FACTORS INFLUENCING CUSTOMER DECISION MAKING ON PURCHASING KING LCE BRAND IN PATHUMTANI PROVINCE.

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ABSTRACT

Understanding customer behavior and providing excellent quality product are very vital factors for a new product that has been launched in a new market.There are many significantreasons on customer decision making of purchasing consumer product to be investigated.This research study aimed to 1) compare the difference of customer decision making on purchasing King Ice Brand based on demographic factors and behavioral factors and 2) explore marketing mix factors influencing on customer decision making on purchasing King Ice Brandin Pathumtani Province, Thailand. The research wasa quantitative research. The population were customers in Pathumtani Province and selected 400 customers as samples by using simple random sampling based on Taro Yamane formula. Data were collected through 5-point Likert scale questionnaire surveys. Cronbach's alpha coefficient of marketing mix factors and customer decision making of purchasing King Ice Brand were 0.782and 0.873, respectively.Data were analyzed by descriptive statistics and inferential statistics including t-test, F-test (One-way ANOVA), the Pearson Product-Moment Correlation and Multiple Regression Analysis.

The research results presented that customers' opinion onmarketing mix factorsand customer decision making of purchasing King Ice Brand were at the moderate levels with mean scores of 3.69and 3.45, respectively. The research results from hypotheses testing found that marketing mix factorscan predict customer decision making of purchasing King Ice Brandup to 40.60% (Adjusted R-Square 0.406) at 0.05 significant levels. Customer decision making of purchasing King Ice Brand has varied according to different demographic factors and behavioral factors.Marketing mix factor in the dimension of placehad statistically significant direct influenced on customer decision making of purchasing King Ice Brand with standardized coefficients (β) of 0.250.Marketing mix factor in the dimension of promotion had statistically significant direct influenced on customer decision making of purchasing King Ice Brand with standardized coefficients (β) of 0.432.In conclusion, marketing mix factors had significantly influenced on customer decision making of purchasing King Ice Brand in Pathumtani Province, Thailandrecommending businesses should understand customer behavior and product marketing mixin order to drive customer decision making.

Keywords : Behavioral factors, Marketing mix factors, Customer decision making

INTRODUCTION

Thailand is located in tropics zone. The weatheris sultry. Thus, most of the people in Thailand favor to consume ice for quenching their thirst and cooling down. Moreover, ice industries seem to havemany new players emerging in the market. According to statisticspublished by the Department of Industrial Works, during the year 2014–2018, there aremore manufactory and investment fund in ice industries, especially in 2018, there are1,961 ice manufacturers operating in ice industries. It has much more than in 2014. Therefore, the business can continuously operate in the long-run. However, customer behavior always changes overtime and business needs to understand such changes in order to maintain the market share. Business in ice industries must do research about customer's behavior and provide suitablemarketing mix to enhance customer decision making on ice purchasing, especially for King Ice Brand in Pathumtani province. Understanding customer's behavior will help business quickly respond to customer's need and improve business strategy for the future. In can be seen that not only marketing mix is one of the essential tool for marketing, but also marketing mix had significant affected on customer decision making. The importance of the above reasons is the cause of this research study.

The objectives of this research are as follows. 1) To compare the difference of customer decision making on purchasing King Ice Brand based on demographic factors and behavioral factors and 2) to explore marketing mix factors influencing on customer decision making on purchasing King Ice Brand in Pathumtani Province, Thailand. The paper begins with a review of the concepts related to behavioral factors and marketing mix factors influencing on customer decision making on purchasing King Ice Brand in order to conceptualize the model and to test the hypotheses. Next, the research methodology, analysis of data and research findings are presented. Finally, conclusion and discussion of the research results as well as managerial suggestions for future research are described.

