

Starbuck (Panda.wit.gene)

This paper indicates the factors influencing consumers on the frequency of consumption and intention to purchase beverages from Starbucks in Bangkok. If Starbucks becomes unaffordable, Amazon is the main competitor of the coffee market in Thailand due to higher revenue. The research paper will be applied to data collection methods and analysis methods. The gathered data will be interpreted by the Econometrics model of Logit and probit regression. The authors collected primary data of 366 online questionnaires from people who live in Bangkok district and the secondary data from reliable sources such as past research papers, Academic research, and internet sources relating to this industry.

The econometrics of multiple ordered probit model is used as a method for data analysis with the dependent variable, which is the range of frequency in the purchase of Starbucks beverages per week. The independent variables consisted of demographic variables, Starbuck consumption behaviors, the influential factors of consumers. There is 3 model specification. Demographic variables in model 1 include gender, age, groups, level of education, jobs, level of income, frequency of purchase from other stores. The Starbuck consumption behaviors in model 2 include if they order their beverage to consume inside the store or take home, their range of time spent inside the store on average, their belief on social image effect from consuming Starbucks, price sensitivity and purchase of other Starbucks merchandise and member card usage. The last model includes the additional variables of influential factors of consumers: rating of taste, price, location, design, space, promotion, brand image, customer service, and 24 hours service.

The result shows the descriptive statistics of dependent variables and independent variables. For the demographic factors, there are two factors that have their impacts on the frequency of the number of Starbucks beverages purchased per week on three models, which are Education level and income level. For consumption behavior factors, the respondents tend to stay in the stores more when they buy more beverages from Starbucks and use the member cards. Therefore, model 2 and 3 show that when the price of the beverage increase, the respondent tend to reduce buying beverage from Starbuck per week by 2.21 and 1.71 percentage points at 1 percent significance level.

The questions in this paper are quite interesting since I would like to know the factors influencing consumers, and the methods used the three ordered probit models which are appropriate to test the equation. From my point of view, the variables are enough since it covers all variables which can affect the consuming decisions. Thus, the results are well persuasive, and the price will have a significant effect on the decision to buy the product because the price of Starbucks is quite high and outstanding than other brands. Nevertheless, collecting data from the sample may not be enough to point out the influence of customers in Bangkok on Starbucks purchases.