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Monday 7 May 2018, Faculty of Business Administration, Rangsit University, Thailand

TOPICS: The organizing committees welcome submissions in all areas of innovative business and entrepreneurshipfor presentation at the conference no later than Mar 31, 2018 (early submission is exceedingly encouraged). The main topics of the conference include, but not limited to: Entrepreneurial Management; Business Innovation; Business Management; Marketing Management; Financial Management; Logistic Management; Corporate Governance; Business Ethic and Corporate Social Responsibility; Crises and Contagion; and Risk management.

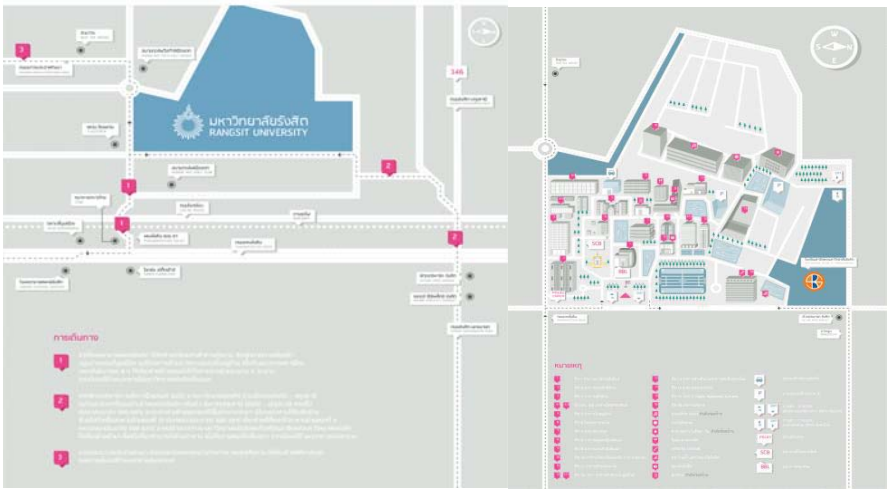
Time Table:

8.00 a.m. – 9.00 a.m.	Conference registration
9.00 a.m. – 9.30 a.m.	Opening speech by Attawit Ourairat, Ph.D. Vice President for Planning Development and Funding, Rangsit University
9.30 a.m. – 10.30 a.m.	Research Papers Presentation
10.30 a.m. – 10.45 a.m.	Coffee & Tea Break
10.45 a.m. – 12.15 p.m.	Research Papers Presentation Room
12.15 p.m. – 1.00 p.m.	Luncheon Party

Presentations: For your presentations at the ICIBE-2018 meeting please note that all rooms are not equipped with computers.

Conference Presentations: Computer will not be available in all rooms for conference presentations, please bring your own computer notebook/laptop for the presentation.

Discussants' Responsibility: To better serve the needs of authors presenting papers at the ICIBE-2018 meeting, discussants are kindly required to hand out to the authors and the session chair one page handwritten comments with their constructive comments.



International Conference Regulation in Thailand (Thai Language)

ข้อมูลจาก คู่มือการประกันคุณภาพภายในระดับอุดมศึกษาฉบับปีการศึกษา 2557

การเผยแพร่ผลงานวิจัยในที่ประชุมวิชาการระดับนานาชาติหมายถึง การนำเสนอบทความวิจัยในที่ประชุมวิชาการและบทความฉบับสมบูรณ์ (Full Paper) ได้รับการตีพิมพ์ในรายงานสืบเนื่องจากการประชุม (Proceedings) โดยมีกองบรรณาธิการจัดทำรายงานฯ หรือคณะกรรมการจัดการประชุมประกอบด้วยศาสตราจารย์หรือผู้ทรงคุณวุฒิระดับปริญญาเอก หรือผู้ทรงคุณวุฒิที่มีผลงานเป็นที่ยอมรับในสาขาวิชานั้นๆ จากต่างประเทศอย่างน้อยร้อยละ 25 และมีผู้ประเมินบทความที่เป็นผู้เชี่ยวชาญในสาขาวิชานั้นและบทความที่มาจากต่างประเทศอย่างน้อย 3 ประเทศและรวมกันแล้วไม่น้อยกว่าร้อยละ 25

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Analysis of the Influence of Trust, Satisfaction and Value on Customer Loyalty

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Abstract

The purpose of this study is to determine whether trust, satisfaction and value have a positive effect on customer loyalty. The survey method was conducted for data collection. The target population was management students of UPH. The sample selection was done with convenience sampling with a sample size of 100. Statistical analysis used partial least square-structural equation modeling approach (PLS-SEM). Data processing is done with the help of SmartPls program. The results showed that sastisfaction and value have positive effect on loyalty. However, trust does not positively affect customer loyalty.

Keywords: Trust, Value, Satisfaction dan Customer Loyality.

Introduction

Coffee shop business in Indonesia is quite promising. Some people consume coffee because they are fond of coffee, though others would only visit a coffee shop to hang out, meet up with friends, to kill time, or simply to relax and enjoy the ambiance and taste of food other than the coffee (Musika, 2018). Coffee shop entrepreneurs realize that the competition of coffee shop in Indonesia is quite tight between local brands and global brand. The subject of study is Maxx Coffee Indonesia. This Coffee Shop was established in 2015 and already had 70 outlets in Indonesia. The object of observation is Maxx Coffee that is located near UPH, Karawaci, Tangerang, Indonesia. There are quite a number of students who consume coffee at the Maxx Coffee. Other than drinking coffee, they also enjoy the variety of foods and drinks such as tea, juices etc.

Furthermore, despite of the competition, Maxx Coffee still manages to maintain their financial stability. Profit can increase if customer loyalty also increases (Wirtz, Chew & Lovelock, 2013). To know the level of customer loyalty can be measured through faithful, recurring recommendations and purchases ("Customer loyalty measurement framework", 2014). If this happens, it will have an impact on the sustainability of Maxx Coffee. Maxx Coffee Management, control the level of loyalty by considering trust factor as its priority other than value and satisfaction. If Maxx Coffee gets high trust from their customers then, they will not hesitate to consume Maxx Coffee products. Second is the value factor. As long as customers perceive that Maxx Coffee products have value, then customers will not hesitate to buy Maxx Coffee products. Third is the satisfaction factor. When Maxx Coffee customers feel more satisfied than what is expected, it leads to repeat buying in the future (Javed and

Cheema, 2017). Thus these are three factors that must be sucritinized by Maxx Coffee to manage the level of customer loyalty. Therefore, it is important to examine the loyalty of Max Coffee customers. The research questions proposed are 1) Does trust have a positive effect on customer loyalty? 2) Does satisfaction have a positive effect on customer loyalty? 3) Does value have a positive effect on customer loyalty?

Hypothesis

Relationship between trust and customer loyalty

Trust is "willingness to rely on an exhange partner in whom one has confidence" (Moorman, Zaltman and Despande, 1992, p. 315). Another definition related to business is "willingness of a firm to rely in a business partner" (Kotler and Keller, 2012, p. 225). Of course the dependence here is not merely due to compulsion or anything else, yet it is how a company judges other firms as competent, honest, integrity and consistent (Kotler and Keller, 2012; Women, 2014). It is the same thing that involve the relationship between the customer and the company. Customers believe in companies which offer quality products (Halim, Swasto, Hamid and Paradise, 2014). Company staff who is aligned with company value will produce good products.

Furthermore, loyalty is "a customer's commitment to continue patronizing specific firm over an extended period of time" (Wirtz et al., 2013). Loyal customers are customers who buy a product not because of a habit but because of a particular product choice ("Brand Loyalty is not habitual (PDF Download Available)", 2012.) Customer loyalty is important for companies because loyal customers can save advertising costs to recruit new customers and they will forgive in the event of a mistake made by the company ("8 Reasons to Keep Your Customers Loyal," 2017) High loyalty, high profit (Wirtz et al., 2013). Therefore the survival of the company is maintained.

The research results of Martinez and Bosque (2013) proved that trust has a positive effect on customer loyalty in the hospitality industry. The study of Chinomona and Sandada (2013); Chinomona and Dubihlela (2014); Mahajar and Yunus (2010), for the retail industry found that there is a positive relationship between trust and loyalty. Other research in the bank industry (Rizan, Warokka and Listyawati, 2014) and mobile commerce industry Lin and Wang (2006) show that trust positively affects loyalty. Therefore, customer trust plays an important role to predict loyalty.

H_1: Trust has a positive effect on customer loyalty

Relationship between satisfaction and customer loyalty

Kotler and Keller (2012) explains that customer satisfaction is "reflecting a person's judgment of a product's perceived performance in relationship to expectations" (p.32). Satisfied customers occur when a company can deliver products to customers according to expectations. One of the factors that make up expectations is advertising (Prugsamatz and Pentecost, 2006; Wirtz et al., 2013). Therefore it is important for companies to be careful in adverstisting their products or services. When the company does marketing communication with advertising, the company has made a promise to the customer. If the company promises, then the customer will expect that the company will fulfill its promise and if what is promised has been rendered then the customer will feel satisfied. On the other hand, if the promise is not fulfilled, customers will be disappointed, frustrated and dissatisfied. However, there are times

when satisfied customers might want to try new experiences with other products (Kotler, Nowen and Makens, 2003).

The results of research on the restaurant industry show that satisfaction has a positive effect on loyalty (Han and Ryu, 2009; Haghighi, Dorosti, Rahnama and Hosenpour, 2012; Han & Ryu, 2009; Ryu, Lee and Kim, 2012; Ali & Muqadas, 2015; Javed and Cheema, 2017). Further research conducted by Martinez and Bosque (2013) on the hospitality industry proves that satisfaction has a positive effect on loyalty. The study of Chinomona and Sandada (2013) revealed that customer satisfaction also positively affects loyalty in the retail industry. Thus, the higher the satisfaction, the higher the customer loyalty.

H_2: Satisfaction has a positive effect on customer loyalty

Relationship between value and customer loyalty

Lamb, Hair and McDaniel (2005)define value as "the ratio of benefits to the sacrifice necessary to obtain benefits" (p.9). While Kotler and Keller (2012) explain that value is the difference between benefit and cost. A product has value to the customer if the benefits received is in accordance with the sacrifice or cost. Wirtz et al. (2013) describe that costs in value consist of monetary costs (e.g., time, physical costs, psychological costs and sensory costs). The company can increase the value of the product by raising its benefits and lowering its cost (Kotler and Keller, 2012). There are many other ways to increase the value of a product. Another alternative is when costs increase, then the company must increase the benefits even more. Thus the benefits must remain greater than the cost or sacrifaction. When the customer feels that the product offered by the company has value, then the customer will buy back.

The results of the study revealed that if values increase, then customer loyalty also increases (Javed and Cheema, 2017; Lin and Wang, 2006; Putranto, 2015; Ryu, Lee and Kim, 2012). Furthermore, the study on the e-service context shows that value also positively affects customer loyalty (Luarn and Lin, 2003). Therefore, companies can use the value factor as a predictor of customer loyalty.

H_3: Value has a positive effect on customer loyalty

Method

The target population in this study was all students of UPH who visited and consumed Maxx coffee products that it is located Benton Junction, Karawaci. The sampling technique was done using convenience sampling. The number of samples taken was 100 respondents. Survey method was conducted to obtain data by using questionnaire instrument. Statistical analysis was performed with partial least square-structural equation modeling (PLS-SEM) approach.

Subsequently constructed items of trust and loyalty were adapted from Hyun and Han (2012); Luarn and Lin (2003); Martinez and Bosque (2013); Otengei, Changha, Kasekende and Ntayi (2014). Construct satisfaction was adapted from Han and Ryu (2009); Otengei et al. (2014); Ryu, Lee and Kim (2012); scale development. Value construct adapted from Looy, Dierdonck and Gemmel (1998); Luarn and Lin (2003); Ryu, Lee and Kim (2012). Each item is measured by 5 points likert scale (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree).

Results

Respondent profiles

Based on data shown in table 1 regarding the profile of respondents, there are 100 students who participated in this study. The number of female respondents is more than the number of male respondents. Furthermore, 67% of respondents have visited Maxx Coffee more than three times. 54% of the respondents spend their money to buy Maxx Coffee products amounting from Rp 50,000 to Rp 100,000; 36% of the respondents spend less than Rp 50,000. Thus 90% of the respondents spend their money to no more than Rp 100,000.

Table 1. Respondent Profiles.

Statements	Total	Percentage(s)
Male	44	44%
Female	56	56%
One time visit	7	7%
Two times visit	18	18%
Three times visit	3	3%
More than three times visit	67	67%
Spending money:		
Less than Rp 50 thousand	36	36%
Between Rp 50 thousand to Rp 100 thousand	54	54%
Between Rp 100 thousand to Rp 150 thousand	10	10%
More than Rp 150 thousand	0	0%

Source: Results of data processing.

Measurement model

The measurement model evaluated the validity and reliability. Reliability measurement is done by calculating composite reliability (CR). The minimum value of composite reliability that must be addressed is 0.7 (Hair, Hult, Ringle and Starstedt, 2014). After reliability is measured, the next step is to evaluate validity with respect to outer loading, average variance extracted (AVE) and discriminant validity. Standard values for outer loading and AVE are respectively 0.708 and 0.5 (Hair et al., 2014). While the measurement of discriminant validity is done by using Fornell-Larcker criterion approach, the AVE square root value must be greater than the correlation value between constructs (Hair et al., 2014). Table 2 shows that all calculations have met the requirements. CR values ranged between 0.857 and 0.894. AVE values range between 0.600 to 0.737 and outer loading values ranging from 0.728 to 0.895.

Table 2.Evaluation of measurement model.

Constructs and items		*Outer loadings*
Trust *(AVE=0.600, CR=0.882)*		
t1	Based on my experience, I know Max Coffee is honest	0.740*
t2	Based on my experience, I know Max Coffee cares about me	0.728*
t3	In my opinion, Max Coffee products are safe to consume	0.836*
t4	In my opinion, Max Coffee products are good quality	0.828*
t6	The quality of Maxx Coffee products is consistent	0.734*
Satisfactio *(AVE=0.737, CR=0.894)*		
s3	I love Maxx Coffee's atmosphere	0.849*
s4	I get "good mood" at Maxx Coffee	0.831*
s5	I enjoy at Maxx Coffee	0.895*
Value *(AVE=0.648, CR=0.846)*		
Constructs and items		*Outer loadings*

v1	I bought Maxx Coffee products, according to my pocket
	0.826*
v2	I bought Maxx Coffee products, according to the benefits I received
	0.780*
v3	I bought Maxx Coffee products, according to the quality I expect
	0.808*
Loyalty ***(AVE=0.667, CR=0.857)***	
l1	I will buy Maxx Coffee products next time
	0.799*
l2	For me, price is no problem to consume Maxx Coffee
	0.823*
l3	Even if Maxx Coffee product price goes up, I remain loyal
	0.827*

AVE=average variance of extracted; CR=composite reliability; *=significant (*one-tailed test*, *ρ value*<0.05).

Source: Results of data processing.

Furthermore table 3 reveals that the calculation to evaluate the discriminant validity has met the criteria that the AVE root square value is greater than the correlation value between the constructs. Thus the entire evaluation of reliability and validity has been completed. The next step is to enter the structural stage of the model.

Tabel 3. Kriteria Fornell-Larcker.

Construct(s)	Trust	Satisfaction	Value	Loyalty
Trust	**0.817**			
Satisfaction	0.372	**0.859**		
Value	0.466	0.483	**0.775**	
Loyalty	0.581	0.233	0.583	**0.805**

Source: Results of data processing.

Structural model

The structural model stage evaluates the collinearity and coefficient of determinant (R^2) and tests the hypothesis. The evaluation of collinearity is done by estimating the value of variance inflation facetor (VIF). Problem collinearity arises when the VIF value is greater than 5 (Hair et al., 2014). Table 4 informs that the research model has no collinearity problem.

Table 4.*Collinearity evaluation*

Construct(s)	VIF
Trust	1.877
Satisfaction	1.310
Value	1.521

Source: Results of data processing.

The results of the hypothesis evaluation are shown in Table 5. The tests were conducted with a one-tailed test with a level of significance of 5%. The hypothesis is supported if the p value is below 0.05 (5%). Testing for H_1 to show that trust has a positive effect on loyalty is not supported as the value of p value is greater than 0.05 (p value= 0.211).The second and third hypotheses are as the value of p value is smaller than 0.05. Furthermore, based on the standardized coefficient value for the supported hypothesis reveals that value (= 0.486) has a greater effect than the influence of satisfaction (= 0.222) on loyalty.

Table 5.Hypothesis evaluation

Hypothesis	*Path*	*Standardized Coefficient*	*ρ value*	Decision

H_1	Trust → Loyalty	0.075	0.211	Not supported
H_2	Satisfaction → Loyalty	0.222	0.002*	Supported
H_3	Value → Loyalty	0.486	0.000*	Supported

=significant(one-tailed test, ρ<0.05)*

Source: Results of data processing.

The next step is to estimate the value of coefficient of determinant or R2. Table 7 reveals that the value of R2 is 0.400 or 40%. This explains that the variation of construct value of loyalty can be explained by the variation of Trust value of Trust, Satisfaction and Value by 40%. Then the remaining 60% is explained by the variation of other construct values not included in this research model.

Table 7. R^2 evaluation

Endogenous Construct	**R^2**
Loyalty	0.400

Source: Results of data processing.

Discussion

The first hypothesis that tests if trust has a positive effect on customer loyalty, was not supported. This is in accordance with the results of study from Haghighi et al (2012). Similarly, research results from Rimawan, Mustofa and Mulyanto (2017) revealed that trust does not positively affect customer loyalty in the manufacturing industry. The higher or lower the level of customer trust does not affect customer loyalty. In conclusion, Maxx Coffee does not create trust construct to increase customer loyalty. However, Maxx Coffee should still pay attention and maintain consistency of service and product quality in order to make their customers to feel safe and be satisfied. Maxx Coffee staffs are honest and have a caring attitude towards their customers. They also believed that offering the best coffee and variety of variance is one way for them to win the trust and confidence of their customers.

Furthermore, the second hypothesis that test if satisfaction has a positive effect on customer loyalty, was supported. It can be said that the more satisfied the customers, the more loyal they are.This result is in line with previous researches conducted by Ali and Muqadas, 2015; Chinomona and Sandada 2013; Han and Ryu, 2009; Haghighi et al., 2012; Javed and Cheema, 2017; Martinez and Bosque, 2013; Ryu, Lee and Kim, 2012. Maxx Coffee can manage customer satisfaction in such a way as to increase customer loyalty. Constructive satisfaction is important for Maxx Coffee, when there is a decrease in customer loyalty. The company provides and maintains an ambiance that is clean, comfortable, relaxing and invigorating. The price is not a problem for them to make a repurchase.

The last hypothesis that test if values have a positive effect on customer loyalty proved to be supported. The higher the value of Maxx Coffee products, the higher the level of customer loyalty is. This is consistent with studies from Javed and Cheema, 2017; Lin and Wang, 2006; Luarn and Lin, 2003; Putranto, 2015; Ryu, Lee and Kim, 2012. Value constructs have a greater positive effect compared to the effect of satisfaction on customer loyalty. Due to its great influence, it is important for Maxx Coffee to pay great attention to value constructs. Whenever Maxx Coffee wants customer loyalty stability, the main focus of Maxx Coffee is managing value construct as

good as possible. As long as customers perceive that the money incurred by the customer to purchase Maxx Coffee products is worth the benefit it receives, then they will no longer doubt to repurchase.

Conclusion

The research findings show that Trust has no positive effect on loyalty. The higher or lower the level of customer trust does not affect loyalty. Furthermore, customer satisfaction can predict customer loyalty positively. As customer satisfaction increases, loyalty increases, and vice versa. Other findings also reveal that value positively affects loyalty. If customer's perception of the product value is high, it will be followed by high level of loyalty.

Limitations and suggestions of subsequent research

Limitations in this study are the items on the satisfaction constructs that do not estimate customer satisfaction of Maxx Coffee as per products consumed. For subsequent research, customer satisfaction items for the product are also estimated. The respondent in this study is limited to students of UPH, whereas in reality Maxx Coffee customers are not only students but also the general public. Therefore, for the succeeding research, the respondents should cover the general public to have a broader knowledge of Maxx Coffee customer's loyalty. Furthermore, subsequent research is advised to do research on other branches of Maxx Coffee to learn whether the research models the same effect. Another limitation is the statistical analysis with the PLS-SEM approach that has the disadvantage of not being able to estimate the feasibility of the model. Thus, subsequent research should use covariance based-structural equation model statistical analysis in order to measure the feasibility of the model.

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A Study of Core Values of Leadership in Real Estate Companies: A Qualitative Study of Thai Real Estate Companies

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Abstract

This research investigates and reports the analysis of core values of leadership from the responses of 12 leaders in three real estate companies in the stock exchange of Thailand. The in-depth interview schedule/plan was done to obtain responses from the 12 middle level leaders, which focused on the context of values-based framework of leadership in real estate business. The research finds that the responses of the 12 leaders were close to supportive leadership, regarding the core values the leaders hold, such as warmth, appreciating values and honoring employees, supporting and facilitating the works of employees. Furthermore, the research showed that achievement-oriented leadership style were seconded, considering the core values the leaders embrace, such as ability to control cost and quality, meeting the requirement of the set Key Performance Index (KPI). The research also aims to study the leaders' core values to reflect on their management and their reflection will be useful in improving the work outcomes and relationships.

Key Words: Leadership, Values, Values-Based Leadership, Real Estate.

1. Introduction

Admittedly, the values-based leadership is increasing its important in many modern organizations and particularly the organization that values human and relationship based (Kuczmarski and Kuczmarski, 1995). To study in many articles, they conclude that values are crucial in work performance and effectiveness. The real estate company has the same characteristics as the other modern organizations that relationship and values of the values-based leader has impact with the employees. To the real estate companies in Thailand, even they are currently making good earnings and could sustain the growth during the crisis for years; the company has maintained high turnover rate and problems of team management and communication. The employees have intentions to leave the companies at any time. (Vanichvatana and Peungchuer, 2009)

Therefore, the study of core values was studied. It aims to report and analyze the responses from the 12 middle level leaders in the 3 real estate companies in the stock exchange of Thailand in order to find the core values that leaders uphold and reflect their individual leadership styles and to improve the problems of high-turnover of the staff and employees of the companies.

2. Literature Review

2.1 Values and Values-Based Leaderships

There are numbers of definition for values. In this article, values are beliefs and principles that are held dear in people's hearts. Values that are regarded as good as opposed to bad, right as opposed to wrong called 'Moral Values.' Moral values that are institutionalized called 'corporate values' (Gill, 2006). Generally, corporate values guide principles for behavior for everyone in a group or organization and such values that are translated into rules of conduct in a business context are known as business ethics (Gill, 2006). Since leaders are the ones who lead, they must know how to understand and use the values in such a way that an organization benefits most. The study (Gill, 2006) also mentioned that the leaders who reflect both the organization's guiding principles or corporate values and their personal values also called 'behavioral integrity' are often the effective leaders.

Values are crucial to any organization in order to survive and achieve success. An organization must have a sound set of beliefs [values] on which it premises all its policies and actions. Beliefs [values] must always come before policies, practices and goals. The latter must always be altered if they are seen to violet fundamental beliefs [values]. (Wickens, 1999) Value is latent constructs involved in evaluating activities or outcomes (Roe and Ester, 1999). It can be the shared goals, beliefs, ideals, and purposes of the group (Kuczmarski and Kuczmarski, 1995). In an organization, there should be no doubt that shared value makes a significant impact on both the job satisfaction and morale of people in an organization and their job performance and contribution (Gill, 2006). Consequently, shared values contribute to competitive success: 'values drive the business.' and provide a common language that unites employees and leaders (Howard, 1990). Some authors consider work values specifically as important variables in explaining organizational commitment. Congruent values are likely to result in committed behavior. Conversely, values in disequilibrium may result in less committed behavior (Cooper, 2003).

Refer to the mentioned meaning of values, they can be seen as instrument to the goal for an organization. In addition, the values can also be the instrument of leaders in driving people. Mussig (2003) argued that "value-driven leadership sets the function of the leadership as putting values into practice" and "the function of the leader may be to bring values to relationship." To increase the value-consciousness, valued-based leadership can use various ways to propel the values (Goodpaster, 1994), for example, participation of stakeholders, communication of the values by direct as statement and straight forward announcement or indirect ways as leader's image and perception. Generally, these value-consciousness encouragement approaches are very successful, particularly leader-centered (Hood, 2003).

3. Conceptual Framework

To find and study core values in values-based leadership from the in-depth interview, some concepts and theoretical explanations are to be addressed as values, work values and values-based-leadership, employee involvement and commitment, level of commitment, and psychological energy based on values.

1. Values

Values (Kassarjian and Sheffet, 1982) define a general orientation of beliefs. They are normative standards that influence behavior. They represent enduring beliefs that a specific type of conduct or end state is preferred (Jacob et al., 1962).

Work values (Herzberg et al., 1956) represent motivational aspects, i.e. motivators and hygiene factors. It relates to one's own principles and adopted standards that affect one's own judgment of what is valuable or important.

Values-based leadership has a numbers of ways in building and cultivating interpersonal relationship. They reflect a strong belief in and respect for each individual. They use values to promote and cultivate the growth of not only employees but also organizations. Here below are some examples of values-based leadership initiatives (Kuczmarski and Kuczmarski, 1995) as:

1. Build personal relationships
2. Know the personal goals of each group members
3. Have a feel for group members
4. Allow for group conflicts
5. Manage learning
6. Share responsibility
7. Use teaming
8. Communicate two ways
9. Link internal culture with external performance
10. Display passion and support diversity

2. Work values affect employee involvement and commitment. Guest (1992) distinguishes 5 main forms of involvement.

1. Improving provision of information to employees, for example, briefing group.
2. Improving information from employees, for example, from suggestion schemes and quality circles.
3. Changing the work systems through the development of autonomous working groups.
4. Changing incentives, for example, through development of autonomous working groups.
5. Changing employee relationships, through more participative leadership and greater informality.

3. Employee involvement and commitment

Values-based leadership has positively relationship with commitment (Cooper, 2003). The leaders use values to promote commitment in different levels in the organization. Randall (1987) distinguishes three levels of commitment. Description Nevertheless, by using levels it can be seen that employee commitment can occupy different stages of development as:

High level

A strong belief in the organization's goals and values

Medium level

A willingness to exert considerable effort on behalf of the organization

Low level
A strong desire to continue as an organization member

4. Psychological energy based on values
   Rather than opportunity, Schein (1980) suggested that when consider suggested that when considering human behavior, a spirit of enquiry has to be valued. The psychological energy should also be included rather than 'physical energy.' Harrison (1992) explained that there is a linkage between psychological energy and affective commitment and also vice versa. Hence, it concludes that employee performance is dependent upon an individual's capacity, opportunity and willingness to perform work task. Positive or negative energy relates to the willingness element. To this, as: Performance = Capacity X Opportunity X Willingness

4. Research Methodology

In finding and studying the core values of 12 middle leaders from the 3 real estate companies, 12 leaders from the real estate companies were selected to the in-depth interview regarding the matters of values of leadership in managing and leading the staff and employees in the department or division. Since it aims to find and reflect the core values of leaders, the qualitative research consisting of 10 questions has been conducted in order to facilitate and cover the in-depth interview under the conceptual framework of values, work values, employment and commitment and psychological energy based on values. To be fair and standard, the researcher himself will interview the 12 sets of paper and let the interviewing free and opened. The name of company will be supposed anonymous and interviewees will be kept confidential.

Research Instrument

The qualitative research aimed to explore and study the value-based leadership in the real estate companies in Thailand. Therefore, the researcher decided to use in-depth interview in order to obtain in-depth information from 10 questions that he directly interview with the middle level leaders. The quality of questions in the in-depth interview has been proven by experts in the field of organization development and management, organization and behavior and leadership for content validity.

Key Informants

The key informants are the middle level managers from the 3 companies with the different positions. In order to obtain the information, the researcher selected the the key informants who have work experience in the real estate for more than 5 years. The position of key informants in each company includes 2 project managers, 1 construction manager, and 1 building manager. Therefore, there are totally 12 persons.

5. Empirical Results

Refer to the 10 questions of the in-depth interview, the key informants of each answer will clarify and give the answers of core values as:

Question 1 How long have you been in the position of leader? What are they?
Result: Profiles of the Leaders
The leaders almost have similar years of experience and work background, as real estate and hospitality. They have knowledge of facility management and hospitality. Their works concerns with people and tasks under constraints of structures and times. Every leader has worked in the company for more than 5 years. Some middle leaders started their work from low-level manager as technician heads.

Question 2 How do you lead your staff or employees? Do they cooperate with you?
Result: Leadership Styles and Outcomes
The leadership styles of the leaders are supportive leadership and achievement-oriented leadership styles. The keys in deciding the supportive leadership are supporting, assisting, helping and facilitating. However, the achievement-oriented leadership style seconds as quality and budget control, Key Performance Index (KPI).
The style of leadership is supportive. The leaders are the helpful rather than commanding. They prefer to work with team and cohesiveness. The staff or employees often trust the leaders because of seniority and many of them graduated from the same faculties in the universities. Leaders often use the concept of trust to the subordinates.

Question 3 Can you describe what you consider importance for "Leadership in Real Estate?" Could you give some examples?
Result: Leadership in Real Estate
The leaders considered the values of reliability, consistency, disciplines, and learning achievement. They agreed that expert power and continuous learning are the key factors in working. The study also showed that the leaders tend to believe that both nature and nurture are vital to the leaders in the field, even in different degrees. To be a good leadership in the field of the real estate not only from the education background but also experience. The good leaders should create trust and be a good role model for the subordinates. The good leaders should be confidence in the knowledge and they must have strong expertise with the real estate. Otherwise, it is difficult to lead.

Question 4 Can you describe what you consider "Leadership in yourself?" Can you give some examples?
Result: Self-Concept of Leadership
There are varied of self-concept and individual leadership theory. The leadership can be from nature and nurture. Mostly the leaders in the real estate companies found their leadership from the within or nature. They often mentioned about dependency, self-motivation, and experience driving them to be the leaders. Some leaders developed their leadership from poverty and pressure to survive. There are only two middle level leaders mentioned that they were trained to be the leader in the company. However, they could take the responsibility. They believe that they can develop themselves.

Question 5 As a leader of the position, what short-term and long-term views do you expect for your department or division?
Result: Short-Term and Long-Term Views
The study showed common values for short-term views of leadership as accomplish goal and commitment to the leadership and work. The leaders often mentioned about the project to accomplish to meet the deadline. They focus on the sales and marketing. To the long-term views of leadership, it showed that challenges, life-long learning and

vision are appreciated. The leaders expected for human resource development. They would like to develop themselves and build the team to be strong and cohesive. They do not want to change the team members in a long run because of connection is important when dealing with the difficulty project and they would like to work fast.

Question 6 What kinds of staff or employees you like and do not like?
Result: Values Wanted and Unwanted
The study revealed that the leaders appreciated hardworking, being responsible, and learning-liking and do not appreciate laziness, inconsistency, and irresponsibility. The leaders prefer the staff or employees who are mature and can learn from them.

Question 7 How do you motivate your staff or employees in your department or division? Please explain and give some examples?
Result: Motivation and Rewarding
The study showed that the appreciative values and works of the employees or staff will be motivated and rewarded by both motivator factors as achievement, recognition and advancement and hygiene factors as promotion, salary increase and work condition. The leaders put both money and non-monetary factors as important to the work. They mention about working condition and pay. They believe that the work needs to compensate enough for employees and staffs. They also think that some motivation should be from the challenge work that makes everyone develop themselves.

Question 8 What will you do to create effective and efficient management for your department or division? Please explain and give some examples?
Result: Effective and Efficient Management
The study explained that the effective and efficient management are from understanding the employees and staff in the department or division. Some servant leadership characteristics as being a listener and assistant to the employees and staff are vital to effective and efficient management. However, disciplines are still required.

Question 9 What do you expect from your staff and employees from your management? Please explain and give some examples?
Result: Expectation and Expected Values
The study revealed that the leaders expected and regarded some values such as reliability, high commitment, sincerity and disciplines from their employees or staffs. They would like to see the development and energy from the staff or employees. They prefer harmony and cohesiveness in the team.

Question 10 Are there any issues that you would like to mention regarding the leaders?
Result: Additional Comments
The leaders have their own thoughts for potential values in different aspects according to their interests as global competition involvement, credibility and self-concept. Many leaders purposed that the good leaders should be the one the build the team and encourage team to work by themselves. The good leaders in the real estate should not be only the one who work hard, but the one who work smart and can manage the team.

