

The Effects of Marketing Mix on Social Commerce Store Brand Loyalty: A Case Study of Social Commerce in Thailand

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บทคัดย่อ

วัตถุประสงค์การศึกษาครั้งนี้จัดทำขึ้นเพื่อศึกษาอิทธิพลของสมประสมทางการตลาดที่มีต่อความภักดีต่อตราสินค้าของธุรกิจบนสังคมออนไลน์ โดยมีจำนวนตัวอย่างทั้งสิ้น 250 ตัวอย่าง ผลการศึกษาพบว่าปัจจัยทางด้านผลิตภัณฑ์ ($\beta = 0.478$, $t = 4.658$, $P = 0.000$), ราคา ($\beta = 0.484$, $t = 4.787$, $P = 0.000$), ช่องทางการจัดจำหน่าย ($\beta = 0.476$, $t = 4.372$, $P = 0.000$), การส่งเสริมการตลาด ($\beta = 0.423$, $t = 4.576$, $P = 0.000$) มีอิทธิพลต่อความภักดีต่อตราสินค้าของธุรกิจบนสังคมออนไลน์อย่างมีนัยสำคัญที่ 0.05 โดยมีสมการที่แสดงถึงอิทธิพลดังนี้ Social Commerce Store Brand Loyalty = 2.731 + 0.228 (Product) + 0.281 (Price) + 0.273 (Place) + 0.246 (Promotion)

คำสำคัญ: ส่วนประสมทางการตลาด, ธุรกิจบนสังคมออนไลน์, ซ้อปิ้งออนไลน์, ความภักดีต่อตราสินค้า

Abstract

This study attempts to study the effects of marketing mix on social commerce store brand loyalty in Thailand. A total of 250 usable samplings of social shopping customers are obtained. The findings reveal that the predictor variables of product

($\beta = 0.478$, $t = 4.658$, $P = 0.000$), price ($\beta = 0.484$, $t = 4.787$, $P = 0.000$), place ($\beta = 0.476$, $t = 4.372$, $P = 0.000$), are achieved significance at the 0.05 level, and promotion ($\beta = 0.423$, $t = 4.576$, $P = 0.000$) reach the 0.05 significant level. the regression equation for predicting the dependent variable from the independent variable is Social Commerce Store Brand Loyalty = 2.731 + 0.228 (Product) + 0.281 (Price) + 0.273 (Place) + 0.246 (Promotion)

Keywords: Marketing Mix, Social Commerce, Online Shopping, Store Brand Loyalty

Introduction

Electronic commerce (e-commerce) in Thailand is one of the largest growth in Southeast Asia countries (Potkin, 2016). The value of the e-commerce market was 2.56 trillion baht in 2016, a 14.03 percent raise from 2015, reported the Electronic Transactions Development Agency (EcommerceIQ, 2016). Currently, Thailand's e-commerce market had a total of \$2.9 billion worth of trade and has been growing at an average of 14.5% annually. By 2022, sales in the market is expected to reach \$5.8 billion and in 2025, \$11.1 billion (Yongjiranon, 2018). Currently the biggest e-commerce business is technology and media, which is worth \$1.2 billion.

Thai consumers have changed the way of shopping since e-commerce is becoming a major part of the shopping in Thailand. Especially, social commerce (s-commerce) offers a whole new world of opportunities and standards to business to consumer (B2C), and consumer to consumer (C2C) model. Furthermore, since s-commerce offers real convenience to merchants and businesses to create the store on the internet, they do not need to build or have a specific knowledge regarding create a website such as website coding, computer language, and graphic design. There are much easier to create a website at the present such as template websites, social media platforms – Facebook, Instagram, Line store, and so forth. Additionally, there is two-way and real-time information about the products being presented to consumers on social commerce platforms or application on mobile phone, it is a much broader assortment than any store could offer, even regular e-commerce. However, the general key to growing one of the top online marketplaces is: high-quality vendors draw in more customers, while a growing client base attracts more vendors. Thus, to track consumer patterns will involve more than focusing on the official retail sales and revenue; therefore, this study attempts to study the brand loyalty of online customers on s-commerce in Thailand.

Social Commerce

A new type of online shopping community integrates online activities including online social media and online shopping is becoming a new way of the shopping, since social media has increasingly become a constant in daily basis. As social media penetrates consumers' daily life, before they make any purchase, they are increasingly reaching out to their social media communities for opinions and reviews (Drell, 2011). The crucial difference between s-commerce and e-commerce is that s – commerce provides customers with the means to virtually interact with one another in order to make better purchase decisions. Along with that, s-commerce is the intriguing offspring of social networking and online shopping, and it can offer

the growing business and building buzz that leads to sales, which the accessible form of word-of-mouth marketing offers a wealth of opportunities that they can focus and set the customer target group for businesses within limited budgets.

