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# **BACHELOR THESIS**

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Ms  
**Vera Boadu**

**A STUDY TO INDICATE FACTORS  
INFLUENCING THE BUYING  
BEHAVIOUR OF CIGARETTE  
SMOKERS**

2012

Faculty of Media

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# **BACHELOR THESIS**

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## **A Study to indicate Factors influencing the buying Behaviour of Cigarette Smokers**

author:  
**Ms. Vera Boadu**

course of studies:  
**Business Management**

seminar group:  
**BM09w2-B**

first examiner:  
**Robert J. Wierzbicki(Prof.Dr.-Ing)**

second examiner:  
**Herbert E.Graus (Prof)**

submission:  
Bremen, 10. August 2012

## **Personal Details**

Boadu, Vera

A Study to indicate Factors influencing the buying Behaviour of Cigarette Smokers

41 Pages, University of Applied Sciences,  
Faculty of Media, Bachelor Thesis, 2012

## **Abstract**

The main purpose of this thesis is to investigate factors influencing the buying decision of cigarette smokers. To achieve this, different theories concerning consumer buying behavior and factors influencing have been discussed to achieve a deeper understand of consumer behaviour. To enable me comprehend the influence factors that influence the buying decision of a smoker as a consumer, a survey with questionnaires was performed. The results of the survey indicates that brand awareness, quality of the tobacco, price, packaging, advertisement, influence by others and availability are the major factors influencing the buying decision of a smoker, with availability, quality, price and brand awareness having the most effective influence on a smoker.

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## **Acknowledgement**

I give thanks to the Almighty God for giving me the wisdom, understanding, knowledge and strength during the period of my research.

I,also take the opportunity to appreciate the assistance and guidance I had from my supervisors Prof. Dr.- Ing Robert J. Wierzbicki and Prof. Herbert E. Graus. I am very grateful for their help.

Special thanks go to my family for their continuous support, encouragement and love and also friends who have been of help to me during the course of my studies.

*“Customers set up a hierarchy of values, wants, and needs based on empirical data, opinions, word-of-mouth references and previous experiences with products and services. They use that information to make purchasing decisions.”*

-Regis McKenna, founder of the marketing firm Regis McKenna Inc.

# 1. Introduction

The consumer behavior is result of multiple influences. To enable marketers come up with effective tools to affect the decision making of consumers, they need to understand the motives behind the consumers' behaviour. In order for a tobacco company to be successful, it needs to recognise the needs of its consumers and understand why they purchase its products and be able to analyse the consumer's behaviour and the factors they take into consideration when buying its brand, This will help the company to create and implement effective marketing strategies to reach and keep its consumers. This thesis is to add to the literature about cigarette smokers' behaviour and factors influencing their buying behaviour, by helping tobacco companies know the determinants behind the smokers' purchasing behaviour to be able to come up with better marketing policies and concepts to maintain or win more consumers. These goals are all the more crucial, since the companies are presently facing bans and restriction on their marketing activities. With the present anti-smoking era linking smoking to various health problems, campaigns being organised to increase the awareness of the risks involved in smoking and offering help to reduce smoking, there is still a large number of people who smoke, this triggered my interest to research on factors, that influence their behaviour.

## 1.1 Background

A cigarette is a small roll of finely cut tobacco leaves wrapped in a cylinder of thin paper for smoking. Most modern manufactured cigarettes are filtered and include reconstituted tobacco and other additives.

The following are the various brands of cigarettes, which are well known among smokers: Marlboro, Lucky Strike, Pall Mall, L & M, West, Gauloises Blondes and John Player Special.

The companies in the cigarette industry manufacture cigarettes from tobacco. The cigarette industry is one of the tobacco industries, which produces apart from cigarette, tobacco products such as cigars and chewing tobacco or snuff.

The cigarette industry is dominated by a few large tobacco companies. The world's largest cigarette manufacturers are British American Tobacco, Altria, Imperial Tobacco and China National Tobacco. In 2009 in Germany, the cigarette manufacturer Philip Morris had the highest market share in the field of cigarette production with 36.5 percent, followed by British American Tobacco (BAT) and Reemtsma<sup>1</sup>. In all, the German industry made a turnover of nearly EUR 19.5 billion in 2008. Only a fraction of the revenues for the German cigarette manufacturer is generated abroad. According to German Cigarette Association (ODP) in Germany there are nearly 9,000 workers in the cigarette industry. The most popular cigarette brand was Marlboro Red in 2009 with a market share of almost 12 percent, followed by L & M Red Label and Marlboro Gold.<sup>2</sup>

The tobacco companies specialized in the cultivation and industrial processing of tobacco into finished products such as cigarettes, fine cut tobacco, cigars, pipe tobacco or cigarillos. As an industry, the tobacco industry is part of the consumption industry. The tobacco industry is mainly dominated by large global corporations and public enterprises.

## 1.2 Research Goals

The main objective is to understand the factors influencing the buying decision of a cigarette smoker as a consumer. Another Objective is to find out which of the factors has the most significant impact on their buying decision, before discussing the factors influencing the buying behaviour of smokers.

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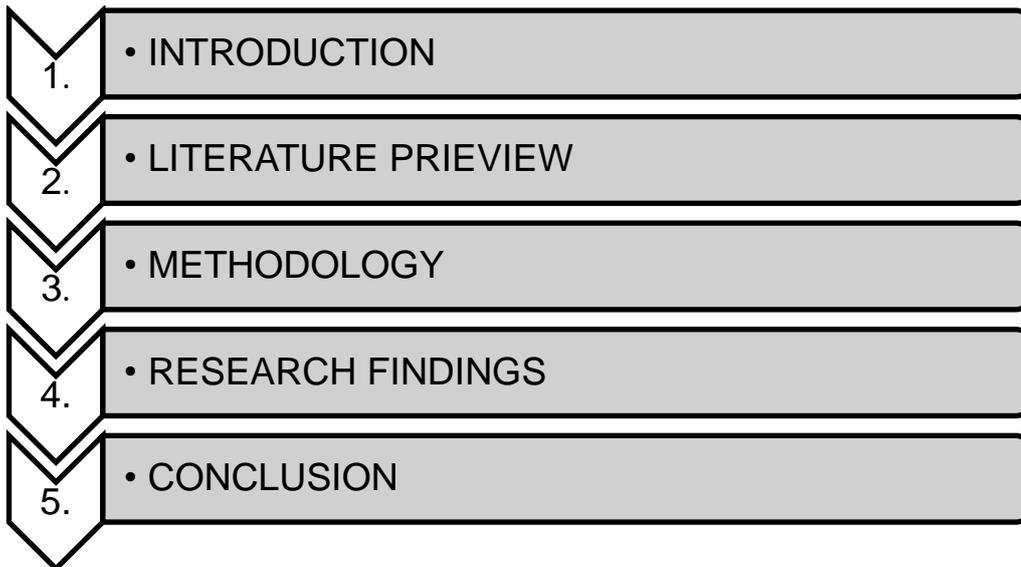
<sup>1</sup> A Report by the Frankfurter Rundschau: <http://www.fr-online.de/wirtschaft/zigarettenmarkt-in-deutschland-wird-wieder-mehr-geraucht,1472780,11088230.html> retrieved on 20<sup>th</sup> June 2012

<sup>2</sup> [www.tabakkontrolle.de](http://www.tabakkontrolle.de) retrieved on 20<sup>th</sup> June 2012

Research will be presented on consumer buying behaviour and the various determinants influencing buying decision. Also information about the problems facing cigarette brands will be discussed.

### Outline

The thesis is divided into 5 chapters:



*Figure 1: Thesis Outline*

The first chapter provides an introduction to the rationale of the thesis and the objectives to be achieved.

The second chapter focuses on the theoretical part of the research. Different theories concerning consumer buying behaviour and the factors influencing the purchasing decision are presented.

The methodology including research approach, data collection, limitation and the questionnaires are presented in the third chapter.

The empirical findings and analysed answers are given in the fourth chapter.

The fifth chapter provides summary and conclusion of the study based on the literature research.

## 2. Literature Research

To fully understand the underlying problematic nature and factors influencing the behavior of a consumer, theories from researchers within the field will be discussed in this section. A closer look will consider consumer behavior theories and the impact they play on the buying actions of consumers, defining the various factors that influence the buying behaviour.

### 2.1. Consumer Buying Behaviour

To be able to comprehend the impact the different factors have on the decision making of a consumer, it is essential to understand what, why, how, where and how much a consumer buys.

