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Factors influencing Lao coffee buying decisions.

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Chapter 1 Introduction

Recently, caffeine has played a role in humans, especially in the part of the morning routine, whether it is coffee, tea, or energy drinks. For all of those caffeine, they serve as an impetus to awaken.

Therefore, most people tend to take the caffeine into the body. However, the main discussion in this research is specific coffee, principally investigating the information on Lao coffee and factors that will influence Lao coffee buying decisions.

Coffee was introduced in the 15th century, but by the 16th century it spread worldwide. In the same way, coffee is one of the three most popular beverages in the world (alongside water and tea), and it is the second most traded commodity in the world since it offers a delightful taste and fragrance. On the authority of the current trends in food and beverage consumption, coffee is the most preferred food rather than a functional food containing caffeine. According to Hatbox (1985) in a research study titled "Empirical Analysis on Purchase Intention of Coffee Beverage in Taiwan," on page 182 of the book, it is noted that "in Europe, coffee has become a culture and a beverage indispensable in people's lives"

Millions of people have adopted the habit of consuming coffee to starting their day with a cup of coffee to wake up, relax, and feel more alert. In addition, coffee is a marker for the community holding it, just like coffee is a part of their daily routine, such as for hanging out with friends or meeting to discuss business at the coffee shop. Furthermore, the coffee industry has a principal role in the local economies in the country, not only providing enjoyment in daily life. In some countries, coffee is the essential distribution, and exports of coffee are a significant portion of goods and services for the development and growth of national economies. If you look at the case of Brazil, Brazil is the largest exporter of coffee, supplying over 30 percent of coffees in the world, which leads to the economy of Brazil growing. As indicated by (Chapagain and Hoekstra's , 2007) "Coffee is an important beverage in the economy and society, it contributes to economic growth, in developing countries and the relationship are more important to consumer in society"

On the other hand, the coffee industry has boomed in the economic sector, partly because of business strategies and customers. Currently, customer decisions making is the main factor in all business sector. Also, it can involve the existence of the business. Hence, understanding the behavior of consumers regarding coffee purchasing is necessary for the coffee supplier to improving in business sector and economic industry.

Along with this, in recent years, the agriculture industry of Lao PDR has had boosted growth with the top exports, especially in the coffee industry. The coffee industry holds a very considerable role in Laotian culture, and it plays a vital role in the economy of the nation, specifically in providing jobs and income to the farming workers in the south. Bolaven Plateau located in southern Lao PDR, is a suitable place to meet the potential high-quality coffee.

Furthermore, Laos exports coffee worldwide namely Vietnam, Germany, Thailand, Japan, and Belgium but Vietnam stands out as the largest consumer, purchasing more coffee than the other four countries combined. Likewise, Laos produce Robusta coffee, which is among the best in the world. From the point of view of Vincent Vire of the UN says, “Lao people produce great coffee, So European consumers are ready to pay a higher price for a cup, of coffee which is organic, respectful to the environment”. Therefore, the quality of coffee could affect both growers and consumers.

To sum up, coffee is widely recognized as one of the most popular beverages. Nevertheless, coffee is not just an ordinary beverage; it plays a substantial function in various aspects. Both in the context of everyday human activities and the realm of local economic affairs. Coffee is a recharging and delightful experience for human existence and has contributed to cultural practices. Besides, coffee exerts a substantial influence on local economies and makes a substantial contribution to GDP growth, therefore promoting fair trade practices to support poor farmers. Facilitate the creation of realistic job chances and revenue for local residents while still improving the livelihoods of coffee producer

1.1. Research objective

This research studies Lao consumers and assemble feedback from them after experience. The goal of this Thesis will follow:

1. To explore the general perception of Lao people on Lao coffee
2. Seeks for the factors of buying decisions
3. To investigate the factors that influence the decision not to buy Lao coffee
4. To explore consumer feedback after their experience with Lao coffee

1.2. Expected Benefit of this study

The outcome of this study is to get insight into the behavior and expectations of Lao consumers regarding the product, and this has the potential to assist coffee suppliers in improving their customer-focused initiatives to increase their competitiveness and performance in the business sector.

Chapter 2 Literature review

2.1. History of Lao coffee

The first coffee plants came to Laos by French colonists in 1920. Initially, they attempted to cultivate coffee in the cooler region, which is located in the northern part. Later, they found that the Bolaven plateau in the country's south part has good volcanic soil and a higher elevation suitable for growing beans. They imported Arabica cultivars like Arabica, Typica, and Bourbon. Arabica Typica was the first coffee varietal introduced in Laos. Earlier, in the steeper Paksong District, they grew small quantities. Later on, production spread to another part of the Bolaven plateau. Thus, this led to coffee plantations in Paksong District (Champasak Province), Thatteng District (Sekong province), Lao Ngam District (Saravan Province) and another province. Coffee rapidly surpassed other crops as the predominant agricultural produce in the region, especially following the establishment of a research station near Paksong in 1930. Prior to World War II, the coffee industry had achieved prosperity, producing 5,000 tons annually, and emerged as the predominant agricultural product in the region efficiently, particularly following the foundation of a research facility close to Paksong in 1930. Following that, France received the majority of the purchased coffee exports due to its exceptional quality reputation. The Vietnam War had a significant negative impact on coffee output in Laos, starting in 1950. American bombings collapsed numerous Laotian grounds, compounding the already dire situation for coffee production. Investors and dealers have moved out of the region. In the meantime, an array of coffee plants was attacked by leaf rust disease, returning frost, and orange rust, resulting in significant damage. This fungal disease infects grown plants, causing the harvest to get ruined, falling leaves, blossoms, and berries.

In 1975, local farmers and immigrants from the lowlands started reclaiming the Bolaven Plateau's abandoned fields after the combat ended. In an alternative approach, the government implemented a program of collectivization, which entailed the creation of farming and dealing cooperative. These cooperatives remained under the supervision of national authorities, who took on responsibility for overseeing and exporting activities.

In 2007, the government and the French Development Agency (AFD) collaborated to assist farmers in collecting coffee to boost the cultivation of Arabica crops. The cooperative responsible for this initiative is called the Bolaven Plateau Coffee Producers Cooperative (CPC), formerly known as AGPC. It is comprised of around 1,855 households among 55 different villages that are engaged in the cultivation of coffee.

Coffee Growers Cooperative was awarded the title of "Laos's Best Coffee Exporter" in 2012 for successfully exporting 603 tons of high-quality coffee, demonstrating both cost-effectiveness and excellence. The group is growing actively, exporting over one thousand tons of green beans yearly, and establishing itself as a leading figure and inspiration for other agricultural organizations.

2.2. Coffee area

Almost the entire production of Lao coffee, amounting to ninety-five percent, is cultivated only in three specific district located in the Bolaven Plateau region. These districts are Paksong in Champasak Province, Thateng in Sekong Province, and Lao Ngam in Saravan Province. The agricultural land in these Districts covers about 70,000 square meters, and the picking season goes from November to March.

Nonetheless, coffee was not just grown on the Bolaven plateau, outstanding coffee is also grown in Northern provinces but in tiny quantities like Xieng Khoung, Luang Prabang, and Houaphan. For example, Mueng Xieng coffee from Xieng Khiung Province, Saffron coffee from Luang Prabang, and Yuni coffee from Houaphan.

2.3. Lao coffee growth

The Lao People's Democratic Republic (Lao PDR) or Laos is a land-locked country in South East Asia, surrounded by Thailand, Vietnam, China, Myanmar, and Cambodia. Vientiane, which located on the north-eastern bank of the Mekong, serves as the capital of Laos. The main religion of the local is Buddhism. Lao PDR had suffered from sixty years of civil war from the Vietnam War and the American “Secret war in Laos”, which resulted in isolation and economic deprivation in the country. This made Laos to be the most bombed country in history. As one of Asia's least developed countries, the population of 7.1 million people is distributed unevenly throughout the mountainous area. Laos composed of 17 provinces in total. There is a huge ethnic diversity with 49 officially ethnic groups speaking over 48 languages. The country is riches in traditions, culture, and especially natural environments and resources. In this land, they cultivate an exquisite and entirely distinctive coffee. Furthermore, connoisseurs of specialty coffee are commencing to grab attention.



Figure 1: That Luang stupa (Vientiane Capital City)

Source: smmr.asia/vientiane-nong-khai/

Laotian coffee beans are of premium quality and becoming outstanding worldwide. As well as they have a unique character from other coffees and different regions. In 1991, production of Lao coffee was 6 million tons, and it increased to 10 million tons in 2020. As is evident, Lao's coffee production has moved all the time over the past three decades.

Today, the harvested area is over 88,000 hectares of coffee, commonly manufacturers are smallholders farming coffee, 1-3 hectares are family farms, and 100 plus hectares are foreign-invested plantations. Robusta(*c.canephora*) and Arabica(Typica and Catimor) both play an important role in Laos's coffee industry., Robusta represents among the greatest in the world. Robusta came up with 15,000 tons, or 80% of the entire goods, and Arabica comprises just 5000 tons or 20% of total production. Laos exported \$US29 million worth of green coffee beans in 2007, which made up more than 64% of all agricultural exports from the nation (Based on the records of the Asian Development Bank, ADB). In addition, the export volume of unroasted coffee beans increased from 28,320 tons in 2017 to 31,495 tons in 2018.

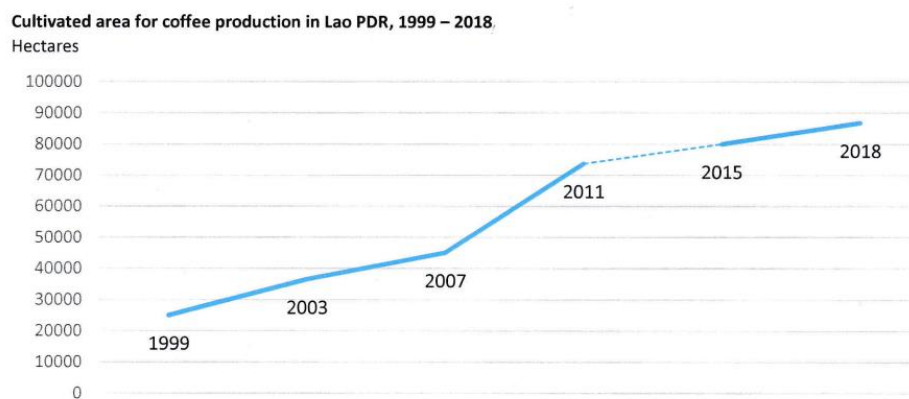


Figure 2: Cultivated area for coffee production in Lao PDR, 1999-2018

Source: PAO/PDFO, GTC, WB

The cultivation of coffee is the primary agricultural activity in Laos. Contrary to the Ministry of Agriculture and Forestry states, “Coffee is Lao’s third largest agricultural export and is sold to 26 countries in Asia, Europe and North America”. Furthermore, the coffee industry experienced a significant surge in exports, increasing from \$50 million in 2016 to \$75 million in 2017. Laos achieved a coffee export value of \$132 million in 2022, placing it at the 34th position among the top 204 global exporters. It ranked 14th out of 648 in terms of the most common exports from Laos during that specific year. Lao coffee exports are mostly dominated by Vietnam, which accounts for 40.5% of the total. Thailand follows with a share of 20.7%, followed by Japan (12.8%), Germany (11.2%), China (2.91%), and Belgium (2.3%). (Data sourced from the 1992 BACI HS6 Rev. (1995-2022)).