LITERATURE REVIEW

Behavioral Factors

Consumer behavior is the totality of consumers' decisions with respect to the acquisition of goods, services, time, and idea of human decision-making units as stated by stated byWayne, D. H., Deborah, J. M., and Rik, P [1]. It's significant to understand consumer behavior and knowing consumer needs as it's essential for making key decisions on product purchasing. Nowadays consumer behavior is more complex than that in the past. Consumer buying behavior is how individuals, groups and organizations choose, purchase, use and disposal of products, services, ideas or experience to meet the consumers' demand as stated by Kotler, P. and Armstrong, G. [2]. Consumer buying behavior is directly related to the consumption of products and services which are triggered by the decision-making process before and after as stated by Shih, P.S. [3].The conceptual model of this research was used consumer behavioral factors analyzed from many previous researches in which the behavioral factors further characterized and divided to 5 component as presented in Figure 1. All of componentsare part of marketing strategies and tactics.From the literature reviews, it was seen that there are some relationship among consumer behavior, marketing mix, and decision making to further explore and conceptualize in the conceptual model with hypotheses development.

Figure 1
Component of Consumer Behavior

the totality of decisions	about the consumption	of an offering	by decision-making units	over time
Whether What Why How When Where How much/ How often/ How long	Acquisition Usage Disposition	Products Services Activities Experiences People Ideas	Information gatherer Influencer Decider Purchaser User	Hours Days Weeks Months Years

Marketing Strategies and Tactics

Marketing Mix Factors

Kotler, P. [4] has defined the marketing mix as a response to the customer demand, which can be responded to the needs of the consumer while Armstrong, G., Adam, S., Denize, S., and Kotler, P. [5] have defined marketing mix as a set of marketing tools to meet the demands of the target market. Marketing mix can be divided in 4 categories that are product, price, place, and promotion. Product refers to a physical product or service for a consumer that prepared to pay. It includes tangible goods and intangible products purchased by consumers. Price is the amount the consumer must exchange to receive the offering. As the price of a product depends on different elements and hence it is changes constantly thus the pricing should be dynamic so that it can bear the changes over duration. Place includes distribution channels, warehousing facilities, mode of transportation and inventory control management, thus it is a mechanism through which goods and services are moved from the service provider and manufacturer to consumer. Promotion is one of the most powerful elements in the marketing mix. Sales promotion activities are publicity, public relations, exhibition and demonstrations. Promotional activities are mainly intended to supplement personal selling, advertising and publicity. Promotion helps the trader and sales force to represent the product to the consumers in an effective manner and induce them to buy. The conceptual framework of this research was applied 4Ps of marketing mix based on Kolter, P. and Armstrong, G. [2] in which divided 4 categories related to marketing mix as follows; product, price, place, and promotion. As many earlier studies show that there are influencing of marketing mix on customer decision making on purchasingas stated byAfif, N.C., Hardiyanto, N., and Suwandari, L. [6]. Therefore, this study aimed to explore marketing mix factors influencing on customer decision making on product purchasing.

Customer Decision Making

Wu, W.W. [7] defined customer decision making as the process of goal setting, alternatives providing, alternatives evaluating, and final selecting. In addition, Hoy, W.K. and Miskel, C.G. [8] have defined the definition of decision making as a significant tool in business operation by collecting the information to determine among various alternatives.The decision process consists of 5 stage: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior as stated by Kolter, P. and Armstrong, G. [2]. The buying process starts with need recognition – the buyer recognizes a problem or need. The need can be triggered by internal stimuli when one of the person's

normal needs and rises to a level high enough to become a drive. Moreover, a need can also be triggered by external stimuli. For information search, the stage of the customer decision process in which the consumer is aroused to search for more information. An interested consumer may or may not search for more information. If the consumer's drive is strong and a satisfying product is near at hand. The consumer is likely to but it then. If not, the consumer may store the need in memory or undertake an information search related to the need. The evaluation of alternatives is significant stage in which the consumer uses information to evaluate alternative brands in the choice set. Purchase decision stage defined as make a final decision on product buying. Post-purchase behavior is the final stage in which the consumers takes further action after purchase, based on their satisfaction or dissatisfaction. The decision process had shown how consumers make buying decision as presented in Figure 2. The conceptual model of this research was applied decision making theory based previous researches as well as the researcher's own context, in which characterized by five components. To conclude, from the literature reviews cited above, it can be seen that there are some relationships among these three variables to further investigate and conceptualize in the conceptual model with hypotheses development.

