

# "THE IMPACT OF BRANDING STRATEGIES ON CONSUMER BEHAVIOR IN AZERBAIJAN'S FOOD INDUSTRY: AN EVALUATION OF DEMOGRAPHIC FACTORS"

## ABSTRACT

This study examines the impact of branding strategies on consumer behavior within the context of demographic variables. The primary aim is to identify differences in consumer behavior based on demographics such as gender, age, monthly income, education level, cultural status, current employment status, and sector of employment. Data collected from randomly selected survey participants were analyzed using statistical methods, including T-tests and One-Way ANOVA. The findings reveal significant variations in consumer behavior across demographic factors. This research provides valuable insights into enhancing the effectiveness of branding strategies, particularly in Azerbaijan's food industry.

**Key words:** brand, consumer behaviour, brand equity, food industry

# "ВЛИЯНИЕ СТРАТЕГИЙ БРЕНДИНГА НА ПОВЕДЕНИЕ ПОТРЕБИТЕЛЕЙ В ПИЩЕВОЙ ПРОМЫШЛЕННОСТИ АЗЕРБАЙДЖАНА: ОЦЕНКА ДЕМОГРАФИЧЕСКИХ ФАКТОРОВ"

## РЕЗЮМЕ

В данном исследовании рассматривается влияние брендинговых стратегий на поведение потребителей в контексте демографических факторов. Основной целью является выявление различий в потребительском поведении в зависимости от таких демографических характеристик, как пол, возраст, ежемесячный доход, уровень образования, культурный статус, текущий статус занятости и сфера работы. Данные, собранные у случайно выбранных участников опроса, были проанализированы с использованием статистических методов, включая Т-тесты и однофакторный дисперсионный анализ (ANOVA). Результаты показывают значительные различия в потребительском поведении в зависимости от демографических факторов. Исследование предоставляет ценные данные для повышения эффективности брендинговых стратегий, особенно в пищевой промышленности Азербайджана.

**Ключевые слова:** бренд, потребительское поведение, брендовый капитал, пищевая промышленность

## **Introduction**

In the competitive environment shaped by globalization, those who succeed in staying one step ahead are the ones who focus on products that address customers' needs, desires, thoughts, and opinions. This means understanding and interpreting the ideas and dreams in consumers' minds and producing the ideal product they imagine. To achieve this, there must be mutual collaboration between producers and consumers. A product or service that occupies the consumer's mind is one that best represents their psychological needs. Branding is one of the most critical tools in this process.

Empirical approaches show that consumers view a brand as an essential component of a product, which adds extra value to it. Consumers attribute unique meanings to brands and enhance their relationships with them. A brand's name helps consumers recognize the product and benefit from its advantages.

Observations confirm that the reasons why consumers prefer branded products are not entirely clear-cut. As a result, issues such as consumer behavior, consumer rights, consumer demands, and producers' market strategies continue to be studied today.

Based on these considerations, taking into account the changes in consumer behavior influenced by demographic factors, the successful implementation of branding strategies can contribute to the diversification of Azerbaijan's economy and the development of the country's consumer market. The increased level of branding in the domestic market, driven by competition both among local enterprises and with international companies, remains a relevant topic. It is essential to identify the criteria consumers use when choosing brands and to discuss how local products can stand out in international markets and gain a competitive edge.

All this demonstrates that establishing proper branding strategies in Azerbaijan's food industry will help better understand the motivational factors behind consumer behavior. It will also enable companies to influence consumers through more dynamic and flexible branding strategies, protect consumer rights, and contribute to the sustainable development of the market. These considerations highlight the relevance of the topic.

## **Literature Review and Methodology**

Different perspectives on branding can be found in various economic, business, and marketing literature and research. A brand is defined as a combination of distinctive symbols that differentiate a product from competitors and guide consumers [2, p.37]. In other words, a brand

is "a proprietary combination of symbols that describe a product or service and distinguish it from others." According to the American Marketing Association, a brand is "a name, term, symbol, color, mark, design, or a combination thereof used to distinguish a product or service's producer or seller from others."

Aaker (1996) defines a brand as "the set of brand equity elements that add value to the brand name and slogan of a product or service offered to customers" [1, p.26]. Aaker's approach highlights the specific aspects of the relationship between the customer and the brand.