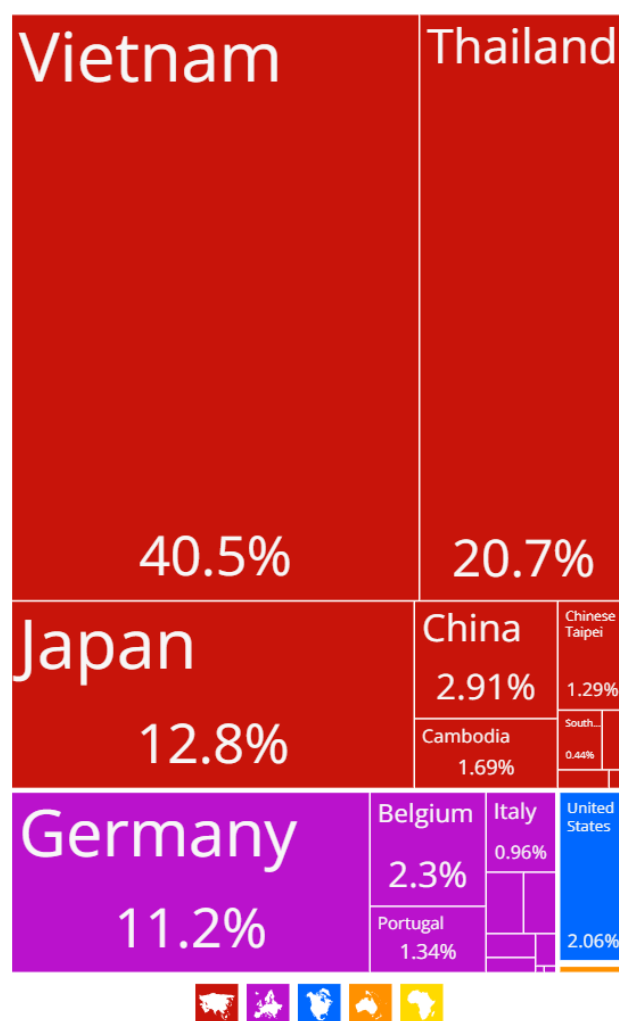


Figure 3: Export destination (2022)

Source: oec.world/en/profile/bilateral-product/coffee/reporter/lao

On top of that, there are sixteen authorized private multinational enterprises active in coffee cultivation. Foreign firms are the most significant planters namely Paksong Highland from Thailand (3,100 ha), Outspan-Olam from Singapore (more than 1,100ha), and three large Vietnamese companies that with plantations between 500 and 1000ha.

Company	Nationality	Activities
Dao-Heuang Group	Local	Growing, processing, roasting, exporting and retailing
Sinouk Coffee	Local	Growing, processing, roasting and exporting
Lao Mountain Coffee	Local	Roasting, marketing and exporting
Outspan Bolovens Ltd (owned by Olam International)	Singapore	Growing, processing and exporting
Delta Coffee	Malaysia	Growing, processing, roasting, exporting and retailing
Tin Nghia-Laos Joint Stock Company	Viet Nam	Growing, processing, exporting
Viet Nam-Laos Coffee Joint Stock Co.	Viet Nam	Growing, processing, exporting
MTC	Australia	Sourcing through contract farming and exporting
Paksong Highland (owned by TCC Group)	Thailand	Growing, processing, roasting, exporting
Bolaven Farms	Local	Growing, processing, roasting, exporting, retailing
Thevada Café	Local	Sourcing, roasting, exporting, retailing
Joma Coffee		
Ban Vang Gnao Coffee Producers Group	Local	Growing, roasting

Table 1: Major investors in the coffee sector in Lao PDR

Source: diae_G20_Laos_en, April 2013

Lao coffee products, including three-in-one coffee and coffee beans, are marketed domestically to coffee shops such as Amazon, Dao Heuang, Sinouk, and Joma (Times Reporters, October 5, 2022). Evidently, the Lao coffee market is constantly expanding. Momentarily, opening up new markets in the United States of America, insisting on developing Organic Arabica coffees to get higher grades and propagated as specialty coffees.

2.4. Bolaven Plateau

The Bolaven Plateau is the golden land of Paksong is located in Champasak province of Southern Laos and a small hill town on the Bolaven plateau known as Phouphieng Bolaven in Lao name. The margins of the plateau appear in Sekong and Attapeu Provinces as well. The Bolaven plateau is situated at an approximate elevation of 4,000 feet with the Vietnam border, the average temperature is lower than in the majority of Laos. This town has a small population, most of the Laven ethnic people living in this region. The Bolaven Plateau is well-known for its breathtaking landscapes and culturally diverse settlements. Additionally, this region has several rivers upstream that create nearly ten magnificent waterfalls in Southeast Asia such as Tad Fane, Tad champee, Tad Lo and is known as home to many coffee plantations called the coffee Capital of Laos. The Bolaven plateau is one of the best places for Arabica beans in the world to be grown, and it has been registered as a GI (Geographical indication), which is a symbol as a guarantee for the quality of products or goods from specialized production zones. The Bolaven plateau contribute to more than 90% of coffee production in Laos because of its abundant forest resources, cool climate, high-rainfall, and fertile soil. Furthermore, this village features a typical house with walls and roofs constructed of dried grass and leaves, and in February or October, locals harvest coffee, which is popular with tourists.



Figure 4: Paksong Highland Coffee

Source: pantip.com/topic/40458275

2.5 Categorization of Lao coffee brand

2.5.1. Dao coffee

Dao Coffee or Dao-Hueng Group of Companies (DHG) is currently one of the biggest and most entrepreneurial businesses in Lao PDR. It is well known for creating premium products that meet worldwide standards and are proliferating.

Dao Coffee has been grown on 250 hectares of land on the Bolaven plateau, approximately 1,200 meters above sea level. Lao Dao Coffee selects premium Arabica coffee beans from the Bolaven plateau on old volcanic soil that erupted millions of years ago. So that, the coffee tastes rich, has mild flavor, and has a natural coffee aroma. Plus, the Dao Coffee factory received certificates from GMP, HACCP, ISO 22000, and FSSC 22000, which are identified as safety standards for food products. For those reasons, Dao Coffee plays a significant role in the market world, Namely in Europe, the United States, Japan, South Korea, Taiwan, Indonesia, Vietnam, Cambodia, and Thailand. The products of Dao Coffee include fresh sealed coffee beans, ground coffee, instant coffee, and pre mixed 3-in-1 instant coffee sachets with creamer and sugar already added- all with no artificial flavors.



Figure 5: Dao Coffee

Source: daocoffee.tamky.city/gioi-thieu

2.5.2 Lao Mountain Coffee

“Whichever way you enjoy it, choose Lao Mountain”

Lao Mountain Coffee, founded in 2001 by Mr. Steve Feldschneider, is a small-scale coffee roasting company situated in Vientiane, the capital city of Laos. They roasted and offered outstanding 100 percent natural coffee from Boaven Plateau. Meanwhile, Lao Mountain Coffee is a current Fair Trade Lao (FTL) member and has been a member of the World Fair Trade Organization (WFTO).

To guarantee that the beans meet specialty coffee standards such as ripe, fresh cherries, consistent processing and expert grading and sorting, Lao Mountain Coffee collaborates closely with farmers and farmer groups. All of their coffee blends are superb, and the rich body and creamy texture provide a rare opportunity to sample genuine Robusta.

Lao Mountain received recognition at the World Coffee Challenge 2022 held in Spain. The Coffee's pea berry blend ranked top at the Continental Awards for Asia coffee competition, while Mekong Rising also won first place in the Espresso Blend Awards (Lao Mountain Coffee.com, September 22, 2022). Additionally, the Vientiane Times reported that in the competition award, Lao Mountain Coffee represented Laos and indicated that the Bolaven Plateau in the Paksong district of Champasak province is the area of Coffee sourced from beans grown, and it is the world's best-tasting coffee.



Figure 6: Lao Mountain Coffee

Source: laomountaincoffee.com

2.5.3. Paksong Coffee

"Enjoy the best Coffee from Laos and around the world by Paksong Coffee Company"

The company Paksong Coffee is run by a family. They also trade and distribute over 60 different coffee varieties worldwide. Paksong Coffee They are distinctive since all coffee trees and beans come from their family-grown plantations in the Paksong highlands of Laos. Furthermore, they manufacture completely organic beans, roasted in Singapore under ISO standards and certification. They do every step by themselves with care and passion glowing, hand-picking, roasting, and picking.

Paksong Coffee roasts a wide range of specialty blends for individuals looking for an effortless and reliable daily cup. Paksong Coffee is ideal for those who love their sweet, balanced, and easy-to drink coffee.

There are even more fascinating and diversified single origins. Here is a list of single-origin coffees roasted by Paksong Coffee:

- Costa Rica Tarrazu Honey Processed, Lao Java, Lao High Mountain (Natural Processed), Lao Peaberry



Figure 7: Paksong Coffee

Source: Paksong Coffee. facebook

2.5.4 Sinouk Coffee

Sinouk is a Lao coffee producer who also runs a coffee-themed tour program in the Thataeng area of the Bolaven plateau. As part of an endeavor to link tourism and the coffee sector simultaneously, Sinouk Coffee prioritizes two key factors: first, product quality, and second, advanced technology. The uniqueness of Sinouk Coffee comes from the branding itself, putting effort into little aspects such as packaging color and many others to ensure it reaches international standards. Pouches of coffee, comprising a gentle and light Scandinavian blend and a dark and powerful Italian blend, can be purchased in cups or bags. Sinouk also makes high-quality Lao teas, such as smoked green and oolong.



Figure 8: Sinouk Coffee

Source: apicms.thestar.com.my/uploads/images/2023/06/25/2144204.jpg

ASEANPLUS NEWS, 25 Jun,2023

2.6. The effectiveness of the Lao coffee industry

2.6.1. Effective for economics and tourism

Coffee is one of Laos' main exports, and its growth has been steady. Other than that, Lao coffee exports are rising, especially after the Lao coffee festival Exports of coffee are gaining appeal in the national market and are vital to Lao GDP. (VO The Lao Coffee Culture Festival held in Vientiane from October 9-12 under the theme 'Coffee's Next Generation', October 16,2020).

The Lao coffee industry has a good market outlook. Coffee consumption is increasing in the neighboring Asian countries. Annually, the Vietnamese government purchases 50% of its Arabica coffee beans from the Lao People's Democratic Republic. There has been a rise in the demand for coffee inside the country, especially in local hotels and guesthouses for an offer to foreign guests. In recent years, there has been a rise in the number of cafés, coffee shops, and small-scale roasters in Laos, which shows that Lao coffee is gaining more and more recognition throughout the country. Companies such as Sinouk Coffee, Lao Mountain Coffee, Saffaron Coffee, Le Trio Coffee, Mueng Xieng Coffee, Yuni Coffee, and Dao Coffee are well-known coffee brands sold in the local market. They are anticipating that increased tourists will enhance scales. Therefore, coffee production is not valuable only in the agricultural, it is imperative in the economy and society (UNCTD,2020, Lao people's Democratic Republic: Sustainable commercialization in the Coffee Value Chain, page 8).

In the economy, coffee can connect farmers in the countryside to those who live in the suburbs and create job opportunities everywhere.

In society, coffee can create groups and networks between producers and consumers.

Aside from that, Coffee production is not just increasing on the Bolaven Plateau in southern Laos., but also beginning to develop coffee growth in the northern part. The future of Lao coffee exports looks bright, they have been sold worldwide and got high profits in Japan, the United states of America, and Europe (ຈຳປາທອງ, 2009.01.23, rfa ວິທຍຸເອເຊຍເສຣີ “ກາເຟເປັນຜົນລະບູກທີ່ນິຍົມກັນຫຼາຍຂຶ້ນ”).

Laos has also applied to join the international Coffee Organization (ICO) to boost the prominence of Lao coffee and reduce the prospect of it getting transported across borders and sold without any indication of Laos. In Laos, coffee is an industry of opportunity. There is potential to empower women and young people while also increasing tourism. (ATLAS Coffee importers, Laos and ayaka Vu June 15, 2021 in the news of Coffee set to boost Laos- EU Trade- European Chamber commerce and industry in Lao PDR) Coffee's emergence as a new revenue crop in Laos coincided perfectly with a tourism boom. (Tara Tadlock, November 27, 2023, Coffee in Laos: An Unlikely path way out of Poverty) Due to export markets and caffeine-obsessed travelers, coffee production gave rise to coffee tourism, which has produced consistent economic growth. Expanding sustainable tourism initiatives is particularly important, since it allows travelers to interact responsibly and actively with local communities and countryside scenes.

For example, Mystic Mountain Coffee is a coffee plantation in southern Laos that offers tours of the area which can take whatever from suits tourists. (DiscoverLaos, The Bolaven Plateau: A Coffee Lover's paradise). Provides a comprehensive overview of the coffee process and the tour including trekking, jeep tours, coffee production lessons, and cooking classes for guests. As well as, at the Bolaven Plateau, the tour includes going inland, meeting farmers, and experiencing different stages of coffee production.

2.6.2. Effective on coffee farmers

Coffee has become a profitable industry for locals, providing a source of long-term income. Over 30,000 households cultivate coffee, and over 100,000 people are involved in the coffee business, most agricultural families rely on the revenue generated from the coffee harvest for sustenance (Sakhone INTHAVONG, December 7, 2020, ກາເບຣກຣາຟ). This community comprises numerous ethnic minority groups.

Farmers can diversify their revenue and boost productivity by cultivating and processing coffee. The coffee sector is extremely vital to farmers because it can create job opportunities, improve their livelihood, provide long-term income, and provide an alternative to commercial crops like maize, which are associated with numerous environmental and human health issues.

