

The Study of Customer Behavior Satisfaction and Loyalty of Community Mall in Bangkok and Suburban Area

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Abstract

Purpose – The purpose of the paper was to study the relation of image, experiential marketing and service quality on customer satisfaction and the affect of customer satisfaction on customer loyalty on community mall in Bangkok and suburban area.

Design/ Methodology – The questionnaire survey asking community mall’s customers when they use service of community mall. A total of 400 questionnaires were distributed. All continuous variables are measured using Descriptive, Frequencies, Simple regression analysis and Multiple regression analysis.

Findings - The most important factor that influencing on customer satisfaction in the factor of image is beliefs, both of dimension of experiential marketing (sensation experience and association experience) are equally important to customer satisfaction and tangibility is the most influencing dimension of service quality toward customer satisfaction.

Research Implications— The community mall operators should increase the magnet in terms of beliefs, sensation experience, association experience and tangibility, in order to gain more market share from other retail business.

Research Limitations— Lack of an updated information of community mall.

Keywords: image, experiential marketing, service quality, customer satisfaction, customer loyalty.

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Introduction

At the present, the economy grows rapidly and accompanying with the increase of the population in Bangkok and suburban area. Moreover, a booming residential projects especially in vertical way such as condominiums in city areas and developed housing projects in suburban areas to support the growth of the demand of residents which is the cause of the expansion of the number of retail business to serve those demand in every area, especially for community malls which are increasing rapidly as well.

The number of community malls has become widespread around Bangkok and suburban area as following: 8 location in Bangkok central zone, 30 locations in Bangkok southern zone, 12 locations in Bangkok northern zone, 11 locations in Bangkok eastern zone, 5 locations in Bangkok-Thonburi northern zone, 9 locations in Bangkok-Thonburi southern zone, 2 locations in Nonthaburi, 4 locations in Pathumthani, 2 locations in Samutprakarn, 1 location in Samutsakorn and 2 locations in Nakornpathom. Therefore, the total is eighty-six locations in nowadays (March 2013).

The physical patterns of community mall

The physical patterns of community mall is open-air shopping center where there are open spaces in the front of the projects for car parking which generally are 1-3 floor(s) of 1-3 building(s) allocated with an L shape or a U shape, and do not have connecting paths with air-conditioner between shops.

6 Patterns of community mall in Thailand (<http://www.Siamfuture.com>)

1. Neighborhood shopping center

Neighborhood shopping center is small open-air shopping mall nearby residence areas designed with patterns for customers' conveniency for buying consumer goods or something that are used in daily life.

2. Convenience center

They have the tenants just 2-3 shops such as auto service center, convenience store, video rental shops of academic institutes, etc.

3. Stand-Alone retail store

Stand-Alone retail store has about ½ rai or 800 SQM available area on the main road or main soi which has only one tenant such as an auto service center or a convenience store or a retailer shop.

4. Power center

Power center is the big shopping mall that has more than 2 main tenants and has skills and their unique strengths such as decorated shops and construction equipment.

5. Lifestyle center

Lifestyle center is the shopping mall of which its main tenants are supermarkets and retail shops that are response to the demands in daily life such as theaters, bowling, restaurants, bakeries, beauty and skin care shop, music academy and also has some free space.

6. Urban entertainment center

Urban entertainment center is the new generation of shopping malls that include the concept of entertainment and lifestyle which shows patterns of mixing between innovation and lifestyles with an emphasis to blend arts and entertainment to be entertainment that present in the way of new retail business.

Literature review

Literature in this study includes the conceptual and relationship between image, experiential marketing, service quality, customer satisfaction and customer loyalty.

Image

Regarding, dimensions (De Pelsmacker, P., Geuns, M., and Van Den Bergh, J., 2000): by managing image, corporate communication may help shaping beliefs, emotional feelings and behavioral intentions and all of these three components of attitude may affect satisfaction level, Image may affect satisfaction by increasing perceptions and also may increase satisfaction with its psychological impact.

