Coffee Marketing: What Matters to Coffee Drinkers?

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Abstract

This study established the influence of marketing strategies on the purchase of local instant coffee. A two tier sampling approach was utilized. Simple Random Sampling was used in the first tier to select distributors of BA local instant coffee. Subsequently Judgmental sampling was exercised to select 150 consumers of local instant coffee in the Klang Valley. Self-administered questionnaires comprising of 2 sections namely demographics, marketing strategies and purchase were distributed to BA's local instant coffee drinkers. A 5 point Likert scale was used in this study to solicit the needful responses. Data were treated to the correlation and regression analysis to establish the association and influence of marketing strategies on purchase of BA local instant coffee. It was uncovered that product strategy had the greatest influence on consumer's purchase of BA local instant coffee. This suggests a strong need for BA Industries International to consistently safeguard the overall quality of their coffee namely taste, variety, convenient preparation, packaging, and labeling. It is also of prime importance to innovatively create sustainable differentiation through fortification of their coffee to offer health and wellness properties in the long term. Hence, there is a pressing need for BA Industries International is to engage in continuous research and innovation as a measure to contain cost and yet remain dynamic to fulfill the changing taste and preference of local coffee drinkers at par with the international coffee companies.

Keywords: product, pricing, placing, promotion and purchase, local instant coffee

Introduction

Landscape of Local Instant Coffee Market: The Malaysian Setting

Coffee drinking culture has latched among Malaysian's since 2008 (Euromonitor International, 2014). This is attributed to aggressive promotion pursued by international coffee companies such as Starbucks, Coffee Bean, San Francisco Coffee and Gloria Jean Coffee that consistently emphasized on the benefits of drinking coffee. Urbanization too has accelerated the pace of life among Malaysians where convenient and easy-to-use products are increasingly sought. This has driven the growth of instant hot drinks with coffee being one of it (Euromonitor International, 2014). The instant set-up became the smartest choice for new coffee drinkers as it comprises of pre prepared coffee mix personalized to the taste bud of local's. This innovation became a catalyst to the permeation of coffee drinking among Malaysians. Realizing the emergence of such a snowballing demand, coffee producers are aggressively striving to market instant coffee. This is evident as sales value of Malaysian instant coffee between 2008 and 2013 increased on the average of RM100 million annually. Specifically, in 2008 sales

was recorded at RM876.2 million, RM954.7 million in 2009, RM1,045 million in 2010, RM1,149 million in year 2011, RM1,240.6 million in year 2012 and subsequently RM1,332 million in year 2013 (Euromonitor International, 2014).

Local coffee producers enjoyed a positive spillover effect from both these phenomenon. Following this, they follow suit and engaged in aggressive promotional campaigns to highlight the unique selling proposition of their local instant coffee. As a result of this, market competition became stiffer than ever with almost similar products flooding the market and competing within the same market segment. With such trending, coffee producers' have strived to improve their instant coffee in a variety of ways. Coffee aroma and flavor for instant coffee are treated to dispel smell like freshly ground and brewed coffee while health conscious consumer's request for coffee that has a mixture of health product, such as goat's milk, *Ginseng, Kachip Fatimah* and *Tongkat Ali*.

To date there are more than 100 SME's registered as local instant coffee manufacturers in Malaysia, resulting in an excess of supply of local instant coffee in the Malaysian market. Among household brands of local instant coffee are Alicafe, Raddix Coffee, Kopi Jantan, Penang White Coffee,

Aik Cheong, Kopi Hang Tuah, Kopiko LA Coffee and Old Town White Coffee. Among them Raddix Coffee and Kopi Jantan poses as primary competitors to BA Industries. Confronted with such a competitive front, BA Industries International being an SME has been hard hit as the company's revenue declined by 15% between years 2011 to 2012 and further declined by 33% between years 2012 to 2013. An injection of approximately RM250, 000 to beef-up their marketing strategies have not been fruitful. Local coffee producers need the pursuance of impactful marketing strategies to ensure the sustainability and eventual growth of their customer base. Hence, the focus of this study is to ascertain how influential are marketing strategies on consumers' purchase of local instant coffee among BA's local instant coffee consumers in the Klang Valley.