6. Conclusion
The study of the in-depth interview concluded that supportive and achievement-oriented leadership styles are vital to the real estate company according to the 3 lead-

ers' comments. Hence, the desired values are consistency, disciplines, sincerity, and reliability. In addition, the leaders stressed the importance of learning and expert power as the confirmation of leadership. The values-based leadership initiatives are building personal and team relationship and have job responsibility and commitment. The motivation and rewarding for success involve both motivator and hygiene factors. The expected values depend on the interests of leaders as self-concept, viewing of global competition. Trust is crucial to the 3 leaders as a connection for work success.

7. Recommendation for the Future Research

1. The sample size should be larger to cover the middle level leaders in the real estate companies.

2. The research should be explored in the top-level management leadership in the real estate companies.

3. The researcher should do quantitative research focusing on characteristics of value-based leadership. Factors analysis and causal relationship are suggested.

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Factors Affecting Decision Making on Doing Business in Service Industry of Dusit Thani College Students, Pattaya City

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Abstract

This research aimed to study factors affecting decision making on doing business in service industry of Dusit Thani College students, Pattaya City. It analyzed personal factors and family factors affecting decision making on doing business in service industry by distributing questionnaire to 211 students from 364 students. The statististical analysis was mean, percentage, standard deviation, Chi-Square and ANOVA.

The analysis of personal factors and family factors found that there is a relationship with the demand of decision making on doing business in service industry of Dusit Thani College students, Pattaya City at a significance level of 0.05, which was the same as the proposed hypothesis.

The analysis of personal factors and family facrors found that there is a relationship with the demand of doing business in service industry of Dusit Thani College students, Pattaya City at a significance level of 0.05, which was the same as the proposed hypothesis.

The analysis of demand factors affecting decision making on doing business in service industry of Dusit Thani College students, Pattaya City found that there is a difference in the 3 demand factors of decision making on doing business in service industry of the students, which was the same as the proposed hypothesis. The forms of business has the highest mean at 3.81%. Therefore, the form of business affected the decision making (Choosing) on doing business in service industry of Dusit Thani College students, Pattaya City.

Keywords : Factors, Decision making on Doing Business in Service Industry

INTRODUCTION

Nowadays Thailand has developed the economic policy based on the concept on Thailand 4.0 which has the mechanism to drive Thai economy with innovation, wisdom, technology and creativity in order to enter to a high income country. The change has been from “do more, earn less” into “do less, earn more” (Division of Research Administration and Educational Quality Assurance, 2016). Refer to economic situation report in 2017, Thai economy expanded to 3.9 percent from export and tourism industry, particularly the service industry which served Chinese tourists could recovered quickly and returned to high income like before Thai government’s implementation of suppression of illegal tourism business. In addition, Chinese tourists who visit Thailand recently are the high quality and income tourists. This increased the expenditure per head. Moreover, numbers of ASEAN and European tourists who visit Thailand also rose because the global economic situation has been better. This accelerated a transformation from production sector to service industry sector based on the concept of Thailand 4.0.

The Office of the National Economics and Social Development Board reported that from the Gross Domestic Product (GPD) in Quarter 4 of the year 2017, the export and service has expanded to 7.4 percent, especially hotel and restaurant business, whose GDP has expaned to 15.3 percent from an increased total revenue of foreign and Thai tourists. Therefore, service business industry will be a great factor in driving Thai economy for Thailand 4.0.

As service business industry becomes much important to drive Thai economy todays, the development of labor and personnels in service industry should be considered for supporting expansion of service business industry in the future. Therefore, education institute offering instruction management related with service business industry is a part to help producing and increasing potential of labors and personnels in service industry sectors in order to have sufficient labors and personnels are knowledgeable, competent and specialize for the needs of labors and personnels in service industry in the future.

Dusit Thani College, Pattaya City is the educational institute offering curriucula for service industry. Three curriucula are Bachelor of Business Administration in Hotel & Resort Management, Bachelor of Business Administration in Culinary Arts & Kitchen Management and Bachelor of Business Administration in MICE & Events Management. The college provides instruction management emphasizing on knowledge and competency in doing business in service industry. The students will have training experience with well-known organizations related with service industry from their chosen curricula. This encourages students' experience which can be used in working and doing business effectively.

Because of the importance of service business industry with producing effective personnels to serve the industry and drive Thai economy, the researcher is interested in studying factors affecting decision making on doing business in service industry of Dusit Thani College students, Pattaya City in order to have guideline for effective curriculum development and instruction management and meeting the needs of service business industry in the future.

Research Objectives

To study the factors affecting decision making on doing business in service industry of Dusit Thani College students, Pattaya City.

Research Hypothesis

1. Personal factors and family factors have relationship with decision making on doing business in service industry.
2. There is at least a demand factor affecting decision making on doing business in service industry different from other.

Scope of the Study

Scope of the research was to study personal factors and family factors affecting decision making on doing business in service industry of Dusit Thani College students, Pattaya City for the academic year 2017 as follows:

1. Population

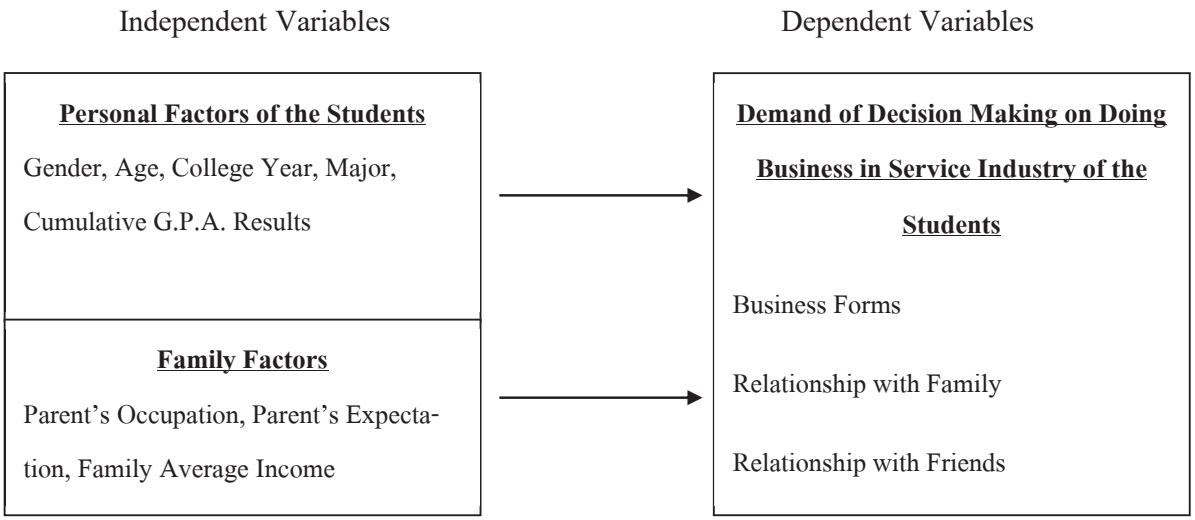
The population is 364 students from Dusit Thani College,Pattaya City for the academic year 2017. The sample is 211 students. The researcher applied Krejcie & Morgan table to find the appropriate sample size (211 students) from the total population (364 students).

2. Variables

2.1 Independent variables are personal factors and family factors

2.2 Dependent variables are demand of decision making on doing business in service industry of Dusit Thani College students, Pattaya City.

Conceptual Framework



Expected Benefits of the Study

1. The college can use the research result to develop the curriculum and instruction management to fit with the students and meet the needs of personnels in service industry.
2. To be the guideline for institutes offering the education related with service business industry. This provides useful information in applying with the management of the education instututes.

Concepts, Theories and Related Research

The research aimed to study personal factor and family factors affecting demand of decision making on doing business in service industry of Dusit Thani College students, Pattaya City. The demand of decision making on doing business in service industry of the students consist of 3 factors as forms of business, relationship with family and relationship with friends. The researcher developed conceptual framework from decision making theory, factors determining demands in decision making and related researches.

Decision Making Theories and Concepts

Waisriseang (2009) did the thesis titled "Factors affecting decision making of undergraduate students in public and private university on occupation selection in Bangkok" concluded the meaning of "Decision Making" as considering and choosing which lead to search for alternative practices. In the end, finding the best alternative and can achieve the desired objective from many alternatives with reason considered and achieved the objective.

Areerojnukul (2016) did the institute research titled "Factors Influencing Decision Making on Choosing the Vocational Certificate of Students in Vocational Certificate Year 1 Payap Technological and Business College" concluded the meaning of "Decision Making" as process that a person or an organization or responsible unit choose to do or not do in order to have the best alternative and to achieve the objective as they determine.

Tongkaew and Pasunon (2017) did the research titled "Factor influencing happiness in workplace of academic supporting staff: Chandrakasem Rajabhat University concluded the meaning of "Decision Making" as process in which a consumer decides to buy a product or service by having factors, which are product information, society and social group, marketing strategy and consumer attitude.

From the meanings aforementioned, the researcher concluded that decision making means choosing from ideas and related factors to get the best alternative. The best alternative is the alternative which the decider think that it maximizes the benefit at that time.

Concepts and Theories of Demand

Royal Institute of Thailand (2012) defined the meaning of demand as quantity of good or service which a person want to buy and have a purchasing power to buy a product or service at a price level under constraint at the specific time. The demand can be changed by other factors affecting the decision making.

Kulprasit (2012) defined the meaning of "factors determining demand" as factors influencing deciding to buy a product or service of consumers, which consist of the price, income, price of substitutable product, taste and satisfaction, numbers of population, income distribution, advertisement and education, etc.

From the definitions of demand aforementioned, the researcher concluded that demand is the need or want of a person who have purchasing power and willingness to buy. Social and economic factors influence decision making of a person at that time under specific constraints.

Related Researches

Sukpan (2013) did the research titled "Factors affecting the decisions to study for high vocational certificate: a case study of Thonburi Commercial College" found that important satisfaction scores with cost have a positive relationship with opportunity in deciding to choose continuing in the course of High Vocational Certificate and the students gave the importance to the factors of attitude and aptitude most, the second factor was the reputation of the institute and friends'persuasion. Therefore, the management level should improve and increase quality in order to satisfy and increase

happiness of the students for continuting education in the institute and persuade more relatives and persons to choose the institute.

Butthod, N. and Luekittinan, W. (2015). Decision making for career selection, motivation, and advancement in pretty MC career found that factors affecting choosing the career of pretty MC was ability and career motivation such as basic needs, career advancement, rather career planning. Decision and career motivation have a relationship with career advancement of pretty MC career in a positive way. To the qualitative research result, it found that the key informants chose the careers becauase of attitude and personal interest.

Waisriseang (2009) did the thesis titled "Factors affecting decision making of undergraduate students in public and private university on occupation selection in Bangkok" found that factors affecting the relationship of choosing occupation of students, faculty, domicile and parents'expecation in doing business of the students were the students themselves. The students choose to do business with a company or a private organization first.

Research Methodology

This quantitive research collected information by using questionnaire instrument. The researcher obtained students'information from the office of the registrar of Dusit Thani College, Pattaya City in the academic year 2017. The duration of the research operation was between January to 15 March, 2017. The steps in doing are as follows:

1. Study document, textbooks and researches related with factors determining demand of personal decision making in each aspect in order to understand the content structure, determining factors in the study and then developing research instrument.
2. Research instrument was questionnaire which consists of 4 parts as:
   Part 1: Demographic profile of Dusit Thani College students, Pattaya City.
   Part 2: Family Information of Dusit Thani College students, Pattaya City.
   Part 3: Factors affecting demand factors in decision making on doing business in service industry of Dusit Thani College students, Pattaya City.
   Part 4: Opinion of the students in doing business in service industry.

The research instrument was proven its validity by asking 3 experts to check content validity with IOC (Index of Item Objective Congruence) and then revised the questionnaire from the experts'recommendation. To the reliability, the researcher has tryout 40 sets of questionnaires for analysis. The accepted reliability coefficient at Cronbach's Alpha of 5% was 0.896. Statistical Analysis in this research were as follows:

- Discritpive statistics are frequency, percentage, mean and standard deviation.
- Inferencial statitistics are testing statistics, Chi-Square and ANOVA

Results of Data Analysis

The result of the researcher titled factors affecting decision making on doing business in service industry of Dusit Thani College students, Pattaya City. The samples were the 211 students from Dusit Thani College, Pattaya City, out of the total population of 364 students. The researchers presented the result into 4 parts as follows:

Part 1: Personal information such as gender, age, college year, major and average G.P.A. has been analyzed by descriptive statistics as frequency and percentage. It found that the samples were 55% male students and 45% female students. Mostly, their ages were about 21-22 years old (or 54.5%). The students study in the third year, most (58.3%). They are majoring in Culinary Arts & Kitchen Management upto 77.7% and their average G.P.A. were at 2.57

Part 2 Family information such as parent's occupation, parent's expectation and average family income, it found that family of Dusit Thani College students, Pattaya City, mostly were entrepreneurs or business owners upto 53.60%. Parents' expectation to do business as entrepreneurs or business owners upto 69.70% and the average income was at 101,573.96 Baht per month.

Part 3 Demand factors affecting decision making on doing business in service industry of Dusit Thani College, Pattaya City were forms of business factor, relationship with family factor, relationship with friends factor. The analysis includes descriptive analysis as mean, standard deviation; and inferential statistics as statistical testing as Chi-Square and One-Way ANOVA.

The analysis of descriptive statistics were mean and standard deviation. To this, the researcher applied the questionnaire, with 5 places to tick only one. Therefore, the questionnaire, using interval measurement, was Likert's Scale. The ranges of 5 levels of each questionnaire based on Likert's Scale calucuated ranges and show the meanings were as below:

Ranges	Meaning
4.21 – 5.00	Highest
3.41 – 4.20	High
2.61 – 3.40	Moderate
1.81 – 2.60	Low
1.00 – 1.80	Lowest

Table 1: Result of mean and standard deviation of demand factors of decision making on doing business in service industry of Dusit Thani College students, Pattaya City in each factor

Demand factors of decision making on doing business in service industry	Mean	S.D.	Sig.
Form of Business Factor			
Do you think that service industry business can stabilize your financial security?	3.72	0.836	High
Do you think that service industry business has opportunity to expand in the future?	4.09	0.818	High
Do you think that to do service industry business needs to use ability and skills?	4.00	0.831	High
Do you think that to do service industry business needs specialization?	3.87	0.882	High
Do you think that to do service industry business are much free than to be employed in a position of a company?	3.31	1.103	Moderate
Do you think service business industry is risky?	3.60	0.886	High
Total	**3.81**	**0.878**	High

Demand factors of decision making on doing business in service industry	Mean	S.D.	Sig.
Relationship with Family Factor			
Your family nurturing affects your decision making on doing business in service industry	3.63	0.974	High
Your family business pride affects your decision making on doing business in service industry	3.62	0.966	High
Your family expectation affects your decision making on doing business in service industry	3.59	0.939	High
Your family persuasion affects your decision making on doing business in service industry	3.46	0.991	High
Total	**3.56**	**0.968**	มาก
Family with friends factor			
Friends' suggestion and persuasion affect your decision making on doing business in service industry	3.02	0.862	Moderate
Friends in the same major affects your decision making on doing business in service industry	3.27	1.090	Moderate
Doing business of frends affects your decision making on doing business in service industry	3.14	1.073	Moderate
Total	**3.14**	**1.008**	Moderate
Grand Total	**3.50**	**0.951**	High

Table 1 showed that 3 demand factors of decision making on doing business in service industry of Dusit Thani College students, Pattaya City have the mean at 3.50, which was at a high level. When considering each factor, it found that form of business affect decision making on doing business in service industry of Dusit Thani College, Pattaya City at a highest level with a mean of 3.81, which was at a high level. Secondly, relationship with family factor have a mean of 3.56, which was at a high level and relationship with friends factor have a mean of 3.50, which was at a high level for decision making on doing business in service industry of Dusit Thani College students, Pattaya City, respectively.

Analysis of research for forms of business found that Dusit Thani College students, Pattaya City thought that service industry have an opportunity to expand in the future highest at a mean of 4.09, which was at a high level. Secondly, the students thought that service industry business encourages learning and development, at a mean of 4.06 and thirdly, the students thought the service industry business allowed them to fully use ability, at a mean of 4.00, which was at a high level, respectively.

Analysis of research for relationship with family found that Dusit Thani College student, Pattaya City pay attention to family nurturing affecting decision making on doing business in service industry at a mean of 3.63, which was at a high level. Secondly, family business pride has a mean of 3.62 and family expectation has a mean of 3.59, which was at a high level, respectively.

Analysis of research result for relationship with friends factor found that Dusit Thani College students, Pattaya City pay attention to the relationship with friends from the same major and their friends affect decision making on doing business in service industry at a highest level (Mean = 3.27), which was still in moderate level. Then, doing

business of friends mean was 3.14 and friends' suggestion and persuasion mean was 3.02 which was still in moderate level, respectively.

Analysis of inferential statistics, statistical testing Chi-Square in testing hypothesis question no.1: Personal factor and family factor have a relationship with decision making on doing business in service industry, shown as:

Hypothesis testing by using statistical testing Chi-Square (χ^2) at a confidence level of 95% by considering significance value, which is less than 0.05 mean that personal factor and family factor have a relationship with demand of decision making on doing business in service industry of Dusit Thani College students, Pattaya City. The analysis was shown in table 2 and 3, respectively.

Meanings of the Variables were determined as:
D1 means forms of business factor
D2 means relationship with family factor
D3 means relationship with friends factor

Table 2: Result of Hypothesis Testing between personal factor and demand of decision making on doing business in service industry of Dusit Thani College students, Pattay City

Personal Factor	Statistical Testing	Deman of Decision Making on Doing Business in Service Industry		
		D1	D2	D3
Gender	Chi-Square χ^2	16.127	2.605	4.174
	Sig.	**0.006***	0.761	0.525
Age	Chi-Square χ^2	51.956	43.571	38.352
	Sig.	**0.000***	**0.000***	**0.001***
College Year	Chi-Square χ^2	98.654	46.492	30.960
	Sig.	**0.000***	**0.000***	**0.009***
Major	Chi-Square χ^2	52.174	21.065	7.346
	Sig.	**0.000***	**0.021***	0.692

* At a confidence level of 95%

Table 2 Analysis of Hypothesis Testing Result by using Statistical Testing Chi-Square χ^2 found that

Gender, age, college year and major have a relationship with forms of business factor (D1)

Age, college year and major have a relationship with relationship with family factor (D2)

Age and college year have a relationship with relationship with friends factor (D3)

Table 3: Result of Hypothesis Testing between Family Factor and Demand of Decision Making on Doing Business in Service Industry of Dusit Thani College students, Pattaya City.

Personal Factors	Statistical Test	Deman of Decision Making on Doing Business in Service Industry		
		D1	D2	D3
Parent's occupation	Chi-Square χ^2	92.883	71.150	65.908
	Sig.	**0.000***	**0.000***	**0.000***
parent's expectation	Chi-Square χ^2	59.226	74.552	38.772
	Sig.	**0.001***	**0.000***	0.131

* At a confidence level of 95%

Table 3 Analysis of hypothesis testing by using Chi-Square χ^2

Parent's occupation and parent's expectation have a relationship with form of business factor (D1).

Parent's occupation and parent's expectation have a relationship with relationship with family factor (D2).

Parent's occupation has a relationship with relationship with friends factor (D3).

Analysis of inferential statistics by using One-Way ANOVA for hypothesis testing question no.2 showed that there is at least a demand factor of decision making on doing business in service industry were different from other, which was shown in table 5. Hypothesis testing by statistical testing of One-Way ANOVA method at a confidence level of 95%. After considering significance value which was less than 0.05 means there is at least a demand factor of decision making on doing business in service industry were different from other.

Table 4: Result of Hypothesis Testing Comparing the Difference of Demand of Decision Making on Doing Business in Service Industry of Dusit Thani College students, Pattaya City.

Variance	Sum of Squares	Df	Mean Square	F	Sig.
Between Group	47.616	2	23.808	39.819	.000
Within Group	376.682	630	.598		
Total	**424.299**	**632**			

* At a confidence level of 95%

Table 4 Analysis of of the result of hypothesis testing by using One-Way ANOVA found that demand of decision making on doing business in service industry of Dusit Thani College students, Pattaya City were different at least one factor by considering significance value, which was less than 0.05.

Table 5: Result of Hypothesis of Variance of Demand of Decision Making on Doing Business in Service Industry of Dusit Thani College students, Pattaya City in each factor.

Levene Statistic	df1	df2	Sig.
14.307	2	630	**.000***

* At a confidence level of 95%

Table 5 Analysis of the result from hypothesis testing of variances of demand of decision making on doing business in service industry of Dusit Thani College students,

Pattaya City in each factor found that variances of each demand factor were different after considering significance value. The researcher compared by using multiple comparison test of Duncah's method (table 6)

Table 6: The Result of Hypothesis Testing (in Pair) for the Difference of Demand of Decision Making on Doing Business in Service Industry of Dusit Thani College Students, Pattaya City.

Demand of decision making on doing business in service industry		Mean Difference (I-J)	Std. Error	Sig.
D1	D2	.23527*	.07170	**.003***
	D3	.66260*	.07246	**.000***
D2	D1	-.23527*	.07170	**.003***
	D3	.42733*	.08131	**.000***
D3	D1	-.66260*	.07246	**.000***
	D2	-.42733*	.08131	**.000***

* At a confidence level of 95%

Meanings of the Variables were determined as:

D1 means forms of business factor

D2 means relationship with family factor

D3 means relationship with friends factor

Table 6 Analysis of the result of hypothesis testing (in pair) for difference of demand of decision making on doing business in service industry of Dusit Thani College students, Pattaya City found that each pair was different. Considering Sig. which is less than 0.05. Firstly, forms of business factor has highest mean of 3.81%, secondly, relationship with family factor has a mean of 3.57% and relationship with friends factor has a mean of 3.14%, respectively.

Part 4 Analysis of opinion of the students about doing business in service industry by using open-ended questionnaire about business in service industry that students would like to do with reasons found that most students would like to do their own restaurant business, and then hotel and resort business. The students generally reasoned that since they graduated from hospitality industry and specialize in doing business successfully and can continue their family businesses. Moreover, they believe that business in service industry will have opportunity to expand in the area of Pattaya City and the East since it is the place that tourists visits in a large number.

Conclusion

Results of the research titled "Factors affecting decision making on doing business in service industry of Dusit Thani College students, Pattaya City can be concluded and discussed as:

Results of personal factors found that genders, ages, college years and majors have relationships with forms of business factor. Age, college years and majors have relationships with the factor of relationship with family. And age and college year have relationships with friends, which was the same as the purposed hypothesis that personal factors of the students have relationships with the demand of decision making on doing business in service industry of the students.

Result of the research for family factors found that parent's occupation and parent's expectation has a relationship with forms of business factor. Parent's occupation and parent's expectation has a relationship with relationship with friend factor, which was the same as the purposed hypothesis that family factor has a relationship

with the demand of decision making on doing business in service industry of the students.

Results of the research for demands of decision making on doing business in service industry found that demands factors of decision making on doing business in service industry of the students were different, which was the same as the purposed hypothesis that at least the demand factors of decision making on doing business in service industry were different from antoher. The forms of business has the highest mean at 3.81%. Therefore, forms of business was important to the decision making on doing business in service industry of Dusit Thani College students, Pattaya City.

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Understanding the effect of matching marketing strategies and business strategies toward customer's satisfaction in retail business industry

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ABSTRACT

In an aggressively competitive marketplace, many retail firms are looking for the strategies that can help them to survive in the industry. In this study, the researcher examines the effect of matching the strategy from marketing strategies (standardize or customize) and business strategies (service convenience or service quality).

The matching of individual strategy from marketing strategy and business strategy will provide different effect toward the selected type of marketing strategy that the retail firm employed. The result of the study show that the effect toward customer satisfaction for the retail firms that employ service convenience business strategy in the standardized marketing strategy is greater than employing service convenience business strategy in the customized marketing strategy.

Meanwhile, the effect toward customer satisfaction for the retail firms that employ service quality business strategy in the customized marketing strategy is greater than employing service quality business strategy in the standardized marketing strategy.

Key words: matching strategy, standardized, customized, service convenience, service quality, customer satisfaction

INTRODUCTION

In an aggressively competitive marketplace, branded by similarly priced and service offerings from a many retailing firms, the survivor winners will be the ones that offer excellent perception to the consumers. Customer satisfaction occurs where the customer has a pleasurable experience when perceive more expected value from retail firm. Operationally, customer satisfaction develops continuously in the long term as a result of prior interactions with the retail firm (Dwyer et al., 1987; Crosby, Evans, & Cowles, 1990; Beatty, Mayer, Coleman, Reynolds, & Lee, 1996). Thus, customer loyalty can be viewed as the state of strong commitment from customers to repeat purchases of a chosen product or service in the future (Oliver, 1999).

In case of retail firm, the service process is counted as the core process which will lead to an outcome that resulting in the customer satisfaction or dissatisfaction. It is significance that retail firm have to pay attention to set up the system by which service concepts can be produced and delivered to customers. It is the role to distribute

the certain expected service outcome to customer and it is the role by which employees have to involve in the interactions between the customer and the retail firms during the service delivery process (Zeithaml et al., 2006).

Actually, retail firm always increased value to consumers by decreasing the price, increasing the quality of the product or service, and decreasing non-monetary costs such as the time and effort which required getting the product or service (Berry et.al, 2002). In order to achieve the sustainable competitive advantage, the retail firms are forced to achieve service strategy to gain the consumer satisfaction. Among those strategies, service quality (ServQual), the concept proposed by Parasuraman, Zeithaml, and Berry (1988), which measures consumer's perception of quality are widely accepted. Nevertheless, the other strategy which also becomes more interested is service convenience (ServCon), the concept proposed by Berry (2002), which measures consumer's perception of convenience. The concept of service convenience is acknowledged by consumers who intensively concern about the service that require minimal time, less physical, and mental effort to acquire product and service (Berry 2002).

Although, the implementation of these two service strategies may provide the competitive advantage toward the retail firms, it should be realized that each strategy achieved by the retail firm suited to the divergent of the service's provider (standardized and customized). In the context of service orientation, there is no previous scholar that studies these two theories in the same research.

Though ServQual shows the strength of concept which follows by many researchers and ServCon indicates the usefulness of concept that becomes more accepted by the researchers, these two strategies will perform well under the suitable service's provider divergent. Thus, the objective of this study is to compare the fit between the business strategies (Service quality and Service convenience) and marketing strategies (Customized and Standardized) measured by customer satisfaction in the context of retail firm in the department store. Which of these concepts is more accepted by the consumer? Which of these concepts is appropriated to the business strategies? Should the service providers deploy these concepts separately or employ both? To understand these results will provide useful benefit to the service providers.

LITERATURE REVIEW

This part provides more understanding about the overall picture of the research. The concepts of marketing strategy, business strategy, and consumer satisfaction which are importance for the study will be explored as the followings.

Marketing Strategy (Service provider's divergent)

Shostack (1987) claimed that a highly divergent service would put more concern about the performance of the process customization. A service of low divergence

would be concerned largely in standardization. Thus, service provider in this study can be classified to two types. The first one is standardized; customers require less personal services, low customer and employee contact, and less importance of employees. The second one is customized; customers are more concern about the performance of employees as importance and look forward for high level of customization (Bowen, 1990).

Standardized

The first strategic type is a low priced. The customer in this type of service more concern about the price that they will since they do not want to pay for extra charge. Thus, this service is more likely to focus only on the basic service function. As this type of service requires minimum quality standard, its strategy will compete on price and is often conceptualized as standardize. Therefore, this type of service is focus on broad market focus and provides the same performance to each customer. The service often distributed a ready-made package commodity to customer which demand less participation from the customer (Bowen, 1990; Välikangas and Lehtinen, 1994).

Customized

The second strategic type is customized services. Customization can be stated as the process which carefully concern on the needs of a customer by increasing the customizing of the service offer. The flexibility in the service performance is provided during the process in order to achieve individual demands of the customer. Thus, customization is type of a service which is considered as a markup performance, value can be added to the service by customizing it (Bowen, 1990; Välikangas and Lehtinen, 1994).

Business Strategy

In order to set up the retail firm, the entrepreneurs have to pick up the business strategy which appropriates to the business that they would like to enter. This business strategy performs as a pattern of business model to make the decisions and performances to achieve the business goal. In this study, the researcher propose two types service strategies, service convenience and service quality, as the business strategy selected by the retail firm.

Service convenience

Service convenience is a concept in which consumer required special circumstance to purchase or use a service. Berry et al. (2002) defined service convenience as the perception of consumers which related to time and effort that they spend to buying product or consuming service. Berry et al. (2002) stated that service convenience is composed by five dimensions that reflect the customer's perception about convenience during their buying process. These five dimensions are decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience.

Decision convenience

Decision convenience referred to the situation that consumer put effort on buying decision process which related to the availability and quality of information about the service provider and its competitors.

Access convenience

Access convenience referred to the process by which the consumers have to put effort to go to the physical location or to spend time in the operating process.

Transaction convenience

Transaction convenience referred to the time that consumer have to spent in physical queues. The more time spent in the process can be problematic since it will lead to the negatively attitude toward the overall service evaluations.

Benefit convenience

Benefit convenience referred to the perception of the customer toward the fundamental service experience which are more likely related to the services with high utilitarian value.

Post-benefit convenience

Post benefit convenience referred to the perception of the consumer toward the experience of service exchange. Post benefit convenience is more likely to relate to service recovery efforts which responses to the error of the transaction or the malfunction of products and services.

Service quality

Quality of service is important in the retailing sector. Consumers perceived service quality through a comparison of their expectations from the retail firm with their actual service performance perception (Parasuraman et. al, 1988).

Service quality can be referred as the process that the retail firm deliver the higher levels of quality service performance which distinguish them to be more effectively in the marketplace (Parasuraman, Zeithaml, and Berry 1988). Parasuraman, Zeithaml, and Berry (1988) propose five factors which can determine the service quality: the reliability, responsiveness, assurances, empathy, and tangibility characteristics of the service experience.

Parasuraman, Zeithaml, and Berry (1985) identified service quality as SERVQUAL which comprise of five determinants as the followings.

Reliability

Reliability is referred to the degree that customers perceive the retail firm's promises and performance that serve to the best interests of the customers.

Responsiveness

Responsiveness referred to the process of willingness and readiness of the retail firm to provide service which aimed to customers' specific interests.

Assurance

Assurance referred to the perception of customer toward the knowledge, courtesy, trust, and confidence that retail firm provides to its customers.

Empathy

Empathy referred to the perception of the customer toward the process of caring and individualized attention that retail firm provides to its customers.

Tangibles

Tangibles referred to the perception of the customer toward the appearance of physical facilities, equipment, and all kind of materials that retail firm employed to serve the best interest of its customers.

Customer Satisfaction

Customer satisfaction referred to the stage where the customer occupied a pleasurable experience with retail firm's performance. Operationally, customer satisfaction occurs through the continuous process of interactions with the retail firm (Beatty, Mayer, Coleman, Reynolds, & Lee, 1996; Crosby, Evans, & Cowles, 1990; Dwyer et al., 1987).

Customer satisfaction is a perception of a consumer toward total experience received from retail firm. In service convenience, the purpose of the strategy is intend to decrease time and effort that customers have to spend to acquire the service which result to satisfaction evaluation. For service quality, the overall satisfaction of consumer can be measured the different between the perceived quality and the expected quality. The previous study on service quality shown that five dimensions of service are most relevant in determining perceptions of service quality and satisfaction, namely: tangibility, reliability, responsiveness, assurance, and empathy (Parasuraman, Zeithaml, and Berry 1985, 1988, 1994).

RESEARCH FRAMEWORK

This part explains about the objective of the study and provides the guideline of the research framework. The concepts of business strategies and marketing strategies are used to set up the hypotheses.

Although there are several researches conducted to examine for the appropriate business strategies but neither of them concern about what is appropriated matching between business strategies and marketing strategies for the retail firms to employ in order to provide the ultimate satisfaction to their customer. The purpose of this research is to provide more understanding of the antecedents of customer satisfaction by examining the fit of matching between marketing strategies and business strategies which effects toward consumer's satisfaction.

Customized and standardized

The concept of customized and standardized is important for not only researchers but also the entrepreneurs who want to set up the business. These concepts will provide different perception and expectation from customer. The entrepreneurs have to carefully select between them in order to survive in the business.

H1. The marketing strategies will provide different effect toward consumer satisfaction

Service quality and service convenience

The retail firms which survive in the fiercely competitive environment have to employ an appropriate business strategy. In this study, there are two business strategies which will be examine for the effect toward consumer's satisfaction, service quality and service convenience.

H2. Service quality is positively influence to customer satisfaction.

H3. Service convenience is positively influence to customer satisfaction.

