

Impact the Relationship Between Customer Satisfaction at Coffee Connection Outlet, Ladkrabang (Bangkok)

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Abstract

The aim of this research was to examine the impacts of demographic factors and 7Ps marketing mix factors on customer satisfaction among coffee shop consumers in Thailand. Coffee Connection, a Thai-owned coffee shop chain in Thailand, was explored as a case study for this research. The research adopted a quantitative strategy. A questionnaire survey was distributed to 412 customers at one of the most popular stores of the selected coffee shop, using a systematic sampling approach. The data was analyzed using One-way ANOVA and multiple linear regression from SPSS program. The ANOVA of customer satisfaction showed that some demographic factors, including gender, monthly income, who influenced the decision to purchase, the frequency of purchasing, and the distance of the shop to the customer's residence, did have significant differences in the mean for customer satisfaction. Age did not have a significant effect. On the other hand, the regressions showed that product, price, place, promotion, and people had a significant effect on customer satisfaction. However, process and physical evidence did not have a significant effect. Thus, there are discernible effects of demographics and marketing mix factors on customer satisfaction. The implication of this research project was that coffee shop service marketing does need to be carefully chosen. The focus on a single location for data collection was a limitation in this study.

Keywords: *demographics, customer behavior, marketing, service provider, customer satisfaction, customer segmentation, customer loyalty*

1. Introduction

Thai coffee has a unique selling proposition or marketing proposition that deals business in early 2009. This research examined the effect of business management and customer feedback using Marketing 7Ps and Demographics factor to find customer satisfaction at the Coffee Connection Outlet, a domestic coffee shop chain in Thailand. The marketing mix was initially proposed by McCarthy (1960) as a functional tool to help companies determine how to best market their products to their intended customer base (Kotler & Keller, 2015). In the early 1980s, the initial "4Ps" marketing mix proposed by McCarthy (1960) was extended to the "7Ps" of service marketing (Booms & Bitner, 1981). These so-called 7Ps – product, price, place, promotion, people, process, and physical evidence – were proposed as the factors required to effectively market a service product to a particular demographic (Booms & Bitner, 1981; Kotler & Keller, 2015). However, with a mass service such as the retail coffee service, it may not be immediately clear what demographic groups the service appeals to (Dacko, 2012). Thus, there is value in understanding how specific mass services like coffee shops appeal to different demographic groups and how they contribute to customer satisfaction.

Coffee shops are an interesting research environment because they belong to what can be called the modern day 'coffee culture.' Globally, coffee culture – which focuses on coffee shop environments and complex and varied coffee drinks – dates back to the 1980s, when the coffee industry was challenged by falling interest in traditional filter coffee (William, 2010). Today, coffee culture is widespread, with local differences emerging alongside global trends (Tucker, 2017). In some countries, coffee culture is based on long-standing traditions and preparations, such as the Arabic or Turkish coffee served throughout the Middle East, while in others it is a globalized phenomenon, often adapted from existing coffee cultures such as American coffee shops or Italian-style cafes (Tucker, 2017).

Coffee culture is not just related to the consumption of drinks that are highly personal, but also the social environment of the coffee shop as a "third place". According to Tucker (2017), the coffee shop –

including global chains like Starbucks and local independent and chain shops – is comfortable, well-decorated and well-lit, and amenable to both social gatherings and individual activities. Thus, coffee culture is not just about what kind of coffee is consumed, but where and how it is consumed. Statistics show the estimated total Thai coffee consumption in Thailand between 1990 and 2016. In 2011, approximately 856,000 60kg bags of Thai coffee had been consumed in Thailand, and people perceived value of significant flavor characteristics.

Thailand is a producer of both Arabica coffee, which is grown in the north, and Robusta coffee, which is grown in the south (Pongsiri, 2013). However, coffee culture emerged relatively late in Thailand, which does not have a tradition of coffee drinking. While coffee drinking did exist at the time, it was mainly in the form of 3-in-1 prepared drinks and instant coffee for consumption at home. The coffee house industry developed rapidly beginning in the early 2000s with the entrance of global brands including Starbucks into the Thai market (Pongsiri, 2013). Initially, coffee houses mainly served tourists and businessmen who had a relatively high income and existing taste for prepared coffee, but the popularity of coffee shops grew rapidly throughout the 2000s, and they are now popular with many segments of the Thai population. There is now a combination of international and domestic chains and independent coffee shops in Thailand. However, according to Pongsiri's (2013) research, coffee houses still tend to attract wealthier consumers, while the majority of Thais continue to rely on prepared drinks made available in local convenience stores.

