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How income level is affecting Consumer Behavior in the Digital Economy?

New trends in Consumer Behavior in big cities of Kazakhstan.

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Abstract

The change of the economic model from a planned economy to the establishment of a capitalist model after the collapse of the planned economy in terms of technological progress and general digitalization of business led to pertinent changes in people's consumption behavior and psychology. This does not only determine what goods and services would now be a priority for buyers, but it also defines the lifestyle and general standards of "comfort" and "quality of life". Based on these new principles, whole young generations of activists will grow and develop, for whom consumption will be both a way of life and a new way of thinking.

It is also essential to understand the medium and long-term consequences of all these trends and prospects on people. It depends on what values will most certainly be relevant and honored in society, as well as the general economic conditions of people and the country as a whole. All this is crucial for building and understanding the laws and orders of society, under which the capitalistic consumption is completely normal and commonplace.

Key words: economy, new trends, income level, lifestyle, consumer behavior, e-commerce, Digital Economy, GDP

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Introduction

Socialism and Planned Economy

In 20 century, there were two completely different and opposite ideological approaches to the construction of society and its development, i.e Western capitalism¹ and socialism². The ideology of the Soviet Union was based precisely on the ideas of socialism, which were laid down by Karl Marx³. In economic terms, socialism is characterized by the state's control over the economy – it refers to the production and the process of resource allocation. However, Marx's ideas were partly altered and radically interpreted, which led to the birth of communism, that in turn completely denied the concept of private property (Dagger, n.d.). This model of building the society certainly affects the type of economy and its capabilities. Communism made an exclusively planned economy⁴ possible, which worked until the end of the collapse of the Soviet Union up until the early 90s of the 20th century. A core of a planned economy seems to be that financial assets are controlled by the government and allocated centrally, forcing people and businesses to follow a centralized economic strategy (Team, 2021).

Simply, the state decides what exactly needs to be produced, to what extent it needs to be produced and where and how it needs to be distributed in practice. The whole system was very centralized, and all key decisions were approved through Moscow. This approach led to the complete dependency of people and regions on the center better known as Moscow. The plan that was drawn for 3-5 years ahead, had to be diligently observed and whole generations grew up with the understanding that products and goods appear in stores merely because the state had decided that it is “necessary”, and it is the state that knows better what people need and how much they need. As a result, millions of people lived without understanding

¹ Capitalism- A social system in which production and distribution are based on private property.

² Socialism-A social system in which production relations is state ownership of the means of production.

³ Karl Marx-German philosopher, sociologist, economist, writer. The author of his main scientific work on political economy “CAPITAL”

⁴ Planned economy-An economic system in which production and natural goods are in the public domain and will never become anyone's property.

that their desires and needs can be a key in matters of production and consumption. This certainly had an impact on their consumer behavior after the collapse of the Soviet Union and the emergence of new, independent, and now capitalist countries like Kazakhstan where the economy is arranged according to completely different principles unlike the ones in the history of the USSR.

Capitalism and competitive market

After the collapse of the Union, a shortage of goods on the shelves became a serious issue since the production was decentralized and it took 10 to 15 years to adapt to a new economic regime⁵ (Team, 2022). In the 2000s, the first representatives of small and medium-sized businesses began to appear. It was the emergence of the private sector that marked the beginning of a new capitalist vector of the country's development, which resulted from the changes in people's perception of business, economy, and the concept of consumption. These profound changes in the country's economic policy led to an unconditional increase in consumption growth after the Soviet deficit⁶ for all goods and services within the state.

Digital economy and Marketing 4.0

Eventually, with the rapid development of technology, the business began to be digitalized. This means that businesses had the ability to create new opportunities for profit and increase an attractiveness of the product itself via the Internet, phones and computers. This is a new chance to generate and earn money without limiting the terrain and location (an example is the sale of DVDs in the city, instead of showing in one cinema) (*Digitization vs. digitalization: Differences, definitions and examples*, 2021). Thus, it opened unique horizons for ventures and the entire global economy, which certainly affects the ways of selling and serving consumers through providing new products and services that would not have been

⁵ Economic regime- a way of managing the economy, which is based on the principle of minimizing the consumption of resources.

⁶ Deficit- (The commodity deficit in the USSR) is a phenomenon inherent in the Soviet planned economy, a constant shortage of large goods and services that buyers did not purchase, despite the availability of funds.

possible before digitalization⁷. The banking sector was transformed to the extent which online transfers and the use of credit cards were possible to control all of the online trading around the world through store websites and online platforms. The entire industry is now founded upon the results of technological progress and the further development of its capabilities. This also affects people's tastes, attitudes to, as well as the whole perception of the product.

Pricing strategy

“Customer Community Confirmation” – Traditional advertising starts from segmentation that divides the market into different characteristics, such as geography, demographics, or psychographic factors⁸ in order to identify the general features that will guarantee the marketing campaign being tailored to the market’s preferences. Following that, marketers concentrate on targeting, that aids in determining each segment’s potential and commercial desirability.

Potential clients in the market have little to no influence on the marketers’ insights while using this marketing strategy. Furthermore, clients are more likely to see an advertising as irrelevant or as a spam if there is no connection between the firm and its customers.

Brands must enter communities to ensure that their messages are accepted to avoid the above-mentioned outcome. To do this, they must approach their communities as a friend, and not as a marketer or a corporation, with the genuine aim of knowing their consumers’ needs and wishes. The horizontal

⁷ Digitalization is the introduction of digital technologies in various spheres of life.

⁸ Geographic factor- local, national, regional, international;

Psychographic factor- activities, hobby, values and personal characteristics, views

Demographic factor- age, gender, income, marital status, nationality;

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communication⁹ enables a more effective interchange by ensuring that the process of segmentation¹⁰, targeting¹¹, and positioning¹² is clear between the business and the client.

A brand is typically represented by a name, a logo, or a slogan in order to create an image that distinguishes it from other competitors, as well as to represent the product or service and overall experience that a company offers to its consumers. To build great brand equity, positioning is essential. A brand's positioning may be interpreted as the way a brand wants to be viewed by customers. It is often the responsibility of brands to build a core proposition, online value proposition, and brand development, to mention a few.

In this digital era of marketing, however, businesses must be dynamic and flexible in the messages they provide and the manner in which they communicate them. While they must adapt to the new era, they also ought to ensure that the messages they transmit remain true to the brand's character and ethics.

“Commercializing the 4C’s”

The 4Cs – Co-creation, Communal Activation, Currency, and Conversation – have emerged as a new marketing mix that allows for greater customer engagement in the new digital economy.

The rise in direct client connection and participation in the product development process is referred to as co-creation (replacing Product).

The Peer-to-Peer distribution model may also be used to understand Communal Activation (replacing Place), allowing customers to get closer to the items and services they require.

⁹ Horizontal communication define the communication of people with the same powers and responsibilities.

¹⁰ Segmentation is the division of the target audience and customers into groups according to a number characteristics that affect consumer behavior.

¹¹ Targeting is the selection of a specific target audience and the creation of business specifically for it.

¹² Positioning is the process of finding a market position for a company, product or services that will compare favorably with that of another company.

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Currency (replacing Price) assists businesses in achieving optimal profitability while managing the supply and demand more effectively.

The two-way connection between consumers that allows them to convey their ideas, views, and ratings about a brand or a product is referred to as Conversation (replacing Promotion).

Marketing 4.0 is a hybrid of conventional and digital marketing methods aimed at improving consumer engagement. Marketers may recognize and plan for improved consumer interaction and advocacy by utilizing both online and offline relationships.

Sharing economy

Rising capitalism of the post-Soviet background along with the digitalization era has created a completely new understanding of economics – the sharing economy¹³ (Moroshkina, 2022). This is a contemporary way of thinking about tangible and intangible assets, where the focus is more on using, instead of owning things. Speaking in the context of the car, as an example, the trip itself is more important than the ownership of the car. Therefore, carsharing¹⁴ will be more convenient and more comfortable than buying a car and its further maintenance. Material values like an apartment, car, and money are kept in a bank that subsequently limits the most necessary capacity of mobility and liquidity of the resources. Thus, efficient sharing can be visualized with an example of a car, which becomes useless when the person is doing anything but driving it.

The result of this economic model is the creation of services such as Apple music¹⁵, Anytime Car sharing, Jet sharing¹⁶, Glovo¹⁷, Krisha KZ¹⁸. All these services that work successfully in Kazakhstan are examples of profitable companies that are leaders of their markets, but the conditions of that growth are the new

¹³ The sharing economy is a new culture and economic business model whereby people exchange their assets by means of technology and online platforms.

¹⁴ Carsharing is a short-term car rental.

¹⁵ Apple music is a streaming service provided by Apple.

¹⁶ Jet sharing is service provides the opportunity to fly a business jet in a chair rental format.

¹⁷ Glovo is a delivery service that delivers goods ordered through a mobile application.

¹⁸ Krisha KZ- one of the most popular and largest Kazakhstan sites for placing ads for the sale and rental of real estate.

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behavioral patterns and consumption habits of society in Kazakhstan. This occurred owing to the development of technology, digitalization, and sharing economy that caused the change in the behavioral model of people.

(Hypothesis 1) Consumers in big cities such as Almaty, Nur-Sultan and Shymkent have overall higher income level and sources, which influence to their Consumer Behavior¹⁹, and there are several models of behavior

(Hypothesis 2) Income Level is not affecting the Consumer Behavior models and overall consumption in regional cities.(Aktobe, Kostanay, Karaganda)

Literature Review

To understand the mechanisms and all the processes of this thesis, it is significant to figure out the fundamental principles that enable a deep comprehension of the research topic itself. Using the knowledge of economics, marketing, and referring to the basic knowledge of human psychology, it is necessary to draw conclusions about the behavioral model of society and different subgroups based on various factors, such as gender, age, language, type of work, and city.

E-commerce

Electronic commerce²⁰ unites all platforms and services where a payment takes place online. One of them — online stores that accept electronic payments. In fact, this is the core of the rapidly emerging digital economy in the world and the result of the explosive pace of development of telecommunications capacities over the past decade.

¹⁹ Consumer Behavior is a set of factors that influence the decision to purchase a product.

²⁰ Electronic commerce is a digital sphere of the economy that allows companies to carry out financial transactions.