Nevertheless, the farmer said Coffee from Laos is getting famous worldwide, I am proud to be a coffee farmer and I love what to do. The price of coffee is determined by global demand and supply trends, some years are good, while others are not. Improved agricultural productivity is critical for stabilizing and increasing coffee income. Coffee production is not only a substantial source of income; but it is also fundamental to ensuring food security. The Lao coffee producers receive assistance and recognition from numerous groups. Namely the Food and Agriculture Organization of the United Nations (FAO), the Australian NGO Cooperation Program (ANCP), The Lao Upland Rural Advisory Service (LURAS), and Care Australia. (EU International Partnership, Mar 12, 2020, the vision zero fund in Lao PDR)

Through the training, the boosting coffee production project will help farmers produce coffee of a higher caliber, increase yields, and connect with global markets. It will also help isolated ethnic women and their communities maintain greater wealth and eat healthier by developing an inclusive and gender-sensitive coffee value chain. By diversifying farming approaches, families will receive better nourishment, and their children will have a brighter future. As noted by the coffee farmer, these associations have helped us a lot, we earned only \$250 to \$350 each year, but now we earned between \$1,230 to 2,400 annually, which is much more than the association's assistance. Plus, one of the other coffee farmers said, Thanks to coffee, we can feed ourselves, we can also send our children to school, we can eat better, and we do not go hungry anymore.



Figure 9: Coffee farmer

Source Keoset Community Coffee

Chapter 3 Material and Method

3.1. Quantitative Research Methodology

The objective in this part is to include the number of Lao people who consume Lao coffee, factors influencing buying decisions, the impact of not buying decisions, and feedback when consumers experience the product. The breakdown of research objectives, hypotheses, and questions are as follows.

Table 2 Research Objective, Hypotheses and Questions

Aim/Objective	Hypotheses	Questions in the questionnaire
1. To explore the number of Lao people who consume Lao coffee	H1: Most of Lao people consume Lao coffee	Q1: What brand of Lao coffee do you most frequently buy?
2. Seeks to the factors that influence buying decisions	H2: Most important of criteria are Flavor (aroma, taste)	Q2: What are the most important criteria when you buy coffee?
3. To investigate the factors that influence the decision not to buy Lao coffee	H3: The packaging not attractive enough	Q3: What are the reasons why you do not prefer to consume Lao coffee?
4. To explore consumer feedback after their experience with Lao coffee	H4: Negative feedback maybe found on product	Q4: How do you feel after you consume Lao coffee?

Source: Own research

3.1.1. Research Design.

For fulfillment of this research project and answer research questionnaire. I designed an online questionnaire survey using a Google Form, the survey link was posted on social media and in a Facebook group, I have also prepared a SWOT analysis in which I discuss the strengths and weaknesses of the product. The research also provides some recommendations that need to be analyzed in the future to develop the product.

3.1.2. Target population.

In this part, the target demographic of this research is Lao people, as the study seeks to learn about Lao consumer perceptions toward Lao coffee.

3.1.3. Data Collection.

The survey questionnaire aims to collect statistical data on the number of Lao people who drink Lao coffee and a view on consumer behavior depending on age and occupation.

3.1.4. Data Analysis.

Data was collected and analyzed using statistical tools such as Google Sheets and Google Forms. And it will be demonstrated in tables, graphs, and charts.

Table 3 : Characteristics of survey

Characteristics	Survey
Sample size	100
Method of information gathering	Online survey

Source: Own research

3.1.5 Construction of the survey questionnaire

The survey consists of 25 questions, and composed of 8 parts. collecting the information from participants about the coffee drinking behaviors, Factors that influence buying decisions, the reasons of consumers who do not consume Laos coffee, perception and consumer's opinion to Laos Coffee, Consumer experiences to the Product, recommendation and feedback from respondents and the last three questions collecting demography information

Consumers' general drinking and the opinion of those who do not consume coffee at all.

1. Do you consume coffee?

This question is about getting to know the consumer beforehand.

2. Do you prefer tea to coffee?
3. Do you prefer energy drink to coffee?

These two questions are designed to determine consumers' drinking preferences.

4. Do you know Lao coffee?
5. What brand of Lao coffee do you know?

These two questions aim to determine the popularity of Lao coffee among local coffee drinkers.

Understanding consumers' coffee consumption habits.

6. Do you agree coffee is...?

This question aims to know the general opinion about the product.

7. Where do you like to drink coffee?
8. How often do you drink coffee?
9. What kind of coffee do you usually drink?

These three questions are research questions about how the environment influences the decision to drink coffee, what role coffee plays in their daily lives and their coffee drinking habit.

10. Which of these following product do you most frequently buy?

This question seeks to determine which drink is more popular among Lao consumers, Lao coffee or international coffee.

Consumers perceptions toward Lao coffee and the factors that influence their purchasing decisions.

11. What brand of Lao coffee do you most frequently buy?
12. What are the most important criteria when you buy coffee?

These two study questions from above are to find out, which brand of Lao Coffee Lao people are most familiar with and what factors impact purchasing decisions.

13. How familiar are you with Lao coffee?
14. How do you know about Lao coffee?

These two questions from above are research questions about which sources of information are the most useful to consumers.

Consumers' views and experiences with the product.

15. Rate this visual appeal of “Laos coffee’s” packaging and marketing materials
16. Do you associate visually appealing packaging with higher quality products?

Using these two questions, collect feedback on how to enhance and develop the product.

17. How would you rate your degree in this product?
 1. I feel Laos coffee provides good value for the price I pay
 2. The quality of Laos coffee has reminded me consistent over the year
 3. I trust Lao coffee as reliable brand for coffee
 4. I feel happy and satisfied after consumed Lao coffee

This question is seeking to understand about consumer’s experiences with the product.

Consumers feedback and recommendation.

18. What aspect of the product do you think needs to improvement?

This question also seeks consumer feedback to help build the product.

19. Would you suggest to the other people buy Lao coffee?

We are asking this question to determine the likelihood of acquiring a new customer.

The opinion of those who prefer to consume only international coffee.

20. What are the reasons why you do not prefer to consume Lao coffee?

21. In the future would you consume Lao coffee?

These two questions aim to identify the primary issues that are the main factors influencing people not to consume Lao coffee and determine the percentage of these customers who are likely to consume Lao coffee in the future.

Survey demographic

22. What is your gender?

23. What is your occupation status?

24. What is your age?

Additional respondent comment.

25. If you have any recommendation on Lao coffee, please feel free to write them down

3.2. Qualitative Research Methodology

In this section, the research will examine the café owner's point of view. He is a coffee lover and has a business way of thinking that is different from that of general consumers. The interview questions may delve deeper than those found in a standard questionnaire survey.

3.2.1 Target population

In this part, the target population of the study consists of the owner of the café, as he has various experiences with Lao coffee and different views from consumers. However, because the interviewer and the interviewee do not currently reside in the same country, we conducted these interviews via voice call. In this interview, we replaced the interviewee's real name with an anonymous one.

3.2.2. Data Collection Method

This study structured the interviews through voice calls and presented specific questions to the respondents to ensure consistency across all interviews. We sent a letter of invitation to the participants, explaining the study's objective and providing a list of interview questions upon request for an interview. An invitation letter accompanied the interview questions, outlining the survey's objectives.

3.2.3 Interview Questionnaire

The main section of questions (5 questions) was designed with open ended questions for respondents to be able to express themselves in-depth in the subject and one (1) question was closed ended. In total, six (6) questions were presented to manage in an interview.

Consumers perceptions toward Lao Coffee.

1. Do you know Lao coffee? If yes? What brand of Lao coffee do you know?

Consumers experiences toward the product.

2. Do you have any impressions about Lao coffee? If yes. Could you please tell me briefly?

Method of interviewee to administer café

3. Where does the coffee you use to apply in your café come from?

Consumer views toward Lao coffee

4. In your opinion, the price of Lao coffee is quite high.

The main barrier to the product reaching consumers

5. In your opinion, do you think Lao coffee is popular among the local people? If "yes," why? If "no," why?

Feedback and suggestions from the interviewee toward the product.

6. Do you think certain aspects of Lao coffee should be improved?

3.2.4. Data Handling and Analysis

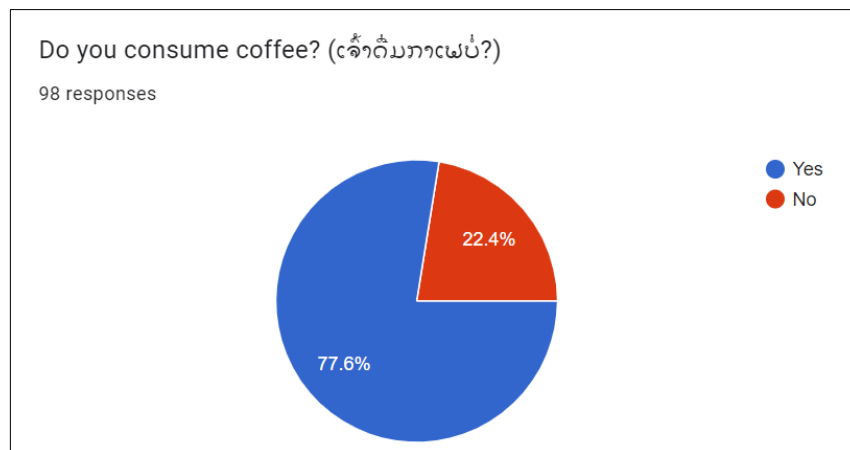
During each interview, the author of this thesis asked questions and took notes. Each interview was recorded and literally transcripts. The data was analyzed based on answers and information that was given by interviewee.

Chapter 4 Result and Evaluation

This chapter presents the results obtained from analyzing the data collected through online survey. They would deliver the following objectives:

4.1 Consumers' general drinking

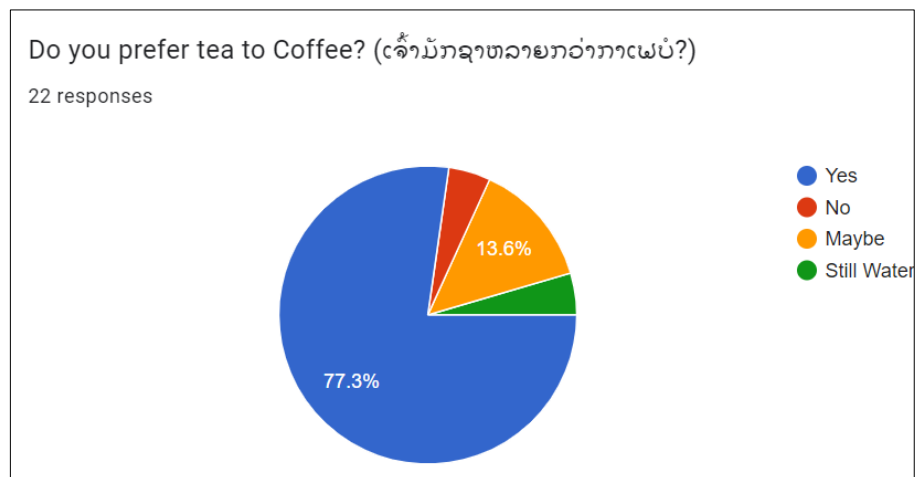
Figure 10: General drinking



Source: own research

The pie chart illustrates the number of individuals who consume coffee. It is evident from the figure that 77.6% of people take coffee, however, more than 20% do not.

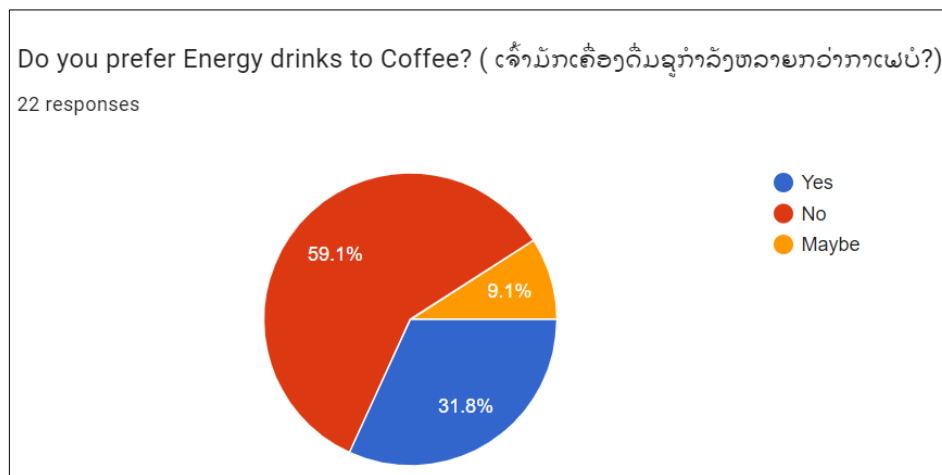
Figure 11: Tea to coffee



Source: own source

The data indicates that 77.3% of consumers prefer tea over coffee. 13.6% of the participants indicated that they do not typically consume tea. Only one participant expressed a complete dislike for tea. Additionally, 4.5% of the respondents provided comments stating a preference for still water.