It is very important to understand that the buying behaviour of a consumer is intergral to his social environment, the competing products in the marketplace and the brand marketing strategy imposed by the manufacturer. Belch and Belch (2004) share this view; they defined consumer behavior as “the process and activities people engage in when searching, selecting, purchasing, using, evaluating and disposing of product and service so as to satisfy their needs and desires”.<sup>3</sup>

Consumer behaviour can also be define as the understanding of what a consumer needs and what exactly influences his buying behavior.<sup>4</sup> A buyer goes through some series of stages in arriving at a decision to buy a product or service. Consumer behaviour can also be described as how a consumer distinguish products and services, their reasons for purchasing and consuming a product .<sup>5</sup>

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<sup>3</sup> Belch & Belch, 2004

<sup>4</sup> Kotler, 2003. Page 132

<sup>5</sup> Howard, 1994. Page 1

Dahlqvist and Linde (2002), presents an in-depth analysis of the role consumer behaviour plays in the buying decision of consumers by discussing four factors. These factors are presented in the table below:<sup>6</sup>

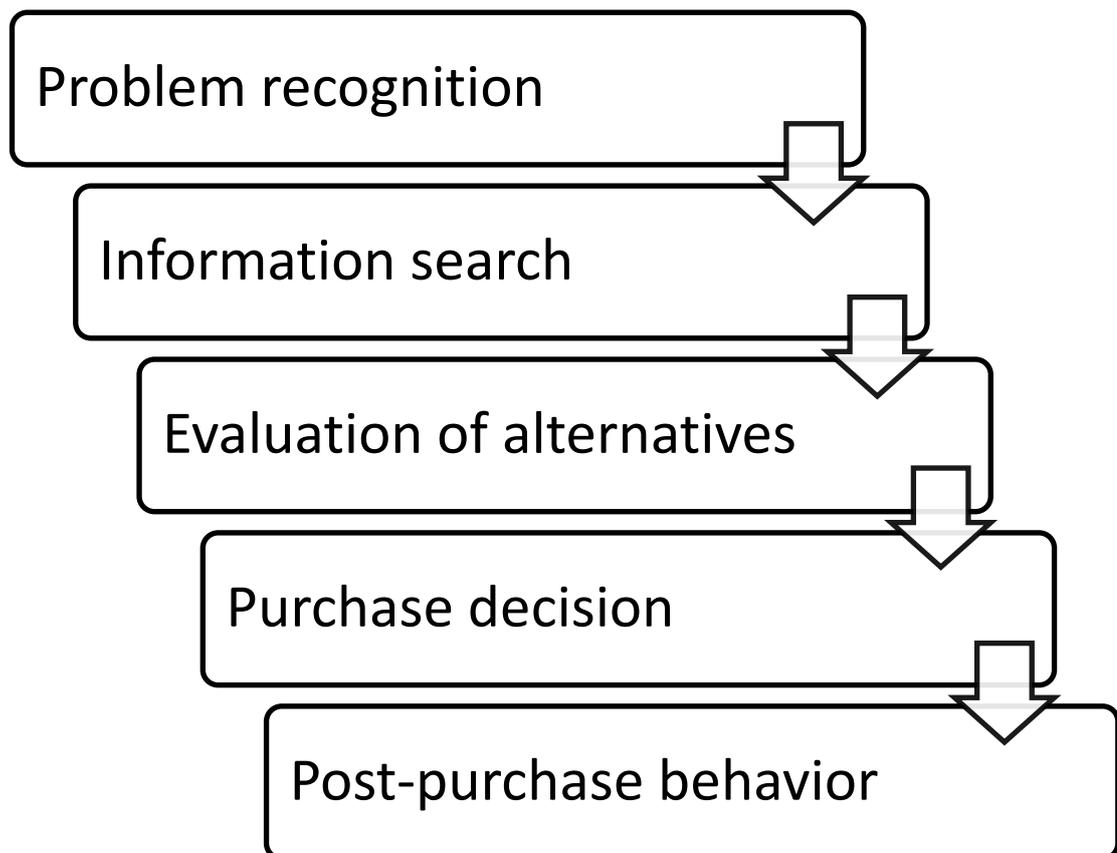
Rational Behaviour	Consumers with rational behaviour first get some knowledge about the product and what it may offer. By assessing this information, they get an attitude toward the product and finally act; whether or not to buy the product. This type of behavior is mostly common when consumers are purchasing expensive products for example cars. (KNOWLEDGE→ATTITUDE→ACTION)
Unconscious Behaviour	Consumers with unconscious behaviour begin with an attitude towards the product, this attitude may either come from emotions or feelings. This attitude will lead the consumers to find out more information about the product and get knowledge about it and finally act their choice. (ATTITUDE→KNOWLEDGE→ACTION)
Learned Behaviour	This type of behaviour stems from habits. These Consumers do not plan their choice of product, they do it by habit. Example of this behaviour is when buying a newspaper. (ACTION→KNOWLEDGE→ATTITUDE)
Social Behaviour	Consumers with social behaviour choose their products as a result of the social environment which they live in. Their status, lifestyle and influence from others determine the product they will buy. (ACTION→ATTITUDE→KNOWLEDGE)

Table 2.1: The types of consumer behaviour, source: Dahlqvist and Linde (2002)

<sup>6</sup> Dalqvist & Linde 2002, Reklameffekter

### 2.1.1 Consumer Buying Process

Before a consumer purchases a specific product or service, there are five stages of decision making process he goes through.<sup>7</sup> A need is recognized in the mind of the consumer, followed by information research, then analysing alternatives between products. Afterwards the consumer makes a decision either to purchase and use the product and then comes the post purchase behaviour, this will decide whether the product was able to satisfy the consumer's need.



*Figure 2.1.1: Consumer Buying Process (Adapted from Marketing Management and Consumer Behavior by Philip Kotler, 2000)*

The buying process consists of five steps which the consumer undergoes as shown in figure 2.1.1. The decision is made to solve a problem of any kind or satisfy a need. The problem recognition occurs when a consumer identifies a need or a problem and the need is prompted either by an

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<sup>7</sup> Kotler, 2000. Page 161

external (example: advertisement, friend's purchases) or internal (example: hunger, fear, stress) stimulus. For example a smoker feels stressed out from work of studies and realizes the need to smoke to calm his or her nerves.

After the need has been recognized the next step is information search. The consumer begins to search information, in this case about cigarettes. The information can be gathered from different sources such as commercial source (example: advertisement, salespersons), personal source (friends and family), experiential source (such as using the product) and public source. When the necessary and essential information has been acquired the consumers goes to the next step, which is the evaluation of alternatives. The information search improves the consumer's knowledge about the different and available brands. This helps the consumer to evaluate and rank the alternative brands.

The consumer compares the options with criterion that depends on the situation and his own buying behavior. The preferred brand with certain benefits that suits and help solve the need of the consumer will be chosen. This leads to the Purchase decision. The consumer would select the most important information, weigh the benefits of each product and decides either to purchase a particular product or not, postpone the purchase or even not purchase at all. Income, attitude of others or perceived risk can influence the purchasing decision.<sup>8</sup>

After purchasing and using the product, the consumer compares his expectation and the experience he had with the product to see if his need has been satisfied or not. This information influences any future purchase decision. A satisfactory experience may lead to a repeat purchase while a disappointment may cause a consumer not to purchase the product again. Consumers do not necessarily go through all the five steps at every purchase. In routine purchases some stages are skipped, for example everyday goods, information search and evaluation are even skipped.

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<sup>8</sup> Du Plessis, Rousseau & Blem,1994. Page 47

## 2.1.2 Types of Buying Behaviour

Differences in consumers buying behaviour depends on the type of product the consumer is purchasing. A behaviour model consisting of four different buying behaviours was designed by Kotler et al (1999).<sup>9</sup>

	High Involvement	Low Involvement
Significant differences between brands	Complex buying behaviour	Variety-seeking behaviour
Few differences between brands	Dissonance-reducing behaviour	Habitual buying behaviour

*Table 2.1.2 four types of consumer's buying behaviour, source: Kotler et al (1999) p. 251*

Complex buying occurs when there is high involvement from the consumer to a product and significant differences between the brands. This means that before a consumer purchase a high quality brand, he searches for a lot of information about that brand.

Dissonance-reducing behavior happens when a consumer is highly involved in purchasing a product because of the purchase is expensive or infrequent. There is little difference between existing brands.

<sup>9</sup> Kotler, Armstrong, Saunder & Wong, 1999. Page 251

Variety-seeking behavior is the case where the individual likes to shop around and experiment with different products. In other words, an individual may shop around for different breakfast cereals because he wants variety in the mornings.

Habitual buying behavior is where the individual buys a product out of habit e.g. a daily newspaper, sugar or salt. Cigarette smokers can be classified as having a habitual buying behavior because there is perceived little difference between existing cigarette brand manufacturers.

## **2.2 Factors influencing Consumer Buying Behaviour**

There are a number of factors that influence a consumer and his lifestyle. These factors help to form the attitude and needs of the consumer. The needs of a customer are triggered by culture, social class and reference groups and also internal factors which include motivation, demographic and former experience. Also marketing activities such as advertisement, quality of a brand, price strategy also have a significant impact on the consumer buying behaviour.

### **2.2.1 Brand and Branding**

Brand can be defined as *“the distinctive product offering created by the use of a name, symbol, design, packaging, or some combination of these intended to differentiate it from its competitors”*.<sup>10</sup> Another definition of brand is *“a name, term, sign, symbol, design or a combination of these that identifies the makers or seller of the product or services”*.<sup>11</sup> This means that a brand is something that symbolises the uniqueness of a product or service, since it differs from other products or services from competitors even if it satisfies the same need. A brand is also a means of communicating the benefits of

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<sup>10</sup> Jobber & Fahy,2003.Page 131

<sup>11</sup> Kotler,Wong, Saunder & Strong,2005. Page 113

a product or service that a consumer can derive from using that product.<sup>12</sup> Brands are important because they shape the consumer decision and create economic value. For a consumer, the most significant roles brands play is the signal of quality and risk reducer especially when making a purchase decision. Brands are developed to convey quality, which leads a positive image, prestige, virtue or lifestyle.

Branding is the process involved in creating a unique name and image for a product or service in the consumer's mind, mainly through advertisement campaign with consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customer.<sup>13</sup> The process of branding today is also to create emotional attachment to a product or company.<sup>14</sup> Branding effort create a feeling of involvement, a sense of higher quality and an aura of an intangible qualities that surround the brand name, mark or symbol. One benefit of branding is that the brand designates a product or a service as being different from competitors' products and services by signaling certain key values specific to a particular brand.

## **Brand Equity**

In the literatures, different definitions of brand equity have been proposed. Brand equity is *"the differential effect of a brand knowledge on consumer response to the marketing of a brand"*.<sup>15</sup> It is the value endowed by the brand to the product. Brand equality enables a customer to pay a premium for a branded product compared to an identical unbranded version.

