to feel luxurious especially when branding is in place. [8][9] Sometimes, the overdoing or too much of advertisement of a product or details to the extend nobody can identify the differences may also discourage consumer from making a purchase. [8][9] Hence price is one of the factors that will influences consumers in buying certain things throughout the purchasing process. [8][9] There is a saying in marketing, if one's not able to differentiate themselves, then price will be the only determining factor, this sentence spells out the importance of other elements of marketing mix. [8][9] The third P will be the place such as the strategic location and renovation of the coffee house. [8][9] For instance, the comfort of Starbucks coffee house layout has enabled itself to maintain a good share of market share among the coffee shops in Beijing. But this is not the sole factor of the success of Starbucks coffee chain in Beijing and also in the world. This bring the 4<sup>th</sup> P which is the promotion. [8][9] Marketing promotion is how a business deliver their messages to the potential customers. [8][9] The communication is a form of selling that can be consists of online or offline advertisements, any form of effort in making the information to the public eyes and any form of PR(public relationship) efforts. [8][9] Moving to the three new components of the services marketing mix which are the people, the process and the physical evidence. [8][9] The 5<sup>th</sup> P which is people. In a service delivery process such as brewing coffee and serve it to the consumer, people are a defining factor because service is strongly linked from the service crew that are offering the relevant service. [8][9] In a coffee house, the service rendered by the service crew will affect the consumer experience. [8][9] Therefore, the top management of many service provided companies have been focusing a lot on the training of their staff to ensure they are competent in delivering quality and consistent services. [8][9] The 6<sup>th</sup> P will be the Process: The delivery of service from a shop to the customer is critical as it ensures that the same standard of service has been delivered to the customers even they visit the same shop at different timing or even different locations or branches. [8][9] This resulting in the service blue print that provide details of the service delivery are developed and kept by most companies to ensure consumer experience the same service. [8][9] Chain of coffee shop such as Starbucks, Costa and Luckin coffee has the same blue print for all the outlets in

order for the consumer to experience the same service delivery process. [8][9] Last but not least, the 7<sup>th</sup> P will be the physical evidence. [8][9] Services are usually intangible in its originality, hence most of the coffee shops will strive to incorporate a certain component that are tangible along the services delivery process. [8][9] This can enrich the experience of customer and give a little touch to their emotions to make them wanting to return to this business again in the near future. [8][9] A lot of coffee house has spent a significant amount in furniture and interior design to ensure a comfortable, homely and suitable place to enjoy the coffee or fellowship and to ensure they offer a unique and tangible experience to the guests. [8][9]

## 2.2 THEORIES ON CONSUMER BEHAVIOUR

Consumer these days have higher expectation that in the 60's era where industrial is dominating the market. Consumer evaluate the products and services received occasionally to make sure the products or services received do meet their expectation. [10] Hence to stay relevant in the market, it is crucial for a coffee house to understand the behavior of the customer and tailored the marketing effort to meet their needs. [10] The consumer behaviour can be defined as how a person is having a thought process in making a decision whether to use certain products or services and resulting in any purchase. [11] A study of consumer behavior can derive many benefits by starting with thorough and in dept analysis of the behavior relevant to the purchase of a certain products and services and also the personal characteristic of the potential customers. [11] The need of the consumers is also an important parameter to be studied. The outcome or any conclusion derived from the study will help marketers to tailored the effective marketing strategies and tactical deliverables to bring the satisfaction of customer to a greater height [11]

## 2.3 HYPOTHESES

Hypothesis 1: Personal characteristics will have impact on consumers' behavior in using services of coffee related food and beverages business in Beijing, China

Hypothesis 2: Marketing Mix Factors which comprises of 7Ps will have impact on consumers' behavior in using services of coffee related food and beverages business in Beijing, China

## CHAPTER 3

### RESEARCH METHODOLOGY

In this chapter 3.0, the researcher explains the methods used to collect data and then analyse the data to derive any findings. In this study of the factors affecting coffee consumers' behavior in using services of coffee shops in Beijing, the definition of coffee shops is defined as a café or restaurant that provides food and coffee beverages services and at the same time offer dine in services.

#### 3.1 POPULATION AND SAMPLE

Based on Beijing's 2021 National Economic and Social Development Statistical Bulletin data, the number of populations in Beijing was around 218,860,000. [12] By selecting sample groups from indefinite population using calculation formula [13] with an error at a significant level of 0.05. The sample group comprises 385 samples (adapt to 400 samples). Researchers will conduct survey throughout the study period from coffee shops at multiple districts at Beijing. Beijing is divided into 16 districts such as Dongcheng District, Xicheng District, Chaoyang District, Haidian District, Fengtai District, Shijingshan District, Daxing District and so on. [14] Researchers will collect 25 samples from each district and this will result in a total of 400 samples being collected. [14]

$$n = \frac{P(1-P)Z^2}{E^2}$$

E<sup>2</sup>

The explanation of n, P, Z and E are explained the following paragraph

n = number of samples

Z = reliability value at a level of 95%, Z value is 1.96

P = proportion value to be studied, highest value at 0.50

E = error value allowed by the researcher in this study, which is 0.05

#### 3.2 DATA SAMPLING

The sampling method choose in this research is random sampling method from the consumers of coffee beverages in coffee shops in Beijing, China. [15] Random sampling was used as it is less biased, easier to execute and less complicated compare to other sampling method. [15] The inclusion criteria will be those patrons in the coffee shop having coffee and dine in services during the survey period in Beijing. The exclusion criteria will be those patrons in the coffee shop but not a coffee drinker. By excluding the non- coffee drinker, the consumers in the coffee shops will be randomly selected to answer the questionnaire during the survey period.

### 3.3 DATA COLLECTION

A cross sectional study is employed whereby it involves collection of data from the responders from 14<sup>th</sup> of October 2022 until 18<sup>th</sup> of November 2022, herein after referred as study period. [16] Beijing was selected as the research location due to the fact that Beijing is the capital city in China. It is the most dynamic city in China and it is also a political, cultural and economic city. In a survey done by Alibaba research center, Beijing was ranked at number 2 in terms of spending power in the coffee consumption, just behind Shang Hai which top the list. [17] Besides, the consuming power is on the positive growing trend with a constant increment from 2019 to 2020 and to 2021 [17] This result in the high potential of coffee shops market in Beijing. [17] The survey research uses a validated questionnaire which comprises of part a and part b. This questionnaire is a tool to collect data and information from the 400 samples randomly located at Beijing throughout the 5 weeks of survey period from 14<sup>th</sup> of October 2022 until 18<sup>th</sup> of November 2022.

To collect a series of data that is useful for the survey, the common term data collection is used with the aid of questionnaire. This is also a process to gather the desired data in a structured form. [18] Primary data and secondary data and the common data available these days. [18] The definition of primary data it means the data has been collected for a unique purpose for the first time. [18] Secondary data can be defined as the data that was collected earlier by other researchers and the results were published by the other researchers which are made available through search engines or journal library. [18] Due time constraint and financial limitation factors, the researches use both primary and secondary data as the source for the questionnaire, while secondary data was collected from marketing textbook, published journals, articles, trusted source of internet websites and published researches by other researchers in the similar study. [18]

The research conceptual framework as follows. It is divided into independent and dependent variables. Independent variables are personal characteristics and service's marketing mix 7 Ps while dependent variables are consumer behaviors in using coffee shop service in Beijing, China. Personal characteristics included gender, age, status, level of education, monthly income and occupation while service's marketing mix factors included products, prices, place, promotions, people, process and physical evidence. Apart from this, the dependent variables on consumers' behavior in using coffee shop services in Beijing included important of consumptions urges, frequency of consumptions and quantity of consumptions.

The questionnaire is divided into two parts. The first part comprises of 9 questions where the first 6 questions were to examine the demographic data of participants while the last 3 questions were to study the dependent variables in using coffee shop services. The second part of the questionnaire comprises of 7 components where each component has 5 questions to survey on the 7Ps in the marketing mix which could impact consumer's behavior when using coffee related food and beverages business.

### 3.4 STATISTICS USED AND DATA ANALYSIS

After the completion of data collection throughout the 2 months of period, data analysis was conducted and this is defined as a process of evaluating, recoding, decoding data by applied statistical or logical technique. The analyzed data will be presented in statistical diagrams, tables, and/ or charts. The researcher used SPSS software program for all the statistical analysis of this study after the data completed questionnaire were coded. Descriptive statistics analysis was done using frequency and percentage to explain respondent's demographic data (gender, age, marital status, level of education, monthly income, and occupation) and consumer purchase behavior (Purpose to visit a coffee shop, coffee drinking frequency and number of cup of coffees consume in a day) was analyzed also using frequency and percentage. [19] In Part A, the respondents are required to choose the most suitable answers from the options given. Multiple choice answers were used to gather the data of the demographic and personal characteristic of respondents.

In part B, the researcher used interval scale. [20] The questionnaire items were rated by the respondents on a five Likert scale, each question is on a scale from number 1 with the lowest agreeable level to number 5 with highest agreeable level.