Kapferer and Jean-Noël have made the definition more specific, describing a brand as an entity with unique values that create distinctive differences in long-term relationships [8, p.52].

According to Kotler and Keller, branding strengthens products or services through brand power [10, p.65]. Kapferer and Jean-Noël emphasize that the branding process is not solely about forming a brand name; it also requires long-term and high-level corporate resources and capabilities [8, p.56].

The impact of branding strategies on consumer behavior varies according to consumers' demographic characteristics. This underscores the importance of considering how behaviors change based on demographic factors when developing branding strategies. Demographic factors are key variables influencing consumer behavior and play a crucial role in shaping marketing strategies. Based on gender, men and women exhibit different behaviors in product selection and shopping habits. Age groups have varying needs and preferences, making segmentation essential. Monthly income determines purchasing power and influences choices across premium, mid-range, or budget segments. Education level affects product awareness and decision-making processes. Cultural status shapes behaviors aligned with social norms. Employment status and sector determine consumers' lifestyles and priorities [1].

Demographic factors lead consumers to exhibit different behavioral patterns, resulting in varied impacts of branding strategies. Variables such as gender, age, education level, income level, cultural status, and employment status shape individuals' approaches to products or services [3]. For instance, shopping habits and product preferences differ between men and women, necessitating marketing messages tailored to distinct groups [10, p.16]. Similarly, age groups are characterized by different needs and values. Younger consumers, for example, are more interested in technology and fashion, whereas older consumers prioritize functionality and value [11, p.22]. Education and income levels influence awareness of products and purchasing

capacity. Consumers with higher education levels tend to be more discerning and pay attention to the unique features of a product [6, p.34].

Moreover, cultural status and employment status are significant factors influencing consumer behavior and brand perceptions. Cultural norms determine which products a person prefers, requiring different brand messages in diverse geographic or cultural settings [5, p.45]. Employment status and the sector in which a person works shape consumers' lifestyles, priorities, and purchasing behaviors. For example, high-ranking professionals may show greater interest in luxury and prestigious brands, while those with simpler lifestyles may prioritize practicality and affordability [2, p.51]. Consequently, when branding strategies are not aligned with relevant demographic variables, their effectiveness decreases, making it more challenging to establish resonance with the target audience.

The data required for analysis were obtained through a survey, which is a quantitative research method, and respondents were selected using a convenience sampling method. Since this study focuses on the purchase of food products, the target population includes all individuals residing in the Republic of Azerbaijan who purchase and consume food products. The sample size was calculated based on a 95% confidence level, a 5% margin of error, and a Z-table value of 1.96, with probabilities set at  $p = q = 0.5$ . A total of 1,005 participants took part in the survey.

A 5-point Likert scale was used in the survey to evaluate the impact of branding strategies on consumer behavior. The statements in the scale were developed by the researcher and were not based on any pre-existing scales. The data collected through the survey were analyzed using various statistical methods. The collected data were appropriately coded and subsequently analyzed using the "IBM SPSS Statistics 27" software. A statistical significance level of 0.05 was set for this study. Parametric statistical methods were applied, and the normal distribution was used to determine whether the coefficients of each evaluated factor were skewed. Based on the 6 factors confirmed through factor analysis, the following hypotheses were developed:

<b>No</b>	<b>Hypotheses</b>	<b>Methods used</b>
<i>H1</i>	<i>Consumer behavior varies by the gender of the consumer.</i>	T test
<i>H2</i>	<i>Consumer behavior varies by the monthly income of the consumer.</i>	One way Anova
<i>H3</i>	<i>Consumer behavior varies by the marital status of the consumer.</i>	One way Anova
<i>H4</i>	<i>Consumer behavior varies by the age of the consumer.</i>	One way Anova
<i>H5</i>	<i>Consumer behavior varies by the education level of the</i>	One way Anova

	<i>consumer.</i>	
<i>H6</i>	<i>Consumer behavior varies by the current employment status of the consumer.</i>	One way Anova
<i>H7</i>	<i>Consumer behavior varies by the sector in which the consumer works.</i>	One way Anova

Table 1. Research Hypotheses

### Research findings

The survey included 1,005 participants, of whom 51.9% were male and 48.1% were female. Participants were primarily distributed across the age groups of 36-40 years (23.7%), 31-35 years (21.3%), 25-30 years (15.9%), and 41-45 years (13.4%). In terms of marital status, 53.1% were married, 33.1% were single, while the remaining participants were either separated or widowed.