Brand equity is also known as *"a set of assets (liabilities) linked to a brand's name and symbol that adds to (subtracts from) the value provide*

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<sup>12</sup> Lamb, Hair & McDaniel, 2004. Page 285

<sup>13</sup> [www.businessdictionary.com/definition/branding.html](http://www.businessdictionary.com/definition/branding.html) retrieved on 22.June 2012

<sup>14</sup> Kotler & Armstrong, 2004

<sup>15</sup> Keller, 1993. Page 8

*by a product or service to a firm and/or that firm's customers".*<sup>16</sup> Aaker has clustered those assets and liabilities into five categories: a) Brand loyalty b) Brand awareness c) Perceived quality d) Brand association and e) Other propriety. The definition of brand equity can be widely classified into three perspectives i.e. it could be based on financial perspective which stress the value of a brand to a firm, customer perspective which sees brand equity as the value of a brand to consumers and a combination of the two. Brand equality is not supposed to be measured by how well a customer remembers a brand but to what extent a customer is prone to highly recommend the brand to others.

### **Brand Loyalty**

Brand loyalty can be described as a consistent preference for one brand over all others.<sup>17</sup> It can also be defined as the extent of faithfulness of consumers to a particular brand, which could be expressed through continuous purchase irrespective of marketing pressure from other brands. Oliver (1999) also defined brand loyalty as *"deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetition of same-brand or same brand set purchasing, despite situational influence and marketing efforts having the potential to cause switching behaviors"*.<sup>18</sup> According to Aaker (1991), brand loyalty is *"the attachment that a customer has to a brand"*.<sup>19</sup> The more a consumer understands the quality of a brand and has more association with that particular brand, the higher his loyalty is. Brand loyalty is a great asset to a firm because a loyal customer is willing to pay for higher price.

Factors such as customer satisfaction, perceived value, brand trust and repurchase behavior have influence on brand loyalty. Kotler defines four patterns of loyal behavior: a) Hard-core loyal (buy a particular brand all the time), b) Split or soft-core loyal (buy more than one brand), c) Shifting loyal

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<sup>16</sup> Aaker,2002. Page 7

<sup>17</sup> Lamb, Hair, & McDaniel, 2004. Page 298

<sup>18</sup> Oliver, 1999. Page 34

<sup>19</sup> Aaker ,1991. Page 39

(move from one brand to the other) and d) Switchers (no loyalty; always looking for something new).

Aaker (1991; 2002) classified loyalty as follows:

- Non- customer: these are people who buy the brands of competitors.
- Price switcher: these are the once that are sensitive to price.
- Passive loyal: these once are purchase brand/product as a result of habit rather than reason.
- Fence sitters: are those that are indifferent between several brands.
- Committed: are those who are honestly loyal to the brand.

## **Brand Awareness**

Brand awareness is the ability of a customer to recognize and recall a brand in a giving situation. Brand awareness is seen as an important factor because it has a great effect on the attitude of a consumer when purchasing a product. Brand awareness is still an important factor to influence purchase decision even when consumers are familiarize and willing to purchase a product.<sup>20</sup> When consumers want to buy a product, and a brand name can come to their minds at once, it reflects that product has higher brand awareness.

Awareness of a brand is in most cases the main reason why a consumer buys a certain product and it is also a vital element of brand equity. Brand awareness is classified into brand recognition (consumers' ability to confirm prior exposure to the brand when given the brand as cue), brand recall (consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other cues) and top of mind (this is referred to as the first brand that a consumer can recall amongst a given class of product).<sup>21</sup>

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<sup>20</sup> Macdonald & Sharp, 2000

<sup>21</sup> Aaker, 1991. Page 42

Brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product category, awareness increasing the probability that the brand will be a member of the consideration set.

The success of a brand depends on a dominant recall and brand recognition with its target customers' consideration set. A brand must also have a strong marketing communication, thus when the need for such product arises, that brand comes in mind, whereby the benefits of the product is linked with the brand to give the consumer a motivating reason to consider that brand. This is the beginning of building positive brand attitude, which in turn builds positive brand equity.<sup>22</sup>

A strong brand enjoys benefits such as reduced competitive advantage, premium price greater customer loyalty, profitability, reduce the perceived risk of consumers who are not so sure of their decision. A good experience of a customer with a brand helps to increased perceived qualities, contingent attributes and eventually leads to brand loyalty. Marketers can create awareness among their target customers through repetitive advertising and publicity.<sup>23</sup>

### **Perceived Quality**

The word "to perceive" in the Oxford Advanced Learner's Dictionary means "to notice or become aware of something or to understand or think of something in a particular way". This definition indicates that perceived quality is the customer's opinion of a brand's ability to meet his expectations. It is how the quality of a brand is seen by the customer. Perceived quality can also be defined as the consumer's perception of the superiority of a brand which enables them to differentiate a brand from another. When a customer's conception of a brand is high quality, he purchases the brand because of

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<sup>22</sup> Elliot & Percy, 2007. Page 112

<sup>23</sup> Strydom, Jooste & Cant, 2000. Page 62

the quality image that the brand has.<sup>24</sup> Consumers will use their experience and knowledge to evaluate overall product benefit, function, durability, technology and reliability when consumers purchase a product. Perceived quality is a consumer judgment on the accumulative product benefits and a subjective feeling on product quality.<sup>25</sup>

Perceived quality is both a pre- and post-purchase construct because a previous product experience is not needed to assess quality.<sup>26</sup> Perceived quality has a positive effect on customer's buying intention because it helps the customer reduce risk as a result of the high quality of the brand image. This leads to repurchase of the brand resulting in brand loyalty.

### **Brand Associations**

Brand associations are the values and the personality linked to the brand.<sup>27</sup> The associations are attributes of a brand which comes in the mind of a customer when the brand is mentioned or talked about. Positive brand associations are developed when the brand possesses attributes and features satisfying the needs of customers. At its strongest, brand association will lead people to ask for something by brand instead of with the generic name for products in that category. For example, someone asking for pampers when one wants disposable diapers.

In addition to building up associations with particular product categories, brand association also involves associating products with particular attributes. When members of the public want things in specific categories with particular attributes, the goal is to have the brand come to mind rather than to have a consumer look for a generic product.

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<sup>24</sup> Aaker, 1991. Page 45

<sup>25</sup> Dodds, 1995. Pages 50-63.

<sup>26</sup> Rust & Oliver 1994. Page 52

<sup>27</sup> Hollensen, 2007. Pages 142-167

## **Other Propriety Brand Assets**

Other propriety brand assets include trademarks, patents and marketing channel relationships.<sup>28</sup> Brand assets will be most valuable if they inhibit or prevent competitors from eroding a customer base and loyalty. These assets can take several forms. For example, a trademark will protect brand equity from competitors who might want to confuse customers by using a similar name, symbol, or package. A patent, if strong and relevant to customer choice, can prevent direct competition. A distribution channel can be controlled by a brand because of a history of brand performance. A strong distribution network is an asset for any company. Formation of close relationship with channel members helps develops trust and provides a platform for building the brand.

### **2.2.2 Advertisement**

Marketing communications activities are integrated to deliver a consistent message and achieve the strategic positioning. To be able to plan a marketing communication it is important to analyse the possible interaction a consumer may have with a brand and its products or service. Advertising is a means of marketing communication, which publicizes attributes of a brand to customers. A brand has a high probability of being strong when advertising, promotion and packing support a constant positioning strategy over time.<sup>29</sup> Advertising is the structured and composed communication of information, usually paid for and usually persuasive in nature, about products (goods, services, and ideas) by identified sponsors through various media such as TV commercials, campaign, coupons, or in the form of newspaper ads sales letters, publicity, event sponsorships, telemarketing calls, or even e-mails.

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<sup>28</sup> Hollensen,2007. Pages 142-167

<sup>29</sup> Aaker,1991.Pages 51

### **2.2.3 Price**

Price is the amount of money a customer pays for an item. A customer uses price to indicate the quality or benefits of a brand, this means that price plays a role in purchasing a brand because a customer can choose a low price to prevent financial risk or choose a high price to achieve product quality.<sup>30</sup> Instable price changes or activities concerning lowering of price can cause confusion of customer's perception of a brand, thus leading to a brand image of unstable quality. The strategy of pricing can create associations with a brand in a customer's mind.

### **2.2.4 Packaging**

Packing includes the aesthetics of a product. Packaging gives a first impression of a product thus helping shape the expectation of the customer to a product. Packaging has the functions as to advertise by attracting customers, gives additional information and also helps assist in promotion.

### **2.2.5 Availability**

Availability means the access to a product or brand in a store at the time of purchasing. The convenience of a product or brand has a great influence on the customer buying behavior.<sup>31</sup> In today's busy society, a customer does not have the time to move from one shop to the other when purchasing low involvement product, the customer will choose a new brand or switch the entire shop.

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<sup>30</sup> 30. Macdonald & Sharp, 2000. Pages 5-15

<sup>31</sup> Lin & Chang, 2003. Pages 94-107.

## 2.2.6 Culture

Culture is the collective programming of the mind which distinguishes the members of one human group from another.<sup>32</sup> It is how a society understands, decides and communicates. Culture includes systems of value; values are the building blocks of culture. The influence of culture on the customer is significant, just as its importance to the international marketer is profound. It is an obvious source of difference. Culture encompasses virtually every part of a person's life. The way in which people live together in a society is influenced by religion, education, family and reference groups. It is also influenced by legal, economic, political and technological forces.

