

FACTORS AFFECT CUSTOMERS LOYALTY TOWARD THE RECYCLE STORE IN PHANNANIKHOM DISTRICT SAKON NAKHON PROVINCE THAILAND.

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ABSTRACT

The objectives of this research were (1) to demographic factors affecting on marketing mix (2) to demographic factors affecting on customer loyalty (3) to marketing mix factors affecting on customer loyalty toward the recycle store in PhannaNikhom District Sakon Nakhon Province Thailand. The research was a quantitative research with the sample of 202 customer of the Recycle Store in PhannaNikhom District Sakon Nakhon Province Thailand. Data were collected through 5-point Rating Scale questionnaires. The statistics used in the data analysis were the frequency, percentage, mean, standard deviation, Cronbach's Coefficient Alpha, t-test, F-test, Pearson Product Moment Correlation and Multiple Regression Analysis.

The research results found that the different gender had different effects to choose the product and price. The different status had different effects to choose the process. The different income had different effects to choose the customer loyalty. Marketing mix such as price positive effect on customer loyalty toward the recycle store in PhannaNikhom District Sakon Nakhon Province Thailand.

Keywords : Demographic Factor, Marketing Mix Factor, Customer Loyalty

INTRODUCTION

Currently, the expansion of economic and social activities political growth including the population that is increasing every year resulting in more wasteful use of resources and waste. Therefore, there are more people or business people wishing to earn more income from doing green world businesses like recycling business. Most of which are entrepreneurs with large capital the other group is entrepreneurs who operate only one business process. Which has a whole group of businesses that operate fully integrated. Beginning with the purchase of junk recycle or antiques, Waste sorting, including processing into various products, most of which are entrepreneurs with large capital the other group is entrepreneurs who operate only one business process. Including the business of buying antiques businesses that digest or crush waste to refer to recycling waste processing plants which will use less machines and use less investment. The trend of recycling business is increasing every year, according to the Pollution Control Department's data, which in 2017, there were 17.42 million tons of glass, paper, plastic, aluminum, and rubber in the country, and 11.87 million were recycled. Tons increased from 2016, with the amount of waste being recycled 9.93 million tons or 19.54 percent, of which this amount is recycling waste the type plastics up to 3.50 million tons, representing 29.49 percent of the amount of waste recycled in 2017 (Department of Business Development) [1].

From the growth of the recycling business above causing a lot of competition in the business of buying old or recyclable store, such as the expansion of branches of the same entrepreneurs or even the emergence of new entrepreneurs (Department of Business Development) [1] which will cause the competition for customers to occur because customers there are more choices of sales locations, causing customers to be customers of each store to disappear. If this is the case, there may be some factors that affect customer loyalty to antique stores or recyclable store.

From the said situation, the researcher has the idea to study factors which affect customers' loyalty toward the recycle store or antique shop in order to use the research results to improve and develop the business to attract or motivating customers to customers loyalty. Finally, the researcher lives in PhannaNikhom District SakonNakhon Province, Thailand therefore want to conduct research in the area where they live to benefit the research people in the area too.

LITERATURE REVIEW

1. Demographic

Kotler and Keller [7] said that demographic is the criteria used in demographic market segmentation. Consumers are divided into groups according to demographic characteristics such as gender, age, family size, family status, education, occupation, income, etc. this method is very popular because it can be separated easily and clearly.

- Gender defined female and male are different in both physiology, process of thinking, values, aptitude, behavior, attitude, lifestyle, role, duty, satisfaction in service decisions, etc.

- Age will determine or be an indication of the experience of various people in each age. Each age range is different and is an indicator of physiology, role, function, lifestyle, ideas, beliefs, attitudes, behaviors. It is also able to determine differences in difficulty in can induce the minds of consumers.

- Status can indicate independence in decision making and influence the thinking process, analysis, information perception.

- Education causes people to have knowledge, ideas, attitudes, create a broad and deep understanding of various things. It also causes differences in attitudes, values, and morals thinking.