With the growth of digitalization and the massive transition to online platforms, e-commerce has become the driving force of key changes in the global economy. Access to e-commerce is now possible from any smart device: at the end of 2020, there were almost 10 billion smartphones, computers and tablets connected to the Internet in the world. This already exceeds the world's population (almost 8 billion people) (7). Great example of e-commerce is Alibaba²¹, monopolist²² of the Chinese e-commerce market and one of the largest companies in the world. Alibaba's market capitalization as of April 2021 was \$637 billion, making it the ninth most expensive company in the world (8). The company was founded in 1999 and has been operating in three directions: b2c²³ (Tmall and Aliexpress), b2b²⁴ (Alibaba), and c2c²⁵ (Taobao). All three platforms have already entered the international market (including Kazakhstan), but the main share still falls on the domestic market. The company also has its own Alipay²⁶ payment system, which works as an international one. Alibaba's model is similar to eBay²⁷: it acts as an aggregator for sellers — individuals, stores, or manufacturers — who themselves send goods to customers.

Primary data

Economic concepts

Income – often defined as the value or quantity an individual or business receives monetary funds or tangible assets received by the state, an individual or a legal entity as a result of any activity for a certain period of time (Scott, 2022). Here also, income is the exchange of time and effort expressed in monetary terms. In our case, income equates to the salary.

²¹Alibaba is the leading international bulk purchasing platform serving millions of buyers and suppliers around the world.

²² Monopolist is a market structure in which a large company controls the market

²³ b2c- commercial interaction between business and individuals

²⁴ b2b- trade relations between legal entities, “Business-to-business”

²⁵ c2c-trade relation between individuals, “Consumer-to-consumer”

²⁶ Alipay one of the largest payment systems

²⁷ ebay- a company providing services in the areas of online auctions and online stores.

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Household income – would be the overall total income of all people in the household who are over a specific age. In certain circumstances, individuals do not need to be connected in any way to be regarding respondent of the same household. (Scott, 2022)

Income source – something that provides a regular supply of money, such as employment, investments, a pension etc. (*Income source definition and meaning: Collins English dictionary*).

Purchasing power parity (PPP) – are currency conversion rates that eliminate pricing discrepancies across nations, therefore equating the buying power of various currencies. Yet in this research paper, this is the purchasing power of individual regions based on a certain consumer basket.

Sharing economy IT products – are the IT business platforms available in Kazakhstan, which include “Anytime” car sharing, jet sharing, Kaspi, Halyk, Cber, Jusan banks, Chocofamily²⁸ (all their products), Kolesa Group²⁹, OLX³⁰, Yandex³¹ company products, Glovo, Wolt delivery³², Lamoda³³, Wildberries³⁴ platforms, Aviata³⁵, Booking³⁶ etc.

Marketing concepts

Insight – the capacity to have a clear, profound, and often unexpected comprehension of a hard subject or situation is known as insight (*Insight, Cambridge University*).

Habit – is a learned behavior pattern that is followed on a frequent basis until it becomes practically involuntary (*Habit definition & meaning*).

²⁸ Chocofamily- the largest e-commerce service in Kazakhstan

²⁹ Kolesa Group- IT company that creates and develops services for publishing ads.

³⁰ OLX- one of the largest ad services for all spheres of human life

³¹ Yandex- a company in the information technology industry that owns an Internet search engine, an Internet portal and web services in several countries.

³² Wolt delivery is a food ordering and delivery platform that connects restaurants and customers

³³ Lamoda-one of the largest online stores that provides delivery of goods

³⁴ Wildberries- international online store for the delivery of goods in all spheres of human life

³⁵ Aviata- service for online booking and purchase of air and railway tickets.

³⁶ Booking- online platform for hotel booking

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Acquired habit – is a state of mind that develops through time as a result of one's own activity and the repetition of particular activities (*Dictionary: Acquired habit*).

Consumer behavior – is the research of individuals, their psychological, intellectual, and cognitive reactions, and the power to make decisions, use (consume), and reject products and services. (Panaitescu & Predoiu, 2022)

Market segmentation – is the practice of breaking down your target audience into manageable groups. Segmentation separates an industry into divisions based on demographics, needs, goals, common interests, and behavioral factors that might help you better understand your target audience (*Your guide to market segmentation*, 2022). In this case, people are segmented by geographical factor, as well as by gender and age.

Lifestyle –A person's lifestyle is defined as a combination of hobbies, interests, habits, philosophies, and other characteristics that set one group of individuals apart from others. In this research, people with one lifestyle should be analyzed and compared with people leading a different lifestyle. Only then will it be completely appropriate. For example, students of KAZGUU and students of Turan University may be taken for carrying out such comparisons.

Complex buying behavior – Clients engage in sophisticated buying behavior while purchasing expensive, infrequently purchased commodities. They are significantly involved in the purchasing process as well as buyer personas prior to focusing on high purchase.(Panaitescu & Predoiu, 2022)

Dissonance-reducing - The customer is strongly involved in the purchase process yet has difficulty discriminating between brands. Incongruence occurs when a customer is apprehensive that they will regret their choice. (Panaitescu & Predoiu, 2022)

Habitual purchasing behavior - is characterized by a user's lack of interest in a certain specific product. (Panaitescu & Predoiu, 2022)

Variety seeking behavior - a consumer gets a different product because they want variety, not because they were dissatisfied with the prior one. (Panaitescu & Predoiu, 2022)

Price segmentation – Price differential based on ability to pay is referred to as a desire to pay variation. It stems from the fact that price sensitivity varies widely from one customer to the next and throughout all of the places in which they use the product.

AIDA – AIDA - the model of interaction with the user on the way to purchase. The AIDA framework divides communication with visitors into certain stages depending on their willingness to purchase.

Attention: The first stage of the AIDA model is to attract the attention of potential buyers. It should be kept in mind that users are not familiar with the product yet. The task of the business is to identify the target audience and figure out how to capture its attention. To do this, it is necessary to research potential customers, study their pains and needs and choose channels for interaction with the CA.

Interest: At the second stage of the AIDA model, the task of the business is to arouse user interest in the product. If the attention of a potential buyer has already been captured, it is likely that they noticed the advertisement and followed it to the site.

Desire: At the third stage of AIDA, the task of marketing and sales is to create a desire to buy. The user is already interested in the product, familiar with the company, but still not ready for the last step.

Action - The last stage of AIDA in marketing and sales is a call to action. When a buyer is ready to make a purchase or sign a contract, but does not dare to say “yes”, they need to be pushed to action.

Digital marketing – This is marketing, which uses new and technological tools, such as the Internet, social networks, email, to attract customers (Kotler and Armstrong, 2009). It allows many-to-many connections

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and is commonly used to offer goods or services in a quick, appropriate, personable, and cost-effective way because of its significant level of connection. (Bains et al., 2011).

QR Codes – A QR code³⁷ may be thought of as a link that interacts with the real and internet worlds. Advertisements, brochures, posters, and even clothes or billboards may all employ QR codes to send consumers to mobile landing sites with considerably more details and interaction than in any other form. This type of digital instrument allows the business to communicate at different levels of perception (Summerfield, n.d).

Consumer behavior model – model that defines why and how individuals purchase goods. By putting out a consistent map of client decisions up to conversion, consumer behavior models help you lead every stage of the buyer's journey.(Needle, 2021)

Howard Sheth Model of Buying Behavior –According to Howard Sheth's consumer model, buying is a journey that can be described as an extremely rational and balanced decision. At each stage of the purchase, people solve their problems by choosing, while taking into account the circumstances that greatly affect the final result.(Needle, 2021)

There are three parts of decision-making, according to this model:

For people, the most important thing is to solve their pertinent problem, hence they are guided by this logic, despite the brands and products. They are not aware of them.

Limited Problem-Solving: After they realize that they can solve their problem, they begin to slow down due to the understanding of having a choice. It is the knowledge that they can solve their problem and the fact that they have a choice that helps them choose consciously and for the long-run.

³⁷ QR code - use for quick access to the site, familiarization with new information

As a result of the choice and analysis and the whole path that the consumer has passed, they already know which brands and products spark their curiosity and are useful to them, and only after that they are ready to buy (Needle, 2021).

Other factors and concepts

When studying the model of behavioral change, an article by Barbu³⁸ was considered, in which, through the quantitative method of research, an algorithm for decision-making, changing the mindset of consumers of sharing products was discovered (Barbu, 2018). According to the results of the questionnaire for Uber³⁹ consumers, a behavioral model was studied where consumer satisfaction occurs along a different trajectory since the price is created by three sources such as the driver, the passenger, and the algorithm of the Uber application software. The author's use of the quantitative research method has proven its effectiveness as it is possible to determine the significant influences and links between different variables (Barbu, 2018).

When searching for studies conducted on the example of Kazakhstan's market, an article by Shulgin and Kolesnikov provides a similar approach but with the examination of the fast-moving consumer goods market and trends in consumer behavior (Kolesnikov, 2019). The researchers agreed on the concept of market's chaotic development in which the influence of various technological advances transformed consumer preferences. The heterogeneous formation of the market complicates the process of consumption and purchasing behavior of people in the country. In addition, in this study, as well as on the example of the Barbu, the negative aspects of which need to be monitored and regulated both on a short-term and a long-term basis were taken into account. The article was published recently in 2019 and has an up-to-date data which directed the research questions further.

³⁸ Eugen Barbu is a Romanian writer, journalist, screenwriter and politician.

³⁹ Uber - is an international company that allows to order a taxi in major cities around the world.

Clearly, trends in consumer behavior remain influenced by various factors and conditions. The article by Alexander Ostrovsky⁴⁰ expresses opinions on the connection of socio psychological aspects and purchasing power in the conditions of Kazakhstan and its market (Ostrovskiy & Rybina, 2021). The open economy of the country creates conditions for commodity exchange in which it is possible to find products from different countries and from different manufacturers. When making decisions, buyers are not always reasonable and rational and can start from different parameters that create a purchasing stereotype. In other words, the researchers found consumer attitudes on the products of neighboring countries and individual preferences that depend on the country of origin. This kind of trend is also relevant for sharing products that have been formed in different countries (Ostrovskiy & Rybina, 2021). For example, Yandex taxi and DiDi taxi ⁴¹services are commonly used, differ in the level of trust from consumers due to the country that had founded them. In this study, the empirical approach is the most suitable, since the interaction of different economic and social indicators on the behavioral deformations of consumers is detected. The article by Ahmad Hussain, who studied the decision-making process regarding Fast Moving Consumer Goods⁴², turned out to be practical when studying the use of empirical data to detect correlation. Here, similarly to Barbu's research, a questionnaire was organized among buyers. After that, a regression analysis of the findings was carried out where a trend and relationship were detected.

Researchers Curtin and Kardes agreed on the use of empirical data collected during the survey as an effective research method for the proposed research, where the first author conducted an extensive study of consumer behavior indicators based on the survey. Statistical data were collected for several decades in order to effectively detect visible changes in consumer behavior. This kind of research method is acceptable for extensive research for a long time, while for short-term research, a survey model and sample research parameters can be formed. The research was based on the theoretical knowledge derived from the book written by Kardes, who wrote a textbook on consumer behavior. In particular, the first

⁴⁰ Alexander Nikolayevich Ostrovsky- Russian writer and playwright.

