THESIS/ DIPLOMA THESIS

Rodchana Phaxaychaleune



Hungarian University of Agriculture and Life Sciences Faculty of Economics and Social Sciences Institute of Rural Development and Sustainable Economy master's education

Factors influencing Lao coffee buying decisions.

Insider consultant:	Created by:
Dr. Bernadett Kovács Horváthné	Rodchana Phaxaychaleune
Insider consultant's institute/department:	MA in Business Development
Digitalization and Consultancy in Agriculture	Full-time education

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.