Empirical Analysis of Marketing Factors Affecting Future Intention toward Furniture Store Brand in Bangkok

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Abstract—This research aims to study marketing factors affecting future intention toward furniture store brand in Bangkok. The methodology of this research was applying quantitative research methods to reveal the study, using a sampling group, which is furniture customer in Bangkok. The data was collected by simple random sampling to 400 samples (Alpha 0.05). Descriptive statistics and inferential statistics, Factor Analysis by principle component analysis and Orthogonal Rotation by Varimax Method and Multiple regressions, were also used in this research. The research revealed that 1) most consumers were female who were 31-40 years old, marriage, graduated Bachelor’s Degree, worked in private companies, and earned 10,000-20,000 THB per month. 2). the respondents’ buying decision was chiefly affecting by marketing activities which are co-creation, corporate social response, communication and customer care. All factors have significant affect in future intention toward furniture brand at 0.00 statistically significant levels.

Index Terms—co-creation, CSR, communication, customer care and furniture

I. INTRODUCTION

Furniture store is one of the fastest growing business in Thailand because of the expanding in housing and condominium after the flooding crisis in year 2011 so there are more than 10 store brands come to share the market such as SB Furniture, Index Living Mall, Home Pro and IKEA etc. All of these Store brands try to launch variety activities to compete in the market. For instance, Index and SB Furniture use co-designer campaign to motivate customer to share their idea, Homepro use the viral campaign to inform the store events whereas other brands use the CSR activity and customer care to build the market share. Regarding to the severe competition, this research provides a number of important marketing activity, especially in regard to co-creation, corporate social response, social communication and customer care and examine the effect on Furniture store brand selection.

Our research provides to fill this gap by assessing the co-creation, corporate social response, social communication and customer care influenced on future intention. Following Zeithaml, Berry, and Parasuraman, we identify future intention as the scope to which the individual signal to bond with the company [1]. They plan to increase their purchasing volume or pay a premium price and intend to behave this way in the future. Our conceptualization shows the relationship between marketing activities and future intention. Our proposition is that all marketing activities have significant affect in future intention toward furniture brand. Thus, we hypothesize that all activities (co-creation, corporate social response, social communication and customer care) affecting the future intention toward furniture brand selection.

II. LITERATURE REVIEW

In the late 1970s, the growing of sophisticate consumer and globalization in the market, contemporary organizations have shifted from firm focus to consumer focus and adding value co-creation. The self-service form was very popular at that time. However, a shift initial in the mid-1980s: the consumer begins to understand the view of participation in the service process. Mills and Morris found that the customers start to act as temporary firm employees [2] and Goodwin noted that the participation of the customer in the product or process may add more quality [3]. Sheth and Sisidia also suggested that “the focus now has to shift from markets to customers and from transactions to interactions, a dual transformation from current generation marketing to next generation marketing. Marketing is thus headed towards interaction and customer focus” [4] and this argument was supported by Vargo and Lusch who emphasized the shifted from operand resources to operant resources which is intangible, continuous and dynamic that might be the function of competitive advantage or specific knowledge and skillfulness [5].

A. Co-Creation

A definition of co-creation is an interactive, creative and social process, based on collaboration between producers and consumers, which is initiated by the firm
to create value for customers [6]. It is the opportunity for customers to participate in the decision-making process regarding product development or product modification reflecting their own preferences and needs [7]. Co-creation included the customer’s idea sharing, and feedback a comment on the product their firm consider to resolve the problem as per customer’s comment to create more value for satisfying the customer’s needs and it also increases a unique experience for the individual consumer (Value- in -use) and superior firm’s performance and create the relationship and loyalty. According to Humphreys proposed that value co-creation cannot be overlooked by the organizations that need to succeed in the market [8]. In particular, most researches focused on the service co-creation’s criteria [9], antecedent [10] and consequences [11]. The aim of value co-creation is to develop organizational knowledge process by relating the customer in the value creation process. We posit that the organization cannot automatically act as product designer, product developer, marketing message creator and control channel distribution without sharing the ideas or needs from consumers. Value co-creation changes the customers into an energetic partner for the future value creation. Additionally, consumers’ participation exists in the variation degrees which can be classified: 1) customization: revision of processes based on the aggregated customer’s need, 2) co-creation: integrated value creation based on specific customer participation, 3) co-formation: customer participation an all strategic function of the firm [12] that depend on the firm to choose and decide on their own position. Praharad and Ramaswamy developed a new frame of value co-creation and they stated that co-creation is an exclusive value for each customer so the organization starts to provide the co-creation around the individual consumer (all stakeholders) for example firm co-creation with supplier to design the new idea for customers [13]. To date, most of value co-creation focused on co-creation identification, the development of a multiple item scale for value co-creation [14] testing a model of voluntary participation in value co-creation [15] and the dimension value co-creation [16].