⁴¹ DiDi - is a Chinese company providing taxi aggregator, carsharing services.

⁴² Fast Moving Consumer Goods - short term of goods that are quickly sales at a relatively low price.

chapter on the definition of the consumer behavior and research in this area turned out to be both informative and useful. According to the author, it is important to determine the purpose and objectives that further design the type of activity for the study of buyer behavior. According to the author, the study of consumers can be carried out as basic research or applied with further practical use for marketing purposes. Kardes also argues how valuable it is to use empirical data that form an overview of various indicators such as the profitability of consumers from an economic perspective. However, we cannot infer that there is only one parameter that determines the consumer's decision-making process, as the author defined consumer behavior as the decision-making, use, and even processing of the product depending on physical, mental, psychological, social, and other factors (Kardes & Cline, 2014).

In the further study, it was important to discover the lifestyle of Kazakhstani consumers, which is a parameter integrated due to the national and cultural characteristics of the people. Gupta's scientific article on the effect of these factors on consumer behavior under the conditions of the sharing economy served as an illustration of individuals' intention in the market. The author, using an example from several developed and developing countries with a sharing product economy, discovered how different the behavior of people were, who, depending on the product category, were ready or against using sharing products. The attitude and desire of consumers are formed due to various parameters related to economic, national, and cultural character traits (Gupta & Tennant, 2019). Accordingly, for Kazakhstan, the study has a similar character yet quite a distinctive given data, since the country differs in the levels of economic, social development, demographic diversity, etc.

After a thorough study of the collected database of research papers, books, and textbooks, it can be concluded that research will be a proper addition to the scientific community as there are no similar research publications that study identical research questions from different perspectives. In addition, trends in consumer behavior have a variable nature, which decreases the relevance even after a certain period of time has passed. Therefore, the planned study using an integrated approach of information

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collection and qualitative analysis is found to be a unique addition relevant for the 2021-2022 post-covid market environment.

For this study, which should take into account completely different groups of people and separate them not only by age and gender, but also by behavioral type, targeted studies are crucial. Thus, for a clearer and a more detailed analysis, it is necessary to conduct primary studies that would really show all the results and conditions of the analysis. At this stage of the study, questions such as “What is the demand for streaming services in Kazakhstan among young people under 25 in Nur-Sultan compared to the generation of people over 45?” will be asked. To understand these inquiries the primary research and data are needed and can be obtained through various tools, such as questionnaires and surveys.

Secondary data

For a detailed and a successful analysis in research, secondary sources were examined, as well as data that would help to analyze the problem, test the hypothesis, and save a lot of time that could be spent on highly important studies, data collection, and analysis. The results of such studies that have been conducted for other scholarly works could be used correctly, appropriately, and can play a key role in the overall concept justification and proof of the hypothesis. However, after receiving the data, it is essential to apply the correct method of analysis and interpretation. For a sophisticated understanding two methods of analysis will be used: quantitative and qualitative, which are complementary methods that can be combined in surveys to obtain comprehensive results.

Important Findings

A good number of studies have been conducted on the topic of consumer behavior, which shows how and what people spend money on, but there were some researchers whose studies will be beneficial in the current project. Scholars polled 1,000 American consumers on December 8, 2020. They were asked 24 questions concerning in-person encounters and online alternatives, along with their habits, attitudes, and

behaviors. Respondents provided information on their age, gender, income, and other demographics that might be useful to in-location experience managers seeking the most detailed understanding of certain customer categories. Respondents were asked the following questions:

1. Has the on-site experience improved or deteriorated in the last year?
2. How has COVID-19 changed your behavior when it comes to on-the-ground experiences?
3. What makes in-person encounters more appealing than virtual counterparts?
4. What makes in-person encounters less appealing than virtual counterparts?

The results of the research are as follows:

1. When given the option, 46% of respondents stated they prefer to purchase in person rather than online, which still is a 9% decrease from the last research made by the State of Consumer Behavior in 2020. (Raydiant, 2021)
2. Customers continue to appreciate the direct interaction with items. Because they want to be able to see and touch things. For instance, 33 percent of respondents prefer shopping in physical stores, while 26 percent appreciate the whole experience of buying in person.
3. COVID-19 has had a significant influence on consumer behavior. Since COVID-19, 40% of respondents have visited physical sites less frequently.
4. There is a lack of brand loyalty. 48 percent of respondents indicated they have switched from buying things in physical locations to buying them online from competitors.
5. Brands are reinforcing their efforts to improve the offline customer experience. In-store customer service has improved in the last year, according to 29.8% of respondents.

One of the most recent and important studies that McKinsey ⁴³cited was on the topic of changes in consumer behavior among clients. Studies were conducted in different groups of people based on age parameters.

Today, many people associate themselves with a brand, and not because of a specific or exclusive product, but because they also look at how companies and manufacturers are trying to innovate and impress them through marketing and digital instruments without any contradiction to their convenience and needs.

It is important to mention that a particular product can be easily obtained. Due to the covid this has changed, an attribute of the availability of goods has become as important as price or quality. For example, before there were only large players who could do high-quality and fast logistics, but now almost every company can be proud of this. Also, for a Westerner, the goals and values of the company that it promotes are important aspects. If your company does not believe that fighting climate and natural problems is vital, violence or bullying as unacceptable, then it is likely that people will simply not buy or let alone consider your product for the reason of non-compliance with values (Alldredge and Grimmelt, 2021).

Limitations

Many studies that are conducted on the topic of behavioral patterns of buyers in the 21st-century are tied exclusively to one particular country, a city, or an area of research. Oftentimes, the venue is America or developed countries, like Australia or European countries, where the average standard of living is several times higher compared to Kazakhstan. This is evidenced by the fact that the number of years it takes to earn a million dollars in Kazakhstan is 240 years, and in the countries of America and Europe from 30 to 45 years. These studies are based entirely on understanding the habits of people, however, in Kazakhstan and in America people have different income levels and expenses, level of education and culture, due to this it is not the objective to compare them. Based on this, there is a completely different understanding

⁴³ McKinsey - an American international consulting company with successful management methods.

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of what is important and what is not. There are no studies that would test behavioral patterns among residents of developing countries⁴⁴.

Next, in the “Researches of Consumer Behavior In Market Shopping in The Gender Context”, consumer behavior surrounding market shopping was studied. The study’s goal was to see if customers’ retail buying habits change based on their gender. The data collecting approach was “Structured Observation Technique”, and the data was obtained by the researcher through the means of participant observation. Between the 12th and 22nd of March, 225 observations were conducted in a retail chain shop in Batman province, spanning four time periods and two weekends. The observation form on collected data was created based on the information obtained from the literature and shop staff. The information and data that were included in the observation form were collected through reports of store personnel and observations. This included such aspects as: time observation, gender, hour observation, getting help with the purchase, time to make a purchase, prices, attitude to prices, discounts and promotions, payment method. Female clients mostly seem to opt for food, cleaning supplies, and other household items. Male clients, on the other hand, tend to buy snacks, repair, and personal care items.

According to the favorite shopping day, there is no substantial difference between male and female shoppers (weekdays, weekends). However, the number of people who shop on weekdays (178; percent 79) is larger than those who shop on weekends (47; percent 21). In contrast to this survey, the literature shows that customers prefer to purchase on weekends (Marangoz, 2006; elik et al., 2017). This disparity might be attributable to the retail market's characteristics. The market where this study is conducted is one of the chain markets that are unsuitable for relaxing and spending time, and where people simply buy what they need and go. According to the study's findings, female clients spend more time shopping, while male buyers have been seen to be solely focused on the goods. Men seek to save time, and they desire to purchase as quickly as feasible with maximum efficiency. Men regard shopping as a chore,

⁴⁴ A developing country is a country with a relatively low volume of production.

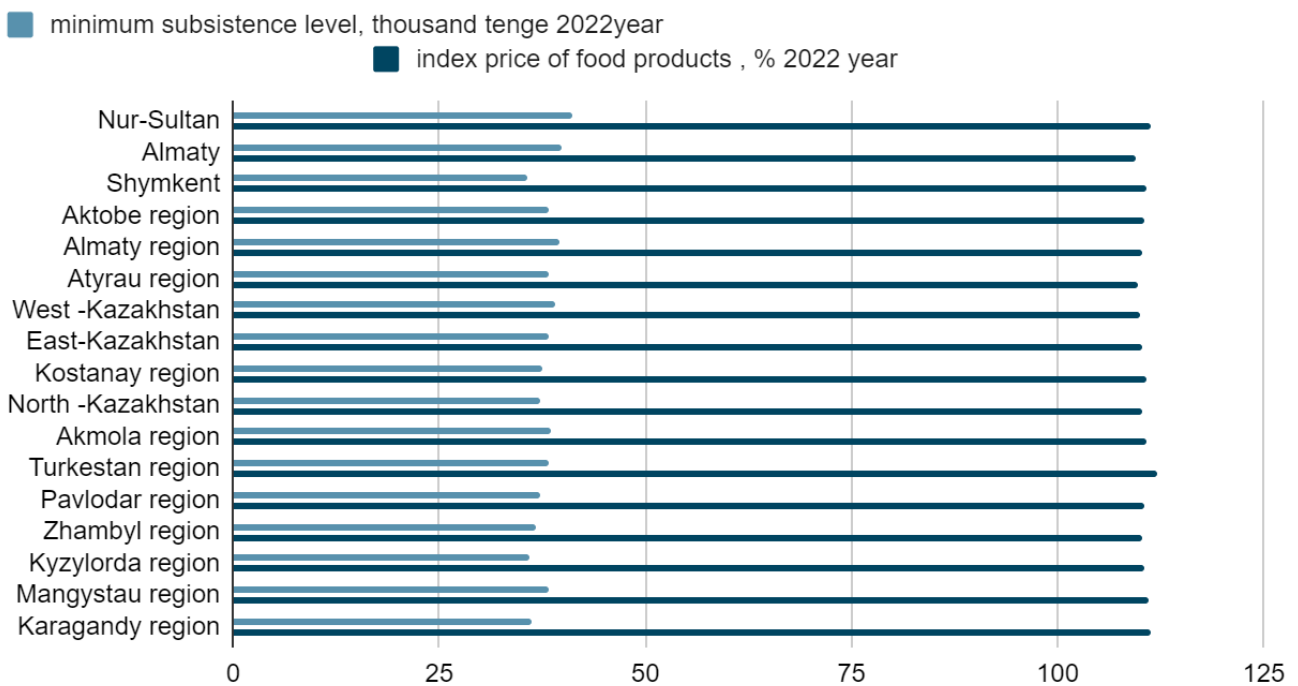
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whereas women love it. (Barletta, 2003) Female consumers generally buy basic food, cleaning supplies, and cosmetics. Items for the home Male consumers are more interested in snack foods and repair services, but also personal care goods.