Highest =5 points

High =4 points

Moderate =3 points

Low =2 points

Lowest =1 points

For the measurement analysis, mean and class interval formula was used to calculate the range of information in each level.

$$\text{Class interval} = \frac{\text{highest value} - \text{lowest value}}{\text{No of class}}$$

Mean score will be calculated and the agreeable level of perception towards 7Ps parameters will be group accordingly as follow:

If a respondent scores an average of mean score at 1.00 – 1.49, this indicates the respondent agreeable level were at the lowest agreeable level/ lowest interest level

If a respondent scores an average of mean score at 1.50 – 2.49 indicates the respondent agreeable level were at the low agreeable level/ low interest level

If a respondent scores an average of mean score at 2.50 – 3.49 indicates the respondent agreeable level were at the moderate agreeable level/ moderate interest level

If a respondent scores an average of mean score at 3.50 – 4.49 indicates the respondent agreeable level were at the high agreeable level/ high interest level

If a respondent scores an average of mean score at 4.50 – 5.00 indicates the respondent agreeable level were at the highest agreeable level/ highest interest level

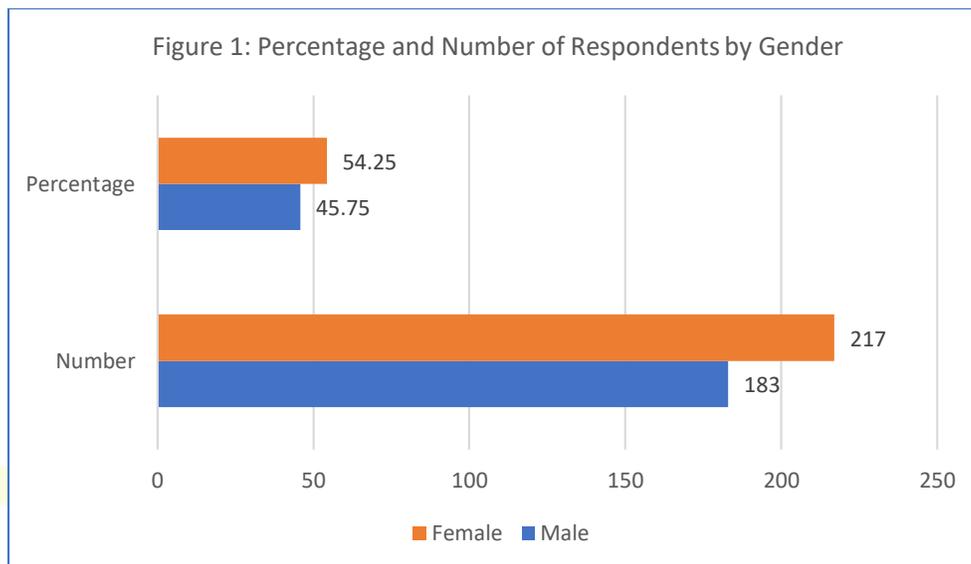
The outcomes from the mean score can be used in determining whether marketing mix factor will impact the purchase intentions. This will enable marketer or business management team to pay more focus in developing the business or marketing plan. For example, if the respondents score 4.8 in terms of total mean scores for the question the coffee should have a pleasant and rich aroma. This will enable the business owners or marketers to ensure high attention to be given onto the quality of coffee bean used to ensure the coffee aroma is pleasant and rich.



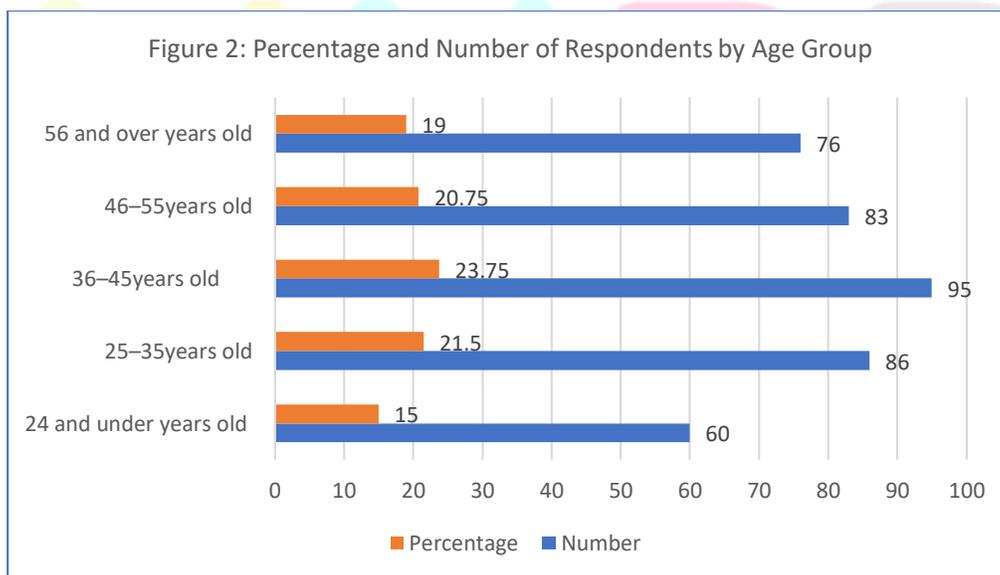
## CHAPTER 4

### RESULTS AND DISCUSSION

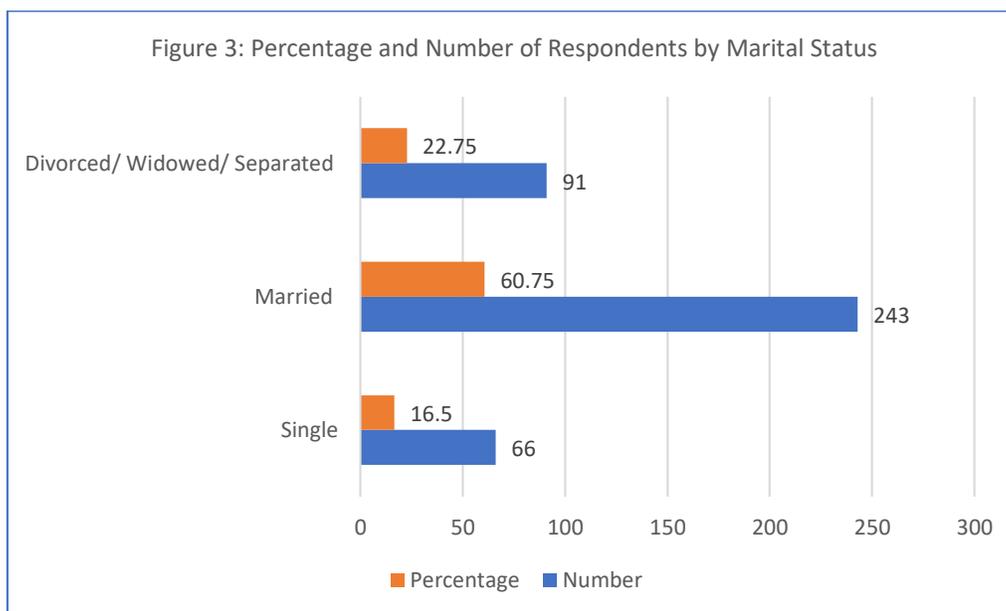
The research on factors affecting coffee consumers' behavior: a case study of consumption in Beijing found that most questionnaire respondents are female 54.25% and male 45.75% based on a total of 400 respondents collected. (Figure 1). More female respondents might be due to the reason that some housewives whom are primarily focusing in household management might have more leisure time to visit coffee houses for leisure purpose.



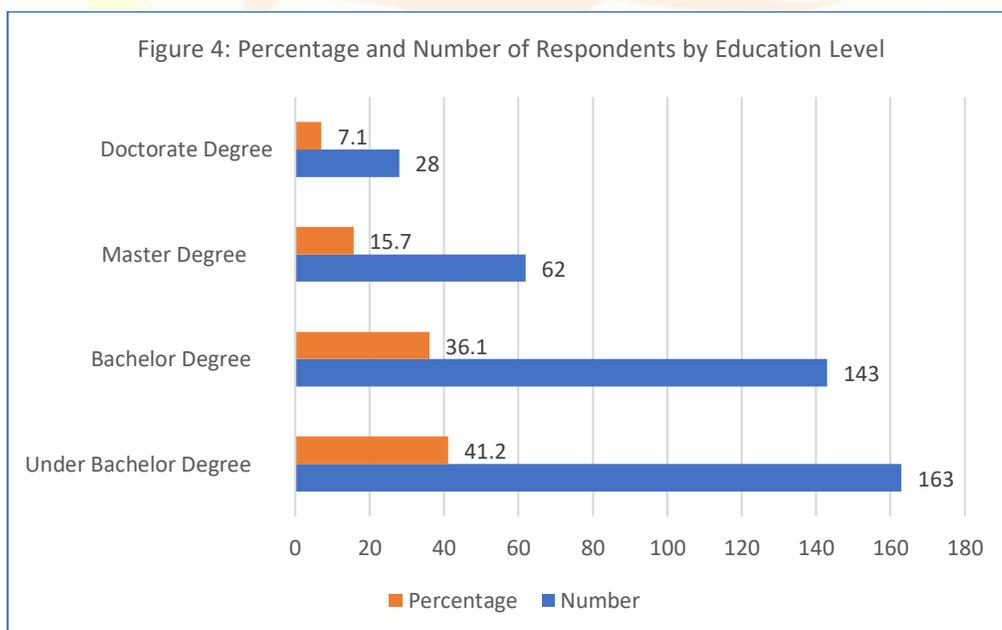
As for age group, 36-45 years old top the list with 23.75% which is equivalent to 95 respondents. The second highest group is 25-35 years old with 21.5% equivalent to 86 respondents and this could be due to the fact that both of this group are usually working adults and they might use coffee shop for meeting or business reason. (Figure 2)