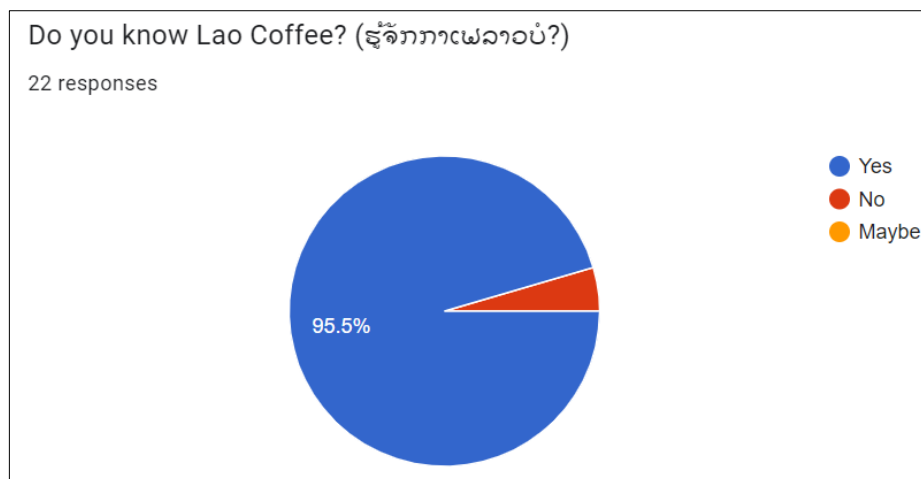
Figure 12: Energy drink to coffee



Source: own research

Based on the provided figure, it is evident that the majority of consumers do not have a strong preference for energy drinks. The proportion of those who respond “no” is 60%, while the “yes” response comprises 32%, and those who answer with indecision make up only 10%

Figure 13: Perception to Lao coffee



Source: own research

As the pie chart show that, the awareness of Lao Coffee is known by over 90% of the population in Laos. Only 4.5% of a single respondent refuse to consume Lao coffee.

4.2. Understanding consumers' coffee consumption habits.

Table 4. The meaning of coffee in consumer's opinion.

statements	Very disagree	Fairly disagree	Neither agree nor disagree	fairy agree	very agree
Statement 1	5.2%(4)	27.7%(21)	36.84%(28)	26.31%(20)	3.9%(3)
Statement 2	7.89%(6)	14.47%(11)	35.52%(27)	35.52%(27)	6.57%(5)
Statement 3	5.26%(4)	9.21%(7)	27.63%(21)	28.94%(22)	28.94%(22)
Statement 4	5.26%(4)	9.21%(7)	18.42%(14)	38.15%(29)	28.94%(22)
Statement 5	6.57%(5)	3.94%(3)	21.05%(16)	27.63%(21)	40.78%(31)

Source: Own research

Statement 1: Coffee is a luxury product.

According to the table above, 27.7% of (21) respondents are fairly opposed to the idea that coffee is a luxury product. 5.2% of respondents are very disagreeing, and 36.84% of respondents (28) are neither agreeing nor disagreeing as they decide whether coffee is a luxury product or not. 26.31% of (20) respondents are fairly agreeable that coffee is a luxury product, and 3.9% of respondents are very agreeable that coffee is a luxury product.

Statement 2: Coffee as a social tool.

According to the statement, 35.52% of respondents (27) fairly agree and 6.57% of respondents agree, respectively, that coffee is a social tool, while 35.52% of respondents (68) are neutral or do not quite believe that coffee is a social tool. Moreover, 14.47% (11) and 7.89% (6) of respondents are fairly disagreeing and very disagreeing, respectively.

Statement 3: Coffee is a part of the morning routine.

According to Table 4, 28.94% of respondents strongly agree, and 28.94% agree that coffee is part of the morning routine. While 27.63% of respondents are neither agreeing nor disagreeing, there is a slight number of (2) respondents who fairly disagree (9.21%) and (4) respondents very disagree (5.26%) about this statement.

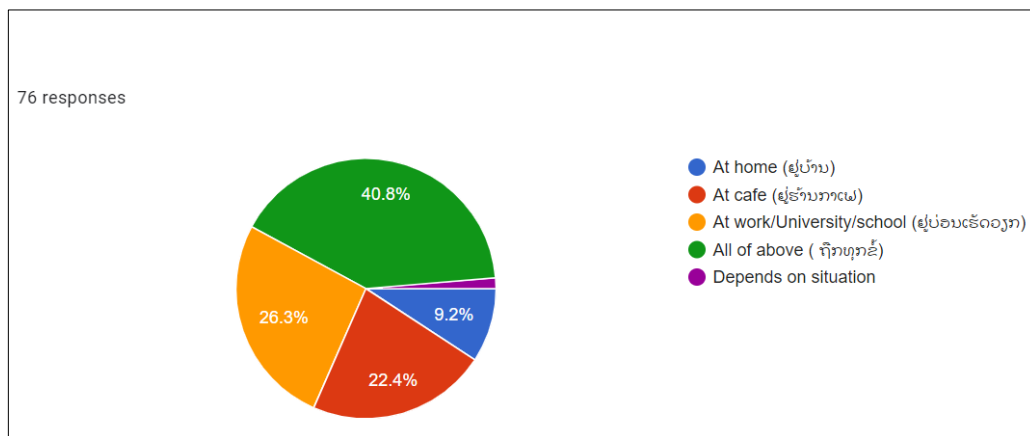
Statement 4: Coffee provide an energy boost.

Based on the statement, 22 people strongly agree (28.94%) and 29 respondents agree that coffee can provide an energy boost. But 18.42% of respondents are not sure that coffee can really help provide an energy boost.

Statement 5: Coffee offer delightful taste and fragrance

In this statement, 16 participants (21.05%) are not sure that coffee offers a delightful taste and fragrance, but some participants are agreeing at 27.63% and strongly agreeing at 40.78%. Also, there are participants who disagree (3.94%) and strongly disagree (6.57%) that coffee can offer a delightful fragrance.

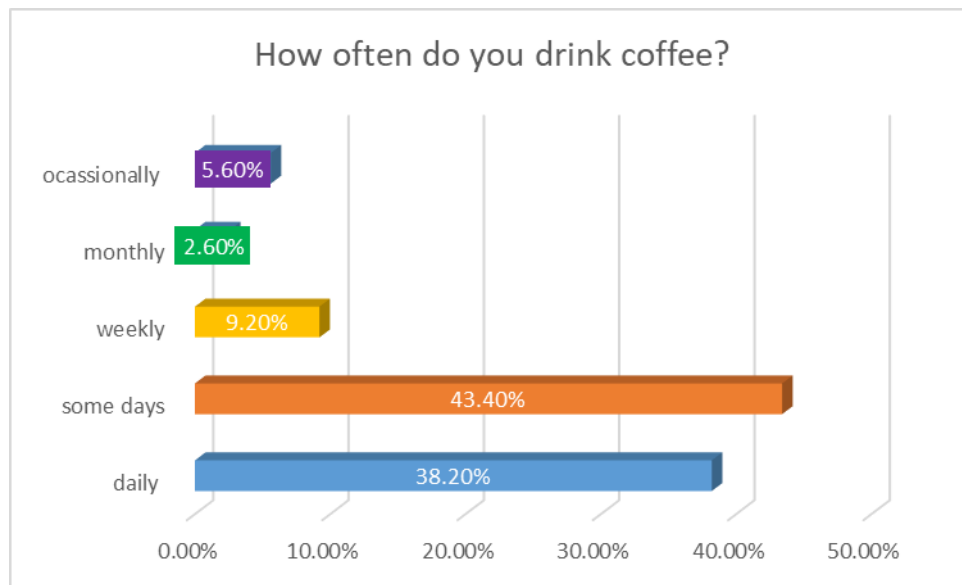
Figure 14: Place to drink coffee



Source: own research

The data showed that most of the people who took part in this study like to drink coffee everywhere, at almost 41%. According to the pie chart, 26.3% of individuals consume beverages at their workplace or university, whereas 22% of participants drink at cafés, and 9% choose to consume their beverages at home. The participant's additional commendation is based on the situation at hand.

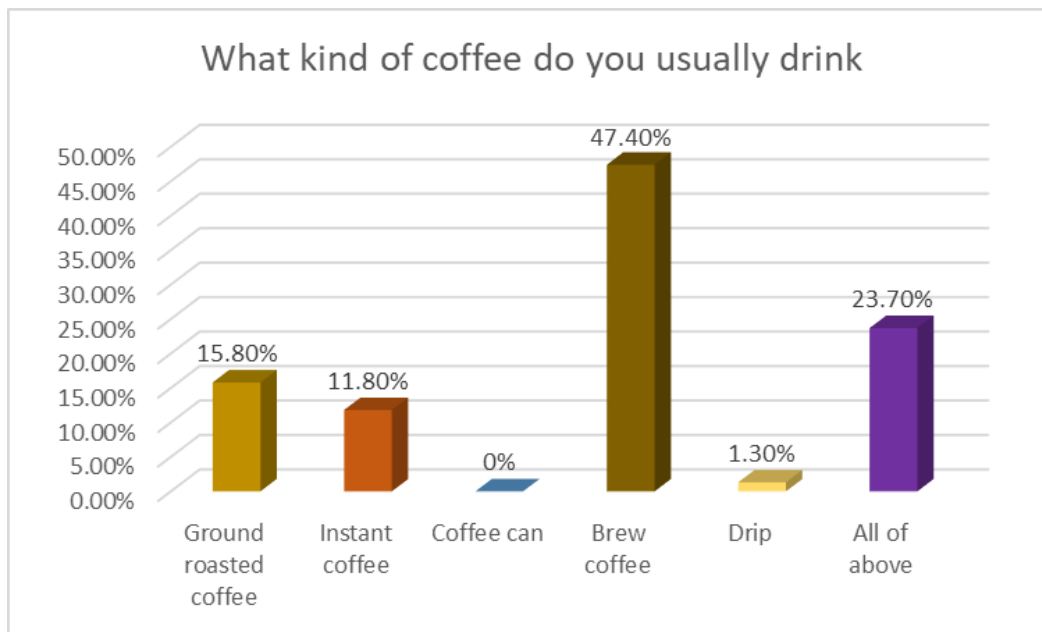
Figure 15: drinking time



Source: own research

Figure 15 shows that nearly half of respondents drink coffee on some days, followed by almost 40% who drink every day, over 9% who drink weekly, and less than 10% who drink monthly.

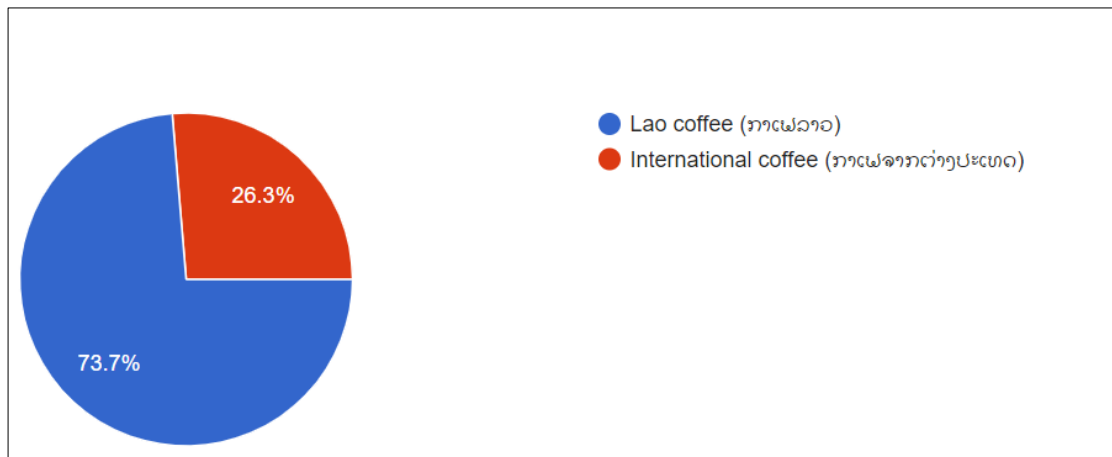
Figure 16: Types of coffee



Source: own research

The pie chart from Figure 15 shows various types of coffee that consumers prefer to drink. The results show that 47.40% of respondents (36) prefer to drink brew coffee, 15.80% of respondents (12) drink ground roasted coffee, 11.80% of respondents (9) drink instant coffee, 1.30% of respondents (1) drink drip coffee, and 23.70% of respondents (18) drink all various types of coffee

Figure 17: Which of these following product do you most frequently buy?