B. Corporate Social Responsible

Generally, business owners invest in the market for profit [17] but when the world changed so the business owners cannot work for themselves only. They have to give something return to the social and environmental. This trend is come up with the word “Corporate Social Responsible” which is mean the kinds of responsibilities on charitable, economic, legal and ethical [18] Brown and Dacin’s also defined CSR as the organization launch the activity that respect the societal obligations [19].

In the process of decision, customer have to form the attribute of product by using the information including corporate associations for a making decision to buy as Crocker; Metalsky & Abramson, stated that high weight placed on CSR issues may lead consumers to use such information in forming their attributions [20][21].

CSR activities had become broadly focus among the company by perceiving the social obligation. As Sen and Bhattachara stated that CSR not only create the buying intention but it can increase the evaluation of firm and brand in the customer mind [22]. Moreover, CSR can increase the brand loyalty and support behavior. Thus, in the furniture business is trying to use CSR activities to promote the company status and image by claiming that they participate in activities which aim to save from harm and recover the natural environmental, diminish its unfavorable and damage effect on the natural environmental and support social welfare and motivation employment opportunities.

C. Social Communication

The 21th century the world was changed because of the diffusion of Internet-based message transmitted throughout the media and these became the major effect of consumer behavior, purchasing intention, attitude and future intention [23]. Consumers are less focusing on traditional promotion mix such as radio, newspaper and magazine but they demand more on immediately access information in the internet [24][25] such as youtube, viral on internet, facebook, Instagram and lines chat.

Consumers can find and compare the information of product from the internet by themselves. Customer seems to believe the other customer’s experience more than sale representative or company information. Recently, the technology can work instead of human so many company try to provide this opportunity to create the social network to communicate with customer by provide the information on the internet such as facebook, viral marketing and chatting space between customer to customer. As Henrick and Silverman documented word of mouth process is the most powerful equipment in the market which is highly convincing because consumers would like to know more information from other consumers as a personal communication than information from marketer/company [26] [27]. The viral marketing is activity that seems to be the word of mouth technique through the social network. The goal of viral marketing is to use consumer-to-consumer communications. The information can spread rapidly to customer like virus with a few cost of marketing [28].

D. Customer Service

The tradition activity is still necessary for the technical product or know how product so many traditional furniture store are using the good service such as delivery, settle, fix and care for after sale service. Moreover, some store can provide special activities to customer by turn the old one to store and buy the new one in the special price. The store brand owner believe that Thais ‘behavior prefer the good service from provider than do it by themselves and good customer care service can create the long term relationship and loyalty then the customer will intention to buy more and more. As Baker documented the purchasing intention can be formed between service quality and consumer satisfaction [29].

E. Co-Creation, Corporate Social Response, Social Communication and Customer Service Influences Future Intention
Jaworski and Kohli noted that co-creation can be a source of competitive advantage because of improved the customer satisfaction and have a positive influence on future intention [30] whereas nowadays, people care about the social environmental so they realized the outcome of CSR [31] and include this activity in the set of decision as well. Moreover, the growth of technology and social media has a highly impact on the customer’s decision and lifestyle that the marketer cannot overlook. On the other hand, the traditional marketing as customer service is still efficient and effectively for the Thai people who bought the product like furniture. We posit that all of these activities affecting the future intention toward furniture store brand in Thailand. As Zeithaml, Berry, and Parasuraman defined the future intention as the scope to which the individual signal to bond with the company [32]. They plan to increase their purchasing volume or pay a premium price and intent to behave this way in the future. Recent research offers some evidence that co-creation, corporate social response, social communication and customer service are positively influence the future intention.

We test our conceptualization by using a survey of 400 randomly selected Thais adult via email [33] and mail that empirically assesses the relation among co-creation, corporate social response, social communication customer service and future intention.