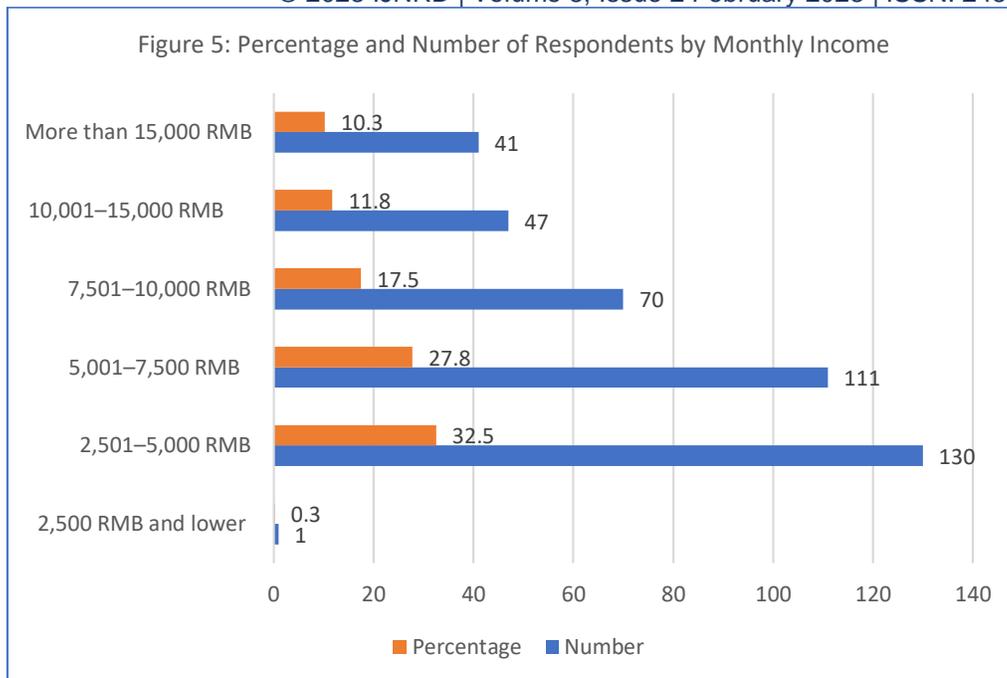
As for marital status, most respondents are married with 243 respondents out of 400 respondents which give rise to 60.75%. 16.5% respondents are single and 22.75% are divorced/ widowed or separated. (Figure 3)



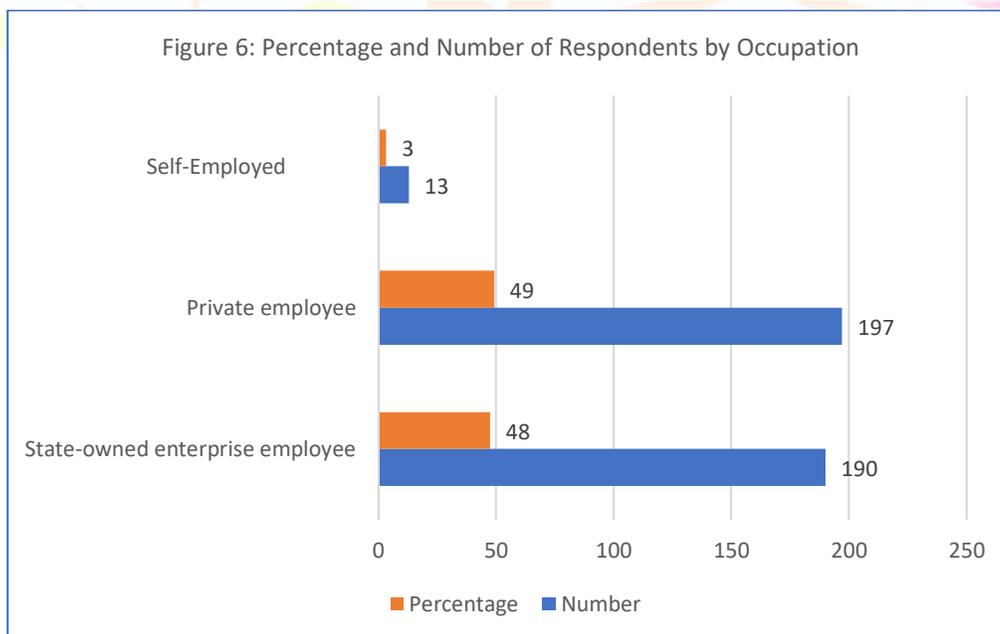
In terms of education level, most respondents had under bachelor of degree qualifications which comprises of 41.2% while bachelor degree holder top the second list with 36.1%. Doctorate degree had the lowest percentage of 7.1% only. The doctorate degree holder is also associated with higher income with 60% drawing a monthly salary of more than 7500 RMB. (Figure 4)



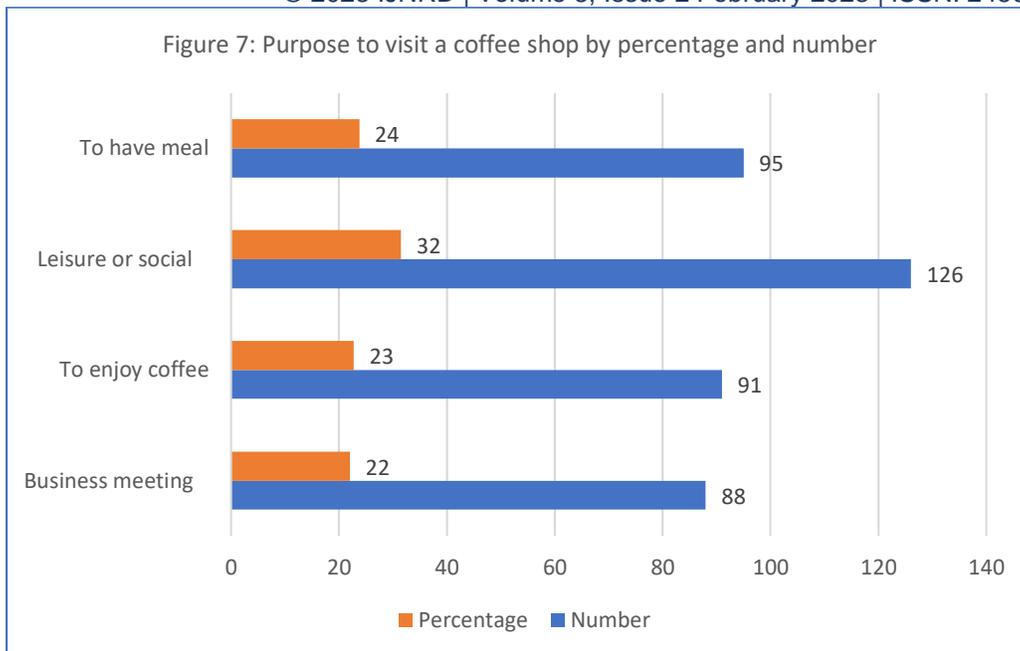
Most respondents made up of 32.5% are drawing 2501 to 5000 RMB monthly while 27.8% are drawing 5001-7500RMB monthly. Only 10.3% are drawing more than 15000 RMB monthly. (Figure 5)