- Occupation people with different occupations have different concepts, ideological attitude, and different testimonials which includes opinions on service decisions and satisfaction with service.

- Income can show the social status of a person and is a factor that is directly related to consumption. Determines the needs, ideas, and decisions of buying as well as human behavior.

Ramli Saad et al. [8] studied the impact of demographic factors toward customer loyalty: a study on credit card users found that after analysis and test has been done, it shown that only income level having significant relationship with customer loyalty.

2. Marketing Mix (7Ps)

Kotler [2] said that marketing mix is a controlled marketing tool used to meet the satisfaction of target customers. The marketing mix is a concept that important in modern marketing. The marketing mix can be divided into 7 groups (7Ps), which are product, price, place, promotion, process, people, and physical environment.

2.1 Product

Kotler [3] said that product is presented to wants or needs of customers. In which customers will consider the appearance and product features, quality, suitability of price in

which the business or manufacturer wants to develop products to wants or needs of customers always. Can be divided into 2 types which are tangible products and intangible products such as idea service to customer satisfaction, needs or needs of customers may have products, services, locations, people. Products must have utility and value in the eyes of the customers in order to be able to make the products available for sale.

2.2 Price

Armstrong and Kotler [4] said that price is rate or amount of money that must be paid in order to receive the product or services, or it may be all the value that customers recognize in order to get benefits from the use of that product or serviceworth the rate or amount paid. Price fixing is important because customers usually compare the value between the value and the price of the product and service. If able to make the customers feel that the product and service are higher than the set price, the customer will make a purchase. Therefore, the pricing should be set appropriately. With the value of the product and service and must use pricing strategy that will be accepted by the target group and fight with the competitors in the competition.

Ariel et al, [5] studied the effect of marketing mix and brand image on customer loyalty at premixed mortar the results show that marketing mix such as price also brand image are equally important. The price is the most important towards customer loyalty is correlated with the product and the service that support the project.

2.3 Place

Kotler [2] said that place is a channel or activity that presents and moves products or services to customers, which in turn affects the perceived value of the products and services of customers, therefore must consider the location and channels of service. The activities can be divided into 2 parts: channel of distribution, which sells products to consumers directly or indirectly through intermediary institutions such wholesalers, retailers and agent middleman on the market is physical distribution.

2.4 Promotion

Kotler [2] said that promotion is a tool for marketing communication between sellers and customers with the objective of informing, persuading, creating positive attitudes, needs and persuasion. To make the behavior of buying that product or service, tell customers that there are products in the market, to remind to customers and to create customer satisfaction. Promotion will need to be educated about the communication process to understand the relationship between the receiver and the sender. There are 4 important tools for promotion Mix include personal selling, advertising, sales promotion and publicity, public relation.

2.5 People

Mehrdad and Elham [6] said that people as the person in charge and provide services to consumers is an important part like the blood that nourishes the organization. Creating good and capable personnel requires a selection process, training, and motivation in order to create consumers satisfaction differently than competitors. Employees must have competence have a good attitude, able to meet the needs of consumers, have originality, can solve problems able to create values for the organization and maintain a good image of the organization.

2.6 Process

Mehrdad and Elham [6] said that process as the process or method that an organization uses to deliver fast services. Have quality and create customer satisfaction which includes operations under the rules and regulations of service offerings, service preparation, services that need to be offered to that presentation. Good processes must be accurate, fast, and efficient in delivering, standardized and easy to follow. Resulting in efficient services and the highest customer satisfaction.

2.7 Physical Facilities

Kotler [3] said that physical facilities are an integral part of an organization. That customers can experience, visible and concrete by presenting and creating a good image and attractiveness to use the service to create customer satisfaction. Is a factor that causes convenience in the service and make the service to be efficient.

3. Customer Loyalty

Gamble, Stone and Woodcock [9] said that customer loyalty can be divided into 2 types which are (1) emotional loyalty is caused by the state of mind, attitude, beliefs and wishes of customers towards the product or service. Which is the feeling within the minds of customers which is considered that the company has benefited from this type of customer loyalty. Therefore, the company should reward and maintain customer loyalty by building good relationships in the long run, standardized service and (2) rational loyalty comes from acting with satisfaction, and willingness to receive good responses from products or services. Which will be a wall prevent customers from fleeing to be loyalty to other companies. Although one customer may have loyalty to more than one product or service.

