THE ELEMENTS OF MARKETING MIX AFFECTING THE REPURCHASE ELECTRONIC MARKETPLACE (E-MARKETPLACE) IN THAILAND

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ABSTRACT

This study attempts to study the relationship between marketing mix and repurchase intention of online customers on e-marketplace in Thailand. A total of 400 usable samplings of e-marketplace customers are obtained. The findings reveal that the predictor variables of product ($\beta = 0.375$, t = 3.556, P = 0.001), price ($\beta = 0.448$, t = 4.697, P = 0.000), place ($\beta = 0.366$, t = 4.227, P = 0.000), are achieved significance at the 0.05 level, while promotion ($\beta = 0.024$, t = 0.886, P = 0.569) does not reach the 0.05 significant level.

KEYWORDS: Marketing Mix, Electronic Marketplace, Online Shopping, Repurchase Intention

1. INTRODUCTION

Electronic commerce (e-commerce) in Thailand is one of the largest growth in Southeast Asia countries (Potkin, 2016). Thai government expects the value of e-commerce in Thailand to exceed US$30 billion annually by 2016 (Thailandfocus, 2016), as the established national digital economy committee to coordinate policies to foster the growth of the country's digital economy. Thai government has established the Ministry of Digital Economy to offer citizens and businesses the opportunity to complete a vast array of related transactions through many channels; i.e., Electronic-Procurement (e-Procurement), Electronic-Auction (e-Auction), and Electronic-Taxation system (e-Taxation). Typically, e-commerce is changing the way customers think about shopping, becoming a major part of the shopping culture in Thailand. 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 (ETDA, 2017). Especially, electronic marketplace (e-marketplace) offers a whole new world of opportunities and standards to wholesalers, and retailers platforms. 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. The Thailand well-known e-marketplaces in Thailand include Lazada, 11th Street, and Shoppee (EcommerceIQ, 2016). Furthermore, since e-marketplace offers real convenience to consumers, over the traditional marketplace, including shopping mall and department store, all the products being sold by suppliers are available to consumers and there is real-time information about the products being presented to consumers on an online marketplace's site or application on mobile phone, it is a much broader assortment than any store could offer. Furthermore, as department stores and shopping mall appeal declines, marketplaces appear to be one of the places that are replacing the multi-brand retailer. To track consumer patterns will involve more than focusing on the official retail sales and revenue; therefore, this study attempts to study the repurchase intention of online customers on e-marketplace in Thailand.

Retailing Business Disruption

The threat of digital disruption is one of the most concerning issues for businesses around the world (Noronha, 2017). Retailing business is one of the greatest disruption as the high level of competition among industry. Along with 50 years ago, retailing business, including shopping mall, modern department store had been growing rapidly. Unfortunately, retailers relying on earlier formats either adapt or die out as the new ones pull volume from their stores and make the remaining volume less profitable, and the industry lined with specialty retailers were dotting the newly forming suburbs and challenging the new platform of shopping; thus, currently retailing undergoes business disruption (Rigby, 2011).

Like most disruptions, digital retail technology got off from internet-based retailers in the 1990s such as Amazon, eBay, and Yahoo shopping, which embraced online shopping or e-commerce. These businesses ran wild and economic reality is well established. Digital retailers drive innovation by spending budget heavily on recruiting, social networks and online advertising, and digital technology (Rigby, 2011). Furthermore, digital technology provides sales associates nearly infinite information about customers, describing the way they like to be matched to their personal. It can change pricing and promotions accurately and instantaneously. Thus, consumers have the ability to find a cheaper option efficiently which price is no longer the only key success factor in the consumer decision-making to purchase (Carroll, 2015; and Howland, 2015). According to Thomas (2017), Amazon has a market capitalization of over $430 billion, while Walmart's market cap sits below $220 billion, which Amazon's market cap is now worth almost twice that of Walmart.