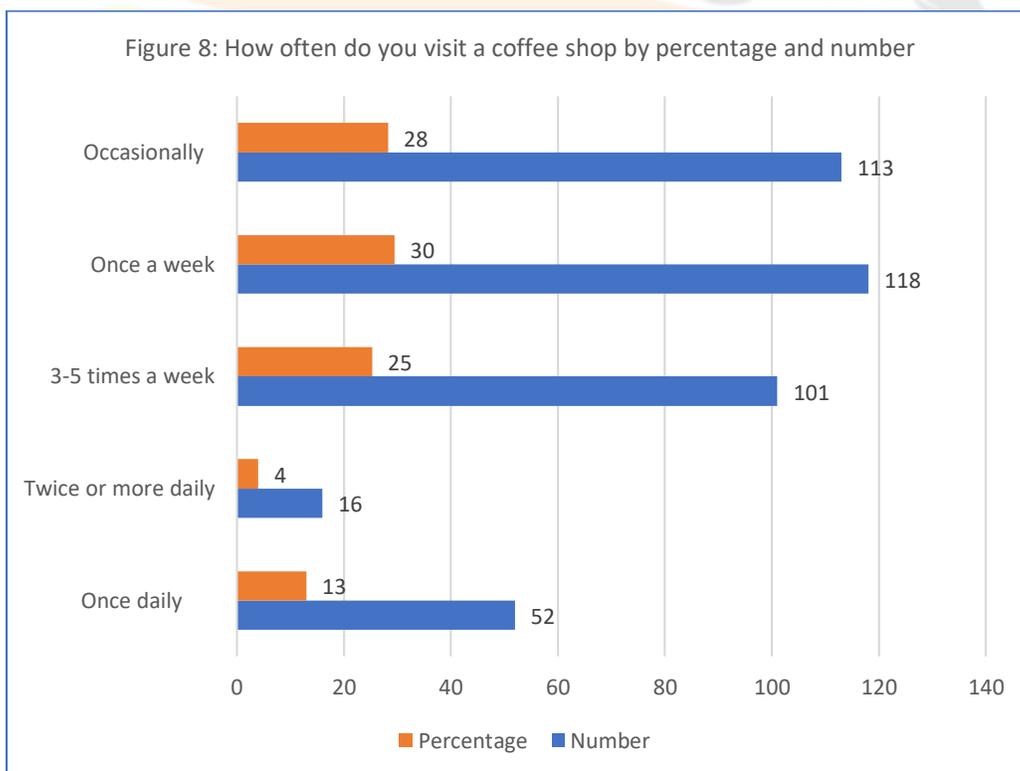
49% respondents are working at private company or corporation while 48% are working at state-owned enterprise or government linked companies. Only 3% are self-employed. (Figure 6)



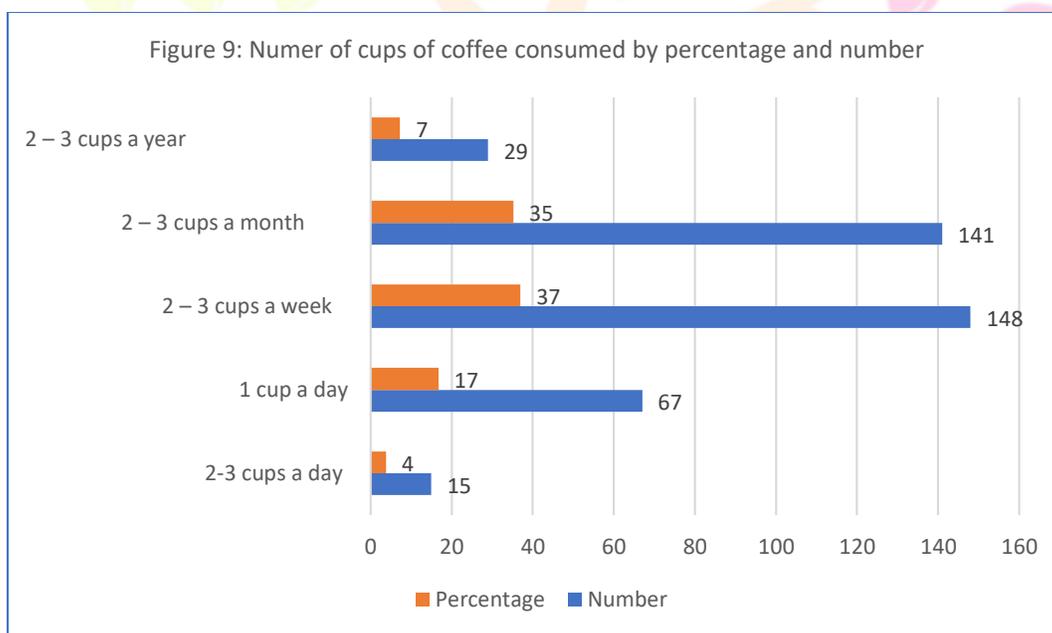
Most respondents visit a coffee shop for leisure or social reason and this contribute to 32%. 24% visit a coffee shop just to have their meal. 23% visit a coffee shop for the purpose to enjoy coffee while 22% visit a coffee shop due to business meeting reason. (Figure 7)



As discussed earlier that the coffee consumption in China is still consider relatively low compare to the other countries so this will indirectly affect the frequency to visit a coffee shop. Most respondents which are 30% visit coffee shop once a week while 28% visit only occasionally. Only 4% visit twice or more daily while 13% visit once daily. (Figure 8)



Based on statista website, in the year of 2020, the coffee drinking quantity in China was only close to 9 cups a year and tea has been dominating the China's hot beverage market which is also the country's national drink. [3] Hence it does tally with the finding as follow whereby 37% drinks 2-3 cups a week and 35% drinks 2-3 cups a month. This number of cups are higher than the average 9 cups per annum of Chinese Citizen since this survey is undertaking at Beijing City whereby the coffee consumption is higher than the average. Only 17% drinks 1 cup per day. More than 70% of respondents drink less than one cup per day. Even the daily coffee drinker only comprises of 17%, however this is considered high when compare to China overall where the average coffee consumptions are only 9 cups per annum per person.[3] The coffee consumption in Beijing has now reaches a high level that is almost similar to the level in mature markets. On a per capita scale, London leads other cities when compare to Shanghai, Tokyo, New York and so on. London has 3.69 coffee shops per 10,000 people and this top the list in the world. On the other hand, Shanghai as a metropolitan of China and has the highest drinking coffee quantity among all cities in China, has 2.85 shops per 10,000 people. Tokyo has 2.78 shops per 10,000 people and Beijing and New York has the similar coffee shops in terms of per capita scale, New York has 1.87 shops per 10,000 people while Beijing has 1.86 shops per 10,000 people. [21]



The questionnaire respondents believed that all the marketing mix factors affected consumers. The respondents had high agreeable level that all 7P of marketing mix had influence the consumer behavior. In accordance to a study conducted by in Chengdu, China and Bangkok, Thailand, marketing mix 7Ps have an impact on the purchasing behavior of coffee shop' customers. [4][5]

In this study, among the 7P, process score the highest at 3.7298, followed with physical evidence, people, promotion, product, place and lastly price. Process scored the highest with mean score of 3.7298 while price score the lowest among all the 7P with mean score of 3.6772. (Figure 10 – 21). The process is the delivery of service from a shop to the customer. The research result has shown that this is a critical factor as it had scored the highest among all the

marketing mix P. Hence it is critical for coffee shop owner or management to ensure that the same standard of service has been delivered to the customers even they visit the same shop at different timing or even different locations or branches. [8][9] It is also important for coffee shop owner or management to develop a service blue print that provide details of the service delivery to ensure consumer experience the same service. [8][9] Training of new staff should undergo the standardized training to ensure the services rendered are of consistency and quality. Among the 5 questions asked in the process, the ordering process is easy has the highest mean score at 3.795. This finding is crucial for the management and shop owners to offer various ordering for a smooth process. Digital way of ordering such as scanning a QR code from ordering to payment is also important as it involve non-human touch and hence the reduce risk of infection. Besides, multiple order method also enable consumer to choose the most comfortable way they prefer such as ordering at counter, or through service crew or directly from digital tablet made available or even online system.

Second highest score falls under physical evidence with a mean score of 3.7246. Among all the 5 questions asked in physical evidence, the coffee shop has comfortable seats and space score highest with mean score of 3.765. Services are usually intangible in its originality, hence most of the coffee shops will strive to incorporate a certain component that are tangible along the services delivery process. [8][9] This can enrich the experience of customer and give a little touch to their emotions to make them wanting to return to this business again in the near future. [8][9] Therefore it is crucial for the management of coffee shop owners to spent a significant amount and effort to ensure a comfortable, homely and suitable space to enjoy the coffee or fellowship and to ensure they offer a unique and tangible experience to the guests. [8][9]

Figure 10: Marketing Mix: Mean and Standard Deviation

Marketing Mix	Mean	Standard Deviation	Variance (S <sup>2</sup> )	Interest Level
Product	3.7068	0.029029296	0.0008427	high agreeable level/ high interest level
Price	3.6772	0.013773162	0.0001897	high agreeable level/ high interest level
Place	3.7058	0.03220559	0.0010372	high agreeable level/ high interest level
Promotion	3.7142	0.038225646	0.0014612	high agreeable level/ high interest level
People	3.7232	0.036286361	0.0013167	high agreeable level/ high interest level
Process	3.7298	0.044796205	0.0020067	high agreeable level/ high interest level
Physical Evidence	3.7246	0.035118371	0.0012333	high agreeable level/ high interest level

