Czech University of Life Sciences Prague Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Consumption and Consumer Behavior

Aidana Saifullina

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BACHELOR THESIS ASSIGNMENT

Aidana Saifullina

Business Administration

Thesis title

Consumption of Coffee and Consumers Behaviour

Objectives of thesis

The aim of the bachelor thesis is to determine and to evaluate consumption of coffee and corresponding consumers behavior and preferences. The aim will be fulfilled based on the partial aims. Then, several hypotheses will be defined and verified. Based on the results of an empirical analysis the final conclusions will be introduced.

Methodology

The bachelor thesis will cover both theoretical and empirical parts. Theoretical part will contain the theoretical background of the selected topic as well as the methodological framework. Scientific literature will be used to prepare the literature overview. Based on the empirical analysis the results will be presented and some recommendations will be suggested.

To fulfill the aim of the thesis the selected methods will be employed as following:

- survey of consumers' behavior based on own questionnaire
- hypotheses testing

The proposed extent of the thesis

40 - 50 pages

Keywords

Consumption, consumer behavior, preferences, regression analysis, survey.

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The Bachelor Thesis Supervisor

Ing. Lenka Rumánková, Ph.D.

Supervising department

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Declaration

I declare that I have worked on my bachelor thesis titled *"Consumption and Consumers behavior"* by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on _____

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Analysis of Consumption and Consumers' behavior towards coffee

Abstract

Coffee is a popular beverage enjoyed by people of all ages and genders. It ranks third, after water and tea, on the list of most popular beverages in the world. Coffee has gained significant popularity and attention globally. The purpose of this thesis is to study coffee consumption and investigate the factors that influence the purchasing behaviors of coffee consumers. The literature review includes discussions on the history of coffee, its categorization, and various anecdotes. Additionally, it examines the aspects that shape customer preferences. A questionnaire was developed based on the theoretical material and distributed to respondents. The objective of this research is to identify the various factors that impact consumer's decision-making and consumption patterns. By gaining a deeper understanding of these driving forces, we aim to empower coffee brands with the knowledge and tools to craft more effective strategies that resonate with their target audience, ultimately leading to enhanced engagement and satisfaction.

Keywords: Consumption, coffee, behavior, decision-making, consumption patterns.

Analýza spotřeby a chování spotřebitelů ke kávě

Abstrakt

Káva je populární nápoj, který konzumují lidé všech věkových kategorií a pohlaví. Na seznamu nejoblíbenějších nápojů na světě se řadí na třetí místo, hned za vodou a čajem. Káva si získala významnou popularitu a pozornost po celém světě. Účelem této diplomové práce je studovat spotřebu kávy a zkoumat faktory, které ovlivňují nákupní chování spotřebitelů kávy. Literární přehled zahrnuje diskuse o historii kávy, její kategorizaci a různé anekdoty. Kromě toho zkoumá aspekty, které utvářejí preference zákazníků. Na základě teoretického materiálu byl vypracován dotazník, který byl distribuován respondentům. Cílem tohoto výzkumu je identifikovat různé faktory, které ovlivňují rozhodování spotřebitelů a jejich vzorce spotřeby. Získáním hlubšího porozumění těmto hybným silám chceme poskytnout značkám kávy znalosti a nástroje k tvorbě účinnějších strategií, které rezonují s jejich cílovou skupinou, což nakonec vede ke zvýšenému zapojení a spokojenosti.

Klíčová slova: Spotřeba, káva, chování, rozhodování, vzorce spotřeby.

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1. Introduction

Coffee, the ubiquitous beverage that fuels our mornings and invigorates our afternoons, has long captivated the world with its rich aroma, stimulating effects, and ability to foster connections and conversations. From its humble origins in Ethiopia to its global ubiquity today, coffee has transcended its mere status as a beverage to become an integral part of our cultures and societies.

This bachelor thesis delves into the intricate world of coffee consumption, examining the factors that shape the purchasing behaviors and consumption patterns of coffee enthusiasts. By gaining a deeper understanding of these driving forces, we aim to empower coffee brands with the knowledge and tools to craft more effective strategies that resonate with their target audience, ultimately leading to enhanced engagement and satisfaction.

The global consumption of coffee is staggering, with over 400 billion cups consumed annually (International Coffee Organization, 2023). This popularity stems from the multifaceted appeal of coffee, which extends beyond its stimulating effects. Coffee serves as a social lubricant, fostering connections and conversations among individuals from all walks of life (Morris & Ringel, 2002). It is a symbol of hospitality, a welcoming gesture extended to guests and friends (Archetti, 1999). In many cultures, coffee is more than just a beverage; it is a ritual, a tradition, a way of life (Bennett, 2000).

This thesis aims to provide a comprehensive understanding of coffee consumption, encompassing both the historical context and the contemporary dynamics of the coffee industry. The research will explore the factors that influence consumer behavior, including demographic factors, taste preferences, and brand perceptions. Additionally, the thesis will examine the key factors that influence consumer decision-making and consumption patterns related to coffee and provide insights and recommendations to coffee brands for developing more effective strategies to engage and satisfy their target audience.

2. Objectives and methodology

2.1.Objectives

Central Objective

This thesis research plunges into the captivating realm of global coffee consumption, meticulously examining the multifaceted dynamics that shape worldwide coffee trends, consumer behaviors, and market forces. The study aims to elucidate the key drivers and barriers propelling the growth of the global coffee market, while simultaneously offering valuable insights and strategic recommendations for businesses seeking to navigate and expand their presence within this dynamic landscape.

Specific Objectives

- Literature Review and Conceptual Framework: To conduct a comprehensive review and synthesis of existing literature encompassing coffee, consumption patterns, consumer behavior, and relevant contextual factors. This endeavor will establish a robust conceptual framework that underpins the research methodology and guides the subsequent analysis.
- Survey Development and Data Collection: To develop a meticulously crafted survey questionnaire designed to gather comprehensive data on coffee consumers' consumption habits, preferences, and behaviors. This data will encompass a range of demographic factors, including age, occupation, education, income, and other relevant variables. Appropriate sampling techniques and research methods will be employed to ensure the data's validity and representativeness.
- Hypothesis Formulation and Testing: To formulate and rigorously test eight pertinent hypotheses related to coffee consumer behavior. These hypotheses will be derived from the literature review and preliminary research findings. Appropriate statistical methods and significance tests will be employed to evaluate the validity and strength of the proposed hypotheses. The hypotheses will explore the influence of a range of individual and contextual factors, such as age, gender, income, education, occupation, price, and taste, on consumers' coffee preferences, attitudes, and behaviors.

2.2. Methodology

This section encompasses four primary components: questionnaire design, hypothesis testing (including decisions on the null hypothesis through p-values and the general process of hypothesis testing), analysis of categorical data, and examination of contingency tables. This involves analysis in a $2x^2$ contingency table with suitable tests, as well as analysis in a classical contingency table with appropriate tests.

Questionnaire design

The questionnaire was created using google forms and consisted of 9 questions. It was sent to respondents mainly via social media platforms and utilized the snowball sampling technique. A total of 175 people took part in the questionnaire survey. The first part of the questionnaire contains background information about the respondents i.e., gender, age, occupation and monthly income. The second part consists of questions related to coffee consumption.

Hypothesis testing

In the realm of research, hypotheses serve as tentative statements that propose a relationship between variables. These proposed relationships are then subjected to rigorous scrutiny through hypothesis testing, a process designed to evaluate the validity of these claims. Hypothesis testing is a cornerstone of empirical research, enabling researchers to establish or disprove relationships between variables, draw meaningful conclusions, and contribute to the advancement of knowledge.

Hypothesis testing commences with the formulation of two opposing hypotheses: the null hypothesis (H_0) and the alternative hypothesis (H_1). The null hypothesis assumes no relationship between the variables being investigated. Conversely, the alternative hypothesis asserts that a relationship exists between the variables.

The null hypothesis is typically denoted by H_0 and represents the default assumption until sufficient evidence suggests otherwise. The alternative hypothesis, denoted by H_1 , proposes the specific relationship that the researchers intend to test.

Decision Rule: Rejecting or Retaining the Null Hypothesis

The decision rule in hypothesis testing guides the determination of whether to reject or retain the null hypothesis. This decision is based on comparing the p-value to a predetermined significance level, often represented by α (alpha), typically set at 0.05.

P-value $\geq \alpha$: If the p-value is greater than or equal to α , there is insufficient evidence to reject the null hypothesis. The null hypothesis is retained, suggesting that the observed relationship between the variables is likely due to chance.

P-value $< \alpha$: If the p-value is less than α , there is strong evidence to reject the null hypothesis. The alternative hypothesis is accepted, indicating that a statistically significant relationship exists between the variables.

Proposed Hypotheses

a) H0: There is no dependency between age and coffee consumption.

b) H0: There is no dependency between gender and coffee consumption.

c) H0: There is no dependency between occupation and coffee consumption.

d) H0: There is no dependency between the time spent outside the home and coffee consumption.

2.3. Analysis of Categorical data (CDA)

Categorical variables, as defined by Agresti (2002), represent data that falls into distinct categories rather than continuous numerical values. These variables are prevalent in various fields, including social sciences, biomedical research, and market research, where data often takes the form of categories rather than numerical measurements. The need to analyze categorical data effectively led to the development of specialized methodologies tailored to this type of data. These methodologies play a crucial role in gleaning valuable insights from non-numerical data, particularly in social and biomedical research settings.