LITERATURE REVIEW

Consumer Decision Making Process

Prawono et al. (2013) postulates that there are three division of consumer decision making journey, namely initial consideration, active evaluation and moment of purchase. Alongside each stage, marketing cues such as word of mouth (WOM), store experience, advertising, store display and past experience would influence consumer's purchase. Being the most critical stage of consumer's decision making process the purchase stage primarily focuses on purchase intention and purchase action. Purchase intention is the probability that consumers would attempt to buy a product or service. It represents the intensity of product preference consumers perceive between making the purchase evaluation and actual purchase behavior (Liang et al., 2013). Purchase intention displayed by consumers is an important proxy for purchase behavior (Armstrong et al., 2000). Once intention for purchase has been created firms would creatively use numerous forms of encouragement from stimuli such as sales promotion, free gifts and contest, to translate purchase intention to realize actual purchase of their product. Positive customer experience that hails from excellent product quality can lead to sustained repurchase (Chelliah et al., 2013).

In addition consumer behavior variables namely internal variables (basic determinants) and external variables (environmental determinants) would also have direct effect on consumer's purchase decisions. Internal variables comprises of needs, motives, personality, learning, attitudes and perceptions while external variables stems from family, social, business, cultural and economic influences (Walters and Bergiel, 1989).

It is imperative for marketing management to ascertain what goes on in the mind of local instant coffee consumer's – the Black Box. Such knowledge serves as important inputs for the planning and implementation of their marketing strategies for their product. Marketing stimuli in essence focuses on the marketing mix strategies projected by firms (Chelliah et al., 2013). These strategies act as a catalyst that empowers customers to select their desired goods and services rationally (Nakhchian et al., 2012). Notwithstanding this, the environmental stimuli stemming from economic, technical, political and cultural circumstances of a society are simultaneously capable of influencing customer's preference and buying decision.

The Engel, Kollat and Blackwell (EKB) model postulates the starting point of consumers' decision process to include need recognition, followed by search for alternative solutions, evaluation of alternatives, purchase of the selected alternative and finally post-purchase evaluation (Tan, 2010). The Stimulus-Response model (or the Black Box model) on the other hand, focuses specifically on the relationship between the stimuli and consumer responses. Both the marketing stimuli and environmental stimuli are collectively responsible in the purchase or non-purchase responses elicited from consumers. This model too attest, to the same five stages embedded in the Black Box. This model advocates that cumulatively buyer's characteristics and the decision process, would determine the buyer's response (Latuszynska et al., 2012).

MARKETING MIX STRATEGIES

Instituting effective marketing mix strategies via an integration and coordination of the right product, price, place using the most appropriate promotion is the essence to persuade customers into making a purchase and repurchase (Khan, 2014). With an abundance of beverage choices, firms need creative marketing mix strategies to remain competitive locally and globally. Owomoyela (2013) reiterated that blending physical, emotional and value perspectives can contribute to positive consumer experience that leads to repurchase of breweries product. Evidently food and beverage companies that have used marketing mix strategies yielded better performance than those otherwise (Ibiduni, 2011).

Product

Recent evidence have claimed that coffee drinking may help to reduce the risk of numerous diseases (Taylor, 2009). To this effect most Malaysian brands of instant coffee are fortified with local herbs (Kacip Fatimah and Tongkat Ali), aimed at promoting

health and wellness (LaMendola, 2014). However, aspects of taste and convenience are critical in formulating the ultimate product strategy for local instant coffee as coffee drinkers yearn for good tasting coffee (Goodman, 2010). This is reinforced by Chelliah et al., (2013) where his study on Tongkat Ali Coffee in Malaysia discovered that retention among coffee drinkers are attributed to the product elements.

Although instant coffee mixture comprises mainly of creamer and sugar, the masterpiece in mixing the ingredients differs by brand. This attributes to the differences in taste between the different brands (Muhamad et al., 2013). Coffee must therefore deliver uniqueness in taste as coffee drinkers are able to differentiate the taste of one brand of coffee to another (Alvarado et al., 2014). Local brands of instant coffee have the additional advantage of being able to customize to the traditional taste by incorporating locally preferred ingredients (LaMendola, 2014).