It is uncertain to know how well local chains are marketed compared to international chains in Thailand. Although Pongsiri (2013) examined the feasibility of establishing a new domestic coffee chain in Thailand, this was an exploratory study that did not test the implementation of such a coffee shop chain or examine how it was accepted by local customers. The 7Ps marketing mix framework provides a basic understanding of how services are marketed, and customer satisfaction can be used to evaluate the outcomes (Kotler & Keller, 2015). Thus, this study can examine how successful the domestic coffee chain in Thailand is at marketing itself to specific demographics and whether this results in customer satisfaction. Coffee Connection Outlet, a local coffee chain, was the focus point of this research project. Coffee Connection Outlet was one of the first domestic coffee house chains to emerge in Thailand, and the store this research took place in has been in operation for over five years. It is visited by over 53,000 customers per year and has a relatively loyal customer base. The owner was also interested in the research study in order to be able to gain more insight into her marketing strategy and its genuine effectiveness.

2. Objectives

1. To study the relationship between the demographic factors and customer satisfaction among consumers of Coffee Connection Outlet in Ladkrabang industry, Bangkok, Thailand.
2. To study the relationship between the marketing mix factors and customer satisfaction among consumers of Coffee Connection Outlet in Ladkrabang industry, Bangkok, Thailand.

3. Materials and methods

For this study, a quantitative research method was chosen, by using survey results from the customer satisfaction of Coffee Connection Outlet at the Ladkrabang branch in Bangkok which has the most customers and has been in operation much longer when compared to another branches. The contents of the questionnaire focused on different aspects of attributes and customer satisfaction in order to collect data by using this survey. The responses of the survey were used for the analysis. Thirteen hypotheses were considered for testing the variables.

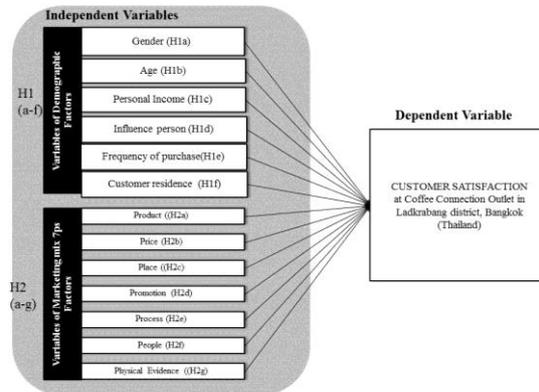


Figure 1 Conceptual framework

The contents and results in this analysis are based on finding information from related literature reviews on real business at the Coffee Connection Outlet in Ladkrabang, Bangkok, Thailand, to drive the business that is focused on the owner’s experiences, the owner-development which can be applied to the demographic strategies and marketing strategies, to be able to understand customer behaviors and the customer perception values on the real-life experience of the business. This involved taking information gathered from previous literature reviews from different sources and analysing the data to forecast the future trends for a coffee industry business. All of the result outcomes were based on the affects of the overall customer satisfaction. The customer segment was targeted and expressed the differences in their preferred purchasing behavior. Anić and Radas (2006) stated that the reaction to purchase and satisfaction is the difference between customer profiles in the demographic factors that can lead to customer loyalty behavior in their purchasing. Homburg and Giering (2001) also noted that the personal characteristics of the demographics factor has lead researchers to understand the relationship regarding customer satisfaction that has an impact on customer loyalty. This is because the customer base has a difference in age groups and other different demographical patterns which are influential in the fulfillment of needs and wants of customers to maximize their ultimate profitability. Therefore, this study focused on the different demographic variables (i.e. gender, age, personal income, influences and the customer’s residential location to the coffee shop) which can build customer loyalty by achieving customer satisfaction.