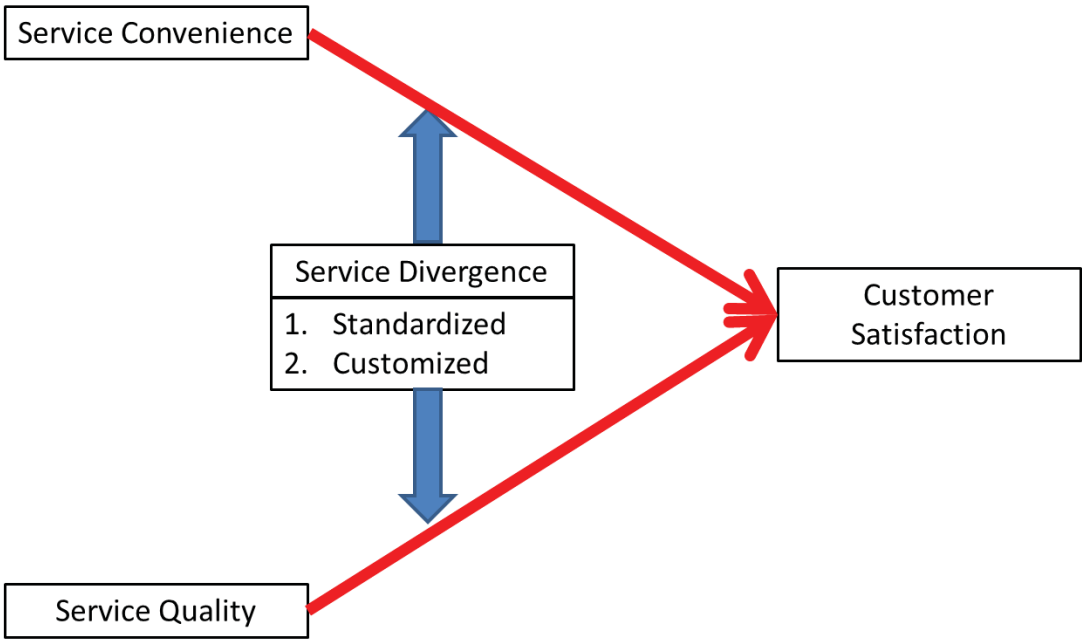
Business strategy and marketing strategy

The alternative success of the retail firm will come from the fit of the appropriate matching between business strategies and marketing strategies. From the literature review, customized strategy should appropriate match with service quality while standardized strategy will more appropriate for service convenience.

H4. In case that retail firm select to employ customized services, the influence of service quality will be higher than the influence of service convenience on customer satisfaction.

H5. In case that retail firm select to employ standardized services, the influence of service convenience will be higher than the influence of service quality on customer satisfaction.

CONCEPTUAL MODEL



RESEARCH METHODOLOGY

The following will provides the more understanding the role of business strategies and marketing strategies toward customers' satisfaction by conducting the analysis within each strategy type. A multiple regression is performed to analyze the purpose of the study.

Dependent measures

The questionnaire is designed to measure the perception of customer's satisfaction toward on perceived service quality and perceived service convenience in either customized strategy or standardized strategy. To check the validity of service typology or business strategy (customized and standardized), 15 participants from Assumption University are asked to categorize the service provider in the shopping mall by using sorting technique.

Procedure

The questionnaire is derived by adopting the ServQual scale from Parasuraman, et al. 1991 and Cronin and Taylor, 1992. For ServCon, the scale is adopted from Seiders, Voss, Godfrey & Grewal (2007). Finally, the satisfaction is also adopting from Seiders et. al, (2007) These scales will be translated to be Thai by a professional linguistic then checked for the reliability by two academic judges. The questionnaires will be tested by forty undergraduate students of a famous university in Bang Na district. After revise questionnaire, the field survey is used for collecting data.

Sample

A total of 500 useable questionnaires are used for testing the hypotheses were collected from 4 shopping malls around Bangkok. In this study, the convenient sample with the mall intercept is selected for collecting data.

Instrument

A questionnaire is divided into four parts. The first part is demographic section. In this part, the participants are asked to answer four items, namely, gender, age, income, and education level. The second part contains nineteen shops which represents the retail firm's shop in the shopping mall. The first two lines of the name list represent the retail firms who employ the standardized strategy and the following three lines represent the service providers who employ the customized strategy. The third part contains forty items of ServQual and ServCon. The last part is the items which will measure customer's satisfaction. For the third part and the last part, the questionnaire administered to measure the impact of service quality, service convenience toward consumer's satisfaction. Each item is scored on a seven-point Likert scale(1-7) flanked by anchors such as "Strongly disagree" and "Strongly agree" The proposed scales are in the appendix.

Model analysis

In this study, the multiple regression analysis and independent *t* test are used for model analysis. The multiple items for each construct are summed to create one research variable for each construct. Model analysis is conducted by using statistical software.

PRESENTATION OF DATA AND CRITICAL DISCUSSION OF RESULTS

The following presents the results of the survey. The data analysis, interpretation and presentation of data from a sample of 500 respondents from four shopping malls around Bangkok are presented into two parts, descriptive statistic profile and hypothesis testing.

Descriptive statistics

Descriptive analysis is the transformation process of raw data into a form that makes it easier to understand and interpret. In this study, there are two tables of descriptive statistics, the first one is the demographic characteristics of respondents (sex, age, level of income, and level of education) and the other one is the descriptive statistics for independent and dependent variables (SQ, SC, standardized, customized, and customer satisfaction)

Table 1 Demographics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Sex	500	1.00	2.00	1.5060	.50046
Age	500	1.00	6.00	2.7000	1.39782
Income	500	1.00	5.00	3.7580	.86772
Edu	500	1.00	5.00	2.9760	1.03031
Valid N (listwise)	500				

Table 2 Service Quality

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tang1	500	1.00	7.00	5.5820	1.08334
Tang2	500	2.00	7.00	5.8280	1.05861
Tang4	500	1.00	7.00	5.2960	1.21793
Rel1	500	3.00	7.00	5.8500	.98256
Rel2	500	3.00	7.00	5.6720	.98710
Rel3	500	3.00	7.00	5.7880	.99046
Rel4	500	3.00	7.00	5.9080	.95570
Rel5	500	3.00	7.00	5.7960	.92742
Res1	500	2.00	7.00	5.3200	1.15250
Res2	500	2.00	7.00	5.2060	1.10726
Res3	500	2.00	7.00	5.3520	1.06695
Res4	500	1.00	7.00	5.2180	1.13889
Assu1	500	1.00	7.00	5.3920	1.26235
Assu2	500	2.00	7.00	5.3500	1.11803
Assu3	500	3.00	7.00	5.6400	.99013
Assu4	500	3.00	7.00	5.6020	.96823
Emp2	500	1.00	7.00	5.5200	1.02161
Emp3	500	3.00	7.00	5.3800	.98871
Valid N (listwise)	500				

Table 3 Service Convenience

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Deci1	500	2.00	7.00	5.3720	1.06012
Deci2	500	3.00	7.00	5.6840	.95392
Deci3	500	2.00	7.00	5.3900	1.12090
Acc1	500	3.00	7.00	5.4140	.95101
Acc2	500	2.00	7.00	5.5580	1.04346
Acc3	500	3.00	7.00	5.6320	.97287
Ben1	500	1.00	7.00	5.9380	1.00208
Ben3	500	3.00	7.00	5.7840	.96913
Ben4	500	3.00	7.00	5.9260	.99121
Tran1	500	3.00	7.00	5.4940	.99597
Tran2	500	3.00	7.00	5.4820	1.01179
Tran3	500	3.00	7.00	5.6140	1.04460
Post1	500	1.00	7.00	5.3040	1.22089
Post2	500	1.00	7.00	5.2300	1.14705
Post3	500	1.00	7.00	5.2440	1.12739
Valid N (listwise)	500				

Table 4 Item's reliability

	Dimension	Reliability Statistics Cronbach's Alpha	No. of Items
Service Quality	Tangible	0.82	3
	Rel	0.85	5
	Res	0.85	4
	Assu	0.82	4
	Emp	0.79	2
Service Convenience	Deci	0.72	3
	Acc	0.74	3
	Ben	0.76	3
	Tran	0.83	3
	Post	0.89	3

Table 5 Independent and Dependent variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SQ_C	500	3.22	6.83	5.5388	.73494
SC_C	500	3.33	6.80	5.5377	.68383
Sat_C	500	3.33	7.00	5.6027	.77416
Valid N (listwise)	500				

Hypothesis testing

The results from the analysis shows that there is a significant different between the shop that employs the standardize strategy and the shop that employs the customized strategy toward the consumer satisfaction with $t < 0.000$ that support the H1.

Table 6 Independent T-test for Customized and Standardized

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Sat_C	Equal variances assumed	87.818	.000	12.601	498	.000	.76052	.06036	.64194	.87911
	Equal variances not assumed			12.574	388.028	.000	.76052	.06048	.64161	.87944

For H2 and H3 are also supported since the results from ordinary least square regression show that both SQ and SC is significant influenced consumer satisfaction with $R^2 = 0.743$ ($\beta = 0.435$ with $t < 0.000$ for SQ, and $\beta = 0.458$ with $t < 0.000$ for SC). In the case of strategy used by the retail firm, customized or standardized, consumer satisfaction is influenced by marketing strategies, service quality and service convenience. In case of using customized, service quality and service convenience provide significant influenced toward consumer satisfaction with $R^2 = 0.483$ ($\beta = 0.418$ with $t < 0.000$ for SQ, and $\beta = 0.336$ with $t < 0.000$ for SC) which support H4. In case of the retail firm employs standardized strategy, service quality and service convenience also significant influenced toward consumer satisfaction with $R^2 = 0.789$ ($\beta = 0.404$ with $t < 0.000$ for SQ, and $\beta = 0.510$ with $t < 0.000$ for SC) which support H5.

Table 7 Multiple Regression

	Customer Satisfaction		
	All Shop (N=500)	Customized Strategy (N=249)	Standardized Strategy (N=251)
Service Quality	0.435***	0.418***	0.404***
Service Convenience	0.458***	0.336***	0.510***
R^2	0.743	0.483	0.789

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The following presents the overview of the study including the summary of finding and provides the recommendations for the marketers and practitioners.

As mentioned earlier, the objective of this study is to provide more understanding about the role business strategies toward marketing strategies and customers' satisfaction. The results of the study provide the fit between the employing business strategy and marketing strategy. First of all, this study presents the different perception of customer's satisfaction between the retail firms that employ customized strategy and standardized strategy. Then the study presents the important of business strategies which are positively significant influenced customers' satisfaction. In this case, service convenience and service quality are quite the same importance in customer's perception (see table 7) which imply that the customer perceive the important of these two business strategies.

In the case of customized, service quality and service convenience also play the important role in customers' satisfaction but in different weighted. For this case, the customers are more concerning about the quality of service received than convenience perception. The retail firms that employ the customized strategy have to more concern about the quality of service provided to their customer. Anyway, the shops could not ignore convenience provided to their customer since service convenience is also significant although in less important than service quality.

In case of standardized both service quality and service convenience play the important influenced factor to customers' satisfaction. In contrast, the customers are more concerning about the perceived convenience rather than perceived quality. In this situation, the retail firms that employ the standardized have to more concern about the convenience provided to their customers. As the same as the shops which employ customized strategy, the shops could not ignore the important of service quality since it also provide positively significant influenced toward customers' satisfaction.

From the overall, service quality play a quite similar important role to influence customers' satisfaction in any model (0.435, 0.418, and 0.404) while service convenience play a different important role in influencing customers' satisfaction by the business strategy used by the shops (0.458, 0.336, and 0.510). This finding implies that service convenience is positively significant in all kind of business strategies but in the different level. Any retail firms could not ignore the important of service quality and service quality as both of the strategies play a vital role for the survival in the business.

Service convenience is positively significant for any type of business strategy in different magnitude. Service convenience plays the most important for the retail firms which employ the standardized strategy which refers to the perfect match between business strategy and marketing strategy since the R^2 of this model is highest and the magnitude of service convenience in this model is also highest. As such, for the retail firm which would like to employ the standardized strategies, employing service convenience strategy is the key success to achieve the sustainable competitive advantage. For any retail firm that would like to survive in the market place, they have to achieve the service quality strategy especially for the retail firm that employs the customized business strategy.

Nevertheless, this study also employs several limitations such as the times constrain, budgets constrain, and the most important, knowledge constrain. Although this study provides more understanding about the role of business strategies and marketing strategies, and the fit of matching these strategies but it still lack of the generalization since it concerns about the appropriate strategy selection for the retail shop in shopping mall. The further study can adapt these concepts to the broader scope or employs more strategies to examine the influence toward the customers' satisfaction, purchasing behaviors, and customer loyalty.

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BRAND IDENTITY AFFECTING THE PURCHASING DECISION TO CHOOSE THE ENGLISH TUTORIAL SCHOOL OF SENIOR SECONDARY SCHOOL'S STUDENTS IN BANGKOK AND VICINITY

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Abstract

The main purpose of this study (1) Study the differentiation in demographic background of the senior secondary school's student in Bangkok and vicinity affecting the purchasing decision for choosing English tutorial school (2) Study the factor of brand identity that affecting the purchasing decision to choose the English tutorial school of senior secondary school's students in Bangkok and vicinity. The sample that used in this study was 500 senior secondary school's students which is study in English tutorial school. The data were collected by a questionnaire and were analyzed by Frequency, Percentage, Mean, Standard Deviation, t-test, F-test, and Multiple Regression with a significant level of 0.05.

The result of hypothesis testing shown that the differentiation in demographic background composing of grade, income of the family, and influencer to choose the English tutorial school were affecting the purchasing decision to choose the English tutorial school. The factor in Brand Identity which composed of Physique, Reflection, Personality, Relationship, Culture, and Self-image. While analyzed, the study found that Physique, Reflection, Culture, and Self-image were affecting the purchasing decision to choose the English tutorial school.

Keywords: Purchasing decision of English tutorial school

Introduction

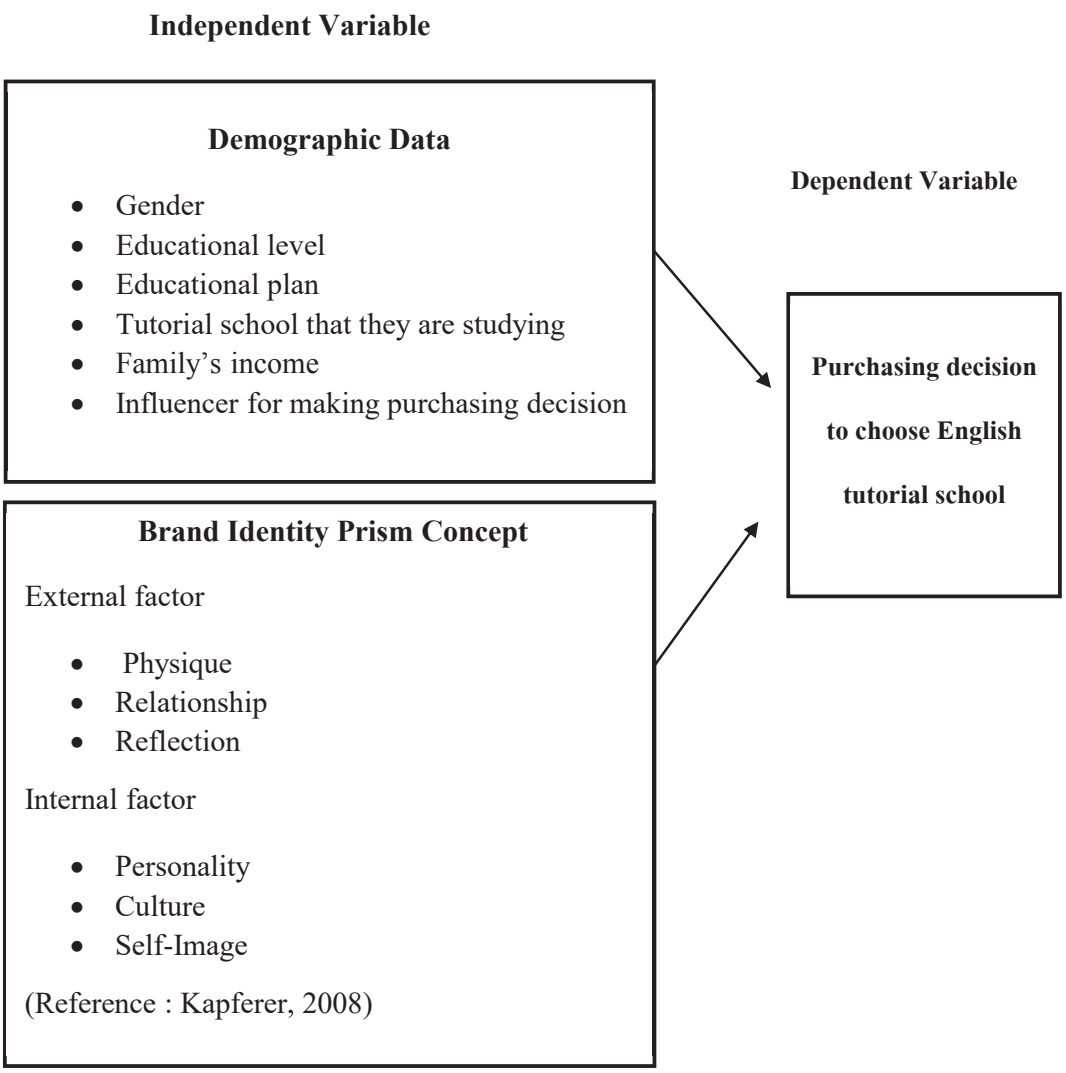
Let's take a look at the testing schedule of Thai students, we will find that Thai students have to facing with a lot of the exam paper along with their studying. First exam paper starts when they go to apply to the kindergarten school and continuing until they graduated. Lots of the students have to cope with the stress and pressure even from themselves and their family. So, the way that the students use to solve their problem when they have to facing with a lot of the examination is tutorial school.

When the researcher considered the business background of the tutorial school in Thailand, found that the research's result from Kasikorn Research Center estimated the value of tutorial market in 2015 was 8,189 million Baht and will growth 6.8 percentages from 2014 and the data from Office of the National Economic and Social Development Board predicted that the population in the age between 15-19 years old

will be increase from 4,523,000 people in 2015 to 4,207,000 people in 2020 and will continue decreasing in long term. From that situation, it will lead the tutorial business industry facing higher competitive rate in the industry[1]. This is so interesting that target customer of this business industry will be decreasing but the growth rate of the business industry is inverse. So, the business owner of the tutorial school will still see the business opportunity in this market anyway the business owner unavoidably facing with high rate of competitive with the other competitors in the market. One of the way that will help the business owner to success in this business industry is to create their Brand identity.

For this study, the researcher will focus on the English tutorial school which is the subject that every student has to use in the exam paper. The focus group of this study is the senior secondary school's student who live in Bangkok and vicinity.

Conceptual Framework



Objectives

1. To study the differentiation in demographic background of senior secondary school's student who live in Bangkok and vicinity affecting the purchasing decision to choose the English tutorial school.
2. To study the Brand identity factor that affecting the purchasing decision to choose the English tutorial school of senior secondary school's student who live in Bangkok and vicinity.

Hypothesis

1. The differentiation in demographic background of senior secondary school's student who live in Bangkok and vicinity will affect the purchasing decision to choose the English tutorial school.
2. The external factor of brand identity which composing of physique, relationship, and reflection will affect the purchasing decision to choose the English tutorial school of senior secondary school's student who live in Bangkok and vicinity.
3. The internal factor of brand identity which composing of personality, culture, and self-image will affect the purchasing decision to choose the English tutorial school of senior secondary school's student who live in Bangkok and vicinity.

Methodology

This study follows the descriptive research method by using the questionnaire for collect the data of brand identity that affecting the purchasing decision to choose the English tutorial school of senior secondary school's students who live in Bangkok and vicinity. Then, analyze the data and summarize the research result.

Data Collection

The study using questionnaire to collect the data. The questionnaire composing of 5 parts which is filtering the respondent, demographic background, brand identity factor, purchasing decision, and additional suggestion. The sample that using in this study is 500 students who are studying in the popular English tutorial school and using Non-Probability method with Convenience Sampling.

Literature Review

1. Brand Identity Prism Concept

1.1 Physique

Kapferer (2008: 182-183) Physique is the first thing that pop up in customer's mind when thinking of the brand of the product. The physique can be Brand's backbone, or it can be the tangible brand value added. In generally, brand will focus on the know-how, brand's positioning of the key product, brand attribute, and brand benefit. The physique is one of the components that be the part of brand's prototype as in this study focus on the tutorial school business industry, so the physique of the tutorial school should be the teacher in who is the most success and famous in that tutorial school.

1.2 Relationship

Kapferer (2008: 185-186) The exchanging between customer and operators is not just only the product but this including to the exchanging of value and meaning of the product. As the tutorial school, tutorial teacher is not just only giving knowledge and studying technique to the students, but it should be including to the class atmosphere that funny and friendly with the students to push them to learn and talk with the tutorial teacher.

1.3 Reflection

Kapferer (2008: 186) Reflection is the ideal model of the customer that the business owner is expecting but it doesn't mean that Reflection can represent the target customer. The reflection can identify "what does the customer want to be" after they use the product.

1.4 Personality

Kapferer (2008: 183-184) Personality can create by the way of communication. Brand personality can be compare with human personality. Jennifer L Aaker (1997: 347-354) stated that brand personality can divided into 5 main types. (1) Sincerity is a warmth and being acceptance personality. (2) Excitement is a societal, active, and powerful personality. (3) Competence is reliable and safety. (4) Sophistication is attractive, elegant, and luxury. (5) Ruggedness is strong and hardy.

1.5 Culture

Kapferer (2008: 184-185) Culture is the nourishment of the brand's inspiration which is the power to push the brand to be creativity. The culture is the factor that control the product, the way of brand's communication besides this the origin country of the product is including to be the part of the brand's culture and indicate the differentiation of the product's value. The product that usually use culture strategy is luxury product as it has to created standard that all of the branch must be follow.

1.6 Self-image

Kapferer (2008: 186-187) Self-image is the mirror that reflect "who am I right now?". It will help the business owners understand themselves and improve themselves. However, Self-image should be related with Reflection.

2. Purchasing decision

Khaled Iba Abdul-Rahman Al-Jeraisy (2008: 64) The process of purchasing decision can divide into 3 stages. (1) Pre-purchase stage is the stage that consumers are facing with their need and want to satisfy their need which related with Engel-Blackwell-Minard model. Kotler (2011: 152) This model composing of Need Recognition, Search of information, and Evaluation alternatives. (2) Purchasing stage is the stage that consumer decide to buy the product and (3) Post Purchase stage is the behavior that happen after the consumer buying and using the product including to eliminate it.

Finding

Hypothesis 1 The differentiation in demographic background of senior secondary school's student who live in Bangkok and vicinity will affect the purchasing decision to choose the English tutorial school.

Table 1 Shown the analysis result of demographic factor affecting purchasing decision

Independent Variable	Statistic	Sig.	Result
Gender	t-test	.096	Reject
Educational Level	F-test	.020*	Accept
Educational Plan	F-test	.224	Reject
Tutorial School			
Angkriz	t-test	.416	Reject
Brithish Council	t-test	.931	Reject
Inlingua	t-test	.869	Reject
Wall Street	t-test	.062	Reject
Enconcept E-Academy	t-test	.379	Reject
Khun Kru Somsri	t-test	.121	Reject
Other	t-test	.411	Reject
Family's income	F-test	.021*	Accept
Influencer	F-test	.025*	Accept

*Significant difference level = 0.05

From the statistical analysis of demographic background of gender, the significant difference level is .096. As the significant difference level after analysis is more than 0.05 so the gender is not the demographic factor that affecting the purchasing decision of the students.

From the statistical analysis of demographic background of educational level, the significant difference level is .020. As the significant difference level after analysis is less than 0.05 so the educational level is the demographic factor that affecting the purchasing decision of the students. Then, using LSD to compare mean of each variable found that Grade 10 has difference level of purchasing decision from Grade 11 with the significant difference level at 0.005 and compare mean between Grade 10 and Grade 11 equal to .3422. From the result, the business should consider the need of this two group for creating the course that fit to their need as grade 10 student will focus on the review of the whole content that they had learned but for grade 11 stu-

dent will focus on the specific part of each of the topic that they really didn't understand as they have to be ready for the national test such as GAT, PAT, or O-NET.

From the statistical analysis of demographic background of educational plan, the significant difference level is .224. As the significant difference level after analysis is more than 0.05 so the educational plan is not the demographic factor that affecting the purchasing decision of the students.

From the statistical analysis of demographic background of tutorial school, the significant difference level after analysis is more than 0.05 so the tutorial school is not the demographic factor that affecting the purchasing decision of the students.

From the statistical analysis of demographic background of family's income, the significant difference level is .021. As the significant difference level after analysis is less than 0.05 so the family's income is the demographic factor that affecting the purchasing decision of the students. Then, using LSD to compare mean of each variable found that the family that has an income 30,001 – 60,000 Baht has difference level of purchasing decision from family that has an income more than 60,000 Baht with the significant difference level at 0.009 and compare mean between those two groups is -0.3620. From the result, the business owner can be make a target segmentation for the customer as normally the higher income should be expecting the thing that have a good quality so the course that the tutorial school should consider for this group of customers is to create the high-quality standard including to the facility and the staff in the school.

From the statistical analysis of demographic background of influencer, the significant difference level is .025. As the significant difference level after analysis is less than 0.05 so the influencer is the demographic factor that affecting the purchasing decision of the students. Then, using LSD to compare mean of each variable found that the student who make decision to buying the course by themselves has difference level of purchasing decision from the student who make decision to buying the course by friends with the significant difference level at 0.005 and compare mean between those two groups is .3645. And, the student who make decision to buying the course by parents has difference level of purchasing decision from the student who make decision to buying the course by friends with the significant difference level at 0.020 and compare mean between those two groups is .3146.

Hypothesis 2 and Hypothesis 3 The factor of brand identity will affect the purchasing decision to choose the English tutorial school of senior secondary school's student who live in Bangkok and vicinity.

Table 2 Shown analysis of Multiple Linear Regression of brand identity that affecting purchasing decision of English tutorial school

Brand identity	Unstandardized Coefficients		Standardized Coefficients				
	b	**SE_b**	**β**	**t**	**Sig.**	**Tolerance**	**VIF**
(Constant)	.246	.124		1.985	.048		
Physique (X_1)	.230	.049	.216	4.709	**.000***	.207	4.838
Relationship (X_2)	.003	.053	.003	.053	.958	.179	5.597
Reflection (X_3)	.128	.058	.124	2.221	**.027***	.139	7.179
Personality (X_4)	.111	.059	.109	1.863	.063	.127	7.852
Culture (X_5)	.134	.063	.133	2.115	**.035***	.110	9.109
Self-image (X_6)	.358	.054	.356	6.668	**.000***	.152	6.570
R = .886 R^2 = .786 Adjust R^2 = .783 SE_{Est} = .56737 F = 309.946 p = 0.000*							

*Significant difference level = 0.05

From table 2, Multiple Linear Regression shown that 4 out of 6 variables are significant difference and will affect to the purchasing decision of senior secondary school's students. The significant 4 variables of the brand identity composing of Physique, Reflection, Culture, and Self-image. It can create the Multiple Linear Regression equation as following:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_n X_n + e$$

Where Y = Purchasing decision to choose the English tutorial school

β_0 = Constant

β_n = Regression coefficients of independent variable

X_n = Independent variable

e = Error of Estimation of Y and $\hat{Y}$ use symbol e for error of an equation

Multiple Regression Equation (Unstandardized Coefficients)

Purchasing decision to choose the English tutorial school = .401 + .230 (Physique) + .128 (Reflection) + .134 (Culture) + .358 (Self-image)

Multiple Regression Equation (Standardized Coefficients)

Purchasing decision to choose the English tutorial school = .216 (Physique) + .124 (Reflection) + .133 (Culture) + .356 (Self-image)

Summarize

For the part of demographic data, this study found that Educational level, Family's income and Influencer have affecting the purchasing decision to choose the English Tutorial school of the senior secondary school's student. As in the section of Educational level can state to the differentiation of need between the student in Grade 10 and Grade 11 so the owner of tutorial school should consider the detail of the course that can response to those needs. And, the section of Family's income can help the tutorial owner to make a target segmentation as this study found that the perception of purchasing decision of the group of income between 30,001 – 60,000 Baht and more than 60,000 Baht are difference. So, in generally the perception of those who have higher income should be expect the thing that high-quality. The course for this kind of customer should be accept from international standard and easy to access also including to the facility should be persuade to the student to learn. The section of influencer, the way of the communication of the tutorial school should be relate to each group of the influencer as the influencer is parents the way of the communication should be focus on the way of competence to make the parents reliable in the school. If the influencer is friend, the way of communication should be focus on friendly and funny as related to their age.

For the part of Brand identity, this study found that 4 out 6 variables can affect the purchasing decision to choose the English tutorial school of the senior secondary school's students. The variable that get the highest is Self-image. So, the perspective that most satisfy the student as align from the study is the tutorial school has a variety of the course and can response to their need. The second variable is Physique. The perspective in the Physique that most satisfy the student as align from the study is Cleaning classroom and the classroom should be available to study. The third variable is Culture. The perspective in the Culture that most satisfy the student as align from the study is choosing the best thing for the students. The forth variable is Reflection. The perspective in the Reflection that most satisfy the student as align from the study is The learners gained more knowledge after learning at the tutorial school.

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NON-PROFIT ORIENTED LEGAL ENTITY AND HOW TO STAY SUSTAINABLE – DANISH-THAI CHAMBER OF COMMERCE

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ABSTRACT

Purpose – Non-profit organization's purpose is not to generate profit, which makes one wonder how these organizations manage to stay financial sustainable. Also, since there is a huge competition among all the different organizations in Bangkok today, one can also wonder how these organizations operates to not lose the competition. With that in mind, the purpose of this case study is therefore described as:

- *to explore how non-profit organizations operates to manage the difficulties regarding financials and leadership and how they manage to stay sustainable*

To answer the purpose, two research questions are formed.

1. *What are the difficulties within the non- profit organization regarding financials and leadership?*
2. *How does the organization operate to maintain sustainable regarding financials and leadership?*

Method – The method that was used to collect empirical data was interview.

Empirical data – the case organization does have some difficulties regarding financial sustainability and leadership, but they are aware of them and they have strategies on how to operate to manage these.

Result & conclusion – within the organization, they are focusing on the money income from their members but the focus is also on creating value for them, and it is value that will create sustainability.

Keywords: Non-profit organization, Danish-Thai Chamber of Commerce, sustainability

INTRODUCTION

Me, Linda, the author of this case study has been doing an internship at the Danish-Thai Chamber of Commerce. During my time there, I got interested in how a non-profit organization works and I decided to conduct a case study within that area. I choose to focus a little bit on exploring non-profit organizations in general and then focus more specifically on the organization of Danish-Thai Chamber of Commerce.

Background

Non-profit organizations are organizations which purpose is not to generate profit for its officers and members. A non-profit organization operates like for-profit organizations, except the fact that the public cannot buy any stock (Social Economy Network, u.d.). Generally non-profit organizations are the business organizations that exist to serve some public need without the intention of gaining a profit. Examples of non-profit organizations are schools, churches and community service organizations (Jackson, 2001-2018).

Regarding non-profit organizations, the history tells that these kinds of organizations were developed as early as in the middle of the 18th century. Usually, these organizations were founded by religious organizations, by churches and for the establishment of educational institutions. In the beginning, non-profit organizations did not operate so much with governmental regulation or sanction, but in the beginning of the 20th century the federal and state governments started to get involved in the establishment and regulations of non-profits (Social Economy Network, u.d.).

The general definition of non-profit organizations complies with Thailand's definition for it, that there are specific purposes of the set ups of non-profit organizations in Thailand. The purposes could be research in health, education, science or activities for the benefit of the society in the form of charities or foundations. In Thailand, the non-profit organizations can be established either as associations or companies. Whether it is an association or a company the main goal is to reinvest the profit or donations for further projects or activities. (Thai Company Formation, 2017)

To be able to establish and run a non-profit organization in Thailand the organization must be registered with the Thai Ministry of Interior, as a legal entity with owners and regulations. The information that need to be included when registering are details about the owners and the board of executives, the purpose of the foundation, the rental agreement or ownership title of the location of the non-profit organization, copies of the identification cards of the foundation members, the address of the institute as well as, if assets are registered, a copy of these documents. Furthermore, when registering a non-profit organization one should have in mind that Thailand also requires a deposit of minimum THB 200,000 to be registered in a bank account. (Thai Company Formation, 2017)

Problem Description

Since non-profit organization's purpose is not to generate profit, the organizations revenues and expenses must be as large to maintain sustainable. Except from the financial sustainability, there must be a sustainable leadership succession planning as well as adaptability, and strategic planning. (National Council Of Nonprofits, 2018)

The difficulties within financials that non-profit organizations are facing are relatively easy to see. In Bangkok, Thailand, there are lots of competitions amongst all the different companies and businesses. Since the number of members and the number of sponsors are crucial for the non-profit organizations and the competition in Bangkok is huge, it is difficult to find members who would like to become members of particularly your organization.