Convenient preparation of coffee too influences consumers brand choice of coffee (UKessays.com). Instant coffee mixes are mostly packaged in single-serving sachets that are pre-measured to create single cups. Such pre-mixes appeals to the Asia Pacific consumer especially the younger generation who not really tied up with tradition (LaMendola, 2013 and Haffner, 2011).

As consumer's perception towards a product start from their initial exposure, it is imperative that the product packaging be capable of capturing consumer's attention (Venter et al., 2011). In fact products with attractive packaging and labeling tend to experience positive liking among customers than those without (Abdoulkarim et al., 2013). Shang-Ho et al. (2014) highlighted the importance of labeling among coffee purchasers as information about the brand of coffee does affect their final purchase decision. Consequently, as Muslim consumers in Malaysian are sensitive to the consumption of Halal coffee, displaying the Halal logo is essential to convince consumers that the product has gone through proper inspection (Tieman et al., 2014).

Price

There is no price burden for the purchase of coffee mix due to its low price (Jung, 2013). Local instant coffee is known as cheap coffee in comparison to fresh coffee. However when expensive additives are added on, the price of instant coffee per cup becomes as expensive as fresh coffee (Euromonitor, 2014).

Consumers' prefer quality brands of coffee. Purchase decision for coffee is largely based on quality rather than price. However, the association between price and quality of coffee is still unclear (UKessays.com). Price often signals to buyers what to expect and relates to perceived quality. High price tend to deliver high quality and low price low quality (Gelb, 2010). For most consumers coffee is often perceived to be of high quality. When high quality brand of coffee are sold at a discounted price, the effect is positive (Puligadda & DelVeccio, 2012).

Place

Consumer's decision to make a purchase will be followed by their decision on how to buy (i.e., channel choice) and where to buy (i.e., place or retailer choice) (Janakiraman and Niraj, 2011). Neslin et al. (2014) highlighted that when consumers' decide to buy, decision on channel choice matters to them. Place is an important aspect in marketing mix because location of the firm that provides, availability and accessibility to the supply of instant coffee should be convenient for customer to reach (Chelliah et al., 2013). According to Kowitt (2013), consumers of coffee favor shopping for them within their perimeter.

As a convenience good coffee can reach consumer via numerous channels. Companies can adopt multiple channels to market their coffee product. According to Kotler et al. (2002), multiple channels are to ensure the consumer can easily get the supply of product. Chelliah et al. (2013) postulated the presence of a positive relationship between place and repurchase (customer retention). Direct channels to reach consumer includes company owned stores, phone and internet selling while indirect selling comprises of intermediaries such as distributors or agents. However, the use of indirect channel, will dilute a firms control over distribution and selling (Kotler et al., 2002). Additionally coffee needs to be displayed at the right location to improve its in-store visibility to consumers. Russell (2014) reiterated a 30 degree location from the consumer angle to be the best display location.

Promotion

As part of the marketing mix for coffee, promotion plays an important role to inform about the product's benefits and convince consumers' to buy a selected brand of coffee (Chelliah et al., 2013). Norita et al. (2012), established the presence of a relationship between advertising medium and attraction to buy instant coffee.

However, each promotional tool differs in the communication effects delivered. Jaradat et al. (2011) advocated sampling of product whether free or levied with a small fee to be important for a new product or market follower. In fact, a lot of food and beverage companies offer free samples to consumers

to give induce them to try a new product for free (Grundney, 2010). Starbucks is one leader in the coffee market who uses food sampling as their promotion strategy to induce consumer's purchase of different coffee flavors (Liu et al., 2012). Similarly consumers can be influenced through sales contest (Jaradat et al., 2011). Coca Cola is one giant beverage bottler who often used contests as their promotion strategy that is advantageous to the company and consumers (Waller, 2010). Likewise free gift coffee is another common sales promotional tool capable of attracting new potential consumers', promote continuous repurchase, loyalty and customer retention (Chelliah et al., 2013).

Huddleston & Chen (2009) opines that convenience store flyer is one effective way to attract university students to purchase coffee. Besides that, magazine advertisement also provides high level customer's selectivity, which allows for excellent reproduction of photographs that can attract customers' attention, and convince them about the product value (Jaradat et al., 2011). On the same note, promotion through newspaper also produces efficient results as people read newspaper daily. As such newspaper advertising is capable of stimulating consumer's purchase of local beverage product (Norita et al., 2012).