Typically, social commerce is the combination of social media platform and e-commerce (electronic commerce). Social commerce describes the convergence of social networks and e-commerce as social media is becoming increasingly more influential on consumers' purchasing decisions. Social commerce is interdependencies in which consumers' choices influence others' choices in a direct and meaningful way. Social commerce integrates social media platform such as product sharing into the shopping experience. Social commerce started with a brand having a Facebook page, Twitter handle, Pinterest, Instagram and Line Store using sharing buttons on their retail website. The penetration of e-commerce including social commerce in Southeast Asia compared to the traditionally retail market is between 1-3 per cent, while in mature market like the US, China, Japan, Germany, and European countries, e-commerce markets are double digital penetration (Pornwasin, 2016). In Thailand, e-commerce market is estimated reaching 2.8 trillion bath by the year of 2017, which gains of almost 10 per cent from 2016 (Boonnoon, 2017). A crucial factor leading the growth in e-commerce is the support from the government sector, with promotions targeting small and medium-sized businesses (SMBs). However, e-commerce market is very hypercompetitive.

Social commerce enabling tools of OMNI-channel retailers, taking advantage of social networking features and strongly pushing the social aspect of their services to potential customers. Essentially, social commerce has provided opportunities to individuals to become entrepreneurs without the risk of traditional retail models. In Thailand, consumers who place orders through social media make up 51% of all online shoppers in Thailand, while the ratio is well above the world average of 16% and also significantly higher than the 32% for India, 31% for Malaysia and 27% for China (Ono, 2018). In 2007, social commerce sales in Thailand amounted to 137 billion baht (\$4.14 billion), making up about 20% of total e-commerce transactions (Ono, 2018). Therefore, social commerce is driven by social media giants Facebook, Instagram, Line, and Twitter. Many online shops now depend on these platforms by posting photos and details of products and accepting orders through inboxes. This new way of doing business is so popular it has taken up 50% of social commerce purchases (Yongjiranon, 2018).

Online Shopping Behaviors

The concept of involvement has yielded rich results for retail marketing strategy. The influence of product involvement prompts various research questions because the consumers' level of product involvement influences information searching behaviors and the purchasing decision process. In online retailing contexts, consumers will only be able to physically inspect a product after a purchase. In order to obtain additional information, consumers may rely on others' purchases as a screening device (Rabinovich 2007). Online shoppers are more likely to search for product information. According to Rigby (2011), the information search on the Internet is the most important predictor of online shopping behavior. Online consumers are spending time to get product information before they made a purchasing decision (Ward & Lee, 2000). Typically, with online shopping, consumers think that attractive factors are comparing price and wider choices. In a current study, consumers compared the price and brand of products through the different websites (Ray, 2007). Moreover, Donthu and Gracia (1999) find that online shoppers are economic shoppers, which are price and quality concerned, because they are usually looking for

inexpensive products with excellent quality, and they are sensitive to the price of the product. Online shoppers tend to be influenced through certain channels over time among members of a social system (Rogers 1995). Consumers are likely to rely on robust content, such as ratings, reviews, and recommendations. Moreover, when consumers pay attention to others' reviews and recommendations, learning takes place, which may become valuable and helpful in their decision making.

Marketing Mix

Marketing Mix variables are the drivers of the revenue stream. Kotler (2005) states that the 4Ps model still provides a valuable framework for marketing planning. The main point beside selling and generating the revenue is that specific elements contained in the marketing mix should deliver more value, build a long-term and mutually profitable relationship with customers. McCarthy (1971) introduced the number of elements in the marketing mix to four basic ones and defines marketing mix as mix of four marketing variables (4Ps), namely, product, price, place, and promotion. Product considers both tangible (goods) and intangible (services) products which include services quality, service facilities, branding, packaging, standardization and grading. Price decisions affect both a firm's sales and profits, so price is always a consideration. Price is defined as any transaction in our modern economy can be thought of as an exchange of money-the money being the price-for something. The function of place is to match supply capabilities to the demands of the many target markets, moving goods wherever they are needed, including the factors that go into providing the time, and place, and possession utilities needed to satisfy target customers. Promotion considers that is communication between seller and buyer, including advertising, personal selling, sales promotion, tools of publicity, public relations, and various other forms of promotion. Promotion is vital, but not the only element of marketing strategy.

Consumers' Experience and Brand Loyalty

Social commerce value is the classical value creating and sharing platform; customer is the core of value creating and sharing, experience value. The influence of consumer experience to online social community is reflected that the perceived value of customer in virtual community has positive influence to community loyalty (Wang, 2011).

