Why Consumers Willing to Purchase in ADVICE Stores The Perspective of Multiple Marketing Approaches

2B-3

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Outline

1. Background, Motivation and Objective

2. Literature Review & Hypotheses Development

3. Research Method

4. Results and Discussion

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Background (1)

▶ Today's technology is evolving rapidly, making human beings adapt to technological developments as a result there is a selection of IT equipment that meets all aspects of life in terms of education, work, and human comfort.

▶ As a result, the computer and IT devices retailing business has also benefited from technological developments. For example, the ADVICE shop sells various IT devices in their shops including desktop computer, notebook, smart phone, and any electronic accessories.

Background (2)
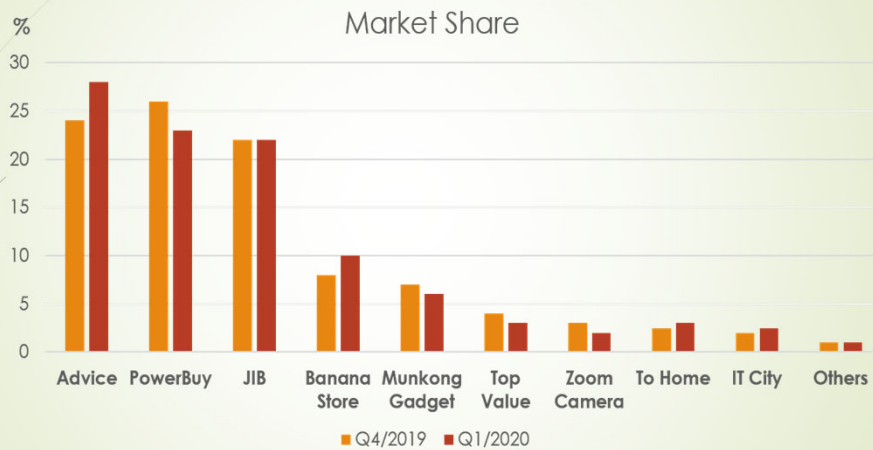
Electronic e-commerce market share of Thailand in 2020 (iPrice and SimilarWeb, 2020)

Motivation (1)

- Literature indicated that consumers' consumption behaviors are changing and difficult to predict. To adapt to ill-predictive Covid-19, enterprises are frequently looking for innovative solutions to reduce the impacts for survival.

- For example, cost down and increase of touchpoints are used to adapt to the impacts of Covid-19 (Walker, 2021), implying there is a need to reveal the determinants associated with buying intention in the post Covid-19 era.

Motivation (2)

- The driving factors that lead to buying behavior are marketing mix such as:
  - ❖ 4Ps (Product, Price, Place, Promotion)
  - ❖ 4Cs (Consumer, Convenience, Cost, Communication)
  - ❖ 4Ss (Satisfaction, Service, Speed, Sincerity)
  - ❖ 4Rs (Relevance, Reaction, Relationship, Reward)

- Consequently, four marketing mixes are proposed as the main drivers of overall buying decision from ADVICE in Thailand, including 4P (overall perspective of purchasing), 4C (perspective of before purchasing), 4S (perspective of during purchasing), and 4R (perspective of after purchasing) (Alberto, 2019)

Objective

1) To study the marketing factors associated with purchasing decision of IT devices in ADVICE stores in Thailand.

2) To propose and examine a research model that describes the purchasing decision using multiple marketing approaches for ADVICE stores in Thailand.

Literature Review

- 3C Industry in Thailand
- Buying behavior
- Expectation-Confirmation Theory
- Marketing Mix Approaches
- The Case of ADVICE

3C Industry in Thailand (1)

- The rapid development of internet technologies had led to the growth of computer relative industries such as 3C (Computers, Communications, and Consumer-electronics) industries.

- Thailand 4.0 policy focuses on the development of digital infrastructure to access the internet cooperation with all sectors and the use of change dynamics for becoming a leading country by the work related to smartphones, e-commerce, e-payments, digital content, cloud computing, and FinTech will be a segment with huge growth (Archanun, 2020).

- Moreover, the covid-19 epidemic affects the way people manage their life, causing the needs to change behavior and lifestyle.