A more contemporary medium to communicate about products is through the internet. Online advertising as a form of internet promotion is advantageous in delivering message and influencing consumers purchase (Miller, 2011). On a similar note, Porta et al. (2012), uncovered that promotion of beverage through banner can lead to heighten interest and recall since banner is better remembered and acknowledged. Eric (2012) stated that color, size, location and animation are important elements that affect banner's effectiveness.
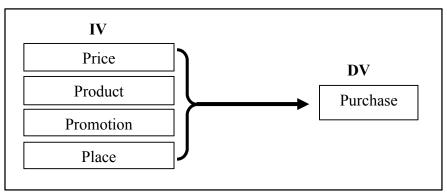

Figure 1: Conceptual Framework of the Study

METHODOLOGY

This descriptive study examined the product, pricing, placing and promotional strategies that have influenced the purchase of BA local instant coffee. A two tier sampling approach was utilized. Simple Random Sampling was used in the first tier to select distributors of BA local instant coffee. Based on the listing of appointed distributors of BA Industries International, predominantly being local neighborhood coffee shops in the Klang Valley 30 were selected from a total of 60. Subsequently Judgmental sampling was utilized to select consumers of BA as the population of BA's consumer is not entirely known, implicating an absence of a proper sampling frame. Self-administered questionnaires were distributed to BA's local instant coffee drinkers as they are the rightful individual who can offer valid feedback being consumer's for the said product.

A majority of BA's consumers, estimated at 15,000 are residents of the Klang Valley. Basing on this 1% was selected as sample to reflect the entire population, making the sample size of this study 150. According to Roscoe's Rule of Thumb, in behavioral research sample size of larger than 30 or less than 500 would suffice. All of the respondents were Malays as they are the designated target group for BA local instant coffee. Data for this study were solicited from both primary and secondary sources. Primary data was obtained from survey while secondary data predominantly from books and journals.

The questionnaire employed in this study comprised of two sections. Section A focused on respondent's demographics while section B dealt with marketing mix elements influencing the purchase BA local instant coffee. Operationalization of the dependent and independent variables are depicted in Table 1. The 5 point Likert Scale measured respondent's level of agreement or disagreement. Specifically strongly disagree/very unlikely was denoted by 1, disagree/unlikely was denoted by 2, neither agree nor disagree/neither likely nor unlikely was denoted by 3, agree/likely was denoted by 4 and strongly agree/very likely was denoted by 5.

The Cronbach Alpha obtained for overall and 5 variables which were product, price, place, promotion and purchase that are above 0.60 (Table 2). According to Shaharudin et al. (2010), variables were found to be good reliability with Cronbach Alpha above 0.6.

Table 1: Operationalization of Dependent and Independent Variables

Variable	Element	References
Product	Healthy product	Taylor and Adams 2007; LaMendola 2014
	Attractive packaging	Venter et al. 2010; Abdoulkarim et al.2013
	Aromatic	Muhamad et al. 2013; LaMendola 2014
	Taste	Goodman 2010, Alvarado and Linnemann,2014
	Convenience packaging	UKessays.com; LaMendola 2014; Haffner 2011
	Halal Logo	Lada et al. 2009; Tieman and Marco 2014
	Clear ingredients	Yang et al. 2014
	Clear instruction	Euromonitor, 2014
Price	Fair price	Meng 2011
	Worth buying	Jung 2013;Euromonitor 2014
	Discount	DelVecchio and Puligadda, 2012; Jung 2012
	Buying decision	UKessays.com
	Increase in price	Gelb 2010
	Clearly stated	Biswas and Blair 1991
Place	Distribution outlet	Janakiraman and Niraj (2011); Kowitt2013; Kotler et al. 2002; Chelliah et al, 2013).
	Convenient location	Chelliah et al. 2013,
	Online purchase	Kotler et al. 2002
	Availability	Kotler et al. (1999); Chelliah et al. 2013
	Visibility	Russell 2014
Promotion	Sampling	Jaradat et al., 2011; Grundney, 2010; Liu et al., 2012
	Flyers	Huddleston & Chen (2009)
	Magazine	Huddleston & Chen (2009); Jaradat et al., 2011
	Newspaper	Jaradat et al., 2011; Noorita et al. 2012
	Website	Durmaz, 2011; Noorita et al. 2012
	Banner	Porta, et al. 2012; Eric, V.S, 2012
	Contest	Jaradat et al., 2011; Manuere et al. 2012; Waller, 2010
	Free gifts	Chelliah et al. 2013
Purchase	Purchase Intention	Chelliah et al. 2013
	Purchase	Chelliah et al. 2013
	Repurchase	Chelliah et al. 2013;Owomoyela et al. 2013
	Recommend to others	Prawono et al. 2013