Figure 2
Decision process

Need recognition → Information search → Evaluation of alternatives → Purchase decision → Postpurchase behavior
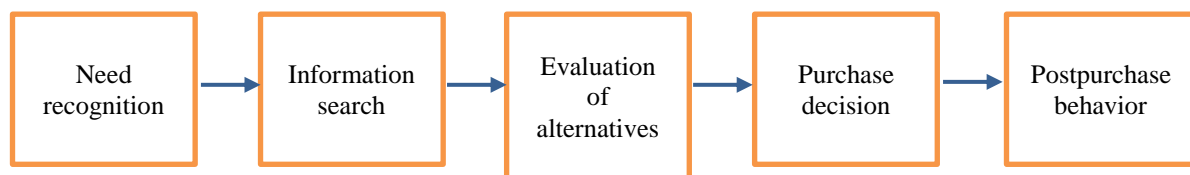
CONCEPTUAL MODEL AND HYPOTHESES

From the reviews of the literature, the conceptual framework of this research study was presented in   Figure 3. It shows the differences of customer decision making based on demographic factors and behavioral factors. It describes the influence of marketing mix factors on customer decision making on purchasing King Ice Brand in Pathumtani Province, Thailand. The conceptual framework has been tested on the basis of the bodies of literature including behavioral factors, marketing mix factors, and customer decision making, cited above, as well as the researcher's own context about the relationship among variables. Based on the conceptualization of the relationships among variables, the hypotheses suggested by the conceptual framework can be laid out as follows:

H_1: Customer decision making on purchasing King Ice Brand in Pathumtani Province, Thailand had different opinion based on demographic factors.

H_2: Customer decision making on purchasing King Ice Brand in Pathumtani Province, Thailand had different opinion based on behavioral factors.

H_3: Marketing mixfactors had significantly influenced on customer decision making on purchasing King Ice Brand in Pathumtani Province, Thailand.

Figure 3
Research Conceptual Framework
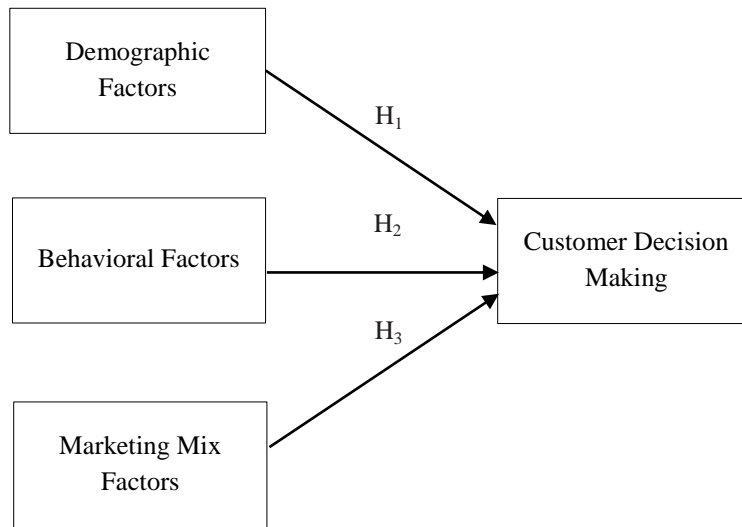
The research hypothesis of the influencetesting can be described in the forms of structural equations in order to show the relationship among variables and predict the dependent variable for hypotheses testing. The symbols used to represent the variables stated as follows:

MARK	=	Marketing Mix Factors
CUSD	=	Customer Decision Making

The structural equation can be explained as follows:

CUSD = β_1 MARK ……….. (1)