Binary Variables

The simplest form of categorical variables is binary variables, which consist of only two mutually exclusive categories. These variables often represent dichotomies, such as success or failure, yes or no, presence or absence. Examples of binary variables include gender (male or female), smoking status (smoker or non-smoker), and website usage (active user or inactive user).

Contingency tables, also known as cross-tabulation tables, serve as powerful tools for summarizing and visualizing the relationship between two or more categorical variables. These tables display the distribution of one variable across the categories of another, providing insights into the patterns and associations between them. Each cell in a contingency table represents a unique combination of categories from the variables being analyzed. The numbers within each cell indicate the frequencies or percentages of observations that fall into that particular combination.

Nominal and Ordinal Scales

Categorical variables that encompass more than two categories are further classified into two types: nominal and ordinal. Nominal variables represent categories that lack a natural order or ranking. The order in which these categories are listed is arbitrary and does not influence statistical analysis. Examples of nominal variables include educational level (high school, bachelor, master, doctor), ethnicity (Asian, White, Black, Latino), and blood type (A, B, AB, O). In contrast, ordinal variables possess ordered categories, implying a meaningful sequence or ranking among them. The order reflects the underlying progression of the variable, such as income level (low, medium, high), age category (child, adolescent, adult, senior), and customer satisfaction rating (dissatisfied, neutral, satisfied).

2.4. Test of independencies

There are two kinds of contingency tables:

- 2x2 contingency table (two rows and two columns)
- Classical contingency table (2x3, 3x2, 4x4, 3x5, etc)

Analysis in a two-way contingency table

In order to analyze the test of dependencies among categorical data in a two-way contingency table (2x2) the steps required:

1) State the Hypotheses:

H0: There is no significant relationship between variables.

H1: There is a significant relationship between variables.

- 2) Determine the critical value or p-value. The critical value or p-value can be used to determine whether the observed association is statistically significant. The significance level is $\alpha = 0.05$ is the most frequently utilized level.
- 3) The two types of tests that can be utilized are the Chi-Square test or the Fisher's factorial test. There are certain criteria to achieve, in order to perform the test:
 - a) If the sample size N > 40, then the Chi-Square test (□2) of independence is used.
 - b) If the sample size N < 20, then the Fisher's factorial test is used.
 - c) If 20 < N < 40, then the expected frequencies must be checked. If all the expected frequencies are greater than 5, then the Chi-Square test is used. If at least 1 expected frequency is less than 5, then the Fisher's factorial test is used.

Expected frequencies are hypothetical counts of observations that are calculated for each cell in a contingency table under the assumption of independence between the variables. They represent the theoretical distribution of observations if there were no relationship between the categorical variables being analyzed (Hlavsa, 2022).

AB	B 1	B2	Total
A1	а	b	a+b
A2	С	d	c+d
Total	a+c	b+d	Ν

Table 1: 2x2 table of Contingency

Source: created by author

The chi-square test statistic (χ^2) is a measure of the discrepancy between observed

frequencies and expected frequencies in a contingency table. It is calculated as follows:

 $\chi^2 = \Sigma (O - E)^2 / E$ where: χ^2 is the chi-square statistic O is the observed frequency (actual value) E is the expected frequency (theoretical value)

Calculating Expected Frequencies

Expected frequencies are calculated under the assumption of independence, which means that the two categorical variables are not related to each other. The expected frequency of each cell in the contingency table is calculated as follows:

Expected frequency = (Row total x Column total) / Grand total

Decision Rule

The decision of whether to reject or retain the null hypothesis is based on comparing the calculated chi-square statistic (χ^2) to a critical value or p-value. The critical value is a threshold for rejecting the null hypothesis, and it is determined based on the significance level (α). The p-value is the probability of obtaining the observed chi-square statistic or a more extreme value if the null hypothesis were true.

Fisher's factorial test

The following steps are used when Fisher's factorial chosen:

- Identifying the cell in the contingency table that contains the lowest absolute frequency. This cell represents the least likely outcome under the assumption of independence between the variables.
- 2) Starting with the identified cell, gradually reduce its frequency by 1. Continue this process until the frequency reaches zero. At each step, ensure that the marginal frequencies (row and column totals) remain constant.

3) For each table generated by reducing the frequency in the identified cell, calculate the probability of obtaining the observed contingency table under the assumption of independence. Formula for calculation:

$$p_i = \frac{(n_{11} + n_{12})!(n_{21} + n_{22})!(n_{11} + n_{21})!(n_{12} + n_{22})!}{n!(n_{11})!(n_{12})!(n_{21})!(n_{22})!}$$

Since the p-value is directly calculated, a decision can be made. If $\Sigma pi > 0.05$, then null hypothesis is accepted, and this means there is no significant relationship between the variables (Nowacki, 2017; Hlavsa, 2022).

Analysis in a classical contingency table

Var A/Var B	B1	B2	 Bj	Total
A1	n11	n12	 n1j	n1.
A2	n21	n22	 n21	n2.
	•••		 	
Ai	nil	ni2	 nij	ni.
Total	n.1	n.2	 n.j	n

Table 2: Contingency table

source: created by author

To analyze the relationship between categorical variables in a classical contingency table, hypothesis tests are used. The null hypothesis (H₀) states that there is no significant relationship between the variables, while the alternative hypothesis (H₁) asserts that there is a significant relationship.

The Chi-square test is used to assess the association between categorical variables. To ensure the validity of the chi-square test, certain conditions must be met:

- Expected Frequencies: Ideally, all expected frequencies should be greater than 5. However, if up to 20% of the expected frequencies are less than 5, the chi-square test can still be used. If more than 20% of the expected frequencies are less than 5, the contingency table needs to be adjusted by merging similar rows or columns.
- Minimum Expected Frequency: None of the expected frequencies should be less than 1. If any expected frequency is less than 1, the corresponding categories need to be merged to increase the expected count.

Formula for calculation of expected frequencies:

$$n_{oj} = \frac{n_{.j} \cdot n_{i.}}{n}$$
$$n_{oi} = \frac{n_{.1} \cdot n_{1.}}{n}$$

The formula for the test statistic \Box 2

$$\chi^2 = \Sigma (O - E)^2 / E$$

where:

 χ^2 is the chi-square statistic

O is the observed frequency (actual value)

E is the expected frequency (theoretical value)

The Chi-Square alpha table value is denoted by $\Box 2 \alpha [(r - 1) (c - 1)]$. The Chi-Square test statistic $\Box 2$ is then compared to the Chi-Square alpha table value $\Box 2 \alpha$ and a decision is made.

• If $\Box 2 > \Box 2 \alpha$, then null hypothesis is rejected and there is a significant relationship between the variables.

• Alternatively, if p-value $< \alpha$, then null hypothesis is rejected and there is a significant relationship between the variables (Hlavsa, 2022).

3. Theoretical part

3.1.Introduction to coffee

Coffee is a globally cherished beverage crafted from the roasted and ground seeds of tropical evergreen coffee plants originating from Africa. It stands proudly as one of the world's top three beloved beverages, alongside water and tea, and holds a distinguished status as one of the most lucrative international commodities. While coffee serves as the foundation for a diverse array of beverages, its widespread acclaim can be primarily ascribed to its invigorating properties, courtesy of caffeine—an alkaloid naturally occurring in coffee.

Wild coffee plants, likely originating from Kefa (Kaffa), Ethiopia, were introduced to southern Arabia and cultivated in the 15th century. Legend tells of Kaldi, an Arab goatherd, who, observing his flock's unusual behavior, discovered the stimulating effects of the coffee berries around 850 CE. Despite early prohibitions by Islamic authorities, coffee gained popularity, particularly among Muslims seeking an alternative to the prohibited alcohol. The emergence of coffeehouses became a notable social and cultural phenomenon.

In the 16th and 17th centuries, coffee gradually spread across Europe, facing both approval and prohibition for religious, political, and medical reasons. By the late 17th century, coffeehouses thrived in Britain, British colonies, and continental Europe. Initially sourced mainly from Yemen, coffee cultivation rapidly expanded to Java, the Indonesian archipelago, and the Americas in the 17th and 18th centuries, respectively. Hawaii began coffee cultivation in 1825.

By the 20th century, Brazil dominated coffee production. Industrial advancements, including roasting and grinding machines, vacuum-sealed containers, and decaffeination methods, revolutionized the coffee industry in the late 19th and early 20th centuries. Post-1950 saw the perfection of instant coffee production, leading to increased cultivation of cheaper Robusta beans in Africa (Britannica.com).

3.2. The Economic Significance of the Coffee Industry Globally

The coffee industry is a substantial global economic force, generating substantial revenue, employment opportunities, and economic growth across various countries (O'Connell,

2020; Voge, 2019; Davila & Schatanek, 2016). From coffee bean cultivation to retail sales, the industry touches upon numerous aspects of the global economy, impacting livelihoods and contributing to national and international trade (International Coffee Organization, 2023; Fairtrade Foundation, 2023).

