

FACTORS INFLUENCING THE PURCHASING DECISIONS OF GEN Z CONSUMERS IN HO CHI MINH CITY REGARDING NUTRITIONAL READY-TO-DRINK BEVERAGES

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ABSTRACT:

This study investigated the factors influencing the purchasing decisions of Gen Z consumers in Ho Chi Minh City regarding nutritional ready-to-drink beverages. The findings revealed that eight of nine proposed factors significantly impact purchase intent. These factors are health value, interest in nutritious food, corporate social responsibility, subjective norms, product quality, brand perception, media channels, and awareness behavior control.

Keywords: Gen Z, ready-to-drink, beverages, Ho Chi Minh City.

1. Introduction

Beverage industry in Vietnam is one such dynamic category regardless of time, where there have been many product innovations launched into the market every year to serve varied needs. The revenue of Vietnam's beverage market in 2024 is projected to reach 872.50 million USD. On top of that, the non-alcoholic beverage segment contributes the highest proportion at 37.7%. Non-alcoholic, with functional elements beneficial to consumers, is the fastest-growing segment and continues to grow at 10.26% from 2024 to 2029 (Statista, 2024). This growth indicates a dramatic shift in consumer preferences towards beverages that offer functional benefits without the alcohol content, highlighting the prioritization in health value on the consumer base. In another aspect, the core of nutritional beverage is still a mix between

F&B and FMCG category, therefore nutritional beverage is still a low-involvement category, which means the consumers have a tendency to prioritize price over other factors while there are too many similar options. In this context, there is need to have research about the deeper motivation beyond pricing or promotion factor, so as to identify up-to-date consumer behaviors, regarding the purchase intention towards nutritional pre-packaged products and the for highlight the potential of the nutritional RTD beverage segment.

In Vietnam, young consumers from 16 to 25 are gradually stopping using alcohol-beverage and switching to a healthier drink such as nutritional RTDs, non-alcoholic RTDs, sugar-free RTDs or no-calories CSD beverage as they are considered as a “healthier” alternative - a lighter drink with minimal sugar, harmful element, abundant calories amount. It

is estimated that monthly expenditure on food and beverage will count at least 35% of their total income and our generation will account for 17 million households in the total urban city in 2030. (Euromonitor, 2018). Nestle in Vietnam, top 1 company in the Food and Beverage Industry in Vietnam (Anphabe, 2023), has already brought Milo Dynamind - a new nutritional RTDs milk-based product belonging to Milo Teen, targeting Generation Z. The product highlighted nutritional value is Vitamin B3, Taurine, Vitamin B3, mint flavor clamming in boosting focus and nutrition level, which satisfy the young consumers demands such as taste, trend and brand (Nguyet, et.al 2021). Suntory PepsiCo Vietnam, also, added the zero-calorie line of products of all CSD categories to eliminate the fear of calories input of the young generation while satisfying the thirst with originally intriguing flavor. Therefore, there is a need to study Generation Z's purchase intentions and this research will help companies develop targeted marketing strategies that resonate with this demographic on multi-channel platforms enclosed with long-term for insightful communications message generation or branding activities.

Moreover, in Vietnam, there has not been research conducted on nutritional or functional pre-packaged drinks' impact on Generation Z - although this type of drink is on the consumption trend due to impulsive behavior buying decisions at stores by varying factors apart from health value. (Inman, J., Winer, R. S. and Ferraro, R., 2009). They also take packaging materials or CSR activity into consideration. Therefore, this research will not only help marketers and business owners adapt quickly to the complicated purchase behavior of Generation Z, but also help manufacturer companies optimize production lines, invest in research and development departments, invest in store experience, and

manage supply chain management in sustainable manufacturing practices so as to guarantee innovation and sustainability goals in the long term.