RESEARCH METHODOLOGY

This research study aimed to 1) compare the differences of customer decision making on purchasing King Ice Brand based on demographic factors and behavioral factors and 2) explore marketing mix factors influencing on customer decision making on purchasing King Ice Brand in Pathumtani Province, Thailand. The research was a quantitative research. The population were customers in Pathumtani Province and selected 400 customers as samples by using simple random sampling based on Taro Yamane formula [9]. Data were collected through 5-point Likert scale questionnaire surveys. Cronbach's alpha coefficient of marketing mix factors and customer decision making of purchasing King Ice Brand in Pathumtani Province were at 0.782 and 0.873, respectively as shown in Table 1.The cronbach's alpha value of the scale of all variables is greater than 0.700, so it shows that the scale has good reliability. Data were analyzed by descriptive statistics including frequency, percentage, mean, standard deviation; and inferential statistics including t-test, F-test (One-way ANOVA), the Pearson Product-Moment Correlation and Multiple Regression Analysis.The research results can be significantly analyzed with 95% confidenceinterval.

Table 1
Cronbach's Alpha Coefficient of Variables

Variables	Cronbach's Alpha
Marketing Mix Factors	0.782
Customer Decision Making	0.873

RESULTS

The research results were analyzed by using the statistical package for social science. The research findings and the hypotheses testing in this research study were described as follows.

For description of the respondents, the research finding revealed that the survey data ofcustomer decision making on purchasing King Ice Brand in Pathumtani Provincewere made up of 53.50% male. The averages ages of the customers were in between 21–30 years up to 29.75%. For the occupation, most of the customers were owners up to 39.00%. The average monthly income is in between 10,001–20,000 Bath up to 44.75% as stated in Table2.

Table 2
Description of the Respondents

n = 400

Demographic Information		Numbers of Respondents (NR)	Percentage of NR to Number of TR*
Gender	Male	214	53.50%
	Female	186	46.50%
Age	20 Years or Below	31	7.75%
	21-30 Years	119	29.75%
	31-40 Years	115	28.75%
	41-50 Years	99	24.75%
	Above 50 Years	36	9.00%
Occupation	Government Officer	32	8.00%
	Private Company Officer	87	21.75%
	Employee/Freelance	91	22.75%
	Self-employed	156	39.00%
	Student	31	7.75%
	Unemployed	2	0.50%
	Other	1	0.25%
Monthly Income	10,000 Bath or Below	49	12.25%
	10,001–20,000 Bath	179	44.75%
	20,001–30,000 Bath	86	21.50%
	30,001–40,000 Bath	60	15.00%
	40,001–50,000 Bath	15	3.75%
	Above 50,000 Bath	11	2.75%
Total		400	100.00%

* TR denotes total respondents.

For descriptive statistics, the collected data were analyzed by using means and standard deviation. The means score of customers' opinion on marketing mix factors and customer decision making on purchasing King Ice Brand were at the moderate levels with mean scores

of 3.69 and 3.46, respectively. To explain in details; the marketing mix factors in the dimension of product, price, place, and promotion have mean scores of 3.78, 3.66, 3.54, and 3.78, respectively.

For inferential statistics, the Pearson Product-Moment Correlation was used to determine the relationship of marketing mix factor componentsand customer decision making. The objective was to find the levels of correlation among the variables and to test for multi-collinearity. As Hair et al. [10] described the relationship between the variables that must be less than 0.800 otherwise it may cause Multi-collinearity. The correlation analysis between the independent variables was shown in Table 3. This research shown that the relationship between the independent variables with the highest value of 0.652, which was not exceed 0.800, accordingly multi-collinearity problem was not found. Multiple Regression Analysis can be used to predict marketing mix factors influencing on customer decision making of purchasing King Ice Brand in Pathumtani Province.