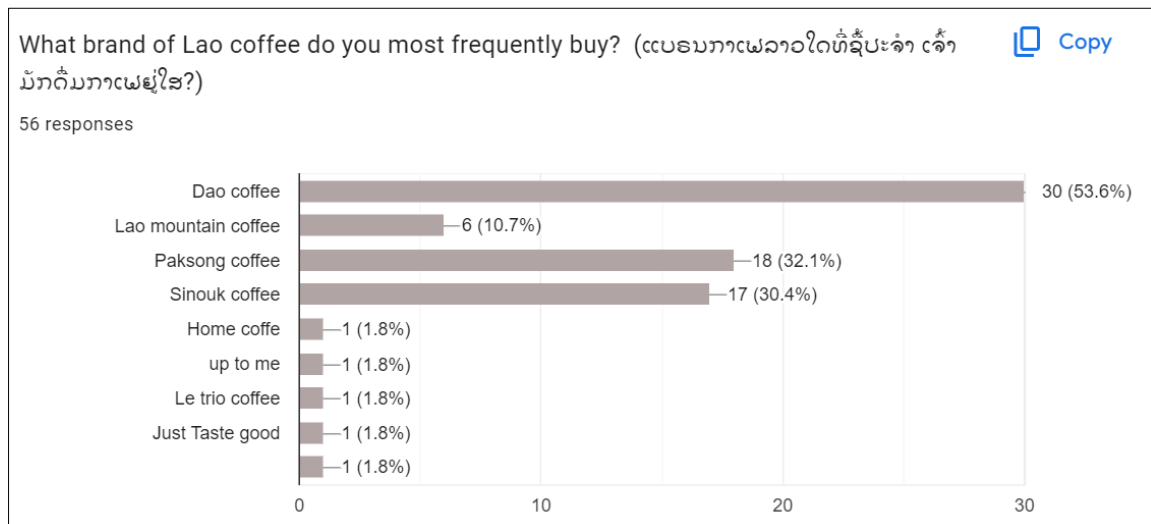


Source: own research

According to this pie chart, 73.7% of participants prefer to buy Lao coffee, with international coffee coming in second at 26.3%

4.3 Consumers perceptions toward Lao coffee and the factors that influence their purchasing decisions.

Figure 18: Brand of Lao coffee most frequently buy



Source: Own research

Let's have a look at this model, which shows us that Dao Coffee was the largest group. 30 percent of participants chose to most frequently buy; the second largest group (32.1 percent) was Paksong coffee, followed by Sinouk coffee (30.4 percent), and 10.7 percent chose Lao Mountain coffee. Home coffee, up to me, Le Trio coffee, and just taste good were additional brand suggestions from respondents.

Table 5. Criteria to influence buy coffee

Statements	Definitely do not agree	Do not agree	Undecided	Agree	Definitely agree
Packaging (Attractiveness, information)	3.57%(2)	12.5%(7)	17.85%(10)	34.28%(22)	26.78%(15)
Price	5.35%(3)	5.35%(3)	10.74%(6)	36.71%(20)	42.85%(24)
Quality of coffee beans	5.35%(3)	1.78%(1)	10.71%(6)	39.28%(22)	42.85%(24)
Flavor (taste and aroma)	7.14%(4)	-	12.5%(7)	19.64%(11)	60.71%(39)
Ease of preparation	7.14%(4)	3.57%(2)	30.35%(17)	33.9%(19)	25%(14)
Advertisement	5.35%(3)	25%(14)	35.71%(20)	17.85%(10)	16%(9)
Health reasons	1.78%(1)	14.2%(8)	32.14%(18)	26.78%(15)	25%(14)

Source: Own research

Statement 1: The most important criteria when buy coffee is Packaging (Attractiveness, information).

Table 5 shows 17.85% of participants who are not sure that the packaging can influence them to buy or not; however, there are participants who agree (22) and strongly agree (15) that the packaging can influence them to buy the product. Also, there are participants who disagree (7) and strongly disagree (2) with this statement.

Statement 2: The most important criteria when buy coffee is the price.

According to the statement, participants (56) agree (36.71%) and strongly agree (42.85%) that the price is the most important criteria to consider, and some participants (10.74%) are not sure that the price can impact buying decisions. Still There are participants who do not agree and strongly disagree (5.35%) that price has an impact on buying decisions.

Statement 3: Quality of coffee beans.

From the result of Table 5, the majority of participants strongly agree (42.85%) and agree (39.28%) that the quality of coffee beans is the most important factor to consider when making decisions, while 10.71% are undecided, followed by 1.78% who disagree and strongly disagree (5.35%), respectively.

Statement 4: Flavor (taste and aroma)

In this statement, 12.5% of participants are undecided about whether flavor (taste and aroma) is one of the characteristics that can affect purchasing decisions, while some individuals agree (19.64%) and highly agree (60.71%). Some people strongly disagree (7.14%); there is no number for those who do not agree flavor can impact customer behavior.

Statement 5: Ease of preparation

From the statement, 19 participants agree, while 25% strongly agree, that ease of preparation has an impact to the decisions-making. Nevertheless, some participants (30.35%) are not sure that ease of preparation can be impact to buying decisions. Still There are participants who disagree (3.57%) and strongly disagree (7.14%) to find that ease of preparation has no impact on purchasing decisions.

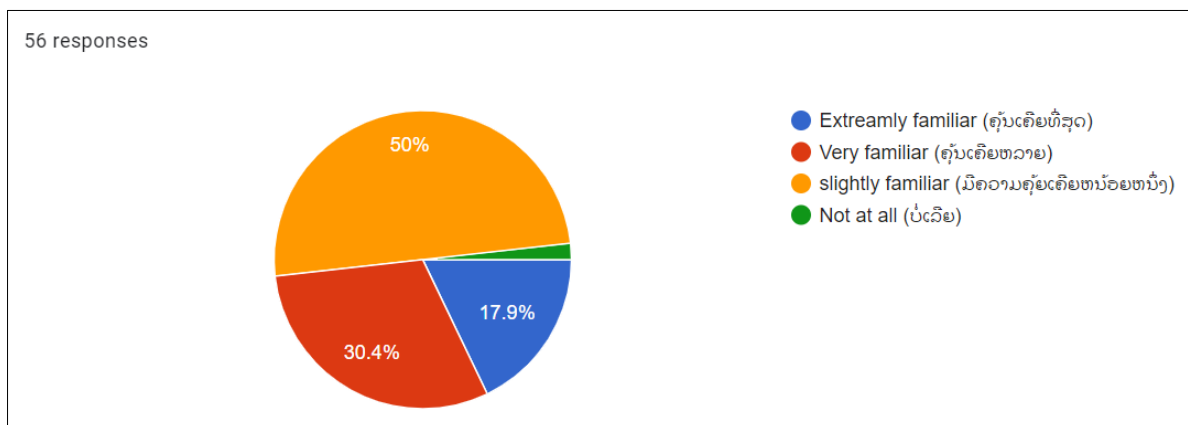
Statement 6: Advertisement

In this statement, 20 participants (35.71%) are undecided that advertisement can encourage consumers to buy the product. But some participants are agreeing (17.85%) (10) and strongly agree (16%) (9). Also there is participants who do not agree (25%) (14) and definitely do not agree (5.35%) (3) that the advertisement can encourage consumers to purchasing the product.

Statement 7: Health reasons

Table 5 shows that 32.14% of participants (18) are undecided if health reasons will be the most important criteria to buying decisions. The number of participants who agree (26.78%) (15) and strongly agree (25%) (14) as the result provides. Moreover, there are participants who disagree (12.4%) (8) and strongly disagree (1.78%) (1) on this statement.

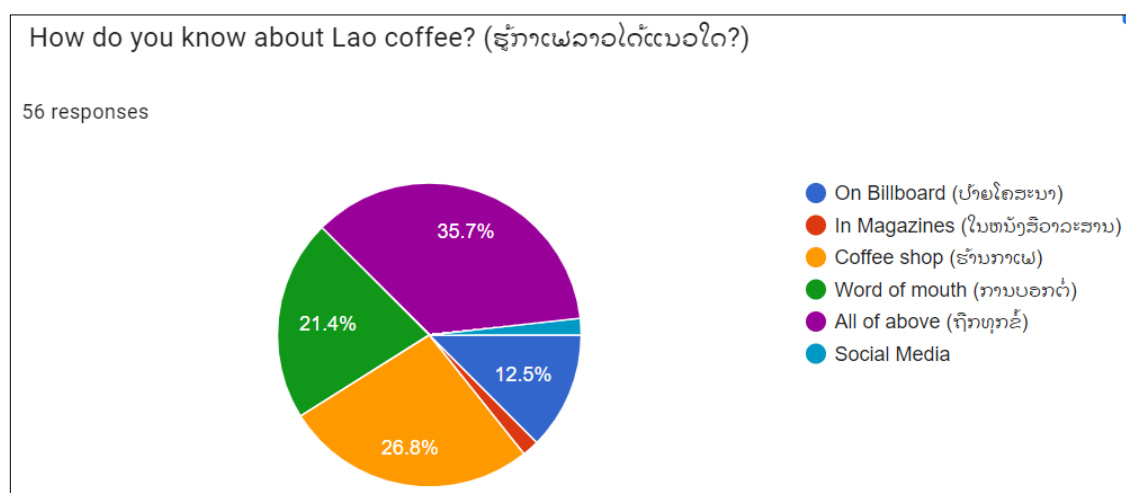
Figure 19: Familiar with Lao coffee



Source: Own research

The data reveals that 50 percent of the respondents had a moderate level of familiarity, whereas 30.4 percent are well familiar, and only 17.9 percent are highly familiar

Figure 20: Source of information

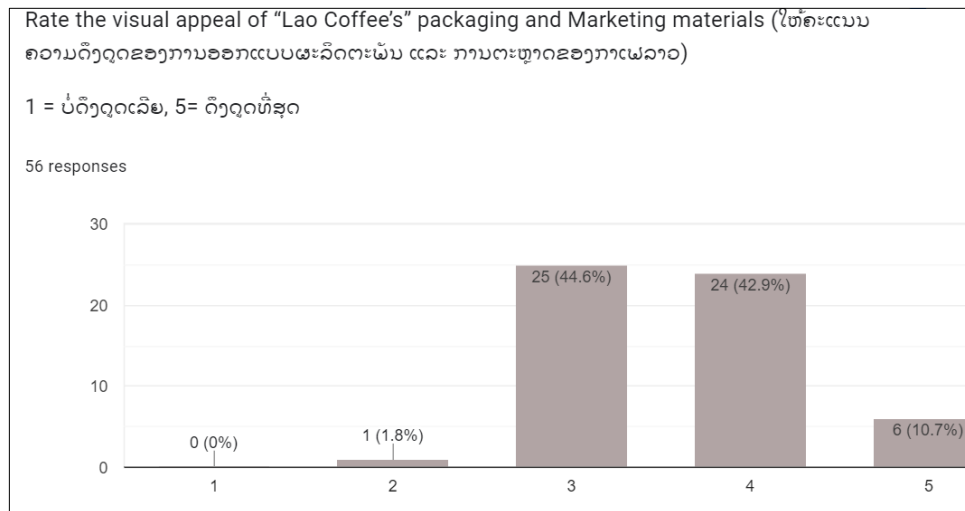


Source: Own research

More than 20 percent of respondents know Lao coffee from coffee shops. Word of mouth, the second resource, accounted for 21.4 percent of the respondents, with around 10 percent stating that they were aware of the billboard. Only 1 percent of participants were able to get the information on social media and in magazines, whereas 35.7 percent knew it from every source.