3C Industry in Thailand (2)

- **Development trends of industry in Thailand**
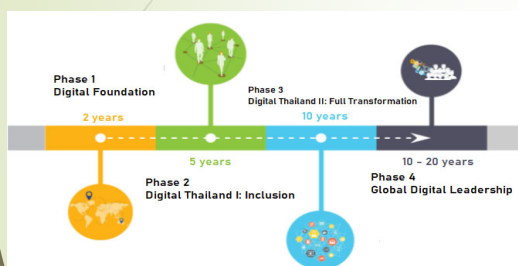
It is a fundamental industry for the country's future economic and social development for use in the country's transition (CU report 2018).

The digital development for the economy and society of Thailand is divided into 4 phases as follows:

- Phase 1, Developing high-performance digital infrastructure to cover the whole country with a project to expand high-speed internet networks.
- Phase 2, Uniting all sectors to drive the digital development plan into action and the government will be the facilitator.
- Phase 3: Making the Most of Digital Technology so that Thailand can take advantage of technology by leaps and bounds.
- Phase 4: Developing Thailand into a leading country in Digital Utilization both socially and economically.

Buying behavior

- Consumer behavior study or target customer study with 6W1H analysis model is a tool used to analyze consumer behaviors.

- In principle, 6W1H includes seven parts (Kotler & Keller, 2009): Who, What, When, Where, Whom, Why, and, How.

- It is necessary to study the behavior of the target group in order to know whether the products or services of the organization can respond to the needs of consumers and market demands or not.

- Among theories used to describe buying behavior is expectation-confirmation theory

Expectation-Confirmation Theory (1)

- Expectation Confirmation Theory (ECT) was developed in 1977 by Oliver to study consumer satisfaction and repurchase intention.

- The ECT theory states that, initially, consumers create expectations before purchasing a product and create awareness of the product's efficacy after the initial period of use of the product and then consumers will assess for product satisfaction (or perceived value) compared to the actual performance of the product after use (Baek, 2014).
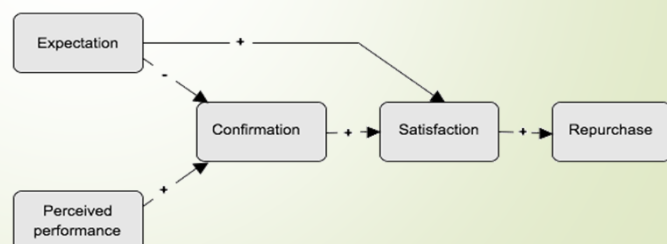
Expectation-Confirmation Theory (2)

- When consumers have confirmed their expectations in product that is reliable, they are satisfied and interested in repurchasing the products (Eid, 2011).
- In the same way, satisfaction will have a positive effect on future intentions (Chang, 2013).#
- From previous theory, it can be applied to the decision of purchasing IT products in ADVICE stores.#This theory believes that the expectations of purchasing products in ADVICE stores affects the satisfaction of using the service and leads to the consumers' intention to use the service at ADVICE stores.

Therefore, the research defines the first hypothesis as follows:

H1: Perceived purchasing value significantly influences repurchase willingness in ADVICE stores

Marketing Mix Approaches (1)

There are four marketing mixes (4P, 4C, 4S, 4R) are proposed as the main drivers of overall buying decision.

- 4Ps marketing mix (Overall) refers to the marketing tools used to execute strategic planning to achieve business goals which 4Ps consist of Product, Price, Promotion, and Place.

  H2: 4Ps marketing approach significantly influences perceived purchasing value

- 4Cs marketing mix (Before Purchasing) is evolved from 4Ps marketing mix principles and the 4Cs marketing mix focused on customer which 4Cs consist of Customer, Cost, Convenience, and Communication.

  H3: 4Cs marketing approach significantly influences perceived purchasing value

Marketing Mix Approaches (2)

- 4Ss marketing mix (During Purchasing) is strategy emphasizes the needs consumers to be continuously satisfied with products, services, and brands (Yang, 2013). The 4Ss consist of Satisfaction, Service, Speed, and Sincerity.