Hypothesis 1: Image has a positive relation on Customer Satisfaction

Experiential Marketing

Schmitt, B. H. (1999) used to propose 5 strategic experience modules composed of consumers' 5 various experience types, namely sensation experience, emotion experience, thinking experience, action experience and association experience. Moreover, Nowadays consumer perceive goods characteristics and superiority, quality of good, positive brand image as them goes without saying. So this things does not work, consumer is waiting such product, communication or company which wake his feelings, agitate his soul and mind. He wants such products, advertising and company, which will be orientated to him and corresponds his life style. Consumer wants that all these things raise experience (Schmitt, B. 2001).

Hypothesis 2: Experiential marketing has a positive relation on customer satisfaction.

Service quality

Components of service quality Parasuraman, A., Zeithaml, V.A. and Berry, L.,L., (1988)

1. **Tangibility:** Appearance of physical facilities, equipment and communication material

2. **Reliability:** Ability to perform the promised service dependably and accurately
3. **Responsiveness:** Willingness to help customers and provide prompt service
4. **Assurance:** Knowledge and courtesy of the employees and their ability to convey trust and confidence
5. **Empathy:** The caring and individualized attention, organization provides to its customers.

Moreover, Cronin and Taylor's (1992) structure equation model provides evidence that service quality is a subordinate construct to consumer satisfaction judgments

Hypothesis 3: Service quality has a positive relation on customer satisfaction

Customer Satisfaction

Kim, W.G., Lee, Y.K., & Yoo, Y.J. (2006). proposed that satisfied customers exhibit loyalty and provide positive word-of-mouth. Thus, customer satisfaction is the antecedent of customer loyalty and cause positive influence on loyalty (Zeithaml and Bitner, 1996); Hu, H. H., Kandampullyb, J., and Juwaheer, T. D.(2009)

Customer Loyalty

Piotr, Z. (2004) indicated loyal customer shows 3 characteristics as below. (1) They spend more money in purchasing products or service of a company. (2) They encourage others to purchase products or service of a company. (3) They believe it is valuable to purchase products or service of a company. Namely, consumers show a behavioral intention willing to continue the relationship with a certain brand or a company. Actually, in the field of marketing science, customer loyalty is vested with highly mature conceptions. With past effort made by several scholars, we have known much about the definition of customer satisfaction.

Hypothesis 4: Customer satisfaction has a positive relation on customer loyalty

Conceptual Framework

From the questionnaire design, the researcher describes the questionnaire based on a research model. The researcher has developed conceptual model as seen in Figure 1.

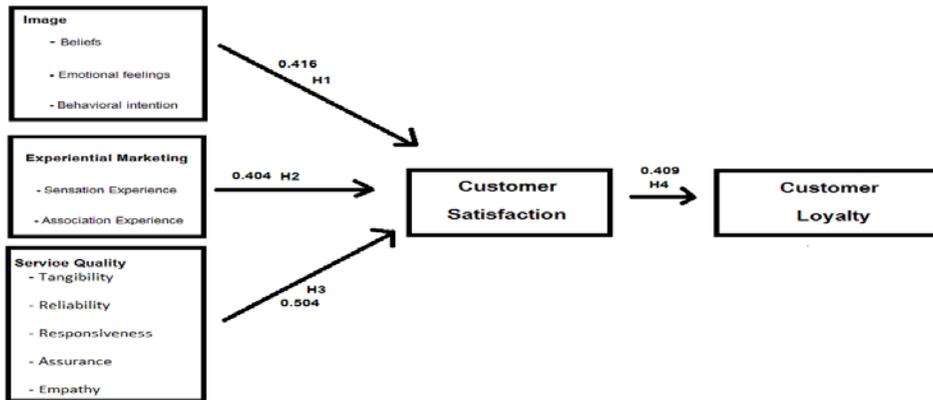


Figure 1: Conceptual framework of the research

Methodology

Population and sample

The population was distributed by the researchers personally to 400 community mall's customers in Bangkok and suburban area which was separated to be 11 set by distributed to 11 area as shown in table 1, which the researcher use random technique to distributed to each community mall in each zone.