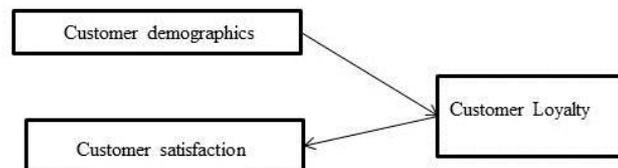


Figure 2: The relationship of the demographics impact on customer satisfaction
Source: Middle-East J. Sci. Res., 18(10): 1429-1435, 2013

McCarthy (1960) stated that the brand is a crucial tool to help understand the product and service for this research but the design of coffee or beverages that appeal to the customers’ feeling of a specialty of art in the product, and customers’ accept to spend money to purchase, based on their perception value with fair prices. However, it is not only the design of the product to appeal to customers to enter the coffee shop but, according to Dumas, O’Sullivan, Heravizadeh, Edmond, and Ter Hofstede (2003), the place and distances is a variable to define the time to deliver both the product and services to customers. When the location is not far from where the customer lives, this has a strong influence and inter-relationship between time, delivery and the customer in their overall satisfaction. There are different marketing positioning strategies and differences in the configurations of products, prices and promotions that consumers are

offered. The marketing environment from the retail locations is an important tool that shapes the way the customers behave. The marketing strategy works by attracting given types of consumers and changes the purchase behavior and the intention to purchase. A previous study found that consumers who had interacted with these different environments in different retail locations were undergoing major changes of perception of the brand, brand loyalty, and there were also changes in their sensitivity to prices, promotions, and the way they reacted to new brands introduced in the offer (Bawa, Landwehr & Krishna, 1989). The study found that all these behavioral changes in consumers were influenced by the specific characteristics of the environment in the given context, such as the diversity of the product offering and the promotional activities that were taking place in the shop at that time.

The questionnaire that was used in this research project collected demographic information, perceptions of the coffee house marketing mix, and customer satisfaction data using a combination of categorical items (demographics) and used the five-point Likert scale items. The item design was guided by previous research, but as there were no accepted measures for the 7Ps perception it was, therefore, not possible to adapt the questionnaire. Thus, an expert review for face validity and Cronbach's alpha for internal consistency were required.

The study focused on identifying and analyzing the classification of the demographic factors on customer satisfaction, and the relationship of the marketing factors on customer satisfaction of the Coffee Connection Outlet at Ladkrabang branch in Bangkok, Thailand. Using systematic sample approach to random sampling technique a sample and choosing a sample size through a systematic predict quality. There were 412 samples that were used as the target respondents for the research project. From database taken from the Coffee Connection Outlet at the Ladkrabang branch records, it was found that it received approximately 53,500 customers per year.

Respondents of this study were 412 samples which were composed of customers who purchased or used services at the Coffee Connection Outlet at the Ladkrabang branch. The sample was made up of Thai males and females who had come to purchase a product or use a service at the Coffee Connection Outlet in the Ladkrabang district Bangkok (Thailand), during May-June 2017. The data was calculated by using a sample formula by Wanichbancha's (2003) with 95% confidence level. According to the number of customers who made a purchased, it was an average of 53,500 customers per year from the database of the Coffee Connection Outlet at the Ladkrabang branch records. The calculation formula of Wanichbancha (2003) that was used is presented here:

$$n = \frac{z^2}{4E^2}$$

The data collection used a systematic approach, with customers being selected as they went into or came out of the coffee shop. This approach was selected over judgmental sampling technique because the researcher aims to reduce a chance of bias, occurring from judgmentally selecting respondents and to increase a chance of everyone being selected as a sample. The researcher alternated the days when to ask the entrants or those who were exiting, in order to avoid double-sampling some respondents. A clicker was used to select every 10th passer-by, to introduce some randomness and avoid selective sampling (Cooper & Schindler, 2016), meaning that the researcher seeks to introduce an opportunity for every customer being selected as a sample and to reduce bias from sample selection. Moreover, by distributing only paper-based and self-administered questionnaire, the researcher can increase a chance to limit common method bias, which may occur from unfamiliarity with an electronic survey system and misinterpretation of some questions (if using online survey).