Figure 11: Mean Score of Marketing Mix 7Ps

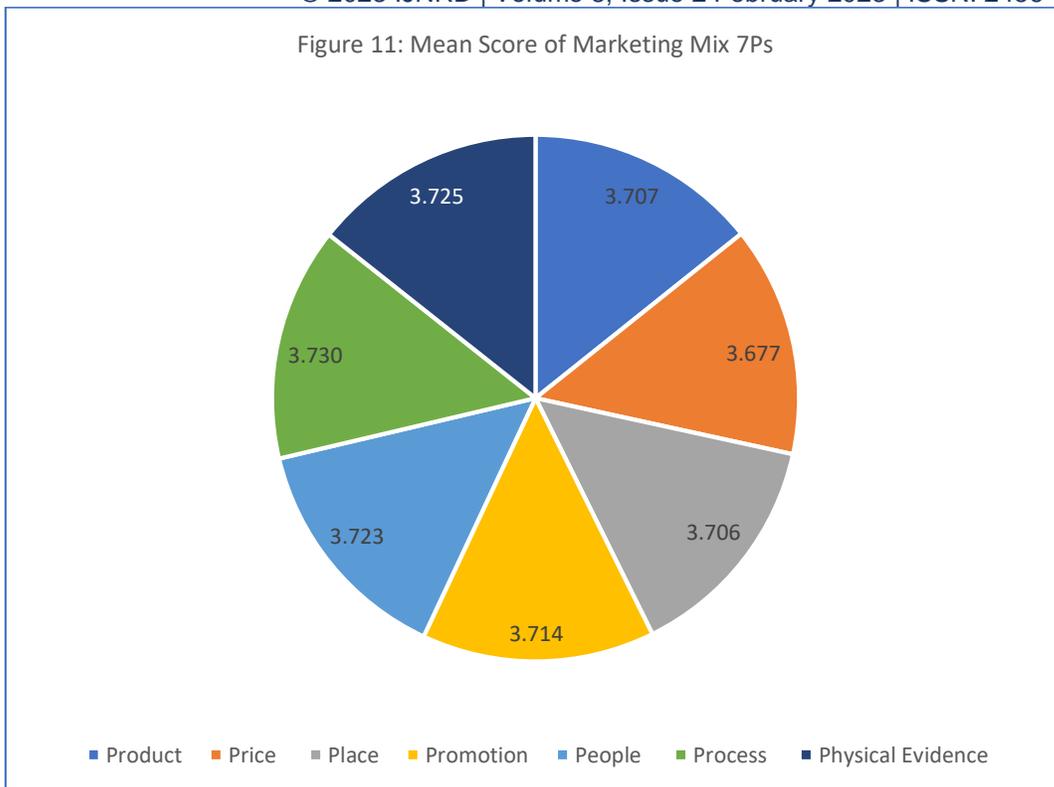
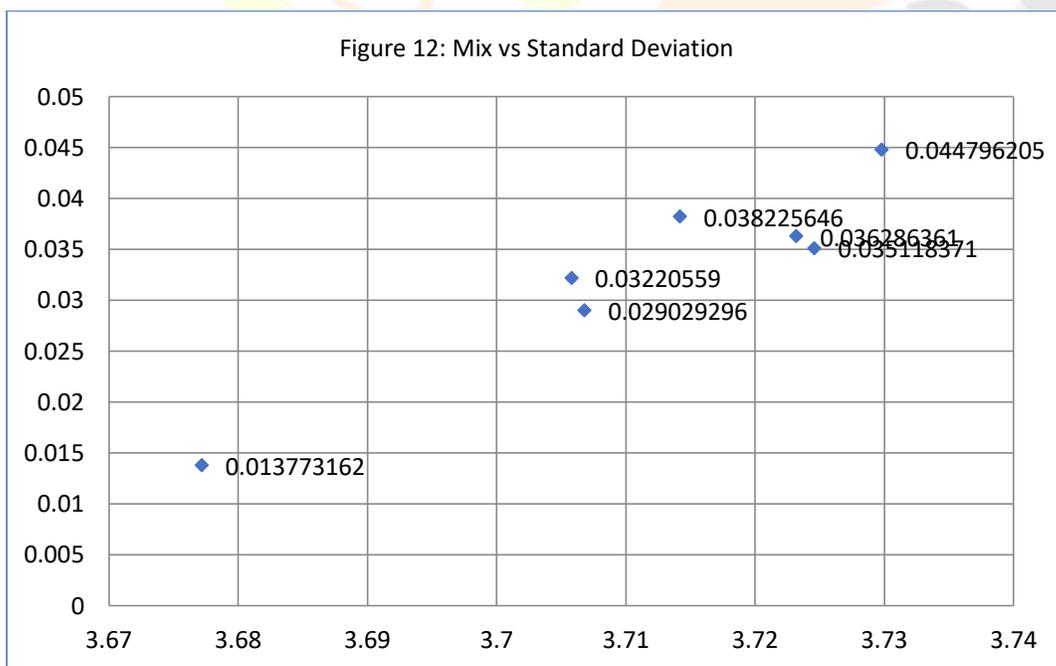