Kazakhstani statistics

Points scored



Due to the global situation, precisely with Covid-19, the world economy has received a blow. The activity of Kazakhstan's economy has decreased after the pandemic. Quarantine measures continued in Kazakhstan further in 2021, but despite this, the country's short-term economic activity reinforced. According to the National Bureau of the Republic of Kazakhstan⁴⁵, the short-term economic indicator from January-April 2022 to January-April 2021 is 106%. Comparatively, between January-June 2020 to January-June 2019, they equated to 99%. The short-term indicator is carried out to ensure the efficiency

⁴⁵ Agency for Strategic planning and reforms of the Republic of Kazakhstan Bureau of National statistics.

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and is based on changes in output indices of basic industries: agriculture, industry, construction, trade, transport and communications, accounting for over 60% of GDP⁴⁶.

According to the National Bureau, as of April 2022, Kazakhstan's unemployment rate was 4.9%. The volume of production of industrial products (goods, services) in respect with the types of economic activity of the country in the period between January-December for 2021 (37,047,606 million tenge) compared to 2020 (26,743,437 million tenge) had seen an increase by 10,304,169 million tenge. The gross domestic product by production method for January-September 2021 (production of agricultural, forestry and fisheries, industry, electricity and water supply, construction, etc.) is 53,029,265,7 million tenge, and in 2020 GDP by production method yielded 45,803,255.2 million tenge.

There are 14 regions and 3 cities in the Republic of Kazakhstan (Nur-Sultan, Almaty, and Shymkent). According to the Aktobe region, the subsistence minimum in April 2022 amounted to 38,381 tenge, and in the North Kazakhstan region it is 37,285 tenge. In the West Kazakhstan region, the VPM is equal to 39,054 tenge. Previously, in the city of Nur-Sultan, the VPM is 41,962 tenge. The value of the subsistence minimum is the required minimum monetary income per person, equal (in value) to the value of the minimum consumer basket. The food basket contains 43 food items: meat, fish, dairy, fat oil, bread, fruits and vegetables and their types, eggs, sugar, tea, spices and others. The price of food products is 21,110 tenge in the Aktobe region, 21,480 tenge in the West Kazakhstan region, and about 22,391 tenge in the capital. Consumer spending of residents of Karaganda region, on average per capita amounted to 885.9 thousand tenge in 2021. Moreover, expenditures on food products in 2021 in the region of Karaganda were 466.4 thousand tenge.

Over the past decade, people in Kazakhstan have switched to online applications. Online applications are gaining momentum annually and developing at a high speed. 7-10 years ago, people stood in queues at airports, train stations or travel agencies to buy tickets for their trips, people who lived in large cities paid

⁴⁶ The standard measure of the value-added produced by the production of goods and services in a country over a given period is the gross domestic product (GDP).

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for utilities at the cash desks of various banks or in АстанаЭнергоСбыт, АлматыЭнергоСбыт and in cities of regional significance, people frequented Kazpost. And the trend of food delivery in Kazakhstan exploded with the onset of the COVID-19, people created new habits by changing the old ones. Nowadays, people often order food to work or go home late at night after the long day at work. The taxi service industry is developing rapidly, various convenient taxi service applications are appearing, while 5-7 years ago residents of large cities called taxi companies or have been picked up on the road. During the pandemic, the demand for online stores augmented, which led to long queues and violations of social distance, affected the opening of new formats of retail products. Food delivery in Kazakhstan is currently not developed as a wholesome food delivery, since the target audience of 35-65 years old persistently prefer to buy products in markets or in large supermarkets like Magnum, Small, Galmart themselves. However, citizens of Kazakhstan aged 20-35 actively use food delivery, as it was found to save time for young people. After COVID-19 in Kazakhstan, citizens are capable of getting documents online within one working day through the application known as EGOV.kz (for example, a certificate of no criminal record, an account, a vaccination passport, a driver's license, etc.), yet 2-3 years ago, in order to obtain such certificates, it was necessary to go to the Service Center of Citizens of the Republic of Kazakhstan. Recently, Kaspi.Kz added the online function to the mobile application of registering a car in a span of 15 minutes, albeit before the appearance of the function, people spent a whole day in the Center servicing citizens.

Methodology

Quantitative data

In order to make the research as objective and unbiased as possible an anonymous form of an in-depth survey will be used. The survey was created to understand human consumer behavior. It is designed in such a way as to objectively and impartially assess what principles are used to make purchases and what factors influence their decisions.

The questions will be distributed among 660 respondents in the different cities of Kazakhstan including the ones with republican significance, such as Nur-Sultan, Almaty and Shymkent. There will be 5 groups of subjects in total, separated by the terms of age and consequent payment ability. Participants include students and undergraduates, entrepreneurs, freelancers and self-employees, employees in the companies and pensioners. The questionnaires will be both quantitative and qualitative, where open-ended questions will require a detailed explanation of respondents' answers and motives. The numbers drawn from the different categories of groups will help to create statistics to contrast and compare the popularity of the applications. With the help of the numbers, we plan to compare them to each other, as well as the usage of the app in different regions, and within categories such as gender, age, occupation, etc. This aids to draw an overall image, yet not sufficient to make concise and deep conclusions, which must be backed by qualitative analysis as well (Types of market research: Primary vs secondary - the Hartford, n.d.).

The survey is made as simple as possible, so that the respondent merely chooses from the options provided and makes it easier for themselves to take the questionnaire. In matters where a person can think

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individually and express their own position, we specifically left the fill-in field empty so that the individual themselves would think and write what they consider necessary with no pressure whatsoever.

Qualitative data

Qualitative data provides descriptive information rather than measuring. These can be impressions, opinions, or views of people. A qualitative survey is less structured — it is aimed at in-depth analysis of the topic under consideration in order to get information about people's motivation, their views, and attitudes. Such a survey, on the one hand, provides an extensive understanding of the research issues, and on the other hand, complicates the analysis of the results. In our case, these may be specific questions about the reasons for using a particular social network or service. This gives broader understanding of a particular issue.

It can be an interview or a consultation with experts of the market or the field that is being studied. Interviewees may be analysts, managers, performers, marketers and other people who are the representatives of their respective fields, who observe and are aware of the situation from the inside.

Both quantitative and qualitative methodology is done to make the research on the current project as objective as it can be.

Analysis of research findings and results.

On users of online applications

Magnum

According to Maria Moon, head of Marketing at Magnum”, the target audience of people who use the food delivery service is quite extensive as the motive to use it relates to the needs, not desires, which are tied to certain interests. Therefore, different categories of people use online services without reference to age, gender, place of residence or social status. Then convenience comes to the fore as a major motive and reasoning behind the willingness to pay for the delivery and use the apps for online purchase, respectively. Still, it is worth noting that there is a tendency of women being more opt to use online services compared to men. The fact that the female audience spends 15-20% more per order than the male, along with the fact that the distribution of female consumers prevails over male by more than 5%, makes women a slightly more attractive target for marketing and advertising.

Chocofood

According to the Operating director, free shipping performs a different role, i.e when the customer is offered free shipping, the frequency of orders increases, but this does not affect the receipt in any way. The “free” function has a different psychological feature in the context of food delivery. In addition, the interviewee also noted that the strongest jump in gross orders was in Almaty and Astana. There is a rise from month to month or year to year basis for all other cities of Kazakhstan. If we compare the cities of millions of citizens, the number one place would be granted to Almaty. To the question “Have you noticed a trend in big cities that more orders come from areas where everything is urbanized, there are a

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lot of business and shopping centers, and elite residential complexes?”, he replied that this is due to the high density of people, undoubtedly has a certain attitude and prosperity, for instance, the Samal district has a high weighted average frequency of orders in comparison with the “Orbita” area. Also, distinctive characteristics are user habits: an order for dinner at home or an order for lunch at work. Olzhas Tamabayev remarked that the solvent population is from 18 to 40 years old.

Glovo

Brand Partnership Senior Manager Timur Izbergenov noted that this online service of ordering food is not fully developed in Kazakhstan, but its market is very favorable for development and expansion. Also, the growth in orders depends on the penetration in cities, the higher the level of penetration, the greater the growth of orders.

Survey results

For in-depth analysis the questionnaire was distributed among all regions of Kazakhstan. 660 residents from Nur-Sultan, Almaty, Shymkent, Aktobe, Aktay, Kostanay, Petropavlovsk, Semei, Uralsk, Karaganda, Kokshetau, and Taraz shared answers about their habits and lifestyle. Average age among people is 25-40 years old (70% – female and 30% – male). The respondents were divided into groups according to their occupation and income level: students/undergraduates (i.e a person without stable source of income), entrepreneurs (a person with stable source of income), freelancers or self-employed, employees in a company, firm or state (stable income, employment), and the retired (on a well-deserved rest). Average income level among respondents is 200,000 KZT.

Influence of income level on consumer behavior: comparison of republic and regional significance cities.

Income level: above average

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Residents from **cities of republic significance** with above average income level are mostly inclined to online shopping/services applications. Their main asset is time, that is why they are easily accustomed to all new services and they are the ones who are eager to pay for them, pursuing one goal – saving time for more important things than a conventional trip to the grocery store. Their food basket includes a huge range of products depending on their wishes and food preferences. On average, they are ready to pay more than 100,000 KZT (person per month). Generation Y has completely switched to product delivery services, while generation X still prefers to buy goods personally in supermarkets such as Small and Big. This is presumably linked to their childhood habits (e.g. being used to frequenting bazaars with their parents) and subsequent scheduled visits to such supermarkets, resembling a sort of a ritual or a familial custom. The main aspect of using taxi services are safety and the possibility of choosing comfort and premium class cars. Most frequent payment methods are Apple/Google Pay and Kaspi QR. Overall, residents with more than average income level use online services no worse than Generation Z; this confirms their technical proficiency and openness to new services and applications. There is no such thing as time management in their understanding as they were not taught this back in the day, and young people value their time more, and therefore, they have a different mindset.

Residents from **regional significance cities** with above average income level are less used to online service applications. General food basket consists of the same products, but here people are ready to pay no more than 80,000 KZT (person per month) for it, giving a preference to supermarket Small. Despite the fact that in republic significance cities Small is not about premium segment, in regional cities this supermarket chain is considered relatively new and gain status because of its existence in Nur-Sultan and Almaty. Millennials utilize food delivery services, especially monthly subscriptions for daily delivery for proper nutrition. On the other hand Generation X still gives a preference to visiting restaurants hence maintaining high personal status. The most frequent payment method is bank cards. Relatively, in such cities people only recently have begun to trust online service applications. For

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example, they can completely rely on online applications in buying devices or tickets, while the responsibility of choosing products they still entrust only to themselves. Adults are used to calling via phone, as they often do not employ taxi services. We also noticed that in the South, people prefer to catch a ride. Moreover, adults, regardless of how much they earn, prefer to buy food at the markets, also considering it a special weekend tradition and speculate that only there are the fresh products.