Regarding educational attainment, 77.9% of participants represented the group with secondary specialized and higher education degrees. Additionally, 6.3% of the participants held academic titles. When examining monthly income, one-fourth of participants earned between 500-999 AZN. The middle-income group (1,000-1,499 AZN) accounted for 17.5% of respondents. Those without employment constituted 16.7%. The current employment status of participants corresponded to their reported income levels. Of the total respondents, 777 individuals (77.3%) were employed, while retirees comprised 5% of the survey population.

In terms of employment sectors, participants were primarily employed in the private sector (43.3%), followed by the public sector (24.7%) and government service (5.5%). Individuals engaged in entrepreneurial activities accounted for 4.8%, while 21.8% were not involved in any sector-related employment.

To evaluate the impact of branding strategies, six key factors were utilized: Functionality, Psychological Aspects, Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty. The effectiveness of branding strategies was assessed based on the values derived from these factors, providing a comprehensive understanding of their influence on consumer behavior and brand perception.

The normal distribution analysis yielded the following values, indicating that the data obtained in the study conforms to a normal distribution. This conformity allows for the use of parametric statistical analysis methods.

<b>Factor</b>	<b>Skewness (S)</b>	<b>Kurtosis (K)</b>
Functionality	-0.050	0.403

Psychological	-0.193	0.620
Brand Awareness	0.144	1.356
Brand Association	-0.137	1.344
Perceived Quality	-0.364	0.554
Brand Loyalty	-0.341	1.383
Purchase Intention	-0.050	1.640

Table 2. Normal distribution results

Based on these values in Table 2, it can be concluded that the data adheres to normal distribution assumptions, enabling the application of parametric statistical methods for further analysis.

During the research process, data were collected using a 5-point Likert scale. This Likert scale was developed by the author based on 6 independent and 1 dependent variable and is referred to as the "Brand Strategies" scale. To determine the reliability of the scale, Cronbach's Alpha analysis was conducted, and the scale's overall reliability was calculated as  $\alpha = 0.909$ . Additionally, reliability analysis was performed for each of the 6 independent and 1 dependent variable that constitute the "Brand Strategies" scale. The results are presented in **Table 3** below.

Factor of the Scale	$\alpha$
Physical Functionality	0.833
Psychological	0.885
Brand Awareness	0.857
Brand Association	0.807
Perceived Quality	0.723
Brand Loyalty	0.776
Purchase Intention	0.886

Table 3. Reliability Coefficients of the "Brand Strategies" Scale

The results demonstrate that the "Brand Strategies" scale and its individual factors have high reliability, making it suitable for further statistical analyses.

To examine whether branding strategies in Azerbaijan's food industry have varying effects on consumer purchase behavior based on demographic characteristics, the hypotheses mentioned above were tested using t-tests and ANOVA.

**H1a:** "Consumer behavior differs based on the gender of the consumer." As shown in Table 4, a t-test ( $t = 0.41, p = 0.967 > 0.05$ ) was conducted to determine whether the dependent variable, purchase behavior, differs by gender. The results indicate no statistically significant difference between gender groups.

Factor	Gender	Number of Participants	Mean	Standard Deviation	t	p
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Purchase Behavior	Male	461	3.9864	0.45559	0.41	0.967
	Female	441	3.9853	0.40214		

Table 4. Comparison of Purchase Intention by Gender

The mean scores for both male and female groups are very close, suggesting similar purchase behavior across genders. Based on these findings, the hypothesis "**H1a: Consumer behavior differs based on the gender of the consumer**" is rejected. This implies that gender does not significantly influence purchase behavior in the context of Azerbaijan's food industry.

**H1b:** "*Consumer behavior differs based on the consumer's monthly income.*"

To examine whether consumer behavior varies by monthly income, a One-Way ANOVA test was conducted. The analysis revealed that the variances (dispersions) of income groups were not equally distributed, as indicated by the Levene test result ( $p = 0.001$ ). Therefore, instead of ANOVA, the Welch test results were used in line with the condition of  $p \leq 0.05$  [64, p.336].