Table 1: The number of community mall separate by zone

Number of community mall in each zone			
	No. of community mall	%	Set of Questionnaire
Bangkok central zone	8	9.30%	37
Bangkok southern zone	30	34.88%	37
Bangkok northern zone	12	13.95%	37
Bangkok eastern zone	11	12.79%	37
Bangkok-Thonburi northern zone	5	5.81%	36
Bangkok-Thonburi southern zone	9	10.46%	36
Nonthaburi	2	2.32%	36
Pathumthani	4	4.65%	36
Samutprakarn	2	2.32%	36
Samutsakorn	1	1.16%	36
Nakornpathom	2	2.32%	36
Total	86	100%	400

Research Instrument

In this study, the structured questionnaire was designed in English and was translated to Thai language. The survey of this study require that participants respond to all items in questionnaire. Each set of questionnaire is composed of 54 close-end questions. All continuous variables are measured using Descriptive, Frequencies, Simple regression analysis and Multiple regression analysis.

Data analysis

Frequencies & Percentage: use for analysis questionnaire Part 1 demographics such as age, gender, status, education, occupation, monthly income, address, **Means and standard deviation:** use for analysis Part 2 Image, Part 3 experiential marketing, Part 4 service quality and part 5 customer satisfaction and Customer Loyalty, **Multiple regression** is use for test the relationship between Image (beliefs, emotional feeling and behavioral intention) and customer satisfaction, Experiential marketing (sensation experience and association experience) and customer satisfaction, service quality (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction as hypothesis 1, 2 and 3 respectively and **Simple regression** is use for test the relationship between customer satisfaction and customer loyalty as hypothesis 4.

Result

The main of community mall's customer is age between 15-35 years 73.6% and most of them is female 60%, the single status is the largest group of customer of community mall, much of them are graduate bachelor's degree 60.8% and their majority occupation is company's employee 45.3% which their income not over 20,000 is mostly 42.8%. Moreover, Most of the respondents live in Bangkok southern zone 23.8% which can assume that the most of community mall are located at the southern zone of Bangkok. Moreover, Most of community mall customer gave the reason to use community mall's service because 1st convenience 37.7%, 2nd atmosphere 21% and 3rd variety 20% and the patronage's percentage of the products and services of community malls are restaurants 66.5%, Clothing 45.25% and Household appliances 43%

Table 2-4 : The results of the relationship between image and customer satisfaction

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
0.645	0.416	0.411	0.462

ANOVA^b					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	60.154	3	20.051	93.907	0
Residual	84.555	396	0.214		
Total	144.71	399			

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.299	0.15		8.636	0
Beliefs	0.376	0.048	0.409	7.759	0
Emotional feeling	0.158	0.052	0.175	3.04	0.003
Behavioral intention	0.13	0.047	0.145	2.752	0.006

Table 2 Model Summary table shows R Square is 41.6% which means customer satisfaction on Community mall can be explained by image. But that the adjusted R square is 41.1%. The value of R-square and adjusted R-square are much closer due to the number of observations is very large compared to the number of predictor.

Table 3 shows ANOVA Table that p-value is less than 0.05. The null hypothesis can be rejected. Thus, there is a positive relationship between image and customer satisfaction.

Table 4 shows coefficients of image has a positive relation on customer satisfaction in community malls because beliefs, emotional feeling and behavioral intention have the p-value less than 0.05. It means that image has a positive relation on customer satisfaction toward Community mall.

$$\text{Satisfaction} = 1.299 + .376X_{\text{Beliefs}} + .158X_{\text{Emotional feeling}} + .130X_{\text{Behavioral intention}}$$

These estimates tell the amount of increase in Satisfaction that would be predicted by a 1 unit increase in the image.