After the questionnaire was completed, each item responds or interprets the scale of items, hence, the Likert scaling technique was considered as being suitable for interval level data which was interpreted as being ordinal data. The interpretations reached the average mean score of each item. The range of the average of the analysis was used to establish a set criteria or a set of data values. The frequency data can be found in Table 1, which is a tabular representative of the data set in an ascending order of magnitude with their corresponding scales. The numbers of the average mean of the satisfaction criteria was as follows:

Table 1 The criteria of group data

Average Range	Set Criteria
4.21 – 5.00 scale points	Strongly Agree
3.41 - 4.20 scale points	Agree
2.61 – 3.40 scale points	Neutral: Do not Agree nor Disagree
1.81 – 2.60 scale points	Disagree
1.00 – 1.80 scale points	Strongly Disagree

The researcher used a pre-test on the confidence and reliability of the questionnaire to ensure that the responses that were collected were reliable and consistent by testing thirty (30) questionnaires that were not in the sample group and using the Alpha Cronbach Coefficient approach to ensure whether there was internal consistency within the items. Anandarajan and Simmers (2003) had indicated that the level of reliability of variables in each section purpose of 0.7 is a reasonable threshold in advanced research projects and a questionnaire can be used as a research instrument for the data collection.

Analysis was conducted in using SPSS (Version 17). Tests included one-way ANOVA and multiple regression. One-way ANOVA was used to test mean the differences in customer satisfaction based on customer demographic groups (Cooper & Schindler, 2016). Multiple linear regression was used to test the effect of the 7Ps marketing mix perceptions on customer satisfaction, since this would provide the most accurate result (Cooper & Schindler, 2016).

4. Results

Cronbach's alpha was used to test the reliability of the 7Ps marketing constructs (see Table 2). The lower bound for acceptance was 0.7 following Anandarajan and Simmers (2003). All of the marketing constructs met this limit, with the lowest reliability being seen for Process ($\alpha = .750$). Therefore, all the constructs were found to be sufficiently reliable for the purposes of this test. Factor analysis was not used to evaluate the convergent and discriminant validity. Although it is a useful tool for testing more complex constructs (Farrell & Rudd, 2009), the related nature of the constructs in this case was approved by an expert review and therefore this was not seen as being useful.

Table 2 Reliability test

Variables	No. of items	Cronbach Alpha
Products	4	.876
Price	3	.916
Place	3	.893
Promotion	3	.873
Process	3	.750
People	3	.849
Physical evidence	3	.859
Satisfaction	2	.822

Analysis of the demographic factors of the Coffee Connection Outlet showed the overall importance and significance towards the marketing factors on customer satisfaction at the Coffee Connection Outlet. The various characteristics provided the relationship on the customer satisfaction at the Coffee Connection Outlet.

Table 3 The ANOVA testing and descriptive test between the different groups on demographics

Demographics	Sig.	Clusters	Mean	Standard deviation
Gender	0.015*	Total	4.28	0.53
Age	0.153	Total	4.28	0.53
Personal monthly income	0.000*	Total	4.28	0.53
Influenced a person's decision to purchase	0.000*	Total	4.28	0.52

Demographics	Sig.	Clusters	Mean	Standard deviation
Frequency purchased	0.000*	Total	4.28	0.52
Distance from residence	0.000*	Total	4.28	0.52
Overall		Total	4.28	0.53

Analysis of the demographic factors of the Coffee Connection Outlet showed the overall importance and significance towards the marketing factors on customer satisfaction at the Coffee Connection Outlet. The results were summarized by using the ANONVA test and using descriptions which classified the demographics. These were summarized in Table. 3. The ‘Strongly Agree’ level mean was 4.28 and the Standard Deviation was 0.53. The result of all the items in ‘Strongly Agree’ made it easy to identify the customer characteristics on customer satisfaction, in that the highest was “Influenced a person’s decision to purchase” (with a mean of 4.28) and “Frequency purchased” (with a mean of 4.28), and the third was “Distance from residence” (with a mean of 4.28) which was followed by the section on “Gender” (with a mean of 4.28); “Age” (with a mean of 4.28) and “Personal monthly income” (with a mean of 4.28), respectively. The summary of these areas is discussed below, as follows:

4.1 Marketing mix of each variable

The analysis of the marketing factors of the Coffee Connection Outlet shows the overall of the importance and significance towards the marketing factors on customer satisfaction at the Coffee Connection Outlet. The results were summarized by using the summary by ANONVA test and using a description on the 7Ps: product, prices, place, promotion, people, process and physical evidence, which were summarized in Table 4 through to Table 9. The ‘Strongly Agree’ level overall mean was 4.28 and the Standard Deviation was 0.32. The results of all the items in ‘Strongly Agree’ from the highest level down, were “Physical” (with a mean of 4.33), and the second was “Process” (with a mean of 4.31), with the third being “People” (with a mean of 4.29), the fourth being “Place” (with a mean of 4.29), the fifth being “Price” (with a mean of 4.27), with the sixth being “Promotion” (with a mean of 4.24) and the lowest was “Product” (with a mean of 4.21). The summary of the issues is shown below, as follows:

