



Factors Affecting Intention to Purchase Decision Energy Drink in Thailand

Ms. Apirati Pichayadecha¹ and Dr. Papitchaya Wisankosol²

¹*Bangkok, Thailand*

²*Lecturer, Assumption University, Bangkok, Thailand*

*Corresponding author. E-mail: aeoyapirati@gmail.com

Abstract

The energy drink business is fastest-growing product category in the beverage market. Refer to globalization, energy drink products are market as an alternative to carbonated products, and it is the opportunity switch from carbonated product to energy drink category in over the last few years. In Thailand perspective, the energy drinks industry grew at a CAGR of 5.8% between 2018 and 2019, THB 22.1 billion in terms of sales value (AC Nielsen, 2020), and there are many companies in this market. Therefore, this market is very competitive and there are various factors affect intention to purchase decision energy drinks in Thailand. The main purpose of this study was to identify factors affecting intention to purchase decision energy drinks in Thailand. The questionnaire was distributed to people who are Thai about 400 participants. Moreover, convenience sampling, which is a non-probability sampling method, is used for the sampling procedure with analyzing the level of impact toward independent variables (product, price, place, promotion, and subjective norm) to the dependent variable (purchase decision). The results of this research indicated that three independent variables, which are product, promotion, and subjective norm, had significantly affecting intention to purchase decision energy drink in Thailand. Therefore, the energy drink business should focus more on the product, promotion, and subjective norm, which creates more attracted to purchase the product.

Keywords: Product, Price, Place, Promotion, and Subjective norm



ABAC
GRADUATE SCHOOL
of BUSINESS



Introduction

Energy drinks are non-alcohol beverages help to boost or stimulate physical, mental and regain energy. The energy drink business is fastest-growing product category in the beverage market. Refer to globalization, the majority of energy drink consumers are millennial population, the ages between of 18-35 years old. However, Europe is an emerging market for energy drinks, which is poised to grow at a healthy rate, due to the increasing consumers adoption rate in the region, as a result of increased marketing efforts by the key players. Children and adolescents are the main target groups of energy drinks business. In Thailand perspective, energy drink products sale in Thailand are contributed by the blue-collar workers target group. Meanwhile, the increasing introduction of premium energy drinks are accepted and consumed by the white-collar group, the contribution of premium energy drinks, which are based on the unit price of above THB 13. Therefore, this market is very competitive and there are various factors affect intention to purchase decision energy drinks in Thailand.

Research Objective

The research objective is to identify factors affecting intention to purchase decision energy drink in Thailand in order to stimulate purchasing the product, increase its profit, consumers and market share.

Research Question

What are the factors affecting intention to purchase decision energy drink in Thailand?

Literature Review

Intention to purchase decision energy drink in Thailand

Person's attitude and belief toward the behavior performance which is associated with positive or negative of value outcomes (Fishbein & Ajzen, 2010). In additional, beliefs related to the desired behaviors or the way of conduct that guide an individual's actions including purchase (Hansen, 2008). The behavior beliefs derived from the studies are named in relation to beverage consumption behavior were, in order of importance good for my health, goes well with food, the experience of a variety of taste and flavor (Thompson, 1995; Zanten, 2005; James et. al., 2011).

Product

The product benefits are an important reason why customers buy the product. The product benefit and nutrition of beverage are one of the most powerful

elements to make customers pay for the product and the company will generate sales (Eccles et al., 2013). Therefore, the energy drink business has to provide more benefits and variety of products to serve customers need such as new flavor, giving more energy and fresh. In additional, product is mentioned to other attributes for example, quality, packaging, brand, and assurance (Isaac, 2000).

Price

Price refers to the volume of payment or exchange value between money and unit of goods or service. (Schindler & Robert M., 2012). Moreover, Price is the key influencing to customers make a purchase decision and assess the price of product is worth with what they perceived from the product in order to make a purchase decision (Du Plessis & Rousseau, 2007).