Electronic Marketplace (E-Marketplace)

Competition in the online business is typically high opportunities in the market. E-commerce is certainly growing and increasingly including both large and small retailers, and the growth of e-commerce platforms such as Alibaba and Amazon is strongly influencing the competitive business environment (Hagberg et al., 2016). E-marketplace is one of the e-commerce platform that is very popular today, making everyone move faster and more efficient. E-marketplace currently is offering products of its own and other companies' while also providing a platform for buyers and sellers to transact through the e-marketplace. E-marketplace typically can be a website or app that facilitates shopping from many different sources. The operator of the marketplace does not own any inventory. Some example well-known worldwide e-marketplace are eBay, Amazon, and Alibaba. One reason that increased the consumers' interesting to shop on e-marketplace is that there are many retailers offering product ranges broader than one store can offer (Kestenbaum, 2017). E-marketplace platform affects the traditional retail store business processes (Pantano and Viassone, 2015). For example, the shopping cart have favored shopping activity that is less of an individual activity and more something conducted by a "cluster" of people and mobile devices (Cochoy, 2008).

Types of e-marketplaces

1. Vertical e-marketplace

    Vertical e-marketplace sells products from many sources but they are all of one type. Vertical e-marketplace is business niche where the vendor serves a specific audience and their set of needs. Typically, vertical e-marketplace relies on being able to sell the product better. Since they focus on one, or few, product categories, they are able to underline the user experience in a way that highlights the special features of the product category.

2. Horizontal e-marketplace

    Horizontal e-marketplace sells products of many types but they all share a characteristic. Consumers can view the products from different retailers or sellers all together and at the same time in the same app. Furthermore, the application features are able to focus on a type of customer and offers them multiple products across many types of retailers.

E-Marketplace Competition

The penetration of e-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. The three biggest e-marketplace in Thailand from international companies are Lazada, 11street and Shopee. According to

Iprice (2017), Lazada is now the number one in e-marketplace platform in Thailand. They have the highest traffic in Thailand, approximately 41,680,000 visitors through website and application, as well as they have the highest number of apps installed, approximately 50,000,000 downloads. However, Lazada needs to be ready for the entry of Amazon into Southeast Asia. Amazon recently has announced that it is entering Southeast Asia, starting in Singapore. This may imply that the entry could alter the e-commerce market, not only in Singapore but also the whole region. Moreover, 11street, another player in e-marketplace platform from Korea. 11street extends the integrated marketing communication channels, using outdoor advertisements in Siam BTS stations, ad displays on commuter routes, the brand has rapidly gained recognition in Thailand and has given the company the second highest rank in traffic. Shopee is mostly likely customer-to-customer in e-marketplace platform. Shopee focuses on mobile e-marketplace, allowing customers to sell items online. Therefore, e-marketplace in Thailand is growing strongly, having have higher penetration rates, and the potential to grow quickly.

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 profitability 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.

Repurchase Intention

Repurchase intention is the likelihood that a customer will continually buy a particular product/service (Dodds, Monroe, & Grewal, 1991). The repurchase intention typically comes from a particular brand, product or service requires assessment of all brands, products or services offered by competitors (Teng et al., 2007).

2. 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 repurchase intention of Thai consumers on e-marketplace in Thailand. The total sample for this study consists of 400 samplings. 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.

3. RESULTS

A total of 400 usable questionnaires are obtained. The results show the distribution of usable responses by gender; consist of 209 males (46.3%), and 191 females (53.7%). The respondent response by age; 24.5% report their age to be between 18 and 32; 53.3% report their age to be between 33 and 40; 18.4% report their age to be between 41 and 50; 2.3% report their age to be between 51 and 60; and 1.5% reports his/her age to be over 61. The respondents report their average spending each time on the market place, 26.85% report that the company revenue is less than 500 baht; 32.02% report that the company revenue are between $501 - 1,000$ baht; 24.43% report the company revenue are between $1,001 - 2,000$ baht; 11.14% report that the company revenue are between $2,001 - 3,000$ baht; 3.71% report that the company revenue are between $3,001 - 5,000$ baht; and 1.85% report that that the company revenue are over 5,000 baht. The results show the distribution of usable responses by e-marketplace shopping frequency per month; 10.5% report that they purchase a product on e-marketplace once a month; 39.3% report that they purchase a product on e-marketplace $1 - 3$ times a month; 27.9% report that they purchase a product on e-marketplace $3 - 5$ times a month; and 22.3% report that they purchase a product on e-marketplace over times a month. The result presents the frequency of the main product category they purchase mostly; 34.4% report that they purchase mostly on electronic product category; 27.4% report that they purchase mostly on toys and kids' product category; 24.7% report that they purchase mostly on fashion and cosmetic product category; 8.5% report that they purchase mostly on sport and outdoor product category; 3.3% report that they purchase mostly on home appliance product category; and 1.7% report that they purchase mostly on pets' product category. The result also presents the frequency of the primary e-marketplace that respondents visit. 54.2% report that they frequency visit and purchase is Lazada; followed by 11th street (30.7%), and shopee (15.1%).