Regarding leadership and how to manage to keep good employees within a non-profit organization in Bangkok is a challenge today. Why it is a challenge right now, is because of a trend where people jump from company to company, in order to gain more money for every change of company.

Purpose & Research question

As mentioned in the background and in the problem description, non-profit organization's purpose is not to generate profit, which make one wonder how these organizations manage to stay financial sustainable. Also, since there is a huge competition today, as explained in the problem description, one can also wonder how these organizations operates to not lose the competition. With that in mind, the purpose of this case study is therefore described as:

- *to explore how non-profit organizations operates to manage the difficulties regarding financials and leadership and how they manage to stay sustainable*

To be able to fulfil the purpose, two research questions were formulated. First some information must be submitted about what problems non-profit organizations are facing and in this case study, what problems this particularly organization Danish-Thai Chamber of Commerce is facing. The first research question is therefore formulated as:

1. What are the difficulties within the non- profit organization regarding financials and leadership?

The second research question will be formulated to answer how the organization operates to stay sustainable. The research question is formulated:

2. How does the organization operate to maintain sustainable regarding financials and leadership?

Scope & Delimitations

The scope of this case study is to look into the difficulties within sustainability regarding non-profit organizations. The scope includes financial sustainability as well as sustainable leadership. This case study is delimitated to only one non-profit organization.

METHODS

Design

Case Study

When conducting a case study, it should be restricted to a smaller group of people. The meaning of the word "case" in this context is either a situation, an organization, an individual or a group of individuals. A case study is also a good method to use when studying more than one organization, especially if one wants to study two different organizations and compare them with each other. Also, when doing a case study, the focus should be to cover all the information within the specific subject. By using interviews, observations or questionnaires as data collection, all the relevant information within the specific subject should be covered. (Davidsson & Patel, 2011, ss. 56-57)

Generally spoken, this research method should be used when considering questions about how or why. (K. Yin, 2006, s. 17)

Data collection

Interview

Interview is a way of collecting data when doing a case study. Interviews are usually conducted in real life, which means that the interviewer invites the interviewee to meet in a certain place to be interviewed. Although, the interview can also be conducted over the phone. An interview is based on questions and depending on the scope of the case study the number of questions may vary. Before the interview, the interviewer needs to prepare the questions and write them down in a document. (Davidsson & Patel, 2011, s. 73)

Before the interview takes place, the interviewee must be briefed about the purpose of the case study and the person should also be informed about what the given information will be used for. Another important point is to inform the respondent whether the interview is confidential or not. Should the interview be confidential, the only one who would have access to personal information is the person who is conducting the case study. After the interview, all the personal information must be eliminated, so that no one could identify this person. The respondent also always has the right to be anonymous. (Davidsson & Patel, 2011, s. 74)

When interviewing and when formulating the interview questions, one can choose to use different degrees of standardization and different degrees of structuring. Standardization regards in which order the questions are asked and how the questions are formulated. When choosing a high degree of standardization, the questions are asked in a specific order and if there are more than one person being interviewed, the questions should be exactly the same for everyone to answer. When choosing a low degree of standardization, the questions are

asked in an order and formulated in a way that is suitable for the conversation. Regarding the structuring, it depends on how the questions are formulated. If the question requires only a yes or a no the degree of structuring is high, versus if the question let one give a nuanced answer, the degree of structuring is low. (Davidsson & Patel, 2011, ss. 75-77)

In this case study, one person will be interviewed only. The interview questions will be formulated with high degree of standardization and low degree of structuring.

LITERATURE REVIEW

Sustainability within non-profit organizations

Ann Latham is a contributor who writes about strategic clarity and its power to transform results. She has written an article about sustainability within non-profit organizations and she explains some problems and solutions. (Latham, 2016)

One problem is that non-profit organizations are short of money and don't have enough resources. She also describes that the employees working for these organizations are having too much workload and don't get paid fairly. Furthermore, since the financials are strapped the insecurity comes hand in hand and unfortunately the main focus becomes on money. When the focus is mainly on the money, the work will be to gain memberships, boost donations and try to get more people to attend different events. What happens then is that, to attract more of what was just mentioned, you constantly brainstorm new schemes. The things that happens while working like this is that you stop caring about who the donates are, who the ones who are joining the events are and so on. (Latham, 2016)

Latham points out that a typical consequence when chasing money could be that you have endless debates about priorities. Also, a chief symptom may appear which means reducing cost and narrow thinking. The problem that follows, when being afraid to spend and afraid to take risks is that you will never reach sustainable success. The force of a money-capacity vicious circle is a terrifying force and it could destroy the energy and optimism as well as motivation within the board and staff. (Latham, 2016)

Latham brings up a keyword, value, which non-profit organizations should shift their focus on instead of money. According to Latham, value attracts money and money creates capacity. Then capacity creates more value. That is what she calls a "positive and fulfilling circle". After understanding this circle, the organization should figure out what impact it wants to have, how the world will be better off if the organization succeed, who will benefit directly and immediately and how the organization will measure real success etc. Next step is to think about who cares, because it's from these people the money comes from. Last but not least, Latham describes that when the organization has created a stable link between its cause and revenue sources, creating partnerships is a great strategy to increase the ability to have the impact the organization is longing for, because value attracts money. (Latham, 2016)

EMPIRICAL DATA

Description of organization

The case study was conducted at the Danish-Thai Chamber of Commerce which was established on 30 June 1992 and is a non-profit oriented legal entity. The organization exists to help corporate people in Thailand with business between Denmark and Thailand. Danish-Thai Chamber of Commerce's purpose is to support and promote trade between the countries and by doing that, hopefully the trade will expand. The organization's purpose is also to offer and provide Danish-Thai companies with a stronger collective voice in the dialogue with Thai authorities as well as create and set up a forum for the Thai and Danish business people living in Thailand or traveling there for business purpose to get the opportunity to do some networking with each other. The Danish-Thai Chamber of Commerce's vison is "*To facilitate business opportunities by optimizing synergies between Thai and Danish values as well as raising standards of socially responsible and environmentally sustainable business practices*" and their mission is "To *provide an active forum in which members benefit from:*

- *Possibilities for collaboration through network*
- *Access to relevant information*
- *Participation in international and domestic networks with Chambers and trade offices*
- *Exchanging views, agreeing on common goals and collectively acting to achieve these*
- *Promotion of the Chamber and members' profiles"* (Danish-Thai Chamber of Commerce, 2018)

Difficulties

Regarding the financial difficulties, the main difficulty that was described is the huge competition between all the different organizations operating in Bangkok. The competition described in the interview, is about getting people attracted to attend events that the Danish-Thai Chamber of Commerce is organizing instead of these people getting attracted to attend someone else's events. Another difficulty described that goes hand in hand with the main struggle is to gain members and to keep them. Since the core income comes from the members they are crucial for the organizations existence.

When talking about the leadership, there was a period when the Chamber was running "low steam" and where there was break continuously with staff. There was even a situation some time ago when there was no staff for six months. Today it is more stable but there is always a challenge to keep staff because of the unemployment rate in Thailand, which is less than 1 %. That means that there are a lot of jobs and that Thai-workers are jumping from job to job in order to gain some more money for every change of job.

Other difficulties that regards leadership is that the environment in the office today is not suitable for the organization and the consequence will be, as the secretary director stated "if your home is not in shape you cannot work good outside". Furthermore, the persons who are directors of the board don't get any salary and the problem that occurs is lack of motivation and some persons may only use the organization as an advantage in their own private business.

How to operate

To manage to maintain sustainable in Bangkok with the markedly competition, Danish-Thai Chamber of Commerce is trying to operate in new ways of behaving and servicing their members. The new way, that will keep members is to go out and visit them and listen to what they have to say. It's important to get to know them so that the organization can give good advises and also give the members the best help promoting their business as well as help them get in contact with other members and with other Thai business relationships in Thailand. By giving the members something they value and something that is beneficial for their business, that way the organization will keep members and also gain more.

Other things the organization does to keep their members pleased, and thereby maintain the financial sustainability, is two easy but very important things. Those things are to always answer the phone when the members are calling and also responding to emails very quickly. The office has seen that when they are responding emails quickly, more emails are coming in and that means that responding quickly gives a very positive effect.

Regarding attracting people to come to events, both members and non-members, the Chamber is starting to collaborate more and more with the other Nordic Chambers in Bangkok. The collaboration could be just to help promoting each other's events, but also to create and having networking events together.

How the Danish-Thai Chamber of Commerce is operating to maintain a sustainable leadership is by having good communication between the office and the board. Whenever there is a problem, it should be brought up during meetings so that the problem can be solved together. To keep the staff at the office, the Chamber is discussing whether the salary needs to come up a little bit, not only to keep staff though, but also to get more quality and results out of the work. A combination having approximately three fulltime employees with good salary and also one intern six months at a time would make the organization more sustainable, both financially and with leadership.

In the near future, the organization also would like to hire a Thai journalist to post business news and present Danish companies in the Thai newspapers, along with good stories from visiting members. Earlier the Chamber has also exposure Danish and Thai companies by visiting them and making videos about the companies. That was very much appreciated and these companies were very keen to become members. This is something the Chamber also would like to do again, when resources in terms of staff is in hand. When working with this strategy one must also remember, to keep it sustainable, there must be time for follow ups and keeping the contact with the members so that they feel they are getting something out of being a member of the Chamber.

RESULT AND CONCLUSION

When analysing the empirical data together with the literature review to see whether there are any common patterns, there are some results. What the theory says is that it is important as a non-profit organization to not only focus on money. Instead the focus should be on value. Danish-Thai Chamber of Commerce is focusing on money, but they are also doing more and more to create value for their members, which means they are on the right track to be able to stay sustainable for a long period of time.

The difficulties the organization have seems to be manageable and there are different strategies used to keep members, gain members and also to attract members as well as non-members to attend events. Regarding leadership, it is ok now but improvements and some changes needs to be done and will be done in the nearest future.

A conclusion of this case study, having the purpose of the case study in mind, would be to focus on the right things, which are creating value for members and also to create a great work area for the staff in the office as well as giving the staff fair salaries. Having an open communication is also very important so that problems easily can be solved together with the board. Furthermore, how successful one wants to be in these kinds of organizations, depends on the effort and the work one puts down.

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A CASE STUDY ON MANAGEMENT AND LEADERSHIP

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ABSTRACT

Purpose: management and leadership are two very important but different things that need to be equally incorporated in an organization for the organization to be successful.

The purpose of this report is therefore described as:

- To emphasize on the importance of leadership within an organization as well as how the well-being of an organization's employees can lead to profitability and higher sufficiency.
- To show the consequences of an inadequate management and lack of leadership by demonstrating how this can be a hindrance for the development of the organization
- To compare how swedish companies and thai companies are managed as well as draw parallels.

The questions to help fulfill the purpose are:

1. What are the definitions of leadership and management and what role do they play in an organization?

2. How is the management and leadership in the Thai company and how is it compared to Swedish management?

Method: The data collection of this report consists of observations and experiences at the case company. Observation was chosen as the data collection method because it is especially useful when gathering information in areas relating to behavior and shift in natural settings or naturally occurring situations.

Empirical data: In the observations of case company four different scenarios at two different locations were studied. These four observations were done by two observers.

Result & Conclusion: The observations have been studied and analyzed and the authors have found that there is a lack of leadership in the case company but it is to be noted that the authors are of swedish origin and therefore the report has been subjected to a swedish point of view.

INTRODUCTION

1.1 Background

"Management" is a term that generally refers to that activities, and often a group of people involved in 4 of the main functions within an organization. These 4 functions are: planning, organizing, leading and coordinating resources. Shortly described, management is the administration of an organization. Management is often spoken of together with leadership but these 2 terms differ. Management is often in smaller scale and more focused on details than leadership. In management, achieving the goals that are set is the main focus and the focus is almost always tactical with aspects on the organization's strategy. Directing and monitoring are two examples of the activities done while managing. The management directs and monitors the employees to achieve the specific goals (UKessays, 2013). Mary Parkett Follet (1868–1933) described management as "the art of getting things done through people". Why management is important to an organization is because an effective management involves controlling and organizing resources (people included) under the managers influences, to ensure better coordination, proficiency and the best possible positive output on every possible field.

Leadership can be defined as a practical ability surrounding the skills of an individual or an organization to "lead" or guide other individuals, teams, or entire organizations. Leaders help others in addition to themselves to do the right things. They build an aspiring vision, set directions and create something new as well as motivate. Leadership is about mapping out where you need to go to "win" as a team or an organization; and it is dynamic, exciting, and inspiring. Gary Yukl (2006), a Professor of Management and Psychology at the University at Albany, distinguishes the discussion of leadership based on who or what leadership is aimed at. He identifies 4 different levels of leadership. The most unusual is the individual level. This level focuses on "self-leadership" discussion, which among other things, involves managing managers effectively, better identifying and achieving personal goals and observe behavior. Then we have the dyadic level, which includes a leader and a subordinate. The crucial part here is how the relationship develops over time and what behaviors can promote development. The next step is the group level, which focuses, among other things, on how the leader manages group processes and meetings. Finally, we have the organizational level. This concerns overall issues regarding the survival of the organization, relation to the

principal, the behavior of competitors, market developments, negotiations with financiers, legislators, suppliers and so on.

Leadership vs management

While leaders set the direction, they must also use management skills to guide their people to the right destination, in a smooth and efficient way. Only managers count value; some even reduce value by disabling those who add value.

By contrast, leaders focus on creating value, he or she generates value over and above that which the team creates, and is as much a value-creator as his or her followers are. Leading by example and leading by enabling people are the hallmarks of action-based leadership. Just as managers have subordinates and leaders have followers, managers create circles of power while leaders create circles of influence. Management consists of controlling a group or a set of entities to accomplish a goal. Leadership refers to an individual's ability to influence, motivate, and enable others to contribute toward organizational success. Influence and inspiration separate leaders from managers, not power and control (Ryan, 2016). But overall management and leadership are two things that need to be balanced and equally integrated in an organization for it to be successful. Both are crucial and needed, for the profitability and well-being of the employees.

1.2 Problem Description

For a manufacturing company to evolve it is crucial to have a good management and strong leadership. An organization with an effective and capable management and good leaders will guide and motivate the employees to work more productively and efficiently. Consequently a bad management will lead to a negative output and setting for the employees. This will prevent the employees from developing further and therefore preventing the organization from evolving (Yukl, 2006). This is a problem that has been noted in the company that is in interest in this case study. It has been noted that the company in question is heavily hierarchical and there is a lack of opportunities for self-development within the employees. The company seems to have all its focus on raising their profits and becoming more acclaimed which has led to the neglection of the employees motivation. Many employees do not feel secure when expressing their thoughts and ideas because of fear for rejection. Some employees would rather remain quiet and never express their true thoughts. An environment like this does not only prevent the employees professional development but also their intention and will to develop. Before, the human energy was not considered a factor in a team's success, even though it is known that without team energy, also known as trust level, the team will never fully be successful. The managers have somehow firmly rooted fear in the employees mind, which has led the employees to skulk around in fright that they will make a mistake. The problem in this organization is that the management seem to have forgotten that an empathetic, trust-based leadership is not only

the most effective way to lead a team, but also the most profitable way to run a company (Ryan, 2016).

1.3 Purpose & Research Question

As previously mentioned in the background and the problem description, management and leadership are two very important but different things that need to be equally incorporated in an organization for the organization to be successful. The well-being of the company depends a lot on the well-being of its employees and it is important that this is known within the company.

The purpose of this report is therefore described as:

- To emphasize on the importance of leadership within an organization as well as how the well-being of an organization's employees can lead to profitability and higher sufficiency.
- To show the consequences of an inadequate management and lack of leadership by demonstrating how this can be a hindrance for the development of the organization
- To compare how swedish companies and thai companies are managed as well as draw parallels.

To be able to fulfil the purpose it is important to understand the meaning of leadership and management. The first research question is thereby:

1. What are the definitions of leadership and management and what role do they play in an organization?

When the two terms have been defined and their importance has been established, the next step will be to evaluate what kind of management the organization in question has as well as why it has it. This report will then try to find the differences and similarities between the management in the thai company and the management in an european country, in this case Sweden. Therefore the second question is:

2. How is the management and leadership in the Thai company and how is it compared to Swedish management?

To be able to answer these questions as well as fulfil the purposes, data collection in form of observations have been collected and studied. To complete this, empirical data in form of own experiences has been used. Theoretical data from previously had course materials has also come to use.

1.4 Scope & Delimitations

The scope of the study will be on how a Thai company are handling management and leadership compare to the Swedish use of management. Delimitations will be the interface from observations from the departments Corporate Strategy & Business Development and SAT1 (the factory building) at the Bangna factory. How other parts of the Company and other companies in Thailand are managed will not be included in this report. Since the writer's education is based on how successful Swedish compa-

nies are managed, this case study will be performed from that point of view. Opinions on this matter might vary depending on from which part of the world and which culture the reader might have.

METHODS

2.1 Data Collection

The data collection of this report consists of observations and experiences at the case company. Observation was chosen as the data collection method because it is especially useful when gathering information in areas relating to behavior and shift in natural settings or naturally occurring situations (Patel & Davidson, 2011, p.91). The kind of observation that has been used in this report is participant observation. Participant observation is a method that means the observers are involved with the people who are being observed. The observers have taken on the role that is being studied, in this case the role of an employee at the case company. This specific method was chosen mainly so that the observers could get an "insider" viewpoint as well as obtain events and information that the informants may be unable or unwilling to disclose. This method would also enable the observers to be aware of any inaccuracies provided by the informants. Participant observations allows for richly detailed description, which could be interpreted to mean that one's goal of describing "behaviors, intentions and situations as understood by one's informants" is highlighted. Another advantage with this method is that it improves the quality of data collection and interpretation (Kawulich, 2005).

2.2 Reliability and Validity

The purpose of validity is to measure what is relevant to the context whilst reliability is to measure in an authentic way. A high extent of both reliability and validity should always be the aim during collection of data. Reliability and validity are dependent on each other to get the right quality of an instrument. High validity is dependent on reliability, but the reliability is independent of the validity. Reliability means that the presented knowledge is trustworthy. The main purpose with reliability is to minimize failures in a research (Yin, 2007). To insure the reliability of the report observations has been conducted by two observers, this to reduce the subjectivity in the reflections. Validity is the criteria that shows how well a tool is measuring what it is supposed to be measuring (Erin D, 2009). Just because validity can be high in one case study doesn't mean it is valid in other case studies. To increase the validity of the report observations have been made on two different business units at the company.

EMPIRICAL DATA

3.1 Company description

The case study has been conducted at the Thai company Somboon Advance Technology Public Company Limited (Somboon Group). Somboon Group was established in 1962 and is a manufacturer and distributor of motor vehicle parts for passenger cars, pickup trucks, trucks and agricultural machinery. The company has over 2000 employees.The Company's products include axle shafts, disc brakes, drum brakes, exhaust manifolds, leaf springs, stabilizer bars, hot coil springs, among others (Somboon Advance Technology PLC, 2011). The Somboon Group has some subsidiaries; Somboon Malleable Iron Industrial Company Limited, Bangkok Spring Industrial Company Limited, International Casting Products Company Limited, and Somboon Forging Technology Company Limited. In 2005, Somboon Group was listed on the stock exchange of Thailand. Their customers are both original equipment manufacturers (OEM) and replacement equipment manufacturers (REM) (Somboon Advance Technology PLC, 2011). Some of their customers are Toyota, Honda, Suzuki and Mitsubishi Motors, they have recently sign Mercedes Benz as a customer. The company's core values are; Smart People, Business Trust and Growth Society. Sustainability is something that the company is focusing on, especially the social and the environmental pillars. Their production is located in Bangna and Rayong.

3.2 Observations

In the department of Corporate Strategy & Business Development, where one of the observations took place, a strong hierarchy is evident at many levels. Well formed patterns of rank & authority can be observable. For example when a person with a higher rank walks into the office, the rest of the workers are quiet and work on their projects. But when the same higher ranked person steps out of the office, workers stops working and start joking around. This behaviour can go on until the higher ranked person is back in the office again. The given answer when asking about this behavior was "We have to show respect for the elders". When a higher ranked person says something all others are expected to follow, even if the "order" is knowingly wrong. This behavior makes many good ideas go to waste and people hesitate to contribute with new ideas. Other scenarios that has been noticed, is when people complain about the heat in the offices (or in the factory) to a higher ranked person they don't do care for it.

Another example is during a presentation at the department of Corporate Strategy & Business Development done by an intern , the Vice President of the business unit, was criticising some of the information. Information that the intern's supervisor, whom was present during the presentation, had provided the intern with. During this the supervisor was just sitting quiet and didn't say anything to back up the intern. It later

turned out that the supervisor had misinformed the intern but this mistake was later blamed on another employee, and this because the supervisor holds a high position within the company and therefore he cannot be responsible for such mistake.

Another observation made was in the SAT1 building where there was a meeting between an intern and the assistant general manager of the company. The intern was supposed to present her final presentation about how her internship had went. The intern sadly said that even though the experience in the company has been great, she cannot say that she has acquired much knowledge and this is because many of the tasks handed to her were inadequate and included a lot of confusion. The intern continued saying that the general manager should not expect a big presentation about what she has learned because there is not much to say. The general manager then suggested to the intern what she should have on her presentation. He told her what to say on her presentation and that a powerpoint would be provided to her about the "things she has learned". The shocked intern then asked how could she present about a work that she had not done and why the general manager thought she should do this. The general answered: "because we (the company) need to have a good reputation and therefore you (the intern) cannot go and say that you have not learned anything, therefore we will provide you with a powerpoint and short instructions of what to say. All you need to do is rehearse."

Yet another observation is that the SAT1 has monthly team competitions. The teams consists of 4- 5 people and the employees can arrange the teams themselves. Every employee in the company can participate and the teams can consist of employees from all departments. The goal of the competition is to find the best solution for a problem given by the executives. The teams have to provide the solution that they think is best and when the competition is over, the team with the best solution receives an award. according to the executives, this is a way to make all employees cooperate as well as get to know each other.

RESULT & CONCLUSION

As earlier written in this report, leadership can be defined as a practical ability surrounding the skills of an individual or an organization to "lead" or guide other individuals, teams, or entire organizations. Leaders help others in addition to themselves to do the right things. They build an aspiring vision, set directions and create something new as well as motivate. Management is often in smaller scale and more focused on details than leadership. In management, achieving the goals that are set is the main focus and the focus is almost always tactical with aspects on the organization's strategy. Directing and monitoring are two examples of the activities done while managing. Managers count value while leaders focus on creating value. In the case company, the observers have observed a big lack of leaders. The executives seem to have a strong hold on their employees and they make sure to remark their position as

well as show their power. The observers have clearly witnessed how the employees fear to express themselves. No one seems to be able to say no or give an opinion when it comes to decisions made by the management, this had led to a lack of motivation amongst the employees. As stated in the first example, the employees only work to please the higher ranked and when given free time, they seem to show their true selves and relax. Since there is no leadership within the company, the employees have no trust in the management however they have a tremendous respect for the executives. This respect can sometime be misleading and confused with appreciation. A strong theory that the observers have is that this hierarchy is based on the level of education of each individual employee. Since the executives are the ones who have the highest level of education, they consider themselves to know best even though this sometimes is wrong. A high education does not indicate a high competence or intelligence. Many of the employees have good ideas that could lead to great improvements within the organization but are hindered by the hierarchy.

In Sweden, the organizations do not have such hierarchy like in this company. There are different levels of positions within the organization but there aren't many levels between the lowest ranked employee and the highest ranked. It is also very common that swedish organizations encourage all employees to speak up about their minds and ideas. Many believe this to be the best way for a company to grow and become more profitable. Titles aren't as important and everyone is expected to have voice, you don't have to keep your mouth shut just because the boss is talking. In Sweden, thinking differently is encouraged and is seen as the key to success. Thinking differently generates different points of view, which gives the company a big perspective on things. Swedish managers often know their own limitations and are a reflection of their employees, which makes them great leaders.

Even though this company lacks in many aspects of leadership, they still value the relation between the employees. The monthly competition shows that they care about how their employees work together as well as show an interest in their ideas. In conclusion, it is important to note that the observants are unfamiliar with the thai work environment, therefore some things that have been noticed as inadequate could be perfectly normal and in some cases considered as good in Thailand, thus the observers are certain of the reliability of this report but the validity may not be as assured. The observers are of swedish origin and can thereby not relate to the thai culture, which is why there may have occurred some misunderstandings and confusions, but this is unbeknownst to them.

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A CASE STUDY ON BENEFICIAL FACTORS RELATED TO STRUCTURED DATA AND CRM SYSTEMS

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ABSTRACT

Purpose - The Thai-Swedish of Chamber core business is to contribute to their members but there is a lack of structured member's data within the organization. Since their members plays an important role, one important thing is to keep track of the company's information data and to keep the data up-to-date. Hence the purpose for this study is:

- *Explore the beneficial factors for the focal company with better structure for their members data information.*

Two fulfill the purpose, two research questions are constructed:

1. *How can the focal company benefit from structured members' data?*

2. *How would the implementation of a CRM system affect the management of the structured data for the organization?*

Method - To gather relevant data, two methods were used for this case study, document review and observations.

Theoretical Framework - Documents describing the beneficial factors with structured data and the usage of a CRM system.

Result & Conclusion - The problems occurring in this case study, together with the findings from the theoretical framework generates a result which has been analyzed. The focal company would benefit internally from structured member's data on a financial and management level. Implementing a CRM system would make the focal company benefit externally towards their Members in terms of relationship strengthening.

Keywords: Structured data, CRM system

Introduction

The following case study consist of information and observations of the Thai-Swedish Chamber of Commerce where two students performed their internship. Two research questions have been stated regarding the non-existing structured data and how implementing a CRM system would affect the company.

Background

Briefly information about the Thai-Swedish Chamber of Commerce based on the students' experiences from their internship.

Company description and Internship assignment

Thai-Swedish Chamber of Commerce have been present in Thailand for almost 30 years and with its 100+ members, established itself steady in the international business community. The 100+ members consists of companies, individuals and students on different partnership/collaboration levels. The company offers networking events and other activities for its Members and through an active Chamber Program Committee, they secure guest speakers from the top of Thai administration and political life. By working together with their Members, the Thai-Swedish Chamber of Commerce identifies businessmen's opportunities and problems in Thailand. The company's interaction with for example, the Board of Trade, Immigration and Revenue Departments, Thai Customs Department and Board of Investments is giving the Members access to top officials in the Thai administration including the Prime Minister. The Company Board of Directors is composed of a president, two vice presidents, committee members responsible for membership relations, the program committee, foreign chamber and government relations, legal affairs, media and treasury. At the office, located in central Bangkok, an executive director and two staff are working to administer the Chamber. (About Thai-Swedish Chamber, u.d.).

Jönköping University is a Swedish University with a high degree of internationalization. (About the University, u.d.). The Engineering faculty includes an industrial replacement course which means that students have a 5-10 week of internship at a company. The students may be in Sweden or conduct the course in conjunction with exchange studies abroad. (Internships and work placement, 2017)

During spring 2018, the two authors, both students at Jönköping University, engineering faculty, performed exchange studies in Bangkok, Thailand in conjunction with internship at the Thai-Swedish Chamber of Commerce. The main project was to conduct and run the planning and preparations of an Exhibition fair with different activities, targeted towards students and young professionals. Tasks were for example, re-

search, budget set-up, marketing, layout planning, contact with participants and other contributory parties. In an early stage, problems occurred which were associated with no proper structure for the information regarding the Chamber's Members. Some of the Members are Swedish Universities with no contact information to be find, or false or not up-to-date information. A lot of information was either stored in employees' heads or in one specific email inbox. Continuously, alongside with the main project, the two authors got more involved in the internal daily work. Every year, Thai-Swedish Chamber of Commerce publish a directory book for their members. The directory book contains among other things, members' company profiles, which needed to be done. The two authors started the work with a short deadline in mind. Directly, problems occurred which once again, was connected to the lack of structure for information regarding the members. Instead of using one folder, webpage or program, five difference sources were required to get correct and up-to-date information for the chamber's members. In conjunction with the information problem, communication problems occurred as one additional hindrance. Since no information of approach was written and stored from historical work with the directory book, there were hard to make final decisions. The set deadline had to be pushed twice to finish the work before publishing the directory book.

Problem description

The two recurring problems during the internship constitute in; a lack of structure for member information data and poor communication among employees. As a consequence, deadlines had to be pushed, as well as other work tasks. The main project the authors worked on, was set on pause because of the extra work with the directory book. Furthermore, it was hard to keep track of the employees working in the organization because of communication problems. Employees kept information in forms of email conversation, different sheets or memorable phone calls which can be seen as unstructured data. The unstructured data contributed to ineffective work because of the following problems. Without regular meetings, a database with updated information or structured work tasks, some information went missing or work tasks being contributed double.

Unstructured data is a big problem and humanity generates massive amounts of unstructured data in forms of email, phone messages, notes, PDF files etc. Only a small fraction of unstructured data is ever given a structure. As a result, the difficulties with unstructured data evident when considering the problem of search. If the data available to answer a given search is messy, unstructured, and unorganized, then the results of the search will likely fall short. (The problem with searching through unstructed data, u.d.). In this case, both faced problems occurred because of a lack of structure for how to storage and structure data which gives a clear view of the problem description.

Purpose & Research Question

As stated in the company description, the focal companies core business is to contribute to their members. (About Thai-Swedish Chamber, u.d.) Since their members plays an important role, one important thing is to keep track of the companies information data and to keep the data up-to-date. Hence the purpose for this study is:

- *Explore the beneficial factors for the focal company with better structure for their members data information.*

With the internship assignment and problem description in mind, two questions are stated for this case study. Since the lack of structure of data and communication lead to missing information and work being contributed double, the first stated research question is:

1. *How can the focal company benefit from structured members' data?*

To achieve the purpose for this case study, investigation in beneficial handling of structured data is needed. Therefore, the second stated research question is:

2. How would the implementation of a CRM system affect the management of the structured data for the organization?

Material & Methods

The chapter consist of data collection methods including document review and observation. Furthermore, there are a theoretical framework about unstructured VS structured data and CRM system.

Data Collection Methods

Data Collection methods are used to collect relevant information to answer the problem description, test the hypothesis and evaluate the outcomes. There are two different categories to divide data collection into, secondary or primary methods of data collection. Secondary methods of data collection mean that the data already has been published somewhere, for example in books, newspaper or online portals etc. Primary data collection means to receive data as a first source and the data has not been published anywhere before. (Data Collection Methods, u.d.) To gather primary data collection there are different techniques to use. Some of these techniques are interviews, observations, surveys and documents. (Data Collection Techniques, u.d.) In this case study, document review and observations have been used which means both primary and secondary methods of data collection have been applied.

Document review

Document review is a secondary method of collecting data and it is a way to gather information by reading existing documents. The documents can be newspaper, funding proposals, marketing materials, meeting minutes etc. Document review is useful to gather background information and when you need information to develop other data collection tools for evaluation. Additionally, it helps to understand the history, philosophy and operation of the program which generate better conditions when writing essays. (Data Collection Methods for Evaluation: Document Review, 2009)

Observations

Observations are a primary method of collecting data and is used to examine people in natural settings or naturally occurring situations. There are two types of observation, participant observation or non-participant observation. These two techniques can be used together and to complement each other. Non-participant observation has limited interaction and participation with the people being observed. For example, some observational data can be collected by video or recording which is unobtrusively. In contrast, participant observation provides the researchers whit more of a social context. (Qualitative Research Guidelines Project, u.d.) In this case study, participant observation has been used.