So the author decided to choose the topic "Factors affecting Gen Z's purchase intention of nutritional ready-to-drink beverages in Ho Chi Minh city". This research will bridge the research gap with previous functional beverages and contribute to corporate understanding of consumer understanding and emerging in the RTD beverage industry.

2. The proposed research model and research hypothesis

The official proposed model by the author, which will be applied for this academic research possesses a solid and detailed framework which suits perfectly the context of Generation Z target consumer in Ho Chi Minh city, providing an appropriate structure for examination and prediction of purchasing behaviours among Gen Z on research topic.

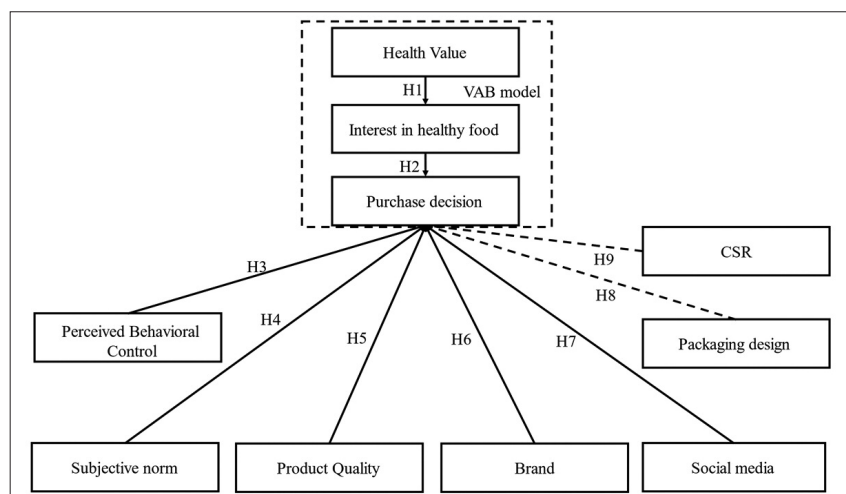
The research hypothesis as:

H1: Health value has a significant positive effect on Interest in healthy food regarding Gen Z purchase intention towards nutritional RTD beverage.

H2: Interest in healthy food has a significant positive effect on Purchase intention regarding Gen Z purchase intention towards nutritional RTD beverage.

H3: Perceived Behavioral Control has a significant positive effect on Purchase intention

Figure 1: Factors affecting Gen Z's purchase intention of nutritional RTD beverages



Source: Proposed by the author, 2024

regarding Gen Z purchase intention towards nutritional RTD beverage.

H4: Subjective norm has a significant positive effect on Purchase intention regarding Gen Z purchase intention towards nutritional RTD beverage.

H5: Product Quality has a significant positive effect on Purchase intention regarding Gen Z purchase intention towards nutritional RTD beverage.

H6: Brand has a significant positive effect on Purchase intention regarding Gen Z purchase intention towards nutritional RTD beverage.

H7: Social media has a significant positive effect on Purchase intention regarding Gen Z purchase intention towards nutritional RTD beverage.

H8: Packaging design has a significant positive effect on Purchase intention regarding Gen Z purchase intention towards nutritional RTD beverage.

H9: CSR has a significant positive effect on Purchase intention regarding Gen Z purchase intention towards nutritional RTD beverage.

3. Research methodology

Qualitative research: The researcher employs qualitative methods during the analysis of the business context, formulation of the research model, and hypothesis development. This involves gathering and utilizing secondary data and existing research, setting the stage for subsequent quantitative analysis. The data is sourced from academic papers, scientific reports, or magazines such as Research Gate, Google Scholar, and Sci-Fi in functional non-alcohol beverages in general or nutritional, healthy beverage in specific. Additionally, domestic references are sourced from online libraries such as those affiliated with Foreign Trade University E-libraries (<https://thuvien.cs2.ftu.edu.vn/pages/opac/default.aspx>), UEH E-library. Scholarly articles published in esteemed international and domestic journals in terms of nutritional beverages, ready to drink beverages, are also incorporated into the qualitative research phase so as to gain more variables for the model.