Table 4 The regression testing and descriptive test between groups on product

Product	Sig.	Clusters	Mean	Standard deviation
Products are a good design form		Total	4.20	0.68
Products are tasty.	0.000*	Total	4.23	0.71
Products have good coffee beans.		Total	4.20	0.68
Overall		Total	4.21	0.55

The “Product” had influenced the buying decision with the ‘Strongly Agree’ level with the overall mean of 4.21 and the Standard Deviation of 0.55. The results show the ‘Strongly Agree’ level for “I think the coffee products are tasty” and the ‘Agree’ level included “I think the coffee products are a good design form”, plus “I think the coffee products of Coffee Connection have good coffee beans” and also for “I think the coffee product and brand image are attractive compared to its competitors.”

Table 5 The regression testing and descriptive test between groups on prices

Prices	Sig.	Clusters	Mean	Standard deviation
Prices are reasonable.		Total	4.29	0.59
Prices and coffee’s beverage sizes are standard	0.000*	Total	4.27	0.62
Prices charged are attractive compared to its competitors.		Total	4.25	0.63
Overall		Total	4.27	0.56

The “Price” had influenced the buying decision in the ‘Strongly Agree’ level with the overall mean of 4.27 and the Standard Deviation of 0.56. The results in all the items in the ‘Strongly Agree’ from the highest level down, were “I think the prices are reasonable” and the second was “I think the prices and coffee’s beverage sizes are standard” and “The prices charged are attractive compared to its competitors”, respectively.

Table 6 The regression testing and descriptive test between groups on place

Place	Sig.	Clusters	Mean	Standard deviation
Gets a positive impression when entering into the coffee house and its cleanliness.	0.000*	Total	4.27	0.59
Easy parking that influences me to purchase the products		Total	4.32	0.61
The location of Coffee Connection is attractive to me.		Total	4.27	0.59
Overall		Total	4.29	0.50

The “Place” had influenced the buying decision in the ‘Strongly Agree’ level with the overall mean of 4.29 and the Standard Deviation of 0.50. The results for all the items in the ‘Strongly Agree’ from the highest level down, were “Easy parking that influences me to purchase the products” and the second was “I think the location of Coffee Connection is attractive to me” and “I get an impression when entering into the coffee house and its cleanliness”, respectively.

Table 7 The regression testing and descriptive test between groups on promotion

Promotion	Sig.	Clusters	Mean	Standard deviation
Brochure is attractive to me.	0.000*	Total	4.18	0.63
Gift card is attractive to me.		Total	4.26	0.63
Facebook is attractive to me.		Total	4.27	0.62
Overall		Total	4.24	0.48

The “Promotion” had influenced the buying decision in the ‘Strongly Agree’ level with the overall mean of 4.24 and the Standard Deviation of 0.48. The results of the two items in the ‘Strongly Agree’ level were, from the highest level down, “Coffee Connection’s Facebook is attractive to me” and the second was “Coffee Connection’s Gift card is attractive to me.” The lowest in the ‘Agree’ level was “Coffee Connection’s Brochure is attractive to me.”

Table 8 The regression testing and descriptive test between groups on process

Process	Sig.	Clusters	Mean	Standard deviation
Convenience in the order process.	0.091	Total	4.31	0.62
Staff gets orders correct		Total	4.30	0.63
Staff interacts well with the customers.		Total	4.32	0.61
Overall		Total	4.31	0.43

The “Process” had influenced the buying decision in the ‘Strongly Agree’ level by the highest one first, with “I think the staff at Coffee Connection interact well with the customers” and the second was “I think Coffee Connection has a convenient method in the order process” and “I think Coffee Connection gets the orders correct”, respectively.

Table 9 The regression testing and descriptive test between groups on people

People	Sig.	Clusters	Mean	Standard deviation
Staff have a spirit of services		Total	4.29	0.65
Staff seem so happy	0.000*	Total	4.31	0.63
Staff are good at recommending products.		Total	4.28	0.64
Overall		Total	4.29	0.47

The “People” had influenced the buying decision in the ‘Strongly Agree’ level with the overall mean of 4.29 and the Standard Deviation of 0.47. The results in all the items in the ‘Strongly Agree’ level from the highest first, were “I think the staff seem so happy” and the second was “**I think the staff at Coffee Connection interact well with customers**” and “I think the staff is good at recommending products”, respectively.