Place

Place is very important that help customers find and keep purchasing the products. If the product is arranged to closest customers eye-level and impactful of the shelf space it can drive to purchase the product due to it creates product awareness and it is the best placement for products in stores. Which include decision and action related to the transfer of goods from producers to customers (Matola, 2009).

Promotion

Promotion campaign is stimulated to decision and action in order to encourage the purchased product such as special price, free samples, road shows, contest, or other special offers. Thus, promotion is a part of stimulating the customers to make a purchase product (Peter & Olson, 2008).

Subjective norm

Subjective norm is defined specifically, as a personal's opinion or perception about what important others believe the individual should do. Subjective norm is the social factors use to determine behavior that people will perform or not perform the behavior in a specific situation (Finlay, Trafimow, & Moroi, 1999). In terms of young female consumption of energy drink more concern on subjective norm as a significantly implying to them (Kassem, Lee, Modeste, and Johnston, 2003).

Purchase decision

The consumers have decided to buy a product after collecting information from several sources, evaluate it and decided for where and what to purchase. Consumers purchase the brand or product which they give the highest rank in the evaluation stage. The



purchase decision also influenced by the surrounding environment. (Qazzafi, 2019).

Research Framework

The researcher decided to take five independent variables into consideration, product, price, place, promotion, and subjective norm. The conceptual framework connects between those independent variables and the dependent variable that is purchase decision to define the factors affecting intention to purchase decision energy drinks in Thailand. After that, the researcher set hypotheses to see if there is/are relationship(s) between independent variables and the dependent variable.

Research Hypotheses

- H1₀: Product does not impact on purchase decision to energy drink in Thailand
- H1_a: Product impacts on purchase decision to energy drink in Thailand
- H2₀: Price does not impact on purchase decision to energy drink in Thailand
- H2_a: Price impacts on purchase decision to energy drink in Thailand
- H3₀: Place does not impact on purchase decision to energy drink in Thailand
- H3_a: Place impacts on purchase decision to energy drink in Thailand
- H4₀: Promotion does not impact on purchase decision to energy drink in Thailand
- H4_a: Promotion impacts on purchase decision to energy drink in Thailand
- H5₀: Subjective norm does not impact on purchase decision to energy drink in Thailand
- H5_a: Subjective norm impacts on purchase decision to energy drink in Thailand

Research Methodology

Methods of Research Used

The survey technique method measured by 5 points Likert Scale because it most widely uses and could easily adapt to any part of the questionnaire.

Respondents and Sampling Procedures

The target respondents of this study are people who are Thai and the sample was collected 400 persons from target population. This questionnaire consists of 3 parts which were screening questions, demographic questions, and measuring variables.

Statistical Treatment of Data

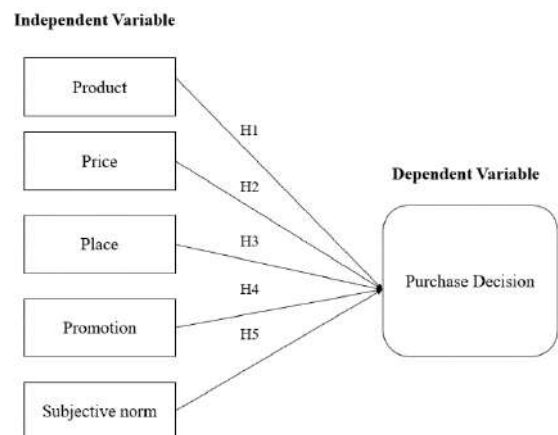
The researcher used descriptive analysis for identifying the respondent's purchase decision by using demographic data, the statistical package for the social science programs (SPSS) as a tool for

analyzing by using multiple regression analysis to combine the data.