Quantitative research: Following data coding and cleansing, formal analysis is conducted using the SPSS 20.0 data processing software. The

reliability of scales is assessed through the calculation of Cronbach's alpha coefficient. Pearson's correlation analysis is utilized to explore linear relationships between dependent and independent variables. Afterward, the linear regression analysis is conducted with the purpose of measuring how much the independent variable affects the dependent variable.

4. Research results

4.1. Cronbach's Alpha Analysis

The results of Cronbach's Alpha coefficient analysis can be observed that the Cronbach's Alpha coefficient for all variables > 0.8 , which indicates a high level of reliability. Additionally, the correlation coefficients for the total variance of the observed variables are all > 0.3 . The author to conclude that the scale meets the reliability requirements.

4.2. Exploratory Factor Analysis (EFA)

4.2.1. Exploratory Factor Analysis (EFA) with independent variables

Table 1 presents the results of the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test.

Table 1. KMO and Bartlett's Test Results

KMO Measure		0.852
Bartlett's Test Value	9264.895	9264.895
	903	903
	0.000	0.000

Source: SPSS analysis results

It can be seen that the KMO coefficient $= 0.852 > 0$, and at the same time the Bartlett test has a value of 9264.895 with a significance level of $0.000 < 0.05$, the study rejects the hypothesis that the observations are not correlated with each other in the overall study, meaning the hypothesis that the factor model does not fit the research data is rejected. The author concludes that the data in this study is valid and can be used to perform EFA exploratory factor analysis.

After performing the test and concluding that the research data is valid for EFA exploratory factor analysis, the author continues to consider the Eigenvalues coefficient. It can be seen that, after factor analysis, there are nine (9) factors with Eigenvalues > 1 . Therefore, these 9 factors can best summarize the information of 43 observed variables.

With a total cumulative variance of 72.14% > 50%, it means that the 9 extracted factors can explain 72.14% of the variation of the 43 observed variables included in the EFA exploratory factor analysis.

Next, the result's factor rotation matrix finds that the 43 observations converge and differentiate into 9 factors and all have loading coefficients greater than the standard loading coefficient of a sample size larger than 350, which is 0.3.

4.2.2. Exploratory Factor Analysis (EFA) with the dependent variable

Table 2 below shows that the KMO coefficient = 0.928 > 0.5, the study concludes that the elemental analysis is consistent with the research data. At the same time, the result of the Bartlett test is 1241,659 with a significance level of 0.000 < 0.05, the data used for factorial analysis is also completely valid.

Table 2. KMO coefficient and Bartlett's test results of the dependent variable

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.928
Bartlett's Test of Sphericity	Approx. Chi-Square	1241.659
	df	21
	Sig.	0.000

Source: SPSS analysis results

Next, from the Eigenvalues coefficient's result, there is 1 factor with eigenvalues > 1, so there is 1 factor that can best summarize the information of the 7 observed variables included in the factor analysis. With a total cumulative variance of 62.69%, the extracted factor explains 62.69% of the variation of the 7 observed variables.

Based on the results presented in table 3 below, the factor is formed based on 7 observed variables representing the intention to buy nutritional RTD beverages and is denoted as PI.

4.3. Multiple linear regression analysis

Correlation analysis: The results of the Pearson correlation analysis shows that the correlation coefficients between PI and HV, PI and IIHF, PI and SN, PI and PD, PI and SM, PI and PBC all have a significance level < 0.05, which can be confirmed

Table 3. Coefficient matrix of the dependent variable

	Component
	1
PI6	0.81
PI4	0.80
PI1	0.80
PI3	0.79
PI7	0.78
PI5	0.78
PI2	0.77

Source: SPSS analysis results

between the above pairs of variables. are correlated with each other.