Table 10 The regression testing and descriptive test between groups on physical evidence

Physical Evidence	Sig.	Clusters	Mean	Standard deviation
Internet Wi-Fi attracts me to enter		Total	4.32	0.64
Beautiful decorations	0.780	Total	4.33	0.62
The atmosphere is nice and cozy.		Total	4.34	0.62
Overall		Total	4.33	0.48

The “Physical Evidence” had influenced the buying decision in the “Strongly Agree’ level with the overall mean of 4.33 and the Standard Deviation of 0.48. The results of all the items in the ‘Strongly Agree’ level from the highest one down, were “The atmosphere at Coffee Connection is nice and cozy” and the second are “I think Coffee Connection has beautiful decorations” and then “Internet Wi-Fi attracts me to enter the coffeehouse of Coffee Connection”, respectively.

5. Discussion

The results showed that most of the demographic factors (H1) and product mix factors (H2) were significant in influencing customer satisfaction. Below here, these outcomes are discussed with reference to the relevant literature.

5.1 Demographic factors

This study showed that demographic factors including gender, income, who makes a decision, the frequency of a visit, and the distance of a customer’s residence to the Coffee Connection Outlet shop were associated with different levels of customer satisfaction. There has, so far, not been much previous research projects analysing into the demographic effects on customer satisfaction, although some studies have examined this area. Homburg and Giering (2001) stated that demographic effects on customer satisfaction stems from differences in consumer preferences and their needs and wants, which companies may fulfil at different levels. Thus, a company’s products or services may be more satisfactory for members of one group, but not for another group. A research project results in Ghana also maintained that their evidence supported the importance of demographic factors in building customer loyalty in the banking sector (Tweneboah-Koduah & Farley, 2015). This research project supported the general statement that demographic factors do make a difference in the level of customer satisfaction with a given retail service provider. Following the findings of Afzal (2013) and Homburg & Giering (2001), this suggests that demographic factors could also affect customer loyalty, although this was not tested directly in this specific research project. The lack of general information about demographic influences on customer satisfaction in Thailand and similar countries is one area that could be useful for additional researchers or research groups to undertake. This is especially true since these economies are growing rapidly and becoming more important in the global economy. This will increase the difficulty of the competitive market and if domestic chains are to compete they will need to understand their customers. This calls for more research projects to

be undertaken and focus into demographics and consumer preferences and satisfaction in different areas of the Thai consumer market.

5.2 The influence of the marketing mix

The research used the 7Ps or service marketing mix to examine the effect of marketing decisions on customer satisfaction. This study showed that five components of the service marketing mix used by the Coffee Connection Outlet had a relationship to customer satisfaction, including these five areas: product, price, place, promotion, and people. However, two factors did not have a relationship, which were process and physical evidence.

The 7Ps marketing mix was selected rather than the 4Ps marketing mix because it is important in service marketing, like coffee shops, to consider the intangible, people-related elements of marketing, not just the tangible, physical outcomes (Prymon, 2014). This research project supported this choice.

The factors of Process and Physical Evidence were not significant in the regression relationship, and had weak correlations to customer satisfaction. Previous studies have identified aspects of each of these that could potentially influence customer satisfaction. For example, changes in the process that would increase the customer waiting times could potentially reduce customer satisfaction (Luo, Liberatore, Nydick, Chung & Sloane, 2004).

