

Factors Affecting Purchase Intentions of Thai Consumers on Sachet Facial Skincare Products in Bangkok, Thailand

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ABSTRACT

This research mainly focuses on the analyses of the marketing mix 4P's to customer satisfaction toward purchase intentions of sachet facial skincare products in Thailand. Based on the marketing mix 4P's, it consists of four dimensions: Product, Place, Price and Promotion. In this study, the marketing mix 4P's was employed to determine the customer satisfaction and purchase intentions. The quantitative questionnaires were employed and five-point scale survey questions were used to collect the data from the sample size of 400 respondents including males and females, age above 16 years old who are living in Bangkok and currently using or had used sachet facial skincare in the past six months. The results indicated that the 4P's of marketing had significantly influence on the customer satisfaction and purchase intentions. Moreover, the enhancement of the customer satisfaction level was directly proportional to the purchase intentions of sachet facial skincare products in Thailand.

KEYWORDS: Skin Care, Customer Satisfaction, Purchase Intentions, Marketing Mix Elements

Introduction

The Nation Thailand (2018) reported that Thailand's beauty market is one of the largest among ASEAN countries. In 2017, the beauty and personal care products market was valued at approximately \$4.7 billion, a 7.80 % increase from 2016. Skincare products accounted for 47.00% of the market (\$2.2 billion). Skincare products registered a healthy annual growth of 8.70% in 2017. There is a demand for skincare products with natural ingredients. Thailand is entering an aging society and demand for anti-aging products in various styles with low-to-premium positioning is on the rise. While facial care products accounted for 84.00% of the market, body care products accounted for only about 16.00%. (The Nation Thailand, 2018). As an increase in purchasing power and market trends, people become more conscious of their hygiene and beauty (Souiden & Diagne, 2009).

The change in the lifestyle of a consumer is majorly affecting the skincare market. Consumers have become more conscious of skincare usage as a part of their daily life. Also, the number of skincare brands has shifted their focus to sachet size packaging, which is handy, convenient, and suitable for a wide range of consumers. Skincare plays an important role in enhancing one's inherent beauty and physical features for both men and women.

Objectives

1) To investigate how marketing mix factors are related to the customer's satisfaction on sachet facial skincare products.

2) To investigate how marketing mix factors are related to the purchase intentions of sachet facial skincare products.

3) To investigate how customer's satisfaction is related to the purchase intentions of sachet facial skincare products.

Research Benefits

1) The result of this research would benefit the sachet facial skincare industry in term of understanding their customers' need and make some adjustments accordingly.

2) The result of this research could be applied to develop marketing strategies related to decision making of purchasing sachet facial skincare products.

3) The obtained results of customer satisfaction and purchase intentions would benefit entrepreneurs to understand up-to-date consumer behavior and needs.

Literature Review

Relevant theories in customer satisfaction, purchase intentions, and marketing mix (4Ps) are explained through literature review. This section also includes conceptual framework and research hypothesis.

Customer satisfaction: The heart of the satisfaction process is the comparison between what was expected and the product performance. It has traditionally been described as the confirmation/disconfirmation process (Vavra, 1997).

Purchase Intentions: Customers are always influenced by their preferences and perception in the purchasing process. Perceived quality of a product is derived from the estimation made by the consumer relying on the whole set of basic as well as the outer dimension of the product (Grunert, 2005).

Marketing Mix 4P's: Marketing is the art and science of selling. Ingredients for good marketing are the 4P's: product, price, promotion, and place.

An effective marketing program combines harmoniously all the elements of the marketing mix. These are the main instruments for a company to obtain strong positioning on the concerned markets (Van Vliet, 2011).

Marketing Mix 4P's and Satisfaction

The Marketing mix is the factor which helps the customer to compare their end and result of satisfaction for using the product (Kotler & Keller, 1999)

Marketing Mix 4P's and Purchase Intention

Among elements of the marketing are the 4P's: product, price, promotion, and place also variables correlates to the purchase intention (Mahmoud, Ibrahim, Ali, & Bledy, 2017).