To create and share value experience and perceiving in online social community influence to consumers' loyalty to the brands of social commerce, including sellers' account, sellers' Facebook page, Instagram, and others. The social commerce brand features in the themes of sellers' reputation, content, review and trust which have become the criteria to build consumers' experience to brand loyalty (Kim et al., 2014). Positive content, reputation, trust, and review experiences drive brand loyalty (Huan, 2015). Thus, online social community is influencing more and more customer brand attitudes, it is efficiency to influence customer's attitude and behavior to brand by promoting brand and products in the platform. Kim et al. (2004) studied at an internet store for researching the customer loyalty, which shows that the customer who has higher position in community can organize activities in the platform, becoming the users who have deep loyalty to the community which transfer to brand loyalty. This kind of higher community recognition and community loyalty means that the community user keep same value with

community value (Won et al., 2011), which transfer to the emotion and recognition of the brand loyalty of the social commerce. Consequently, repurchase intention is the likelihood that a customer will continually buy a particular product/service once they have a good experience to the social commerce store/brand. The repurchase intention typically comes from a particular brand, product or service requires assessment of all brands, products or services offered by competitors (Dodds, Monroe, & Grewal, 1991).

Hypothesis

H1. Marketing mix factors are positively related to store brand loyalty

H 1.1 Product has positive and significant impact on store brand loyalty

H 1.2 Price has positive and significant impact on store brand loyalty

H 1.3 Place has positive and significant impact on store brand loyalty

H 1.4 Promotion has positive and significant impact on store brand loyalty

Research Methodology

The research design is drawn from quantitative research methodology. The survey is used to establish a baseline on the relationship between marketing mix and brand loyalty intention of Thai consumers on social commerce store in Thailand. The total sample for this study consists of 250 samplings by using the convenience sampling method. Descriptive, frequency, percentage distributions, means are used to describe and report the information collected affecting to individual variables and demographic information. Furthermore, the data obtained is analyzed by Stepwise Multiple Regression.

Results

A total of 250 usable questionnaires are obtained. The results show the distribution of usable responses by gender; consist of 99 males (39.6%), and 151 females (60.4%). The respondent response by age; 9.6.5% report their age less than 20; 43.2 report their age to be between 20 and 25; 8.8% report their age to be between 31 and 35; 14.8% report their age to be between 36 and 40; 13.2% report their age to be over 40. The respondents report by their highest educational level; 5.6% report their high school is their highest educational level; 7.2% report their college is their highest educational level; 56.8% report their bachelor degree is their highest educational level; and 30.4% report their master degree or higher is their highest educational level. The respondents report their marriage status, 68.8% report that they are single, while 31.2% are married. The respondents report by their income; 25.2% report that their income per month are less than 15,000 baht; 30% report their income per month are between 15,000 – 20,000 baht; 14% report that their income per month are between 20,001 – 30,000 baht; 12.8% report that their income per month are between 30,001 – 40,000 baht; and 18% report that that their income per month are over 40,000 baht.

The results show the average spending for social shopping each time that the respondents spend each times on social commerce store. 30.0% report that they spend less than 500 baht each times for social commerce store; 26% report that they spend 501-1,000 baht each times for social commerce store; 28.4% report that they spend 1,001-2,000 baht each times for social commerce store; 8.8% report that they spend 2,001-3,000 baht each times for social commerce store; and 6.8% report that they spend over 3,000 baht each times for social commerce store. The table 2 also shows the frequency social commerce store. 4.8% have social shopping frequency once in three to six months; 17.2% have social commerce store frequency once in three months; 21.2% have social commerce store frequency once a month; 44.8% have social commerce store frequency more than once in a month; 8.8% have social commerce store frequency every day; and 3.2% have social commerce store frequency more than once a day. Approximately twenty-one percent of consumers have shopped social commerce store for digital content / game / application (34.8%), followed by apparel and accessories (17.6%), cosmetic (13.6%), consumer electronic / appliance (12.8%), food and household (10.8%), and computer and gadget (10.4%).

Most of respondents have visited and repurchased merchandizes from same social commerce store (66.8%). Respondents considered to react to the social commerce store by giving Like to the social commerce store (34.8%), followed by sharing the post or product to others (27.6), and providing recommendation or comments (18.4%), while 19.2% have no action or response to the social commerce store.

The respondents are asked their opinion regarding product factor in marketing mix element that they have experienced in the social commerce store. The most frequency endorsed responses is photo and content on are unique design (mean = 4.06), followed by product brands are well known (mean = 4.02), good packaging and visual appearance (mean = 4.01), variety of products are available to choose (mean = 3.77), and products are returnable and refundable (mean = 3.51).

The respondents are asked their opinion regarding price factor in marketing mix element that they have experienced in the social commerce store. The most frequency endorsed responses is product's price is cheaper than offline store (mean = 4.22), followed by product's price is cheaper than other online store (mean = 4.10), product's price is included free shipping (mean = 3.91), cash on delivery is available (mean = 3.84), and varieties of payment methods are available (mean = 3.79).