Results and Discussion

Descriptive Analysis of Demographic data

The data was collected shows that the majority of respondents who did the survey were female with the percentage of 61% (245 respondents). While the remaining was male with the percentage of 39% (155 respondents). The marital status was single at 85% (338 respondents) and 16% (62 respondents) was married. From the total 400 respondents, the highest percentage of respondents' age was 82% (328



respondents) who are 22-39 years old. The highest percentage of the respondent's income was 33% (133 respondents) who have income between 30,001-50,000 baht per month. Another demographic factor is education, the highest number of education level dominated by Bachelor's degree which was 69% (277 respondents). The last demographic factor is occupation field, the most of respondents are office workers which is 76% (304 respondents).

Adjusted R Square

Adjusted R square value is 0.45 which can explain that 45.5% of the variation in purchase decision to energy drink in Thailand can be explained by the independent variables in this research which are product, price, place, promotion, and subjective norm. Therefore, there are another 54.5% of the variation in purchase decision to energy drink in Thailand can be explained by other independent variables.

In this study, the Hypothesis was tested by using Multiple Linear Regression. The Result of each hypothesis is summarized in the table as follows:



Table 1: The summary of Hypothesis tested by using Multiple Linear Regression

Hypothesis	Significant Value (P-Value)	Standardized Coefficient Beta (β)	Result
H1₀ : Product does not impact on purchase decision to energy drink in Thailand	0.00	0.17	Rejected
H2₀ : Price does not impact on purchase decision to energy drink in Thailand	0.63	0.02	Failed to reject
H3₀ : Place does not impact on purchase decision to energy drink in Thailand	0.58	-0.02	Failed to reject
H4₀ : Promotion does not impact on purchase decision to energy drink in Thailand	0.00	0.15	Rejected
H5₀ : Subjective norm does not impact on purchase decision to energy drink in Thailand	0.00	0.48	Rejected

*Note: P-Value < 0.05

Since Significant value less than 0.05 is indicated that independent variables have statistical significantly impact on dependent variable. According to table 1, Significant value of product, promotion, and subjective norm are less than 0.05. Therefore, the null hypothesis (H1₀, H4₀, and H5₀) were rejected while price and place get Significant

value more than 0.05. So, the null hypothesis (H2₀ and H3₀) were failed to reject. This can be concluded that product, promotion, and subjective norm are affecting purchase decision to energy drink in Thailand.

Table 2: The Strength of the variables (product, promotion, and subjective norm) that have a significant impact on purchase decision to energy drink in Thailand.

Rank	Independent Variable	Beta
1st	Subjective norm	0.48
2nd	Product	0.17
3rd	Promotion	0.15

Dependent Variable: Purchase decision

The table 2, showed that the highest impact to the lower impact parameter (subjective norm, product, and promotion) toward purchase decision to energy drink in Thailand. The average of Beta is calculated to justify the strength of the impact of each variable on purchase decision to energy drink in Thailand. The average Beta value is 0.20 meaning that all the beta value of the variables that is above 0.20 has the strongest impact. While the factors that has beta value below 0.20 tell the researcher that are the weak impact on purchase decision to energy drink in Thailand. According to subjective norm variable has the strongest impact on purchase decision to energy drink in Thailand followed by product variable, which has strong impact, and promotion has the weaker impact than the 2 variables above on purchase decision to energy drink in Thailand.

Recommendation

The result of this study is advantageous with beverage business in energy drink category in Thailand to understand all factors to guideline the company in order to stimulate to purchase the product, increase its profit, consumers and market share. Referring to the result which found that product, promotion, and subjective norm affect to purchase decision to energy drink in Thailand. The first factor that need to concern is subjective norm which is the most influence on purchase decision to energy drink in Thailand. People around customer has to approve the product that customer purchase due to customer need self-expectation, love and belonging from them. Thus, energy drink business should consider group of people around customers such as family, friends, and people who decision-making power accept or appreciate energy drink product. The second factor that have influence on



purchase decision to energy drink in Thailand is product. Based on the result of multiple linear and regression customers focus more on product benefits such as energy drinks make me fresh, alert, and energize. Therefore, energy drink business should communicate by using product efficacy including boost energy and alertness as a key message to attract and serve customer need for looking energy drink product. Also, launching new product line by adding some ingredient such as soda to make customers feel fresh and recruit new customers. The third factor have influence on purchase decision to purchase energy drink in Thailand is promotion. From the multiple linear and regression showed that advertising and promotion make customers perceive only product awareness but it cannot lead to purchase intention. Therefore, energy drink businesses should create involvement to customers in order to drive sale. Moreover, do the marketing by using subjective norm to convince energy drink consumption. For example, target consumers focus on social influence may including family, friend, and celebrity for stimulating connection customers.