Figure 12: Mix vs Standard Deviation



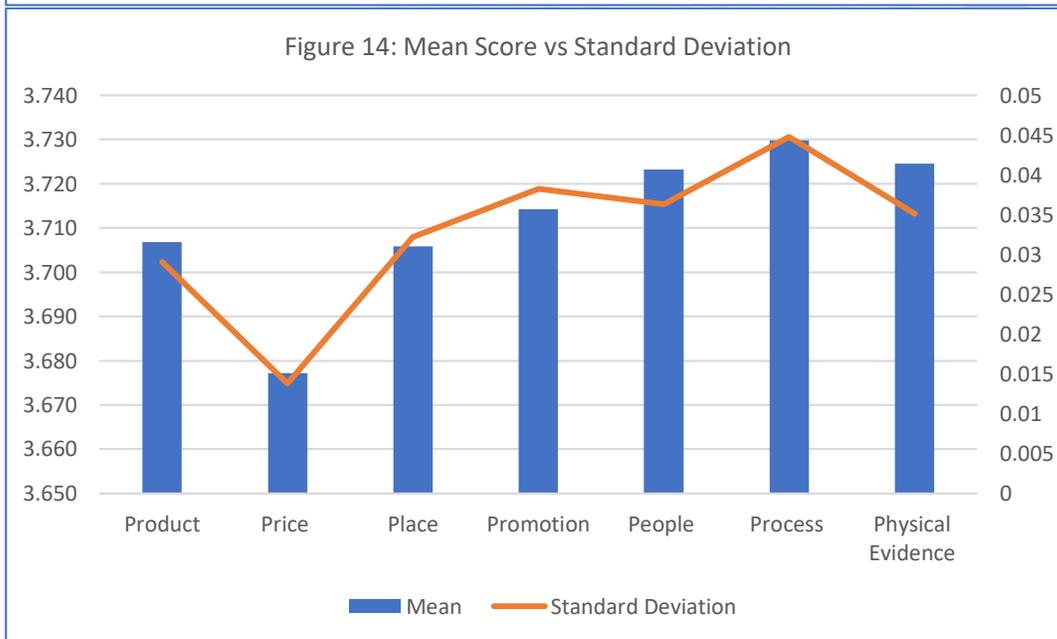


Figure 15: Marketing Mix: Product  
Mean vs Standard Deviation Curve

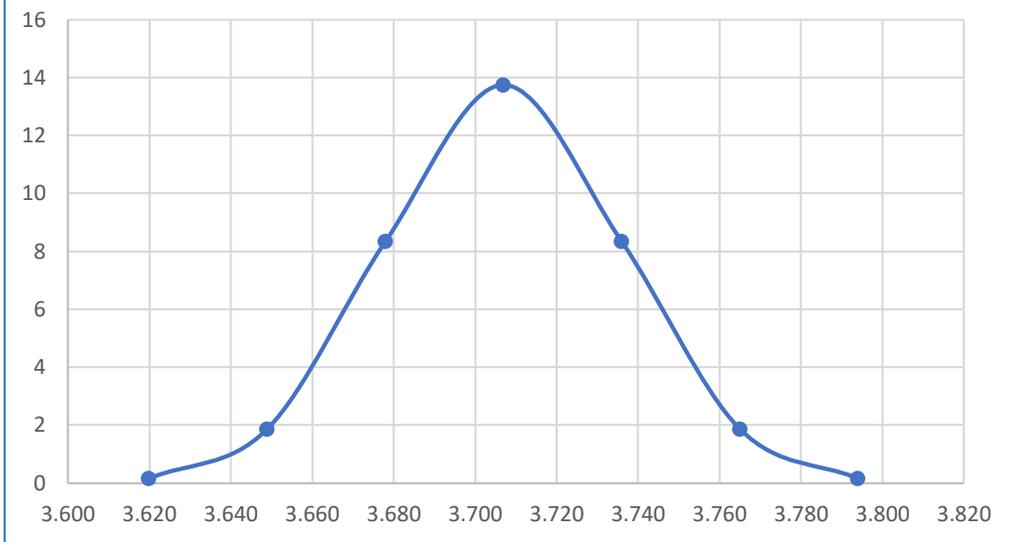
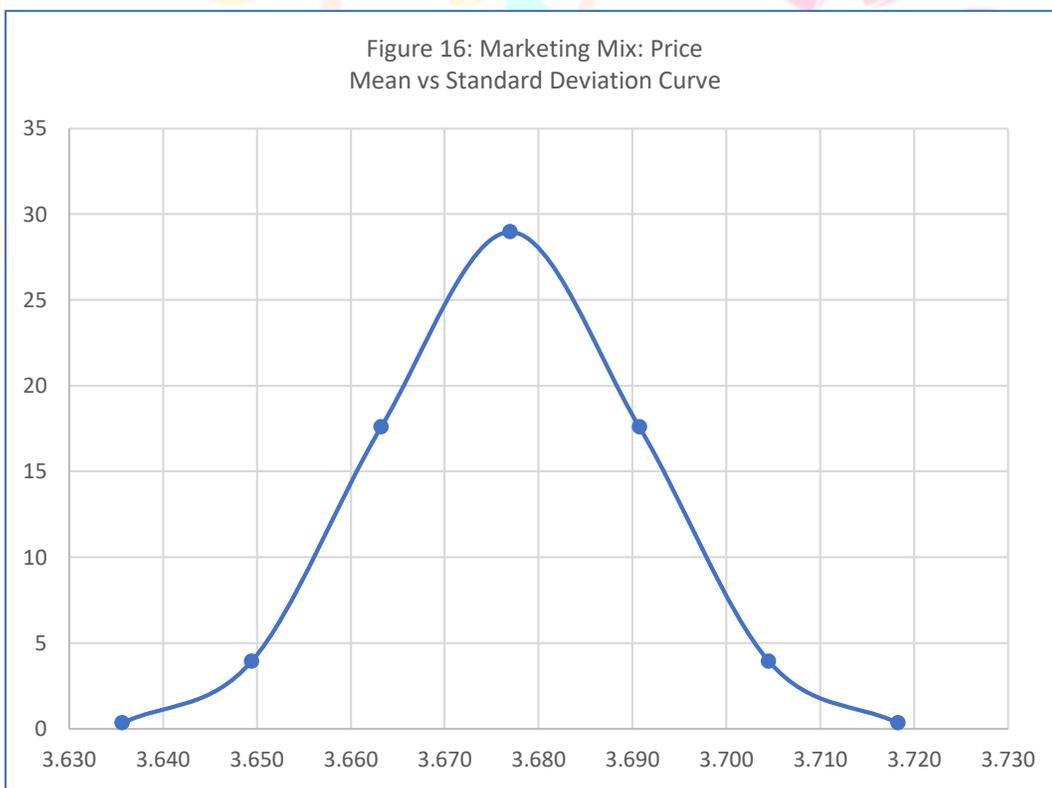


Figure 16: Marketing Mix: Price  
Mean vs Standard Deviation Curve



Research Through Innovation

Figure 17: Marketing Mix: Place  
Mean vs Standard Deviation Curve

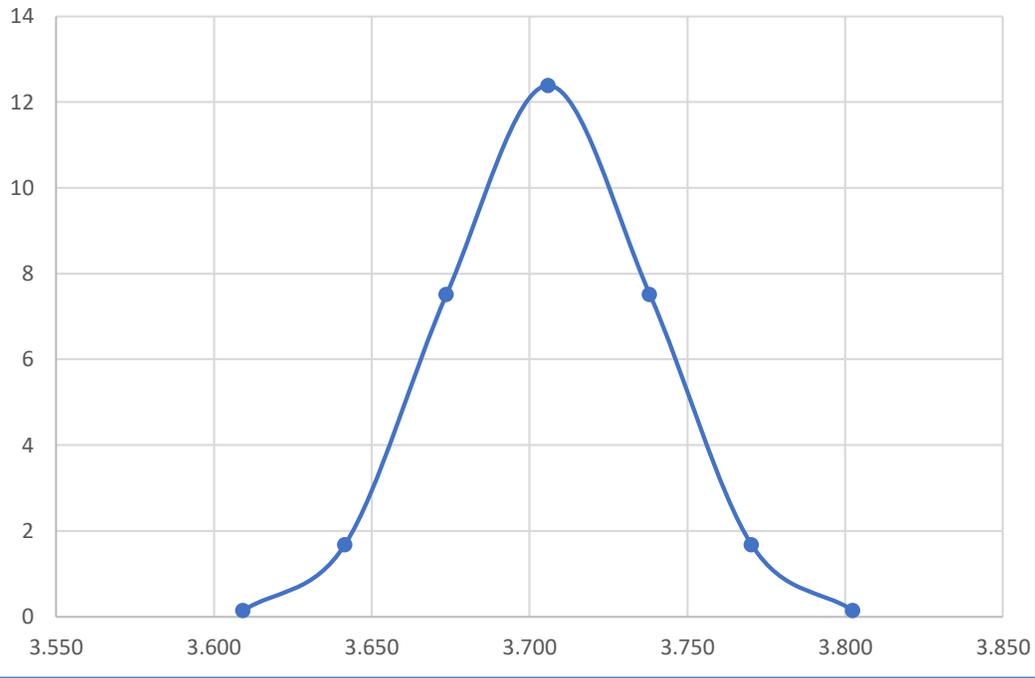
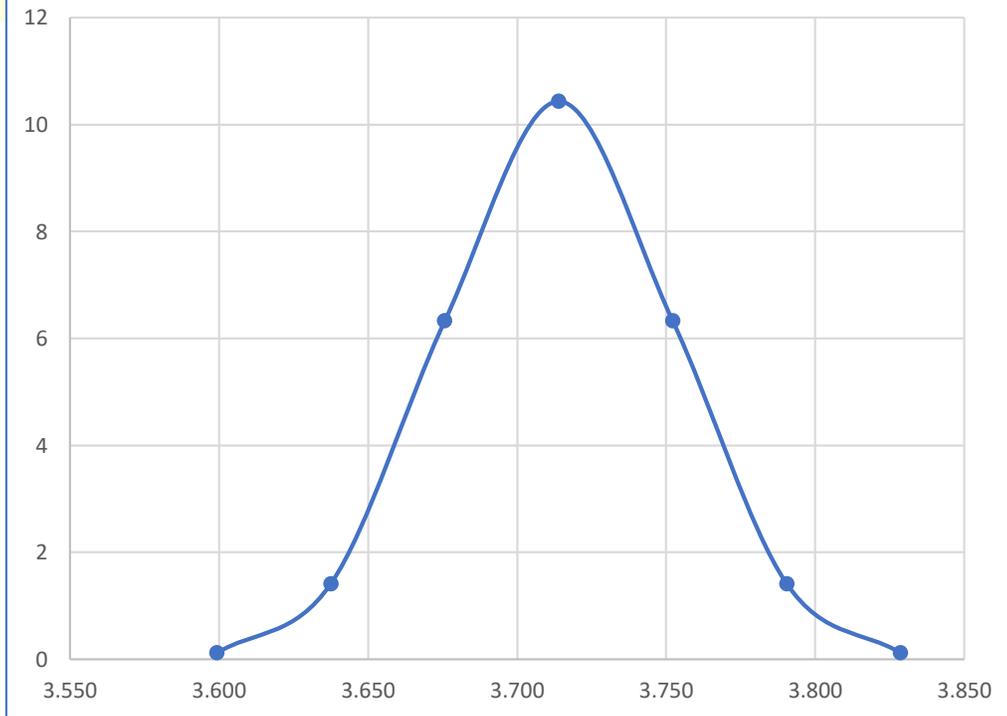