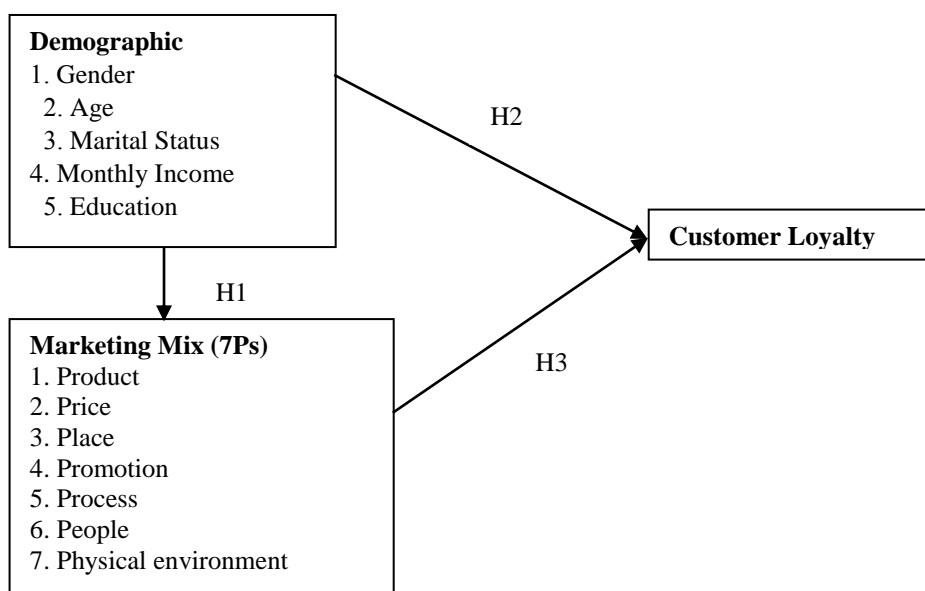
CONCEPTUAL MODEL AND HYPOTHESES

H1: Demographic such as gender, age, marital status, monthly income and education had different effects to choose the marketing mix (7Ps) such as product, price, place, promotion, process, people and physical environment.

H2: Demographic such as gender, age, marital status, monthly income and education had different effects to choose the customer loyalty.

H3: Marketing mix (7Ps) such as product, price, place, promotion, process, people and physical environment positive effect on customer loyalty.

Figure 1
Research Conceptual Framework



RESEARCH METHODOLOGY

The population of this research was customer of the recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand. The sample of 202 is customer of the recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand. Hair et al.[10] explain that more than 200 sample that have been completed in the research can be used to represent the entire population to explain the phenomena.

The 30 questionnaires were used to Pre-test with the sample of the recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand in order to analyze the reliability of the query to calculate the statistical value by analyzing the confidence coefficient (α) according to the Cronbach's method (Cronbach's Coefficient Alpha), using an acceptable confidence threshold of not less than 0.60, it means that the questionnaire held is reliability (Hair et al.,) [11] can be used to test hypotheses and to be used in the research process. As shown in Table 1. 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.

Table 1
Result of measure validation

Items	Cronbach's Alpha
Marketing Mix (7Ps)	
Product	.649
Price	.651
Place	.689
Promotion	.643
Process	.774
People	.785
Physical Evidence	.718
Customer Loyalty	.605

ANALYSIS OF DATA AND RESULTS OF THE STUDY

Table 2
Description of the Respondents

Demographic Information		Numbers of Respondents (NR)	Percentage of NR to Number of TR*
Gender	Male	125	61.9
	Female	77	38.1
Age	Under 20 years	0	0.0
	20-35 years	17	8.5
	35-50 years	83	41.0
	50 years and over	102	50.5
Marital Status	single	23	11.4
	married	169	83.8
	divorce	10	4.8
Monthly Income	Below 5,000 Bath	17	8.6
	5,001 – 10,000 Bath	81	40.0
	10,001 – 15,000 Bath	85	41.9
	Above 15,001 Bath	19	9.5
Education	Below Primary School	0	0.0
	Primary School	108	53.3
	Secondary Education	81	40.0
	Above Secondary Education	13	6.7

*TR denotes total respondents.