  H4: 4Cs marketing approach significantly influences perceived purchasing value

- 4Rs marketing mix (After Purchasing) is used to maintain customer relationships after purchase which 4Rs consist of Relevance, Reaction, Relationship, and Reward.

  H5: 4Rs marketing approach significantly influences perceived purchasing value

Effects of subject characteristics on hypotheses

- The effect of the marketing approaches on perceived repurchasing value may differ in customers' characteristics on purchasing decision, such as gender, age, seniority, and preferred channels. The sixth hypothesis is defined as follow:

H6: Subject features moderate the results of H2, H3, H4, and H5
  H6-1: The gender significantly moderates results of H2, H3, H4, and H5
  H6-2: The age significantly moderates results of H2, H3, H4, and H5
  H6-3: The seniority significantly moderates results of H2, H3, H4, and H5
  H6-4: The channels preference significantly moderates results of H2, H3, H4, and H5

The Case of ADVICE (1)

Advice path from Software House to one-stop IT shop

- Advice Holdings Group (AVH) has been operating since 2009 by Mr. Nut Natnithikarat (CEO), founder with at least 17 years of experience in the IT field.

- In the past, Advice focused on mainly software services also known as Software House before turning to selling hardware or various IT devices.

- ADVICE rises from the gathering of IT stores across the country. There is an action model called Advice Distributions by bringing in IT stores that are wholesale customers.

- They create a network and connect the back-of-house systems together without ADVICE having to go into management but let the former owner of the business be a manager.

The Case of ADVICE (2)

Strategies that make ADVICE one of the leading IT stores in Thailand

1. **Stand-alone stores are set up across the country.** More than 90% of ADVICE stores are located mostly stand-alone, resulting in more than 350 branches across the country.

2. **ADVICE sell multi-brand products** such as computer, notebook, tablet, and etc.

3. **Consumer service by a local employee.** ADVICE needs to understand the behavior and needs of customers in that area very well.

4. **After-sales service:** ADVICE is fully committed to taking care of customers and believes that after-sales service is what builds the brand's credibility as well.

5. **Online channel:** In addition to having a local shop in every county in Thailand, ADVICE also facilitates customers to order products online and can wait to receive at home (Advice, 2022).

Research Method (1) – research model

Subject features
- Gender
- Age
- Seniority
- Channel preference
  (Physical or online)

H6

4Ps mix marketing (overall)
- Product - Price
- Place   - Promotion

H2

4Cs mix marketing (before)
- Consumer - Convenience
- Cost   - Communication

H3

4Ss mix marketing (during)
- Satisfaction - Service
- Speed   - Sincerity

H4

4Rs mix marketing (after)
- Relevance   - Reaction
- Relationship - Reward

H5

Perceived purchasing value

H1

Purchasing willingness

Research Method (2)

Sample

- The research targeted on the online and offline consumers in Thailand. It used a research questionnaire to collect data via Google Form who used to buy or will buy IT products from ADVICE stores in Thailand. For collecting data, the questionnaire was linked to the Facebook group and Line chat for participants to reach.

Measure

- The questionnaire was developed for the variables in the research model. It contains two parts: background information for participants and questions for variables.

Part 2

Marketing approaches	1	2	3	4	5
4Ps approaches	↵	↵	↵	↵	↵
4P1: I think the quality and functions of the products or services in ADVICE are good	↵	↵	↵	↵	↵
4P2: I think the pricing of ADVICE is reasonable and acceptable	↵	↵	↵	↵	↵
4P3: I think the promotion activities ADVICE arrange are generally attractive and impressive	↵	↵	↵	↵	↵
4P4: I think buying products or services in ADVIVE are convenient	↵	↵	↵	↵	↵
4Cs approaches	↵	↵	↵	↵	↵
4C1: I think the ADVICE knows consumers' needs and wants	↵	↵	↵	↵	↵
4C2: I think the ADVICE develops efficient environment for consumer to purchase goods	↵	↵	↵	↵	↵
4C3: I think the ADVICE analyzes cost and value to satisfy consumers' needs	↵	↵	↵	↵	↵

Research Method (3)

Data Analysis

The research thesis adopts statistical techniques to derive results.