Theoretical Framework

Unstructured VS Structured Data

One of the most common types of unstructured data is text. Unstructured text may be for example PowerPoint presentations, survey responses, Word documents, notes, email messages and posts from blogs and social media sites. Other than text, unstructured data may be for example images, audio, video files and conversations. (Rouse, 2018)

Structured data on the other hand, is data that has been organized into a formatted repository, typically a database. By keeping the data structured in a database, information can be retrieved either separately or along with data from other fields, in different combinations. (Rouse, Structured data, 2015) Typical applications for structured data is for example CRM-system where data are being kept and are easy to analyze. Structured data within a CRM-system can be for example customers' names, purchase history, phone numbers, email addresses and number of social media followers. (Taylor, 2018)

The lack of structure within an organization's data makes compilation a time and energy-consuming task. To find a structure, a mechanism of data analysis, companies may see beneficial changes. Companies may for example reduce costs unstructured data adds to the organization. The usage of email as a database is an example of unstructured data, because the emails are often managed by size, date or time; sometimes it is structured by content, but most emails does not contain one specific subject which gives a poor structure of information. Finding a way to structure the data and furthermore, analyze the data can be expected to endow an organization with direct benefit in increasing effectiveness and speed of decision-making and implementation. Data will be easier to search, combine and filter for specific purposes, for example when conducting new documents, projects or meetings. (Structured VS Unstructured Data, 2012)

CRM System

An information system or an IT-system often defines as a system that provides IT support. It is used to collect, store, process or distribute information to a domain and thereby support communication and work between and within organizations. Information system consist of people, information and information technology. The information is processed by activities that can be manual or automated, in cooperation with both technology and people. In addition, the most important technology component is databases, which can store data. Furthermore, task manager is often used to handle the information chain between different actors in the information system. (Information system, 2018)

There are many companies working with large amounts of data. Every day employees talking to customers, having meetings, answering the phone, and so on. But where does all this data go? Are they keeping it in their head, writing it down into notepads or into documents? The purpose of obtaining an information system within an organization can for instance be to make the organization more efficient, increase competitiveness and obtain advantages in relation to competitors by having information collected from all different section in the own organization. (Information system, 2018)

One IT-system used by many companies is Customer Relationship Management (CRM) system. The philosophy CRM include guiding, organization and administration of customers and customer relationship in a company. CRM focuses on customer satisfaction and CRM system is designed to maintain this by keeping information structured, up-to-date and in one place. Additionally, it is a tool for companies to monitor data into useful business information.

There are many reasons why companies should use a CRM system. First thing to highlight is that it gives companies a clear overview of their customers. It also manages to keep contact details up-to-date, track every interaction they have with your business and manage their accounts. This means that every employee can find previous history with customers, if it has been any issues or the relationship status. The

system creates advantages for business because every conversation with customers will be up-to-date and it will not be any unnecessary questions. Conversations like this will improve relationships and generate greater profitability. (What is CRM?, u.d.)

The purpose with CRM is to make companies understand the value of customers and also to understand customers' needs. With this system, company aiming for attract new customers but most of all to keep their current customers and get patrons. A CRM system store and analyze relevant data from the customers. The information can be used by everyone in the company which create the opportunity to satisfy customers' needs and to stay competitive. Today, CRM system is known to be one of the most important business tool for companies' success. (What is CRM?, u.d.)

CRM system is often integrated with Enterprise Resource Planning, (ERP) which in turn is integrate with Supply Chain Management system. CRM is used for marketing, ERP is used for administration and SCM is used in the production and by deliveries. (What is CRM?, u.d.)

Result & Discussion

The observation through the authors internship, together with the document review in theoretical framework is composed to form a foundation for the analysis process. Two questions were stated in this case study, which were:

1. *How can the focal company benefit from structured members' data?*
2. *How would the implementation of a CRM system affect the management of the structured data for the organization?*

The finding on how structured data differs from unstructured data answers the first question. When looking at the problems stated in this case study, the main problems in the organizations were a lack of structure for member information and poor communication among employees. Information were kept in Word-documents, notes, in memorable phone calls or email inboxes, which all are different forms of unstructured data. If this data could be transformed to structured data, it would've been easier when conducting for example, new documents or projects due to the easier way of searching. The organization would find benefits in working lead-time and miscommunication where tasks wouldn't be contributed double. When looking at the financial side, structured data may let the focal company see beneficial changes due to the reducing of costs unstructured data adds. On the management side, the organization would see beneficial changes such as increasing effectiveness and speed when making decisions and implement new strategies.

The research showed that structured data would be more cost efficient and management efficient when looking internally on the focal company. To implement a CRM system that can store and handle the structured data, the organization would benefit more externally towards its members. Since CRM is not only a system, but also a phi-

losophy, the handling of the structured data may help the company develop deeper and more understandable relationships. The Thai-Swedish Chamber of Commerce is a non-profit organization and rely on their members to even exist. Therefore, a CRM system would be ideal to constantly have updated information about their members and to track every interaction. Furthermore, a CRM system would let the Chamber evaluate their work and improve the work according to their members preferences. By working like this, the relationships will be improved as well as the focal company's profitability.

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A CASE STUDY ON HOW TO ACCURATLY CALCULATE FORECAST AND DEMANDS

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ABSTRACT

Purpose – In the modern world that is manufacturing and production today, Lean Management and the Just-in-time philosophy is something that is widely considered a standard for any large successful cooperation. The importance of low stock values and an effective production with focus on value adding activities is also a well-known theory amongst almost everyone that has ever been in contact with any form of manufacturing. What most companies and boardroom members seem to overlook is the fact that, while all the above-mentioned prospects of manufacturing are true, it is all based on a strong and accurate forecast calculation. You might have the close to perfect world in your production line and hourly perfection in terms of deliveries but if you don't know your market, or how much to produce, this won't really matter. Because of this we feel that an accurate forecast calculation is required for any of the other parts of a company to be successful and is also why we have decided to shed some light on this specific yet important subject.

The reason for choosing this particular subject is that during the internship at TAP-group, many of the problems through the flow had to do with forecasting. The demand forecasting was made in the head office, away from the production area, and was therefore not available for inspection.

Hence the purpose:
Get a wider knowledge and understanding in why and how to calculate demands.

To answer this purpose two research question are constructed.

1. *Why is forecasting an important planning activity to companies?*

2. *What different methods is there to accurately calculate different forecasts and demands?*

Method
The needed information is collected from previous scientific reports. Seeing that this project is written on the side of a internship at TAP-Group (Heineken brewery), some information is taken and discussed with the department of planning. This makes the information more reliable to the practical use.

Empirical data
The demand forecasting was made in the head office, away from the production area, and was therefore not available for inspection.

Results & Conclusion
There are 4 main theory methods when calculating and forecasting demand, we looked into all of these 4 methods and came to the conclusion that *Exponential Smoothing* is the optimal one for most companies. This is because it takes into account both the actual demand and the forecast calculation used in the past and previous calculations together with the Weighting value named α that allows small changes to be made in order for this method to be optimal in more cases then one.

Keywords: Forecast. Demand, Seasonal Demand, Trend

1.

INTRODUCTION

1.1 Background

Logistics is the integration and management of the product value chain from suppliers to customer. It includes the integration of the production and delivery of a product or service in order to ensure quality in terms of products, efficiency and effective management. Logistics is a combination of all aspects through the supply chain, including design, suppliers, financing, information, energy, transportation and sales. It is important to identify all the different steps through the chain to be able to plan and coordinate the flow of items and information. (Henrik, u.d.)

Demand forecasting is one important planning activity within operations management. In order to manage a business effectively, companies try to balance the relationship between their assets and market demands. To make that comparison possible, information about future customer needs is required as early as possible to adapt the resources available to a company. The size of demand is important for the company's management as well as the management of material flows and production. The effects of a poor forecasting can disturb the whole chain and are therefore a popular researching topic. (Landelius , Tandrup, & Olsson, 2016)

There are many things that affects the demand of a product or a service. For some industries, the forecasting depends on more than information and resources. It can depend on the economic situation of the company such as economic boom or recession, or it can depend on trends, season of the year or campaign drives. Depending on the product and what influences the demand, the forecast needs to be calculated in different ways. For example, clothes are always needed, but still the demand in the apparel industry is changed after trends, new designs, weather/season and campaigns. Diary products, on the other hand, has a stable demand with only a few small changes during holidays etc. Those kind of demand changes is also easier to predict.

1.2 Problem Description

The demand during different seasons or holidays are different for most products. When it comes to groceries the demand should be somewhat leveled during most parts of the year with some exceptions, this is called a Horizontal Demand. However, items such as fireworks have a very specific time frame during which demand and

consumption see a massive increase. This is more commonly known as seasonal products. The following diagrams will illustrate the difference between the two types of demands.

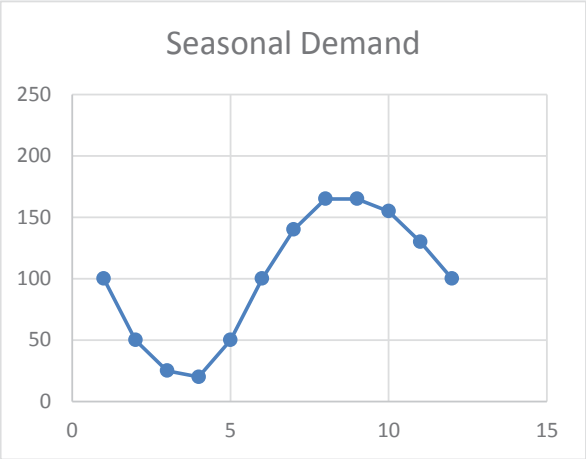

Figure 1 Seasonal Demand

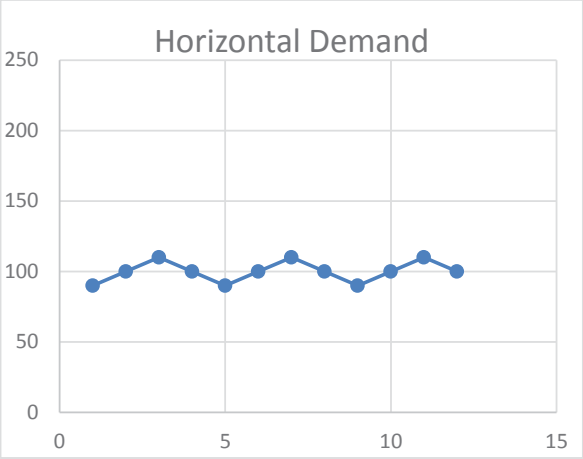

Figure 2 Horizontal Demand

As you can see in the two Figures above the total demand over the past 12 months are the same, a total of 1200. However, when you look at the different curves you can see that on the Horizontal Diagram the demand is somewhat even over the course of 12 months. On the other hand, when looking at the Seasonal Diagram it clearly shows a decrease of sales in the early few months and then an increase on the later stages of the year. This tells us that the product demand curve for the Seasonal Demand is a Fall to Winter consumed product, such as warmer clothing or head apparel in order to avoid the colder weather on the northern hemisphere.

This can lead to a problem for companies that cannot handle the increased demand during these months, they might have to produce and store items during the parts of the year with lower sales in order to meet the market demands during the high demand months. This is where an accurate forecast calculation can be of great assistance. Not only to recognize in what season your products demand is the highest but also to calculate how much is needed to produce for next years peak in demand.

An incorrect forecast can also lead to other problems not related to season. When it comes to production cycles and the amount to produce you need to know how much you can sell and what the market demand is. There is no *perfect* way to calculate this, but you can make a *Calculated guess* based on facts, we will later talk about the methods you can use and which one to use in different circumstances. (Wikner, u.d.)

PURPOSE & RESEARCH QUESTIONS

2.1 Why is forecasting an important planning activity to companies?

Demand represents what a supply system needs to meet the customers demand and the panning to balance supply with demand. Demand can be seen as three different types of needs. *Known needs* correspond to customer orders already delivered, such as delivery history, or customer order for future delivery. *Expected needs* are covered by traditional forecasting usually based on history. *Unexpected needs* are beyond what was expected, the forecast.

The goal with forecasting is to be able to use the information about different circumstances to estimate what will happen in future events. This kind of information is based on data of different character. (Wikner, u.d.) Demand forecasting is one of the biggest challenges for retailers, wholesalers and manufacturers in any industry, and this topic has received a great deal of attention from both researchers and practitioners. The question is why is it so important?

Forecasting needs to enable a proactive work approach. If all businesses could be sure of all future events, forecasting would not be needed. But to know if the invest in extra resources or the bigger production batches was a right choice, knowledge about future happenings and demands are needed. (Wikner , Production Logistics, u.d.) Therefore, with a good demand forecasting, companies can easier save money by reducing inventory and still have fewer missed sales, increase productivity and unlock trapped capacity, lower working capital and avoid overproduction, minimize waste and spoilage, all while meeting customer expectations. (BCG Capabilities and Operations, u.d.)

2.2 What different methods is there to accurately calculate different forecasts and demands?

	Total Average	**Rolling Average**
Straight Average	**Average (A)**	**Moving Average (MA)**
Weighted Average	**Exponential Smoothing (ES)**	**Weighted Moving Average (WMA)**

Figure 3 Different methods for calculating demands

2.2.1 Average (A)

This is the easiest and least complex method when it comes to calculating forecast, the terminology behind it is straight forward and easy to use. The entire demand history is used in this method which will lead to more data being used the longer the process continues.

Equation 1 Average Method

$$F_t = \frac{1}{t - t_0} \sum_{i=t_0}^{t-1} D_i$$

F = Forecast
T = Different Time Periods
D = The actual demand

To calculate the Forecast for period Nr.4, the following is true if the first recorded time period is t_0 = 1

Equation 2 Average example

$$F_4 = \frac{1}{4-1} \sum_{i=1}^{3} D_i = \frac{D_1 + D_2 + D_3}{3}$$

The result is an ***Average*** of the last, in the case, 3 demand values and shows the forecasted demand for the upcoming period. (Wikner, u.d.)

2.2.2 Moving Average (MA)

Moving Average is the least complicated forecast method that puts the emphasize on the more recent demand history. Instead of including all the demand data, a decision is made on how many time periods should be included in the forecast calculation and then you only use the data from these time periods. Even if there is more data to be used you put the emphasize on the more recent ones and exclude the older, not as current, data. The reasoning behind this is because the older data might no longer be accurate, the company might have grown, and the older demand data do not give any valuable information anymore. If this is true, then there is no reason to include this data in the forecast calculation, it will only contribute to a, in this case, lower forecast calculation then required.

Equation 3 Moving Average

$$F_t = \frac{1}{n}\sum_{i-1}^{n} D_{t-i} \; ; t \geq t_0 + n$$

F = Forecast
T = Time period
N = The amount of time periods used
D = Demand

If the amount of time periods dating back from the current time period is 4 (n=4), the period you want to forecast is 10, the calculations will look as follows,

Equation 4 Moving Average example

$$F_{10} = \frac{1}{4}\sum_{i=1}^{4} D_{10-i} = \frac{D_9 + D_8 + D_7 + D_6}{4}$$

In short, the difference between Moving Average (MA) and Average (A) is the amount of time periods included. In the Moving Average example only 4 time periods are included even though there is another 5 accessible whilst in the Average example all of the accessible time periods are included in the calculations. (Wikner, u.d.)

2.2.3 Weighted Moving Average (WMA)

This is a more advanced version of the Moving Average method described above, instead of putting the same *Weight* on the different time periods this method allows the use of different weights on the different time periods. This makes it possible to put more emphasis on the latest months over the earlier ones. Meaning that if four months are included the last method (Moving Average, MA) puts the same amount of weight on these four months' worth of data. This method allows the use of different weights on different months, as long as w_i=1 is true.

Equation 5 Weighted Moving Average

$$F_t = \sum_{i-1}^{n} w_1 \cdot D_{t-i}; t \geq t_0 + n$$

For this example, the usage of 3 months with the following weights is decided to be used:

$$w_1 = 20\% \ (0{,}2)$$

$$w_2 = 30\% \ (0{,}3)$$

$$w_3 = 50\% \ (0{,}5)$$

It will look something like this:

Equation 6 Weighted Moving Average Example

$$F_8 = \sum_{i=1}^{3} w_i \cdot D_{8-i} = (w_3)\ 0{,}5 \cdot D_7 + (w_2)\ 0{,}3 \cdot D_6 + (w_1)\ 0{,}2 \cdot D_5$$

This will put more emphasis on the later months, (most of the time), the more up-to-date data. And will, because of this, result in a more accurate forecast calculation. (Wikner, u.d.)

2.2.4 Exponential Smoothing (ES)

The last method covered in this case will be the method of Exponential Smoothing (ES). This is the most commonly used method and is also, in most cases, the most accurate one. This uses the previously recorded demand data for the different time periods, however, this does also include the previously calculated forecast data which none of the other methods use. In order to do this a smoothing (weighting) constant is decided with a value of $0 \leq \alpha \leq 1$. This is used to decide how much is depending on the previous forecast and the rest on the previous demand like the equation below.

Equation 7 Exponential Smoothing

$$F_t = \propto D_{t-1} + (1-\propto) F_{t-1}$$

F = Forecast
T = Time period
α = Smoothing (weighting) constant
D = Demand

If α = 0,5, half of both the calculated forecast and the actual demand is added to get the coming time periods calculated forecast. The value of α is an estimated number that is determined based on what kind of demand differences your company previously experienced. A higher value means that your calculations will be better at following trend or seasonal demand differences but might be vulnerable to random variations that should not be taken into account. A lower value will have the opposite effects on the calculations. A normal value is most of the time around 0,05->0,3, this in order to get the best and most accurate results and the best of both worlds.

In the long-term this will put less emphasis on the earlier time periods and more importance on the later time periods the same way that the previously mentioned Weighted Moving Average method does. The difference being the use of forecast calculated statistics and not only the demand data. This is called exponential smoothing due to the fact that the previous forecast calculation will always contain all the previous calculations. However, the earlier time periods will not affect the result as much as the time goes on due to the smoothing constant. (Wikner, u.d.)

EMPIRICAL DATA

3.1 Company Description

TAP Group was established 1993 in Thailand. Their business as a Brewery and distributor of quality and mainstream beer began its operation in 1995. Tap Group has now the Head office located in Din Daeng, central Bangkok and its brewery in Nonthaburi, north west of Bangkok. The company have about 300 employees where about 200 works in the brewery and 100 in the Head office.

In 1995 the brewery started brewing and marketing Heineken in Thailand. Heineken is their most successful production product and the product they are most famous for. Nine years later in 2004, they started producing Tiger, the most successful Asian beer in terms of export volume. In 2005 TAP Group launched Cheers which is the third and last manufactured bear at the brewery. Later in august 2010 they became an importer and distributor for Guinness and Kilkenny, two Irish premium brands.

The maintenance office is located in the brewery with oversight of the tapping and packing area. The team includes 28 engineers that together takes care of the maintenance of the whole brewery. The main task of the team is to make sure that the production, tapping and packing runs at all times without any problems. Therefore, they also have a store of spare parts to help the work run smoothly and fast. (TAP-Group, u.d.)

The demand and forecast calculations are made at the Head office located in Din Daeng, central Bangkok.

RESULTS & CONCLUSION

The findings and content of this case is hard to applicate to the case company because of the fact that forecast and demand calculations are not done on site at the case company. These calculations are made in the head office which is, as stated before, not located on the same site as the production. Therefore, the forecast data for TAP Group in particular could not be examined. Because of this the recommendation for this case study is not for the specific case company but a general rule of thumb. The conclusion of this case study is that the use of the forecast method *Exponential smoothing* is the optimal choice in most situations, there will always be exceptions and rare cases where another method is a better choice but when looking at the overall data there is an advantage to using *Exponential Smoothing* seeing as this takes more variables into account than the other methods mentioned in this case.

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A CASE STUDY ON HOW TO FIND WHICH PRODUCT TO STOCK AND WHAT QUANTITY TO ORDER

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Abstract

Purpose - Products with long lead times is a big problem for companies. It is important to plan which products to stock, it is also important to find the right quantity to be able to compete with your competitors. Because if you stock more products then required it creates cost for the company. This reports purpose is described as:

- Explore and find methods of deciding which products to stock and improve the order quantities for products with long lead times.

The research question, which will be answered in this study is the following:

1. What types of methods decides which products to stock?
2. What methods improves order quantities regarding products with long lead times?

Method - This case study has been done at a logistic company. The methods which have been used have been both empirical and theoretical. The authors had good access to the operational manager at the company which gives the report a good analytic focus.

Empirical data – The company had problems with delivering products to customers at the right time. It existed a calculation of how to decide the order quantities and which products to stock. The case goal is to find a method which match with the theoretical framework.

Result and conclusion – The best method for deciding which product to stock is a double ABC analysis. For the order quantities, the result is that EOQ (economic order quantity) gives the companies best result over time.

Keywords – Lead time, Order quantities, Demand, Safety stock

Introduction

Background

To find the correct products to stock it is important to know how much margin each SKU (stock keeping unit) would generate. To calculate this margin prices are a key input (Fischer & Vaidyanathan, 2012). It is also important to calculate the potential margin of each SKU by multiplying the units retail price with the forecasted unit sales. The high sales speed of the product is essential while deciding which product to stock. (Aviljas, Simicevic, Aviljas, & Prodovanovic, 2015). Products with high sales speed is products to keep in stock. It cost a lot of money and space for the company if the products with low sales speed keep in stock. It is essential to calculate the forecast for different products, the knowledge about the products sales in the following month is important to know before picking the companies to keep in stock (Wikner, 2017).

To choose which product to stock it is essential with regular inventory controls. There are three parameters which must be considered while controlling the inventory: safety stock, lead time and order quantity. (Jonsson & Mattsson, 2011). Inventory control is affected by lead time, this means that it is important to take lead time in to consideration while calculating safety stock and reorder point. (Wikner, 2017)

Products with long lead time and high demand should be kept in stock (Jonsson & Mattsson, 2011), because the companies cannot deliver the products in time if they not stock them.

Safety stock is important to have if there would be a delay of shipment to the warehouse or if some of the products is broken during the transportation. Then it is essential to have some extra products in the warehouse that you can use under these circumstances. If there is an uncertainty in demand during the year it is also very important to have a safety stock that could cover a higher demand during a period of time (Mattson, 2017). The longer the lead time is for a product the more uncertain it is that the product will be at the warehouse in the exact date that is agreed. This means that if a product has a long lead time it is extra important with a correct calculated safety stock (Wikner, 2017).

Companies have many big challenges when it comes to planning the stock-profile. One big challenge is to decide the right order quantities, if the company can find the right balance, the cost for the inventory decreases. To decide the right order quantities, it is important to anticipate the future demand, the company has to calculate a forecast for their products so they know the products demand in the future. This is essential to decide the right order quantity for the products (Wikner, 2017).

Problem Description

The case company have one main challenge, that is to deliver to customer within two weeks. The lead time for the products is over two weeks if ordered by sea freight, which means that the products must be in the warehouse before they receive an order from a customer. The case company has a small warehouse which means that they have to priorities which products to stock. If the products are out of stock the case company have to order by air-freight from their supplier, this will lead to additional costs for the company. To succeed with this objective, it is essential to keep the right

products in stock. The management must focus on the demand and prices for each product. (Fischer & Vaidyanathan, 2012)

To avoid shortage in the inventory the company needs to order the correct quantity. The problem is that they have products out of stock, which means that they cannot deliver to customer at the right time. The three parameters (safety stock, lead time and order quantity) have to be calculated and used in the right way. The safety stock, covers if something unforeseen happens that the company did not plan for, that results in the delivery from the supplier being delayed. Lead time is important to take in to consideration while calculating the reorder point. The quantity has to be high enough to cover the demand, and low enough to not affect inventory costs (Wikner, 2017).

Purpose and Research Question

As mention in the background and problem description price and demand is key factors to choose which product to stock. It is important to calculate the products forecast in the right way. Previously in the text it is indicated that the lead time has a big influence on the order quantity, to reduce cost you have to find the right quantity of products to stock. The purpose of the report is as follows:

- Explore and find methods of deciding which products to stock and improve the order quantities for products with long lead times.

To answer the first research question, it is important to get knowledge about different methods regarding which product to stock. Therefore, the first research question is:

1. *What types of methods decides which products to stock?*

When the authors have knowledge about which products to stock, the next step is to evaluate the right order quantity for each product. Since the products have long lead times, it is important to take this into consideration. The second research question will therefore be:

2. *What methods improves order quantities regarding products with long lead times?*

To answer this question, empirical data of the products and theoretical data will be gathered and studied. The theoretical data will be gathered by literature studies and empirical data will be gathered by interviews and reading documents from the case company.

Scope and Delimitations

How companies decide which products to stock and how they decide order quantity for products with long lead times will be the scope of the study. Since the case company is purchasing from their own manufacturing company from Germany and China the delimitations for the study will be between the distributor and the manufacturer. The manufacturer is in this case their own manufacturing company in Germany and China. The study will only focus on the purchasing process for a distribution company with long lead time. This is illustrated in Figure 4

Figure 4 Delimitations of the supply chain

Methods

Data collection

To collect data from the case company the authors interviewed the managing director one time and the operational manager several times. The people chosen were the two people who knew most about the case company. The interviews were semi-structured, this means that the interviews were not that structured. The questions had a known subject, but the questions were asked so that the respondent could answer openly (Patel & Davidson, 2011) This meant that there were a lot of discussion about the different subjects during the interview and not just a question and an answer. The objective with these interviews were to understand what the case companies goal was and how the case company worked with stock profile and order quantities. It was also essential to see were the case company lacked knowledge in their process to deciding which product to stock and how to decide the order quantities.

Document studies was the second data collection method. For the authors to get a broader perspective of the case companies work, the authors studied a few different documents. The case company uses Excel to calculate and decide their stock. They get their information about their products from their IT- database. The studies of the document obtained was documents about the stock profile, calculation of stock and the order history. The stock profile included which products the company stocked and how many of each product they had in the warehouse, in transit and how many was reserved to customers. There was also a calculation of how the case company decided which products to stock. A product was stocked if it had been sold in 3 of the last 6 months or in 5 of the last 12 months.

The document calculation of stock included how the case company calculated their safety stock, base requirement and reorder points. A max stock was also calculated to know how much they should order for each product since they order up to the maximum stock they order different quantities every time they order.

The last document the authors studied was the case companies order history. This document contained information about how many sea freight deliveries the case company had ordered from their suppliers in Germany and China in the last year. There were also detailed information of how many orders the case company had made last year.

Tabell 1 Schedule of document studies

Week	Purpose (What?)	Method (how?)	Time
-	Stock profile	Structured	6h
-	Stock calculation	Structured	6h
-	Order history	Structured	5h

Data analysis

The literature studies will be compared and analyzed with the empirical data collection to find a solution to the reports research questions. After matching the patterns from the empirical data and the theoretical data, one method for each question were chosen. To answer the first question the authors used the empirical data to calculate the most optimal products to keep in stock regarding value flow and historic demand. Comparing the theoretical method with the case company method allows the authors to compare different outcomes. The calculation was made in a way that the method will work in the practical regarding all aspects that can have impact on warehousing.

For the second question the authors selected a mathematical formula to calculate order quantities. The authors used old information about demand and cost per product for the company to calculate with the method chosen. After the calculation were done the authors analyzed the result to the case company result. Comparing patterns between the methods showed that the case company order quantities were different with the theoretical calculation. The theoretical calculation was made so practical aspects are meet. Comparison is possible between the different methods. According to Mattson (Mattson, 2017) it is important to consider the products lead time when calculating order quantity, the demand during lead time is a key factor.

Literature review

Double ABC analysis

The double ABC analysis is a way of figuring out which products of your SKUs that is the most valuable for the company. Products that give most value to the company is the most important products, this is the products that you want to keep in stock and never have late deliveries to customers. There is two parts of a double ABC analysis, the first is that you rank your products value flow and the second is that you rank your products sold frequency. The first 20% of each category is A-products, the next 30 % is B-products and the last 50 % is C-products (Jonsson & Mattsson, 2011)

Illustrated in Figure 5 a double ABC analysis consist of 9 categories. AA-products is essential to keep in stock because they are the products that the company sells most of and gives the company most value. Then the red categories are essential to keep in stock, this means: AB, AC, BA, CA. These categories are either important for the company because they have a high value flow or they are sold with a high frequency. That is why you want to keep them in stock (Jonsson & Mattsson, 2011).

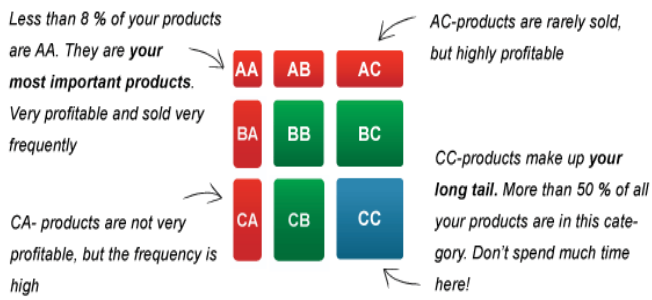

Figure 5 Double ABC analysis

Economic order quantity (EOQ)

Economic order quantity (EOQ) is the best theoretical way to calculate order quantities from an economic stand point. The formula is called Wilsons formula and it is illustrated in Figure 6. To calculate this equation the following numbers and cost must be known: annual demand, cost per order, cost per unit and holding cost.

Economic Order Quantity

$$EOQ = \sqrt{\frac{2 \times D \times S}{H}}$$

D = Annual demand (units)
S = Cost per order ($)
C = Cost per unit ($)
I = Holding cost (%)
H = Holding cost ($) = I x C

Figure 6 Wilson Formula

The formula gives the best order quantity in terms of minimize total inventory cost, purchase cost and the ordering cost. To be able to use EOQ, it is important to calculate both reorder point and safety stock in the correct way. Reorder point is used as a trigger when inventory reaches a certain level and it shows when to purchase new products. Safety stock is used to avoid a shortage in storage. Lead time is crucial while calculating both reorder point and safety stock. If the lead time for the products is long it is even more important to consider lead time in these calculations. (Wikner, 2017)

Lead time combined with the safety stock is a security factor if there would be any unforeseen events happening. If the delivery will be one or two days late, this calculation will avoid a shortage in storage. The calculation of reorder points with lead time as a factor is illustrated in:

ROP= SS+(D*LT)

ROP= Reorder point, SS= Safety stock, D= Demand, LT= Lead time

The calculation of safety stock is illustrated in:

SS=SF*√LT*AD

SS= Safety stock, SF= Safety factor, LT= Lead time, AD= Average demand

These three calculations (EOQ, ROP, SS) is useful when the lead time of your products is long. (Wikner, 2017)

Reliability and validity

The authors will do a detailed description in the method and empirical part of the report to make the reports reliability high. The interview objects will be informed of the subjects before the interview, so the person can be as prepared as possible. Interviews will be recorded so the authors can go back and listen to the interview again to make sure the authors understand the respondent in the correct way (Patel & Davidson, 2011).

The authors will do more than one interview with the operational manager, so the authors can evaluate the first interview and acknowledge and decide what more info is needed. This also gives the respondent a chance to change some of the answer which the respondent isn't satisfied with. This gives the case a better validity because the respondent gets a chance to change their answer (Patel & Davidson, 2011).

Literature search will be done in a structured way, keywords will be use to find literature suitable for the case study. The research will be done at a recognized and reliable database called Primo. (Patel & Davidson, 2011).

Empirical data

Company description

The case study has been conducted at a German based, private distribution company located in Bangkok. The case company is purchasing their products from their own manufacturing company in China and Germany. This means there is no manufacturing process at the case company, the case company task is to distribute their products all over Thailand. The products that are chosen to stock is deliver by sea freight, this means that it is a long lead time for the products before they arrive at the warehouse in Bangkok.They purchase and distribute a lot of different products, for example: industrial enclosures, cooling solution, power distribution and IT infrastructure. The case company is a multinational company. They have manufacturing in 13 places in 3 continents, Europe, Asia and North America. The company is located in 75 countries all over the world. The company has a turnover excess of over 2 billion euro. It is ranked among Germanys top six fastest growing companies.

Worldwide the case company has more than 10 000 employees. Where in Bangkok there are 15 employees. Including a managing director, a financial department and an operational department, where six persons works. The case study has focus on the operational department, because they are responsible for the stock in the warehouse and the purchasing process. They also have a warehouse where a few people work. The

warehouse is 600 square meters. The employees in the warehouse is responsible for receiving and sending the products in motion.

Result and conclusion

After analyzing the findings from the interviews and theoretical frameworks some results have been presented. The lead time for products is very long since the products is delivering by sea freight, this means that the case company have to stock the products necessary. If they stock the wrong products they will not be able to deliver to customers within two weeks. The best suitable method of the methods who have been evaluated, to decide which products to stock is selected. It is the double ABC-analysis, this method focus on the two most important categories while deciding which products to stock. These categories are the products value and sold frequency. This method makes the company stock the product which are most important for the company and it is these products you suppose to stock.

When the products have a long lead time it is especially important to have the right order quantity for each product. The method chosen after evaluating different methods is economic order quantity (EOQ). This method gives the case company a better chance to reduce their inventory cost and cost per order. To use this method there is essential to calculate and use a re order point so the person responsible for the purchasing knows when it is time for a new purchase, it is also essential to calculate and use a safety stock in the right way. If the lead time is long and the demand can change a bit during different periods this method gives the case company a better chance to deliver to customer at the right time.