III. RESEARCH DESIGNS METHODOLOGY

A. Methodological Considerations

In this research, we apply quantitative research methods to analyze marketing activities and examine the effect on Furniture store brand selection. The pilot study included a small sample size (N=30). We then analyzed the pre-test data by adjusted and removed questions. The data was collected by simple random sampling to 400 samples (Alpha 0.05) [34]. We were not specifically targeted any groups in order to reduce cost and time consuming in this research.

B. Study Design

The major source of data was the secondary. Secondary data provided data that have been collected, analyzed and discussed by prior research. The questionnaire was given to the respondent. The first section of questionnaire deals with the demographic variables of the respondents which included six items as sex, age, marriage status, education, occupation and income. For the second section focuses on future intention and the last section focuses on twelve items to measured marketing activity factors in this research and applied a five-point Likert-type scale for all items, ranging from 1 to 5.

In order to evaluate the properties of the measures, we checked the validity of the questionnaire by sending this questionnaire to three professors and edit as per their comments and then we analyzed the reliability of the scales by means of Cronbach’s alpha with acceptable levels for reliability are 0.70 or above [35][36][37]. The result show alpha 0.895 so the reliability of the scales exceeds the recommended values. Therefore, it appears that the measured have good reliability and validity and descriptive statistics and inferential statistics, Factor Analysis by principle component analysis and Orthogonal Rotation by Varimax Method and Multiple regressions, were also used in this research.

IV. FINDING

From the data collecting, 400 surveys were used in this study representing an effective response rate 100% then we have interpreted and analyzed the data in the form of descriptions which were divided into 4 parts as follows; First part, descriptive statistics for the sample, including gender, age, status, education, occupation and income. The second part applied factor analysis by using this technique to group 12 variables into 4 factors for reducing the problem of multicolinearity in the same factor. The third part applied multiple regression analysis result between co-creation, corporate social response, social communication and customer effect on Furniture store brand selection.

- The result revealed that there were 400 respondents and most of respondents were female at 63% and the rest were male, aged range between 41-50 years old (35.8%), 31-40 years old at 35.0%, and 20-30 years old at 20%, respectively. The majority respondents were married, single and divorced at the 56.3%, graduate bachelor degree level at 49.0%, business owner at 33%, and have income per month between 10,001-20,000 baht at 49.0%

- Table I shows the orthogonal rotation by Varimax Method was used for rotation revealed that 12 variables of them were classified into 4 factors that consisted of social communication, co-creation activity, corporate social response, and customer service, respectively. It can be summarized that significant is at 0.5. These 4 factors can explain all variables at 62.995% (almost nearly the appropriate level at 70%)

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative %</td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>1</td>
<td>32.445</td>
<td>3.893</td>
</tr>
<tr>
<td>2</td>
<td>43.924</td>
<td>1.377</td>
</tr>
<tr>
<td>3</td>
<td>54.582</td>
<td>1.279</td>
</tr>
<tr>
<td>4</td>
<td>62.995</td>
<td>1.01</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
• Table II. Can summarize the group of factor as following:

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIRAL</td>
<td>0.755</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FACEBOOK</td>
<td>0.695</td>
<td>0.808</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YOUTUBE</td>
<td>0.672</td>
<td>0.768</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LINES</td>
<td>0.668</td>
<td>0.720</td>
<td>0.827</td>
<td></td>
</tr>
<tr>
<td>ADVERTISIN</td>
<td>0.540</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDEASHARE</td>
<td></td>
<td></td>
<td></td>
<td>0.813</td>
</tr>
<tr>
<td>PRODEVEL</td>
<td></td>
<td></td>
<td></td>
<td>0.681</td>
</tr>
<tr>
<td>SOLVEPRO</td>
<td></td>
<td></td>
<td></td>
<td>0.813</td>
</tr>
<tr>
<td>PROENVIRO</td>
<td></td>
<td></td>
<td></td>
<td>0.681</td>
</tr>
<tr>
<td>EMPWELFA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIXANDCAR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CALLCENTER</td>
<td></td>
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</tbody>
</table>


First factor: Social communication shows overall factor score at most important with Eigen value at 3.895. This factor can explain all variables at 62.995% which contain viral activities, facebook network, clip in youtube, lines chat and advertising.

Second factor: Co-Creation shows overall factor score at more important with Eigen value at 1.377. This factor can explain all variables at 11.478 which contain idea sharing activity, participate in new product and response to customer complains.