The respondents are asked their opinion regarding place factor in marketing mix element that they have experienced in the social commerce store. The most frequency endorsed responses is social commerce store is frequency update (mean = 4.16), followed by social commerce store is easy to be founded / searched (mean = 4.02), providing clear and detailed delivery schedule (mean = 3.91), products on social commerce store is easy to find (mean = 3.88), and providing the tracking system to track the order status (mean = 3.73).

The respondents are asked their opinion regarding promotion factor in marketing mix element that they have experienced in the social commerce store. The most frequency endorsed responses is providing an extra discount / negotiation price (mean = 4.18), followed by having notifications alert for new promotion (mean = 3.92), having live on product review (mean = 3.97), having the channels to communicate (mean = 3.89), and having rewards points programs (mean = 3.89).

The respondents are asked their opinion regarding the social commerce store brand loyalty. The most frequency endorsed responses is I will try to buy a merchandize from this social commerce store again (mean = 4.15), followed by I would recommend this social commerce store to my friends for purchasing (mean = 4.14), this social commerce store is my favorite online shopping (mean = 4.01), and this social commerce store is my first choice to buy through online channel (mean = 3.97).

Table 1 shows the significance of each coefficient for each independent variable. It reveals that the predictor variables of product ($\beta = 0.478$, $t = 4.658$, $P = 0.000$), price ($\beta = 0.484$, $t = 4.787$, $P = 0.000$), place ($\beta = 0.476$, $t = 4.372$, $P = 0.000$), are achieved significance at the 0.05 level, and promotion ($\beta = 0.423$, $t = 4.576$, $P = 0.000$) reach the 0.05 significant level. Therefore, the regression equation for predicting the dependent variable from the independent variable is

$$\text{Social Commerce Store Brand Loyalty} = 2.731 + 0.228 (\text{Product}) + 0.281 (\text{Price}) + 0.273 (\text{Place}) + 0.246 (\text{Promotion})$$

Table 1 The Influences of Marketing Mix to Social Commerce Store Brand Loyalty

The Relationship between Marketing Mix and Repurchase Intention	Regression Coefficient (b)	Standardized Coefficient (β)	t	P
Product	0.228	0.478	4.658	0.000*
Price	0.281	0.484	4.787	0.000*
Place	0.273	0.476	4.372	0.000*
Promotion	0.246	0.423	4.576	0.000*
Constant (a)	2.731		9.571	0.000*

R = 0.814, R2 = 0.663, SEE = 0.477, F = 49.441, P = 0.000*

*P < 0.01

Discussions and Recommendations

According to the finding, customers are having social commerce store brand loyalty once they can find the social commerce store and products inside the store that they are looking for; therefore, social commerce store providers should pay close attention on the developing the page and deign that help consumer easy to navigate, which is significantly important to consider design elements as tools to guide the user into the shopping experience and make customer feel good not confused (Gutierrez, 2016). Furthermore, Morganosky and Cude (2000) pointed out that to increase the rate of visiting the store the design is one way to enhance customer value, such as improving time efficiency, easy access, portability, applicability, ingenious flexibility, and avoidance of unpleasantness. According to Pogorelova et.al (2016), in the digital environment it is replaced by technology, which is implemented in the business virtual store of the interface and by aligned service business processes. Furthermore, pricing also has been using for creating marketing strategies in decades. According to Shankar, Rangaswamy, and Pusateri (1999), they found that price is important and influence purchase decision. Yulisetiari, Subagio, Paramu, and Irawan

(2017) also found that price in online shop was very affordable and customers tended to come back to purchase again. Beside pricing strategies, the possibilities of social networks are widely used in order to increase the customer loyalty, to motivate them to participate in the actions of sales promotion, to disseminate the marketing information among their friends and acquaintances (Pogorelova et.al,2016). Therefore, the recommendations are suggested as the followings:

1. Social commerce sellers need to meet customers' requirements in order to gain high relational trust from customers, reduce transaction risk, and improve convenience of shopping by establishing a unique store design and easy to access, navigate and find products.
2. Social commerce sellers should satisfy customers' shopping motives (needs), enhance their community bond (identification) and buying experience (convenience) by providing two way communication combining an effective pull and push communication modes of social interaction, including chatting and calling rather than posting and comments in order to remain on customer support services, especially first and foremost on the shopping experience
3. Social commerce sellers should offer competitive price, convenience, rich product information, and social interaction to foster customer value by encouraging their customers to provide constructive feedback regarding product, service, and so forth, to get extra discount for further purchase.
4. Promotion includes call to action, e-mail marketing, notifications, personalized marketing should be widely used in order to increase the customer loyalty, to motivate them to participate in the actions of sales promotion, to disseminate the marketing information among their friends and acquaintances.

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