Table 5-7 The result of the relationship between experiential marketing and customer satisfaction

Model Summary					
R	R Square	Adjusted R Square	Std. Error of the Estimate		
0.636	0.404	0.401	0.466		

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	58.5	2	29.25	134.698	0
Residual	86.209	397	0.217		
Total	144.709	399			

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.335	0.151		8.866	0
Sensation experience	0.324	0.048	0.333	6.753	0
Association experience	0.329	0.044	0.373	7.56	0

Table 5 Model Summary table shows the R Square is 40% means of customer satisfaction on Community mall can be explained by experiential marketing. However, the adjusted R square is 40.1% The value of R-square and adjusted R-square are much closer due to the number of observations is very large compared to the number of predictors.

Table 6 shows ANOVA Table that p-value is less than 0.05. The null hypothesis can be rejected. Thus, there is a positive relationship between experiential marketing and customer satisfaction.

Table 7 shows the coefficients of experiential marketing has a positive relation on customer satisfaction in Community mall because sensation experience and association experience have the p-value is 0.000. It means that experiential marketing has a positive relation on customer satisfaction toward Community mall.

$$\text{Satisfaction} = 1.335 + .324X_{\text{Sensation experience}} + .329X_{\text{Association experience}}$$

These estimates tell the amount of increase in Satisfaction that would be predicted by a 1 unit increase in the experiential marketing.

Table 8-10: The result of the relationship between service quality and customer satisfaction.

Model Summary					
R	R Square	Adjusted R Square	Std. Error of the Estimate		
0.71	0.504	0.498	0.427		

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	72.925	5	14.585	80.052	0
Residual	71.784	394	0.182		
Total	144.709	399			

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.898	0.146		6.171	0
Tangibility	0.314	0.044	0.347	7.215	0
Reliability	-0.004	0.057	-0.005	-0.075	0.94
Responsiveness	0.144	0.049	0.162	2.955	0.003
Assurance	0.157	0.057	0.162	2.752	0.006
Empathy	0.17	0.049	0.176	3.466	0.001

Table 8 Model Summary shows the R Square is 50.4% which means customer satisfaction on Community mall can be explained by service quality and the adjusted R square is 49.8%.

Table 9 shows ANOVA Table that p-value is less than 0.05. The null hypothesis can be rejected. Thus, there is relationship between service quality and customer satisfaction.

Table 10 shows the coefficients of service quality in four dimension (tangibility, responsiveness, assurance and empathy) have a positive relation on customer satisfaction in community mall because tangibility, responsiveness,

assurance and empathy have the p-value less than 0.05. It means that these four have a positive relation on customer satisfaction toward community malls.

But reliability has negative relation due to its coefficients which is negative and p-value is also over than 0.05, so it means that reliability has negative relation with customer satisfaction toward Community mall.

$$\text{Satisfaction} = 0.898 + .314X_{\text{Tangibility}} - .004X_{\text{Reliability}} + .144X_{\text{Responsiveness}} + .157X_{\text{Assurance}} + .170X_{\text{Empathy}}$$

These estimates tell the amount of increase in satisfaction that would be predicted by a 1 unit increase in the service quality.

Table 11-13: The result of the relationship between customer satisfaction and customer loyalty.

Model Summary					
R	R Square	Adjusted R Square	Std Error of the Estimate		
0.639	0.409	0.407	0.498		

ANOVA ^b					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	68.255	1	68.255	275.356	0
Residual	98.656	398	0.248		
Total	166.911	399			

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.069	0.157		6.788	0
Customer satisfaction	0.687	0.041	0.639	16.594	0

Table 11 Model Summary table shows the R-squared is 40.9% of the variance in customer loyalty can be predicted from the variable satisfaction. But that the adjusted R square is 40.7%. The value of R-square and adjusted R-square are much closer due to the number of observations which is very large compared to the number of predictors.

Table 12 ANOVA analysis shows that p-value is less than 0.05. The null hypothesis can be rejected. Thus, there is a positive significant relationship between customer satisfaction and customer loyalty.