Income level: average

Residents from **republic significance cities** utilize online applications because of many reasons. First, ability to find most affordable price on the same good through the means of smartphones. Second, free and fast delivery plays main role in food delivery services. People with an average income in this cities live mostly very modestly often use installments and loans from banks. Their grocery basket costs 10 000-35 000 KZT . They use food delivery on a holiday, mostly adults ask children to help and do not use online services themselves. Taxi services are often used mainly by Yandex. Generation Y and Z because of the fact that they were born in the age of the Internet, it is easier for them to order delivery because it makes their life easier.

Residents from **regional significance cities**

These people have the most positive attitude to life. They live modestly, buy a grocery basket at bazaars or supermarkets, because there is an outdated thinking that it is more expensive and not fresh products in the supermarket, and they are ready to pay about 10,000-30,000 per month for it. From the online services, Kaspi.kz is most often used, thanks to the possibility of buying in installments. Taxi-hailing apps are used very rarely, they travel mostly by bus. Food delivery is also rarely ordered, mostly only for celebrating small family holidays.

Income level: below average

Residents from **republic and regional significance cities** are mostly similar to each other. Entry level segment has only essential product in their food basket, that might cost from 10,000KZT to 35,000KZT

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per person per month. They are neutral to new online service applications, use only basic one such a Kaspi.kz, because of the ability to buy in installments. There is no need in delivery services, they try to cook at home most of the time. They tend to gravitate towards being picked up by a taxi on the road, in order to discuss the price with the driver on their way. Bazaars are the main source of groceries.

Payment method-mostly cash.

Students and Undergraduates

Students from cities of republican significance are more accustomed to this pace of life. Those who stayed in regional cities are students from families with lower-average incomes. They don't order food delivery, cook at home, go to restaurants on holidays. Their lives didn't change much after school.

Students who have left regional cities for cities of republican significance cannot afford delivery, live very modestly, mostly work, are more responsible for money. A visiting student from a regional city from a family with an average or lower average income has the same habits as a student from the region. Students from well-off families do not think much about their grocery basket, do not know the prices of products, spend mostly only on their own needs. Students from poor families already at this age are more responsible, work and buy groceries home.

Freelancers/self-employed

Freelancers from regional cities appreciate convenience and comfort, but they can work in different conditions. Because of their work, they are very technically equipped, they often use food delivery where the main criterion is a large selection of dishes and fast delivery, in matters of a taxi, the choice also goes according to comfort factors and fast delivery. Additionally, they use food delivery services and are not afraid to try something new. Freelancers from cities of regional importance prefer to cook at home, order food delivery only in cases of time deficiency. They have a lot of free time and it is convenient for them to visit different cafe, restaurants to work online, because they work with good Internet access. Freelancers from big cities order food home because they don't want to waste time

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cooking food. However, freelancers in regional cities prefer to cook from home. Freelancers can work remotely and cook food between jobs and continue working back. But, freelancers in big cities do not want to be distracted by household chores. Food is bought in supermarkets, expenditures being about 10000-35000 tenge. Taxi call services are often used, when choosing a fare, they also consider fast delivery to be the most important factor.

Entrepreneurs

Entrepreneurs try to keep up with trends and popular applications due to the specifics of their work. They are always open to everything new and ready to explore and try different areas. It is safe to state that an entrepreneur from cities of republican significance is more digitalized. They hold videoconference meetings, value their time and manage it for greater productivity. Due to these factors, they often order food delivery from different restaurants, try different taxi fares, and order clothes. At the same time, they do not forget to visit restaurants or visit shopping centers. Before buying, they may analyze the advantages and disadvantages of the product. The grocery basket, once again, depends on the level of income.

The entrepreneur from the cities of regional significance has not yet completely switched to digital, they are only establishing trusting relationships. Taxi services are often used, the main factor being the comfort in the cabin and an adequate driver. They tend to buy groceries in local supermarkets, and do not use delivery.

Employees in company or state

The main difference is that in regional significance cities people generally cook at home and bring it with them to the work for a lunch. At the same time employees prefer to eat in cafes and order food delivery. Also workers from regional significance cities care more about their health than employees from regional significance cities.

Pensioners

Pensioners in different cities have the same consumer behavior. The difference lies in pensioners from cities of republican significance being more digital. They have the knowledge of using Internet banking. At the same time, they do not use applications for food delivery or taxi services, albeit opt for them hence feeling as having a characteristics of younger generations. The main aspect for them is not fast delivery, but comfort and quality. Pensioners communicating with the younger generations imperceptibly change their habits and make purchases that are not peculiar to them in order to stay young for themselves.

To sum up, people from cities of republican significance choose their food basket in consistency with their income level. Residents with less than average income do not necessarily possess a variety neither in potential products of choice nor in opportunities. Only starting from people with an average income, the choice in a variety of products appears, while the prices they are seeking to pay for a food basket are only twice higher than the price that people who make ends meet spend.

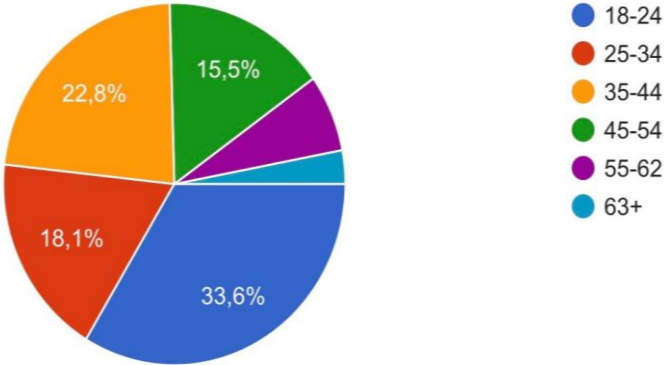
Correlation

1. After analyzing and collecting data, it is possible to correlate between entrepreneurs and freelancers, resorting to Maslow's pyramid of needs, that consumer behavior and their decisions also depend on the need for recognition, respect and approval in society. It can be noted that entrepreneurs and freelancers are self-sufficient and freedom-loving people who prove to others that they can achieve success by themselves. Therefore, it can be concluded that such people prefer to physically visit establishments, instead of ordering food at home to show society their status and success. Also, it can be seen in their choice of taxi, because they mostly order Comfort + and Business Class, instead of economy.

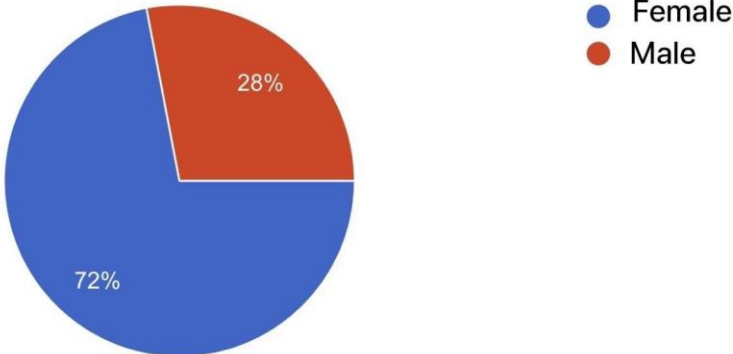
2. In this research, it can be noted that a person from a city of Republican significance with an average salary in Kazakhstan (250,000 tenge) is similar in his consumer behavior in the digital economy to a person from a regional city with a salary below the average in Kazakhstan (150,000 tenge). They rarely use the app to call a Taxi and mostly choose the "Economy" fare, do not order food delivery, instead they cook themselves at home, buy groceries at markets or large wholesale supermarkets, and generally are not active users of online services.
3. Generation Y and Z are the most advanced consumers of online services, as they all use online applications on a regular basis. Since generation Z was born and grew up in the century of the Internet and mobile phones, and generation Y easily adapted to the digital economy.

Research findings and research analysis

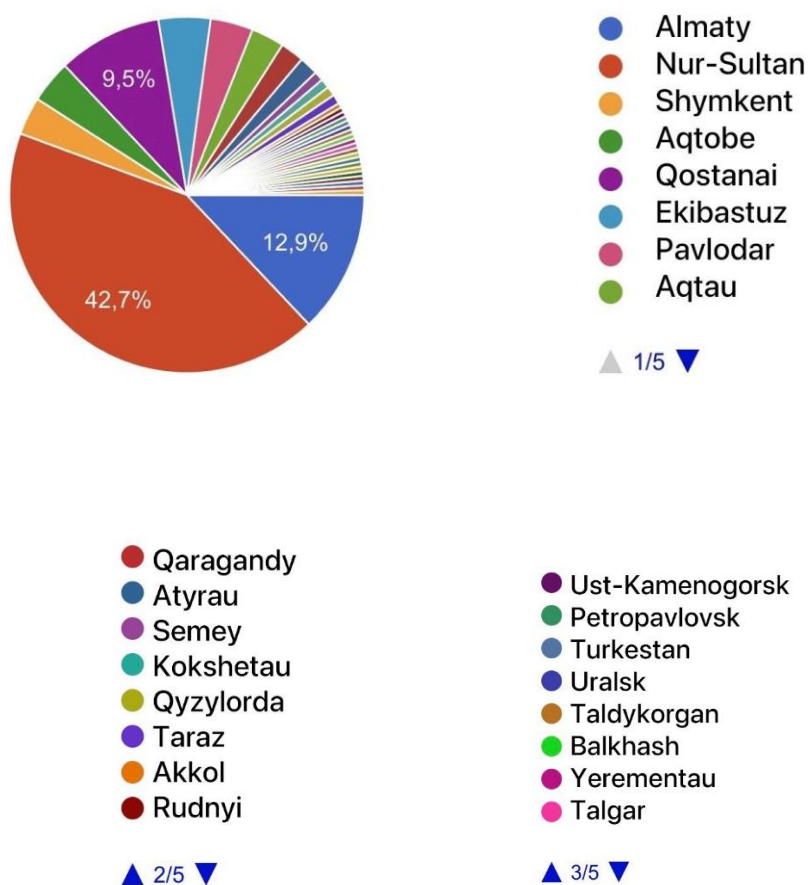
1. Your age



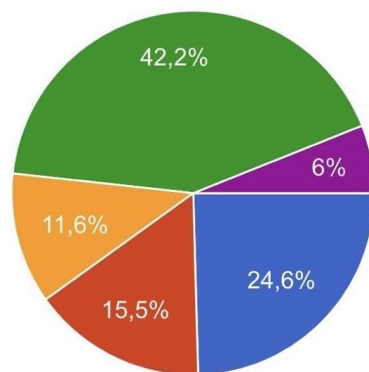
2. Your sex



3. Your city of residence

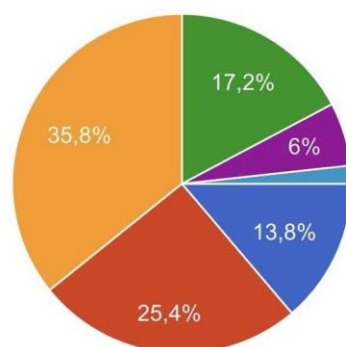


4. Category



- Student/ Undergraduate or a person without a stable income)
- Entrepreneur (a person with a stable source of income)
- Freelancer or self-employed
- Employee in Companies, Firms or the State
- Pensioners