As show in Table 2 for description of the respondents, the research finding revealed that the survey data of customer of recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand.

For the gender found that most of samples are male by 61.9% and the rest are female which 38.1%. For the age found that most of samples are 50 years old and over (50.5%), follow by 35-50 years old (41%) and 20-35 years old (8.5%). For the marital status found that most of samples are married (83.8%), follow by single (11.4%) and divorce (4.8%). For the monthly income found that most of samples are 10,001 – 15,000 Bath (41.9%), follow by 5,001 – 10,000 Bath (40%), Above 15,001 Bath (9.5%) and Below 5,000 Bath (8.6%). And for the education found that most of samples are primary school (53.3%), follow by secondary education (40%) and above secondary education (6.7%).

Hypothesis testing

In this research, the researcher analyzed Correlation Analysis to find the relationship between variables and Simple Regression Analysis to test the hypothesis. Therefore, to make it easier to remember when testing hypotheses. The researcher defined abbreviations for the following variables.

- p1 - Product
- p2 - Price
- p3 - Place
- p4 - Promotion
- p5 - Process
- p6 - People
- p7 - Physical environment
- L1 - Customer Loyalty

Table 3

H1: Demographic such as gender, age, marital status, monthly income and education had different effects to choose the marketing mix (7Ps) such as product, price, place, promotion, process, people and physical environment.

	Gender	Age	Marital Status	Monthly Income	Education
Product	-2.087*	.394	.403	1.009	.064
Price	-2.152*	.031	.264	.211	.780
Place	-.940	1.197	1.080	1.373	.180
Promotion	-.455	2.593	1.626	.058	.773
Process	.413	1.760	3.473*	.473	1.035
People	-.459	1.220	.922	1.475	.388
Physical environment	-.246	.369	1.446	.619	.305

*P < 0.05, **P < 0.01

As show in Table 3, found that gender different effects to choose the marketing mix (7Ps) such as product and price at the significance level of 0.05. In addition, marital status different effects to choose the marketing mix (7Ps) such as process at the significance level of 0.05.

Table 4

H2: Demographic such as Gender, Age, Marital Status, Monthly Income and Education had different effects to choose the customer loyalty.

		Sig
Gender	t = -.528	.599
Age	F = .807	.499
Marital Status	F = .251	.779
Monthly Income	F = 4.815	.004*
Education	F = .143	.867

*P< 0.05, **P<0.01

As show in Table 4, found that demographic such as monthly income had different effects to choose the customer loyalty at the significance level of 0.05.

Table 5

Correlation Analysis between Independent variables

	p1	p2	p3	p4	p5	p6	p7	L1
MEAN	4.41	4.37	4.60	4.56	4.62	4.34	4.47	4.44
S.D.	0.49	0.50	0.47	0.49	0.43	0.50	0.52	0.39
p1	1							
p2	.653**	1						
p3	.456**	.469**	1					
p4	.463**	.579**	.488**	1				
p5	.417**	.501**	.647**	.687**	1			
p6	.535**	.567**	.654**	.564**	.654**	1		
p7	.577**	.637**	.652**	.678**	.713**	.731**	1	
L1	.347**	.475**	.185*	.382**	.298**	.367**	.429**	1

As show in Table 5 Correlation Analysis, which can explain the relationship between variables (Hair et al.,) [11], explains that the relationship between Independent variables must be less than .80. If more than .80, it is assumed that was Multicollinearity. Therefore, from the research, it is found that the relationship between Independent variable has the highest value of .707 which is less than .80 is considered to not occur Multicollinearity. So, variables can be used in Multiple Regression Analysis to test hypotheses.