The correlation coefficients of PI and HV, PI and IIHF, PI and SN, PI and SM, PI and PBC are all greater than 0, the study concludes that these variables have a positive correlation. Meanwhile, the correlation coefficient between PI and PD is less than 0, the study concludes that this is a negative correlation.

The correlation coefficient between the variables PI and CSR, PI and QTY, PI and BR is greater than 0.05, the study temporarily concludes that CSR, QTY, BR and PI have no correlation. However, the author still keeps these three variables in the regression model.

In addition, the results also shows that the significance level of the correlation coefficient between PBC and B, PBC and SM, PD and CSR is < 0.05, so there is also a correlation between these independent variables. The study will test for autocorrelation after conducting multivariate regression.

Regression analysis: The multivariate regression equation is as follows:

$$\begin{aligned} \text{PI} = & \beta_0 + \beta_1\text{HV} + \beta_2\text{IIHF} + \beta_3\text{CSR} \\ & + \beta_4\text{SN} + \beta_5\text{QTY} + \beta_6\text{BR} + \beta_7\text{PD} \\ & + \beta_8\text{SM} + \beta_9\text{PBC} + \varepsilon \end{aligned}$$

In there: PI - Purchase intention, HV - Health value, IIHF - Interested in nutritional foods (in this topic is nutritional beverages), CSR - Corporate social responsibility, SN - Subjective norms, QTY -

Quality, BR - Brand, PD - Packaging design, SM - Media, PBC - Perceived behavioral control, β_0 - Constant representing the level of influence of factors not included in the model, $\beta_{i..n}$ - Corresponding partial regression coefficients of independent variables, ε - Random error.

Table 4 below shows that the adjusted R^2 has a value of 0.58, meaning that the factors in the model predict 58% of the variation in Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City.

Next, the ANOVA results can be easily seen that the value $F = 55.21$ with a significance level of $0.000 < 0.05$, the model built in this topic is consistent with the research data obtained at the 5% significance level.

After evaluating the model's suitability with research data, the author conducts analysis to find out the influence of the independent variables on the dependent variable in the model. The regression results are presented in Table 5 below:

Except for the PD variable, the coefficients of the

remaining 8 variables all have a significance level of less than 0.05. The study concludes that the coefficients of these variables are meaningful in predicting the fluctuation of the dependent variable PI. Based on the standardized Beta coefficients of the variables, it can be seen that all 8 variables HV, IIHF, CSR, SN, QTY, BR, SM and PBC have a positive impact on PI, in which the variable IIHF with The coefficient of 0.55 has the strongest influence on the dependent variable, followed by the variable HV with coefficient 0.46, PBC with coefficient 0.21, SM with coefficient 0.20, BR with coefficient 0.17, SN with coefficient 0.15, CSR with coefficient 0.14 and finally QTY with coefficient 0.08.

Next, the study examines possible defects in the model, specifically:

First, from table 5, it can be seen that the VIF coefficients of all independent variables are less than 2, the study concludes that the model does not have multicollinearity.

Table 4. Model summary table

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.77 ^a	0.59	0.58	0.49	1.99

Source: SPSS analysis results

Table 5. Regression results

Variables		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	Constant	-1.07	0.28		-3.81	0.00		
	HV	0.32	0.02	0.46	13.10	0.00	0.98	1.02
	IIHF	0.33	0.02	0.55	15.62	0.00	0.97	1.03
	CSR	0.10	0.03	0.14	3.88	0.00	0.97	1.03
	SN	0.13	0.03	0.15	4.38	0.00	0.99	1.01
	Q	0.06	0.03	0.08	2.38	0.02	0.98	1.02
	B	0.14	0.03	0.17	4.84	0.00	0.96	1.05
	PD	-0.03	0.02	-0.05	-1.31	0.19	0.96	1.04
	SM	0.13	0.02	0.20	5.63	0.00	0.98	1.03
	PBC	0.14	0.02	0.21	6.02	0.00	0.95	1.05

a. Dependent Variable: PI

Source: SPSS analysis results

Second, through the Durbin -Watson test results presented in table 4.10, we have: the statistical value (d) = 1.99; the model has 350 observations, number of parameters k - 1 = 8, at a significance level of 0.01 (99%). We have dL and dU values found in the Durbin - Watson statistical table as 1,706 and 1,799 respectively. Thus, $dU = 1.706 < 1.99 < 4 - dU = 2.294$. We can conclude that autocorrelation does not occur between the residuals in the model and the model is meaningful.