4.4. Consumers views and experiences with the products

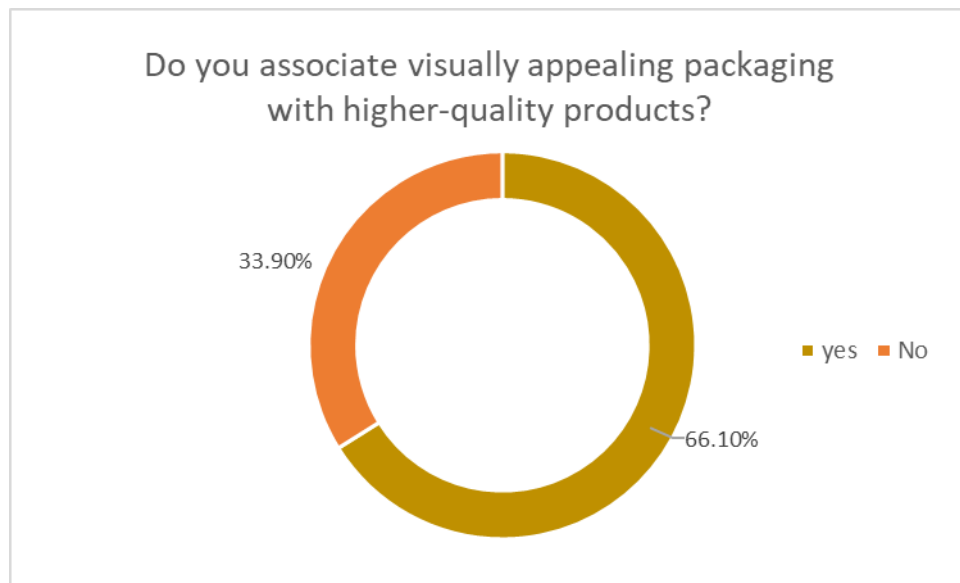
Figure 21: Packaging and Marketing materials



Source: Own research

If you look at the graph, you will notice that almost 50 percent of respondents stated that Lao coffee's packaging and marketing materials were fairly attractive. While 44.6 percent of respondents were neutral as they decided whether they were attractive or not, 10 percent said that they were really attractive, and only 2 percent said the packaging and marketing materials were not attractive.

Figure 22: Packaging with quality product



Source: Own research

The pie chart illustrates the association between visually appealing packaging and the perception of higher-quality products. According to the figure, 66.10% of people link visually attractive packaging with products of higher quality, whereas more than 30% do not make this association.

Table 6: Experiences with Lao coffee

Statements	Very disagree	Fairly disagree	Neither agree nor disagree	fairly agree	Very agree
Statement1	1.78%(1)	3.57%(2)	30.35%(17)	42.85%(24)	21.4%(12)
Statement 2	3.57%(2)	7.14%(4)	37.5%(21)	35.71%(20)	16.07%(9)
Statement 3	5.35%(3)	7.14%(4)	28.5%(16)	35.71%(20)	23.4%(13)
Statement 4	3.57%(2)	3.57%(2)	28.5%(16)	37.5%(21)	26.7%(15)

Source: Own research

Statement 1: I feel Lao coffee provides good value for the price I pay

From the statement, there are participants (24) who fairly agree (42.85%) and very agree (21.4%) (12) that Lao coffee provides good value for the price they pay and some participants (30.35%) (17) are neither agree nor disagree that Lao coffee can provide good value to consumers. Still There are participants (2) who fairly disagree (3.57%) and strongly disagree (1.78%) to find that the Lao coffee can provide a good value for the price they pay.

Statement 2: The quality of Lao coffee has remained consistent over the year

Table above shows 20 respondents agree that the quality of Lao coffee has remained consistent over the year 16.07% of (9) respondents strongly agree, 37.5% of (21) respondents are neither agree nor disagree as they decide whether Lao coffee have a good quality or not. 7.14% of (4) respondents are fairly disagree that the quality of Lao coffee is good and lastly 3.57% of (2) respondents strongly disagree that the quality of Lao coffee has remained consistent over the year

Statement 3: I trust Lao coffee as reliable brand for coffee.

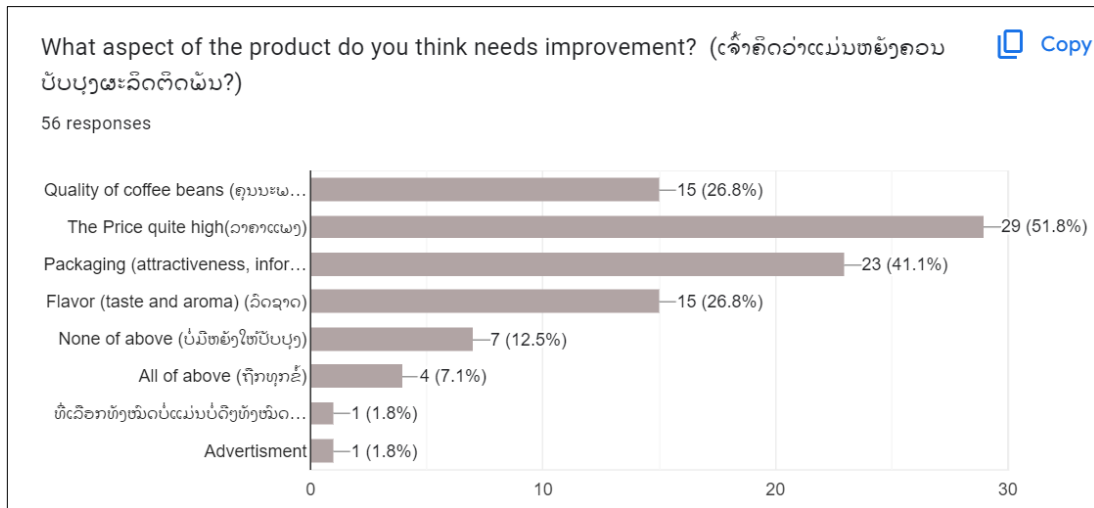
agree, respectively, that they trust Lao Coffee as a reliable brand for coffee. while 28.5% of respondents are neutral or do not quite believe that Lao Coffee is a reliable brand for coffee. Moreover, 7.14% (4) and 5.35% (3) of respondents are fairly agreeing and very disagreeing respectively.

Statement 4: I feel happy and satisfied after consumed Lao coffee.

From the results of Table 6, 26.7% of respondents strongly agreed and 37.5% agreed that Lao coffee made them satisfied with the product. While 28.5% of respondents are neither agree nor disagree, and there is a slight number of (2) respondents who disagree (3.57%) and (2) very disagree (3.57%) about this statement.

4.5. Consumers Feedback and Recommendation

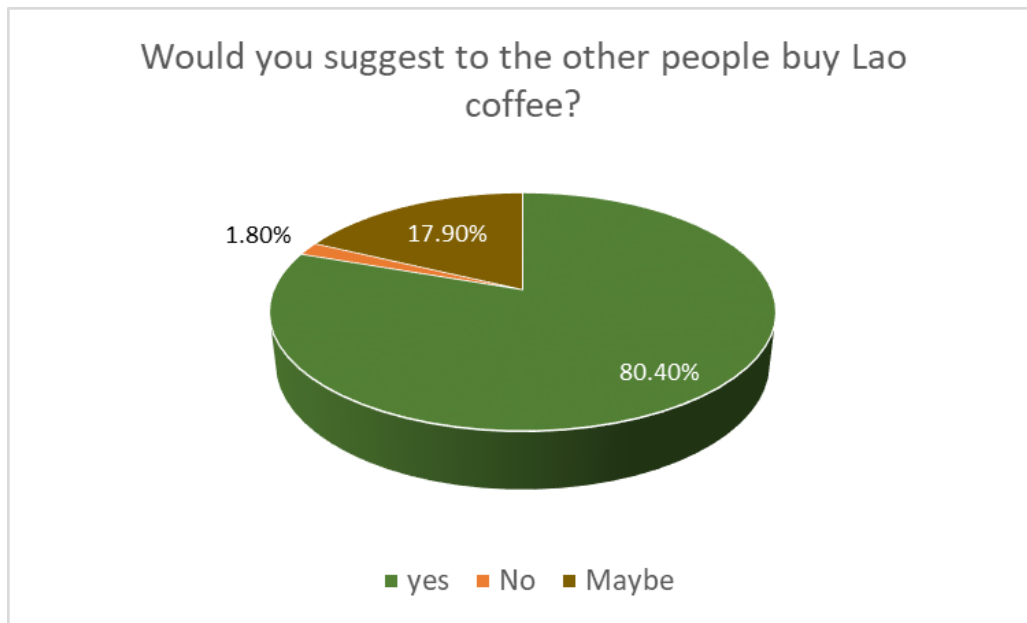
Figure 23: Aspect need to improvement



Source: Own research

The bar chart illustrates the aspects of the product that require improvement based on consumer feedback. According to the results, the majority of participants (51.8%) believed that the product's price was quite high. However, there were slightly different percentages of participants who thought it would be beneficial to improve the packaging (41.1%) and the product's flavor, specifically taste and aroma (26.8%). Participants believed that the quality of coffee beans should also improve at a rate of 26.8%, while 12.5% believed that no improvement was necessary and that all aspects needed improvement (7.1%). Additionally, 1% of respondents believed that advertising should be improved.

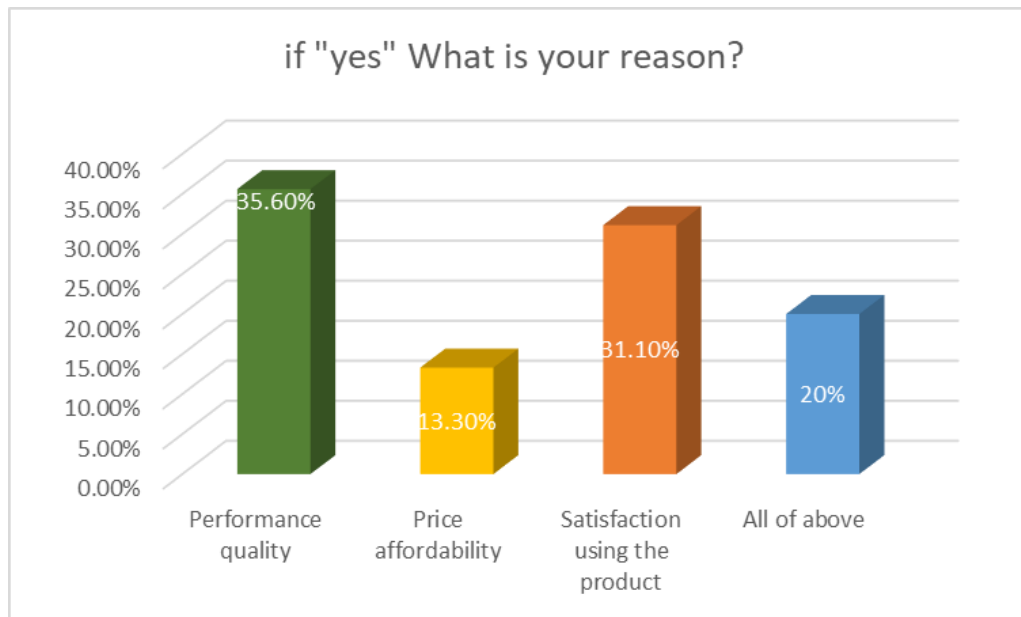
Figure 24: Spread the product



Source: Own research

The pie chart shows the number of people who would suggest to other people that they buy Lao coffee. As you can see from the chart, 80.40% of respondents are willing to recommend the product to others, whereas over 10% will either do so or not, and only about 2% will not.