Research Framework

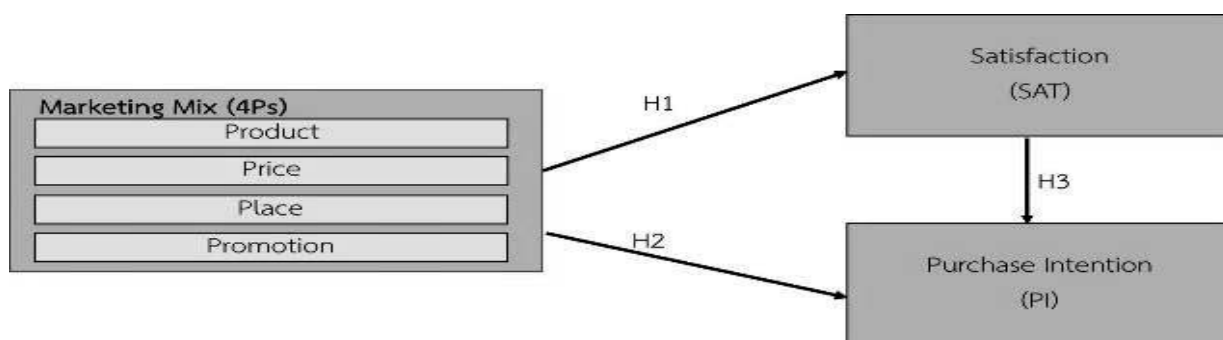


Figure 1 Adopted research framework

Source: Nezakati and Housseinpour (2014)

Hypotheses

Hypotheses are stated as follows:

- H₁: There is a direct relationship between the marketing mix 4P's and customer satisfaction.
- H₂: There is a direct relationship between the marketing mix 4P's and purchase intentions.
- H₃: Customer satisfaction positively influences purchase intentions.

Research Methodology

The quantitative approach was used in this research. Purposive sampling method was employed. Respondents were purposively asked to fill the survey in the presence of a researcher who provided explanations and information if necessary. All questionnaires were anonymous in order to obtain possibly the most spontaneous and valid answers. The measuring scale was five-point Likert response scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Population and Sample

The population of focus in this study was the total number of registered residents in Bangkok (N=5,491,302; male N=2,575,476; and female N=2,915,826; department of provincial administration, 2017) The sampling size of this research are calculated at 400 respondents for a 95% confidence level. the

calculation formula of Taro Yamane (Yamane, 1973) was calculated as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Data from 400 respondents including males and females living in Bangkok, aged above 16 years old who currently use facial skincare product or had used facial skincare products in the past six months was collected through an online survey. The survey was designed with screening questions about age and current usage of facial skincare products at beginning of a survey in order to determine whether respondents are eligible to take part in a study.

The selected theories and questionnaires were extracted from other researches corroborated by experts which had studied in the relevant field and provided concrete and convincing conclusions. For pilot study, responses from 30 respondents were collected to assess reliability of measurement instruments and to improve quality and efficiency of the data collection process.

Reliability is the assessment of the extent of internal consistency among the scales of the constructs in the study (Hair, Anderson, Tatham, & Black, 1998).

The internal consistency of data was measured by Cronbach's coefficient alpha. In general Cronbach's Alpha depends on

the number of items; fewer numbers of items tend to result in poor Alpha value. For items less than 10, if the coefficient of Cronbach's Alpha is over 0.8, the reliability is good, if in the range of 0.6-0.7, it is considered acceptable and reliability is considered poor

if Alpha is less than 0.6 (Cavana, Delahaye, & Sekaran, 2001). The Cronbach's alphas for the three constructs ranged from 0.722 to 0.892 indicating high internal consistency among the variables.

Table 1 Result of cronbach's alpha

Variables	Item no.	Cronbach's Alpha (Higher than 0.7)
- Marketing mix 4P's	16	0.860
- Customer satisfaction	3	0.892
- Purchase intentions	3	0.722

Source: Author's caluculation

Data Analysis

The regression analysis was done to examine the impact of the marketing mix on customer satisfaction and purchase

intention; one-way ANOVA was done to examine the influence of customer satisfaction and purchase intention.

Table 2 Summary of testing hypotheses

	Hypothesis Path	Standardized Coefficient (β)	t-value	p-value	Result
H _{1a}	Product → Satisfaction	0.288*	5.267	0.000	Supported
H _{1b}	Price → Satisfaction	0.204*	3.644	0.000	Supported
H _{1c}	Place → Satisfaction	0.219*	4.083	0.000	Supported
H _{1d}	Promotion → Satisfaction	0.110**	2.242	0.026	Supported
H _{2a}	Product → Intention	0.257*	4.404	0.000	Supported
H _{2b}	Price → Intention	0.155*	2.603	0.010	Supported
H _{2c}	Place → Intention	0.154*	2.692	0.007	Supported
H _{2d}	Promotion → Intention	0.204*	3.899	0.000	Supported
H ₃	Satisfaction → Intention	0.621*	15.804	0.000	Supported

*significant at 0.01 **significant at 0.05

Source: Author's calculation

H₁: Marketing mix has a direct and positive effect on customer satisfaction.