Table 3
Descriptive Statistics and Correlation Analysis

	MEAN	S.D.	PROD	PRIC	PLAC	PROM	CUSD
PROD	3.78	0.522	1				
PRIC	3.66	0.515	0.652**	1			
PLAC	3.54	0.577	0.540**	0.624**	1		
PROM	3.78	0.668	0.384**	0.485**	0.575**	1	
CUSD	3.46	0.494	0.317**	0.419**	0.528**	0.600**	1

**. Correlation is significant at the 0.01 level
The symbols used to represent the variables stated as follows:
PROD = Product PLAC = Place
PRIC = Price PROM = Promotion
CUSD = Customer Decision Making

The t-test and F-test (One-way ANOVA) were used to compare the differences of customer decision making on purchasing King Ice Brand based on demographic factors and behavioral factors. The research results from hypotheses testing on the differences of customer decision making on purchasing King Ice Brand based on demographic factors and behavioral factors were presented in Table 4. This research results shown that customer decision making on purchasing King Ice Brand was significantly different based on demographic factors by age, occupation, and salary. In addition, customer decision making on purchasing King Ice Brand was significantly different based on behavioral factors by frequency, time, and quantity.

Table 4
The Results fromHypotheses Testing on Difference Comparison

Factors		F	Sig
Demographic	Gender	0.010	0.919
	Age	3.979	0.004*
	Occupation	5.434	0.000**
	Salary	6.547	0.000**

Behavioral	Frequency	10.818	0.000**
	Time	6.953	0.001**
	Quantity	3.560	0.004*

** Significant at the 0.01 level.   * Significant at the 0.05 level.

The research results from Multiple Regression Analysisthattested for the influence of marketing mix factors on customer decision making of purchasing King Ice Brand in Pathumtani Provincewas summarized in the forms of structural equations, which can be explained as follows:

$$\text{CUSD} = 0.593 \text{ MARK} \quad \text{………. (2)}$$
$$(14.675)$$

To explain in details the influence of marketing mix factor components on customer decision making of purchasing King Ice Brand in Pathumtani Province were presented in Table 5.The hypotheses testing found that marketing mix factors can predict customer decision making of purchasing King Ice Brand up to 40.60% (Adjusted R-Square 0.406) at 0.05 significant level.The perceived place in marketing mix factors had statistically significant direct influenced on customer decision making of purchasing King Ice Brand with standardized coefficients (β) of 0.250.In addition, promotion in marketing mix factors had statistically significant direct influenced on customer decision making of purchasing King Ice Brand with standardized coefficients (β) of 0.432.

Table 5
Multiple Regression Analysis Results

Marketing Mix Factors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Beta	Std. Error	Beta		
PROD	-0.031	0.049	-0.032	-.619	0.536
PRIC	0.071	0.055	0.074	1.303	0.193
PLAC	0.214	0.047	0.250	4.552	0.000***
PROM	0.320	0.036	0.432	8.992	0.000***
Adjusted R^2 = 40.60%	**S.E.E = 0.381**			**F = 69.295**	

***. Predictor is significant at the 0.000 level

In conclusion, according to hypotheses testing, marketing mix factors in the dimensions of place and promotionhad significantly influenced oncustomer decision making of purchasing King Ice Brand in Pathumtani Province, Thailand, suggesting business owners should concentrateproduct distribution channel and special promotion in order to increase customer decision making on purchasing King Ice Brand in the long run.

CONCLUSIONS

This research results revealed that the marketing mix factorshad statistically significant influenced on customer decision making on purchasing King Ice Brand. Customer decision making of purchasing King Ice Brand has varied according to different demographic factors and behavioral factors.Place and promotion of marketing mix factorshad directly significant

influenced on customer decision making on purchasing King Ice Brand. Therefore, the following suggestions from the research results can be applied as management guidelines for marketing and business plan of King Ice Brand. Firstly,business owner should provide various distribution channel of product to customer and relocate factory for easy accessing in order to enhance purchasing place.Secondly, new marketing campaign and interesting promotion should be established to increase customer decision making.To conclude, marketing mix factors had significant influenced on customer decision making on purchasing King Ice Brandin Pathumtani Province, Thailand.However, there are many other factors that can be influenced to customer decision making on product purchasing such asproduct image or brand loyalty and economic factors for further research.

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