Figure 25: The reason to spread the product

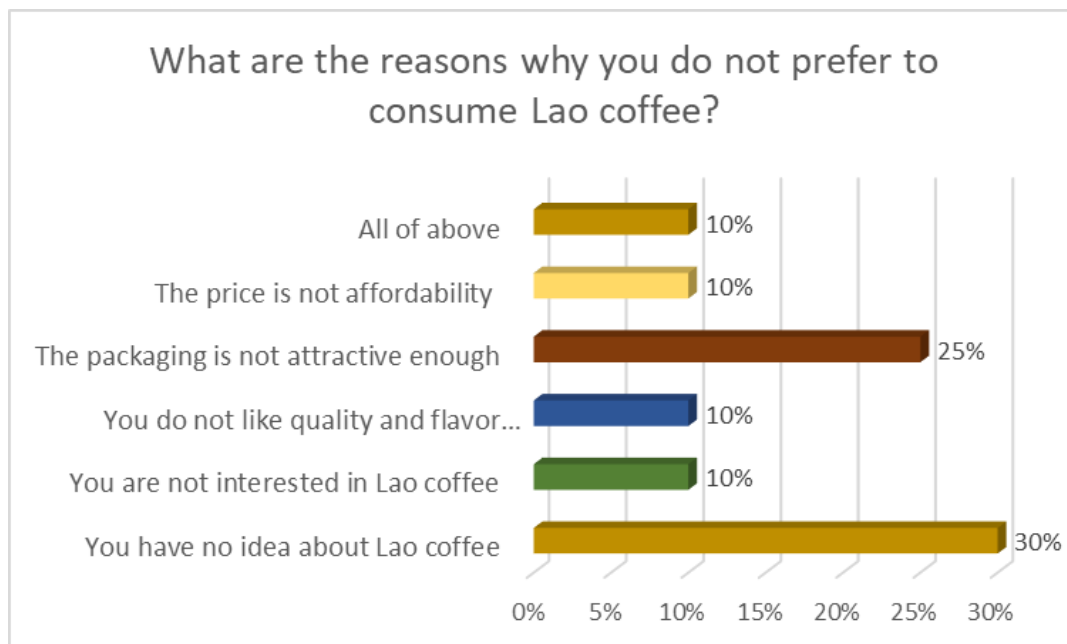


Source: Own research

The graph presents an analysis of the factors that will promote the awareness of the product, as indicated by the outcome. 35.60% of respondents believed that the product had a high level of performance quality. Some participants have reported slightly varied levels of satisfaction with the product (31.10%), and affordability of the pricing (13.30%), and 20 percent have mentioned all of three factors.

4.6. The opinion of those who prefer to consume only international coffee.

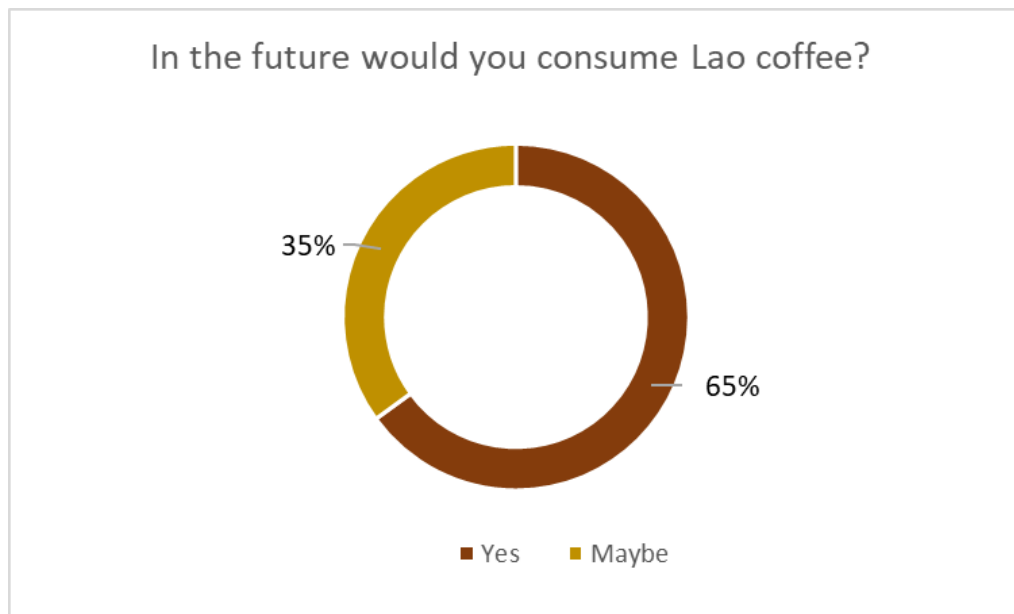
Figure 26 The reasons for those who do not prefer to drink Lao coffee



Source: Own research

As we can see from the pie chart showing the reasons why people do not consume Lao coffee, the results indicate that 30% of respondents have no idea about Lao coffee, and 25% of respondents said the packaging is not attractive enough. Meanwhile, despite all of the above, the price is not affordable; people do not like quality and flavor and are not interested in Lao coffee by 10 percent.

Figure 27: Future prediction



Source: Own research

The results indicated that the majority of participants in this study would consume Lao coffee in the future, at 65%, while 35% of respondents said maybe.

4.7. Survey demographic

Table 7 Characteristics of respondents

VARIABLE	CATEGORY	POPULATION	PERCENTAGE
GENDER	Male	30	30.6%
	Female	66	67.3%
	Prefer not to say	2	2%
OCCUPATION	Self-employed	5	5.1%
	Office worker	53	54.1%
	Unemployed	3	3.1%
	Student	26	26.5%
	Manager	6	6.1%
	Retired	-	-
	Teacher	2	2%
	Organizational manager	1	1%
	Graphic designer	1	1%
	Under 20	2	2%
AGE	20-25	59	60.2%
	25-30	29	29.6%
	30-40	8	8.2%
	More than 40	-	-

Source: Own research

Table 7 presents a summary of the respondent's data, which includes all Lao consumers. It shows that most of the respondents are office workers, with 54.1%; respondents between the ages of 20 and 25 have a rate of 60.2%, which is a large number in the table; respondents who are students have a second large number, which is 26.5%, as follows: In another category, respondents who are self-employed, unemployed, managers, teachers, organizational managers, and graphic designers make up less than 10% of the total, while there is no significant representation in the retired category. The age categories of under 20, 25–30, 30–40, and over 40 exhibit the following numbers: 2%, 29.6%, and 8.2%, respectively. There is no indication of a specific number for those over 40. In the gender category, the proportion of male respondents is 30.6%, while the proportion of female respondents is 67.3%; it's preferable not to state that it's 2%.

4.8. Additional respondent comment.

Figure 28: Additional respondent opinion

If you have any recommendations on Lao coffee, please feel free to write them down (ຖ້າເຈົ້າມີຄໍາຄິດເຫັນເພີ່ມເຕີມກະລຸນາຕື່ມໃສ່ດ້ານລຸ່ມນີ້)

8 responses

Storying, Branding, Packaging, Pricing, Advertising
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Source: Own research

According to Figure 28, participants in this section provide supplementary thoughts on the product in the following manner: The aspects of storytelling, branding, packaging, pricing, and advertising need improvement. Some participants have no idea about coffee due to, they have no experience with coffee consumption. Suggestions have been made to create a distinctive Lao coffee brand, increase the market, and build widespread advertising campaigns.

Interview results

Consumers perceptions toward Lao Coffee.

Question 1: Do you know Lao coffee? If yes? What brand of Lao coffee do you know?

Answer: I would say, not really. I know they have many brands of Lao coffee in Laos, but I rarely hear or see it in the advertisements. I think only one brand is well known for local people, and for me, it is Dao coffee, as I have seen the advertisement on TV, billboards, and easy to find at the grocery store.

Answers to Question 1 revealed that locals are more familiar with Dao coffee than they are with other brands.

Consumers experiences toward the product.

Question 2: Do you have any impressions about Lao coffee? If yes. Could you please tell me briefly?

Answer: Before I opened this café, I really didn't know anything about Lao coffee until I went to Paksong with my family and tried a local coffee there. After one shipment, my opinion of Lao coffee changed. I was really impressed with the fragrance, which was rich in flavor and smooth as silk with no bitter or harsh acidity. I could not explain exactly what I feel, but the quality of the coffee beans is really good; they have an aroma and a unique taste. I'd say it can be on par with international coffee.

For question 2, the consumer got the good experiences and impress with performance quality of Lao coffee.

Method of interviewee to administer café

Question 3: Where does the coffee you use to apply in your café come from?

Answer 3: most cafés in Laos take Lao green bean coffee from Bolaven plateau into their shop. I also took coffee from Paksong and Xieng Khouang. My goal is to introduce Lao coffee into our café, promoting to both Lao customers and foreigners that Laos has its own unique coffee brand. I believe that most cafés in Laos also serve Lao coffee in their establishments.

Based on the response, I've realized that most Laotian cafés actually use Lao coffee, not just international coffee, as 90% of Lao people understand.

Consumer views toward Lao coffee

Question 4: In your opinion, the price of Lao coffee is quite high?

Answer 4: It depends on the individual; as a café owner, I have closely observed the process of producing coffee, which is not an easy task but requires numerous steps to achieve a high enough quality to export to customers. So I think the price is reasonable and worth the investment. But on the customer side, I used to ask some of my customers, do you think the price of coffee is expensive? Almost all of them said yes, based on their comparison to Thai brands.

According to the response to question 4, pricing is dependent on the individual and their unique circumstances. The interviewee's response suggests that price is not a significant factor, which aligns with the varying opinions of general consumers based on the questionnaire results.

The main barrier to the product reaching consumers

Question 5: In your opinion, do you think Lao coffee is popular among the local people? If "yes," why? If "no," why?

Answer 5: I would say not really, if under the Lao brand due to the advertising not attractive enough, their marketing cannot access to the local people, due to some brand their main target is for foreigner, so the price it kind of quite high for the local. But at least most of Lao coffee brand they know I think it Dao coffee, due to the advertising of Dao coffee is a memorable, and the price is affordable than the other brand. but if under the café brand, I would say yes, Lao coffee really popular among local as I get the feedback from my customers, and due to, today the café is the trendy for teenager.

As per the answer of the interviewee, the main problem that makes the local people unaware of Lao coffee is a lack of interesting advertising, the packaging is not attractive enough, and the price is quite high for them due to the fact that their target group is mostly foreigners. So that most of the local people are more interested in consuming at cafés than consuming from appealing Lao brand logos, the café is more attractive.

Feedback and suggestions from the interviewee toward the product.

Question 6: Do you think certain aspects of Lao coffee should be improved?

Answer 6: Yes, as a customer of Lao coffee, I really want to see the Lao coffee brand well known among local people, not only visitors and foreigners. There are only three things I'd like them to improve on:

- 1. Advertising should be more attractive on many platforms.**
- 2. Marketing also focuses on the local people.**
- 3. The price should be more affordable to the locals. And easy to find at the convenience shop or everywhere.**

Based on the answer, it can be seen that the performance quality of Lao coffee is really good compared to international coffee, but the product still lacks creative ways to spread to local consumers, such as through advertising, packaging, etc., as the interviewee suggested.

Chapter 5 SWOT analysis

- **Strength**

1. country's top-third agricultural crop to export
2. The coffee sector is considered a sustainable product.
3. The provision of aid by humanitarian agencies, international organizations, and the government
4. .The coffee is cultivated without chemical fertilizer or pesticides
5. .Coffee exports contribute to Lao's GDP and gain popularity in the national market.
6. The Bolaven plateau has an ideal atmosphere for growing Arabica and Robusta because of its altitude, soil, temperature, and other factors.

- **Weakness**

1. Minimum attention devoted to harvesting (post-harvest, Robusta techniques)
2. Lack of new technology to produce and workers.
3. The commercial isn't visually appealing enough.
4. Insufficient financial accessibility limits initiatives intended to improve production and quality at the farm level.
5. There are still some things that could be improved with the marketing plan for the local market.

- **Opportunity**

1. Sustainability standards (organization, 4C, UTC, Fair Trade)
2. Coffee export is vital to Lao GDP
3. Provide locals with real jobs and income.
4. Make the coffee farmer living better and improve food security
5. Selling a premium price for the creation of specialty coffees of high quality

- **Thread**

1. The global coffee price is variable.
2. Climate change exposes the crop to freezing temperatures. It is easy for frost to destroy or harm coffee plants.
3. There has been a rise in competition from other countries that produce coffee, especially at the regional level.
4. The cost of coffee fluctuates based on worldwide demand and supply patterns

Chapter 6 Discussion and Recommendation

A discussion will carry out the answer on the aim of the research, to describe consumer's opinion toward Lao coffee, the discussion will center around the previous qualitative research results and the research data which collected from consumers. A short discussion on the qualitative analysis will be described, follow by a discussion from quantitative data results. The discussion will be following: the role of coffee to human life, consumer's comprehension toward Lao coffee, Consumer's experience toward product, factors that influence their purchasing decisions. and The primary causes for consumer's failure to reach the product.

The role of coffee to human life

It can be seen that coffee is an essential part of people's everyday lives. It appears that coffee is both part of their morning routine and a social tool. According to the analytic results, almost 80% of the respondents are drinking coffee. It is because coffee provides an energy boost at the start of the day. On the other hand, not everyone enjoys drinking coffee. Twenty percent of respondents prefer to drink tea over coffee because they are unable to consume it when it contains a large amount of caffeine.

Consumers comprehension toward Lao coffee.

