Millennials Consumer Behavior Towards Coffee

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1. Introduction

Millennials are the largest living generation in the United States today (Bo Finneman et al., 2017). This generation has an estimated annual buying power of $200 billion, and this number is expected to continue to rise as millennials' income levels start to increase in the near future (Schawbel, 2015). The population size of the millennial generation, along with their growing buying power, makes them an important consumer base for businesses to understand. However, millennials have unique consumer behavior habits that make them different from past generations. Growing up in the age of technology has made millennials expect more from brands beyond just having a good product. Rather, they look towards brands' online presence, customer engagement, and ethical values when deciding whether to make a purchase (Animoto, 2020). Within this study, we will research how millennial consumers make purchasing decisions, specifically within the coffee industry. We seek to understand what drives this generation to purchase products and the process they go through when making these decisions.

2. Literature Review

2.1 The Millennial Generation

The millennial generation is loosely defined by people born between the years 1981 to 1996, although the exact dates vary by a few years in each direction depending on the source (Dimock, 2021). In the United States, there are approximately 80 million millennials (Moreno et al., 2017). This generation has been labeled as "digital natives," a term that describes people who grew up with technology such as smartphones, broadband internet access and artificial intelligence (Bennett et al., 2008). While they are intuitive thinkers when it comes to technology, they have also become dependent on it (Floros et al., 2021; Karen L. Paullet, et al., 2010). For example, research has shown that despite believing that digital-free travel (DFT) is beneficial, millennials

struggle to disconnect from the Internet due to social expectations, technology dependence and environmental support (Floros et al., 2021). Rather, the lives of millennials are so ingrained with technology that it is hard to refrain from its use on vacations.

Other studies suggest that unlike older generations, who designate a split between family and work life, millennials prefer a "work life overlap" with their private lives and use social media to enact this preference (Philip et al., 2017; Kossek, 2016). This constant interaction and access to technology has given millennials more interconnectivity between one another and their public and private lives, and that sets them apart from earlier generations, who were more concerned with establishing a work and family balance (Philip et al., 2017). In addition, more time online means exposure to a large array of differing opinions, which often causes millennials' opinions to evolve with what they see online (Moreno, et al., 2017).

2.2 Millennial Online Shopping Behavior

Online shopping is very important to millennials. They shop online very frequently and are motivated to consume for status (Eastman et al., 2013). This generation is made up of trend-seekers, using the content they see on the Internet to identify trends (Nartea & Santos, 2019). Their online frequency and interest in Internet trends is important because it influences what garners their attention and their brand loyalty. Research suggests that the millennial generation tends to not be loyal customers and are willing to switch brands for a variety of factors (Barbosa, 2019)**.** One important factor to millennials when online shopping is the reliability of the shop (Mangold & Smith, 2012). Research suggests that millennials will check social media and customer reviews before deciding to purchase from an online store (Nartea & Santos, 2019). Additionally, the ability to track shipments online is an important factor for millennials. An online shop that gives

customers the ability to see where their item is during the shipment process is likely to stand out to millennials (Riley & Klein, 2019).

When millennials decide to buy a product, they often go through several facets before making the actual purchase. One factor that affects buying decisions is the visual complexity of websites. Current research shows that complex website designs tend to negate customer satisfaction and loyalty (Sohn et al., 2017). Millennials grew up with technology and understand how to navigate it. This means that they expect shopping online to be quick and easy. If a website is too hard to navigate, millennials can easily find the same product somewhere else, so they will not waste their time (Sohn et al., 2017). The same concept applies to personal devices as well, such as smartphones and tablets. Many companies today forget about mobile website designs, and in a world where mobile devices are on the rise, this is a huge disadvantage for them, especially since most millennials use their phones to shop (Sohn et al., 2017).

2.3 Millennial's Coffee Purchasing Behavior and Price Perceptions

Younger consumers today are more interested in purchasing ethical, sustainable products than generations past (Barbosa, 2019). Therefore, since younger consumers are so unique, their coffee purchasing decisions are important to understand. There are several factors that go into why millennials decide to purchase the coffee that they do.

First off, millennials are interested in protecting the environment. Some research has suggested that there is a strong correlation between "green purchase intention" and "green purchase behavior" in this age group (Djaelani et al., 2020). However, despite their ethical preferences, millennials often struggle to purchase green coffee products because of price sensitivity, which has been cited by researchers as a potential barrier to millennials purchasing

eco-friendly items (López-Fernández, 2020). As a result, a lot of these individuals cannot afford to be as environmentally friendly as they would like to be (Bernardes et al., 2018).

Brands that are more simplistic and minimal in design tend to intrigue millennials. This simplistic and minimal design is known as reverse branding, which focuses on product quality and emotional appeal over logo recognizability (Altstiel et al., 2018). For example, a study examining millennial consumers' perception of wine labeling found that participants focused on five main factors of a product's label that informed their selection: strategic embossment, use of color, the promotion of the product's origin, texture, and an increased weight in product packaging (Williams, 2018).

The decision making process is defined by the recognition of need or problem triggered by internal or external stimuli (Lautiainen, 2021). In some cases, the purchaser relies on intuition and impulsivity when choosing a brand (Suresh & Biswas, 2019). However, millennial brand loyalty is strong among businesses that utilize effective brand designs because research suggests that millennials are fluent in pictographic language (Mazor, 2018). It can be suggested that the majority of people in the millennial age range purchase their coffee brand due to habit (Lautiainen, 2021).