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A Case study of Bangkok traffic situation and the logistic problem of people transportation

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Abstract

This report is about Bangkok traffic and the problem there is with transportation in Bangkok. Every day people are going to work, school or need to go to other places in Bangkok and it´s then a good way to use the BTS (Skytrain) or MRT. It´s smooth and quite fast way of transportation. The problem is just that the BTS and MRT (public transportation) only covers a limited area of Bangkok and if you want to go somewhere else in the city you need to take the roads. The capacity of the roads has reach its maximum long time ago and it´s really crowded in traffic. People are spending a lot of time every day in traffic which means that useful time are lost. Even the environment is affected by this and the air pollution in Bangkok is high which is dangerous to human health. The report will also connect the Bangkok traffic with my internship. I have had internship at Volvo cars and been working with marketing and travel a lot in Bangkok traffic.

Purpose

The purpose with this report is to get an overview of the traffic problem in Bangkok and see the logistic problem to transport people. Two research question is the base throughout this report.

a. What is the major problem to the traffic jam in Bangkok?
b. How does the traffic jam and the time people spent in the traffic every day affect their lives?

Method

The method that are used in this report is observations of the traffic, interviews conducted by Volvo Cars employees and research to find facts and information about the literature review.

Empirical data

Empirical data for this report is the answers from the interviews and my own observations in the traffic.

Introduction

1.1 Purpose

People transportation is very important for the developing of a country or a city. You need to go to work, home, friends, family, school or anywhere and to transport a lot of people in efficiency way the logistics must work. In big cities public transportation is even more important because there is a lot of people who need to be transported in a small area. In Bangkok the BTS, MRT and Airport Rail link works good and it´s easy and fast for people to use these public transportation, but it´s limited. The big shopping malls, tourist spots, offices and entertainment is easy to reach but it requires that you are living quite close to one of the stations. If you want to go somewhere else then you need to use car, bus, taxi and here comes the problem in Bangkok. It´s way too many cars and people that going into the traffic in relation to the capacity of the roads which makes it into a traffic jam and a lot of queues everywhere in the city.

The report is based on two research question which are in focus throughout the report.

The traffic jam occurs everywhere and it´s a lot of vehicles every day and the capacity have reach its maximum long time ago. This is the basis for the first question

> What is the major problem to the traffic jam in Bangkok?

People are spending a lot of time in the traffic every day, time that could be used to do other things instead. This is the basis for the second question.

> How does the traffic jam and the time people spent in the traffic every day affect their lives?

1.2 Method

Interviews have been used to collect data. The interviews are done at Volvo Cars and the employees have answer the question about what they think about the Bangkok traffic problem and how it affects them. Observations is also used to collect data and got the information.

A research is used to describe the problem and collect theory data

1.3 Empirical data

Empirical data for this report is the answers from the interviews and my own observations in the traffic.

1.4 Problem description

Everyone that has been in Bangkok for at least some days and have tried to take a taxi or minivan somewhere knows, the traffic is a mess and terrible to travel in. It´s not just the citizens and tourist that thinks so even all the different governors over Bangkok. Every new governor in Bangkok have their own traffic plan to try to solve the problem, but everyone fails to do it. They are trying to change the traffic flow, for example suddenly change one-way road to run in the opposite direction or changes the number of lanes. Also make bus lanes during night time. Every governor has his own plans for the traffic, they are trying to change things for a couple of months but then it always goes back to normal again. Different "computer traffic control"- systems have been installed to try to solve the problem but either that have worked. Another problem is also that the drivers are not cooperative with the traffic control systems. Even on the countryside it´s dangerous to drive because a lot of people are drinking and then driving, buses are racing with each other just to stay awake. The situation on the roads is very dangerous (Welcome to driving in Thailand*)*.

A big problem has also been that just for a couple of years ago it was possible to buy the driving license without passing any test. They have no idea of driving safety and many people with "bought driver license" are driving in the traffic every day (*Welcome to driving in Thailand)*

Literature review

Traffic in Thailand is unsafety and a report from 2004 says that every day almost 50 people dies in the traffic in Thailand and that´s very dangerous to travel in the traffic. This also cost a lot of money for the country, about 100 000 million Baht every year which means nearly 12 million Baht every hour. The report says that motorbikes is the most popular way to transport people but also the most dangerous and it stands for most of the accidents (Tanaboriboon, Y & Satiennam, T. 2004).

Many drivers don´t care about the laws and traffic restrictions at all. They are driving through red light, they don't show consideration with other roads users and are hasty in the traffic. This results in stressful environment and of course in accidents that could be avoided. I think that a lot of people in Thailand and Bangkok don´t know about the risk and how many accidents there are every day. I see many people that going with motorbikes without helmet or any other safety equipment at all. This is of course a problem and all the drivers had to get knowledge about the risk while driving a vehicle.

One of the reason to the Bangkok traffic jam is that the public transportation isn´t that expanded that it need to be for a city of this size. An expanded BTS in more direc-

tions and more reachable spots in the town had made people to take the BTS instead of taxi or buses.

2.1 BTS (Skytrain)

The BTS was introduced in 1999 and was the beginning of solving Bangkok traffic problems. From that time the BTS has been expanded more and more until 2017. Total length of the BTS system is 38,7 km and it´s connecting 35 stations (*Bangkok Mass Transit System Public Company).*

Right now, they are building and expand the BTS and the work is going well. During 2018 they will expand the Sukhumvit line from Bearing and then further 13 km which includes nine new stations. It´s supposed to reach the industrial area of Samutprakarn province where many factories are located. This means that the opening of the new stations is two years before schedule which means that Bangkok really working hard with the expansion of BTS, which is important for Bangkok´s continued development (Coconut Bangkok, 2016).

The BTS is still expanding and when I travel outside of the BTS-line (Mo chit and further north) I can see how they are building the BTS and already have completed some new stations. That will combine more and more areas in Bangkok with the city. This will increase the people that using the BTS and decrease the cars and taxis that must go into the city to transport these people. When the public transportation got more and more expanded then the traffic in Bangkok will decrease and getting better and better.

Because of there are many areas in Bangkok that can´t be reached by BTS or MRT it´s necessary for people to use car, buses and motorbikes even if it takes a lot of time, could be dangerous and contributes to traffic jam. They have no choice and this together with a limited capacity on the roads makes Bangkok a total chaos regarding to traffic.

2.2 Emergency case

This lead to next problem in the society and that is emergency situations. I have experienced it a few times and it is easy to see the problem. If there is a fire somewhere in the city and firefighters need to go there they must go throw all the traffic. Same situation if the police have an emergency. Then the worst case is if the ambulance can´t come throw traffic with a bad injured person. If they can´t reach the hospital in time it could be bad consequences. In emergency situations you can´t use the public transportation and must go through bad traffic on the roads. This also makes the traffic problem defective for the society.

2.3 Environment

Another thing that will be affected is the environment. All those cars and traffic jam brings a lot of emissions out into the air and atmosphere. The air pollution in Bangkok is high and sometimes it could be dangerous to go outside. It depends of which area you are in Bangkok but general it´s bad air in the city and the traffic is a big reason of that (The Thailand life).
The people here is not that rich so often if you can afford a car you will buy an older car which not that environmental friendly as a new car. This contributes to the fact that many vehicles carried on in traffic are not environmentally friendly.

Results and conclusions

It has been good for me to living in Bangkok for a couple of months and transport myself in a big city like this. I really got see what kind of problem there are with the traffic in Bangkok. All the people that must move every day want to reach the destination quick as possible. Then the BTS and MRT are the best choice and it works good. But this only works if you are working, studying or going to a spot that's located along the BTS or MRT line. This public transportation only covers a bit of Bangkok and if you go to any other place then you need to use the roads, which mean to spend a lot of time in traffic.

People losing a lot of time every day just staying in traffic, time that they could use for work, earning money, workout and being healthy or hang out with friends and family. This means that a lot of quality time loses and this of course, affect the health of people as well as the economic, efficiency and developing of society. Most of the employees of Volvo that been interviewed said that they wish to spend less time in traffic and that this was a big problem to handle with every day.

It´s good that the BTS are expanding all the time and that they are building new stations and developing the line. This will make it easier and better for people in Bangkok to reach different destinations by public transportation. This takes away car traffic on the roads and makes the traffic more flexible. It will take long time to expand the BTS line and Bangkok have a very long way to go before they have reach the level that´s necessary, but of course it´s getting better for each year. Another problem could also be that the population just growing so that Bangkok will have more and more inhabitants who´s going to crowd the traffic.

The major problem to Bangkok traffic jam is a combination of that people don't respect the rules as well as showing no consideration for their fellow traveller. That the roads are overloaded by cars, motorbikes, buses and trucks which mean that the capacity has reach its maximum long time ago. It´s impossible to develop the roads and

building new ones to meet the needs because of all buildings and houses everywhere. This is a reason to really invest in the expansion of public transportation, in order to ease traffic and get a better traffic flow.

This probably affect car market in Thailand and Bangkok, you need to have a car to be sure that you can reach your work or going somewhere else in free-time and weekends. This is good for all car brands. Volvo wants to sell new and used car and is always competing with brands like BMW and Mercedes-Benz. There is like two types of car-customers in Thailand, less rich and rich which makes it hard for Volvo to reach their customers. Because Volvo is a premium car that´s quite expensive to afford. Less rich people that need a car can´t afford a Volvo. They have other cheaper car brands to choose between. Then if the customers are richer and can afford a Volvo they usually also afford a Mercedes or BMW which have a better value and status here. Volvo comes between those levels and always fighting to win some of the customers on the market.

Because of the traffic problem you spent a lot of time in the car and if you are rich maybe you choose a new premium car like Volvo. It´s a safety car and Volvo prioritizing safety and good quality. Because of the dangerous traffic in Bangkok it should be good for Volvo to promote the quality and safety cars that they have. It really need to inform the customer of how important the safety in cars is and the danger with Bangkok and Thailand traffic (Volvo Cars).

I think that the situation in Bangkok will be better when the expansion of BTS and other public transportation way is finished. But it will take many years to have a complete public system. Until then the roads will still be totally crowded of cars, buses, trucks, motorbikes and people will still spend a lot of their time stuck in traffic.

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Marketing mix strategy influencing consumers' buying decision of goat milk in Rangsit University

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Abstract

The objectives of this study are to analyze the influence of demographic factors (or personal factors) on goat milk purchasing behavior of the consumers in Rangsit University, analyze marketing mix strategy influencing their purchase decision, and examine consumer propensity to purchase goat milk. The study intends to provide information that helps determine target market of goat milk and can leads to develop effective marketing strategy to meet consumer needs with quality and safe product at the right price.

Data was collected by questionnaire from 400 samples in Rangsit University and analyzed by using statistical package program. As for demographic factors, it was found that the difference in average monthly income had an impact on the purchase decision but that in gender and homeland did not. This is probably the case because goat milk was normally priced higher than cow milk and consumers made their purchase decision based on their income. Therefore goat milk producers or marketers should consider focusing on consumers who can effort to buy goat milk.

The study demonstrated that the influence of all marketing factors were very important when consumers decided to buy goat milk. Goat milk was regarded as quality product with good taste and freshness, available in wide variety and having more nourishment than cow milk. This image is the advantage that helps encourage sales and expand the market. The respondents viewed the price that was not too high, having good value for money, and price tag all had much effect on their buying decision. Distribution channel was also a very important factor. Most of the target groups are students who usually buy food and beverage in the campus and nearby stores. The fact that the stores are easy to reach and widely distributed are very important for them to make purchase decision. As to marketing promotion which is very important to encourage consumption, in Rangsit University a lot of channels and tools had been

used to communicate information on goat milk quality such as advertising, public relations, academic exhibition, free samples, introducing goat milk into communities. All aimed to provide target market extensive information that could have certain impact on their decision.

The result of testing marketing mix factors showed that product and marketing promotion are significant in the relations with consumer decision. And this can leads to develop more productive strategy. For product strategy, emphasis should be placed on enhancing the image of goat milk quality and management should expand the product variety to offer more choices. For marketing promotion marketers should use integrated marketing communication including online and offline channels to reach key target groups, introduce product into different communities to expand customer base, use exhibition activity to increase the awareness of nutrition value, use free samples to stimulate trial of the goat milk, use discounted price, free gift, and accumulated purchase amount to boost goat milk sales. These can help consumers in their decision making process.

Introduction

Milk products including goat milk is one of natural food that provides important nutriments the body needs such as carbohydrate, protein, fat, calcium, phosphorus, vitamin A, vitamin B6, vitamin C, vitamin D, and minerals. Several institutes and organizations, both private and government, have long recommended and actively encouraged the production and consumption of milk and today it is a kind of convenience goods for health.

In addition to cow milk which people across the country prefer to consume the most, goat milk is another high nutritious animal product. But so far goat milk consumption of Thai people has been confined to only a small market and the product has not been widely distributed because goat milk production industry is run by small-sized producers at household level with production standard different from cow milk (Ratanaporn Santapol and Sasithorn Naktong: 2011)

Just in recent years goat milk consumption has been growing as large-scale factories were set up to produce various kinds of products from goat milk and carry out lots of marketing activities. These helped goat milk known in the market and could have some share of diary market in Thailand. Now several products from goat milk - powder milk, pasteurized milk, ice cream, yoghurt etc. - can be seen in many department stores and health product shops.

Goat milk was the first animal milk people have ever consumed, it was believed that goat milk had medical quality able to cure respiratory diseases, its protein could help immune system function with better efficiency. (Morgan and Gaborit: 2001 quoted in Ratanaporn Santapol and Sasithorn Naktong.: 2008). When compared

with cow milk, goat milk has more of some benefits, such as high-mineral Selenium useful for body protection system, lower casein protein α si-CN and π-CN than cow milk, but higher protein β-CN. Goat milk fat is smaller and soft and consists of more short and medium chained fat than cow milk, so it is easier for human body to absorb goat milk. However another drawback of goat milk that becomes obstacle to extensively distribute goat milk is that lots of consumers are concerned about strong smell and taste of it and therefore do not desire to try and switch to consume goat milk.

Although now goat milk has a better tendency for production and consumption, the marketing activities have become more intense and National Bureau of Agricultural Commodity and Food Standards established raw goat milk standard for the farmers, entrepreneurs and related agency as a guideline for the production and trade reference and to assure its good quality raw material for further processing (TAS 6006-2008), goat milk market still slowly grows and consumer preference to goat milk do not extend so widely as cow milk.

To make goat milk thoroughly accepted and needed by consumers, it is necessary to utilize marketing strategy that can reach much more consumers and meet their needs, can motivate those who never consume goat milk to try, have preference, and desire to purchase goat milk for health benefit. This will be expected to increase the number of consumers and therefore will help improve goat milk production and distribution and those involved in the industry can grow sustainably.

This research aims to study "Marketing mix strategy influencing consumer decision to purchase goat milk in Rangsit University" to understand factors having an effect on the decision to purchase goat milk in order to develop productive marketing mix strategy that can respond consumer needs appropriately and make goat milk market continuously prosper.

Objectives

1. To study the demographic factors that influence goat milk buying decision of consumers in Rangsit University;

2. To study the marketing mix strategy that influences goat milk buying decision of consumers in Rangsit University;

3. To study consumers' propensity and decision to purchase goat milk in Rangsit University

Research hypothesis

The study aims to test the following hypotheses:

1. The difference in demographic factors has an impact on the goat milk purchasing behavior of consumers in Rangsit University.

2. There exists relationship between each factor in marketing mix strategy and consumers decision to purchase goat milk in Rangsit University

Scope of the research

1. Scope of the content

The aim of this research is to study the relationship between basic variables including personal factors (demographic variables) and marketing mix strategy that have an impact on the consumers' decision to goat milk product(s) in Rangsit University by using questionnaire as the important tools to collect data for the research

2. Population and sample

Sample data used in the study is collected from all the consumers - as our population - who bought goat meat product(s) at the grocery store in Rangsit University.

3. Scope of variables

Variables in the study consist of independent and dependent variables:

1. Independent variables: There are two groups of independent variables in this study

(1) Demographic variables: gender, monthly income, and homeland
(2) Marketing mix variables: product , price, distribution channel, and marketing promotion

2. Dependent variable: Consumers' buying decision of goat milk in Rangsit University

4. Period of study

The research was conducted from July 2015 to October 2016

Research model

The conceptual model of the research on "Marketing mix strategy influencing consumers' decision to purchase goat milk in Rangsit University" is shown in Fig.1. It depicts the relationship between independent variables and dependent variable.

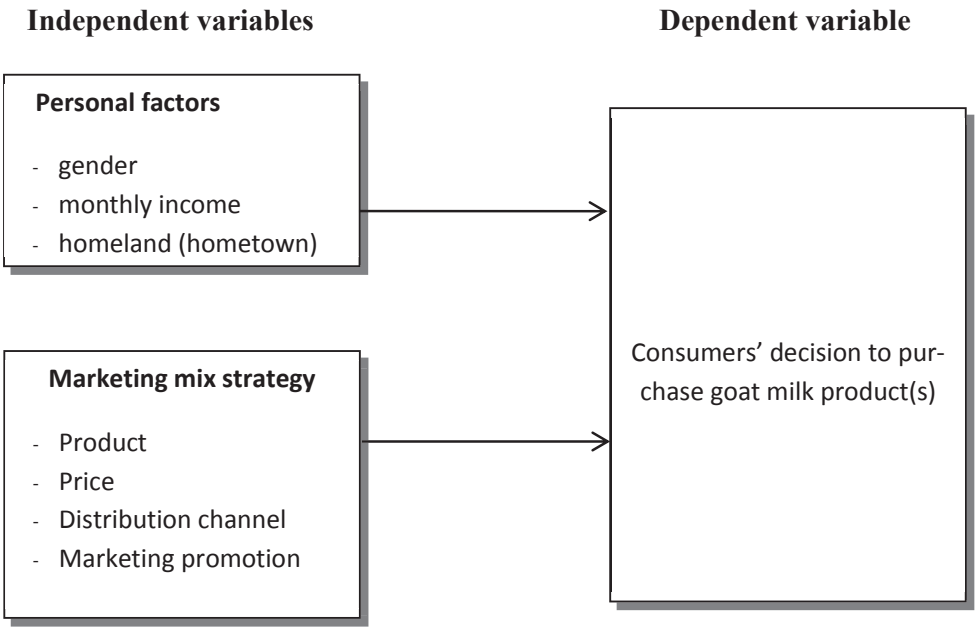

Fig.1 The conceptual model of the research

Utility of the study

Researcher hopes that the study will be useful to those involved in goat milk industry in formulating marketing strategy to effectively attract consumers and lead to market development for goat milk in the future:

1. The study result about demographic variables will be used to determine specific target markets for goat milk and create customer profile on which goat milk manufacturers and distributors should place importance.

2. The study result about marketing mix will be used to apply in creating useful marketing strategy which coordinate all components of marketing mix in a reasonable way and therefore will be able to meet target consumer needs.

3. Manufacturers and distributors should carry out the marketing strategy with responsibility to the consumers. They can consistently satisfy the consumers with quality and safe goat milk at reasonable price.

Literature Review

To conduct the study, certain theories and concepts on decision making, consumer behavior, and marketing mix as well as related researches were reviewed and utilized.

Decision making models proposed by theorists and scholars have become key element marketers use to develop strategy in order to moves consumer to make purchase decision. Herbert Simon conceptualized the decision-making process in 3 stages: intelligence activity, design activity, and choice activity. According to George R. Terry, decision making is the selection based on some criteria from two or more possible alternatives. Koontz and Weihrich defined decision making as the selection of course of actions from among alternatives. Kotler and Keller described five-stage model of buying decision process developed by marketing scholars that consumers move through when buying a product: problem recognition, information search, evaluation of alternatives, purchase decision, postpurchase behavior.

To develop a successful marketing strategy, marketers have to understand consumer behavior, as Hawkins, Mothersbaugh and Best provided "All marketing decision are based on assumptions and knowledge of consumer behavior". And certain scholars have developed theories and models of consumer behavior to explain how consumers act in making their purchase decision. Etzel, Walker and Stanton provided the buying behavior model features four primary forces, including social and group forces psychological forces, information and situational factors that influence each stage of buying-decision. According to Kotler and Keller, a consumer's buying behavior is influenced by cultural, social, and personal factors. Of these, cultural factors exert the broadest and deepest influence.

Marketer develops marketing program consisting of decision on the marketing mix to achieve the organization's objectives. McCarthy classified marketing mix into four kinds called the four Ps of marketing: product, price, place and promotion. Etzel, Walker and Stanton described that product strategic decisions must be made regarding branding, packaging, and other features such as warranties. Pricing strategy includes price flexibility, term of sale and possible discounts as well as pricing for entering a market. Place or distribution involves the means by which products are moved from producer to final customer. Perreault and McCarthy describe promotion is concerned with telling the target market about the right product. Promotion includes personal selling, advertising, publicity and sales promotion.

Certain researches were carried out to study the goat milk consumption behavior and factors influencing goat milk buying decision. Kanda Sansinbodin (2006) found that different monthly income affected goat milk consumption behavior of consumers in Bangkok with respect to frequency and future trend. Suebpong Kunsatapornchai (2007) showed that consumers in Bangkok placed very helpful importance on product and marketing promotion.

Research methodology

The research was conducted by survey research method. The sample data was collected by using questionnaire. The details of research approach regarding the population and sample, method and tool used, data collection and analysis, are as follows

1. Population and sample

Data used in this study is collected from the consumers who used to or usually buy goat milk at store model in Rangsit University. Because the population size is not exactly known and we cannot count the number of goat milk buyers at the shop, the sample size for the study would be determined by using W.G. Cochran's sample size formula.

$$n_0 = \frac{P(1-P)Z^2}{d^2}$$

Where: n_0 is the sample size
P is the estimated proportion of the population which has the attribute in question
Z is the value for selected alpha level
d is the acceptable margin of error for proportion being estimated

This study set the proportion of the population at 0.5 with 95% confidence and at least 5 percent precision. A 95 % confidence level gives us Z values of 1.96, so we get

$$n_0 = \frac{(0.5)(1-0.5)1.96^2}{0.5^2}$$

$$n_0 = 384.16 \text{ or } 385$$

Sample size from the formula is 385. Since the questionnaires may not be completely collected, it is desirable to add 4% (or 15 samples) more to the calculated sample size. Therefore the total random sample size is 400. Sample data was collected by convenience sampling method using 400 questionnaires during June 2016

2. Research tool

The survey tool used to gather sample data is the questionnaire designed to cover variables explained in the conceptual model of the research. These questions are organized into 4 parts.

Part1 Questions for personal factors (demographic variables) including gender, age, income, and homeland in this section are prepared in close-ended questions with multiple options.

Part 2 This part wants to ask respondents to provide the opinions about the influence of marketing mix (consisting of product, price, distribution channel and marketing promotion) on the consumers' decision by using rating scale questions, with 1-5 rating scale format (Extremely helpful, Very helpful, Somewhat helpful, Not very helpful, Not at all helpful) of which respondents can rate the importance on each matter according to their opinions

Part 3 Questions about purchasing propensity and decision making are to assess consumers' future intentions to purchase goat milk. Each question rates the degree to which consumers are likely to make purchase decision and recommend goat milk to others.

Part 4 Questions asking for respondents' opinions (e.g. suggestion about goat milk marketing mix). These questions are in open-ended format to allow respondents to express what they think freely.

The process of designing questionnaire started with studying data on concept and theory about marketing mix and consumer behavior as well as related researches, considered the objectives and conceptual model of the research, then developed the questions covering all the variables to meet the research objectives.

The reliability of the questionnaire was measured using a pilot test by collecting data from 30 students who had consumed goat milk. Data from pilot test was analyzed using Cronbach's Alpha Coefficient to measure internal consistency as showed in Table 3-1. A reliability coefficient (alpha) of .70 or higher is considered acceptable reliability.

Table 1 Questionnaire analysis result by Cronbach's Alpha Coefficient

Questions	Cronbach's Alpha	Number of item
Part 2 Marketing mix strategy		
Variable 1 Product strategy	0.879	5
Variable 2 Price strategy	0.848	3
Variable 3 Distribution strategy	0.856	3
Variable 4 Promotion strategy	0.894	5
Part 3 Goat milk buying propensity	0.894	4

3. Data collection

Researcher administered 400 qualified questionnaires to respondents in Rangsit University, collected all the questionnaires, examined the answer, and recorded data for statistical analysis.

4. Data analysis and statistical techniques

After organizing and recording data, the study used statistical method, both descriptive and inferential, to analyze data through statistical package program (SPSS), as follows

(1) Demographic variables were analyzed by using descriptive statistics - percentage.

(2) Marketing mix strategy were analyzed by using descriptive statistics - mean and standard variation. In order to interpret the analysis of the importance of marketing mix factors, Best's method (Best, 1978: 174 ref in Boonchom Srisaart. 2543: 103 – 106) was used to be criteria for calculating the interval of the mean scores:

5	=	4.21 – 5.00	means	Extremely helpful
4	=	3.41 – 4.20	means	Very helpful
3	=	2.61 – 3.40	means	Somewhat helpful
2	=	1.81 – 2.60	means	Not very helpful
1	=	1.00 – 1.80	means	Not at all helpful

(3) Hypothesis testing To test hypotheses in this study, inferential statistics was used to make inferences from our data to make generalizations about the populations. The study used multiple regression analysis to represent the relationship between dependent and independent variables, and utilized t-test and F-test for hypothesis testing.

Result

1. Demographic characteristics of respondents

Table 2-4 contain demographic characteristics of survey respondents, of the 400 respondents, most were female (65.5%, Table 1); almost half of the sample got monthly income of less than 10,000 baht (41.0%, Table 2). More than half (59%, Table 3) had their family homeland in Bangkok Metropolitan Region.

Table 2 Gender distribution of the respondents

Gender	Frequency	Percentage
Male	142	35.5
Female	258	65.5
Total	400	100.0

Table 3 Distribution of the respondents by average monthly income

Average monthly income	Frequency	Percentage
Less than 10,000 baht	164	41.0
10,001 – 15,000 baht	114	28.5
15,001 – 20,000 baht	70	17.5
More than 20,000 baht	52	13.0
Total	400	100.0

Table 4 Distribution of the respondents by homeland

Homeland	Frequency	Percentage
Bangkok Metropolitan Region	236	59.0
Province	164	41.0
Total	400	100.0

2. Marketing mix analysis

To study the influence of marketing mix strategy on consumers' decision to purchase goat milk, respondents were asked to provide their opinions on the influence of each element of the marketing mix, usually referred to as 4Ps, – consisting of product, price, distribution channel and marketing promotion – on their decisions.

The statistics used to analyze the sample opinions on the importance of each marketing mix element in the decision of respondents were mean ($\overline{X}$) and standard deviation (SD), as shown details of the results in Table 5-8

Table 5 Respondents' opinions on the influence of marketing mix factors (4Ps): product

Marketing mix factors	Importance		
	$\bar{X}$	SD	Level
Product	N = 400		
1. Product has good taste and freshness	4.18	0.892	Very helpful
2. A variety of products is available for selection.	3.81	0.902	Very helpful
3. Packaging is appealing.	3.95	0.842	Very helpful
4. Products provide good nourishment.	4.31	0.788	Extremely helpful
5. Product brand is credible.	4.07	0.844	Very helpful
Total	4.06	0.869	Very helpful

Overall respondents viewed product as one of marketing mix that had very helpful ($\bar{X}$ = 4.06, SD=0.869) influence on their decision to buy goat milk. Considering individual questions, the respondents rated the importance of "Products provide good nourishment" extremely helpful ($\bar{X}$ = 4.31, SD = 0.788), and rated others issues very helpful consecutively; good taste and freshness ($\bar{X}$ = 4.18, SD = 0.892), credible brand ($\bar{X}$ = 4.07, SD = 0.844), appealing packaging ($\bar{X}$ = 3.95, SD = 0.842), and a variety of products for selection. ($\bar{X}$ = 3.81 , SD = 0.902)

Table 6 Respondents' opinions on the influence of marketing mix factors (4Ps): price

Marketing mix factors	Importance		
	$\bar{X}$	SD	Level
Price	N = 400		
1. Product price is not too high.	4.04	0.794	Very helpful
2. The product was a good value for money.	4.18	0.761	Very helpful
3. Showing price tag	4.09	0.842	Very helpful
Total	4.10	0.801	Very helpful

On the whole, price was viewed to be very important ($\bar{X}$ = 4.10, SD = 0.801) in the respondents' decision to purchase goat milk. For more details about the influence of product pricing, the study found that value optimized pricing ($\bar{X}$ = 4.18 , SD = 0.761), showing price tag ($\bar{X}$ = 4.09 , SD = 0.842), and not too high pricing ($\bar{X}$ = 4.04 , SD= 0.794) altogether were rated as having very important influence on purchasing decision consecutively.

Table 7 Respondents' opinions on the influence of marketing mix factors (4Ps): distribution channel

Marketing mix factors	Importance		
	$\bar{X}$	SD	Level
Distribution channel	N = 400		
1. Store is accessibly located.	3.90	1.011	Very helpful
2. There are many goat milk stores widely located.	3.72	1.017	Very helpful
3. Products in the store are neatly placed, appealing to buyers.	3.79	1.001	Very helpful
Total	3.80	1.012	Very helpful

Respondents generally placed distribution channel as their very important factor when it came to make decision to purchase goat milk. To focus on distribution channel in details, respondents viewed easily accessible store location ($\bar{X}$ = 3.90 , SD = 1.011), products neatly placed in store and appealing to buyers ($\bar{X}$ = 3.79, SD = 1.001), as well as widely located stores ($\bar{X}$ = 3.72 , all were very important in their decision to buy goat milk consecutively.

Table 8 Respondents' opinions on the influence of marketing mix factors: marketing promotion

Marketing mix factors	Importance		
	$\bar{X}$	SD	Level
Marketing promotion	N = 400		
1. Advertisements are placed via different media e.g. TV, magazine, newspaper, etc.	3.52	1.055	Very helpful
2. Events and activities such as exhibition are used to provide knowledge and information on nutrition of goat milk.	3.44	1.029	Very helpful
3. Providing free samples to customers to try.	3.65	1.172	Very helpful
4. Discounted price or free gift.	3.59	1.107	Very helpful
5. Products are introduced to consumers in many areas.	3.54	1.078	Very helpful
6. Salespeople are able to give useful information on the products	3.68	1.025	Very helpful
Total	3.57	1.081	Very helpful

Overall, marketing promotion was considered to be the very important ($\bar{X}$ =3.57, SD = 1.081) influence on respondents' decision to buy goat milk. Also respondents rated following parts of marketing promotion as being very important consecutively; sales-people capable of giving useful information on the products ($\bar{X}$ =3.68, SD =1.025), free product samples ($\bar{X}$ = 3.65, SD = 1.172), discounted price or free gift ($\bar{X}$ =3.59, SD = 1.107) introducing products to consumers in many areas ($\bar{X}$ = 3.54 , SD = 1.078), advertisements via different media ($\bar{X}$ = 3.52, SD = 1.055), and events and activities that provided knowledge and information on nutrition of goat milk ($\bar{X}$ =3.44, SD = 1.029)

3. Propensity and decision to purchase

The opinions on the propensity and decision making to buy goat milk were collected from respondents and the statistics used to analyze data were mean ($\bar{X}$) and standard deviation (SD), as shown details of the results in Table 8

Table 9 Respondents' propensity and decision to purchase goat milk

Respondents' propensity and decision to purchase goat milk in Rangsit University	Opinion outcome		
	$\bar{X}$	SD	Level
	N =400		
1. Do you intend to purchase goat milk?	3.34	0.903	Average
2. Do you have confidence in the quality and taste of goat milk?	3.57	0.835	High
3. How satisfied are you with goat milk and are you going to purchase further?	3.41	0.862	High
4. Are you going to recommend your friends and other people you know to purchase goat milk?	3.52	0.901	High
Total	3.46	0.879	High

Respondents gave "high" propensity to purchase goat milk ($\bar{X}$ = 3.46, SD = 0.879). As for response to each question in this section, three that received 'high' response consecutively are "Do you have confidence in the quality and taste of goat milk?" ($\bar{X}$ = 3.57 , SD = 0.835), "Are you going to recommend your friends and other people you know to purchase goat milk?" ($\bar{X}$ = 3.52, SD = 0.901), and "How satisfied are you with goat milk and are you going to purchase further?" ($\bar{X}$ = 3.41, SD = 0.862). And they had average intentions to buy goat milk

4. Hypothesis testing

Hypothesis1

Main hypothesis: H1: Difference in chosen demographic factors has an influence on the goat milk purchase behavior of consumers in Rangsit University.

In this study there were three demographic or personal factors of interest: gender, average monthly income, and homeland, therefore we formulated partial hypotheses of H1 as follows,

Partial hypothesis:

H1.1: Gender difference has an influence on the consumer decision to purchase goat milk

H1.2: Difference in average monthly income has an influence on the consumer decision to purchase goat milk

H1.3: Difference in homeland has an influence on the consumer decision to purchase goat milk

F–Test and One Way Anova were utilized to test hypothesis1

Table 10 Testing result for gender difference

Gender	N	$\bar{X}$	F	Sig
Male	142	3.54		
			0.190	0.663*
Female	258	3.41		

*P–value > 0.05

Testing H 1.1 From F-test in Table 6 the significance value is 0.663 which is more than 0.05, indicating no significant difference, therefore gender difference does not have an influence on the consumer decision to purchase goat milk in Rangsit University.