1. Revenue Generation and Contribution to GDP:

The global coffee industry generates an estimated \$225 billion in annual revenue, making it one of the most lucrative agricultural commodities worldwide (O'Connell, 2020; Voge, 2019). Coffee exports contribute significantly to the GDP of many developing countries, particularly in Africa, Latin America, and Asia (Davila & Schatanek, 2016). For instance, coffee exports account for approximately 15% of Ethiopia's GDP and over 30% of Burundi's GDP (International Coffee Organization, 2023).

2. Employment Creation and Livelihood Support:

The coffee industry directly supports over 125 million livelihoods worldwide, encompassing coffee growers, processors, roasters, baristas, and others involved in the production, distribution, and sale of coffee (Fairtrade Foundation, 2023). In many coffee-producing regions, coffee farming is the primary source of income for rural families (International Coffee Organization, 2023).

3. International Trade and Export Revenue:

Coffee is one of the world's most traded commodities, with over 10 million tons exported annually (Fairtrade Foundation, 2023). Coffee exports generate significant foreign exchange earnings for many developing countries, providing a crucial source of revenue for their economies (International Coffee Organization, 2023). For example, Brazil, Colombia, and Vietnam are among the world's top coffee exporters, generating billions of dollars in export revenue each year (O'Connell, 2020).

3.3. Overview of consumer behavior

According to Kotler and Keller (2015), consumption is the act of using goods or services to satisfy needs or wants. It is the final stage of the economic cycle, in which goods and services are produced, distributed, and finally consumed. Consumption can be either immediate or delayed. Immediate consumption occurs when a good or service is used immediately after it is purchased, such as eating a meal or watching a movie.

Delayed consumption occurs when a good or service is stored or saved for future use, such as buying a new car or saving for retirement (Solomon et al., 2018).

Consumer behavior is the study of individuals and groups and all the activities associated with the purchase, use and disposal of goods and services (Blackwell et al., 2001). It encompasses a wide range of topics, including consumer motivation, decision-making, perception, and information processing. Understanding consumer behavior is essential for businesses to develop effective marketing strategies and product offerings.

Key Concepts in Consumer Behavior

Needs and wants: Blackwell et al. (2001) define needs as "physiological or psychological requirements that must be satisfied to maintain life or well-being." Wants, on the other hand, are "aspirations or desires that go beyond basic needs" (Schiffman and Kanuk, 2010).

Motivation: MacInnis and Folkes (2009) state that motivation is "the driving force behind consumer behavior." It is what causes consumers to take action and make decisions. Motivation can be influenced by a variety of factors, including internal factors such as hunger or thirst, and external factors such as advertising or social pressure (Wakefield and Inman, 2007).

Perceptions: Schiffman and Kanuk (2010) define perception as "the process by which individuals select, organize, and interpret information from the world around them." Perceptions are influenced by a number of factors, including personal experiences, social media, and advertising.

Decision-making: Blackwell et al. (2001) define decision-making as "the process of choosing among alternative options." Consumers use a variety of decision-making strategies, ranging from rational decision-making to impulsive decision-making (Schiffman and Kanuk, 2010).

Post-purchase behavior: Solomon et al. (2018) define post-purchase behavior as "the way in which consumers evaluate and react to a product or service after they have purchased it." This can include satisfaction, dissatisfaction, and repurchase behavior.

3.4. Consumer decision making process

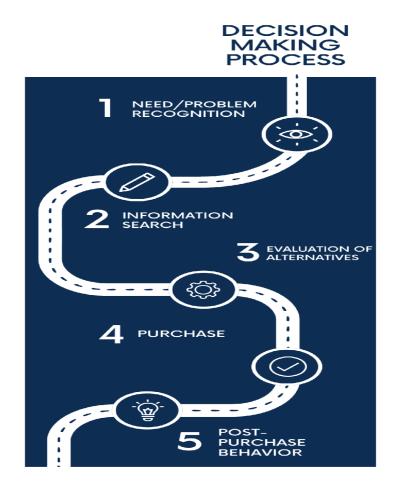


Figure 1 Consumer decision making process

source: created by author

Consumers navigate a complex and dynamic journey when making decisions about products and services (Blackwell, Miniard, & Engel, 2001). The consumer decision-making process encompasses a series of distinct stages, each playing a crucial role in shaping the consumer's ultimate choice (Kardes, Cronley, & Cline, 2014).

Stage 1: Need Recognition

Problem recognition, the initial stage of consumer decision-making, is the moment when an individual becomes aware of a discrepancy between their desired state and their actual state (Solomon, Russell-Bennett, & Wisocki, 2020). This discrepancy can be triggered by either internal stimuli, such as hunger or thirst, or external stimuli, such as marketing messages or social interactions (Sheth, Mittal, & Newman, 1999). When a

significant gap exists between the desired and actual states, individuals are motivated to seek solutions to bridge the gap and fulfill their unmet needs (Kotler & Keller, 2016). This process is driven by the perceived importance of the need or desire, the individual's belief in their ability to solve the problem, and the perceived salience of the problem (Sheth, Mittal, & Newman, 1999). The level of involvement in problem recognition varies depending on the complexity and personal significance of the need or desire (Solomon, Russell-Bennett, & Wisocki, 2020). For low-involvement decisions, such as purchasing a snack or beverage, problem recognition may occur quickly and subconsciously (Lautiainen, 2015). Individuals may act on their immediate cravings without actively seeking information or evaluating alternative options. However, for high-involvement decisions, such as purchasing a car or a home, problem recognition typically involves a more deliberate and extended process (Sheth, Mittal, & Newman, 1999). Consumers carefully consider their needs, research product options, and evaluate features before making a final decision (Solomon, Russell-Bennett, & Wisocki, 2020).

Stage 2: Information Search

Following the initial spark of problem recognition, consumers embark on a crucial stage of the decision-making process: information search. This stage involves actively seeking and gathering information about the various options available to address the recognized problem or fulfill the perceived need (Engel, Blackwell, & Miniard, 1988). Consumers engage in information search to reduce uncertainty, broaden their understanding of potential solutions, and make informed choices that align with their preferences and goals (Sheth, Mittal, & Newman, 1999). The extent of information search varies depending on the complexity and personal importance of the decision (Kotler & Keller, 2016). For low-involvement decisions, such as purchasing a familiar product or service, information search may be minimal or even nonexistent. Consumers may rely on past experiences, brand familiarity, or recommendations from others to make a quick decision (Solomon, Russell-Bennett, & Wisocki, 2020). However, for high-involvement decisions, such as purchasing a car or a home, consumers typically engage in a more extensive information search process (Lautiainen, 2015). They may consult online reviews, compare product specifications, seek expert advice, and even engage in trial experiences to gather comprehensive information and make informed choices. The sources of information utilized during information search vary depending on individual preferences, access to technology, and the nature of the decision (Sheth, Mittal, &

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Newman, 1999). Traditional sources, such as print media, word-of-mouth, and personal experience, remain relevant, while digital sources, such as online reviews, social media, and brand websites, have gained prominence in the modern era (Kotler & Keller, 2016). Businesses can play a significant role in facilitating effective information search by providing accurate, accessible, and relevant information to consumers (Solomon, Russell-Bennett, & Wisocki, 2020). This includes maintaining informative websites, offering engaging product demos, and providing clear product specifications. By facilitating transparency and empowering consumers with knowledge, businesses can foster trust, enhance brand reputation, and ultimately drive informed purchasing decisions.

Stage 3: Evaluation of Alternatives

Following the initial problem recognition and the subsequent information search, consumers enter the critical stage of evaluation of alternatives. This stage involves carefully examining the gathered information and comparing the various options available to address the identified problem or fulfill the perceived need (Engel, Blackwell, & Miniard, 1988). During the evaluation of alternatives, consumers assess the strengths and weaknesses of each option, considering factors such as product features, price, brand reputation, and personal preferences (Sheth, Mittal, & Newman, 1999). This evaluation process helps consumers narrow down their choices and identify the option that best aligns with their needs, wants, and budget. Various factors influence the evaluation criteria used by consumers during this stage (Sheth, Mittal, & Newman, 1999). Personal preferences, lifestyle factors, and social norms play a significant role in shaping the evaluation process. Consumers may prioritize features that align with their personal values, lifestyle needs, and social expectations.

Stage 4: Purchase Decision

After carefully evaluating the available alternatives, consumers reach the critical stage of the decision-making process: the purchase decision. This stage involves making a commitment to purchase the chosen option, either immediately or at a later time (Engel, Blackwell, & Miniard, 1988). The purchase decision is influenced by a multitude of factors, including the perceived value of the chosen option, the anticipated satisfaction it will provide, and the consumer's financial constraints (Sheth, Mittal, & Newman, 1999). Consumers weigh the pros and cons of the chosen option, considering whether it aligns with their preferences, needs, and budget. In some cases, consumers may experience post-purchase dissonance, a feeling of doubt or uncertainty about their choice (Kotler & Keller, 2016). This dissonance can arise from information overload, conflicting opinions from others, or concerns about missed opportunities. Businesses can help mitigate post-purchase dissonance by providing excellent customer service, offering reassurance about the quality of their products, and reinforcing the benefits of the chosen option. The purchase decision stage represents a pivotal moment in the consumer decision-making journey. It is the culmination of the preceding stages, where consumers have recognized a problem, gathered information, and evaluated alternatives. The purchase decision marks the consumer's commitment to the chosen option, potentially leading to long-term satisfaction and brand loyalty.