Table 6

Results of Simple Regression Analysis

H3:Marketing mix (7Ps) such as product, price, place, promotion, process, people and physical environment positive effect on customer loyalty.

Variable	Dependent Variable	
	Customer Loyalty	
	β	S.E.
p1	.011	.094
p2	.312*	.100
p3	-.233	.103
p4	.099	.104
p5	-.034	.129
p6	.129	.108
p7	.239	.117

*P< 0.05, **P<0.01

As show in Table 6, found that marketing mix such as price positive effect on customer loyalty of customer of recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand at the significance level of 0.05($\beta = .312$) was partial support hypothesis 3. Marketing mix such as product, place, promotion, process, people and physical environment no effect on customer loyalty of customer of recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand.

Table 7
The hypotheses testing

Hypotheses	Hypothesis test results
H1	Partial support
H2	Partial support
H3	Partial support

CONCLUSIONS

From the study of Factors which affect customers' loyalty toward the recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand the research found that.

H1:Demographic such as gender, age, marital status, monthly incomeandeducation had different effects to choose the marketing mix (7Ps)such as product, price, place, promotion, process, people and physical environment, found thatgender different effects to choose the marketing mix (7Ps)such as product and priceat the significance level of 0.05. For marital status different effects to choose the marketing mix (7Ps)such as process of customer recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand at the significance level of 0.05was partial support hypothesis1. This corresponds to Kotler and Keller [7] said that for gender, female and male are different in both physiologies, process of thinking, values, aptitude, behavior, attitude, lifestyle, role, duty, satisfaction in service decisions, etc.and for status can indicate independence in decision making and influence the thinking process, analysis, information perception.

H2:Demographic such as gender, age, marital status, monthly income and education had different effects to choose the customer loyalty, found thatdemographic such as monthly income had different effects to choose the customer loyalty of customer recycle store in PhannaNikhom District SakonNakhon Province, Thailand at the significance level of 0.05was partial support hypothesis 2.This corresponds toRamli Saad et al.[8] studied The impact of demographic factors toward customer loyalty: A study on credit card users, found that after analysis and test has been done, it shown that only income level having significant relationship with customer loyalty. In addition, Kotler and Keller [7] said thatincome can show the social status of a person and is a factor that is directly related to consumption. Determines the needs, ideas, and decisions of buying as well as human behavior.

H3:Marketing mix (7Ps) such as product, price, place, promotion, process, people and physical environment positive effect on customer loyalty, found thatmarketing mix such as pricepositive effect on customer loyalty of customer recycle store in PhannaNikhom District Sakon Nakhon Province, Thailand at the significance level of 0.05($\beta = 0.312$) was partial support hypothesis 3. This corresponds toAriel et al. [5] studied Theeffect of marketing mix and brand image on customer loyalty at Premixed Mortar,the results show that marketing mix such as pricealso brand image are equally important. The price is the most important towards customer loyalty is correlated with the product and the service that support the project.

The research results found that the different gender had different effects to choose the product and price. The different status had different effects to choose the process. The

different income had different effects to choose the customer loyalty. Marketing mix such as price positive effect on customer loyalty toward the recycle store in PhannaNikhom District Sakon Nakhon Province Thailand. If the management uses these factors to manage, improve, take care and develop at the right point, such as reasonable price care paying attention to personal factors such as gender, income, etc., may be able to increase customer loyalty. Retain existing customers which will have a positive effect on success the store's goals even more.

To make this research be continuously advance for further useful, the researcher has some suggestion this research is quantitative research. In the future, the data should be collected by methods other than using the questionnaires only. May be used to interviews because each person may have different opinions from the given questionnaire. Which will result in clearer and more accurate data. There may be a study of factors affecting customer loyalty, customer recycle store aside from the sample and different areas to be analyzed and compared the differences, other variables may be studied that may affect customer loyalty, such as customer satisfaction, service quality, customer acceptance, and trust for finding conclusions and can be developed, improve business or the decision to continue doing business.

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