Cultural differences can be seen in the way different societies communicate, different spoken languages are used and the importance of spoken and other methods of communication vary from one society to the other. The importance of the use of leisure, work and the types of reward and recognition that people value vary from culture to culture.

Culture has the following properties:<sup>33</sup>

- Culture is learned: Over time culture is passed on from one lineage to another.
- Culture is connected: There is an in-depth connection between cultures as marriage and religion creates that link that brings different cultures together.
- Culture is shared: As much as families and members of an organization tend to shared similar ideas and certain traits, so is culture. Members of a clan, country or organisation share ideologies, traits and practices among their members.

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<sup>32</sup> Hollensen, 2007

<sup>33</sup> Hollensen 2007

## Subculture

Subculture is a social, regional, ethnic or economic group displaying distinctive pattern of conduct adequate to distinguish it from the main stream culture.

Subcultures share common belief, hobbies and interest. Coming together to form a subculture can be based on religion, ethnic background, religion, race and age with characteristics that separate them from the dominant culture. These characteristics include way of dressing, the use of language (like slang) and the use of different media, such as movies, music or books. An example is the punk subculture.

### 2.2.7 Psychological Factors

Psychological factors such as motivation, beliefs, learning, attitudes and perceptions impact the buying behavior of a customer.<sup>34</sup> Every customer has needs, such as hunger or recognition. These needs can become motives when the intensity is aroused to a significant level. One can say that a motive is a need that is adequately pursuing a customer to seek satisfaction for the need.

The process by which an individual chooses, organizes and interprets information received from his or her environment is defined as perception.<sup>35</sup> Customer characteristics such as experience and personal knowledge have an influence on perception. Attitude can be defined as *"a consumer's overall, enduring evaluation of a concept or object, such as a person, a brand, a service."*<sup>36</sup> The attitude of a customer plays an essential role in influencing the buying behavior because attitude can be used to predict behavior. Although every product or service from a brand has an image, customers create a certain image about the product or service. And customers buy product or service based on this image they have

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<sup>34</sup> Kotler, 2000. Page 168 & Lamb, Hair & McDaniel, 2004. Page 285

<sup>35</sup> Solomon, 2002. Page 142

<sup>36</sup> Arnould, Price & Zinkhan, 2002. Pages 139-154

about it. This could mean that even though a product might be really good, if a customer finds it useless, he or she would not buy it.

### **2.2.8 Individual Factors**

Individual characteristics such as gender, age, profession, lifestyle, personality and self-concept are factors that have important influence on the purchasing behavior of a customer. The profession of an individual has a great influence on his or her buying decision, since the profession indicates the economic situation of that individual. A customer with high income can afford expensive products but other the other hand a customer with low income tends to go for less expensive products. Lifestyle refers to a person's pattern of living in a society and it is expressed by ideas, activities, opinion and interest.

### **2.2.9 Influence by others**

Influence by others has an important effect on the buying decision of a customer.<sup>37</sup> When seeking new product or service customer tends to consult another customer for an advice or opinion about the product or service and this advice can have a significant influence on the buying decision. And also the attitude of others towards a product or service also influences a customer. How strong the influence by others affects the purchasing behavior depends on the individual and the situation at hand.

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<sup>37</sup> Kotler, Armstrong , Saunder & Wong, 1999

## 2.3 Problems of Cigarette Brands

With the present increase in health hazards connected with smoking, the cigarette brands are experiencing tremendous challenges in the industry. Despite the pleasure, relaxation, relief, the feeling of masculinity and the bond created among smokers experienced through smoking, the health dangers of smoking can't be neglected. For this reasons there are restrictions and laws enforced by the governments in the different countries and organization such as the world health organisation (WHO) to control tobacco marketing activities, prevent the young adults from smoking, warn smokers about the health risks involved in smoking and offer help for smokers trying to quit.<sup>38</sup> Tobacco alone accounts for the single largest cause of death in the EU with over 650000 deaths per year, making it the cause of 1 in every 7 death in EU states.<sup>39</sup> More so there is an estimated 79000 death caused from exposure to secondhand smoking in the EU. In order to tackle this problem a resolution was passed by the European Commission banning the smoking of cigarettes in public places across member states.

This law was not binding to member states but was merely to serve as a guideline. By 1996 a report from the European Commission showed most member states implementing regulations on smoking in public places. By 2011 most countries had a ban on smoking in bars and restaurants.<sup>40</sup> In addition the ban helps to reduce the urge of a smoker to smoke at a particular time and place, thus decreasing the level of cigarette consumption.

The Tobacco Product Directive was passed in May 2001 as a means of regulating tobacco products. The law was in the beginning challenged by the tobacco industry on "the grounds of that it did not comply with the single market rules and infringed intellectual properties".<sup>41</sup> Under the regulation of tobacco products, additionally description such a "mild" or

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<sup>38</sup> <http://en.oboulo.com/swot-analysis-marlboro-82771.html> retrieved 30.07.2012

<sup>39</sup> Action on smoking and health, Facts sheet 2011, Page 3

<sup>40</sup> Action on smoking and health, Facts sheet, 2011. Page 3  
([http://ash.org.uk/files/documents/ASH\\_125.pdf](http://ash.org.uk/files/documents/ASH_125.pdf) retrieved 27.July,2012)

<sup>41</sup> Action on smoking and health, Facts sheet, 2011. Page 3

“light” on cigarette packs indicating the low content of nicotine are considered to be misleading and they are replaced with health warnings.

One of the laws implanted is the warning messages on the packaging of cigarette. The 2001 Tobacco Product Directive saw an increase in the display of health warnings from the previous 4% to a new premium of 30% in front and 40% at the back surface.<sup>42</sup> These messages are to enlighten the consumer understanding about the health implication of smoking. The cautions are to help change the consumers’ perspective concerning smoking. This can lead to lose of customers who are becoming more health conscious. . There is a plan by the European Commission to revise the Tobacco Product Directive. The revision encompasses several other techniques to deter tobacco consumers such as a clear packaging, and increase of warning sign to 80% on both sides, banning the display of cigarettes at the point of sale and more regulation on the use of flavorings and additives in cigarettes.<sup>43</sup> The recommendations on the Tobacco Product Directive by the EU are expected to be published this year 2012.<sup>44</sup>



Picture 2.3: An example of packaging warning messages<sup>45</sup>

<sup>42</sup> Action on smoking and health, Facts sheet, 2011. Page 4

<sup>43</sup> Action on smoking and health, Facts sheet, 2011. Page 4

<sup>44</sup> Action on smoking and health, Facts sheet, 2011. Page 4

<sup>45</sup> <http://www.atypicaljoe.com/archives/images/smokingkills.gif> retrieved 30 July 2012

Some countries have also enforced alarming pictorial warning labels concerning the health effect on cigarette packs and inserting cards in packs explaining the ways of quitting smoking.<sup>46</sup>

Another problem that the cigarette brands are facing is the high taxes imposed on their products, this leads to an increase of cigarette prices. This measure aims to deter young people who are normally on very limited disposable income from buying cigarettes. With the increase of prices smokers either tend to purchase cheaper brands or in the extreme quit smoking

. A review on the correlation between prices and smokers figured that by a 10% increase in the real price of cigarettes there was a decrease of about 5% - 7% in cigarette consumption.<sup>47</sup> In 1992, three directives on the taxation of tobacco were introduced to provide a "structure" for the taxation of tobacco with "limited degree of harmonisation of these taxes".<sup>48</sup>

Member states were required to set taxes on cigarettes on a minimum of 70% of the final retail price.<sup>49</sup> As agreed in November 2009, by 2014 the minimum monetary excise rate is to be increased from present 64 Euros per 1000 cigarettes and proportional minimum of 57% to 90 Euros per 1000 cigarettes and a proportional minimum of 60%.<sup>50</sup>

Although this sanction is to help reduce smoking, it has a negative impact on both the government with high tax rates and on the cigarette brands. High taxation leads to smuggling cheaper and untaxed cigarette into countries such as Germany and Great Britain. This costs governments lost in tax revenue, in Germany smuggled cigarettes cost the government a sum of 4 billion Euros lost in tax revenues.<sup>51</sup> Cigarette brands can use this an argument to appeal to governments to reduce the taxation on their products to help reduce smuggling cigarettes and also help reduce prices of cigarettes.

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<sup>46</sup> [http://en.wikipedia.org/wiki/Tobacco\\_advertising](http://en.wikipedia.org/wiki/Tobacco_advertising) retrieved 30 July

<sup>47</sup> Action on smoking and health, Facts sheet. Page 5  
([http://ash.org.uk/files/documents/ASH\\_125.pdf](http://ash.org.uk/files/documents/ASH_125.pdf) retrieved 27. July 2012)

<sup>48</sup> Action on smoking and health, Facts sheet. Page 5  
([http://ash.org.uk/files/documents/ASH\\_125.pdf](http://ash.org.uk/files/documents/ASH_125.pdf) retrieved 27. July 2012)

<sup>49</sup> Action on smoking and health, Facts sheet. Page 5

<sup>50</sup> Action on smoking and health, Facts sheet. Page 5

<sup>51</sup> <http://www.spiegel.de/international/germany/tax-revenues-up-in-smoke-trade-in-smuggled-cigarettes-booms-in-germany-a-618871.html> retrieved 30, July 2012

Ban on smoking in public places is another factor the brands are dealing with. Smokers are restricted in places to smoke, such as workplace, bars, restaurants and on public transportation, this is to prevent non-smokers from the risk of second-hand smoking, which has harmful effects on the health of the non-smoker. Another ban, which is having impact on the brands, is the ban on advertisement. Brand advertisements on television, radio, newspapers and also sponsoring of sports events have been banned. This has a great impact on the cigarette brands because the large number of targeted consumers can't be reached. It also prevents the transmission of information which might attract the youth to begin smoking. For the brands, this leads to the loss of potential new customers.