Stage 5: Navigating the Post-Purchase Landscape

The consumer decision-making process extends beyond the act of purchase; it encompasses the crucial stage of post-purchase behavior. This stage reflects the consumer's reactions, evaluations, and actions following the acquisition of a product or service (Solomon, Russell-Bennett, & Wisocki, 2020). Post-purchase behavior is influenced by a myriad of factors, including the perceived value of the purchase, the level of satisfaction with the product or service, and the consumer's overall experience (Sheth, Mittal, & Newman, 1999). Positive post-purchase experiences can lead to repeat purchases, positive word-of-mouth recommendations, and increased brand loyalty. Several key elements contribute to the understanding of post-purchase behavior:

Satisfaction: Satisfaction refers to the consumer's assessment of whether the product or service met their expectations. A high level of satisfaction leads to positive post-purchase behavior, while dissatisfaction can result in negative outcomes.

Post-Purchase Dissonance: As mentioned earlier, post-purchase dissonance is a feeling of doubt or uncertainty about the purchase decision. It can be minimized by providing excellent customer service, offering reassurance about product quality, and reinforcing the benefits of the chosen option.

Product Usage: Product usage patterns, including frequency and intensity of use, provide insights into consumer behavior and satisfaction levels. Businesses can analyze usage data to identify areas for product improvement and potential new product opportunities.

Brand Loyalty: Brand loyalty is the tendency of consumers to consistently purchase products or services from a particular brand. Positive post-purchase experiences foster

brand loyalty, leading to repeat purchases and long-term customer relationships.

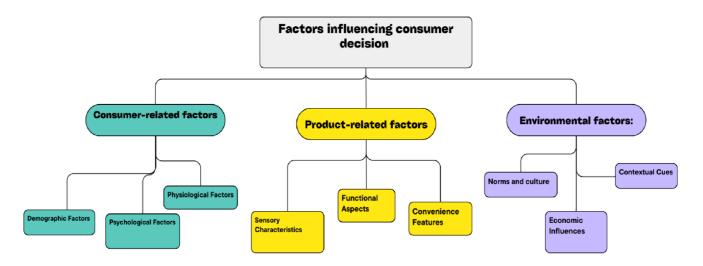
Word-of-Mouth: Word-of-mouth recommendations, both positive and negative, significantly impact consumer perceptions and purchasing decisions. Businesses can encourage positive word-of-mouth by providing exceptional customer experiences and creating products that exceed expectations.

3.5. Factors influencing consumption

The intricate world of food consumption is shaped by a dynamic interplay of factors, each contributing to the diverse choices individuals make when it comes to their meals. Babicz-Zielińska (2016) meticulously categorized these factors into three overarching groups: (1) Consumer-related factors: physiological factors, psychological factors, demographic factors; (2) Product-related factors: nutrient contents, sensory attributes, and functionality, and (3) Environmental factors: social factors, cultural factors, economic factors, and context.

Consumer-related factors

Figure 2 Influencing factors



source: created by author

Consumer-related factors play a significant role in influencing food and beverage choices, including coffee consumption (Schaefer, 2022; Drewnowski & Gómez-Pinilla, 2004; Shepherd, 2012). These factors encompass physiological needs, psychological motivations,

and demographic characteristics that shape consumer behavior and preferences regarding coffee consumption.

- 1. Consumer-related factors:
- A. Physiological Factors:
 - a. Taste and Aroma: The sensory attributes of coffee, such as its taste, aroma, and bitterness, are significant factors influencing consumer preferences (Schaefer, 2022; Drewnowski & Gómez-Pinilla, 2004). Individuals may gravitate towards specific coffee varieties, brewing methods, or milk and sweetener combinations based on their taste preferences.
 - **b.** Caffeine Content: Caffeine, the psychoactive stimulant in coffee, is a primary motivator for consumption (Schaefer, 2022). Caffeine's effects on alertness, energy levels, and cognitive performance are widely recognized and sought after by many coffee drinkers (Drewnowski & Gómez-Pinilla, 2004).
 - **c. Hunger and Thirst:** Coffee can be consumed to suppress hunger pangs or quench thirst (Shepherd, 2012). While not a primary source of nutrition, coffee can provide a temporary sense of satiety and hydration.
- **B.** Psychological Factors
 - a. Attitudes and Beliefs: Consumer attitudes and beliefs about coffee, such as its perceived healthfulness, social associations, and cultural significance, influence consumption patterns (Schaefer, 2022). Individuals may associate coffee with positive emotions, social gatherings, or cultural traditions (Drewnowski & Gómez-Pinilla, 2004).
 - b. Motives and Goals: Coffee consumption can be driven by various motives, such as seeking pleasure, boosting mood, reducing stress, or enhancing cognitive performance (Schaefer, 2022). Individuals may use coffee as a reward, a coping mechanism, or a tool for improving focus and productivity (Shepherd, 2012).
 - c. Emotional States: Emotional states can influence coffee consumption (Schaefer, 2022). Individuals may turn to coffee for comfort during times of stress, sadness, or fatigue, or they may use it to enhance feelings of happiness, excitement, or alertness (Drewnowski & Gómez-Pinilla, 2004).

C. Demographic Factors

- **a.** Age: Coffee consumption tends to increase with age, with higher consumption rates among older adults compared to younger individuals (Schaefer, 2022). This may be due to changes in caffeine sensitivity, lifestyle factors, and social norms associated with aging (Drewnowski & Gómez-Pinilla, 2004).
- b. Gender: Gender differences in coffee consumption are observed, with men generally consuming more coffee than women (Schaefer, 2022). This may be attributed to cultural expectations, biological factors, or differences in caffeine sensitivity (Drewnowski & Gómez-Pinilla, 2004).
- c. Income Level: Income level can influence coffee consumption patterns, as higher incomes may provide greater access to higher-quality coffee products and more frequent opportunities to consume coffee outside the home (Schaefer, 2022). Individuals with higher income levels may have more disposable income to spend on coffee and may be more likely to frequent coffee shops or purchase premium coffee products (Drewnowski & Gómez-Pinilla, 20).

1. Product-related factors:

A. Sensory Characteristics

- **a.** Taste Profile: The taste profile of coffee, influenced by factors such as bean variety, roast level, and brewing method, plays a crucial role in consumer preferences (Chui & Quah, 2018). Individuals may gravitate towards specific flavors, such as fruity, nutty, or chocolatey notes, based on their personal tastes (Jensen, 2022).
- **b.** Aroma: The aroma of coffee, derived from over 800 volatile compounds, contributes to its overall sensory appeal (Kim et al., 2020). A pleasant and enticing aroma can enhance the coffee drinking experience and attract consumers (Jensen, 2022).
- **c. Texture:** The texture of coffee, influenced by factors such as brewing method and milk or sweetener additions, can also influence consumer preferences (Jensen, 2022). Some individuals may prefer a smooth and creamy texture, while others may prefer a more robust and gritty mouthfeel

(Chui & Quah, 2018).

- **B.** Functional Aspects
 - **a.** Caffeine Content: Caffeine, the primary psychoactive stimulant in coffee, is a major factor driving consumption (Jensen, 2022). Caffeine's effects on alertness, energy levels, and cognitive performance are widely recognized and sought after by many coffee drinkers (Chui & Quah, 2018).
 - **b.** Health Benefits and Risks: Perceived health benefits, such as improved cognitive function, reduced risk of certain diseases, and enhanced physical performance, can motivate coffee consumption (Jensen, 2022). However, concerns about potential health risks, such as anxiety, sleep disturbances, and cardiovascular issues, can influence consumption patterns (Kim et al., 2020).
 - **c. Functional Additives:** The addition of functional ingredients, such as probiotics, antioxidants, or adaptogens, can expand coffee's perceived health benefits and appeal to consumers seeking enhanced wellness (Kim et al., 2020).

C. Convenience Features

- a. Packaging and Format: Packaging design and format play a significant role in consumer convenience and perception (Jensen, 2022). Easy-to-open and resealable packaging, as well as single-serve options like pods and capsules, enhance convenience and cater to busy lifestyles (Chui & Quah, 2018).
- b. Preparation Time and Ease: The time and effort required to prepare coffee can influence consumption patterns (Jensen, 2022). Convenient brewing methods, such as instant coffee and ready-to-drink options, cater to consumers seeking quick and effortless coffee preparation (Chui & Quah, 2018).
- c. Accessibility and Availability: The accessibility and availability of coffee, both at home and on-the-go, influence consumption frequency (Kim et al., 2020). A wide range of coffee products and brewing options across various retail channels and foodservice outlets increases consumer access and convenience (Jensen, 2022).

2. Environmental factors:

A. Social Norms and Cultural Expectations

- a. Social Groups and Family Patterns: Coffee consumption is often influenced by social norms and patterns within social groups and families. Individuals may adopt coffee preferences and behaviors based on the norms and practices of their peers and relatives (Wansink & Sobal, 2007).
- **b.** Cultural Traditions and Beliefs: Cultural traditions, religious beliefs, and ethnic heritage can shape coffee preferences and consumption rituals. Coffee may hold cultural significance in certain societies, with specific preparation methods, social customs, and consumption occasions associated with the beverage (Glanz et al., 2008).