Table 2: Reliability of Instruments between Marketing Mix Strategies and Purchase.

Description	Cronbach Alpha
Overall	0.885
Product	0.828
Price	0.603
Place	0.672
Promotion	0.710
Purchase	0.933

FINDINGS AND ANALYSIS

As depicted by Table 3, 56% of respondents in this study are males while 44% are females. Among these the highest percentage of respondents (26%) are from the 41 to 50 age group followed by 25% from age 18 to 30. Thirty seven percent (37%) of respondents are from the RM3, 000 to RM4, 999 income bracket. Self-employed individuals constituted 30% of respondents followed by government servant 27%.

Table 4 shows that Kopi Jantan and Kopi Radix are among the most popular choice of local instant coffee followed by Kopi Mahkota Dewa, Old Town White Coffee and Kopi Aik Cheong. Fifty six percent (56%) of respondents consume coffee on a daily basis while approximately 33% drinks coffee 2 to 3 times a week followed by 11% once a week. Among these coffee drinkers, 47% prefer to drink local instant coffee at home while, 29% drinks at a restaurant and 27% at work.

Table 3: Frequency for Gender, Age, Income and Occupation

GENDER	FREQUENCY	%
Male	84	56.0%
Female	66	44.0%
Total	**150**	**100%**
AGE	**FREQUENCY**	**%**
18 - 30	38	25.3%
31 - 40	36	24.0%
41 - 50	39	26.0%
51 - 60	19	12.7%
>60	18	12.0%
Total	**150**	**100%**
MONTHLY INCOME (RM)	**FREQUENCY**	**%**
< 1,000	27	18.0%
1,000 - 2,999.00	35	23.3%
3,000 - 4,999.00	56	37.3%
> 5,000	32	21.4%
Total	**150**	**100%**

OCCUPATION	FREQUENCY	%
Student	12	8.0%
Government Servant	40	26.7%
Executive/Managerial	32	21.3%
Self Employed	45	30.0%
Academic/Educators	9	6.0%
Factory Worker	1	0.7%
Pensioner	5	3.3%
Unemployed	6	4.0%
Total	**150**	**100%**

Table 4: Local Instant Coffee Drinking Pattern

Brand of Local Instant Coffee	Frequency	%
Kopi Radix, Kopi Jantan, BA	127	84.7%
Alicafe	2	1.3%
Kopi Aik Cheong	4	2.7%
Kopi Hang Tuah	1	0.7%
Kopi Higoat	1	0.7%
Kopi MahkotaDewa	5	3.3%
Kopiko LA Coffee	3	2.0%
Old Town White Coffee	5	3.3%
Super Coffee	1	0.7%
Kopi Longjosh	1	0.7%
Total	**150**	**100%**
Frequency Drink Coffee	**Frequency**	**%**
Everyday	84	56.0%
2-3 times a week	50	33.3%
Once a week	16	10.7%
Total	**150**	**100%**
Preferred Place Drink Coffee	**Frequency**	**%**
At Home	70	46.7%
At Work	37	24.7%
At Restaurant	43	28.6%
Total	**150**	**100%**

Table 5 shows that the presence of Halal logo is the key reason behind the purchase of BA local instant coffee. Since a majority of BA's consumer is Muslim, the Halal status of product consumed is of utmost priority. This parallels literature by Lada et al. (2009), that emphasized an overwhelming number of Malaysian consumers purchase of product is influenced by the presence of a Halal certification. Convenient sachet packaging is another factor influencing the purchase of local instant coffee as expressed by LaMendola (2013). The author postulated that the availability of single service sachet coffee is appealing to the Asian market. Attractive packaging is one reason that has led to the purchase of BA local instant coffee. Venter et al. (2011) postulated that attractive packaging can induce consumers purchase. This shows the packaging for BA local instant coffee is attractive enough to gain the attention of consumer's. Since the local instant coffee mix is marketed to local consumers, taste of the coffee has been blended to meet the taste buds of locals. As highlight by LaMendola (2014) local brands have the advantage of understanding the local preference better than their foreign counterpart.