Another ban to paralyze the Tobacco industry is the reduction of subsidies to tobacco farmers. The Common Agricultural Policy (CAP) initiated as a system to ensure that products in member states are produced on an equal basis and one state does not enjoy more support than another.<sup>52</sup> The Council of Agricultural Ministers decided in 2004 to gradually phase out the subsidies provided for Tobacco farmers completely by 2010.<sup>53</sup> Between 2004 and 2011, tobacco farmers in the EU were granted 44.8 million Euros to enable them switch to other activities.

With the increase of anti-smoking campaigns, anti-smoking advertisement and medical research and reports about the health hazards associated with smoking, the awareness rate is also improving, thus causing more smokers to smoke less and even quit. Additional programs and activities are organised to help smokers to quit smoking. Governments and organisations' concern for the health of citizens cause them to implement laws and bans on marketing activities of cigarettes brands to reduce the smoking rate and help prevent non-smokers from smoking. All these

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<sup>52</sup> Action on smoking and health, Facts sheet. Page 6

<sup>53</sup> Action on smoking and health, Facts sheet. Page 6

restrictions, health programs and bans place great pressure on the brands because most of their established customers are being lost and new targeted consumers are difficult to reach.

## **3. Research Method**

In this chapter the research approach, data collection and the limitations of this thesis will be presented. How theories and information were gathered, are described. These methods were used to answer the research objectives.

### **3.1 Research Approach**

When approaching a research, the researcher has a choice between an inductive and a deductive approach.<sup>54</sup> An inductive approach is when a theory is set up by using and analysing collected data. This is when a theory is built up. And deductive approach is when theories concerning the topic are presented first and then tested to the observed data, thus theory testing.

For the purpose of this thesis, a deductive approach was chosen because it was important to know what other researchers have studied and observed about the topic, in order to test it with the collected data. I started reading literature to enable me find suitable theories in this field of research and with these theories the research design was made, with which research questions was answered.

### **3.2 Data Collection**

There are two ways of collecting data to approach the purpose of a research; these are secondary and primary data collection. Secondary data is gathering and reading researches conducted within the topic to give one a literature preview. The secondary data collection used for the thesis was based on reading books, articles, research report, dissertations

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<sup>54</sup> Saunder, Lewis, & Thornhill, 2003. Page 173

and researching on the internet, which helped me to gain more knowledge about consumer buying behavior and the various factors that influence the buying behavior. The knowledge gained through the secondary data collection helped to approach the research objective, this data also helped to come to the conclusion of which factors will be examined.

Primary data can be collected through interviews, experiments, questionnaires or observation. The primary data for the thesis was collected through a survey. The survey was based on questionnaires. The questionnaires were personally handed out to the target group. Since the objective of this thesis is to find factors influencing the buying decision of cigarette smokers and which of the factors had a major influence on the buying decision, questionnaires was considered more appropriate. Also a quantitative research was chosen because numeric values were necessary to be able to qualify the different influencing factors.

### **3.3 Limitations**

This thesis was limited to a single product: cigarettes. Due to time limitation the questionnaires was personally administered to prevent the probability of delay in receiving response. There was no limitation for the targeted group, every smoker I came in contact with, was given a questionnaire.

### **3.4 The Questionnaires**

The questions were written in English but translated into German in order to prevent misunderstanding and to enhance better understanding of the questions. Before the participants started answering the questions, a short introduction of the thesis was given. The questionnaires were made up of 12 questions and 95 respondents took part in answering the questions; 65 (68%) were male and 30 (32%) were female, the respondents aged

between 15 to 55 years but there were few respondents who were above 55 years. The sample size is not large but adequate for the type of analysis undertaken. The questionnaire starts with general questions and narrows into more detail as the survey proceeds. Then the participants were asked what brand of cigarette they smoked to enable me find the most preferred brand with the highest brand awareness. It was followed by rating the importance of brand loyalty, price, quality, packaging, advertisement and availability from 1 to 5 with 1 being "less important" and 5 "extremely important", this was to find out how strong the influence of these factors were on the buying behavior. There were three open questions in the survey; "why do you prefer the brand of cigarettes you smoke?" this was to help come out with other factors that influence the buying behavior. "If the prices of the brand of cigarette should increase, would you continue to smoke the same brand of cigarettes?" and "which other factors influence your buying decision?". The answers were collected and analyzed with Microsoft Excel graphs to visualise the impact of the different factors on the purchasing behavior. The results are presented in the next chapter and the questions are attached to the appendices.

## 4. Research findings

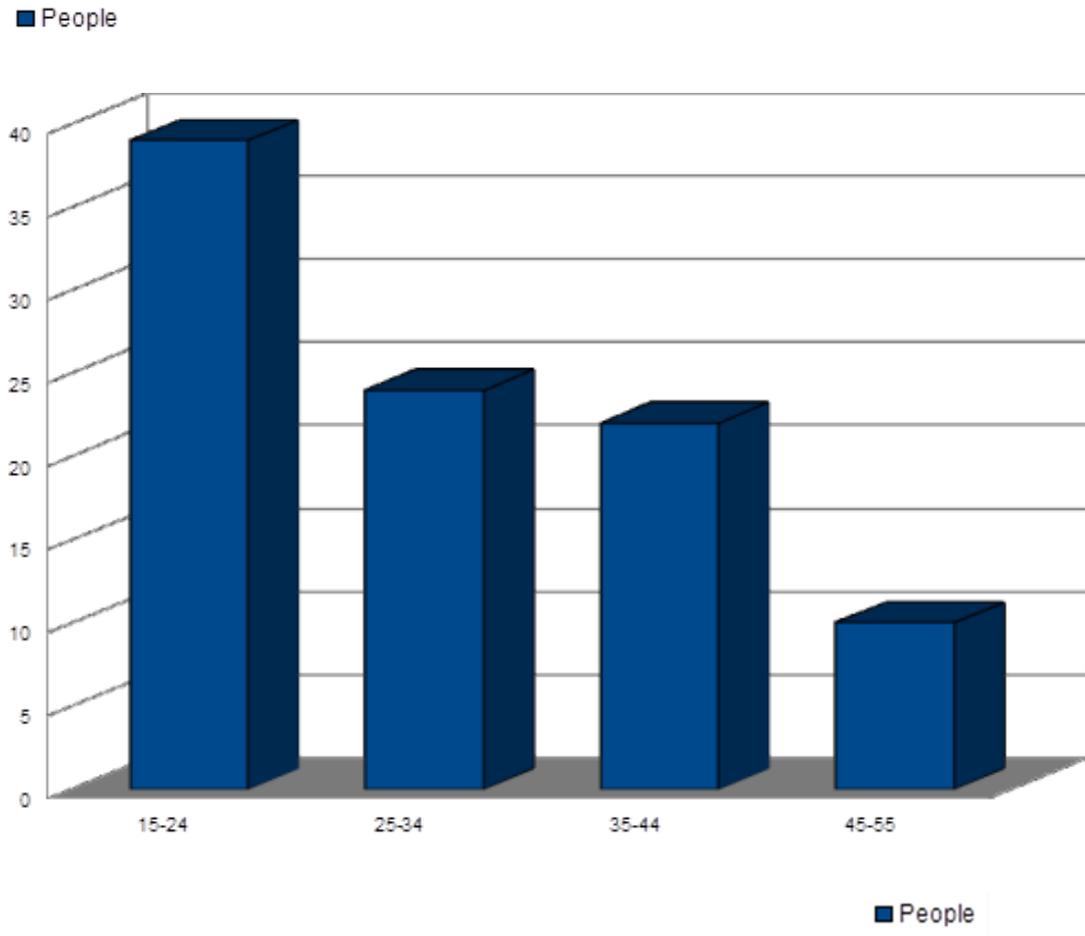
This chapter reports the findings of the empirical study which was conducted through a survey.

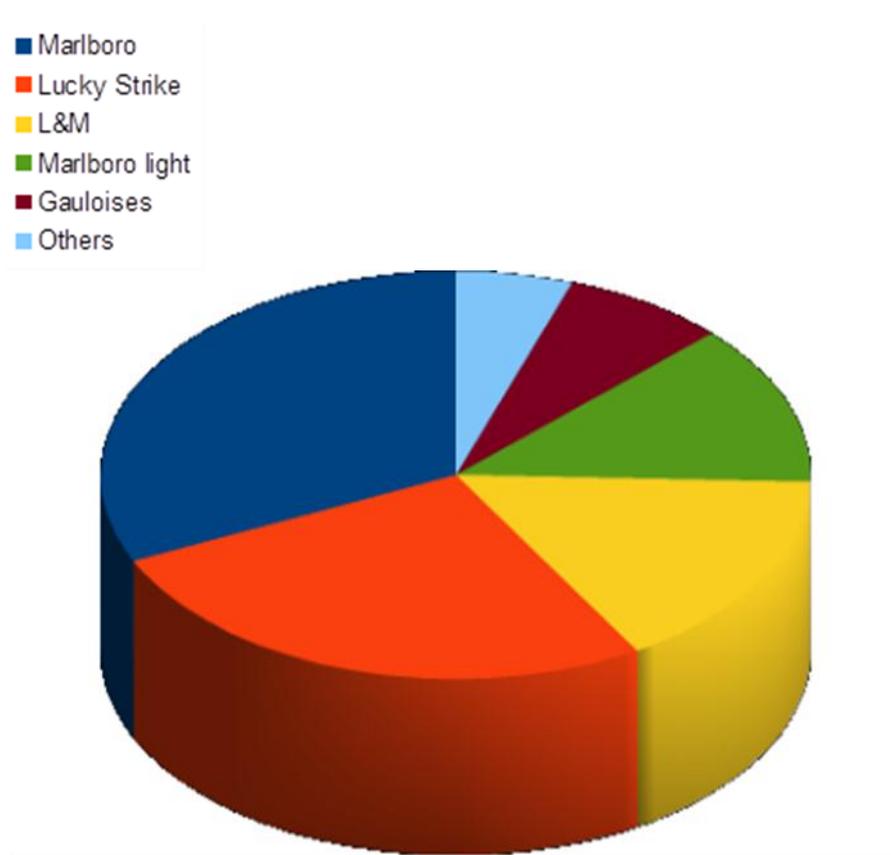
This question was used to create the consumer demographics. It enables me to know the participants age and gender. This was to see the role gender and age play in the decision making. 65 of the respondents were male making up to 68% and 30 were females making up to 32%. This can lead to the conclusion that men smoke more than women, this is a result of society norms, which see smoking to be more of a manly activity and also the fact that women are considered to be more health conscious.