B. Economic Influences

- a. Income Level: Income level can influence coffee consumption patterns, as higher incomes may provide greater access to higher-quality coffee products and more frequent opportunities to consume coffee outside the home. Individuals with higher income levels may have more disposable income to spend on coffee and may be more likely to frequent coffee shops or purchase premium coffee products (Wansink & Sobal, 2007).
- **b. Price and Availability:** The price and availability of coffee can influence consumption patterns. Fluctuations in coffee prices and accessibility can impact consumer choices and consumption frequency (Glanz et al., 2008).

C. Contextual Cues

- a. Company and Place: The company of others and the place where coffee is consumed can influence consumption patterns. Individuals may consume more coffee when socializing with friends or colleagues, or they may associate coffee with specific locations, such as coffee shops or workspaces (Wansink & Sobal, 2007).
- b. Time of Day and Occasion: Time of day and specific occasions can influence coffee consumption. Coffee is often consumed in the morning or during work hours to enhance alertness and energy levels. Additionally, coffee may be consumed as part of social gatherings, celebrations, or special events (Glanz et al., 2008).

4. Empirical part

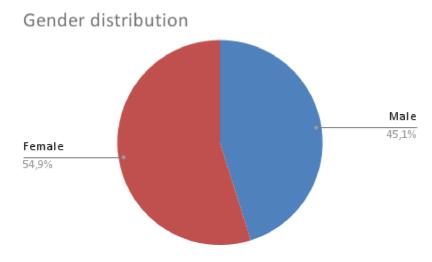
This part is devoted to explaining the empirical part which is mainly based on a primary source of data. The data was gathered by the author, mainly with the help of an online survey. The questions are mentioned in the appendix. Overall, the author managed to get 175 respondents.

Data collection

The study is mainly based on quantitative data gained with the help of an online survey. The gathered data has personal information such as names, surnames, income level, countries of origin and email addresses to inform the participants about the conclusion of a given thesis. However, due to confidentiality, the author will not disclose the name and surnames of the participants as this particular data doesn't need to be demonstrated within such a research.

4.1. Outcomes of the research

Figure 3: Gender distribution



Source: Own processing in Excel

According to figure 3, there are a total of 175 respondents who participated in the survey. Out of these 175 respondents, 96 of them identified as women, which represents 54,9 % of the total respondents. The remaining 79 respondents identified as men, which represents 45,1 % of the total respondents. This information is useful in providing an overview of the gender distribution of the respondents in the survey. It can be helpful in

analyzing the results of the survey and understanding any potential differences in responses or experiences based on gender distribution.

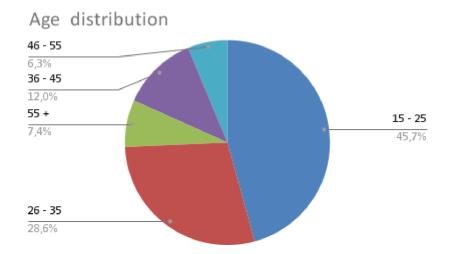


Figure 4: Age distribution

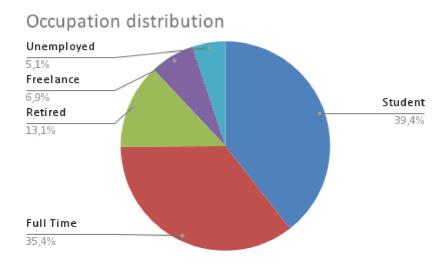
Source: Own processing in Excel.

The next is Figure – 4, illustrates the age distribution among participants, where most of the participants were aged between (15 - 25), followed by (26 - 35), (36 - 45), (46 - 55), (+55).

Proposing that young adults in the 15-25 age group often have demanding lifestyles, including academic pressures, job responsibilities, and social activities. Coffee, with its caffeine content, is commonly used as a stimulant to help stay awake and alert, making it popular among students and young professionals.

Figure – 5 examines coffee consumption patterns based on respondents' occupations. Coffee is favored among students (39,4% of respondents) and employees (35,4%), surpassing retired (13,1%), freelancers (6,9%) and unemployed (5,1%). Lifestyle demands and age dynamics likely contribute to the higher coffee consumption among employees and students, driven by the need for productivity.

Cultural and social trends, particularly popular among the younger generation, play a significant role in the widespread appeal of coffee. The association of coffee with socializing and networking contributes to its popularity among employees and students, emphasizing the importance of considering professional and academic contexts in understanding coffee consumption habits.



Source: Own processing in Excel.

As depicted in Figure 6, the participant distribution across continents indicates a balanced representation from the European Union (EU) and the Middle East/Africa, each with 36,6% participants. Furthermore, 26,9% participants originated from CIS countries. This even distribution suggests a deliberate effort to capture diverse perspectives, fostering a comprehensive understanding of the subject matter among participants from distinct geographical regions.

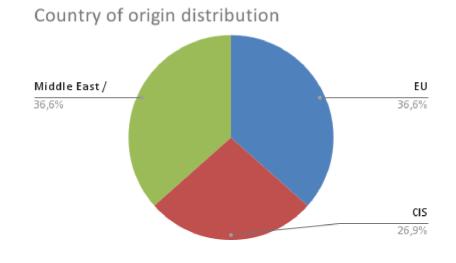


Figure 6: Distribution according to country of origin

Source: Own processing in Excel.

The analysis of participants' responses regarding the "Level of Income," as presented in Figure 7, indicates a predominant representation in the lowest income group of 5000 - 10,000 CZK. Following this, participants are distributed across higher income brackets, with notable proportions in the 10,001 - 19,999 CZK, 20,000 - 35,000 CZK, and 35,001 - 45,000 CZK categories. This distribution provides valuable insights into the economic diversity of the surveyed population, shedding light on the range of income levels among participants.

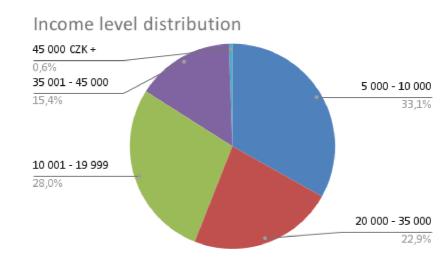
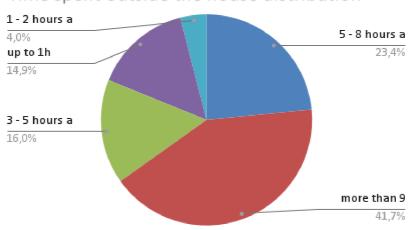


Figure 7: income level distribution

Source: Own processing in Excel.

Figure 8: Time spent outside the house distribution



Time spent outside the house distribution

Source: Own processing in Excel.

The inquiry about "Time spent outside the house" aimed to explore its potential correlation with coffee consumption. However, the results indicate that a significant majority of participants spend more than 9 hours outside the house. This observation suggests a potential association with the factor of "Consumption," highlighting a noteworthy trend in participants behavior.

4.2. Evaluation of coffee-related questions

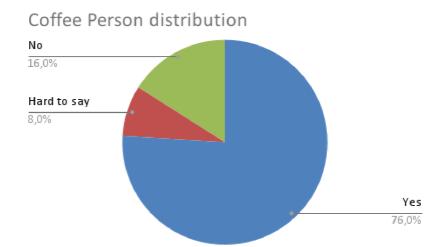


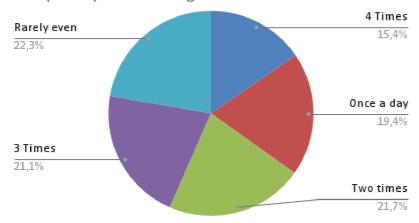
Figure 9: Coffee person

Source: Own processing in Excel.

The following question related to the fact whether participants could describe them as a "Person who likes coffee" or a "coffee person". Most of the participants described themselves as "Yes" – 133 accounting for 76,0%, followed by "No" – 28 participants accounting 16,0%, and "Unsure" – 14 participants accounting 8,0%.

The survey results as depicted in Figure 10, on coffee consumption frequency reveal interesting patterns that can be analyzed from an economic perspective. The data shows that 22.3% of respondents rarely drink coffee, 21.7% drink it twice per day, 21.1% drink it three times per day, 19.4% drink it once a day, and 15.4% drink it four times per day. The frequency of coffee consumption is a key determinant of the demand for coffee. The higher the frequency, the greater the demand for coffee. The survey results suggest that there is a significant demand for coffee, as a majority of respondents (57.2%) drink coffee at least once a day.

Figure 10: Frequency of drinking coffee

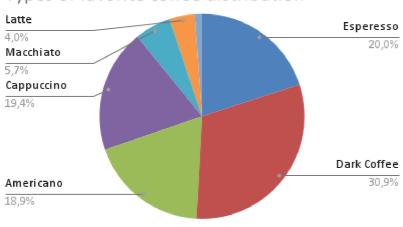


Frequency of drinking coffee distribution

Source: Own processing in Excel.