Third factor: Corporate Social Response (CSR) shows overall factor score at important with Eigen value at 1.279. This factor can explain all variables at 10.659 which contain company’s policy protect and improve natural environment and company support social welfare program.

Fourth factor: Customer service shows overall factor score at important with Eigen value at 1.028. This factor can explain all variables at 10.284 which fix and care after sale service and 24 call centers.

As the result from factor analysis, the study revealed that all variables were classified into four factors that consisted of social communication, co-creation activity, corporate social response, and customer service and this part used regression technique to examine the marketing factors affecting future intention toward Furniture Store brand to analyze the relationship between a single dependent which is future intention and several independent variables. The result show that R² (Coefficient of Determination) is 0.315 means that the independent variable can explain the dependent variable by 31.5%. Standard Error of the Estimate (SEE) shows 0.366 which indicate that the variability of the residual values around the regression line relative to the overall variability is small so the predictions from the regression equation are good. All factors have significant affect in future intention toward furniture brand at 0.00 statistically significant levels Table III.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>24.337</td>
<td>4</td>
<td>6.084</td>
<td>45.281</td>
<td>.000(a)</td>
</tr>
<tr>
<td>Residual</td>
<td>52.806</td>
<td>393</td>
<td>0.134</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>77.142</td>
<td>397</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Social communication, co-creation, corporate social response, and customer care
b Dependent Variable: future intention

This research attempts to explore marketing factors affecting future intention toward furniture store brand in Bangkok, Thailand. The instrument using for collecting data was the questionnaire composed of three parts: (a) general information of the participants, (b) the participants’ opinions towards future intention, and (c) marketing factors including social communication, co-creation activity, corporate social response, and customer service.

V. DISCUSSION AND CONCLUSIONS

Regarding the research question, the consumers were asked to indicate their opinions towards marketing factors. Overall, the study found that the marketing factors were affected future intention toward furniture store brand. The results provide support our hypothesis that social communication (β =0.388; p = 0.000), co-creation (β =0286; p = 0.000), CSR (β =0.211; p = 0.000) and customer care (β =0196; p = 0.000) so the p value less than 0.05 means that marketing factors including social communication, co-creation activity, corporate social response, and customer service affecting future intention toward furniture brand store.

To conclude, the respondents perceived that all four aspects in marketing, includes social communication, co-creation activity, corporate social response and customer service were important for future intention toward furniture store brand. Among the four components, social communication was ranked as the most important factor. It was consistent with the finding of a study by Henrick and Silverman documented social communication is the most powerful tools in the marketplace which is highly persuading to consumers who would like to know more information from other consumers as peer : peer communication rather than business : consumer [38][39].

The results of this study were consistent with the finding of Sen and Bhattachara reporte that CSR can help the business create the buying intention and increase the product and brand evaluation in the customer mind [40]. Regarding to the co-creation factor also have a relationship with the future intention and opportunities for customer to join and share their idea, knowledge, and experience on new product development [41] that affecting their needs then it is possible for make a decision and future intention to buy. However, the
tradition activity is still necessary for the market as Baker stated that the purchasing intention can be formed the relationship between service quality and consumer satisfaction as a result of future intention [42].

VI. LIMITATION AND FUTURE RESEARCH

The research that consumers will have future intention toward furniture store brand when they have marketing activity to promote and support the sale by social communication factors, co-creation factor, corporate social response factor and customer care factor. Thus, all concerned parties, especially entrepreneurs, should focus on the social communication when they are developing their marketing strategies. The “social communication” management needs to concentrate on viral activity that is effective and able to produce the future intention.

Future research could examine additional variables to continue exploring what is driving the effect to purchasing decision of furniture store. In addition, future research could examine other groups of sample instead of Bangkok to understand the effect by comparing among groups of sample.

REFERENCES

Kedwadee Sombultawee was born in July 9, 1982 in Thailand and from 2013 till now she is a Phd. Student in Business Administration at Thammasat University. She is holds a master degree in MSc. International management from the University of Exeter in United Kingdom (2004-2005) and graduated bachelor degree in major marketing, school of business faculty from Assumption University in Thailand 2000-2004). She has taught marketing subject at Silpakorn University of Thailand. Her current research focuses on the marketing strategy and brand strategy. She also interest in Advertising and corporate social responsiblity.