Similarly, cleanliness and hygiene, comfort, and availability of Wi-Fi could affect customer satisfaction (Ryu & Han 2010). One possible reason that these effects were not seen in the current study is that the process and physical evidence of the Coffee Connection Outlet was very similar to that of other coffee shops. If the Coffee Connection Outlet's physical environment and processes were only what was to be expected, then customers might not be influenced in customer satisfaction simply by the company meeting these expectations. Although the two factors of process and physical evidence were not significant for customer satisfaction, People certainly had one of the strongest relationships to customer satisfaction. Staff and managers in service environments are important for customer satisfaction because of the formation of service relationships, which allow customers to associate a given service location with positive outcomes related to friendly and competent interactions (Booms & Bitner, 1981). Furthermore, the people element is the factor that leads to positive perceptions that the staff will competently meet customer needs and preferences (Jay, Glencross & Hubbard, 2007). Coffee shop services are part of a class of service that is produced and consumed almost at the same time, as Jay et al. (2007) pointed out. This means that the pleasantness of interaction between the staff and customers can influence the perception of the quality of the actual product itself (Jay et al., 2007). This makes it particularly important for firms to make sure that their staff are well trained and are always friendly, since this study shows that people make such a difference in customer satisfaction. The four traditional marketing mix factors of product, price, place, and promotion, also had a significant relationship to customer satisfaction. This was consistent with previous studies, which have shown that these factors do have a huge overall influence in a service environment (Luo et al., 2004; Herrmann, Xia, Monroe & Huber, 2007). These studies all demonstrated that the product-related aspects of service offerings do influence customer satisfaction. Without these dimensions of the marketing mix being considered right and correct, it is unlikely that customers would be satisfied with the existing Coffee Connection Outlet's service offerings. Thus, these factors are also important for the firm to rightly adapt in order to serve its customers' needs. Overall, this research project validated the use of the 7Ps marketing mix framework as a tool to understand how the Coffee Connection Outlet's marketing strategy both directly and indirectly influenced customer satisfaction. The study results also suggest that it could be applied to other service environments in Thailand effectively, which would help improve a better understanding of the preferences of Thai consumers for other service offerings. This understanding is important because of the potential effect of customer satisfaction in future revenues (Hafeez & Muhammad, 2012) and for companies to be able to establish some long-term customer loyalty (Ogunlami, 2015).

6. Conclusion

The aim of this research project was to find the relationship between the demographic and marketing factors and customer satisfaction at the Coffee Connection Outlet, a Thai coffee shop in Bangkok. The objectives of the research project included examining the relationship between the demographic factors and customer satisfaction and examining the relationship between the marketing

factors and the overall customer satisfaction. These objectives were stated through two main hypotheses, each with several sub-hypotheses. The hypotheses were tested using a consumer survey of existing consumers (n = 412).

The first hypothesis and its several sub-hypotheses was designed to respond to objective 1. It explored to find if there were any differences in customer satisfaction between the demographic and behavioural groups of consumers. These hypotheses were stated as follows:

Hypothesis 1: Demographic factors have a significant relationship with levels of customer satisfaction among consumers at Coffee Connection Outlet.

H1a = Levels of customer satisfaction between male and female (gender) at Coffee Connection Outlet are significantly different.

H1b = Levels of customer satisfaction among consumers from different age groups at Coffee Connection Outlet are significantly different.

H1c = Levels of customer satisfaction among consumers who have different monthly incomes at Coffee Connection Outlet are significantly different.

H1d = Levels of customer satisfaction among consumers at Coffee Connection Outlet who make buying decisions by themselves, those whose buying decisions are influenced by their family and those whose buying decisions are influenced by their friends are significantly different.

H1e = Levels of customer satisfaction among consumers who show different levels of frequency of product purchase at Coffee Connection Outlet are significantly different.

H1f = Levels of customer satisfaction among consumers who live nearby or far away from the Coffee Connection Outlet are significantly different.

The results showed that male and female consumers had different satisfaction levels, with male consumers having a stronger satisfaction level. Income groups also showed differences, with customer satisfaction increasing as the income increased. The group with more than 60,000 THB/month income had a substantially higher mean satisfaction than other groups. Similarly, consumers who made purchase decisions for themselves, rather than relying on family and friends, had significantly higher satisfaction. Unsurprisingly, customer satisfaction also was higher with consumers who had purchased routinely and for consumers who lived closer to a Coffee Connection shop. However, mean differences in age were not significant. Thus, H1 was mostly accepted.

The second hypothesis and its several sub-hypotheses was designed to respond to objective 2. It used the 7Ps or services marketing mix framework to identify marketing factors, stating that:

Hypothesis 2: Marketing mix factors have a significant relationship with levels of customer satisfaction among consumers at the Coffee Connection Outlet.

H2a: Levels of customer satisfaction among consumers at the Coffee Connection Outlet have a significant relationship with the Product factor.

H2b: Levels of customer satisfaction among consumers at the Coffee Connection Outlet have a significant relationship with the Price factor.