References

- Allied Market Research. (2019). Energy drinks market by type and end user: Global opportunity analysis and industry forecast, 2019-2026. Retrieved from https://www.reportlinker.com/p05804487/Energy-Drinks-Market-by-Type-and-End-User-Global-Opportunity-Analysis-and-Industry-Forecast-.html?utm_source=PRN
- Beşir et al., (2014). Determining consumers' preferences for energy drinks consumption with conjoint analysis. *Journal of Nutrition & Food Science*, Vol 4, Issue 6, 1000324.
- Buchanan, J. (2015). Energy drink consumption and its relationship to risky behavior in college students. *Californian Journal of Health Promotion*, Vol 13, Issue 1, 38-48.
- Correa, D. (2019). Global energy drinks market to reach \$86.01 Billion by 2026 at 7.2% CAGR. Retrieved from <https://www.globenewswire.com/news-release/2019/08/29/1908487/0/en/Global-Energy-Drinks-Market-to-Reach-86-01-Billion-by-2026-at-7-2-CAGR-Says-Allied-Market-Research.html>
- Faris, N. (2014). Energy drinks: Factors that influence college students' consumption. *Canadian Pharmacists Journal*, PP. 1399.
- Frost & Sullivan. (2018). Independent market research on the energy drinks and Personal Care Product Industries in Thailand, and the CLMV Region. Retrieved from <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjAzaXjk5jrAhVwzTgGH8oBKKQFjAAegQIAxAB&url=https%3A%2F%2Fmarket.sec.or.th%2Fpublic%2Fipos%2FIPOSGetFile.aspx%3FTransID%3D195013%26TransFileSeq%3D52&usg=AOvVaw16BIAIu3UORqQFJSS9fQnt>
- Kozirok, W. (2017). Consumer attitudes and behaviour towards energy drinks. *Scientific Journal of Gdynai Maritime University*. 216-229.
- Musaiger, A. and Zagzoog, N. (2014). Knowledge, attitudes and practices toward energy drinks among adolescents in Saudi Arabia. *Global Journal of Health Science*, Vol 6 No.2, 1916-9744.
- Roy, A. and Deshmukh, R. (2019). Energy drinks market size, share & trends analysis report by product (Alcoholic, Non-Alcoholic), by product type, by target consumer, by distribution channel, by region, and segment forecasts, 2018 – 2025. Retrieved from <https://www.grandviewresearch.com/industry-analysis/energy-drinks-market>
- Sultana, S. (2019). Consumption of energy drink and associated factors. *Journal of Nutrition & Food Science*, Vol. 50 No.1, PP. 131-142.
- Suratssawadee, K. and Thanathorn P. (2011). A case study of Thai consumer behavior toward energy drinks. Retrieved from <http://www.diva-portal.org/smash/get/diva2:424604/FULLTEXT01.pdf>
- Tan Chin Pang. (2015). Investigation of factors influencing generation Y's purchase intention on functional energy drinks. Retrieved from <http://eprints.utar.edu.my/1638/1/BA-2015-0907946-02.pdf>
- Viroj, A. and Wararat, W. (2009). A study of attitudes towards energy drinks in Thailand. Retrieved from <https://www.diva-portal.org/smash/get/diva2:225451/FULLTEXT01.pdf>
- Wang, E. and Yu, J. (2016). Effect of product attribute beliefs of ready-to-drink coffee beverages on consumer-perceived value and repurchase intention. *British Food Journal*, PP. 2963-2980.