Lao consumers are largely familiar with Lao coffee. But most of them s knows Dao coffee better than any other brand. Because of Dao Coffee's unique and memorable advertising, brand image, coffee shop, effort-worthy product, and price make it more affordable to locals than other brands.

Furthermore, Lao consumers are also familiar with Sinouk coffee because the coffee store in Sinouk is exceptional. Another brand, Lao Mountain Coffee and Paksong Coffee is unfamiliar to Lao consumers because the price, advertising, and target market are more geared toward international customers. This makes it impossible for most Lao people to obtain these brands.

However, currently, there is a growth of trendy coffee shops in Laos that have gained significant popularity among the local population, particularly among teenagers and working individuals. As the result from interview, the majority of cafés in Laos take green coffee from Bolaven Plateau and Xieng Khouang to apply in their cafes. In short, some Lao individuals consume Lao coffee without being aware of its origin, as coffee cafés market it under their brand.

Overall, it is certain that the primary reason why many Lao individuals are unaware of Lao coffee is due to ineffective advertising and a lack of attractive marketing strategies that fail to grab the attention of the local population. Furthermore, there is a strong sense of brand loyalty among the people of Laos, as they have been familiar with consuming coffee from international brands, particularly those from Thailand. This has resulted in a greater level of trust in Thai coffee goods compared to those produced locally in Laos.

Consumer's experience toward Lao Coffee

Based on the analytical findings, every consumer has a favorable encounter with Lao coffee. Because the performance quality of Lao coffee beans satisfies customers' expectations regarding flavor and aroma, both coffee lovers and consumers enjoy the fascinating flavor experience that is exclusive to Lao coffee. They are also willing to recommend it to others.

factors that influence their purchasing decisions.

A purchasing mentality determines a person's purchasing decision. The majority of consumers, according to the survey results, consider value for money when deciding whether or not to purchase a product. This includes pricing variables, product quantity, product quality, design decisions and brand considerations. Because a product with a positive reputation and an affordable price can inspire confidence and contentment in consumers, they are more likely to purchase it.

The primary causes for consumer's failure to reach the product.

Concerning this study's findings, they suggest that the limited dissemination of product information is attributable to unappealing packaging and uninteresting advertising. Convenience stores rarely display Lao coffee. Because of these variables, nearly 90% of Lao consumers are uninformed about Lao coffee, making the imported product fashionable among them due to its accessibility and affordability.

Recommendation

This thesis demonstrates that there is room for improvement in the advertising challenges the product faces. Particularly in the current era, where the TikTok application is acquiring significant popularity across all age groups, it is necessary to develop advertisements for multiple platforms due to the advertiser's lack of originality and recognition. Likewise, as a result of the questionnaire, the quality of coffee beans should be improving. This does not mean that the coffee does not meet the standard; rather, the respondent intends to keep improving in order to maintain the quality standard.

Furthermore, coffee producers need to focus their attention on domestic consumers rather than solely on foreign clients. associated parties or cafés should be permitted to promote Lao coffee more widely by showcasing products at the entrance of their establishments, where they will attract customers' attention and enhance the producers' reputation and products.

Chapter 7 Summary

This thesis aims to explore the general perception of Lao people about Lao coffee, identify the factors that influence buying decisions, and investigate the factors that influence the decision not to buy Lao coffee. This study conducted an online interview with one of the café owners, using a voice call and six interview questionnaires, to explore consumer feedback on their experience with Lao coffee. Created the online survey questionnaire in Google Form and sent it to general consumers. The questions consist of nineteen (19) multiple-choice questions and four (4) 5-point Likert scale questions. This research selected a total of 100 respondents from the survey questionnaire and analyzed the data using Google Sheets and statistical tools from Google Form, resulting in tables, graphs, and charts. According to the results, all consumers know and have heard about Lao coffee before. As a result of the survey, 73.7% of participants consumed Lao Coffee and all participants were much more familiar with Dao coffee than the other brands, namely Lao Mountain coffee, Paksong coffee, Sinouk coffee, etc. Furthermore, they expressed their opinion on Lao coffee, saying that it provides a good value for the price they pay, and that the quality of the coffee has met their expectations. The results indicate that the interviewee, like the general consumers, is familiar with and has experienced Lao coffee. He knows and has heard about Lao coffee before, but most of the Lao coffee brand he knows is Dao coffee, and he found that Lao coffee is really good quality and rich in flavor. However, in the interview, the study indicated that the price of Lao coffee is reasonable for coffee lovers, which differs from the survey result. The study also described the main barriers and obstacles to the product reaching consumers. The findings suggest that the advertising lacks a distinctive feature for sufficient recognition, the packaging remains unappealing and memorable, and the pricing is relatively high for the local population. Price, packaging, and advertising are significant factors that influence consumers' buying decisions. Even though the survey results indicate that advertisements have a low influence on buying decisions, they still influence consumers' perceptions of the product, even if they do not end up purchasing it. In terms of price and packaging, appearance is really important when making decisions. The more reasonable the product price, the more likely consumers will replace it.

The outcomes of this study can assist coffee supplier in improve their customer strategies. Additionally, comprehensive brand design and advertising strategies are necessary for coffee suppliers to attain a competitive advantage in the coffee beverage industry. Plus, it is critical to evaluate how to develop and uphold high-quality coffee products that fulfill users' expectations for flavor and taste.

Coffee from Laos is highly promising and already accounts for a significant portion of the country's agricultural export revenue. The coffee industry in Lao PDR plays a key part in the government's wider socioeconomic development goals, aiming to support the global growth of local businesses and make a significant contribution to GDP growth. Additionally, Lao coffee is highly valued, particularly among coffee farmers. Enhancing the living conditions of smallholder producers can enable them to increase their income through the sale of coffee. Coffee cultivation provides them with the means to support their families and local communities, as it is their principal source of revenue.

Nonetheless, this study provides several insightful findings regarding Lao consumers who are receptive to purchasing coffee beverages, and this article provides insightful information about the role of the coffee sector in the lives of coffee farmers, a role in the tourism sector, the local economy, and the GDP of the country.

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Rodchana Phaxaychaleune

Declaration of consultation with supervisor

DECLARATION

Rodchana Phaxaychalcune, student Neptun code:IBKJJG

as a consultant, I declare that I have reviewed the final master thesis and that I have informed the student of the requirements, legal and ethical rules for the correct handling of literary sources.

I recommend / do not recommend¹ the final thesis / dissertation / portfolio to be defended in the final examination.

The thesis contains a state or official secret: yes **no**²

Date: 25 April, 2024



insider consultant

¹ The appropriate one should be underlined.

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Student's declaration

DECLARATION

the public access and authenticity of the thesis/dissertation/portfolio¹

Student's name: Rodchana Phaxaychaleune
Student's Neptun code: IBKJJG
Title of thesis: Factors influencing Lao coffee buying decisions.
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I declare that the final thesis submitted by me is an individual, original work of my own intellectual creation. I have clearly indicated the parts of my thesis or dissertation which I have taken from other authors' work and have included them in the bibliography.

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Student's signature

Appendix A: Interview Invitation Letter

Dear Sir or Madam,

My name is Rodchana PHAXAYCHALEUNE. I am a Lao student studying at MATE University in Hungary. Currently, I am undertaking research for a Master's thesis at MATE University. I would like to invite you to participate in my interview via E-mail or voice call. The data collection will be helpful for my research work. My research aims to explore general opinions on Lao coffee, investigate the factors that impact buying decisions, and explore ways to improve products to satisfy consumers. The questions will not take long and the questionnaire conducts various questions about general information about Lao coffee, the experience of consumers, and the recommendations of consumers.

Thank you for your time and Cooperation, I look forward to hearing from you

Yours faithfully,

Rodchana Phaxaychaleune

Appendix B: Thesis Interview Questions

1. Do you know Lao coffee? If yes? What brand of Lao coffee do you know?
2. Do you have any impressions about Lao coffee? If yes. Could you please tell me briefly?
3. Where does the coffee you use to apply in your café come from?
4. In your opinion, the price of Lao coffee is quite high.
5. In your opinion, do you think Lao coffee is popular among the local people? If "yes," why? If "no," why?
6. Do you think certain aspects of Lao coffee should be improved?

Appendix C: Survey

Sample Questionnaire

1. Do you consume coffee?
 - Yes (Go to questions 6,7,8)
 - No (Go to question 2,3,4,5)
2. Do you prefer tea to coffee?
 - Yes
 - No
 - Maybe
3. Do you prefer an energy drink to Coffee?
 - Yes
 - No
 - Maybe
4. Do you know Lao Coffee?
 - Yes
 - No
 - Maybe
5. What brand of Lao Coffee do you know? (Short answer)
6. If “Yes” Do you agree coffee is....

(1= definitely do not agree, 5= definitely agree)

Statement	1	2	3	4	5
Luxury product					
As a social tool					
A part of the morning routine					
Provide an energy boost					
Offers delightful taste and fragrance					

7. Where do you like to drink Coffee? (Multiple choice)
- ☐ At home
 - ☐ At café
 - ☐ At work/University/School
 - ☐ All of above
8. How often do you drink Coffee? (Multiple choice)
- ☐ Daily
 - ☐ Some days
 - ☐ Weekly
 - ☐ Monthly
 - ☐ Occasionally
9. What kind of Coffee do you drink?
- ☐ Ground roasted Coffee
 - ☐ Instant Coffee
 - ☐ Coffee can
 - ☐ Brew Coffee
 - ☐ All of above
10. Which of these following product do you most frequently buy? (Multiple choice)
- ☐ Lao Coffee (Go to question 11 until the last question)
 - ☐ International Coffee (Go to question 13, 14, survey demographic, and the last question)
11. What brand of Laos coffee do you most frequently buy? (More than 1 answer is possible)
- ☐ Dao coffee
 - ☐ Lao mountain coffee
 - ☐ Paksong coffee
 - ☐ Sinouk coffee
 - ☐ Other (please specify)

12. What is the most important criteria when you buy coffee? 1(disagree) to 5(very agree)

Statements	1	2	3	4	5
Packaging (Attractiveness, information)					
Price					
Quality of coffee beans					
Flavor (taste and aroma)					
Ease of preparation					
advertisement					
Health reasons					

13. what is the reasons why you dislike to consume Lao coffee?

- ☐ You have no idea about Lao coffee
- ☐ You are not interested in Lao coffee
- ☐ You do not like quality and flavor (taste and aroma)
- ☐ All of above
- ☐ Other (Please specify))

14. In the future “would you consume Laos coffee”?

- ☐ Yes
- ☐ Maybe

15. How familiar are you with Laos coffee? (Multiple choice)

- ☐ Extremely familiar
- ☐ Very familiar
- ☐ Slightly familiar
- ☐ Not at all

16. How do you know about Lao coffee? (Multiple choice)

- ☐ On Billboard
- ☐ In Magazines
- ☐ Coffee shop
- ☐ Word of mouth
- ☐ All of above

17. Rate the visual appeal of “Laos coffee’s” packaging and Marketing materials
- Very visually appealing
 - Moderately visually appealing
 - Somewhat visually appealing
 - Not visually appealing
18. Do you associate visually appealing packaging with higher quality product?
- Yes
 - No
19. How would you rate your level of degree in this product? 1(very disagree), 2 (fairly disagree), 3 (Neither agree nor disagree), 4 (fairly agree), 5 (very agree)

Statements	1	2	3	4	5
I feel Laos coffee provides good value for the price I pay					
The quality of Laos coffee has remained me consistent over the year					
I trust Laos coffee as reliable brand for coffee					
I feel happy and satisfied after consumed Lao coffee					

20. What aspect of the product do you think needs improvement? (more than one answer is possible)
- Quality of coffee beans
 - Price
 - Packing (attractiveness, informative)
 - Flavor (taste and aroma)
 - All of above
 - Other (please specify)

21. Would you suggest to the other people to buy Lao coffee?
- ☐ Yes
 - ☐ No
 - ☐ Maybe
22. If “yes” what is your reason (Multiple choice)
- ☐ Performance quality
 - ☐ Price affordability
 - ☐ Satisfaction using the product
 - ☐ Other (please specify)
23. What is your gender?
- ☐ Male
 - ☐ Female
 - ☐ Prefer not to say
24. What is your occupation status?
- ☐ Self employed
 - ☐ Office worker
 - ☐ Unemployed
 - ☐ Student
 - ☐ Manager
 - ☐ Retired
25. What is your age?
- ☐ Under 20
 - ☐ 20-25
 - ☐ 25-30
 - ☐ 30-40
 - ☐ More than 40
26. If you have any recommendation on Lao coffee, please feel free to write them down)