Table 5: Product Elements of BA Local Instant Coffee

Product Element	1	2	3	4	5	n=150 Mean	Ranking based on Mean
B A is coffee is healthy.	1 (0.7%)	3 (2.0%)	55 (36.7%)	56 (37.3%)	35 (23.3%)	3.81	4
BA packaging is attractive.	2 (1.3%)	5 (3.3%)	44 (29.3%)	64 (42.7%)	35 (23.3%)	3.83	3
B A coffee is aromatic.	3 (2.0%)	5 (3.3%)	47 (31.3%)	62 (41.3%)	33 (22.0%)	3.78	5
BA taste good.	100 (66.7%)	43 (28.7%)	6 (4.0%)	0 (0.00%)	1 (0.7%)	1.39	8
Sachet packaging of B A is convenient.	0 (0.00%)	2 (1.3%)	40 (26.7%)	84 (56.0%)	24 (16.0%)	3.87	2
Halal logo is the reason to buy BA	0 (0.00%)	1 (0.7%)	30 (20.0%)	72 (48.0%)	47 (31.3%)	4.10	1
Ingredients of BA are clearly stated.	0 (0.00%)	20 (13.3%)	60 (40.0%)	56 (37.3%)	14 (9.3%)	3.43	6
Instruction to prepare BA is clear.	0 (0.00%)	19 (12.7%)	68 (45.3%)	50 (33.3%)	13 (8.7%)	3.38	7

Consumers' of BA local instant coffee feels the price of RM2 per sachet is fair. According to Meng (2011), culture is one factor that influences the price perception of non-durable goods like coffee. This implies the presence of an acceptable norm among Malaysians to spend RM2 for a cup of coffee. Nowadays price of coffee can fetch up to RM12 per cup depending on the brand name. However the standard range for local instant brand coffee varies between RM1.80 to RM3 per sachet.

Price does affect consumer's purchase decision. As the price of BA local instant coffee is perceived to be moderate, affordability among consumers is not a problem. According to UKessays, an important point to note is, consumers prefer quality coffee, however the price - quality relationship is not very clear. According to Jung (2013), when consumer's purchase coffee what matters most is the taste, aroma, price and environment where coffee is served. Gunney & Nadiri (2011) too postulated that customer is willing to pay a high price so as to reap a memorable experience of enjoying high quality and tastier coffee (Table 6)

Table 6: Price of BA Local Instant Coffee

Price Element	1	2	3	4	5	n=150 Mean	Ranking based on mean
Price of RM2.00 per sachet of BA is fair.	10 (6.7%)	22 (14.7%)	21 (14.0%)	57 (38.0%)	40 (26.7%)	3.63	1
BA is worth buying.	7 (4.7%)	23 (15.3%)	27 (18.0%)	54 (36.0%)	39 (26.0%)	3.63	2
I only buy BA when there is a price discount.	9 (6.0%)	22 (14.7%)	74 (49.3%)	33 (22.0%)	12 (8.0%)	3.11	4
Price determines buying decision.	9 (6.0%)	9 (6.0%)	46 (30.7%)	72 (48.0%)	14 (9.3%)	3.49	3
I will still buy, if the price of BA increases.	32 (21.3%)	43 (28.7%)	51 (34.0%)	21 (14.0%	3 (2.0%)	2.47	6
Price of BA is clearly displayed on the package.	3 (2.0%)	61 (40.7%)	65 (43.3%)	16 (10.7%)	5 (3.3%)	2.73	5

Table 7 shows that a majority of purchases for BA local instant coffee has taken place at coffee shops and traditional grocery shops. Consumers too appreciate the fact that BA local instant coffee is made available to them at convenient locations. This parallels literature from Kowitt (2013) advocating that consumer's favor to shop for coffee within their residential parameter.