The results of testing the hypothesis set out in this study are presented in Table 6 below:

In short, the regression equation has the following form:

$$PI = -1.07 + 0.46 HV + 0.55 IIHF + 0.14 CSR + 0.15 SN + 0.08 QTY + 0.17 BR - 0.05 PD + 0.20 SM + 0.21 PBC$$

4.4. Result discussion

After testing the reliability of the scale and analyzing the factors, the author kept the proposed model unchanged and conducted regression analysis with the independent variables being HV , IIHF , CSR, SN, QTY, BR, PD, SM, PBC; and the dependent variable is PI. The regression equation has the following general form:

$$PI = -1.07 + 0.46*HV + 0.55*IIHF + 0.14*CSR + 0.15*SN + 0.08*QTY + 0.17*BR - 0.05*PD + 0.20*SM + 0.21*PBC$$

The study shows 8 meaningful variables in

predicting the variation of the dependent variable PI, which are HV, IIHF, CSR, SN, QTY, BR, SM, PBC. According to the level of influence of the variables, IIHF with a coefficient of 0.55 has the strongest influence on the dependent variable, followed by the variable HV with a coefficient of 0.46, PBC with a coefficient of 0.21, SM with a coefficient of 0.20, BR with a coefficient of 0.20. number 0.17, SN with coefficient 0.15, CSR with coefficient 0.14 and finally QTY with coefficient 0.08. These variables and coefficients are also meaningful in predicting GenZ's intention to buy nutritional RTD beverages in Ho Chi Minh City.

First, about the factor that has the strongest impact on Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City - Interest in healthy foods (IIHF). With a coefficient of 0.55, when interest in nutritious foods increases by 1 unit, Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City will increase by 0.55 units.

The second strongest factor influencing Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City is HV. With a regression coefficient of 0.46, when awareness of the value of health increases by 1 unit, Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City will increase by 0.46 units.

The third most influential factor on Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City is PBC. When Gen Z's belief in their ability to perform the behavior increases by 1 unit, their intention to purchase nutritional RTD beverages increases by 0.21 units.

Next, regarding SM factor, the study shows a positive relationship between this factor and Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City. When the Media factor increases by 1 unit, purchase intention will increase by 0.20 units.

Regarding the Brand (B) factor, when brand trust increases by 1 unit, Gen Z's intention to buy nutritional RTD beverages in Ho Chi Minh City will increase by 0.17 units. Brand awareness is the result of many experiences, including purchasing that product.

The sixth most influential factor on Gen Z's intention to buy nutritional RTD beverages in Ho Chi

Table 6. Results of testing the research hypothesis

Hypothesis	P-value	Result
H ₁	0.00	Accepted
H ₂	0.00	Accepted
H ₃	0.00	Accedpted
H ₄	0.00	Accepted
H ₅	0.02	Accepted
H ₆	0.00	Accepted
H ₇	0.00	Accepted
H ₈	0.19	Declined
H ₉	0.00	Accepted

Source: Conluded by the author

Minh City is SN. With a coefficient of 0.15, the relationship between these two factors is a positive relationship, when the subjective norm increases by 1 unit, the intention to buy nutritional RTD beverage of Gen Z in Ho Chi Minh City will increase 0.15 units taste. Subjective norms, which refer to an individual's perception of social pressure to perform or not perform a behavior, have been identified as factors that influence the formation of nutritional beverage purchase intentions drink immediately.