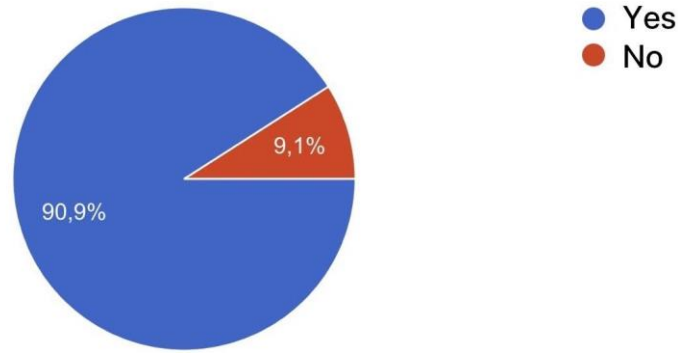
5. Your monthly income level



- no income
- up to 150,000 tenge
- 150 000tg-300 000tg
- 300 000tg-500 000tg
- 500 000tg-1,000,000tg
- from 1,000,000 tg

6. Do you use online apps?

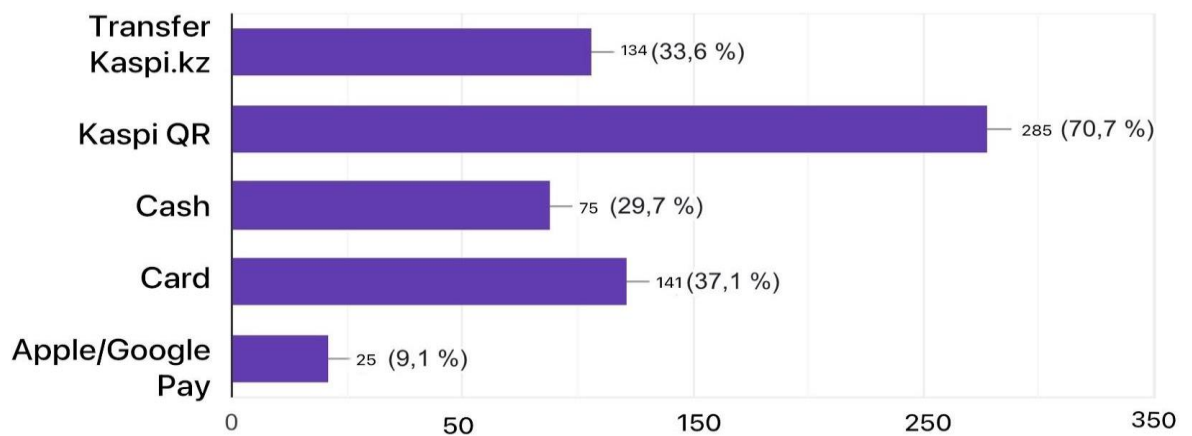
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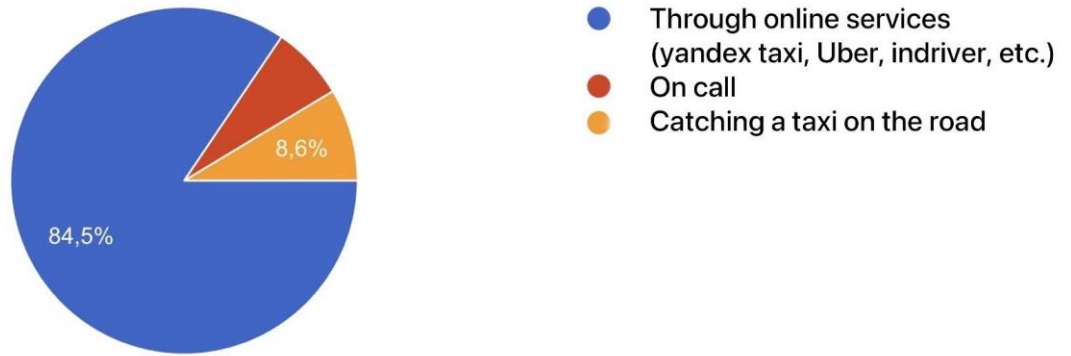
7. Where do you most often buy groceries for home?



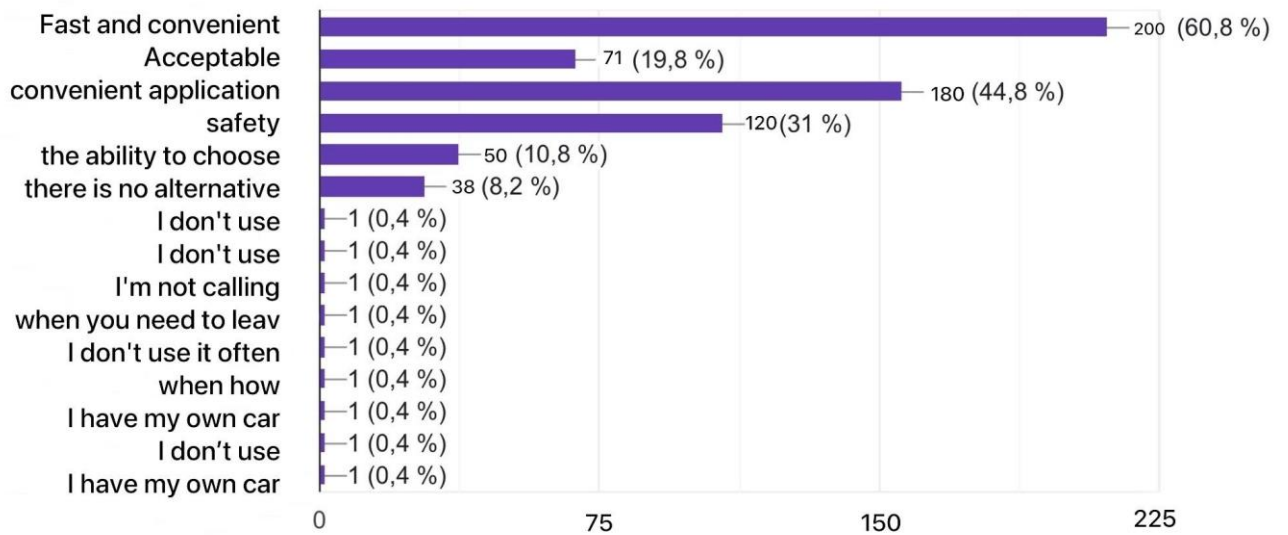
8. Which payment method do you use most often?



9. How do you call a taxi?

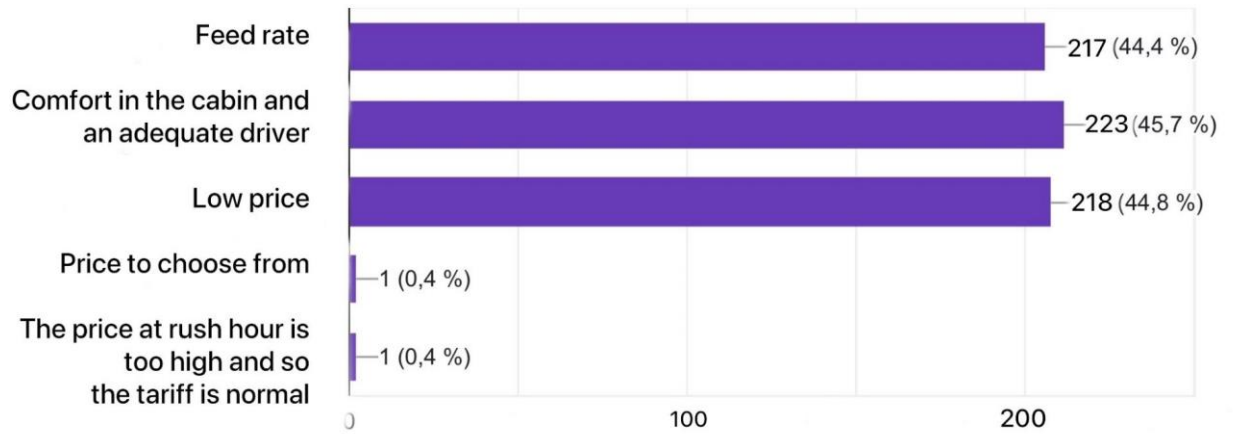


10. For what reason do you use the app to call a taxi? If not, write why.

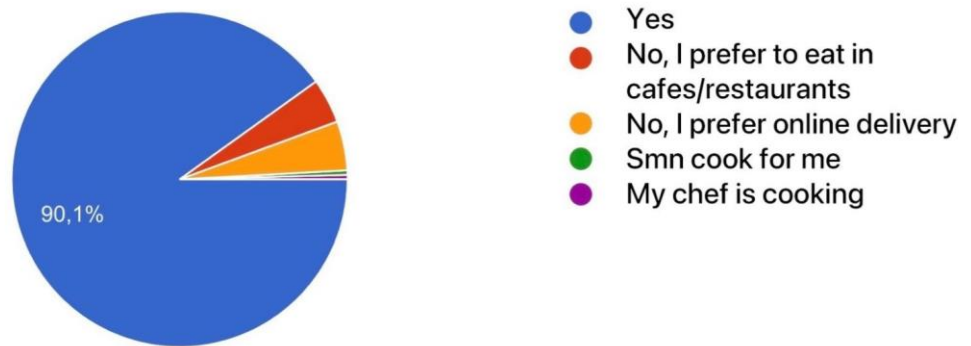


11. What is the most important aspect when choosing a tariff?

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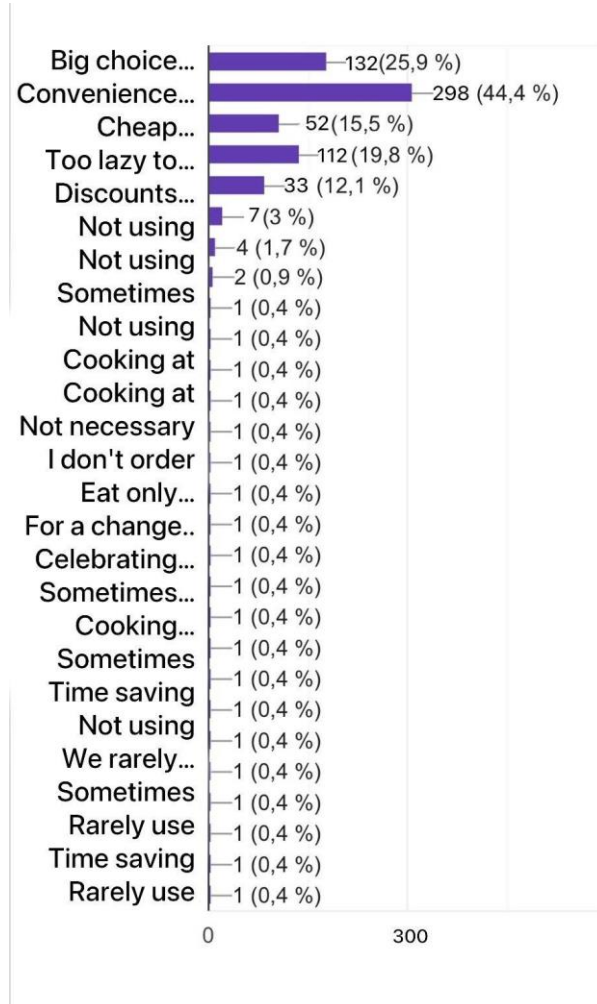