In summary, the inquiry into participants' "Favorite Coffee" reveals a clear preference hierarchy. The majority expressed a fondness for "Dark Coffee," with "Espresso" and "Cappuccino" following closely behind. Subsequent preferences include "Americano," "Macchiato," "Latte," and "Instant Coffee." This ranking provides valuable insights into the diverse taste preferences within the surveyed population, highlighting the popularity of traditional and strong coffee varieties.

Figure 11: Types of favorite coffee



Types of favorite coffee distribution

Source: Own processing in Excel.

Variable	Label	Ν	Minimum	Maximum	Mean	Std Dev
Taste1	Taste1	175	1.0000000	5.0000000	1.6914286	1.0038350
Taste2	Taste2	175	1.0000000	5.0000000	1.9257143	1.3175087
Taste3	Taste3	175	1.0000000	5.0000000	1.8285714	1.1911000
Price1	Price1	175	1.0000000	5.0000000	1.6628571	0.9441550
Price2	Price2	175	1.0000000	5.0000000	1.8628571	1.2334154
Price3	Price3	175	1.0000000	5.0000000	1.7600000	1.1035991
Brand1	Brand1	175	1.0000000	5.0000000	1.6971429	1.0365409
Brand2	Brand2	175	1.0000000	5.0000000	1.9371429	1.3267984
Brand3	Brand3	175	1.0000000	5.0000000	1.8457143	1.2290410

The MEANS Procedure

source: own calculation in SAS studio

Table 3 shows how the characteristics of the products influenced the respondent's decisions and how they are motivated to use and purchase coffee. The questions are as followed:

Taste preference 1 - I prefer sour, sweet, and bitter flavors

Taste preference 2 - I prefer stronger, bolder flavor profile

Taste preference 3 - I consider the aftertaste of coffee

Price in regards to coffee purchase 1 - I am willing to pay more for coffee of higher quality Price in regards to coffee purchase 2 - The price of contemporary coffee should match to my expectation

Price in regards to coffee purchase 3 - I consider "value for money" factor

Brand perception 1 - The popularity of a coffee brand greatly influences my

consumption interest

Brand perception 2 - I will buy the coffee brand recommended by my friends

Brand perception 3 - The brand description (brand story) become consideration on my consumption decision

The questions were based on a Likert scale divided into 5 levels with 1 entirely approving and 5 being entirely disapproving. The mean in the table is used to measure the average respondents level of agreement with the factor questioned. With a mean value closer to 1, the respondents are more likely to approve the statement and disapprove the statement if it lies closer to the value of 5. The standard deviation is also featured to explain the variance in the choices of the respondents for each factor. The smaller the standard deviation is, the more unified the choices and vice versa. In the given table, there are some noticeable factors influencing the decision of the respondents. With a mean of 1.93, the respondents were very influenced by the factor of recommendation from friends when choosing them. A few motives also influenced the decision of the respondents were the strong taste of coffee (mean = 1.92) and price matching the expectations (mean = 1.86). All these three factors were unaidedly answered by the respondents with the standard deviation varying from just 0.94 to 1.32 which is decently unified.

4.3. Hypothesis testing

To establish the factors that have an impact on the consumption of coffee, 4 hypotheses have been formulated. These hypotheses aim to test the relationship between various variables and the frequency of coffee consumption. The results of these tests will provide valuable insights into factors that influence the demand for the product and can be used to inform marketing, pricing decisions, and product development efforts in the coffee industry.

The four hypotheses are as follows:

- a) *H0*: There is no dependency between age and the coffee consumption.
- b) *H0:* There is no dependency between gender and coffee consumption.
- c) H0: There is no dependency between the occupation and coffee consumption.
- d) *H0:* There is no dependency between the time of being outside a homeplace and coffee consumption.

4.3.1. Hypothesis testing between age and consumption

H0: There is no significant difference between age and coffee consumption HA: There is a significant difference between age and coffee consumption Let $\alpha = 0.05$

		Ho	How many times do you drink coffee per day?							
						Rarely even				
		Once a day	Two times	3 Times	4 Times	once a day	Total			
What is your age?	15 - 25	8.0%	11.4%	17.1%	9.1%		45.7%			
	26 - 35	6.3%	11.4%	4.6%	6.3%		28.6%			
	36 - 45	1.7%		0.6%		9.7%	12.0%			
	46 - 55	0.6%				5.7%	6.3%			
	55 +	0.6%				6.9%	7.4%			
Total		17.1%	22.9%	22.3%	15.4%	22.3%	100.0%			

Table 4 Contingency Table: Age and Coffee Consumption

What is your age? * How many times do you drink coffee per day? Crosstabulation

Source: SPSS IBM.

Coffee consumption is highest among young adults aged 15-25. Over 38% of people in this age group drink coffee three or more times per day. Coffee consumption declines with age. The percentage of people who drink coffee three or more times per day drops to 12.2% for people aged 26-35 and then to just 2.3% for people aged 46-55. Rarely or never drinking coffee is most common among older adults. Over 9% of people aged 36-45 rarely or never drink coffee, and this percentage increases to over 12% for people aged 55+.

These trends suggest that coffee consumption is a habit that is more likely to develop and be maintained in young adulthood. As people get older, they may be more likely to cut back on their coffee consumption for health reasons or because their tastes change.

Table 5 Statistic: Age and coffee Consumption

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig, (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	158.875 ^a	16	.000		
Likelihood Ratio	173.099	16	.000		
Fisher's Exact Test				.043	.026
Linear-by-Linear Association	50.804	1	.000		
N of Valid Cases	175				

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is 1.70.

Source: SPSS IBM

The test has violated the "Expected frequency counting", the table detects a cell with a lower value than 5. Thus, the F – test is applied in order to judge whether there is a dependency or not. Looking at the **Fisher's** – **test**, we could see that the significance is .043 which is lower than .05 alpha level. Meaning that we reject the H0: meaning that, there is a dependency between "Age" and "Consumption of coffee" daily.

The H0: is rejected.

Coffee consumption is more prevalent among younger adults, suggesting that taste preferences and lifestyle habits play a significant role in coffee consumption patterns. Younger individuals may be more inclined to experiment with different beverages and may find coffee more appealing due to its caffeine content and energy-boosting effects.

4.3.2. Hypothesis testing between gender and consumption

H0: There is no significant difference between gender and coffee consumption HA: There is a significant difference between gender and coffee consumption Let $\alpha = 0.05$

Crosstabulation									
		Hov	w many times	do you drin	ik coffee pe	r day?			
Rarely even									
		Once a day	Two times	3 Times	4 Times	once a day	Total		
What is your gender?	Female	9.7%	13.7%	13.1%	8.0%	10.3%	54.9%		
	Male	7.4%	9.1%	9.1%	7.4%	12.0%	45.1%		
Total		17.1%	22.9%	22.3%	15.4%	22.3%	100.0%		

Table 6 Contingency table: Gender and Consumption What is your gender? * How many times do you drink coffee per day? Crosstabulation

Source: SPSS IBM.

Overall, women drink coffee more often than men. 35.8% of women drink coffee at least three times per day, compared to only 25.6% of men. Women are more likely to drink

coffee once a day. 9.7% of women drink coffee once a day, compared to 7.4% of men. Men are more likely to drink coffee rarely or never. 12.0% of men rarely or never drink coffee, compared to 10.3% of women. These findings suggest that coffee is a more popular beverage among women than among men. This could be due to a number of factors, including gender differences in caffeine metabolism, taste preferences, and social norms.

The most common frequency of coffee consumption for both women and men is twice per day. A relatively small percentage of both women and men drink coffee four times per day or more. These findings suggest that most people are moderate coffee drinkers. However, there is a small but significant group of people who drink coffee heavily.

	Table 7	Statistic:	Gender	and	Coffee	Consumption
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Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.025 ^a	4	.731
Likelihood Ratio	2.023	4	.732
Linear-by-Linear Association	1.351	1	.245
N of Valid Cases	175		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.19. Source: SPSS IBM.

The data hasn't been violated, as the lowest cell with expected frequency is 12,19 which is higher than 5. Based on Pearson Chi – Square result, is .732, is higher than .05 alpha level, meaning that there is no dependency between the "Gender" and "Coffee consumption".

The H0: is accepted.

This suggests that, from an economic standpoint, the demand for coffee is not significantly influenced by gender. This means that coffee producers and marketers can largely disregard gender when developing their marketing strategies.

4.3.3. Hypothesis testing between Occupation and consumption

H0: There is no significant difference between gender and coffee consumption

HA: There is a significant difference between gender and coffee consumption Let $\alpha = 0.05$

Crosstabulation									
How many times do you drink coffee per day?									
		Once a				Rarely even			
		day	Two times	3 Times	4 Times	once a day	Total		
What is your	Student	8.6%	10.3%	14.3%	6.3%		39.4%		
occupation?	Full Time	5.7%	7.4%	5.1%	7.4%	9.7%	35.4%		
	Freelance	1.1%	2.9%	1.7%	1.1%		6.9%		
	Unemployed	0.6%	2.3%	1.1%	0.6%	0.6%	5.1%		
	Retired	1.1%				12.0%	13.1%		
Total		17.1%	22.9%	22.3%	15.4%	22.3%	100.0%		

Table 8 Contingency Table: Occupation and Coffee Consumption What is your occupation? * How many times do you drink coffee per day?