The age groups are presented in the graph below. More teenagers and young adults between the ages of 15 and 24 were observed to smoke more than the older participants with the highest percentage (41%).

This is due to the fact that majority of them deal with the problems of puberty, feel under stress either from school or work and also their peers have much influence on them and their behaviour. Most of smokers begin smoking during their young age, thus they get addicted to smoking for many years but since many smokers are presently quitting smoking, the cigarette brands need to recruit new smokers. Hence teenagers and young adults between the ages of 15 and 24 are the target audience for the cigarette brands because they easily get addicted to the nicotine and also tend to smoke for a longer period of time. Therefore marketing activities such as advertising are aimed at this group. Before the targeted audience can be reached with marketing activities, the brands need to research on their background, lifestyle, sexuality, interests, culture and religion to be able to identify their preference in order to create an advertisement or promotion attractive enough to gain them as consumers.

Graph1. On the X-axis are the different age groups and on the Y-axis are the percentage of people in a specific age group.



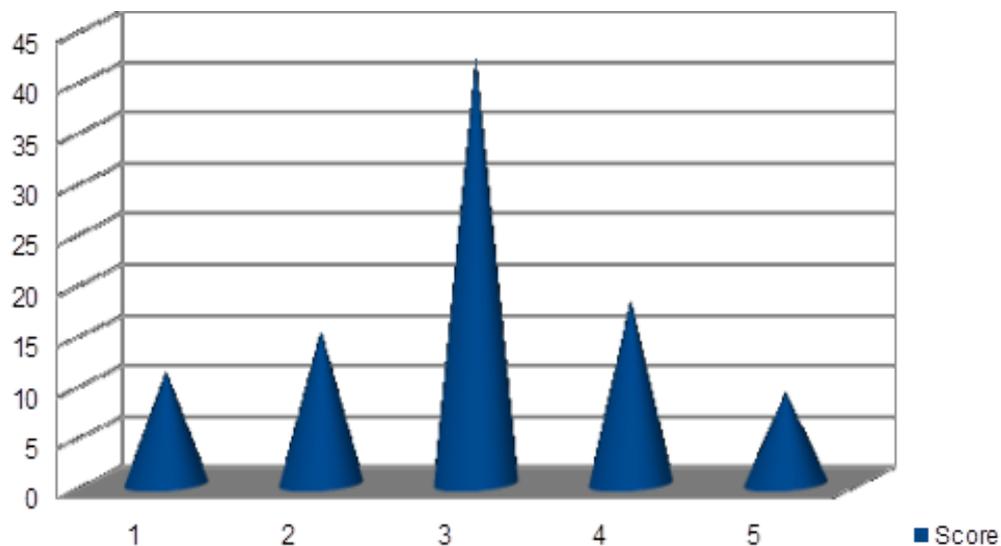
**Graph 2. Answers for favourite Brand of Cigarettes.**

Graph 2 shows that Marlboro is the most preferred brand among the other brands; it is followed by Lucky Strike. This shows that Marlboro has a high brand image, which can be as result of its brand awareness. Marlboro had a dominant brand recall and recognition among its targeted group. Due to its unique image, it is associated with perceived quality. Most smokers prefer Marlboro because of the quality of tobacco used for its cigarettes. Male smokers enjoy Marlboro cigarette because of the “hard” taste it has and also the brand has positioned itself as an icon of masculinity; thus men identify themselves with the menliness. Also successful marketing

strategies and campaigns such as “Marlboro Man” help the brand to reposition itself in the tobacco industry.<sup>55</sup>

### Graph 3. Answer spread from Brand Loyalty

On the X-axis is the importance marked between the score of 1 and 5, with 1 being “less important” and 5 being “extremely important”. The percentage of amount of people for a specific score is on the Y-axis.



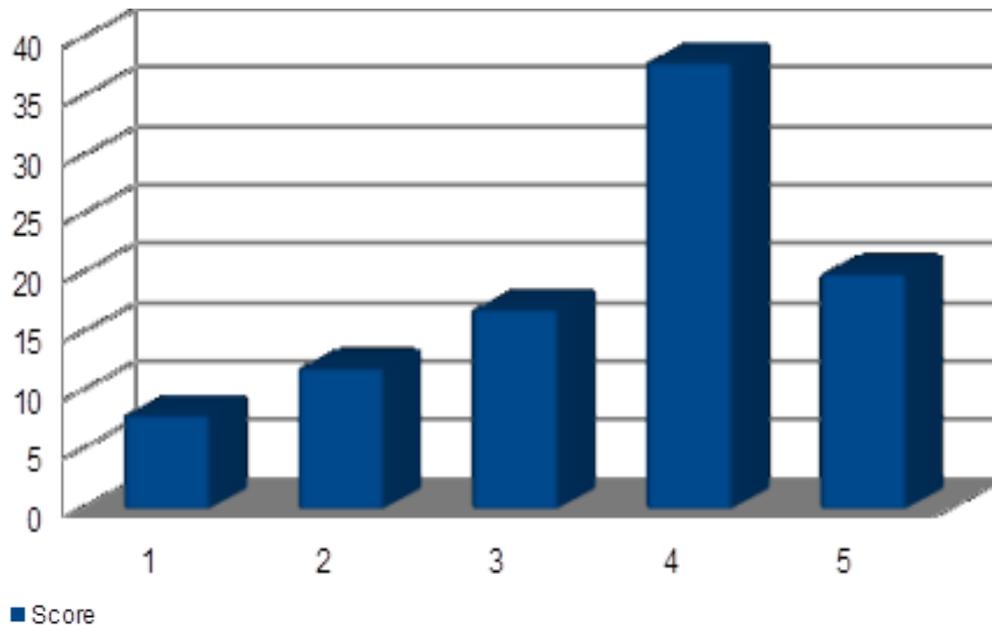
Brand Loyalty is considered to important. Some customers have a special attachment and a dedication to re-purchase a particular brand. Brand loyalty among smokers is insistent and strong. By smoking one brand continuously the individuals become identified with that particular brand. Due to bans and restrictions on tobacco advertisement, external marketing activities to influence consumers' preference and brand choice is limited; thus brand loyalty of cigarettes is gained through the satisfaction the consumer gets. This leads to repeat purchasing because the product satisfies the need of consumer and through this brand loyalty is establish.

<sup>55</sup>[http://srmuniv.academia.edu/KrishnamurthyPrabhakarPhD/Papers/158992/How\\_Marlboro\\_Br\\_and\\_changed\\_its\\_sex](http://srmuniv.academia.edu/KrishnamurthyPrabhakarPhD/Papers/158992/How_Marlboro_Br_and_changed_its_sex) retrieved 1.August 2012

More than 60% of the participants are considered to have hard-core loyal behaviour; this means they purchase a particular brand all the time. This is because of the perceived value and the trust they have in the brand. Most smokers prefer Marlboro to other brands because of the guaranteed quality they expect to gain from the brand.

#### Graph 4. The importance of price

On the X-axis is the importance marked between the score of 1 and 5, with 1 being “less important” and 5 being “extremely important”. The percentage of amount of people for a specific score is on the Y-axis.

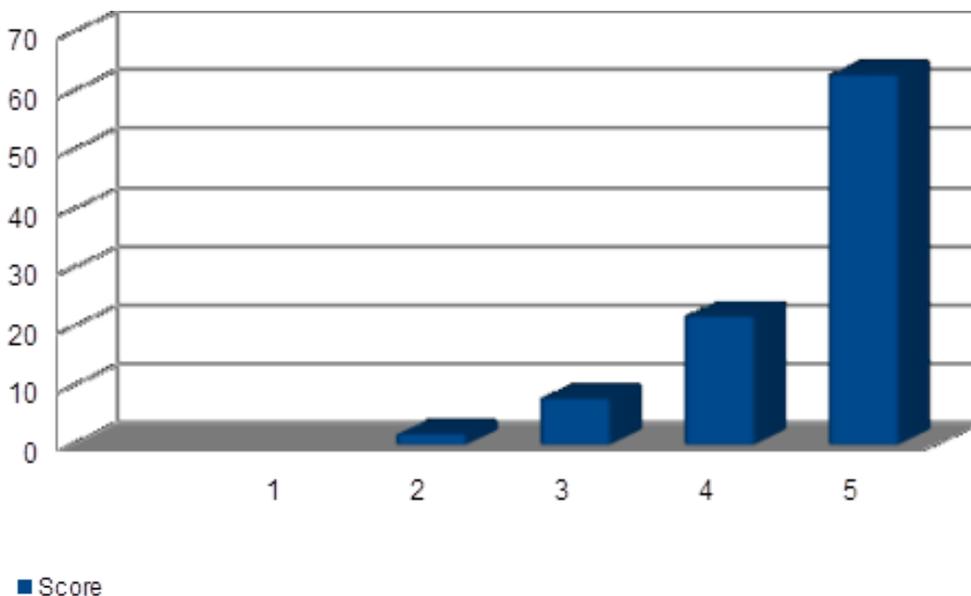


The price of a brand has a high influence on the buying decision as it can be seen from the graph. Most of the customers associate high price with high quality. And they choose to pay high price to achieve product quality; others on the other hand prefer lower prices to prevent financial risk. Customers with lower income or economic status pay more attention to the price of cigarettes. Prices of cigarettes are expensive because of the high

taxation imposed on the tobacco industry, this is to help reduce the rate of smoking. Although smokers take notice of the increase of prices, loyal consumers continue to purchase their preferable brand. Others on the other hand tend to switch to cheaper brands or in the extreme quit smoking. Lowering cigarette prices will be of no benefit to the companies. And in order not to lose more customers the brands can create price related marketing activities such as extra cigarettes in packs, scratch and win promotion on the cigarette packs or coupons placed for give-aways or concerts, discounts, placing gums or mints candy to remove the odour after smoking or even buy one and get one free promotions. Such activities will help smokers to adjust to the cost of cigarettes because of the benefit they will get back.