12. Do you cook food at home?



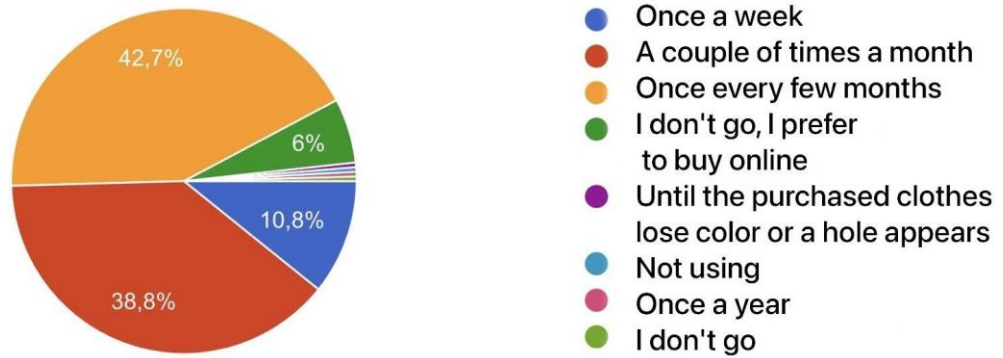
13. Why do you use food delivery apps?

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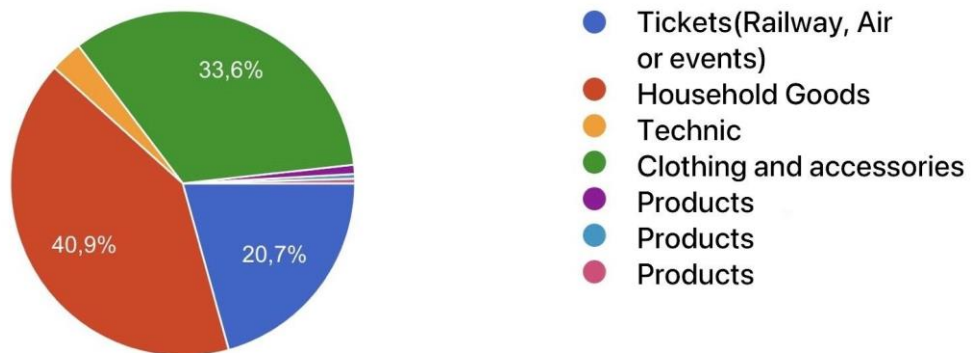


14. How often do you go shopping in stores/shopping malls?

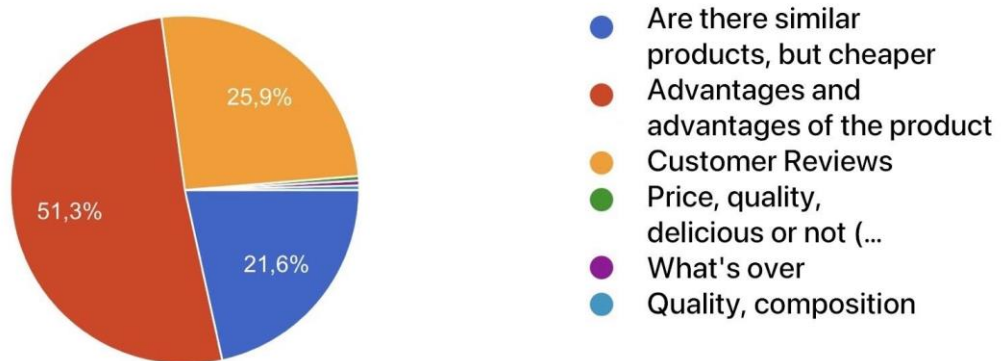
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15. What category of products or services do you purchase most often?

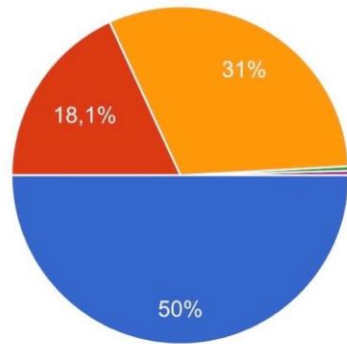


16. What information about the product do you analyze before buying?



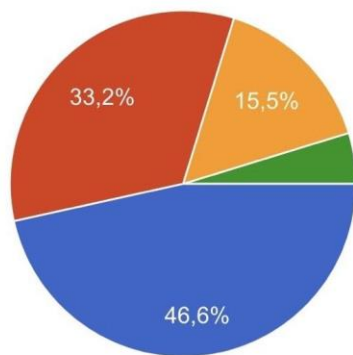
17. What is included in your daily grocery basket?

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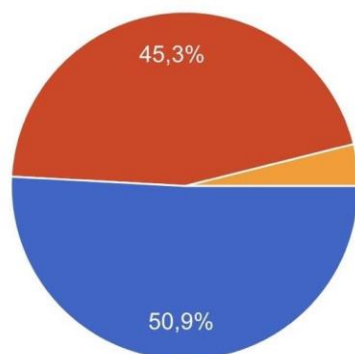
- Common foods (such as bread, milk, eggs, meat without special varieties)
- Essential products
- A wide variety of products (Including seafood...)
- What do you need
- Sweets

18. How much are you willing to pay for this grocery basket per month? (per person)



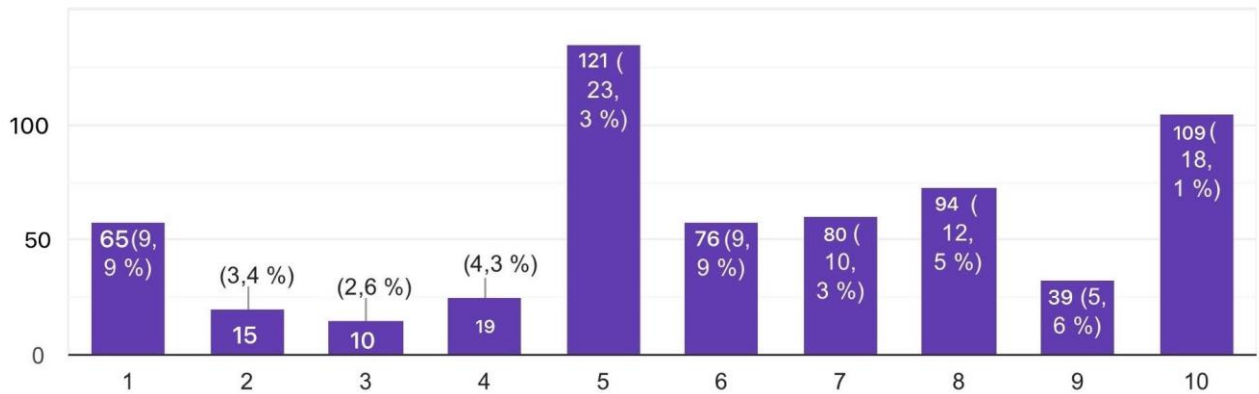
- 10,000 tg-35,000 tg
- 35 000tg-60 000tg
- 60 000tg - 100 000tg
- from 100,000 tg

19. What factors determine your grocery basket budget?

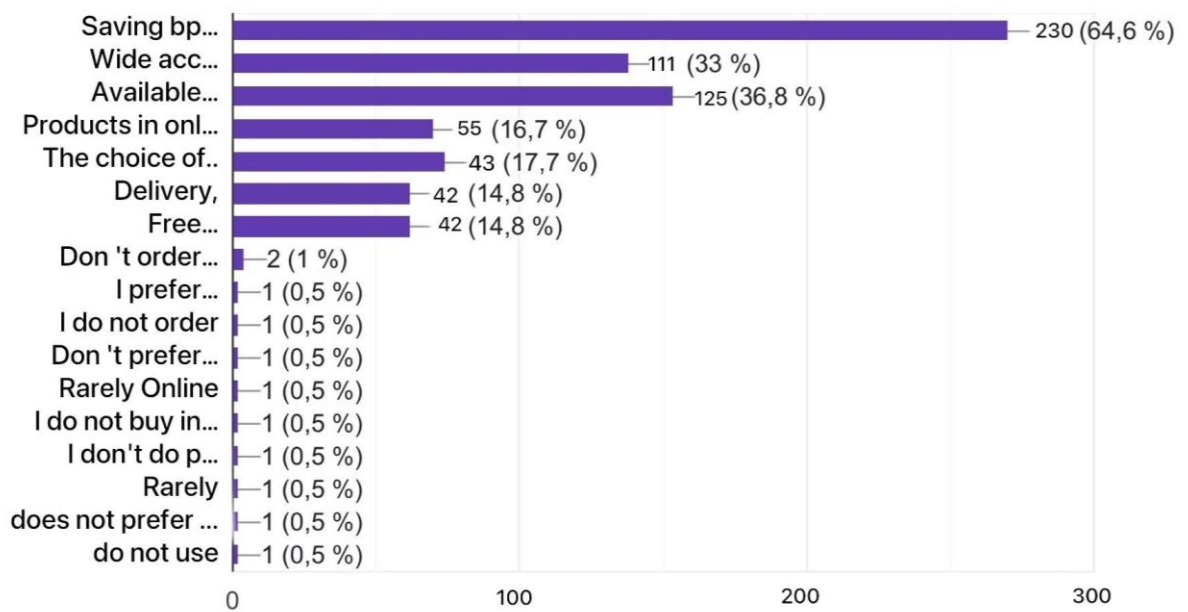


- Income level
- The desire for certain products
- Unspent salary balance

20. How much do you like to shop online? Please rate from 1 to 10 and explain your choice. (where 1-is negative, 5-is neutral and 10-is positive)



21. Why do you prefer online shopping?



Conclusion

1. Nowadays, Kazakhstani residents give online services more and more preference.

According to the survey, 90% of all people surveyed in the Republic of Kazakhstan employ online services, which indicates a fairly high level of technical literacy. Among people who use online services, the proportion of women is 5-8% higher compared to the proportion of men, regardless of the city and income level. Students and Freelancers are the most trained and technically equipped ones who use online applications, people who use services at least 20% more often than employees or private entrepreneurs, and 40-50% more than pensioners, regardless of neither gender nor city.