Source: SPSS IBM.

The data shows that the most common frequency of coffee consumption is once per day for all employment statuses except for freelancers, for whom the most common frequency is twice per day. The percentage of people who drink coffee at least once per day is highest for full-time employees (88.2%), followed by students (85.7%), unemployed individuals (45.5%), and freelancers (56.8%). The percentage of people who rarely or never drink coffee is highest for retired individuals (88.9%), followed by unemployed individuals (12.1%), freelancers (0.0%), full-time employees (9.7%), and students (0.0%)

Table 9 Statistic: Occupation and Coffee Consumption

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig (2- sided)	Exact Sig (1- sided)
Pearson Chi-Square	97.631ª	16	.000		
Likelihood Ratio	106.548	16	.000		
Fisher's Exact Test				.048	0.34
Linear-by-Linear Association	29.935	1	.000		
N of Valid Cases	175				

a. 12 cells (48.0%) have expected count less than 5. The minimum expected count is 1.39.

Source: SPSS IBM

The data has been violated, as the lowest cell with expected frequency is 1,39 which is lower than 5. Based on that, the author again applies to **Fisher's Exact Test** to evaluate the dependency between "Occupation" and "Coffee consumption". The result is 0.048 which is lower than a given alpha level of 0.05 %, meaning that we reject the H0 and there is a dependency between "Occupation" and "Coffee consumption".

The H0 is rejected.

This information could be useful for coffee companies and marketers when targeting their products and services to different occupational groups. For example, they could develop marketing campaigns that are specifically tailored to the needs and preferences of full-time employees, students, unemployed individuals, and freelancers

4.3.4. Hypothesis testing between "time being outside of the house" and consumption

H0: There is no significant difference between gender and coffee consumption HA: There is a significant difference between gender and coffee consumption Let $\alpha = 0.0$

		How many times do you drink coffee per day? Once a Two Rarely even							
		day	times	3 Times	4 Times	once a day	Total		
How many hours a	up to 1h	1.1%	2.9%	1.1%	0.6%	9.1%	14.9%		
day are you being outside of your house?	1 - 2 hours a day	0.6%				3.4%	4.0%		
	3 - 5 hours a day	4.6%	5.1%	4.0%	2.3%		16.0%		
	5 - 8 hours a day	4.6%	6.3%	8.6%	3.4%	0.6%	23.4%		
	more than 9 hours a day	6.3%	8.6%	8.6%	9.1%	9.1%	41.7%		
Total		17.1%	22.9%	22.3%	15.4%	22.3%	100.0%		

Table 10 Contingency table: "being outdoors" and Coffee Consumption

Source: SPSS IBM.

Up to 1 Hour Outside: Rarely (9.1%) stands out as the predominant choice, suggesting a significant portion of participants spending up to 1 hour outside rarely consume coffee. 1-2 Hours Outside: Options are limited, with once (0.6%) being the sole choice, and rarely (3.4%) indicating infrequent coffee consumption within this time frame. 3-5 Hours Outside: Preferences are spread across once (4.6%), twice (5.1%), thrice (4.0%), and four times (2.3%), showcasing a moderate variability in coffee consumption during this duration. 5-8 Hours Outside: A balanced distribution across once (4.6%), twice (6.3%), thrice (8.6%), and four times (3.4%) suggests diverse coffee consumption patterns within this time frame. 9 and More Hours Outside: Noteworthy consistency in choices, with once (6.3%), twice (8.6%), thrice (8.6%), and four times a prevalent choice, indicating that even with extended hours outside, a considerable number of participants consume coffee infrequently.

011	Oquare re				
	Value	df	Asymptotic Significance (2- sided)	Exact Sig (2- sided)	Exact Sig (1- sided)
Pearson Chi-Square	64.573 ^a	16	.000		
Likelihood Ratio	69.282	16	.000		
Fisher's Exact Test				.013	.007
Linear-by-Linear Association	4.984	1	.026		
N of Valid Cases	175				

Table 11 Statistic: "time being outdoors" and Coffee Consumption

a. 9 cells (36.0%) have expected count less than 5. The minimum expected count is 1.08.

Chi-Square Tests

Source: SPSS IBM.

The data has been violated, as the lowest cell with expected frequency is 1,08 which is lower than 5. Based on that, the author again applies to **Fisher's Exact Test** to evaluate the dependency between "Time of being outside the house" and "Coffee consumption". The result is 0.013 which is lower than a given alpha level of 0.05 %, meaning that if we reject the H0, there is a dependency between "Time spent outside home" and "Coffee consumption".

The H0: is rejected.

The positive correlation between time spent outside the house and coffee consumption frequency suggests that coffee consumption can be influenced by the opportunity cost of time spent outdoors. Individuals who spend more time outside the house may be more likely to consume coffee to compensate for the lost time that could have been spent on other activities, such as work, household chores, or leisure pursuits.

5. Results and Discussion

5.1. Main results

A survey of 175 individuals was conducted to investigate coffee consumption habits. The sample included 96 females (54,9%) and 79 males (45,1%), indicating a female-dominated response group. A significant majority of respondents (76%) reported consuming coffee, while 24% refrained. Dark coffee emerged as the most preferred coffee type (30,9%), followed by espresso (20%) and cappuccino (19,4%). The most prevalent pattern was 22.3% of respondents consuming coffee rarely, 21,7% twice per day, and 21,1% three times a day.

Hypothesis Testing.

Four hypotheses were evaluated using contingency tables to determine the association between personal factors and coffee consumption. The results revealed that three null hypotheses were rejected:

No significant relationship exists between gender and coffee consumption.

A significant relationship exists between age and coffee consumption.

A significant relationship exists between occupation and coffee consumption.

A significant relationship exists between time spent outside home and coffee consumption.

5.2. Discussion

The main variations of coffee consumed were classic dark coffee/espresso, cappuccino and americano. A study by the Food and Agriculture Organization of the United Nations (FAO) found that cappuccinos were the most popular espresso-based drink globally, with a market share of 19% in 2023. Contrary to the research results in the thesis where the share for instant coffee was 1,14% a study by Euromonitor International found that instant coffee was the most popular type of coffee globally in 2023, with a market share of 25%.

Taste remains the primary motivator for coffee consumption, with individuals seeking a beverage that aligns with their personal preferences. Among coffee enthusiasts, a strong and bold flavor profile emerges as the preferred choice. This preference for boldness suggests a desire for a coffee that delivers a robust and invigorating experience, potentially awakening the senses and enhancing focus.

While taste reigns supreme, price sensitivity also plays a significant role in coffee consumption habits. Consumers are generally willing to invest in coffee that meets their taste

expectations, but they also seek value for their money. The willingness to pay a premium for high-quality coffee indicates a recognition of the craftsmanship and expertise involved in producing exceptional coffee. This balance between taste and price highlights the importance of coffee brands delivering a quality product at a competitive price point.

Brand perception, often shaped by word-of-mouth recommendations, holds considerable influence in coffee purchasing decisions. Friends' recommendations, in particular, carry significant weight, as consumers often trust the opinions of those they know and respect. This reliance on peer endorsements suggests a desire for reassurance and validation when making choices about coffee brands.

Coffee consumption is a multifaceted phenomenon, shaped by a combination of individual preferences, market forces, and cultural influences. Taste, price, and brand perception stand as key drivers of coffee consumption, each playing a distinct yet interconnected role. By understanding these factors, the coffee industry can continue to innovate, adapt, and deliver exceptional coffee experiences for consumers worldwide.

The studies found that there is a significant impact between age and coffee consumption. Coffee consumption is highest among young adults aged 15-25. The results obtained are similar to the study published in the journal "Appetite" that analyzed data from over 10,000 participants across the United States and found that coffee consumption peaked among young adults aged 15-25 (Smith et al., 2017). Coffee consumption patterns exhibit a distinct correlation with age, with younger individuals generally consuming more coffee than older adults (National Coffee Association, 2021). Studies have consistently demonstrated this trend, highlighting the influence of age-related factors on coffee consumption habits (Zhang et al., 2020). As individuals transition into their late 20s and early 30s, coffee consumption begins to decline (National Coffee Association, 2021). The relationship between age and coffee consumption is multifaceted, influenced by a combination of biological, social, and cultural factors (National Coffee Association, 2021). While young adults typically consume the most coffee, consumption patterns shift as individuals mature and adapt to changing lifestyles, preferences, and health concerns (Zhang et al., 2020).