1. **Descriptive statistics** are used to analyze sample characteristics.
2. **Data reliability** is analyzed to assess internal consistency of variables.
3. **ANOVA and t-test** are used to examine whether hypotheses and buying willingness differ in sample characteristics (e.g., gender).
4. **Multiple regression model** is used to test the hypotheses defined for the research model.

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Results and Discussion

4.1) Descriptive statistics

4.2) Reliability

4.3) Hypothesis test results

Results and Discussion (1)

➡ The online questionnaire was collected 256 samples in total, but revealing 176 valid samples which shows a validity rate of 68.75%.

4.1) Descriptive Statistics

Gender		Age		Seniority		Channel	
135	Male 52.7 %	44	Above 36 years 17.2 %	137	Above 12 months 53.5 %	95	Both 37.1 %
		47	31 – 35 years 18.4 %			26	Online Store 10.2 %
		78	26 – 30 years 30.5 %	41	6 – 12 months 16 %		
121	Female 47.3 %	68	19 – 25 years 26.6 %	78	Below 6 months 30.5 %	135	Physical Store 37.1 %
		19	Below 18 years 7.4 %				
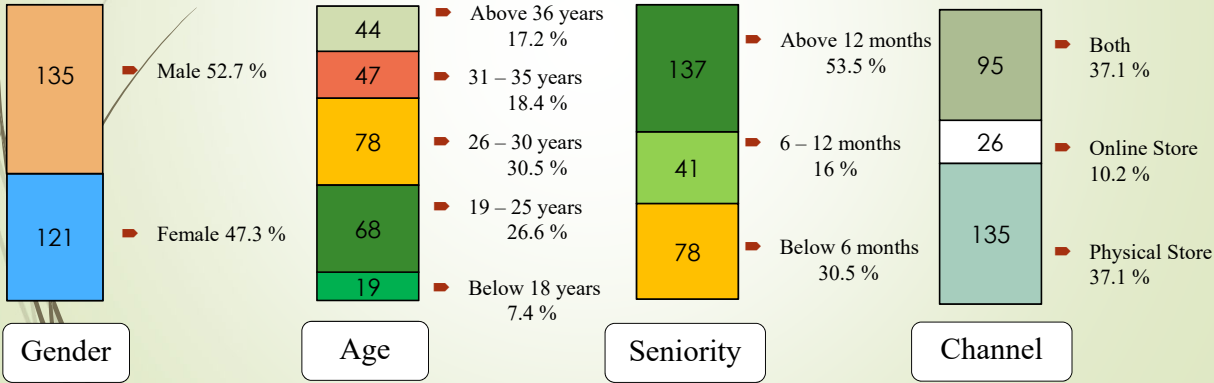
Results and Discussion (2)

4.2) Reliability

Variable	Cronbach's Alpha
4Ps (Overall)	0.681
4Cs (Before-purchase)	0.749
4Ss (During purchase)	0.721
4Rs (After-purchase)	0.462 (remove question-Reaction)
PS (Perceived purchasing)	0.663
PW (Purchasing willingness)	0.573

- The Cronbach's alpha was used to test the reliability; if value of item is greater than 0.5 it is acceptable.
- The reliability of the 4Rs is less than 0.5, even removing the question of Reaction. The research kept the variable since close to 0.5.

Results and Discussion (3)

Hypothesis Test

- Causal effect (H1 to H5)

- Moderation effect (Gender, Age, Seniority, and Channel) on hypotheses (H6)

Results and Discussion (6)

Hypothesis Test - **Causal effect (H1)**

Dependent variable	Purchasing Willingness					S/NS
Independent variable	R Square	Beta	t	p-value	VIF	
Perceived purchasing	0.268	0.672	7.986***	<0.0001	1.000	S

***p < 0.01, S/NS: Support/Not support

For the H1, the test result reveal significant. This signifies that the perceived purchasing value is the main determinants linking to significant purchasing willingness.