Table 11 Testing result for difference in average monthly income

Average monthly income	N	$\bar{X}$	F	Sig
Less than 10,000 baht	164	3.33		
10,001 – 15,000 baht	114	3.64		
			4.185	0.006*
15,001 – 20,000 baht	70	3.43		
More than 20,000 baht	52	3.50		

*P–value ≤ 0.05

Testing H 1.2 In Table 7 the testing result has significance value 0.006 which is less than 0.05 and therefore gives significant result. This indicates a significant difference between monthly income groups. To analyze which group of monthly income significantly differs from the others, the study made pairwise comparisons by using least significant difference (LSD) test.

Table 12 LSD. Difference between means and significance of pairwise comparisons from average monthly income groups

Average monthly income	Less than 10,000 baht	10,001 – 15,000 baht	15,001 – 20,000 baht	More than 20,000 baht
Less than 10,000 baht	-	0.001*	0.347	0.125
10,001 – 15,000 baht	-	-	0.056	0.280
15,001 – 20,000 baht	-	-	-	0.547
More than 20,000 baht	-	-	-	-

LSD analysis in Table 7 shows significant result at the $\alpha = 0.05$ level in one pair comparison, that indicates the difference between respondents with average monthly income less than 10,000 baht and respondents with average monthly income 10,001 – 15,000 baht, and this significant difference has an influence on the consumer decision to purchase goat milk in Rangsit University.

Table 13 Testing result for homeland difference

Homeland	N	$\bar{X}$	T	Sig
Bangkok Metropolitan Region	236	3.45	0.743	0.389*
Province	164	3.47		

*P–value > 0.05

Testing H 1.3 From F-test in Table 13 the significance value is 0.743 which is more than 0.05, indicating no significant difference, therefore difference in homeland does not have an influence on the consumer decision to purchase goat milk in Rangsit University.

Hypothesis2

H2: There exists relationship between each factor in marketing mix strategy and consumer decision to purchase goat milk in Rangsit University.

Table 14 Testing the relationship between marketing mix strategy factors and goat milk purchase decision of consumers in Rangsit University

	Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(constant)	1.606	0.235		6.848	0.000*		
Product (X_1)	0.164	0.064	0.148	2.552	0.011*	0.584	1.712
Price (X_2)	0.052	0.069	0.046	0.760	0.448	0.535	1.870
Distribution channel (X_3)	-0.009	0.062	-0.011	-0.151	0.880	0.341	2.932
Marketing promotion (X_4)	0.282	0.057	0.353	4.929	0.000*	0.383	2.613

*P–value ≤ 0.05

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.474	0.225	0.217	0.64828

The output from Table 9 gives the multiple regression equation as

$$Y = 1.606 + 0.164X_1 + 0.052X_2 - 0.009X_3 + 0.282X_4$$

Where

Y means consumer decision to purchase goat milk in Rangsit University

X_1 means Product

X_2 means Price

X_3 means Distribution channel

X_4 means Marketing promotion

The coefficient of determination, R-squared value of 0.23 means that 23% of the variation in the consumer decision to purchase goat milk is due to or explained by marketing mix factors.

The correlation coefficient, R value of 0.47 indicates the positive relationship between marketing mix strategy factors and consumer decision to purchase goat milk.And the relationship is moderately strong (the value is between -1 and 1)

The analysis reveals variance inflation factor (*VIF*) that measures the impact of collinearity among the variables in regression model is highest, 2.932, for distribution channel, which is less than 10 and the tolerance values is the lowest, 0.341, which is not less than 0.2. This suggests that no multicollinearity exists among independent variables in the regression model.

Discussion

1. Some demographic variables are associated with the consumer decision to purchase goat milk in Rangsit University. The study found that difference in consumer average monthly income had an impact on their purchase decision while gender and homeland did not. This is consistent with Kanda Sansinbodin's research (2006) findings that different monthly income affected goat milk consumption behavior of consumers in Bangkok with respect to frequency and future trend. Maybe as goat milk is usually priced higher than its competitive cow milk and consumers make their purchase decision based on their income or, more specific, ability to pay. Therefore goat milk firms should consider selecting the target consumer who can effort to buy goat milk.

2. The opinion on the importance of marketing strategy factors in the decision to purchase goat milk in Rangsit University. The findings show that only product and marketing promotion factor influence on consumers' decision to buy goat milk.

The product factor got very important influence ($\bar{X}$ = 4.06) because it was regarded as quality product with good taste and freshness. It was available in wide variety. Goat milk has been perceived as product with more nourishment than cow milk. Because good image is a result of product quality, this will build goat milk image as well as market acceptance which helps encourage sales and also the success of the firm according to marketing mix theory.

Marketing promotion strategy was rated to have very important ($\bar{X}$ =3.57) effect on the decision to buy goat milk. It was found that in Rangsit University information about goat milk had been communicated through several types of advertising and public relation media including radio, television, newspaper etc. Some special events in the campus such as academic exhibition were conducted to provide nutritional information of goat milk. Furthermore, free samples for trying, discounted price or free gift, introducing goat milk into different communities all were actively carried out. These all helped enable target group to receive extensive information that could have some impact on their decision. This is consistent with previous research by Pachree Suwankoed (2013) studying aloe vera juice consumption behavior of students which found that respondents rated marketing mix factors including product, price,

distribution channel and marketing promotion very important to make their choice of aloe vera juice.

Research recommendation

The analysis result in the study demonstrated the marketing mix strategy was associated with consumer decision to purchase goat milk in Rangsit University. As a result this study is to provide some recommendation as follows;

1. Product strategy even it looks favorable for goat milk to be accepted as one of high quality dairy products, but the situation is somewhat difficult for it to sustain in the market because of currently higher competition. Management should stress the importance of the quality image and further put emphasis on enhancing and maintaining this good image and expand the product variety to offer more choices of tastes, feature, style and design.

2. Marketing promotion The campus should consider adding more new channels of marketing promotion to reach target consumers more effectively. Emphasis should be put on integrated marketing communication that is, utilizing both online and offline channels, for example facebook, instagram and Line shop. These modern marketing communication channels are able to reach media tools that key target groups currently use. Product introduction campaign should be aimed more at several communities, both inside the university and the nearby to expand customer base. Marketers should consider encouraging the awareness of nutrition value in goat milk over cow milk by exhibition activity. Using free samples as sales promotion might be able to stimulate consumers to try using product and hopefully change their bad attitude towards goat milk. Furthermore, product sales can be boosted by using discounted price, free gift, and accumulated purchase amount.

Recommendation for further research

1. More study should focus on other factors influencing goat milk purchase decision, for example psychological factors, social factors.

2. Further study should examine cause-and-effect relationships between marketing mix factors and purchase decision in order to get further in depth information in flavor of formulating better effective marketing strategy.

3. More research should study marketing mix factors influencing decision to purchase other goat milk brands and compare the result with this study.

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The Pragmatic model of motivation

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Introduction

Why do man work? I believe one of the answers to this question is they are motivated. The motivation process effect the employees' behaviors. Motivation is quite a common word for everyone especially working people but not many of them really know about it or know how to have it. Richard and Lyman stated in their book that the term "motivation" was originally derive from the Latin word "movere", which means "to move".[1] Meaning of motivation in Longman dictionary[2] are 1). Eagerness and willingness to do something and 2). The reason why people want to do something.is always concern about motivation in every workplace. Somehow it is not easy to motivate. The concern with motivation has been apparent since the early work of industrial psychologists and their investigation of the commonsense belief that nobody can stimulate anyone else to work unless he knows how that person is motivated and to what incentives he will response. What then are the reasons why men work. Keith, Paul and Roger has pointed out that Study of motivation theory and its application helps to explain why people work and the amount of effort they will put into it.[3]

For manager of the new century, a key to success is the motivation of their workers. As the markets become more competitive on a global scale, it is increasingly crucial to maximize the performance of the work force to maintain and grow market position.

The objective of this article are to review various literatures of the motivation theories and then to build the Pragmatic Model of Motivation. The benefit of this study will establish the conceptual framework for the survey research accordingly.

Literature Review

Many motivation theories have been studied. This section presents some prominent theories of motivation.

1. **Need-based Theories**:

Jon and Rendy (2006)[4] mentioned in their book that several motivation theories are rooted in the concept of needs. Needs are deficiency states or imbalances, either physiological or psychological that energize and direct behavior. Henry Murry (in Jon and Rendy) proposed that humans experience a large number of needs, such as aggression, autonomy and achievement. Although needs are internal states they can be influenced by forces in the environment. The opening case, for example, suggests that forces in global economy and the potential for layoffs within an organization may heighten an employee's need for security, thereby reducing motivation to learn or en-

gage in educational opportunities. Needs are said to drive behavior through the combination of need activation and need satisfaction. A need becomes activated when a person lack something necessary for maintaining psychological or physiological equilibrium. The activated needs is felt as tension. The tension may be a recognizable feeling such as loneliness, or it may be more general, such as anxiety. Because tension is unpleasant, the person will look for ways to reduce the tension by eliminating the deficiency that is causing it. That person will continue to perform different behaviors until one is found that effectively reduces the tension and thus satisfies that needs. Only activated needs can be motivational, because only and activated need produced the tension the person is motivated to eliminate. Once the need is satisfied, the tension is gone and the need is no longer felt.

To conclude, the starting point of motivation is the Needs. Employees seek to reduce their needs deficiencies which cause a search process for ways to reduce the tension originated by the deficiencies. A course of action is selected and goal-direted behavior occurs. Then managers assess that behavior and the performance evaluation results in some type of reward or punishment. Then the need deficiencies are reassess the motivation process restarts (as shown in figure 1)

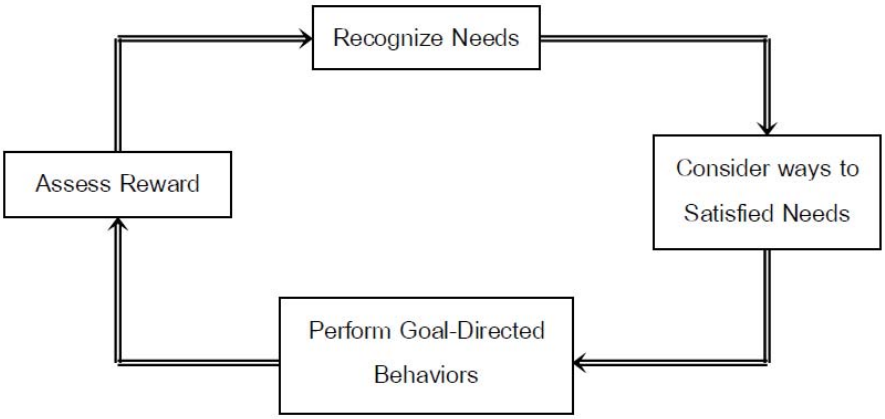

Figure 1. The motivation process

Bovee, (1993). Management.[5]

Two widely cited need-based theories of motivation, Maslow's need hierarchy theory and Alderfer's existence relatedness, and growth (ERG) theory, suggest that needs are arranged in a hierarchy. They propose that needs emerge in a particular pattern, in which certain groups of needs (those important to physical survival) emerge first and must be satisfied before other needs (psychological and social needs like affiliation and esteem) can emerge and affect behavior. Once the current activated needs are satisfied, the next most powerful group of needs are felt and thus will drive behavior. In 1943 Maslow[6] described human motivation as a hierarchy of needs where by the satisfaction of one level of needs triggers the movement to the next higher level of needs. This hierarchy is traditionally shown as a pyramid, as in Figure 2.

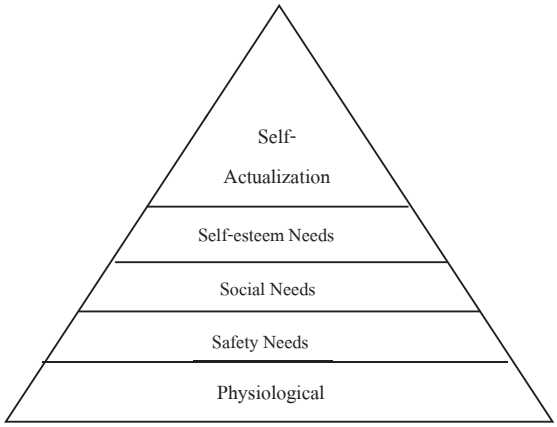

Figure 2. Maslow Hierarchy of Needs in Bovee, (1993).

Maslow's need hierarchy lists five categories or levels of needs: physiological, safety and security, love, status and esteem, and self-actualization.

Alderfer's ERG theory reduces Maslow's hierarchy to three levels of needs: existence, relatedness, and growth. More important, ERG theory proposes that if a person becomes frustrated trying to satisfy the current active needs, this frustration will cause previously satisfied needs to be activated and drive behavior.

Another widely discussed need-based theory is Herzberg's two-factor theory[7]. Herzberg claimed that people have two set of basic needs, one focusing on survival and another focusing on personal growth. He argued that the factor in the work place that satisfy survival needs or hygiene factors, cannot provide job satisfaction – they only prevent dissatisfaction. Alternatively, motivator factors, which satisfy the growth needs, can create feeling of job satisfaction, but their absence will not necessary lead to dissatisfaction. Following the two-factor theory, workers can be motivated by ensuring that hygiene factors are present, thereby preventing dissatisfaction, and then adding motivator factor to create job satisfaction. This strategy is referred to as job enrichment. The central proposition of Herzberge's theory is that the cause of job satisfaction are qualitatively different from cause of job dissatisfaction.

Another criticism motivation theory has been proposed by McClelland[8]. The main theme of McClelland's theory is that the needs are learned through culture. Three of these learned needs are the need for achievement (n Ach), the need for affiliation (n Aff) and the need for power (n Pow). Since the need are learned, the behavior which is rewarded tend to recure more often. For example, manager who are rewarded for the achievement behavior learned to take the moderate to high risk in order to achieve more challenged goals. Like wise a higher need for affiliation or power can be traced to a history of receiveing rewards for the sociable, dominant or inspiration behavior.

Consequenly, by the learning process employees conduct and develop uniques configuration of needs that effect their behavior and performanace.

2) Cognitive Process Theories of motivation

A second group of motivation theories, called cognitive process theories, recognizes this and argues that motivation is based on a person thought and beliefs (or cognitions). These theories are sometimes referred to as process theories because they attempt to explain the sequence of thoughts and decisions that energize, direct, and control behavior. There are four cognitive theories of motivation: 1. expectancy theory, 2.goal setting theory, 3.social learning theory, and 4.equity theory.[9]

2.1 Expectancy Theory: Expectancy theory first proposed by Victor Vroom[10], assumes that motivation is a conscious choice process. According to this theory, people choose to put their effort into activity that they believe they can perform and that will produce desired outcomes. Expectancy Theory argues that decisions about which activities to engage in are based on the combination of three set of beliefs: expectancy, instrumentality, and valance. Expectancy beliefs represent the individual's judgment about whether applying (or increasing) effort to task will result in its successful accomplishment. Stated another way, people with high expectancy believe that increased effort will lead to better performance but people with low expectancy do not believe that their effort, no matter how great, will affect their performance. The second, called instrumentality, is a judgment about the connection the individual perceives between task performance and possible outcomes. Making instrumental judgment is like asking question, "if I perform this task successfully, is it likely to get me something I want?". The third belief is called valance which refer to the value the person places on a particular outcome. Expectancy Theory states that employees will make these three sets of judgments when deciding which behaviors and tasks to engage in. Specially, the theory predicts that employees will choose to put effort into behaviors they

- believe they can perform successfully (high expectancy) and
- believe are connected (high instrumentality) to outcomes they desires (high valance) or
- believe will prevent (negative instrumentality) outcomes they want to avoid (negative valance)

Expectancy theory is clearly relevant to HRD. It offers a way to diagnose performance problems and then suggests how these problems can be overcome. In addition, this theory has implications for design and effectiveness of HRD programs.[9]

Figure 3. Expectancy Theory

Vroom, V.H. (1964) Work and Motivation.

2.2 Goal-Setting Theory: Goal-Setting Theory state that performance goals play an important role in motivation. The theory proposes that goals can mobilize employee effort, direct their attention, increase their persistence, and effect the strategies they will use accomplish a task .[11] Goals influence the individual's intensions, which are defined as the "cognitive presentations of goals to which the person is committed".[12] This commitment will continue to direct employee behavior until the goal is achieved, or until a decision is made to change or reject the goal. Goal-Setting is probably the best supported theory of work motivation, and one of the best-supported theories in management overall .[13] Research convincingly shows that goals that are specific, difficult, and accepted by employees will lead to higher levels of performance than easy or vague goals (such as "do your best"), or no goals at all. This research also demonstrates that the presence of feedback enhances the effectiveness of goal-setting.[14]

2.3 Social Learning Theory: A third cognitive theory of motivation, called social learning theory, was developed by Albert Bandura.[15] He proposes that outcome and self-efficacy expectations affect individual performance.

An outcome expectation (similar to instrumentality in expectancy theory) is a person's belief that performing a giving behavior will lead to a given outcome. Self-efficacy can be defined as "people judgments of their capabilities to organize and execute courses of action required to attain designated types of performances. The major prediction of the social learning theory is that a person's self-efficacy expectations will determine

1. whether a behavior will be performed,
2. how much effort will be spent, and
3. how long the person will continue to perform the behavior.

Bandura argues that people who have high self-efficacy for a particular task will focus their attention on the challenges of the situation and use greater effort in mastering them, thus increasing the chances of successful task performance. Conversely, people who have low self-efficacy for a particular task will focus their thoughts on obstacles

and shortcoming, and as a result, reduce their chances of successful task performance. Research shows that self-efficacy is strongly related to task performance.[16]

2.4 Equity Theory: A fourth cognitive theory of motivation is equity theory. It suggests that motivation is strongly influenced by the desire to be treated fairly and by people's perceptions about whether they have been treated fairly. As a theory of work motivation, it is based on three assumptions.

1. People develop beliefs about what is fair for them to receive in exchange for the contributions that they make to the organization.
2. People determine fairness by comparing their relevant returns and contribution to those of others.
3. People who believe they have been treated unfairly (called inequity) will experience tension, and they will be motivated to find ways to reduce it.

Equity Theory predicts that employees who believe they are being treated fairly will be motivated to continue their present performance and behavior patterns, whereas employee who believe they are victims of inequity will search for a way to reduce their feeling of unfairness. They are at least five ways in which individual reduce their feeling of inequity:

1. Cognitively distorting views of contributions or rewards ("She must be smarter than I thought").
2. Influencing the perceived rival to change his or her contributions or rewards (e.g., convincing the person to be less productive)
3. Changing one's own contributions or rewards (either working harder or contributing less)
4. Comparing oneself to a different person
5. Leaving the situation (requesting a transfer or quitting) [17]

Typically, people choose the way to reduce inequity that appears to be the least costly to them.

Moreover, there is also a non-cognitive Theory of Motivation: Reinforcement Theory. Reinforcement Theory, is rooted in behaviorism, which attempts to explain behavior without referring to unobservable internal forces such as needs or thoughts.[18] It argues that behavior is a function of its consequences. This is based on the law of effect, which state that behavior that is followed by a pleasurable consequence will occur more frequently (a process called reinforcement) and behavior that is followed by aversive consequence will occur less frequently. According to this theory, a manager or trainer can control an employee's behavior by controlling the consequences that follow the employee behavior. Reinforcement Theory can be applied using a set of techniques know as behavior modification. Behavior modification suggests four choices for controlling an employee's behavior:

1. Positive reinforcement refer to increasing the frequency of behavior by following the behavior with a pleasurable consequence.
2. Negative reinforcement increase the frequency of a behavior by removing something aversive after the behavior is performed.
3. Extinction seeks to decrease the frequency of a behavior by removing the consequence that is reinforcing it.

4. Punishment seeks to decrease the frequency of a behavior by introducing an aversive consequence immediately after the behavior.

In conclusion, two significant of motivation have been studied: The content approach and the process approach.

The content approach on factors within the person that encourage, direct and sustain and stop behavior. These factors can only be induced. Maslow five , hierarchical of needs, Alderfer three level hierarchical of needs, Herzberg two factors hygiene and motivation , McClelleand three learned- needs acquired from culture: achievement, affiliation and power are among the content approach. The managerial application from this approach is the managers need to be aware of the difference in needs, desires, and goals because each individual is unique in many aspects.

The cognitive process approach describes, explain and analyzes how behavior is energized, directed, sustained, and stopped. The study of Vroom-an expectation theory of choices, Adams – equity theory, and Locke- goal setting theory are among the scope of process theory. The managerial application based on this approach is managers needs to understand the process of motivation and how individuals make choices based on preferences, rewards and accomplishments.

From various motivation theories which have been summarized in this section, we can see that human motivation is a complex process.

Armed with this knowledge, the manager of people can construct strategies and apply techniques that will get the best from them. However we should note that motivation is not something you do to someone, like pouring a motivational balm over them.

The Pragmatic Model of Motivation

As reviewed the literature, how to motivate the employees is not easy. Why not easy? Because the motivation process starts from the individual's needs in which depend on the "individual factors". These factors are age, gender, experiences, attitude, emotion, personality, perception and so on. The hierarchical of need in Maslow's theory is among the first motivation theory which helps managers understand the basic of needs. However he did not point out the possibility that the need can vary from an individual person to another.

However, contingency theory of management says that there is no one best way in management. It depends on the phenomena. If apply the contingency scheme the hierarchy of needs cannot be free from the individual factors. In reality, what one needs are not consistency. At one moment people may need the physiological need most but in another moment they may change their mind. Again why they change their mind that is because the individual factors mentioned above. There are many cases support this assumption that some people resign from the present organization not because of the lesser salary. They get the big sum but still do not want to continue

working there. Some resigns not because of that they have no opportunity to promote. They have the high potential to be promoted but they still insist in resigning.

Since human is unique it is significant to understand what factors affect the motivation process. What are the factors affecting the motivation process?

1) Organizational culture and contexts

Psychologically, human being is the social man and have their own perception. The organizational culture and contexts are usually effects their behaviors in various aspects.

The organizational culture and contexts usually effect the employees at both operational level and managerial level. What are the organizational culture and contexts in this case? They are the people that are working with, the managers, the investors, and also the communication, management system and also the organizational politics circumstance.

For example, the workers tends to behave like their colleagues because they want to be in group. The workers will be responsible for the jobs assigned by the organization and also they want to be in group. It reflects their social needs.

According to Maslow employees must satisfy their lower level needs before reaching the higher level needs. Further studies pointed out that when employees are reaching the higher level needs the lower level of needs will not effect their motivation. The organizational culture and contexts are the intervene factors.

Obviously, the first hierarchy of needs (the needs for the food shelters and other essential factors for living) are more independence needs or lesser influenced by any factors because no matter any changes occur people are still want these first level needs to live their lives.

On the contrary, at the higher levels of needs, the more organizational culture and context have an influential on their needs. The cases of the employees who need to be promoted but they deny to accept the promotion has been found in many companies. It is revealed that the employees are in the awkward management situation then they denied to be promoted and just to remain the same rank. It is the fact that when employees is promoting to the higher rank. The new job required varieties of skill, more responsibilities if there is the lack of the organizational support employees will feel overwhelm and feel of the loss of security. This situation will effect influence the motivation. In an easy words, they feel they don't want to be in the trouble situations.

The most highest needs is usually effected by the organizational culture. The "self fulfillment or self –actualization" is the need to set their higher and more challenges goals and make it real effectively. The supports from the organization are the very essential. As Robinson (in Ivancevich Matteson 2002 : 169 (1994: 137-152))[19] stated that " in the ideal psychological contract, those contributions the individual was willing to give would coorespond perfectly to what the organization wanted to received; similarly, what the organization wanted to give would correspond totally with what the individual wished to receive."

These point out that when employee reaching the the higher level of needs, the more the organization culture and context have an influential on the employees motivation process.

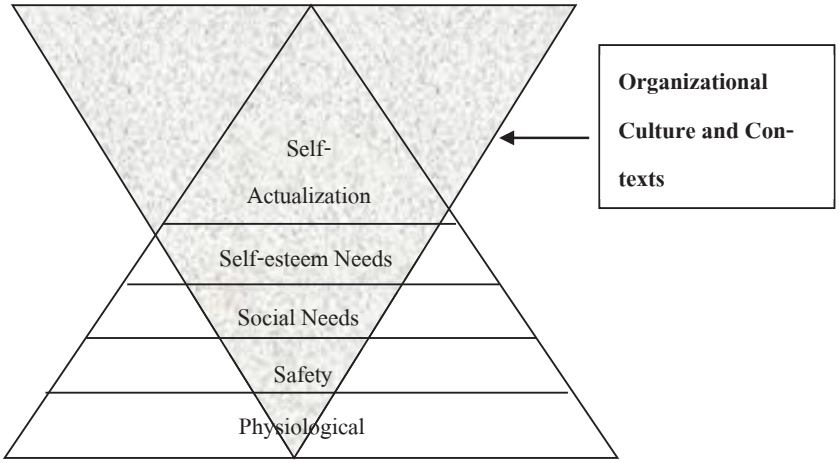

Figure 4. The relation between the hierarchy of needs and the organizational culture and context

The figure 3 exhibits the relation between the Maslow's hierarchy of needs and the degree of the organizational culture and contexts effected the people needs.

2) Leadership

The second factor effecting the motivation is the organizational leader. Many researchers pointed out that the leader is the role model in many ways.

2.1 Leadership style effect the motivation process

The study of the behavioral leadership theories explained that leader are difference by their style of working. The Authoritarian vs the Democratic leader, and the employee orientated versus the job oriented have been declared by the behavior theorists. (Robert Tannenbaum and Warren Schmidt in Robbins, S.P. (1998))[20]

Practically, in the large and complex organization these types of leader generally effect the way they work with their staffs. In many cases, the Authoritarian leadership style and the job oriented style tend to have the strict and rigid work environment and less freedom. These environment will obstruct the motivation especially when their staffs are at the middle to the highest need level – the self –esteem, and the self fulfillment or self actualization. On the contrary, the Democratic leadership style often open to hear the voice from their subordinates and make them satisfy the esteem need.

2.2 The leaders' emotional appeals also effect the employees' motivation. In the small organization, the leader's emotional appeals can be easily observed by their team and also more or less effect the team performance. As Lewis (2000: 221-234)[21] stated that Effective leaders rely on emotional appeals to help convey their messages.

There are two basic emotions: the positive affect such as the excitement, self-assurance and cheerfulness and the negative affect such as nervousness, stress, and anxiety. (Robbins and Judge, 2011: 137)[22]. Greenstein (2001)[23] stated that the key quality that differentiated the successful from the unsuccessful is the EI. Emotional intelligence (EI) is a person's ability to 1) self- aware, 2) detect emotion in others and 3) manage emotional cues and information. People who know their own emotions and are good at reading emotion cues are most likely to be effective.

In the small organization, the leader and their staffs work closely. Consequently, the emotion of the leader are easily observed by the staffs and usually effect their morale. If the leader has the positive emotion and emotional intelligence, the atmosphere will be an encouragement. On the contrary, if the leaders are in the negative emotion and are in a non EI person the atmosphere will threatening and discouragement. The staffs can feel the leaders' emotion and effect their motivation.

Based on the interview, the staffs in the large factories the staffs do not focus on who will be their leader "as long as they pay well they will continue working". But in the small organization many staffs are aware of who will be their leader, what styles they are, what are their leaders backgrounds. They said "the payment is just one of the issues but the happy atmosphere in working is as important as the salary they are paid".

3. Position rank

The motivation differs by the position ranks. The jobs they are responsible for. The job design has influences on the motivation.

Job characteristic consists of the skill variety, task identity, task significance, autonomy, feed back from job are positively related to intrinsic motivation and job satisfaction at both the operations and the management level.

The higher rank and the more responsibilities the staffs have the more complex the motivation is. The fact is that when people are at the higher rank they have more experiences and the self – efficacy expectation is also higher. Based on the social learning theory self- efficacy expectation will effect the performance.

Practically, the one who achieves the higher rank in the hierarchy has more experiences. The consequence is they also have more chances in choosing their jobs. Many HR manager revealed that they faced the difficulties in negotiation with the higher rank persons more than with the lower rank staffs. Because there is no complete formulas to motivate them.

To summarize my review of literature the model below exhibit the pragmatic model of motivation

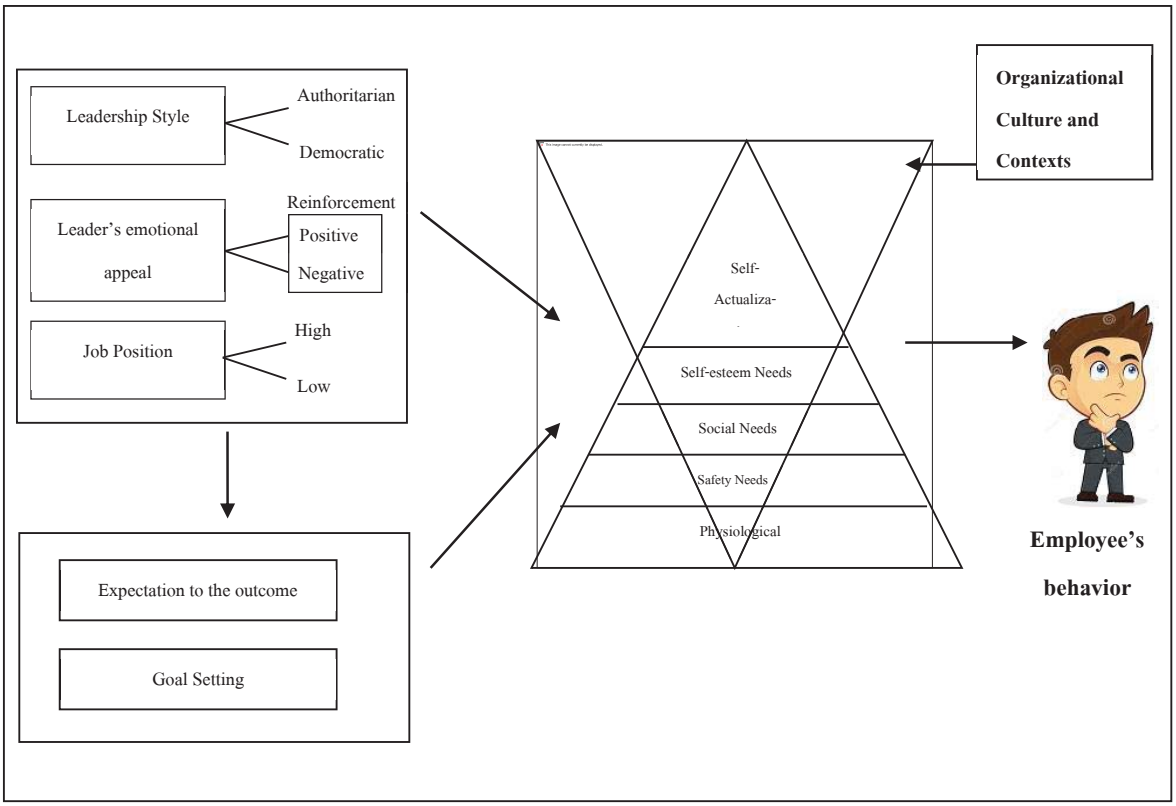

Figure 5. The Pragmatic model of motivation

CONCLUSION

As we will see, motivation is a psychological process that emanates from individual. He or She will come to work with a unique set of motivated needs, the grater the manager can satisfy those needs, and the greater will be the person's contribution to their work. The manager cannot induce those needs, neither can the manager guarantee that what motivates one person (i.e. satisfies their needs) will have the same effect with a different person. Manager needs to have accurate information on the drivers of motivation so that they can construct their strategies to direct and sustain it. Moreover, managers must review the factors – the organizational culture and contexts, the leadership, and also the employees' position. (as shown in figure..) This model pursues to the examination in the particular organizations as the survey researches, accordingly.

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Disentangling the Effect of Global and National Identity on Consumer Behavior

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ABSTRACT
Globalization stimulates the existence of global consumer culture. Penetration of global consumer culture affects one's identity that classified into global identity and national identity. Both identities may co-exist, but every individual may have different extent of self-identification that influences his/her behavior. The objective of this study is to develop conceptual framework about the relationship among global identity, national identity, and attitudes toward global brands based on social identity theory.