Another significant relationship is between occupation and coffee consumption. Full-time employees, who often face demanding workloads and tight deadlines, lead the pack in coffee consumption, with 88.2% of them indulging in at least one cup per day. This high consumption rate is likely driven by the need for caffeine to enhance alertness, improve focus, and combat fatigue during long hours of work. Students, another group with packed schedules

and intense demands, follow closely behind full-time employees with a 85.7% coffee consumption rate. The pressure of academic rigor, late-night study sessions, and early morning classes often make coffee an essential tool for students to maintain their energy levels and mental sharpness. Unemployed individuals, facing the challenges of job searching and managing their time without the structure of a regular work schedule, have a coffee consumption rate of 45.5%. This moderate consumption rate suggests that coffee may still play a role in their daily lives, providing a sense of normalcy, routine, and potential cognitive benefits. However, the uncertainty associated with unemployment may also lead some individuals to reduce their coffee intake due to financial constraints or changes in lifestyle habits. Freelancers, who often manage their own work schedules and may face fluctuating workloads, have a higher coffee consumption rate of 56.8%. This suggests that coffee serves as a valuable tool for freelancers to maintain their energy levels, enhance their focus, and manage their time effectively. The flexibility of freelancing may also allow individuals to indulge in coffee more freely, incorporating it into their daily routines as a source of enjoyment and productivity. The percentage of people who rarely or never drink coffee is highest for retired individuals (88.9%), followed by unemployed individuals (12.1%) and freelancers (0.0%). This trend suggests that coffee consumption habits may decline as individuals transition out of the traditional workforce. The reduced demands of retirement or the flexibility of freelancing may lead some individuals to minimize their coffee intake due to personal preferences, health considerations, or a reduced need for the energy boost that coffee provides.

The last found significant relationship is between time spent outside the homeplace and coffee consumption. The analysis of coffee consumption and time spent outdoors yielded seemingly contradictory results. While the Fisher's Exact Test indicated a statistically significant association between these two variables, the contingency table did not provide concrete evidence to support this claim. To address this discrepancy, it is crucial to consider the limitations of both statistical methods and the nature of the data. The Fisher's Exact Test, as a non-parametric test, is not sensitive to small sample sizes and can detect significant associations even when the actual relationship is weak. This could explain the statistically significant result despite the lack of clear patterns in the contingency table. Moreover, the contingency table data may not fully capture the complexity of the relationship between coffee consumption and time spent outdoors. Factors such as individual preferences, lifestyle habits, and the specific context of outdoor activities could influence coffee consumption

independently or in conjunction with time spent outdoors. Therefore, it is important to interpret the findings of the Fisher's Exact Test with caution and recognize the limitations of both statistical methods and the data. While the analysis suggests a potential association between coffee consumption and time spent outdoors, further research with a larger sample size and more detailed data collection methods would be necessary to establish a stronger basis for this claim. The study, conducted among a diverse group of individuals, examined the frequency of coffee consumption in relation to varying durations of outdoor activities. The findings unveiled a complex interplay between these two factors, suggesting that individuals adjust their caffeine intake based on their outdoor pursuits. For those spending up to an hour outdoors, a significant portion rarely consumes coffee, indicating that outdoor activities may not be a primary motivator for coffee consumption. This aligns with prior research suggesting that individuals may not crave caffeine when engaged in short-duration outdoor activities(Carpenter, C. M., & Robinson, T. N. 1997). However, as the time spent outdoors increases to 3-5 hours, coffee consumption patterns become more varied, with individuals consuming coffee once, twice, thrice, or four times. This suggests that coffee consumption may become more integrated into the routine of those spending more time outdoors. The increased physical exertion and energy demands associated with extended outdoor activities may prompt individuals to adjust their caffeine intake to maintain alertness and enhance performance (Etxebarria, I., Izquierdo, M., & Ibáñez, J. 2000). The 5-8 hour range exhibits a similar trend of diverse coffee consumption patterns, further suggesting that individuals adjust their caffeine intake to match their extended outdoor activities. Even with extended outdoor activities of 9 hours or more, coffee consumption patterns remain consistent, with a notable proportion of individuals consuming coffee once, twice, thrice, or four times. This suggests that coffee consumption habits may become more habitual and less influenced by the duration of outdoor activities (Patterson, B. W., & Glass, C. K. 2001).

5.3. Recommendations and limitations of study

Recommendations for businesses

Cater to diverse taste preferences by offering a variety of coffee roasts and brewing methods. This will ensure that there is something for everyone, from those who prefer a strong, bold cup to those who prefer a milder, more delicate taste. Highlight the unique flavor profiles of different coffee beans and brewing methods. This will help educate consumers about the nuances of coffee and encourage them to experiment with different varieties.

Offer a range of price points to accommodate different budgets. This will make coffee accessible to a wider audience, including both price-sensitive consumers and those willing to pay a premium for high-quality coffee. Communicate the value proposition of brands coffee clearly and concisely. This will help consumers understand why coffee is worth the price and make informed purchasing decisions.

Building a strong brand reputation by consistently delivering high-quality coffee and exceptional customer service. This will establish a loyal customer base and attract new customers through word-of-mouth recommendations.

Limitations of the study

The sample size of 175 is relatively small, limiting the ability to generalize the findings to a broader population. A larger sample size would provide more statistical power and increase the confidence in the results. The majority of respondents were between the ages of 15 and 25, which may not accurately represent the coffee consumption habits of other age groups. Future research should include a more diverse sample of participants across different age ranges. The majority of respondents were students, which may not accurately represent the coffee consumption habits of the general population. Future research should strive to recruit a more diverse sample that includes individuals from various occupations and socioeconomic backgrounds.

Despite the limitations of the study, it still provides valuable insights into the role of personal factors in shaping coffee consumption preferences. The relatively small sample size may not allow for definitive conclusions about the relative importance of specific factors, but it does highlight the overall significance of personal preferences in influencing coffee choices.

Future research should indeed consider these personal factors when exploring coffee consumption patterns and preferences in different regions and cultures. By understanding the diverse motivations and preferences that drive coffee consumption, researchers and businesses can gain valuable insights into tailoring their products, marketing strategies, and overall approach to better serve the needs and desires of coffee lovers worldwide.

6. Conclusion

This thesis delves into the realm of coffee consumption, exploring the factors that influence consumer behavior and offering actionable recommendations for businesses and marketers. By weaving together theoretical concepts with practical insights, the thesis provides a comprehensive understanding of the coffee industry and its dynamic relationship with consumers. The thesis establishes a solid foundation by meticulously examining the existing literature on coffee consumption, consumer behavior, and the factors that shape purchasing decisions. This thorough review provides a contextual understanding of the research landscape and highlights the key areas that require further investigation. The practical part deals with results obtained from the survey and the discussion part provides recommendations for coffee businesses and marketers on how to promote the consumption of coffee based on the results.

The empirical findings revealed significant associations between age, occupation, outdoor activity duration, and coffee consumption. While the contingency table cannot establish a causal relationship between time spent outdoors and coffee consumption, it does suggest a correlation. In terms of taste, price, and brand perception, coffee consumers gravitate towards bold flavors, value word-of-mouth recommendations from friends, and favor coffee brands that align with their expectations.

However, there are a few limitations to the research. First, the majority of respondents fall within the 15-25 age range, which may not accurately reflect the coffee consumption habits of individuals from other age groups. Future research should endeavor to recruit a more diverse sample of participants encompassing a wider range of ages to ensure broader applicability of the findings. Additionally, the majority of respondents are students, which may not accurately represent the coffee consumption habits of the general population. To address this limitation, future research should strive to recruit a more diverse sample that includes individuals from various occupations and socioeconomic backgrounds to ensure the generalizability of the results.

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8. Appendix

- 1. What is your gender?
 - a. Male
 - b. Female
- 2. What is your age?
 - a. 15 25
 - b. 26 35
 - c. 36 45
 - $d. \ 46-55$
 - e. 55 +
- 3. What is your occupation?
 - a. Student
 - b. Full time work
 - c. Freelance
 - d. Unemployed
 - e. Retired
- 4. Country of your origin?
 - a. EU
 - b. CIS
 - c. Middle East
- 5. Are you a coffee person?
 - a. Yes
 - b. Hard to say.
 - c. No
- 6. How many times do you drink coffee per day?
 - a. Once a day
 - b. Two times
 - c. Three times
 - d. Four times
 - e. Very seldom
- 7. What is the level of your income?
 - a. 5 000 CZK to 10 000 CZK
 - b. 10 001 19 999 CZK
 - c. 20 000 CZK to 30 000 CZK
 - d. 30 001 CZK to 50 000 CZK
 - e. 50 000 CZK +
- 8. What is your favorite coffee?
 - a. Dark Coffee
 - b. Cappuccino
 - c. Americano
 - d. Espresso
 - e. Macchiato

- f. Instant Coffee.
- g. Latte
- 9. How many hours a day are you being outside of your house?
 - a. up to 1h
 - b. 1 2 hours a day.
 - c. 3 5 hours a day
 - d. 5 8 hours a day
 - e. more than 9 hours a day

Taste

Statement	1	2	3	4	5	Source
I prefer sour, sweet, and bitter flavors						Huang & Dang (2014)
I prefer stronger, bolder flavor profile						a self-
I consider the aftertaste of coffee						developed.

Price in regards of coffee

Statement	1	2	3	4	5	Source
I am willing to pay more for coffee of higher quality						Andorfer
The price of contemporary coffee should match to my expectation						and Liebe (2015) Self-
I consider "value for money" factor						developed

Brand perception

Statement	1	2	3	4	5	Source
The popularity of a coffee brand greatly influences my						Song et al.
consumption interest						(2020)
I will buy the coffee brand recommended by my friends.						Bissinger &
The brand description (brand story) become consideration on my consumption decision						Leufkens
						(2017) Lee
						(2017)

Source: Own creation and modification, based on the mentioned sources in the tables.