Figure 18: Marketing Mix: Promotion  
Mean vs Standard Deviation Curve



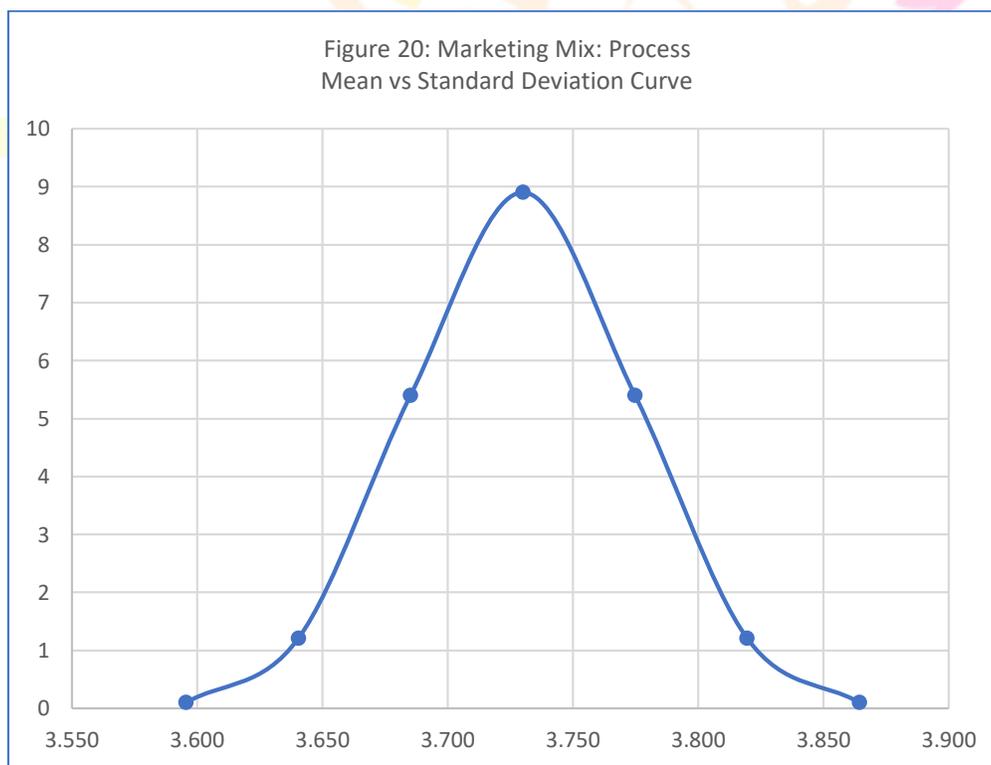
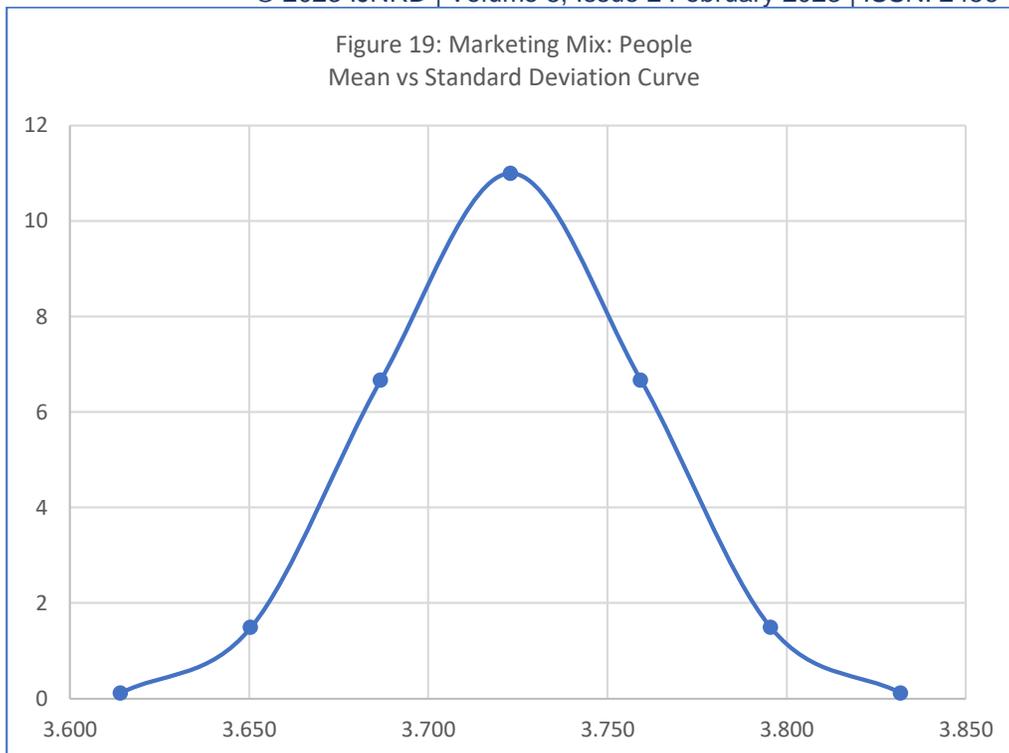
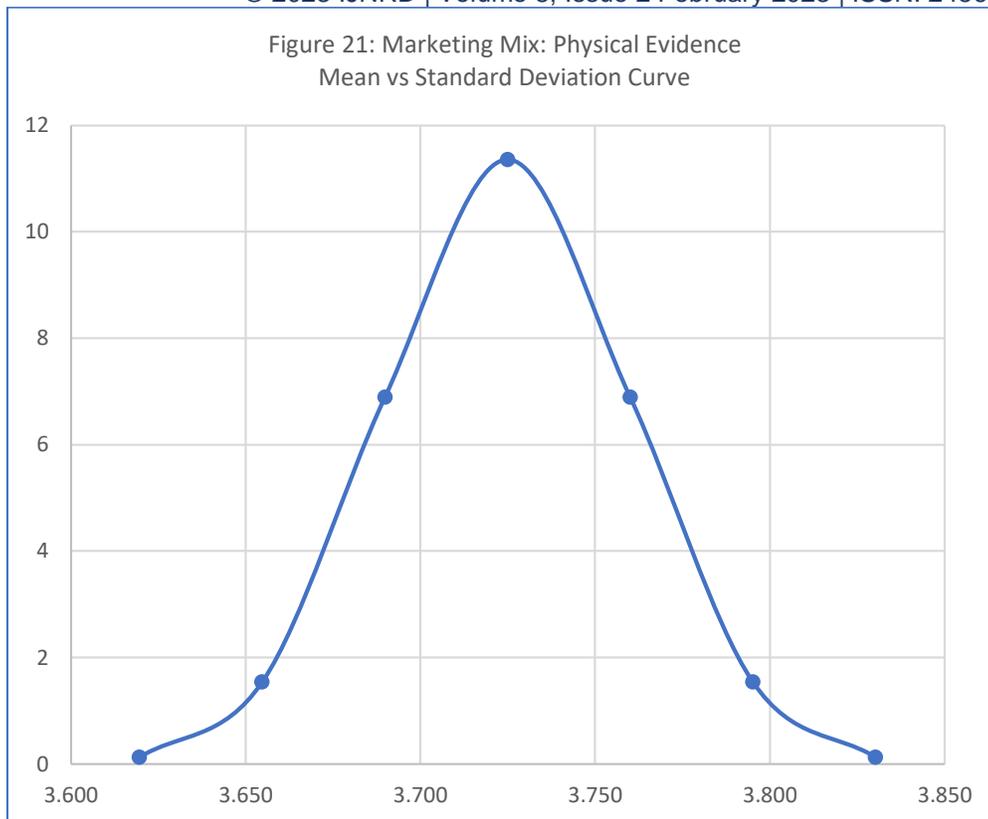


Figure 21: Marketing Mix: Physical Evidence  
Mean vs Standard Deviation Curve



## CHAPTER 5

# CONCLUSION AND RECOMMENDATIONS

### 5.1 SUMMARY

The research on factors affecting coffee consumers' behavior: a case study of consumption in Beijing found that most questionnaire respondents are female 54.25% and male 45.75% based on a total of 400 respondents collected. As for age group, 36- 45 years old top the list with 23.75% which is equivalent to 95 respondents. The second highest group is 25-35 years old with 21.5% equivalent to 86 respondents and this could be due to the fact that both of this group are usually working adults and they might use coffee shop for meeting or business reason. Most respondents are married with 243 respondents out of 400 respondents which give rise to 60.75%. Most respondents has under bachelor of degree qualifications which comprises of 41.2% while bachelor degree holder top the second list with 36.1%. Most respondents made up of 32.5% are drawing 2501 to 5000 RMB monthly while 27.8% are drawing 5001-7500RMB monthly. 49% respondents are working at private company or corporation while 48% are working at state-owned enterprise or government linked companies. Most respondents visit a coffee shop for leisure or social reason and this contribute to 32%. 24% visit a coffee shop just to have their meal. 23% visit a coffee shop for the purpose to enjoy coffee while 22% visit a coffee shop due to business meeting reason. Most respondents which are 30% visit coffee shop once a week while 28% visit only occasionally. Only 4% visit twice or more daily while 13% visit once daily. Based on statisca website, in the year of 2020, the coffee drinking quantity in China was only close to 9 cups a year. [3] Hence it does tally with the finding as follow whereby 37% drinks 2-3 cups a week and 35% drinks 2-3 cups a month. Only 17% drinks 1 cup per day. More than 70% of respondents drink less than one cup per day. Even the daily coffee drinker only comprises of 17%, however this is considered high when compare to China overall where the average coffee consumptions are only 9 cups per annum per person.[3] The coffee consumption in Beijing has now reaches nearly the same level seen in mature markets whereas Beijing and New York clock in at roughly the same – 1.87 shops per 10,000 people and 1.86 shops per 10,000 people. [21] The questionnaire respondents believed that all the marketing mix factors affected consumers. The respondents had high agreeable level that all 7P of marketing mix had influence the consumer behavior. In accordance to a study conducted by in Chengdu, China and Bangkok, Thailand, marketing mix 7Ps have an impact on the purchasing behavior of coffee shop' customers. [4][5] In this study, among the 7P, process score the highest mean score at 3.7298, followed with physical evidence (3.7246), people (3.7232), promotion (3.7142), product (3.7068), place (3.7058) and lastly price (3.6772). (Figure 10 – 21).