Factor	Monthly Income	Number of Participants	Mean	Standard Deviation	F	p
<b>Purchase Behavior</b>	0-499 AZN	142	3.9296	0.43898	4.023	0.012*
	500-999 AZN	245	4.0000	0.43004		
	1000-1499 AZN	161	3.9938	0.28770		
	1500-1999 AZN	102	4.0319	0.42021		
	2000-2999 AZN	54	3.9907	0.42327		
	3000-3999 AZN	44	4.2216	0.60812		
	4000+ AZN	16	4.1406	0.60532		
	Unemployed	138	3.8804	0.44621		

\*Note: The Welch test result was used due to unequal variances.

**Table 5. Comparison of Purchase Behavior by Monthly Income**

As shown in the analysis, purchase behavior varies significantly across monthly income groups, as the p-value is below 0.05 ( $p = 0.012$ ). This indicates that the hypothesis "**H1b: Consumer behavior differs based on the consumer's monthly income**" is accepted.

**H1c:** "*Consumer behavior differs based on the consumer's marital status.*"

The differences in consumer behavior based on marital status were analyzed. The ANOVA test revealed that the variances (dispersions) of cultural status groups were not equally distributed, as indicated by the Levene statistic ( $p = 0.01$ ). Therefore, the results of the Welch test were considered, where  $p = 0.006 < 0.05$ .

Factor	Cultural Status	Number of Participants	Mean	Standard Deviation	F	p
Purchase Behavior	Single	278	3.9092	0.51867	6.530	0.006 *
	Married	489	4.0169	0.37717		
	Divorced/Widowed	135	4.0315	0.38926		

\*Note: The Welch test result was used due to unequal variances.

Table 6. Comparison of Purchase Behavior by Cultural Status

Since the p-value ( $p = 0.006$ ) meets the condition of  $p < 0.05$ , consumer behavior significantly differs based on marital status. This difference is not random and is statistically significant. Based on this result, the hypothesis "**H1c: Consumer behavior differs based on the consumer's marital status**" is confirmed.

**H1d: "Consumer behavior differs based on the consumer's age."**

To examine whether consumer behavior varies across age groups, an ANOVA test was conducted. The Levene statistic showed  $p < 0.05$  ( $p = 0.001$ ), indicating unequal variances across age groups. Consequently, the Welch test result, with  $p = 0.005$ , was used for interpretation.

Factor	Age Groups	Number of Participants	Mean	Standard Deviation	F	p
Purchase Behavior	16-19	52	3.7260	0.55849	4.302	0.005 *
	20-24	71	3.9190	0.50670		
	25-30	141	3.9521	0.40412		
	31-35	190	4.0053	0.42876		
	36-40	227	4.0352	0.39824		
	41-45	131	4.0095	0.37391		
	46-54	49	4.1071	0.43899		
	51+	41	3.9634	0.40141		

\*Note: The Welch test result was used due to unequal variances.

Table 7. Comparison of Purchase Behavior by Age Groups

As observed in Table 7, the p-value of  $0.005 < 0.05$  confirms that consumer behavior significantly differs across age groups. Therefore, the hypothesis "**H1d: Consumer behavior differs based on the consumer's age**" is accepted.

**H1e: "Consumer behavior differs based on the consumer's education level."**

To determine whether consumer behavior varies across education levels, an ANOVA test was conducted. The Levene statistic yielded  $p = 0.001$ , indicating that the variances among



education level groups were not equal. Consequently, the Welch test result, with  $p = 0.001$ , was used for interpretation.

Factor	Education Level	Number of Participants	Mean	Standard Deviation	F	p
Purchase Behavior	Incomplete Secondary Education	58	3.7241	0.54146	5.873	0.001 *
	Secondary Education	92	4.0435	0.44414		
	Secondary Specialized Education	194	4.0219	0.40139		
	Higher Education (Bachelor's)	283	3.9655	0.41834		
	Higher Education (Master's)	225	4.0000	0.41052		
	Candidate of Sciences (PhD)	50	4.0950	0.41616		

\*Note: The Welch test result was used due to unequal variances.

Table 8. Comparison of Purchase Behavior by Education Level

As shown in Table 8, the p-value of  $0.001 < 0.05$  indicates that consumer behavior significantly differs across education levels. Therefore, the hypothesis "**H1e: Consumer behavior differs based on the consumer's education level**" is accepted.