### Graph 5.Importance of quality

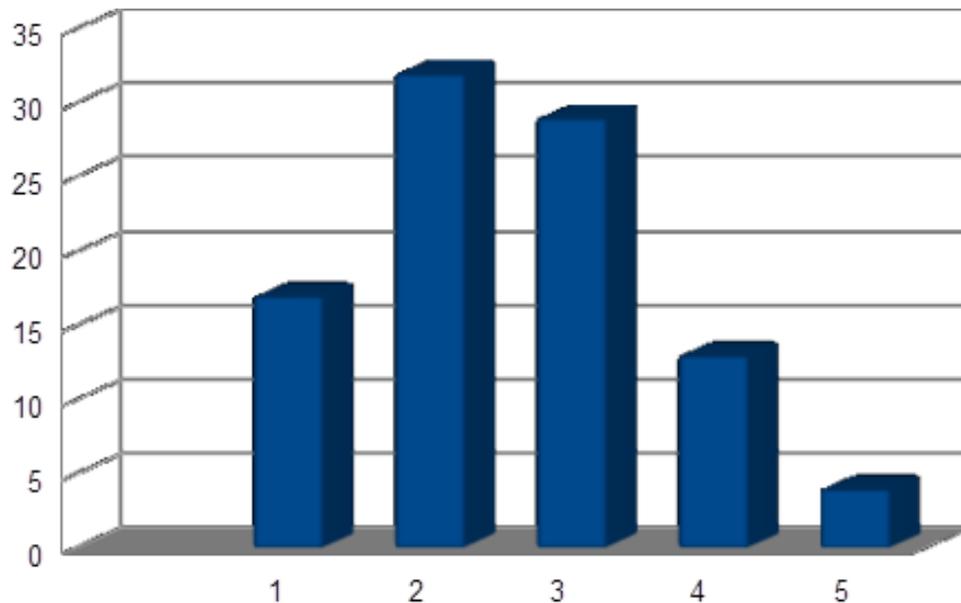
On the X-axis is the importance marked between the score of 1 and 5, with 1 being “less important” and 5 being “extremely important”. The percentage of amount of people for a specific score is on the Y-axis.



In this figure, it can be seen that quality plays a major role when purchasing a brand of cigarette. Almost all of the respondents answered with “extremely importance”. Many also mentioned that quality is their top buying factor and this result clearly confirms that quality has a strong influence on the customer when making a buying decision. Smokers define the quality of cigarette as to the level of nicotine or tar, the taste of cigarette being it regular or menthol, the size of the cigarette, slim or thick and also the additional flavours added to the taste of the cigarette. The quality is important to every consumer because their preferences differs from each other. Some smokers prefer cigarette with menthol because they dislike the strong taste of the regular cigarettes, others go for cigarettes with flavours such strawberry or cappuccino with the notion of having a nice flavour in their mouth. The initiation of “light” or “mild” cigarettes which promised low nicotine and tar, was successful strategic approach from the cigarette companies to keep consumers who were becoming health conscious and also win new consumers. A good fragrance could be added to the content to improve the odour and quality of cigarettes.

### Graph 6.Importance of Packaging

On the X-axis is the importance marked between the score of 1 and 5, with 1 being “less important” and 5 being “extremely important”. The percentage of amount of people for a specific score is on the Y-axis.



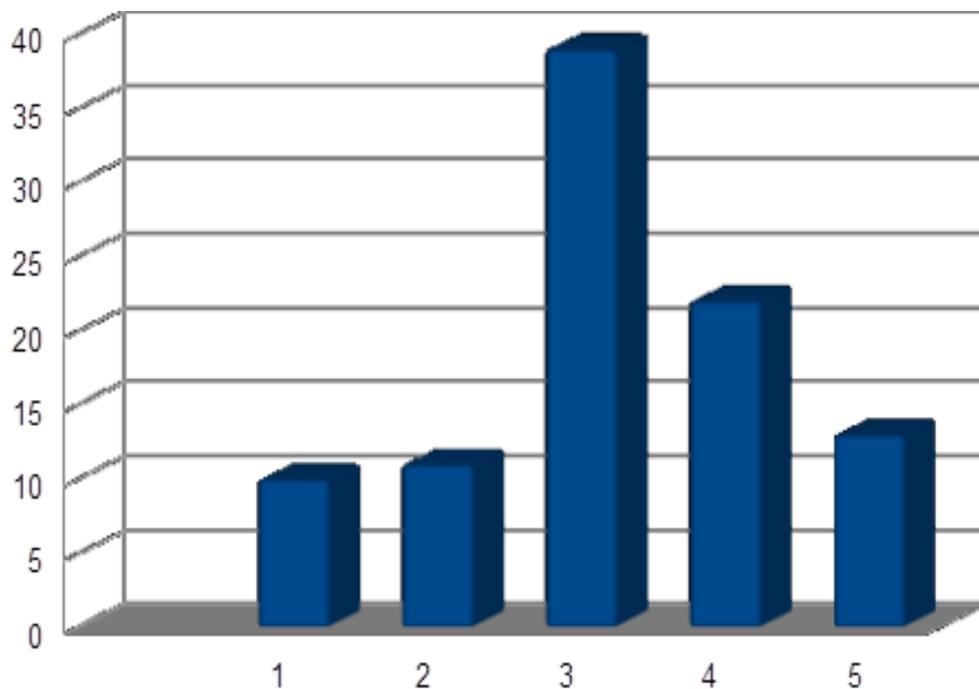
Overall, packaging is not considered to be a factor that has much influence on the buying decision of a smoker. Few female respondents answered that packing was an important factor when selecting a brand. 40% of the back and 30% of the front surface of cigarette packs are covered with health warnings to alarm both smokers and non-smokers about the health endangerment connected to smoking. Although many smokers are aware of this, they hardly take it into consideration; they read the warnings but it does not stop them from buying the cigarettes. The colours on the other hand influence the buying behaviour, since the colour red conveys strong taste, green packages(menthol) represents “freshness” and white suggests low nicotine represent “safety”.<sup>56</sup> Also innovative packs such packs that open like wallet, side-opening packs

<sup>56</sup> [http://cancercontrol.cancer.gov/tcrb/monographs/19/m19\\_5.pdf](http://cancercontrol.cancer.gov/tcrb/monographs/19/m19_5.pdf) retrieved 1.August 2012

may arouse the interests of smokers who are innovative and open for new ideas to purchase that brand.

### Graph 7.Importance of Advertisement

On the X-axis is the importance marked between the score of 1 and 5, with 1 being “less important” and 5 being “extremely important”. The percentage of amount of people for a specific score is on the Y-axis.

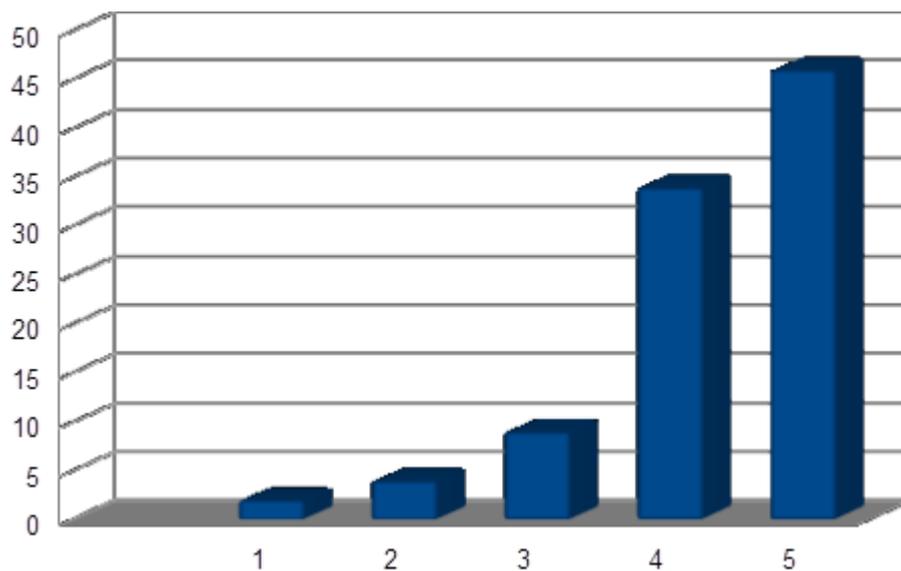


Many smokers claimed that advertisement was quite important but does not necessary have a strong impact on their decision making. Cigarette adverts have been banned from many media faucets.The tobacco industry is permitted, for example to advertise only in the cinemas and billboards. Advertising slogans such as “ You’ve come a long way baby” with a picture of good looking lady presents equality and freedom can arouse a woman’s susceptibility to smoke to have the feeling of freedom. Also adverts with caption of a group of young people having fun whiles smoking can influence young adults to smoke a particular brand.Marlboro for instance is associated with masculinity, thus young men tend to prefer that

brand. Cigarette companies also promote their products by sponsoring music festivals, concerts, art shows, bars and clubs to reach their target group. Social networks such as facebook, twitter, flickr and others are also areas where they can advertise and promote their products, this will help to have a better interaction with their consumers to know their preference n how to influence them.