Most consumers of BA local instant coffee made their purchase after they tasted the samples. Jaradatet al. (2011) highlighted that sample distribution is helpful in promoting products especially for BA local instant coffee whom is not a market leader. In fact Starbucks, who is a market leader in the coffee industry, still uses food sampling as part of their promotion strategy (Liu et al., 2012).

The communication of BA local instant coffee through banner advertisement has definitely reached consumers of BA. Portaet al. (2012) cited, for banner advertisement to be effective, the banner itself must stimulate consumer's interest. For this to happen the color, size, location of the banner is critical (Hong et al., 2014), to create awareness of BA's existence.

Consequently flyers being a low cost mass marketing communication tool, seems to connect well with most BA's consumer. A study by Huddleston & Chen (2009), claims flyers to be an effective medium of promotion especially for small coffee company who often strained financially (Table 8).

Table 7: Distribution of BA Local Instant Coffee

Place Element	1	2	3	4	5	n=150 Mean	Ranking based on mean
BA can be purchased from coffee shop (Eg: Mamak stall).	0 (0.0%)	5 (3.3%)	39 (26.0%)	46 (30.7%)	60 (40.0%)	4.07	1
BA can be purchased from supermarket (Eg: Tesco, Mydin).	24 (16.0%)	42 (28.0%)	26 (17.3%)	35 (23.3%)	23 (15.3%)	2.94	5
BA can be purchased from traditional grocery shop (Eg: KedaiRuncit).	8 (5.3%)	17 (11.3%)	54 (36.0%)	47 (31.3%)	24 (16.0%)	3.41	2
BA can be purchased at convenient locations.	6 (4.0%)	38 (25.3%)	72 (48.0%)	26 (17.3%)	8 (5.3%)	2.95	4

BA can be purchased online.	32 (21.3%)	47 (31.3%)	49 (32.7%)	22 (14.7%	0 (0.0%)	2.41	7
BA is never out of stock.	0 (0.0%)	21 (14.0%)	109 (72.7%)	15 (10.0%)	5 (3.3%)	3.03	3
BA is displayed visibly at all outlets.	7 (4.7%)	64 (42.7%)	68 (45.3%)	6 (4.0%)	5 (3.3%)	2.59	6

Table 8: Communication for Promotion of BA Local Instant Coffee

Promotion Element	1	2	3	4	5	n=150 Mean	Ranking based on mean
Sample of BA attracted me to the product.	0 (0.0%)	5 (3.3%)	72 (48.0%)	48 (32.0%)	25 (16.7%)	3.62	1
Flyers on BA made me aware of the product.	15 (10.0%)	30 (20.0%)	48 (32.0%)	50 (33.3%)	7 (4.7%)	3.03	3
Magazine advertisement attracted me to BA.	37 (24.7%)	53 (35.3%)	47 (31.3%)	13 (8.7%)	0 (0.0%)	2.24	6
Newspaper advertisement convinced me to buy BA.	44 (29.3%)	57 (38.0%)	42 (28.0%)	7 (4.7%)	0 (0.0%)	2.08	7
I know BA through website.	60 (40.0%)	53 (35.3%)	26 (17.3%)	11 (7.3%	0 (0.0%)	1.92	8
I became aware of BA through banner advertisement.	3 (2.0%)	26 (17.3%)	39 (26.0%)	45 (30.0%)	37 (24.7%)	3.58	2
Sales contest of BA attracted me to the product.	29 (19.3%)	62 (41.3%)	46 (30.7%)	12 (8.0%)	1 (0.7%)	2.29	5
I will purchase BA because of free gifts offered.	29 (19.3%	39 (26.0%)	58 (38.7%)	22 (14.7%)	2 (1.3%)	2.53	4

The intention to purchase BA local instant coffee attained the highest mean of 3.57 followed by purchase and repurchase with mean of 3.53. According to Armstrong et al. (2000), purchase intention is a proxy for purchase behavior. With the encouragement from stimuli such as samples, free gifts and contest, intention to purchase the coffee product can be transformed into actual purchase (Chelliah et al., 2013).