Table 1 shows the respondents are asked their opinion regarding product factor in marketing mix element that they have experienced in the e-marketplace. The most frequency endorsed responses is many seller and stores are available (mean = 3.96), followed by several brands are available to choose (mean = 3.90), good packaging and visual appearance (mean = 3.78), customer service is helpful to solve the problem (mean = 3.76), and products are returnable and refundable (mean = 3.62).

Table 1 The Mean for Product Factor in Marketing Mix Element

Product	Mean	SD.	Ranking
Many sellers and stores are available	3.96	0.56	1
Several brands are available to choose	3.90	0.63	2
Good packaging and visual appearance	3.78	0.54	3
Customer service is helpful to solve the problem	3.76	0.62	4
Products are returnable and refundable	3.62	0.64	5
Average	**3.81**	**0.53**	

Table 2 shows the respondents are asked their opinion regarding price factor in marketing mix element that they have experienced in the e-marketplace. The most frequency endorsed responses is product's price is cheaper than traditional market (mean = 3.82), followed by product's price is cheaper than other e-marketplaces (mean = 3.75), product's price is included free shipping (mean = 3.71), varieties of payment methods are available (mean = 3.69), and cash on delivery is available (mean = 3.64).

Table 2 The Mean for Price Factor in Marketing Mix Element

Price	Mean	SD.	Ranking
Product's price is cheaper than traditional market	3.82	0.65	1
Product's price is cheaper than other e-marketplaces	3.75	0.65	2
Product's price is included free shipping	3.71	0.64	3
Varieties of payment methods are available	3.69	0.68	4
Cash on delivery is available	3.64	0.60	5
Average	**3.72**	**0.56**	

Table 3 shows the respondents are asked their opinion regarding place factor in marketing mix element that they have experienced in the e-marketplace. The most frequency endorsed responses is product's price is website/application is easy to access (mean = 4.12), followed by website/application is stable (mean = 3.96), website/application is easy to navigate to find products (mean = 3.92), providing the tracking system to track the order status (mean = 3.66), and rpoviding clear and detailed delivery schedule (mean = 3.61).

Table 3 The Mean for Place Factor in Marketing Mix Element

Place	Mean	SD.	Ranking
Website/application is easy to access	4.12	0.78	1
Website/application is stable	3.96	0.77	2
Website/application is easy to navigate to find products	3.92	0.75	3
Providing the tracking system to track the order status	3.66	0.90	4
Providing clear and detailed delivery schedule	3.61	0.87	5
Average	**3.85**	**0.61**	

Table 4 shows the respondents are asked their opinion regarding promotion factor in marketing mix element that they have experienced in the e-marketplace. The most frequency endorsed responses is product's price is Flash deal draws the attention to keep coming to the e-marketplace (mean = 3.64), followed by e-marketplace provides coupons/codes for extra discount (mean = 3.58), finding banner ads on other websites (mean = 3.43), having notifications alert for new promotion on the mobile phone (mean = 3.42), and having rewards points programs (mean = 3.29).

Table 4 The Mean for Promotion Factor in Marketing Mix Element

Promotion	Mean	SD.	Ranking
Flash deal draws the attention to keep coming to the e-marketplace	3.64	0.84	1
E-marketplace provides coupons/codes for extra discount	3.58	0.80	2
Finding banner ads on other websites	3.43	0.92	3
Having notifications alert for new promotion on the mobile phone	3.42	0.88	4
Having rewards points programs	3.29	0.87	5
Average	**3.47**	**0.69**	

Table 5 shows the respondents are asked their opinion regarding the customer repurchase intention through the e-marketplace. The most frequency endorsed responses is I will try to buy from this e-marketplace again (mean = 3.90), followed by this e-marketplace is my first choice to buy through online channel (mean =

3.82), this e-marketplace is my favorite online shopping (mean = 3.81), and I recommend this e-marketplace to my friend for purchasing (mean = 3.80).