**H1f: "Consumer behavior differs based on the consumer's current employment status."**

The Levene statistic for this hypothesis was determined to be  $p = 0.001$ , indicating that variances between current employment status groups are not equal (non-homogeneous). Therefore, the results of the ANOVA test may not be reliable, and the Welch test result, with  $p = 0.001 < 0.05$ , was used for interpretation.

Factor	Current Employment Status	Number of Participants	Mean	Standard Deviation	F	p
Purchase Behavior	Student	70	3.7357	0.57717	9.352	0.001 *
	Unemployed	65	3.9462	0.34656		
	Employed	718	4.0139	0.41835		
	Retired	49	3.9847	0.33622		

\*Note: The Welch test result was used due to unequal variances.

Table 9. Comparison of Purchase Behavior by Current Employment Status

Since  $p = 0.001 < 0.05$ , it can be concluded that consumer behavior significantly differs based on current employment status. Therefore, the hypothesis "**H1f: Consumer behavior differs based on the consumer's current employment status**" is accepted.

**H1g:** "Consumer behavior differs based on the sector in which the consumer works."

To assess whether consumer behavior varies across different sectors of employment, an ANOVA test was conducted. The Levene statistic for this analysis was  $p = 0.001 < 0.05$ , indicating non-homogeneous variances between groups. Therefore, the Welch test result, with  $p = 0.001 < 0.05$ , was used for analysis.

Factor	Sector of Employment	Number of Participants	Mean	Standard Deviation	F	p
Purchase Behavior	Private Sector	410	3.9652	0.41904	5.900	0.001 *
	Public Sector	219	4.0708	0.38924		
	Government Employee	53	4.0189	0.35643		
	Self-Employed	44	4.1136	0.57175		
	Unemployed	176	3.8864	0.45889		

\*Note: The Welch test result was used due to unequal variances.

Table 10. Comparison of Purchase Behavior by Sector of Employment

The Welch test result ( $p = 0.001 < 0.05$ ) confirms that consumer behavior significantly differs based on the sector of employment. Therefore, the hypothesis "**H1g: Consumer behavior differs based on the sector in which the consumer works**" is accepted.

## Conclusion

The study aimed to evaluate the influence of various demographic factors on consumer behavior, particularly in the context of Azerbaijan's food industry. The results demonstrate that while some demographic variables significantly impact consumer behavior, others do not. For instance, the hypothesis H1a: "Consumer behavior differs based on the gender of the consumer" was rejected, as t-test results ( $p = 0.967 > 0.05$ ) indicated no statistically significant differences between male and female groups in their purchase behavior. Conversely, other hypotheses revealed significant differences. For example, H1b: "Consumer behavior differs based on the consumer's monthly income" was accepted based on Welch test results ( $p = 0.012$ ), showing that income levels play a crucial role in shaping purchase behavior. Similarly, H1c: "Consumer behavior differs based on the consumer's marital status" was supported ( $p = 0.006 < 0.05$ ), suggesting that marital status impacts how consumers approach buying decisions.

Further analysis of factors such as age, education, employment status, and sector of employment provided additional insights. H1d: "Consumer behavior differs based on the consumer's age" was accepted ( $p = 0.005 < 0.05$ ), highlighting age as a significant determinant of purchasing tendencies, with variations observed across age groups. Likewise, H1e: "Consumer

behavior differs based on the consumer's education level" ( $p = 0.001 < 0.05$ ) confirmed that education shapes consumer decision-making, with higher educational attainment generally leading to more informed and deliberate behavior. Employment-related variables also showed a significant impact: H1f: "Consumer behavior differs based on the consumer's current employment status" ( $p = 0.001 < 0.05$ ) and H1g: "Consumer behavior differs based on the sector in which the consumer works" ( $p = 0.001 < 0.05$ ) were both accepted, indicating that work status and sector influence purchasing patterns. These findings underscore the importance of tailoring branding strategies to specific demographic profiles to optimize their effectiveness.

In conclusion, this research highlights the critical role of demographic factors in shaping consumer behavior within the food industry. While gender appears to have little influence, factors such as income, marital status, age, education, employment status, and sector significantly impact consumer decision-making. This reinforces the need for marketers to adopt segmented branding strategies that align with the unique characteristics and preferences of different demographic groups. By doing so, businesses can better target their audience, enhance consumer engagement, and ultimately drive more effective branding outcomes in the competitive market landscape.

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