## 5.2 RECOMMENDATIONS

### 5.2.1 RECOMMENDATIONS FOR THIS STUDY

The questionnaire respondents had high agreeable level that all 7P of marketing mix had influence the consumer behavior. This is tally in accordance to a study conducted by in Chengdu, China and Bangkok, Thailand, whereby marketing mix 7Ps have an impact on the purchasing behavior of coffee shop' customers.[4][5] In this study, among the 7P, process score the highest at 3.7298. Hence it is crucial for coffee shop owner or management to ensures that the same standard of service has been delivered to the customers even they visit the same shop at different timing or even different locations or branches. [8][9]. Among the 5 questions asked in the process, the ordering process is easy has the highest mean score at 3.795. This finding is crucial for the management and shop owners to offer various ordering for a smooth process. Digital way of ordering such as scanning a QR code from ordering to payment is also important as it involve non-human touch and hence the reduce risk of infection. Second highest score falls under physical evidence with a mean score of 3.7246. Among all the 5 questions asked in physical evidence, the coffee shop has comfortable seats and space score highest with mean score of 3.765. Therefore, it is crucial for the management of coffee shop owners to spent a significant amount and effort during layout planning and renovation stage in order to ensure a comfortable, homely and suitable space for patrons to enjoy the coffee or fellowship and to ensure they offer a unique and tangible experience to the guests. [8][9] The 3<sup>rd</sup> highest scorer falls under people. Among all the 5 questions asked under the segment of people, questions number 5 has the highest mean score of 3.74 which is referring to coffee shops employee should be tidy and clean. This show that customers are concerned with the external appearance and outlook of employee. Hence it is crucial for employer to set a guideline on attire. Coffee shop uniforms will ensure uniformity in terms of attire and uplift the professionalism look of the coffee shop. All these elements will be able to add value to the experience of consumer and ensure long term relationship with consumer.

In conclusion, all the 7Ps of marketing mix are critical for the management when developing the marketing strategy or business plan as the research indicate that the respondents had high agreeable level that all 7P of marketing mix had influence the consumer behavior. As the old saying goes, if you failed to plan, you plan to failed. Hence the findings of this research can serve as a guide for current and future coffee shop owners and management in developing effective marketing strategies for coffee related food and beverages business in the capital city of Beijing, China.

### 5.2.2 SUGGESTIONS FOR FUTURE RESEARCH

As this study is only conducted in Beijing city and not other part of China, hence there are limitations where this research findings might not be able to apply to the other cities in China given the large geographical area and different ethnics group and cultures in different cities. In the future research, larger cities such as Shanghai, Shenzen and

Chengdu, and so on can be considered as research location. Shanghai top the list among all cities in China in terms of the volume of the coffee consumption. By conducting research in other major cities, it will enable the comparison of coffee consumer behavior in different regions and give further insights to investors in venturing into coffee shop industry in the future. Secondly, branding has been an important component in shaping consumer behavior. As quoted by Philip Kotler, the father of marketing: If you are not a brand, you are a commodity. Then price is everything and the low-cost producer is the only winner. Therefore, a study to investigate the impact of different coffee brands in affecting consumer behavior in coffee consumption is suggested. By finding out what are the successful strategies employed by certain coffee brand, this will enable other coffee player to take into considerations the strategy in developing a marketing strategy plan for the coffee shop.

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## APPENDICES

### Appendix A: Questionnaire

#### Questionnaire

#### On

#### Factors Affecting Coffee Consumers' Behavior:

#### A Case Study of Consumption In Beijing

Instruction: The objective of this survey is to collect data for use in Master of Management of Chakrabongse Bhuvanarth International Institute for Interdisciplinary Studies Rajamangala University Of Technology Tawan-Ok. The result of this research will be beneficial to the academic fields as well as coffee shop businesses. In this regard, cooperation from the respondents is much appreciated. I, Yang Meng, Master's Degree of Management student from Rajamangala University Of Technology Tawan-Ok thank you for your kind cooperation and appreciate your time spent in this questionnaire.

Part A: Please answer the following question and put tick in  that matches you most.

#### 1. Gender

1) Male

2) Female

#### 2. Age

1) 24 and under years old

2) 25–35years old

3) 36–45years old

4) 46–55years old

5) 56 and over years old

#### 3. Status

1) Single

2) Married

3) Divorced/ Widowed/ Separated

#### 4. Level of education

- 1) Under Bachelor Degree
- 2) Bachelor Degree
- 3) Master Degree
- 4) Doctorate Degree

#### 5. Monthly income

- 1) 2,500 RMB and lower
- 2) 2,501–5,000 RMB
- 3) 5,001–7,500 RMB
- 4) 7,501–10,000 RMB
- 5) 10,001–15,000 RMB
- 6) More than 15,000 RMB

#### 6. Occupation

- 1) State-owned enterprise employee
- 2) Private employee
- 3) Self-Employed

#### 7. Purpose to visit a coffee shop

- 1) Business meeting
- 2) To enjoy coffee
- 3) Leisure or social
- 4) To have meal

#### 8. How often do you visit a coffee house?

- 1) Once daily
- 2) Twice or more daily
- 3) 3-5 times a week
- 4) Once a week
- 5) Occasionally

#### 9. How many cups of coffee do you usually drink?

- 1) 2 - 3 cups a day
- 2) 1 cup a day
- 3) 2 – 3 cups a week
- 4) 2 – 3 cups a month
- 5) 2 – 3 cups a year

Part B: The questionnaire items were rated by the respondents on a five Likert scale, each question is on a scale from number 5 with the highest agreeable level to number 1 with lowest agreeable level.

Highest =5 points

High =4 points

Moderate =3 points

Low =2 points

Lowest =1 point

This part of questionnaire is to study the extend of 7P in marketing mix in influencing consumer's behavior. Please mark every question with only one tick in the box that most corresponds to your comments. 5 indicate highest agreeable level while 1 indicate lowest agreeable level.

### I: Product

		5	4	3	2	1
		Highest	High	Moderate	Low	Lowest
1	The coffee should have a pleasant and rich aroma.					
2	The taste of coffee should be consistent everyday.					
3	There are a good variety of choices of coffee beverages					
4	The are a good variety of different roasting method					
5	The are a good variety of different origin of the coffee bean					

### II: Prices

		5	4	3	2	1
		Highest	High	Moderate	Low	Lowest
1	The price is worth what I have paid.					
2	The price is reasonable.					
3	There is sales promotion on the price (eg Buy 2 free 1)					
4	The price is lower than market rate					
5	The shop offer special bundle package					

	promotion ( eg Special lunch set with buy one sandwiches and get 1 free americano )					
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### III: Place

		5	4	3	2	1
		Highest	High	Moderate	Low	Lowest
1	The coffee shop is located at a strategic location					
2	The coffee shop has access to public transport					
3	The coffee shop offers free WIFI service					
4	The coffee shop offers sufficient car parking space					
5	The coffee shop is located in a quiet neighborhood					

### IV: Promotions

		5	4	3	2	1
		Highest	High	Moderate	Low	Lowest
1	There is advertisement on this coffee shop					
2	The coffee cup has nice packaging					
3	The brand of the coffee shop					
4	The coffee shop is recommended by influencer					

5	The menu is well designed and presented					
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## V: People

		5	4	3	2	1
		Highest	High	Moderate	Low	Lowest
1	Coffee shops have friendly employees.					
2	Coffee shops provide fast services.					
3	Coffee shops employees fulfill orders accurately.					
4	Coffee shops have very welcoming messages					
5	Coffee shops employee should be tidy and clean					

## VI: Process

		5	4	3	2	1
		Highest	High	Moderate	Low	Lowest
1	The ordering process is easy					
2	Coffee shops have service crew waiting to take order					
3	Coffee shops offer various payment method ie. Cash, e-wallet, credit card and so on					
4	Coffee shops offer various ordering methods					

5	Coffee shops have service crew that will be able to recommend the suitable type of coffees					
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## VII: Physical evidence

		5	4	3	2	1
		Highest	High	Moderate	Low	Lowest
1	The arrangement of coffee beans and food is nicely displayed					
2	The coffee shop has comfortable seats and space					
3	The coffee shop has suitable lighting					
4	The coffee shop plays nice music					
5	The coffee shop has appealing interior design					

**BIOGRAPHY**

Ms Yang Meng is a 42 years old Chinese citizen born in the beautiful autonomous territory in northwest China, Xing Jiang. Ms Meng holds a bachelor of degree in art and design from Wuchang Institute of Technology. The duration of this study was from 2011 September up to 2015 June. Ms Meng is currently pursuing master in management from Interdisciplinary Studies Rajamangala University Of Technology Tawan-Ok, Thailand. Ms Meng has rich experience in property industry since year of 2000 as a skillful sales personnel and property negotiator in Beijing Yahao real estate brokerage Co., Ltd. During her tenure from year 2000 to 2011, she has outstanding performance in the company. She is strongly independent and has great passion towards the sales of property industry. She is also a successful salesperson with fantastic track of sales record. From 2011 to now, she is with Beijing Daoji surveying and mapping Co., Ltd. She holds position as senior manager and overseeing a team of 8 members sales and marketing department. Ms Meng is a responsible, optimistic, cheerful, positive, honest and helpful person. Her great personality has enabled her to progress well in her career. In her spare time, she loves to cook and travel. Ms Meng also has a charitable heart. She constantly donates to the charitable organizations. Besides, she also contributes to UNICEF (United Nations Children's Fund) on a monthly basic. Her life philosophy is always strike to give your best in the best of your capacity and be contented with what you have.