### Graph 8.Importance of Availability

On the X-axis is the importance marked between the score of 1 and 5, with 1 being “less important” and 5 being “extremely important”. The percentage of amount of people for a specific score is on the Y-axis.



As figure 8 depicts, availability is an important factor for most smokers, majority answered with “extremely important”. This means that the access of the brand of cigarettes at the store, gas station or vending machine is important when buying a brand of cigarette. A smoker might not go to a different store to purchase a favourite brand of cigarettes when it is not available during the time of purchasing. This means that the cigarette firms are to make sure that their brands are always available in

the store, vending machine and other retailers' shops to prevent consumers from switching brands. Cigarette firms can also create internet pages where consumers can order their cigarettes at any given time. This will be very beneficial to the younger, since they spend most of their time online.

As stated in the previous chapter, in addition to the grades 1 to 5 there were three open questions in the questionnaire. "Why do you prefer the brand of cigarettes you smoke?", "If the prices of the brand of cigarette should increase, would you continue to smoke the same brand of cigarettes?" and "which other factors influence your buying decision?"

The answers received for the question, why they preferred the brand they smoke, was the image of the brand and surprisingly the taste of tobacco. The image of specific brand exists in their minds and they associate the brand with high quality. The other factor that both the young and the old agreed on to have a strong influence when making a buying decision was the taste of tobacco. The specific tastes and levels of tar and nicotine are extremely important for smokers.

Interesting answers were also received for the second question. The price is a factor that depends on the economic situation of an individual. Some of the smokers said that they will continue smoking even if the price to be increased while others said they will go in for the cheaper ones. A number of respondents also stated that they will quit smoking; one respondent's answer was: "Ich höre dann auf zu rauchen! Es ist jetzt schon teuer", this means I will stop smoking! It is already expensive. This shows that the price of a brand has an effective impact on the customer.

Another factor that influences the decision making was the influence by others. This seems very strong in the group of younger respondents. Younger smokers are easily influenced by their peers and also the urge to belong to a certain group of people can influence a customer to purchase a specific brand of cigarette.

## 5. Conclusion

This chapter presents the conclusion of the thesis and the objectives are answered through the conducted survey.

The empirical results based on the questionnaire indicate that the buying behavior of cigarette smokers are influenced by the price of a brand; this was confirmed with 58 of the participants answering that price plays a role when purchasing a brand of cigarette. Price is seen to be an indicator for the quality of a brand when a customer lacks the enthusiasm to assess the quality of the brand. Customers are ready to pay more just to receive the best cigarettes.

This leads to the second factor, which is the quality of cigarette; this can be associated with the taste of a cigarette. The great majority of the smokers stated that the taste of the tobacco is an important factor when choosing a brand; thus the levels of tar, nicotine, carbon monoxide and the different flavors added to it, motivate a smoker to purchase a specific brand.

Also the awareness of a brand is an important factor that, the smokers consider when purchasing a brand of cigarette. This was endorsed with Marlboro being the most preferred brand among the participants. This shows that Marlboro has high brand awareness among smokers.

Even though packaging was not one of the most influencing factors, it was considered to be persuasive in selecting a cigarette brand. Innovative packaging approach such as waterproof packs, compact packs, packs that open like wallet, side-opening packs and the re-sealable pack that keeps the contents fresher have a high possibility of rousing the interest of smokers to purchase the brand.

Advertising is another factor biasing the purchase decision. In Germany and other parts of Europe, tobacco advertising and sponsorship in some aspect of the media has been banned but the use of name, symbols and

trademarks of tobacco products is another form of advertising and the customer takes notice of it either consciously or unconsciously. In this case advertisement reminds the smoker about the brand of cigarette.

Another factor that had the highest score from all other factors is the availability of cigarette when making a purchase decision. Virtually cigarettes are available everywhere; tobacco shops, supermarkets, newspaper stores, gas stations, retail stores and vending machines. This gives smokers the opportunity to have easy access to purchase cigarette. Although these channels of convenience are available for the customer, the absence of a particular brand during buying decision can influence him or her to purchase a new brand. Majority of the customers will not go to another store to purchase the brand but will buy the brand available at that particular moment.

Influence by others is also a factor that has an impact on the decision of a smoker. Family members and friends tend to give their experience with a certain brand and this can either influence a smoker to try that brand or not. Also the desire to belong to a social class or group can bias the buying decision of a smoker. Peer pressure can also influence smokers, especially young ones to buy a certain brand.

The presented results above from the survey prove that all these factors have an impact on the buying decision of cigarette smokers. The factors with great influence on the buying decision of smokers are the quality of the brand, brand awareness, price and the availability of the brand; hence the objectives of the thesis have been answered.

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## Appendices

Questionnaire:

Factors influencing the buying behaviour of Cigarette smoker

(score 1-5 with 1 being of less important and 5 extremely important)

1.How old are you? Gender

2.How long have you been smoking?

3.What brand of cigarettes do you smoke?

4.To what extent are you loyal to a particular brand?

1      2      3      4      5

5.To what extent does the price of the cigarettes affect your buying behavior?

1      2      3      4      5

6.How important is the quality of a cigarette to you?

1      2      3      4      5

7.How important is the packaging of a cigarette brand to you?

1      2      3      4      5

8.Does brand advertisement play a major role in your buying decision?

1      2      3      4      5

9.How important is availability of cigarette to you?

1      2      3      4      5

10. Why do you prefer the brand of cigarette you smoke?

11.If the prices of cigarette should increase, would you continue to smoke the same brand?

12. Which other factors influence your buying decision?

## Answers from the Survey

### 1. Demographic details

Age Group	People	Percentage
15-24	39	41%
25-34	24	25%
35-44	22	23%
45-55	10	11%

### 2. Favorite Brand

Marlboro	30	32%
Lucky Strike	25	27%
L&M	15	16%
Marlboro light	12	13%
Gauloises	7	7%
Others	5	5%

**3.Brand Loyalty: To what extent are you loyal to a particular Brand?**

<b>1</b>	<b>11</b>	<b>12%</b>
<b>2</b>	<b>15</b>	<b>16%</b>
<b>3</b>	<b>42</b>	<b>44%</b>
<b>4</b>	<b>18</b>	<b>19%</b>
<b>5</b>	<b>9</b>	<b>9%</b>

**4.Price: To what extent does the price of the brand affect your buying decision?**

<b>1</b>	<b>8</b>	<b>8%</b>
<b>2</b>	<b>12</b>	<b>13%</b>
<b>3</b>	<b>17</b>	<b>18%</b>
<b>4</b>	<b>38</b>	<b>40%</b>
<b>5</b>	<b>20</b>	<b>21%</b>

**5.Quality: How important is quality of the cigarette to you?**

<b>1</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>2</b>	<b>2%</b>
<b>3</b>	<b>8</b>	<b>8%</b>
<b>4</b>	<b>22</b>	<b>23%</b>
<b>5</b>	<b>63</b>	<b>66%</b>

**6.Packaging: How important is packaging of a cigarette brand to you?**

<b>1</b>	<b>17</b>	<b>18%</b>
<b>2</b>	<b>32</b>	<b>34%</b>
<b>3</b>	<b>29</b>	<b>31%</b>
<b>4</b>	<b>13</b>	<b>14%</b>
<b>5</b>	<b>4</b>	<b>4%</b>

**7.Advertisement: Does Brand advertisement play a major role in your buying decision?**

<b>1</b>	<b>10</b>	<b>10,5%</b>
<b>2</b>	<b>11</b>	<b>12%</b>
<b>3</b>	<b>39</b>	<b>41%</b>
<b>4</b>	<b>22</b>	<b>23%</b>
<b>5</b>	<b>13</b>	<b>13,5%</b>

**8. Availability: How important is availability of the brand you smoke to you?**

<b>1</b>	<b>2</b>	<b>2%</b>
<b>2</b>	<b>4</b>	<b>4%</b>
<b>3</b>	<b>9</b>	<b>10%</b>
<b>4</b>	<b>34</b>	<b>36%</b>
<b>5</b>	<b>46</b>	<b>48%</b>

**Declaration of Originality**

I hereby declare that I have made this work independently and using only the cited literature and resources. Logics were literally or in spirit, derived from sources are identified as such. This thesis has not previously been submitted in any form to an examination authority.

Bremen, 13<sup>th</sup> August 2012Vera Boadu

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**Eigenständigkeitserklärung**

Hiermit erkläre ich, dass ich die vorliegende Arbeit selbstständig und nur unter Verwendung der angegebenen Literatur und Hilfsmittel angefertigt habe. Stellen, die wörtlich oder sinngemäß aus Quellen entnommen wurden, sind als solche kenntlich gemacht. Diese Arbeit wurde in gleicher oder ähnlicher Form noch keiner anderen Prüfungsbehörde vorgelegt.

Bremen, den 13. August 2012

Vera Boadu

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