Keywords: Consumer ethnocentrism; Global identity; Materialism; National identity

INTRODUCTION

The shift from inward to outward orientation urges marketing scholars to understand the dynamic of consumer behavior. Although consumer behavior is well documented, research on this area is still the main focal point of marketing research. It is because changes in the external environment may cause variation on purchase behavior.

From various studies on consumer behavior, culture only gains limited attention from the scholars (Liang & He, 2012; Wang, Bendle, Mai, & Cotte, 2015). Previous studies on culture mainly focus on cross-cultural variation that influences the effectiveness of multinational companies' marketing strategies (e.g. Kim, Forsythe, Gu, & Moon, 2002; Liang & He, 2012; Millan, de Pelsmaker, & Wright, 2013). However, its relevance is now being questioned due to globalization.

Globalization affects human's everyday life because it shapes individual's worldview, way of life, including his/her purchase behavior. Globalization prompts the individual to obtain, learn, and adopt cultural elements from other countries (Cleveland, Papadopoulos, & Laroche, 2011; Cleveland, Laroche, & Papadopoulos, 2016; Demangeot, Broderick, & Craig, 2015). Individual's reaction toward globalization varies from direct adoption to complete rejection (Berry, 2008). Massive globalization stimulates the emergence of global consumer culture.

Due to the spreading of global consumer culture, some individuals desire to be acknowledged as members of a larger sociocultural group beyond his/her national cultural group (Visconti et al., 2014). The acceptance to global consumer culture affects the homogeneity of consumers in every country (Cleveland & Laroche, 2007; Westjohn, Singh, & Magnusson, 2012). Research showed that effect of global consumer culture was mostly found on the purchase of symbolic and less-traditional products (Cleveland, Laroche, & Hallab, 2013; Cleveland, Laroche, & Takahashi,

2015; Cleveland et al., 2016).

Most studies on global consumer culture are fragmented (Bartsch, Riefler, & Diamantopoulos, 2016) and do not explain how global consumer culture influences consumer behavior (Cleveland & Laroche, 2007; Cleveland et al., 2015, 2016). It is therefore consumer behavior of multicultural individual becomes one of the potential areas in consumer research (Bartsch et al., 2016; Visconti et al., 2014). This paper aims to propose a conceptual framework that relates consumer's sociocultural identity and purchase behavior as the consequence of globalization.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

1.1 Culture and Consumer's Sociocultural Identity

Culture affects how an individual creates meaning to the environment and how he/she makes purchase decision. Culture includes all distinctive tangible and intangible elements of a particular society (Arnould & Thompson, 2005; Craig & Douglas, 2006). Hence, culture is often used to identify the society.

National culture is not the only cultural component that directs one's behavior. Globalization stimulates interaction between local and global cultures, which later on influences individual's personal values, perceptions, attitudes, and behaviors (Visconti et al., 2014; Yaprak, 2008). It increases the complexity of cultural values implementation at individual level and every situational context (Craig & Douglas, 2006; Guo, 2013).

Culture at global, national, group, and individual level shapes one's sociocultural identity. The construction of sociocultural identity depends on individual's cultural identity centrality and flexibility (Sussman, 2000). Sociocultural identity is part of group identity that derives from one's self-identification to a particular cultural group. It gives significant influence on individual's behavior, particularly in collectivistic society (He & Wang, 2015). Social identity theory proposed by Tajfel and Turner (1986) explains the process of group identity in shaping one's behavior.

According to social identity theory, one's identification and emotional attachment to the group will encourage him/her to adopt group's beliefs and values. These beliefs and values guide individual's perceptions, attitudes, preferences, and behaviors. The individual believes that he/she can enhance his/her self-esteem through positive group identity. The positive group identity comes from favorable evaluation compared to other groups (Tajfel & Turner, 1986). Hence, there should be a clear boundary between in-group and out-group.

In international and globalization context, one's acceptance of global culture will form global identity, while his/her stances toward home country determine national identity. Both identities may co-exist, however their effect on consumer behavior is dependent on the importance of each identity to individual's life. As described by social identity theory, an individual tends to behave in accordance to in-group's expectations, beliefs, and values. Because of his/her need for positive group identity, he/she is likely to look at the negativity of the out-groups and has prejudice against the out-groups, which in turn influences his/her behavior toward the out-groups (Hogg, 2006; Tajfel & Turner, 1986).

Figure 1 presents the relationships between sociocultural identities and attitudes toward global brands, while the following sub-headings discuss the explanation of each hypothesis.

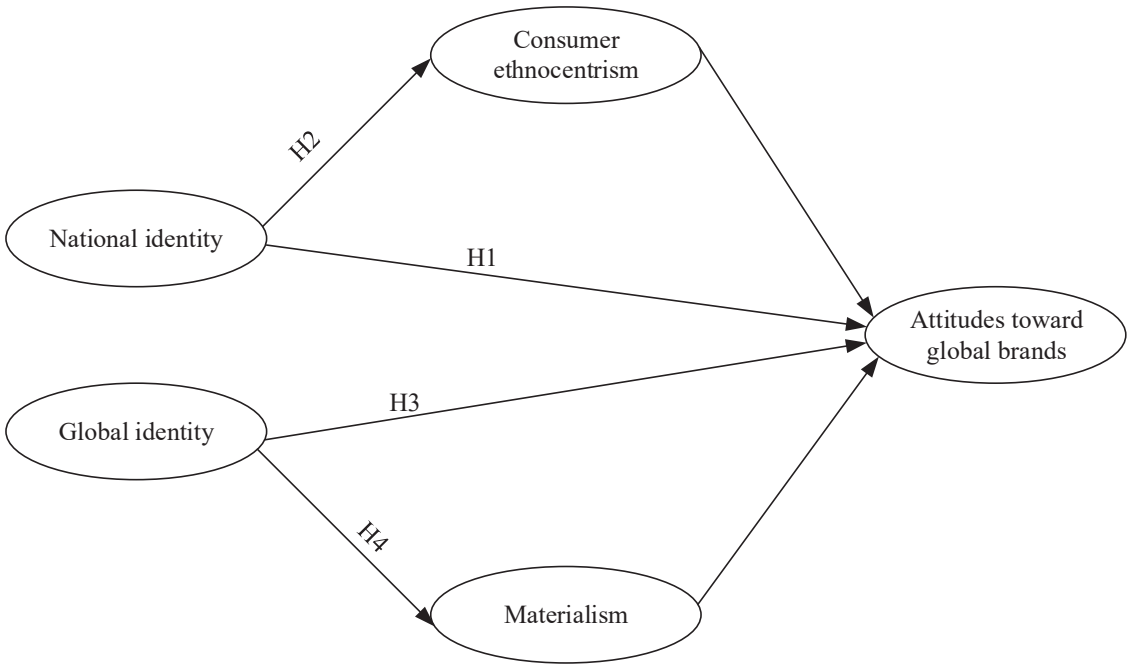

Fig. 1: Proposed conceptual framework

1.2 National Identity and Consumer Behavior toward Global Brands

Core cultural traits proposed by Hofstede (1984) and Schwartz (1992) explain how an individual from a particular country is different from those in other nations. Members of a particular country share similar nation's historical past, traditions, values, norms, and other cultural elements that attach them together as a nation (Keillor & Hult, 1999).

National identity refers to one's belonging to the home country that characterized by his/her emotional attachment and appreciation to the country's uniqueness (Blank & Schmidt, 2003; Keillor & Hult, 1999). This identity drives the individual to respect home country's traditions and norms, to pay more attention on what is happening in the local community, and to accept the distinctiveness of the local community (Cleveland et al., 2015, 2016; Zhang & Khare, 2009).

An individual holding strong national identification tends to favor local brands and are more willing to buy local brands than foreign ones (Conner et al., 2017; Fischer & Zeugner-Roth, 2016). Due to his/her pride to the home country, the individual with high national identification may perceive local brands are superior from global brands that stimulates favoritism toward local brands. As a result, he/she is likely to have less favorable attitudes toward global brands. The following hypothesis presents the relationship between national identity and consumer behavior toward global brands:

H1: National identity has negative influence on attitudes toward global brands

Studies by Verlegh (2007), Vida, Dmitrovic, and Obadia (2008), and Conner et al. (2017) reported a positive correlation between national identity and consumer ethnocentrism. Consumer ethnocentrism represents one's beliefs about the inappropriateness of purchasing foreign products (Shankarmahesh, 2006). Referring to social identity theory, an individual tends to put the in-group in the center of his/her life. There-

fore, he/she will act in accordance to the group's expectation (Hogg, 2006; Tajfel & Turner, 1986).

One's national identification directs him/her to take actions that have positive impacts to the home country. Since the availability of global products may intensify the competition in domestic market, an individual with strong national identification is likely to protect the economic interests of the home country. It will lead to the adoption of consumer ethnocentric values by believing the purchase of foreign products may threaten domestic economy well-being. Hence, ethnocentric consumers perceive purchasing foreign products is against nationalism (Cleveland et al., 2009; Shimp & Sharma, 1987).

Since many consumers associate globalization with foreigness, consumer ethnocentrism is commonly interpreted as one's refusal to globalization (Cleveland et al., 2013). Therefore, highly ethnocentric consumers are likely to have negative attitudes toward global brands (Dimofte, Johansson, & Ronkainen, 2008; Özsomer & Altaras, 2008). Studies on the effect of consumer ethnocentrism on global purchase behavior however are inconclusive, particularly in developing countries (e.g. Guo, 2013; Park, Rabolt, & Jeon, 2008; Strizhakova, Coulter, & Price, 2008; Winit, Gregory, Cleveland, & Verlegh, 2014). Thus, this study hypothesizes:

H2: Consumer ethnocentrism mediates the negative relationship between national identity and attitudes toward global brands

1.3 Global Identity and Consumer Behavior toward Global Brands

Globalization indirectly introduces people with foreign culture that leads them to adopt global consumer culture. Acculturation to global consumer culture creates a new sociocultural identity named global identity. This identity is a form of ethnic identity where the individual perceives him/herself as global citizen beyond national boundaries, ethnicity, and geographical locations (Strizhakova et al., 2008; Visconti et al., 2014).

A global consumer acquires modern global lifestyle and has stronger affiliation with global culture at the expense of local culture. He/she assumes global culture is superior from local ones (Visconti et al., 2014; Zhang & Khare, 2009). This belief directs the individual to hold a favorable attitude toward global brands and to consume products that have global meanings to portray him/herself as a global citizen (Cleveland et al., 2009; Karabati & Cemalcilar, 2010).

A research by Jafari and Goulding (2013) found that Iranian young middle-class consumers consumed global products as the expression of their global identity. Similarly, Westjohn, Magnusson, and Zhou (2015) reported a positive relationship between global orientation and attitude toward global brands among consumers in China, India, and the US. Studies by Strizhakova et al. (2008), Westjohn et al. (2012), Li et al. (2014), and Strizhakova and Coulter (2015) also revealed similar findings about positive effect of global identity on attitudes toward global brands. Based on the aforementioned arguments and empirical findings, this study expects that:

H3: Global identity has positive influence on attitudes toward global brands

Acculturation to global consumer culture stimulates acquisition of materialistic values. These values drive an individual to admire the lifestyle of people living in other countries, particularly the West, and to consume products that may present his/her global lifestyle (Cleveland, Laroche, & Papadopoulos, 2009; Cleveland et al., 2013; Riefler, 2012). It is seen on how an individual translates symbolic meanings of marketing stimuli such as advertisements, brands, and material goods, to demonstrate

his/her identity and personal lifestyle goals (Arnould & Thompson, 2005).

An individual holding high materialistic values tends to place material possessions at the center of his/her life to impress others. He/she is more likely to acquire products with significant value and high status, which commonly come from developed countries (Josiassen & Assaf, 2013; Karabati & Cemalcilar, 2010). Therefore, materialism is often considered to have a positive relationship with public self-consciousness, particularly in emerging economies (Jin & Son, 2014).

For example, Demirbag, Sahadev, and Mellahi (2010) found that materialism had a significant negative influence on British students' preference to buy products from developing countries. Another study by Alden, Steenkamp, and Batra (2006) validated the relationship between materialism and attitude toward global brands. Studies by Riefler (2012), Cleveland et al. (2013), and Guo (2013) also support the claim about positive relationship between materialism and attitudes toward global brands. Therefore, this study proposes the last hypothesis as follows:

H4: Materialism mediates the positive relationship between global identity and attitudes toward global brands

CONCLUSION

Penetration of global consumer culture as the outcome of globalization should get attention from marketing scholars. This phenomenon may lessen homogeneity of consumers within a country and reduce heterogeneity of consumers worldwide due to the emergence of global consumer segment.

Consumers may hold multiple sociocultural identities in relation with their stances toward globalization. Adoption of a particular identity leads an individual to acquire beliefs and values related to the identity, which in turn affect his/her future behavior. Acquisition of global identity stimulates the adoption of materialism values that leads to favorableness toward global brands than local ones. On the other hand, national identity is likely to cause consumer to hold ethnocentric beliefs, which results in less favorable attitudes toward global brands.

This study presents the relationships between sociocultural identities in the context of globalization that explain by social identity theory. There are four hypotheses proposed in this paper, however these hypotheses need further empirical examination.

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The Influence of Service Quality and Customer Satisfaction toward Customer Loyalty

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Abstract

The purpose of this study is to determine whether service quality and customer satisfaction have some positive effects on customer loyalty at the McDonald's in Karawaci, Tangerang, Indonesia. The survey method was applied in this study. The data collection was done by using the questionnaire instrument. The target population consisted of all the Management students of Universitas Pelita Harapan. Then, the sampling technique used was convenience sampling. The sample size was determined for 100 samples. The Partial Least Square-Structural Equation Modeling (PLS-SEM) with the SmartPls program was applied for the statistical analysis. The results have shown that service quality and customer satisfaction have some positive effects on loyalty.

Keywords: service quality, customer satisfaction, customer loyalty.

Research Background

Overall, the basic human needs have a similarity, starting from the fundamental needs to the general ones. As there are several factors that affect the human needs like cultures, different beliefs of each person; then, different needs of each distinct individual occur. As human-life support, the basic human needs have some characteristics that must be fulfilled, where the most fundamental need to every individual is food (Sasongko & Subagio, 2013). At the moment, the competitions of food trades in this world are getting fierce.

In this research, there is a gap of the expectations of customer satisfaction toward the expectations of satisfaction presumed by the college students of Universitas Pelita Harapan who are used to consuming the products from the McDonald's to what have been the expectations of customer satisfaction intended by the McDonald's in Karawaci, Tangerang, Indonesia. Based on the interviews with the 10 Management students of Universitas Pelita Harapan, it is revealed that 70% customers felt satisfied with the products or services given by the McDonald's. Meanwhile, based on the interview which was conducted with the manager of the McDonald's, it was said that the manager of the McDonald's expected that 90% customers would feel satisfied.

It shows that there is a gap between the McDonald's and the Management students, who are used to buying the products at the McDonald's in Karawaci. To solve this problem, a research model has been formulated. In the research of Purnamawati and Madiawati (2014), the model which was used in this study explains (1) the influence of service quality in creating customer satisfaction, (2) service quality in creating customer loyalty, and (3) customer satisfaction in creating the loyalty of McDonald's customers in Cibubur, Jakarta, Indonesia. In the meantime, this research was done to find out whether service quality and customer satisfaction have some impacts toward the customer loyalty at the McDonald's in Karawaci.

Literatur review

Service Quality

Kotler (2012) proposed that quality is the overall characteristic as well as the nature of a product or service which is influential to the ability to satisfy the explicit or implied needs. Wirtz, Chew and Lovelock (2012) defined service quality "as a high standard of performance that consistently meets or exceeds customer satisfaction" (p. 432). The standard of service quality must be owned and developed by every company that runs in the service areas because by the existence of service quality; then, a company can see the performance and the quality of the company's performance in fulfilling customer expectation.

Tjiptono (as quoted in Fahmi, 2014) stated that "service quality is the expected level of excellence and the control to the excellence level to fulfill customer desire" (p. 3). Hence, whether the service quality is good or not depends on the ability of the service provider in fulfilling customer expectation. Service quality is a company's activity which has an output, not a consumption product in conjunction with the production time and provides an additional value. Next, service quality is intangible (Wirtz et al., 2012) and if the services accepted by the customers are compatible with customer satisfaction, the service quality is perceived well by the customers. On the other hand, if the service is not well-accepted, the service quality is not perceived well. Therefore, the customers will feel that their expectations to the process of meeting customer needs are not good enough. Adil, Ghaswyneh, and Albkour (2013) men-

tioned that the measurement of service quality level can be performed through several approaches. One of them is the so-called SERVQUAL and SERVPERF approach method, where this method measures the expectation and performance of the provided services. Cronin and Taylor (1992) also explained that if the measurement of service quality uses the SERVPERF instrument; then, the dimension of the SERVQUAL can be used to measure the service quality. Service quality can be measured through several approaches. One of them is the SERVQUAL approach, in which there are 5 dimensions of service quality that have been explained by Wirtz et al. (2012) which are *tangibles*, *emphaty*, *reliability*, *responsiveness*, *assurance* that can be used to measure the levels of service quality.

Customer Satisfaction

According to Zeithaml and Bitner (2008), customer satisfaction is the customer evaluation toward products and services that have met customer expectation. If a company has failed in meeting customer expectation; then, it will cause customer dissatisfaction toward the products or services. In accordance with Kotler (2012), customer value is the customer ratio between all profits and costs that must be expended to receive the provided offers. It is also said that the amount of customer cost is a group of costs used in evaluating, obtaining and utilizing products or services. Since customer satisfaction really depends on customer perception and expectation, product suppliers need to know the factors that affect them.

Zeithaml and Bitner (2008) explained that customer satisfaction is not fixed so that the measurement of customer satisfaction can fluctuate as time goes by because of the influences of other factors. Next, Zeithaml and Bitner (2008) stated that customer satisfaction will vary when customer experiences to the services have been going on for a long time, depending on what purpose the services are consumed. In the case of a new service provider, customer expectation is difficult to be determined at first. However, as time goes by, customers can feel whether a service is good or not and this can influence the perception (Zeithaml & Bitner, 2008).

Related to the benefits of customer satisfaction, Hoffman and Bateson (2006) explained that customer satisfaction has advantages to the company. With the achievement of customer satisfaction, customers will buy products more often than customers who feel dissatisfied so that this factor becomes the key in creating beneficial values to the company. Furthermore, Hoffman and Bateson (2006) explained that a company that has a high level of satisfaction will have customers who are willing to pay more for their products, compared to customers who must take risks to change to other companies that possibly offer products with lower prices.

Customer Loyalty

According to Kotler and Amstrong (2008), a loyal customer is not measured by how many products or services the customer buys from a company, but a loyal customer can be seen from how often s/he does repeated purchases that happen consistently and also recommendes products or services of the company to other people. In accordance with Rai and Srivastava (2014) loyalty is a psychological process which is the manifestation of customer behavior. The dimension in customer loyalty can be seen as the link between the customers and the company which becomes the basis of repeated purchases and the creation toward customer loyalty to the company (Rai & Srivastava, 2014).

The characteristics of customer loyalty are doing repeated purchases, recommending products to other people, and showing no interests to products from other companies. Meanwhile, customer loyalty has several benefits to a service provider company; therefore, a service provider company will keep trying to enhance customer loyalty that can give positive impacts to customer loyalty. According to Griffin (as quoted in Sulaiman, 2013), the benefits that will be obtained by a company if they have loyal customers are that they can decrease promotional costs, transaction costs, turnover costs, increase cross selling, receive more-positive words of mouth, and decrease failure costs.

Hypotheses

The relationship between service quality and customer satisfaction

According to Purba Wartiningsih and Susyanti (2017), service quality provided by a company can create customer perception toward the company and produce customer satisfaction and loyalty. In order to see a service quality, a dimension of SERVQUAL model was used. There are 5 dimensions in the SERVQUAL model which can be applied to measure a service quality of a company. Those 5 dimensions are tangibles, emphaty, reliability, responsiveness, and assurance that become the factors to measure a service quality (Wirtz et al., 2012). With good service quality, it can raise customer satisfaction, whereas bad service quality will evoke customer dissatisfaction. It is supported by previous research (Aryani & Rosinta, 2010; Mahendra & Komang, 2015; Sasongko & Subagio, 2013), where it shows that service quality has a strong and positive relation to customer satisfaction. Based on this explanation, a hypothesis can be made, which is:

H1: Service Quality has a positive effect to Customer Satisfaction.

The relationship between service quality and customer satisfaction

According to Sutanto and Suroso (2008), service quality is one of the factors that supports the achievement of customer loyalty because a good service will make customers feel comfortable and appreciated. Service quality becomes an important part in the creation of customer loyalty (Wirtz *et al.*, 2012) because it can be claimed that the higher the service quality is means the higher the customer loyalty is to the company. It is supported by the previous study (Aryani & Rosinta, 2010; Kurniasih, 2012; Sutanto *et al.,* 2008), where there is a strong one-way relationship between service quality to customer loyalty. Based on this explanation, a hypothesis can be made:

H2: Service Quality has a positive effect to Customer Loyalty.

The relationship between customer satisfaction and customer loyalty

Wirtz *et al.* (2012) explained that customer loyalty can be created when customers are satisfied. Customers who feel satisfied will increase the number of product purchases, be loyal and do words of mouth (WOM). According to Kotler (as quoted in Kusumawati, 2011), the relationship between satisfaction and loyalty is when a consumer reaches a satisfaction level so that it generates a strong emotional bond and long-term commitment with the product brand. Customer satisfaction will influence company performance to a higher level. The result of the previous research shows that there is a strong one-way relationship between customer satisfaction and customer loyalty (Asep, Irma, & Isyanto, 2012; Wendha, Rahyuda & Suasana, 2013; Wijayanto, 2015). Based on this explanation, a hypothesis can be made, which is:

H3: Customer Satisfaction has a positive effect to Customer Loyalty.

Research Model

From the explanations above, the research model that describes the influence of service quality and customer satisfaction toward customer loyalty is:

Figure 1. Research Model.

Source: Purnamasari and Madiawati (2014).

In this research, the survey method with the questionnaire instrument was used for the data collection process. The population target in the research consisted of all Univer-

sitas Pelita Harapan students of the Management Department who are used to eating at the McDonald's. The obtained samples were 100 respondents in total. In the questionnaire, there were 29 items which were used to measure those 3 variables, where every item was measured by using a 5-point Likert scale from 1 = strongly disagree to 5 = strongly agree. Each item from the construct in this research was adapted from Purnamasari and Madiawati (2014). The Partial Least Square-Structural Equation Model (PLS-SEM) method was used for the statistical analysis.

Results

Respondent Profile

In the implementation of this research, the collected data were the 100 respondents from the Management students of Universitas Pelita Harapan. The data which were obtained included the genders and ages. Then, based on the gender data, the number of the male respondents was more than the female data. The male respondents were 56 while the female respondents were 44. From the collected data, it is revealed that the age category in the range of 20-25 years old has the largest number, which is 61 respondents while the number of the respondents with the ages ranging from 15 to 20 years old is 38, and the number of the respondents above 25 years old is 1.

Outer Model

In the *outer model*, the validity and reliability test were conducted. The validity test consisted of the convergent and discriminant validity. The convergent validity included the measurement of factor loading and AVE. Then, the reliability test measured composite reliability. The validity and reliability measurement was done by using the SmartPLS 3.0 version program. In the factor loading measurement, the criteria used was the factor loading value > 0.7 (Hair et al., 2014; Ghozali & Latan, 2015), with the criteria specified in AVE value > 0.5. The requirement that had to be met in the reliability test was the composite reliability value > 0.7 (Hair et al., 2014; Ghozali & Latan, 2015).

Table 1. *Outer model* evaluation.

Cosntructs and items	Mean	*Factor loading*
Service quality (CR=0.937, AVE=0.598)		

Tang1	I see the McDonald's craftsmen look neat.	3.93	0.705
Tang3	I see the McDonald's has sophisticated or superior facilities from other competitors.	3.87	0.774
Relia1	I accept the suitability between what is already ordered and what the McDoanald's employees provide.	3.81	0.732
Relia2	I get ease in delivering the McDonald's complaints.	3.86	0.880
Respon2	I see the McDonald's employees' willingness to provide fast services.	3.84	0.885
Assuran1	I see the McDonald's employees are able to resolve existing complaints.	3.85	0.757
Assuran2	I feel safe during the transactions at the McDonald's.	3.87	0.743
Assuran3	I feel the McDonald's employees are patient in providing services.	3.86	0.765
Emphaty1	I get the attention of the individual McDonald's employees.	3.75	0.761
Empathy 3	I see the seriousness of the McDonald's employees in serving the consumers.	3.82	0.745
Customer satisfaction (CR=0.958, AVE= 0.820			
C_Satis1	I am satisfied with the services provided by the McDonald's employees.	3.79	0.913
C_Satis2	I am satisfied with the convenience provided by the McDonald's.	3.78	0.880
C_Satis3	I am satisfied with the new information provided by the McDonald's employees when there is a promo on offer.	3.79	0.901
C_Satis4	I am satisfied with the solution given by the McDonald's employees to my complaints.	3.87	0.873
C_Satis5	I am satisfied with the clean environment of the McDonald's.	3.79	0.959
Customer loyalty (CR=0.945, AVE= 0.811)			
C_Loyal1	I still choose the McDonald's as a place to eat fast food.	3.65	0.930
C_Loyal2	I am not interested in other fast food restaurants when there are some menus that are not owned by the McDonald's.	3.70	0.911
C_Loyal3	I am willing to provide information about the superiority of the McDonald's to others.	3.71	0.894
C_Loyal4	I will invite others to come to the McDonald's.	3.72	0.866

CR= composite reliability, AVE= average variance extracted

Source: Results of data processing

Next, Table 2 shows the Fornell-Lacker criterium that the discriminant validity test has met the required criteria where the overall variable has the value of AVE square root which is bigger than the value of the correlation between the variables (Hair et al., 2014; Ghozali & Latan, 2015).

Table 2. *Fornell-Lacker Criterium*

	Customer loyalty	Customer satisfaction	Service quality
Customer loyalty	0.900		
Customer satisfaction	0.486	0.906	
Service quality	0.395	0.535	0.773

Source: Data processing results

Inner model

Then, the structural model was connecting between the latent or construct variables (Hair et al., 2014; Ghozali & Latan, 2015). The structural model in the PLS was initiated by looking at the value of R-squares (R^2). The R^2 value reveals how big the independent variable can explain the dependent variable (Hair et al., 2014; Ghozali & Latan, 2015).

Table 3. R-Squares evaluation

Constructs	R-Squares
Customer loyalty	0.262
Customer satisfaction	0.287

Source: Data processing results

Table 3 shows that the R-Squares value on the customer satisfaction variable is 0.287. It reveals that the variant of the customer satisfaction value can be explained by the variant of the service quality value which is 28.7% and the rest of 71.3% is explained by the other variables. On the customer loyalty variable, the R-Squares value is 0.262. It shows that the service quality and customer satisfaction variables can explain the variant of the customer loyalty value which is 26.2% and the rest of 73.8% is explained by the other variables which are not included in the model.

Next, the hypothesis test was done by observing the level of significance value or t_{table}. In this research, the level of significance value used which is 5% or the t_{table} value is 1.65 (one-tailed test). The hypothesis is supported if the $t_{value} > t_{table}$ (=1.65). Table 4 shows the results of the hypothesis test.

Table 4. Hypothesis tests

Hypothesis	Standard Regression Weight	t_{value}	Results
Service Quality has a positive effect to Customer Satisfaction	0.535	5.041	Supported
Service Quality has a positive effect to Customer Loyalty.	0.189	1.242	Not Supported
Customer Satisfaction has a positive effect to Customer Loyalty.	0.385	2.442	Supported

Source: Data processing results

The hypothesis test of "service quality has a positive effect to customer satisfaction" can be seen based on the $t_{statistic}$ value. Based on the calculation results, the acquisition value of t_{value} is 5.051 > t_{table} (=1.65). Thus, it can be stated that "the service quality has a positive effect to customer satisfaction" is supported. Then, the hypothesis test of "service quality has a positive effect to customer loyalty" shows that the hypothesis test is not supported. It is because the value of t_{value} (=1.242) < t_{table} (=1.65). Lastly, the hypothesis test of "customer satisfaction has a positive effect to customer loyalty" is supported because the value of t_{value} (=2.442) > t_{table} (=1.65).

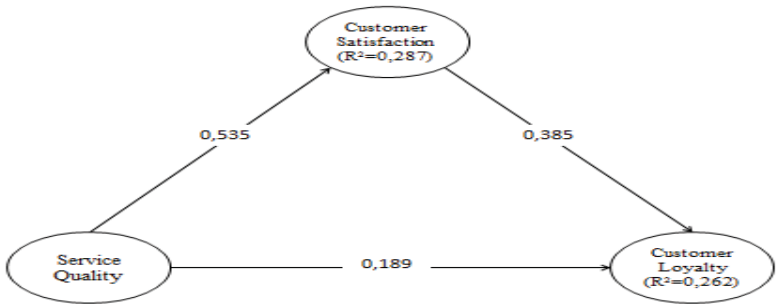

Figure 2. *Outer Model.*

Source: Results of data processing (2017).

Discussion

The first hypothesis, which is service quality has a positive effect to customer satisfaction, is supported. When service quality is increasing; then, it will affect customer satisfaction which is also increasing. This result is consistent with the results of the previous research (Aryani & Rosinta, 2010; Sasongko & Subagio, 2012; Purnamasari & Madiawati, 2014; Mahendra & Komang, 2015). The service quality provided by the company can create a good customer perception to the McDonald's and deliver customer satisfaction. With a good service quality, it will generate customer satisfaction, whereas bad quality will evoke customer dissatisfaction (Purba, 2016).

Next, the second hypothesis, which is service quality has a positive effect to customer loyalty, is not supported. This one is not compatible with the previous research conducted by Sutanto and Suroso (2008); Aryani and Rosinta (2010); Kurniasih (2012); Purnamasari and Madiawati (2014). Therefore, the increase of service quality does not guarantee the increase of customer loyalty. Nevertheless, the McDonald's has to keep their service quality performances.

The last hypothesis, which is customer satisfaction has a positive effect to customer loyalty, is supported. The higher the customer satisfaction is, the higher the customer loyalty will be. The test result is suitable with the results of the previous studies (Asep, Irma, & Isyanto, 2012; Wendha *et al.*, 2013; Purnamasari & Madiawati, 2014; Wijayanto, 2015). The customers who are satisfied will be back to buy, say positive words to other people and become loyal customers (Wirtz *et al.,* 2012). Kusumawati (2011) explained that satisfied customers will be loyal in a long term and have a strong emotional bond with the company.

In this research, customer loyalty focuses on the service quality and customer satisfaction provided by the McDonald's. Based on the results of the data processing, the customers who feel satisfied become the main factor in creating customer loyalty. Although service quality does not significantly have a positive effect to customer loyalty, service quality can significantly affect the creation of customer satisfaction which will end up with the creation of customer loyalty.

The structural model reveals that it is better for the McDonald's to concern and enhance more on the customer satisfaction because customer satisfaction has a significant influence toward the creation of customer loyalty so that the higher the customer satisfaction is, the more loyal the customers are. Moreover, service quality needs to be improved and noticed with the intention of creating customer satisfaction because both of the variables have positive effects toward customer loyalty.

Based on the hypothesis test in this research, the service quality of the McDonald's has shown positive results, but the McDonald's needs to be more attentive and improving on the conformity or accuracy between what has been ordered with what has been provided by the staff, the staff's willingness in giving fast and responsive services, individual attention to customers and providing complete information.

On customer satisfaction, the elements like satisfaction toward the services given to customers, cosiness prepared by McDonald's, provision of new information from employees to customers, and customer satisfaction toward clean restaurant environment have to be more concerned with and improved in the future. On customer loyalty, the aspects that needs to be focused on is increasing the customer loyalty to choose the McDonald's as the primary place to eat fastfood compared to the other fastfood restaurants.

Conclusion

After the data analysis was conducted; then, the results of this research are:

1. Service Quality has a positive effect to Customer Satisfaction
2. Service Quality does not have a positive effect to Customer Loyalty
3. Customer Satisfaction has a positive effect to Customer Loyalty

Limitations and Future Research

In the arrangement of this research, there were several limitations that the research dealt with. The first limitation was the size of the samples because of the limited time in collecting the data. Hence, in the next research, a bigger sample can be used so that it can explain the relations between the variables much better, find the influences between the variables more clearly and more widely. Second, the applied sampling technique was convenience sampling where this technique lacked accuracy. Hence, in the next research, a certain sampling technique called random sampling can be used since it is more accurate. Third, the statistical analysis used in this research was Partial Least Square-Structural Equation Model (PLS-SEM). The weakness of PLS-SEM is that it cannot test the advisability of the model. It is suggested in the next research that the Covariance-Based SEM (CB-SEM) approach should be used as the statistical analysis as it can test the model advisability.

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