Results and Discussion (7)

Hypothesis Test - **Causal effect (H2 to H5)**

Dependent variable	Perceived Purchasing Value				S/NS
Independent variable	Beta	t	p-value	VIF	
4Ps Marketing approach (H2)	0.04	0.589	0.556	1.206	NS
4Cs Marketing approach (H3)	0.31	4.334***	< 0.001	2.133	S
4Ss Marketing approach (H4)	0.05	0.618	0.537	2.254	NS
4Rs Marketing approach (H5)	0.28	3.198***	0.002	1.455	S
R square = 0.339, F = 21.908, p<0.001	***p < 0.01, S/NS: Support/Not support				S/NS

- For the H3 and H5, the test results reveal significant. This implies that 4Cs mix and 4Rs mix are the main determinants linking to significant purchasing perception toward willingness.
- The 4Cs advocate that before-purchase is the important factors for positive customer experience.
- ADVICE consumers who are satisfied with products and services after purchase, they are more likely to purchase again and keep the ADVICE store as their first prior option when they want to purchase new IT products.

Results and Discussion (8)

Hypothesis Test - **Moderation effect (Gender) on hypotheses (H6-1)**

Dep. V.	Perceived Purchasing Value								
	Male (N=96)				Female (N=80)				
Ind. V.	Beta	t	p-value	VIF	Beta	t	p-value	VIF	S/NS
4Ps (H2)	0.013	0.133	0.894	1.243	0.059	0.612	0.542	1.167	NS
4Cs (H3)	0.326	3.091***	0.003	2.655	0.307	3.147***	0.002	1.709	NS
4Ss (H4)	0.040	0.337	0.737	2.848	0.013	0.103	0.918	1.815	NS
4Rs (H5)	0.407	3.358***	0.001	1.404	0.180	1.378	0.172	1.550	S
	$R^2 = 0.421$, F = 16.605, p < 0.0001				$R^2 = 0.257$, F = 6.498, p = 0.0002				-

***p < 0.01, S/NS: Support/Not support

- This signifies that different gender groups influence the results of after-purchase (H5). Especially, male is more likely to be interested in IT product than female.
- Men's computer usage has a wide range of needs, such as gaming, and streaming.
- There are promotions and discounts for cross-selling such as a mouse or keyboard that has special functions for playing games.

Results and Discussion (9)

Hypothesis Test - **Moderation effect (Age) on hypotheses (H6-2)**

Dep.V.	Perceived Purchasing Value										S/NS
	~ 18 (N=16)		19~25 (N=45)		26~30 (N=56)		31~35 (N=23)		36~ (N=36)		
Ind. V.	t	p-v	t	p-v	t	p-v	t	p-v	t	p-v	
4Ps(H2)	0.164	0.873	2.017***	0.050	0.072	0.943	2.329**	0.027	0.225	0.824	S
4Cs(H3)	0.364	0.723	2.529**	0.015	2.493**	0.017	3.304**	0.002	0.823	0.421	NS
4Ss(H4)	0.345	0.736	0.712	0.481	1.043	0.303	1.597	0.120	0.061	0.952	NS
4Rs(H5)	1.970	0.075	2.641**	0.012	0.095	0.925	2.898***	0.007	0.708	0.488	S
	$R^2 = 0.602$, F = 4.153, p = 0.027		$R^2 = 0.632$, F = 17.141, p < 0.0001		$R^2 = 0.247$, F = 4.177, p = 0.005		$R^2 = 0.488$, F = 7.390, p = 0.0002		$R^2 = 0.183$, F = 1.007, p = 0.429		

***p < 0.01, S/NS: Support/Not support

- This signifies those consumers with age of 19 – 25 years and 31 – 35 years likely present higher perceived purchasing value than consumers with other range of ages.
- Customers care quality of product, price is reasonable, good promotion, and various purchasing channels which all factors are categorized in traditional 4Ps mix which are default requirement of marketing.
- The 4Rs (After-purchase) is still important to create a positive customer relationship.