According to table 2, the result of standardized regression coefficients Beta (β) in linear regression analysis of the marketing mix towards Customer Satisfaction. Here the result shows that out of four factors as follows:

1) Product (Beta = 0.288, t = 5.267, $p < 0.01$) was significant at the 0.01 level and support H1a.

2) Price (Beta = 0.204, t = 3.644, $p < 0.01$) was significant at the 0.01 level and support H1b.

3) Place (Beta = 0.219, t = 4.083, $p < 0.01$) was significant at the 0.01 level and support H1c.

4) Promotion (Beta = 0.110, t = 2.242, $p < 0.05$) was significant at the 0.05 level and support H1d. Overall, the linear regression analysis model statistically and significantly predicts the outcome where marketing mix is supporting alternative hypothesis that it affects the customer satisfaction. This indicates that there is a significant relationship between marketing mix and Customer satisfaction (It is a good fit for the data).

H₂: Marketing mix has a direct and positive effect on purchase intentions.

The result of standardized regression coefficients Beta (β) in linear regression analysis of marketing mix towards Purchase Intentions. The result of four factors are stated as follows:

1) Product (Beta = 0.257, t = 4.404, $p < 0.01$) was significant at the 0.01 support H2a.

2) Price (Beta = 0.155, t = 2.603, $p < 0.01$) was significant at the 0.01 level and support H2b.

3) Place (Beta = 0.154, t = 2.692, $p < 0.01$) was significant at the 0.01 level and support H2c.

4) Promotion (Beta = 0.204, t = 3.899, $p < 0.01$) was significant at the 0.01 level and support H2d. Overall, the linear regression model statistically and significantly predicts the outcome where marketing mix is supporting alternative hypothesis stating that it affects the purchase intentions which indicates that there is a significant relationship between marketing mix and Purchase Intention (It is a good fit for the data).

H₃: Customer satisfaction has a direct and positive effect on purchase intentions.

The result of standardized regression coefficients Beta (β) in linear regression analysis of Satisfaction towards purchase intentions where linear regression analysis Beta is 0.621, t = 15.804 and p-value is less than 0.01 which indicates that there is a significant relationship between Satisfaction and purchase intentions.

Research Results and Discussion

The results of this research were presented in accordance to the research objectives as follows:

The result shows that the marketing mix factors are significantly influenced the customer's satisfaction on sachet facial skincare products. The finding is in line with Yelkur (2000). Yelkur (2000) stated that the elements of marketing mix variables have positive influenced on customer satisfaction.

Also, the marketing mix factors shows significantly influenced on the purchase intentions of sachet facial skincare products. This finding is supported by the study of Mahmoud et al. (2017) on the impact of green marketing mix elements toward purchase intentions. The findings revealed that there is a direct relationship between marketing mix elements and the consumer's purchase intention (Mahmoud et al., 2017).

In addition, the purchase intention is directly influenced by customer satisfaction. This finding is similar to the work of Tsiotsou (2006) in the study on used sport shoes. Tsiotsou found that overall satisfaction shows a direct influenced on purchase intentions (Tsiotsou, 2006).

Thus, the research objectives and all hypothesis have been examined and answered as mention above.

Recommendation

This part is researcher's suggestion. There are three suggestion points as follows:

1) Theoretical Aspects

According to the finding, the product dimension has the highest influence on satisfaction. Thus, brands should launch products based on the newest scientific and technological innovations. They should also be engaging in integrated marketing activities, using push and pull strategy in the marketing mix to innovate and reinvent consumer experience and branding should be integrated with customer relationship management which means that producers should create good experience for customers.

2) Managerial Implications

Producers should be cautious and adapting as needed to customize solutions for customer needs. For sachet facial skincare products, the key-value-item (KVI) module (McKinsey & Company, 2017) should be applied to estimates how much each product affects purchase intentions by dynamically evaluating user behaviors (e.g. click rates, product reviews, and search data). Producers should base their designs on understand and experience of customer and aim to improve their brands in delivering the products that are related to customer needs. Besides, omnichannel module coordinating with prices among the retailer's offline and online channels is recommended.

3) Future Research

In this study, the impact of marketing mix strategy on satisfaction, customers' satisfaction, and Purchase intentions in Bangkok is investigated.

However, there are several other potential research areas on how marketing strategies of sachet skincare products may impact customers' satisfaction. The relationships between the four variables could also be obtained by using other advanced statistical techniques. Therefore, to further inquire into this research area, various other factors should also be taken into consideration. Further extension of sample size will be able to represent the whole population in Thailand.

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