Table 9: Purchase of BA Local Instant Coffee

Purchase Element	1	2	3	4	5	n=150 Mean	Ranking based on Mean
I have intention to purchase BA.	0 (0.0%)	7 (4.7%)	64 (42.7%)	66 (44.0%)	13 (8.7%)	3.57	1
I will purchase BA.	0 (0.0%)	6 (4.0%)	72 (48.0%)	58 (38.7%)	14 (9.3%)	3.53	3
I will buy BA again in the future.	0 (0.0%)	10 (6.7%)	66 (44.0%)	58 (38.7%)	16 (10.7%)	3.53	2

I will recommend others (E.g.: friends, relatives, colleagues) to buy BA.	1 (0.7%)	10 (6.7%)	73 (48.7%)	49 (32.7%)	17 (11.3%)	3.47	4

Table 10: Pearson Correlation between Purchase and Product, Price, Place and Promotion

		Product	Price	Place	Promotion	Purchase
Product	Pearson Correlation	1	.329**	.431**	.457**	.636**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
Price	Pearson Correlation	.329**	1	.525**	.437**	.129
	Sig. (2-tailed)	.000		.000	.000	.116
	N	150	150	150	150	150
Place	Pearson Correlation	.431**	.525**	1	.485**	.293**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	150	150	150	150	150
Promotion	Pearson Correlation	.457**	.437**	.485**	1	.185*
	Sig. (2-tailed)	.000	.000	.000		.024
	N	150	150	150	150	150
Purchase	Pearson Correlation	.636**	.129	.293**	.185*	1
	Sig. (2-tailed)	.000	.116	.000	.024	
	N	150	150	150	150	150
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Correlation between purchase and product was significant at 0.000. A positive high correlation of 0.636 was obtained product and purchase of BA local instant coffee. Conversely, a low significant correlation was solicited between place (0.293), promotion (0.185) and purchase. The guideline for the interpretation of the strength of correlation is based on the suggestion by Cohen and Holliday (1982) (Table 10).

The Kaiser-Meyer-Olkin (KMO) test for the variables is 0.793 which indicates that the sample data is good, while the Barlett's Test of Sphericity result reveals that this test is significant (p = 0.000). The Adjusted R Square showed 41.3% of the variation in purchase of BA local instant coffee is explained by product, price, place and promotion. As mentioned by Latuszynska et al. (2012), Black Box Model of consumer behavior consumer's response stems from both the external marketing and environmental stimuli such as economy, political and culture and internal stimuli namely beliefs, learning, motives, perception, personality and lifestyle. In the case of local instant coffee internal stimuli and external environmental stimuli may explain 59% of the variance on consumers purchase.

From the marketing mix strategy analysis, product was found to be significant at 0.000 with the Beta (β) value of 0.681 thus indicating that the product element had greatest influence on consumers' purchase of BA local instant coffee. This parallels Chelliah et al. (2013) study that established product and promotion to have a positive relationship with repurchase (customer retention) of herbal coffee. Additionally Owomoyela et al. (2013) postulated that all marketing mix elements namely product, price, place and promotion have a strong relationship with repurchase of beverage product and contribute to customer loyalty.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.655[a]	.429	.413	2.11322	.429	27.251	4	145	.000

a. Predictors: (Constant), promotion, price, product, place

Table 11: Coefficient of Determination & Standardized Coefficient (β)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.726	1.339		2.036	.044
	product	.439	.047	.681	9.281	.000
	price	-.074	.059	-.096	-1.257	.211
	place	.084	.057	.119	1.479	.141
	promotion	-.054	.029	-.142	-1.833	.069
a. Dependent Variable: purchase						

CONCLUSION

In the context of local instant coffee, the product strategy employed has had an overriding influence on the purchase of this product as depicted by previous literature. This clearly denotes the need for local coffee producers such as BA Industries International to safeguard the overall quality of their coffee namely taste, variety, convenience, packaging, and labeling. It is also of utmost importance to innovatively create sustainable differentiation through fortification of their coffee to offer health and wellness properties in the long term. In realizing this, the focal point of BA Industries International is to engage in continuous research and innovation particularly through collaborative efforts with local public universities as a measure to contain cost and yet remain dynamic to fulfill the changing taste and preference of local coffee drinkers. Such a move would assist the company mitigate the competitive scenario persisting in the local instant coffee market and create a base of loyal customers. This in turn could become a springboard from which the company can reformulate their product strategy to achieve greater market growth in ensuring their future sustainability.

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