Results and Discussion (10)

Hypothesis Test - **Moderation effect (Seniority) on hypotheses (H6-3)**

Dep.V.	Perceived Purchasing Value						S/NS
	Below 6 months (N=50)		6 – 12 months (N=28)		Above 12 months (N=98)		
Ind. V.	t	p-v	t	p-v	t	p-v	
4Ps(H2)	0.534	0.596	2.043	0.053	1.066	0.289	NS
4Cs(H3)	0.478	0.635	3.230***	0.004	4.838***	<0.001	NS
4Ss(H4)	0.023	0.982	1.426	0.167	0.617	0.539	NS
4Rs(H5)	0.231	0.819	1.109	0.279	2.103**	0.038	S
	$R^2 = 0.022$, F = 0.263, p = 0.9000		$R^2 = 0.442$, F = 4.562, p = 0.0073		$R^2 = 0.418$, F = 16.704, p < 0.0001		

***$p < 0.01$, S/NS: Support/Not support

- This signifies that different seniority groups influence the results of after-purchase (H5).
- The seniority above 12 months is significant to the perception of the purchase of the IT products.
- Customers who use the service or buy products for a long time are still satisfied with the products from the store, they may become a loyal customer as well.

Results and Discussion (11)

Hypothesis Test - **Moderation effect (Channel) on hypotheses (H6-4)**

Dep.V.	Perceived Purchasing Value						S/NS
	Physical Store (N=104)		Online Store (N=17)		Both (N=55)		
Ind. V.	t	p-v	t	p-v	t	p-v	
4Ps(H2)	1.848	0.068	1.041	0.318	0.739	0.463	NS
4Cs(H3)	2.438**	0.017	0.380	0.711	3.384***	0.001	NS
4Ss(H4)	0.719	0.474	2.397**	0.034	0.302	0.764	S
4Rs(H5)	3.561***	0.001	0.039	0.969	0.896	0.375	S
	$R^2 = 0.334$, F = 12.421, p < 0.0001		$R^2 = 0.728$, F = 8.047, p = 0.0021		$R^2 = 0.394$, F = 8.136, p < 0.0001		

***$p < 0.01$, S/NS: Support/Not support

- The test result reveal channel preference is significant on during purchase (4Ss) and after-purchase (4Rs).
- In the case of during purchase (H4), the channel that affects the perception of purchase is an online store. In the internet era, ordering products online store is more convenient and faster than in a physical store.
- In the case of after-purchase (H5), the channel that is significant to the perception of the purchase is the physical store. Usually, the physical store has a more thorough and faster after-sales service than the online channel.

Conclusion

Research findings

(1) The perceived purchasing value is highly significantly associated with the purchasing willingness.

(2) Both before-purchase and after-purchase are significantly associated with the perceived purchasing value whereas traditional marketing mix (4P) and during purchase (H5) are not significant.

(3) Moderation effect of gender, age, seniority, and channel preferences are confirmed significant on perceived purchasing value from after-purchase perspective. In additional, moderation effect of age is confirmed significant on perceived purchasing value from before-purchase perspective. Last, moderation effect of channel preferences is confirmed significant on perceived purchasing value from a during-purchase

Research suggestion

(1) From the marketing perspective, marketers should consider age-based segmentation because their purchasing willingness are different, especially the age between 19 – 25 years and 31 – 35 years and seniority above 12 months.

(2) In order to the maintain customer groups, the marketers need to consider the seniority which is one of important factor especially the customer with above 12 months. They usually are loyalty customers.

(3) In order to develop a market strategy, marketers need to consider their target group both male and female. Those groups have similar demands for purchasing products. Marketers should consider physical stores and online stores are equally important to expand more access channels and customers can access the store more conveniently whether physical stores or an online store as well.

Limitations and Future Study

➡ What if a specific area: This research is a survey of the population who are new or old customers from ADVICE stores in Thailand. The researcher collected data via Google Form, which does not specify a province. Future research directions may specify research context in an area or a city to deepen the understanding of determinants associated with purchasing willingness for ADVICE.

➡ What if a specific marketing approach: Four marketing mixes approach was considered as the antecedents of value perception or no value perception on purchasing goods in ADVICE. To deepen insights using a single approach may be necessary for the next study. Other determinants such as culture and social influence, social presence may be incorporated into the model to extend the understandability of the buying or rebuying behavior.

Thank you
for your attention