Regarding awareness of CSR, research shows a positive relationship between this factor and the intention to buy nutritional RTD beverages of Gen Z in Ho Chi Minh City. When this factor increases by 1 unit, purchase intention will increase by 0.14 units. According to Consumers will consider companies' CSR attitudes to create relevant trust, its spillover effect will have a strong and direct influence on consumers' attribution as well as evaluation brand price and willingness to purchase (Kotler & Armstrong, 2001).

Finally, Product quality (Q) has a positive impact on Intention to purchase packaged nutritional drinks two of Gen Z in Ho Chi Minh City. When positive feeling about product quality products increase, Gen Z will buy more nutritional RTD drinks. In this study, the author found that product quality has a very small impact on gen Z's intention to buy bottled nutritional drinks, however some other studies have shown that this is a very important factor. important (Banterle, Cavaliere, & Ricci, 2012; Chang, Ma, & Chen, 2020).

5. Conclusion

The author reviewed the previous theories and topics of research to confirm the research model of the factors determining the purchase intention of ready-to-drink beverages among Gen Z consumers in Ho Chi Minh City and acknowledged the new shopping trends of Generation Z. Here are the 9 in

the model of research: Health Value, Interest in Nutritional Food, Corporate Social Responsibility, Subjective Norms, Quality, Brand, Packaging Design, Media Channels, and Awareness and Control. The scale questionnaire and survey research were developed based on empirical previous studies, and this was conducted with 352 respondents in a group age of 12-27 who live in Ho Chi Minh City. After that, the data collected were processed and encoded, ready to be analyzed using the SPSS version 20.0.

The author analyzed the steps carried out after exploring the characteristics of the sample. The result of the reliability test indicates that the Cronbach's Alpha coefficient of each variable is 0.8, with high reliability, and the correlation coefficient of each observed variable > 0.3 . The research scale is reliable. These results, based on the performance of the Exploratory Factor Analysis (EFA) for both independent and dependent variables, can thus prove that the collected data are good and appropriate with respect to the requirements of factor analysis. Finally, the result of regression analysis shows that 8 out of 9 factors in the research model significantly affect forecasting the purchase intention for the item Nutritional Ready-to-Drink Beverage by Gen Z in Ho Chi Minh City, including Health Value, Interest in Nutritional Food, Corporate Social Responsibility, Subjective Norms, Quality, Brand, Media Channel, and Awareness Behavior Control. All these reflect quite well on the purchase intention.

Generally speaking, the research was well-implemented to identify the factors affecting the purchase intention of ready-to-drink nutritional beverages for Gen Z consumers in Ho Chi Minh City, contributing an empirical result for research in Vietnam and potentially becoming a reference for future studies ■

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CÁC YẾU TỐ ẢNH HƯỞNG ĐẾN QUYẾT ĐỊNH MUA NƯỚC UỐNG DINH DƯỠNG ĐÓNG CHAI CỦA NGƯỜI TIÊU DÙNG GEN Z TẠI TP.HỒ CHÍ MINH

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TÓM TẮT:

Nghiên cứu này nhằm tìm ra các yếu tố ảnh hưởng đến quyết định mua nước uống dinh dưỡng đóng chai của người tiêu dùng Gen Z tại TP.Hồ Chí Minh. Kết quả cho thấy 8 trong 9 yếu tố được đề xuất của mô hình nghiên cứu có tác động đáng kể đến ý định mua hàng của người tiêu dùng Gen Z. Các yếu tố này gồm: giá trị sức khỏe, sở thích về thực phẩm dinh dưỡng, trách nhiệm xã hội của doanh nghiệp, chuẩn mực chủ quan, chất lượng sản phẩm, nhận thức về thương hiệu, kênh truyền thông, và kiểm soát hành vi nhận thức.

Từ khoá: Gen Z, nước uống đóng chai, đồ uống, TP.Hồ Chí Minh.