H2c: Levels of customer satisfaction among consumers at the Coffee Connection Outlet have a significant relationship with the Place factor.

H2d: Levels of customer satisfaction among consumers at the Coffee Connection Outlet have a significant relationship with the Promotion factor.

H2e: Levels of customer satisfaction among consumers at the Coffee Connection Outlet have a significant relationship with the Process factor.

H2f: Levels of customer satisfaction among consumers at the Coffee Connection Outlet have a significant relationship with the People factor.

H2g: Levels of customer satisfaction among consumers at the Coffee Connection Outlet have a significant relationship with the Physical Evidence factor.

Hypothesis 2 was tested by using correlation and regression. The correlations showed that all seven of the 7P factors, which were: product, price, place, promotion, process, people, and physical evidence had a positive and significant correlations to customer satisfaction. However, only five factors, excluding process and physical evidence, were significant in the regression. Thus, five of the product mix factors identified

did have a significant positive relationship to customer satisfaction. H2 was mostly accepted, with the exception of H2e (process) and H2g (physical evidence).

In conclusion, this study has identified both the demographic and behavioural factors and marketing mix factors that influence customer satisfaction for the Coffee Connection Outlet, in the Ladkrabang district of Bangkok, Thailand. This study showed that factors such as the customer's gender, income, purchase decision makers, frequency of purchase, and the closeness of a customer's residence to a store, strongly influenced the overall customer satisfaction. While Coffee Connection Outlet cannot modify these factors, it can modify its service marketing mix, of which it has been proven that most of the components contributed to the customer's satisfaction.

Recommendations from this study should mainly help marketers of the Coffee Connection Outlet in the Ladkrabang industry to effectively customize its marketing strategies and better attract its target customers. It has been suggested that marketers should focus their resources on five main factors of marketing variables which are: product, price, place, promotion and people, because it was found that these factors had a significant relationships when achieving customer satisfaction. In other words, these factors can increase the level of their customer's satisfaction which is a key to maintain a long-term successful business. When customers are happy, they tend to buy more and want to revisit the store more often and tell their family, friends and colleagues about it. This study found that customers prefer a coffee shop with sufficient car parking available and the staff to dress properly. Therefore, the marketers should spend their resources on these marketing aspects in order to maintain existing customers by encouraging their satisfaction, which will motivate them to encourage other people to become customers there. For other aspects, such as product, price and promotion, the marketers should further investigate customer preferences on these aspects because they can also help them to achieve reaching the set marketing goals – i.e. to maintain and increase the number of visiting customers. For example, they should find out what kinds of promotions that are preferred by the customers or what characters of coffee that are most pleased by the existing customers. Moreover, the marketers should not overlook personal characteristics of the customers, especially because the study found that gender, personal income, person relationships, the frequency to purchase and close customer residence to the coffee shop relationships can also influence a large degree of customer satisfaction. The focus on these aspects in both marketing variables and personal characteristics should eventually help the coffee shop to be able to increase the number of customers who visit to purchase and simultaneously maximize the return on their investment because the resources are precisely spent on influential factors only and precisely.

Further research projects may include conducting a face-to-face interview to find out specific characteristics of the products, price, place, promotion and people which are factors that are already known to be preferred by existing customers. Since this study was conducted by only using a survey, then the results can only show whether the investigated factors can actually influence any degree of the overall customer satisfaction. Therefore, it cannot provide any information in detail, such as why or how these factors can influence the customer satisfaction. For this reason, further research projects should find out what specific characteristics of coffee at this shop that the customers really prefer. This could involve other factors, including the taste or smell of a coffee itself or the appearance of the coffee when it is served (or the coffee cup design or how the finished coffee looks). Also, the use of longer face-to-face interviews should allow researchers the ability to find out why the process and physical evidence factors did not influence the overall level of customer satisfaction, as was found in this study, although these factors were actually found to be influential in achieving satisfaction in other previous studies. Furthermore, further research projects may still adopt a survey study, but adjust it by adding more variables in order to make a conceptual framework to become more comprehensive and valuable. Service quality is an interesting factor that plays a significant role in creating customer satisfaction. Indeed, perhaps researchers could also add a re-visit intention to the original framework, in order to find out whether customer satisfaction could actually lead to the re-visit intention, which is another key factor to establishing a long-term business success.

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