2. City status has a direct effect on the level of online services users.

In cities with population of millions of people, the market is absolutely competitive, on the accounts of this, prices for some products or services in online applications are much inexpensive. People have a choice, accordingly, this plays a central role in the rapid transition of people into digital life. In cities of regional significance, online services are not sufficiently established to completely change the consumer behavior.

3. Online services are mostly popular among students and people with above average income level in republic significance cities.

Students use online services to save money with the help of finding various discounts and bonuses, while somewhat wealthy people intend to save their time.

4. According to the analysis Hypothesis 1 was accepted.

The level of income in the cities of Republican significance influence consumer behavior in different ways, the main reasons and motives for using online services are the desire to receive good quality services and fast delivery. Residents here have a higher level of technical literacy, which afford them to find different online application and evaluate them. They are open for any innovations, like bonuses and try to save their time as much as possible.

5. According to the analysis, Hypothesis 2 was rejected.

However, despite the fact that the income level is lower in regional cities, this in no way seems to have an impact on people's consumer behavior. Considering that technical skills are quite weaker in the regions, nevertheless, people use food delivery, and somewhat often use taxi ordering services. Only grocery delivery services are declining in these regions.

6. Kazakhstani residents are divided into 5 groups by their consumer behavior.

1. Wealthy people of generation X: earn from 1,000,000 tenge per month while still buying products in the bazaars and supermarkets such Magnum or Small, not because of low prices. This comes from childhood habits- going to the market on a day off was considered a family tradition.

2. Freelancers and self-employed people are very responsible about expenses because they feel insecure about the future.

3. Pensioners mostly ignore digitalization and do not want to delve into online services themselves, although they need them. They rely on the younger generation in this matter.

4. Entry level segment make ends meet, so they rarely use online services, but have good level of technological literacy.

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5. Employees of companies feel confident but worried. They try to buy everything they need and want, but save on it.

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Appendices

Table 1- Analysis of new trends of Consumer Behaviour users online applications and services from the top managers of Kazakhstan companies: Glovo, Magnum, Lamoda, ChocoGroup.

Name of companies	Kind of activity	Expert	Question	Answer
Chocofood	Food delivery service	Olzhas Tamabayev, COO Choco Group (2019-2021)	How people's attitude to food delivery changed over the past 5 years and especially after the coronavirus?	<i>“The food delivery trend has blown the ceiling with the onset of Coronavirus, people are responding to new attempts by changing old ones. the main messages were the people themselves who underwent the changes. Of course, it cannot be said that the habit has become entrenched. Still food delivery for many segments of the population has a "holiday" character, when people order for the occasion.”</i>
			Does free shipping affect the buyer's choice to order more food or not?	<i>“Free shipping plays a different role, when a customer is offered free shipping, the frequency of orders increases, but this does not affect the check in any way. The “free” function has a different psychological character in the context of food delivery.”</i>

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			<p>In which cities did food delivery orders noticeably increase, where was the jump most noticeable-in big cities or small ones?</p>	<p><i>“The strongest jump in gross orders - Almaty, Astana. Growth from month to month or year to year all other cities of Kazakhstan. If we compare cities with a population of over a million, then number 1 = Almaty. Each city has its own details, and the increase varied from month to month, unfortunately I can’t share the data - because I don’t own it.”</i></p>
			<p>Have you noticed a trend in big cities that more orders come from areas where everything is urbanized, many business and shopping centers, and elite residential complexes?</p>	<p>“This is more related to the high density of people living, of course, it has a certain relation and wealth, for example, the SAMAL district has a high average weighted frequency of orders in comparison with the Orbita district. Also distinguishing characteristics are user habits: ordering dinner home or ordering lunch at work.”</p>
			<p>What is the age of your target audience?</p>	<p><i>“The solvent population is from 18 to 40 years old.”</i></p>

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Glovo	Food delivery service	Brand Partnership Senior Manager Timur Izbergenov	In which cities did food delivery orders noticeably increase, where was the jump most noticeable-in big cities or small ones?	<i>“Deliveries have increased everywhere, but in big cities more. All cities are growing. The potential of the market itself is not fully disclosed, the market still does not use delivery enough.”</i>
			Have you noticed a trend in big cities that more orders come from areas where everything is urbanized, many business and shopping centers, and elite residential complexes?	<i>“There is a tendency where the business, LCD, etc. is located, there are more orders, of course. The concept of dark kitchens is relevant because in urban areas where there are no restaurants, we can open a "virtual" restaurant.”</i>
			What is the age of your target audience?	<i>“18-55 y.o.”</i>
Lamoda	Online store	PR, Marketing Head, Kamila Alen	Who is your Target Audience, can y tell percentage of age and gender?	<i>“Our main target audience is 25-35 years old, working women who go in for sports, who have a family and children, lead an active lifestyle. But the pandemic has shown an increase in new customers from an older and younger audience who have never bought online before.”</i>

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			How has the purchasing power changed over the past 5 years and especially after the coronavirus?	<i>“Largely due to the events of the past year, people have become better adapted to online shopping. There is a trend towards a healthy balance between offline and online shopping, which is generally positive for Lamoda's business as a leading online fashion platform. We think the market has huge growth potential. And in 2021, with the exit from “self-isolation” and the opening of borders, we will see even greater interest of Kazakhstanis in online shopping in the categories of Fashion and lifestyle goods.”</i>
Magnum	Supermarket	Marketing Head, Mariya Mun	How has the purchasing power changed over the past 5 years and especially after the coronavirus?	<i>“In general, the attitude towards delivery has changed a lot over the past 5 years, the biggest jump was during the coronavirus, if it's talking about online in general, goods like household appliances have moved online a long time ago, then grocery delivery is one of the last categories that moved online, Just the same, during the</i>

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				<i>coronavirus there was a big jump.”</i>
			In which cities did product delivery orders noticeably increase, where was the jump most noticeable-in big cities or small ones?	<i>“Magnum has a delivery, now they operate only in Almaty will soon be launched in Nur-Sultan, the greater the share, business centers, the presence of working adults, full-time, especially working women, the higher all these indicators are, the more likely they will develop delivery services, it is according to this logic that the delivery service was first launched in Almaty, then they will be launched in other cities.”</i>
			Who is your Target Audience in online delivery does it differ from those who go to your supermarkets offline? Can you tell percentage of age and gender?	<i>“Magnum has a very large target audience, from schoolchildren to pensioners, for each target audience there is an offer. The availability of free shipping is one of the delivery factors, but not the main factor in order for you to grow online sales.”</i>

Appendices

Survey for residents

*NECESSARILY

1. Age

1. 18-24
2. 25-34
3. 35-44
4. 45-54
5. 55-62
6. 63+

2. Gender*

1. Male
2. Female

3. Your city of residence*

1. Almaty
2. Nur-Sultan
3. Shymkent
4. Aktobe
5. Other_____

4. Category*

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1. Student / Undergraduate or (person without a stable source of income)
2. Entrepreneur (a person with a stable source of income)
3. Freelancer or self-employed
4. Employee in a Company, firm or state (stable income, employment)
5. Retired (on a well-deserved rest)

5. Your monthly income*

1. No income
2. 0-150 000 kzt
3. 150 000-300 000 kzt
4. 300 000-500 000 kzt
5. 500 000- 1 000 000 kzt
6. +1 000 000 kzt

6. Do you use online applications? *

1. Yes
2. NO

7. Where do you most often buy groceries at home?

1. Corner stores (next to home)
2. Supermarkets like Small, Magnum, Galmart and etc.
3. Bazars
4. Online shop like Arbuz.kz, Magnum, Forte ect.

8. How you pay in stores/restaurants/taxi?

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1. Remittance in Kaspi.kz

2. QR kaspi

3. Cash

4. Card

5. Apple/Google pay

6. Kaspi Red

9. How do you take a taxi?*

1. Catch a ride on the street

2. Via online apps, like Yandex, Uber, Indriver and etc.

3. Calling by phone

10. Why are you using an online taxi ordering application, if so, why? If not, please write why*

1. Fast and convenient feeding

2. Affordable and affordable price

3. Convenient application

4. Security

5. No alternative choice

11. What is the most important thing for you when choosing a tariff?*

1. Feed rate

2. Comfort in the cabin and an adequate driver

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3. Low price
4. Other:_____

12. Are you cooking at home?

1. Yes
2. No, prefer to go to the restaraunts
3. No, prefer online delivery
4. Other:_____

13. Why do you use food delivery apps?*

1. Large selection of cafes and restaurants
2. Convenience and speed
3. Not expensive or free shipping
4. Too lazy to go to place
5. Discounts and bonuses
6. Other:_____

14. How frequently do you go to offline stores/shopping centers?

1. Every day
2. Several days in a week

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3. Once a week
4. Never, prefer online shopping
5. Other:_____

15. What category of goods and services do you purchase most often?*

1. Tickets (air, train or events)
2. Household goods
3. Technique of any kind
4. Clothing and accessories
5. Other:_____

16. What do you usually research about a product before purchasing ?

1. Are there similar products but cheaper
2. Features and benefits
3. Reviews
4. Other_____

17. What is your daily life food basket?

1. common foods such as bread, milk, sugar, eggs, meat without much variety
2. essential products
3. a huge variety of products including seafood, meats, fruits, vegetables, cheeses etc
4. other_____

18. How much you pay for food basket per month (per person)?

1. 10000-35000 kzt

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2. 35000-60000 kzt
3. 60000-100000 kzt
4. More than 100000 kzt

19. What factors determine your budget for this product?

1. Income level
2. Desire to buy
3. Unspent balance of wage
4. Other_____

20. To what extend you like purchasing online? Please rate from 1 to 10 and explain your answer in brackets

Do not prefer
Prefer so much

Neutral

1, 2, 3, 4, 5, 6, 7, 8, 9, 10

Explanation:_____

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