Table 13 shows the t-test result for customer satisfaction which are equals to 16.594, and is statistically significant, meaning that the regression coefficient for customer satisfaction is significantly different from zero.

$$\text{Customer Loyalty} = 1.069 + .687X_{\text{customer satisfaction}}$$

The coefficient for customer satisfaction is .687, meaning that for a one unit increase in customer satisfaction; would expect a .687 unit increase in customer loyalty. The constant is 1.069, and this is the predicted value when satisfaction equals zero.

Conclusion

The result of hypothesis shows that the most important factor that influencing on customer satisfaction in the factor of image is beliefs , both of dimension of experiential marketing (sensation experience and association experience) are equally important to customer satisfaction and tangibility is the most influencing dimension of service quality toward customer satisfaction.

Therefore, The community mall operators should increase the magnet in terms of beliefs, sensation experience, association experience and tangibility such as an increase of advertising and campaign to make customer believe in community malls and build a good and attractive image of community mall as well, the community mall operators should make better new content or decoration and add some new story to attract customer who love to feel the new experience when use service of community mall and make a tangibility of service quality such as increase facilities and equipment that can make customer have more convenience when they use community mall's service. Furthermore, community mall operator should keep

and develop their strength reason that customer choose to visit which are convenience, atmosphere and variety, in order to gain more market share from other retail business.

Discussion

The relationship between image and customer satisfaction

The image consists of three factors: beliefs, emotional feeling and behavioral intention. The study found that the customer satisfaction depend on image as shown in table 2- 4, the R-square value (0.416) indicates that image has a positive relation on customer satisfaction which conform to the literature review in the chapter 2 that “ Regarding, De Pelsmacker et. al. (2000) by managing image, corporate communication may help shaping beliefs, emotional feelings and behavioral intentions and all of these three components of attitude may affect satisfaction level, image may affect satisfaction by increasing perceptions and also may increase satisfaction with its psychological impact.”

The relationship between experiential marketing and customer satisfaction

The experiential marketing comprising of two factors: sensation experience and association experience. This research found that customer satisfaction on community mall depending on experiential marketing as shown in table 5-7, the R-square value (0.404) can be identified that experiential marketing has a significantly positive effect on customer satisfaction which conform to the literature review in the chapter 2 that Petrick et. al. (2001) explained that companies can change the experience when consumers are using products or service to make them reach the highest satisfaction.”

The relationship between service quality and customer satisfaction

The service quality consists of five factors: tangibility, reliability, responsiveness, assurance and empathy. The study found that customer satisfaction

on community mall depends on service quality as shown in table 8-10, the R-square value (0.504) reveals that service quality has a positive effect on customer satisfaction which conform to the literature review in the chapter 2 that “The relationship between service quality and consumer satisfaction in the formation of consumer purchase intentions, and the primary focus of the current research, has also received increased attention in the emerging literature. Cronin and Taylor’s (1992) structure equation model provides evidence that service quality is a subordinate construct to consumer satisfaction judgments.”

From coefficients table, the standardized coefficients column shows the reliability that has a negative relation due to its coefficients being negative and p-value is also over than 0.05. It means that the reliability has a negative relation with customer satisfaction toward community malls. Thus, regarding this results, it reveals that most of community mall’s customers have negative attitude to community malls in the aspects of reliability. According multi-regression analysis, the negative co-efficient shows that the customers have lower confidence and trust towards the products and the quality of services at community malls, compared to the confidence and trust towards other more malls where they regularly shop, use the services and have been familiarized for a longer time.

The relationship between customer satisfaction and customer loyalty

This research found that customer loyalty on community mall in Bangkok and suburban area is dependent on customer satisfaction as shown in table 11-13, the R-square value (0.409) that customer satisfaction has significantly positive effect on customer loyalty which conform to the literature review in the chapter 2 that “Kim, W.G et. al. (2006) proposed that satisfied customers exhibit loyalty and provide positive word-of-mouth. Thus, customer satisfaction is the antecedent of

customer loyalty and cause positive influence on loyalty (Zeithaml and Bitner, 1996; Hu, et. al 2009).”

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