Table 5 The Mean for Repurchase Intention through E-marketplace

Repurchase Intention	Mean	SD.	Ranking
I will try to buy from this e-marketplace again	3.90	0.73	1
This e-marketplace is my first choice to buy through online channel	3.82	0.77	2
This e-marketplace is my favorite online shopping	3.81	0.72	3
I recommend this e-marketplace to my friend for purchasing	3.80	0.88	4
Average	**3.83**	**0.57**	

Table 6 shows the significance of each coefficient for each independent variable. It reveals that the predictor variables of product (β = 0.375, t = 3.556, P = 0.001), price (β = 0.448, t = 4.697, P = 0.000), place (β = 0.366, t = 4.227, P = 0.000), are achieved significance at the 0.05 level, while promotion (β = 0.024, t = 0.886, P = 0.569) does not reach the 0.05 significant level. Therefore, the regression equation for predicting the dependent variable from the independent variable is

Repurchase Intention = 1.343 + 0.124(Product) + 0.262 (Price) + 0.266 (Place)

Table 6 The Relationship between Marketing Mix and Repurchase Intention

The Relationship between Marketing Mix and Repurchase Intention	Regression Coefficient (b)	Standardized Coefficient (β)	t	P
Product	0.124	0.375	3.556	0.001*
Price	0.262	0.448	4.697	0.000*
Place	0.266	0.366	4.227	0.000*
Promotion	0.024	0.033	0.886	0.569
Constant (a)	1.343		7.997	0.000*
R = 0.669, R2 = 0.667, SEE = 0.290, F = 50.142, P = 0.000*				

*P < 0.05

4. DISCUSSIONS AND RECOMMENDATIONS

According to the finding, customers are willing to repurchase a product through e-marketplace once they can find the product of what they are looking for; therefore, the e-marketplace providers should pay close attention on the developing the website/application interface, 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). According to Worldpay (2012), they found that customers left the shopping website because the navigation on the website was too complicated. Furthermore, the result found that effective pricing is essential for the e-marketplace competition. Pricing 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. It may imply that customers who perceive price to be an important attribute will spend the time and effort to find the lowest price. Therefore, online business environment, pricing is particularly important that the online sellers have to pay attention on the customer behaviors and insights into price search behavior providing a managerial basis for improving the value of the product or service. Yulisetiarini, Subagio, Paramu, and Irawan (2017) also found that price in online shop was very affordable and customers tended to come back to purchase again. Furthermore, self-purchasing system might cause some problems, especially for new customers who first come to shop online. Thus, the unexpected experiences of online purchasing may impact on future purchases. Good customer service can increase personal and business purchases. Yulisetiarini, Subagio, Paramu, and Irawan (2017) found that service quality is a crucial factor that interpreted the customers' effort to fulfill the needs and wants. Kim and Na (2015) found that service quality was the attribute affecting on customer repurchase intentions in online fashion shopping mall. Although it seems that online customers are unique which is not loyal to one particular e-marketplace, the customer repurchase intention is likely based on their experience during the first transaction. The possibility of repurchasing in the same e-marketplace are depending on the perceived of ease of use, including user interface, the searching and navigating system of the application/website, customers service or sale representation which are available and helpful, and price competitiveness. Therefore, the recommendations are suggested as the followings:

1. E-marketplace providers should not change the application/website theme or design, causing the customer confused and difficult to find products they look for. Furthermore, to make purchases simple will increase the quick purchasing transaction, since the customers do not need to fill out some basic information again such as name, address, and credit card numbers.

2. E-marketplace providers should focus on customer support services, especially first and foremost on the shopping experience to provide friendly assistance, and preventing buyer's remorse.

3. E-marketplace providers should attempt to turn customers to be the reviewers. Online shopping, customers decide to purchase a product or service based on its reviews; thus, e-marketplace providers should

encourage their customers to provide constructive feedback regarding product, service, and so forth, to get extra discount for further purchase.

    4. Although research result found that there is no relationship between promotion and repurchase intention, special event promotion such as birthday can be a very retention tactic.

    5. Lastly, to improve better service, logistics and trade efficiency should be concerned. E-marketplace provider should encourage partnerships between e-retailers and logistics players can help overcome these challenges.

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