2.4 Rationale

Existing literature suggests that the millennial generation thinks differently than generations past due to their experience growing up in a digital society, which has resulted in them acting differently within the marketplace. In this study, we seek to understand the coffee purchasing decisions of millennials residing in central Pennsylvania, and how these purchasing decisions are affected by their consumer behavior. Our research questions reflect this aim by focusing on the attitude and beliefs, as well as the purchasing process, of Central Pennsylvania millenials when buying coffee

3. Research Questions

RQ1. What kinds of bulk coffee are millennials in Central Pennsylvania willing to buy, and where are they most likely to buy it?

RQ2. What are Central Pennsylvanian millennials' attitudes and beliefs towards shopping for coffee beans online?

RQ3. How do the prices of coffee beans influence the likelihood of Central Pennsylvanian millennials to purchase?

4. Methods

4.1 Recruitment

We plan to use convenience sampling to choose 6-8 participants for a focus group, chosen from millennials currently living in central Pennsylvania. Our survey can be disseminated on social media platforms such as Facebook pages and Instagram. Both procedures will contain an incentive such as free coffee/ coffee gift cards.

4.2 Procedure

Using a semi structured focus group guide, we will hold a 45-60 minute focus group via Zoom with 6-8 participants. This focus group is seeking to better understand coffee consumers buying habits, price perceptions, and importance of ethical values when it comes to buying artisanal coffee. The interview guide walks through four sections: 1. Introduction & stating confidentiality 2. Coffee Preferences 3. Coffee Purchases 4. Ethical Coffee Consumption. Once analyzed through a code book, the focus group will shed light on coffee consumers rhetoric when it comes to coffee flavour and help prioritize what is necessary to brand Third City Roasters.

4.3 Measures (Survey)

A 46-item survey is designed to 1) collect information about the coffee preferences and habits of coffee consumers in Central Pennsylvania, 2) measure how attached coffee drinkers in Central Pennsylvania are to their coffee, and 3) discover how much consumers care about the locality of their coffee and ecological footprint. This survey is divided into 8 different parts to control the survey flow and ensure participants' completion of the survey: qualified consent, screening questions, the taste of coffee, coffee purchases, coffee pricing, local coffee, ethically sourced coffee, and demographics. Throughout the survey, we implement two previously established scales to measure consumers' coffee preferences and purchase habits (i.e. their preferred tastes and current shopping practices), the price they are willing to pay for coffee (i.e. their preferred price-point and how it can be altered), level of ethically-minded behavior (e.g. if they think about the environment when shopping), and attachment to their current preferred coffee blends and brands (e.g. if they are willing to switch). Additionally, the survey includes a succinct, but extensive section about demographics (age, race, ethnicity, etc.).

4.3.1 Ethically Minded Consumer Behavior Scale (EMCB)

The EMCB scale was created to measure the extent to which consumers are influenced to buy products that are ethically made (Sudbury-Riley & Kohlbacher, 2015). The EMCB uses a 5-point likert scale, with 1 being "never true" and 5 being "always true". A higher score indicates that the consumer is more ethically minded. We define ethically-made products as products that are created in a way that focuses on social justice, such as human welfare, or ecological welfare. Additionally, we define ethically-mindedness as the extent to which a consumer consciousnessly searches for ethically-made products when making purchasing decisions online or in brick-and-mortar stores. Within the survey, the ECMB scale is adjusted to measure consumers' ethical-

mindedness towards coffee, specifically. For example, one statement on the ECMB scale is, "When there is a choice, I always choose the product that contributes to the least amount of environmental damage." In the survey, this is adjusted to, "When there is a choice, I always choose the coffee that contributes to the least amount of environmental damage," focusing on coffee products, specifically.

4.3.2 Attachment Scale

The attachment scale is designed to measure the level of attachment that consumers feel to products they already own or use (Ball & Tasaki, 1992). The attachment scale uses a 6-point likert scale, with 1 being "agree" and 5 being "disagree". We define attachment as the extent to which an individual feels personally connected to an object owned, or commonly used. Additionally, we adjusted the attachment scale to measure how attached consumers are to coffee that they are already using. The attachment scale uses the example of one's feeling towards their car to measure attachment. We changed this to feelings felt towards one's commonly used coffee. For example, a statement on the attachment scale reads, "How much do you agree with the statement, "I don't really have too many feelings about my car ". This question from the attachment scale is adjusted to, "How much do you agree with the statement, "I don't really have too many feelings about the taste of my coffee" within the survey.

5. Conclusion

Based on existing literature, millennials' consumer behavior differs from past generations due to the technological environment in which they grew up. Our research goal was to better understand millennials' consumer behavior when buying coffee. Existing literature suggests that millennials are less loyal to brands and care about ethically sourced products. The Ethically Minded Consumer Behavior Scale and the Attachment scale used within our survey will help to

show if this proves true when millennials make coffee purchasing decisions with cohesive

quantitative data. Additionally, our focus group guide will allow us to understand millennials'

thought process while buying coffee with strong qualitative data to support our survey data.

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