

SERVICE MARKETING MIX FACTORS INFLUENCING DECISION TO USE THE SERVICE : A CASE STUDY ABC COMPANY

Supattra Kanchanopast

*Faculty of Management Science
Suan Sunandha Rajabhat University
Email: Supattra.ka@ssru.ac.th*

ABSTRACT

Abstract—This research aims to 1) explore the used of the service center at ABC company and 2) study the factors influencing the decision to used service at ABC company. The sampling is user who used the service at ABC company. The number of samplings is 384 samples that's purposive sampling. The researcher used a questionnaire for collect information. The statistics that are used in data analysis are the frequency, percentage, mean, standard deviation and multiple regression. Data analysis used for hypothesis testing analysis. The research found that most users are male, aged 25-40 years as employees of companies and the revenue per month in the range of less than 20,000 baht. In the part of hypothesis testing, the first assumption that marketing mix factors influencing decision making at ABC company contains all the 7 variables, which were 4 variables that influence decision making to use at ABC company. They are the products, people, physicals and process at the significance level of 0.05. The second assumption that service quality influencing the decision to use at ABC company contains all 5 variables, which were 4 variables the influence decision. They are the tangibles, reliability, empathy and service mind at the significance level of 0.05.

Keywords— Decision, Service Center, Marketing Mix

INTRODUCTION

The automotive industry is one of the driving industries and economic development of Thailand for a long time, making the automotive industry market large. At present, due to the economic slowdown resulting in the group manufacturing industry, the cars in the market are more competitive. It is causing each camp to find a way to meet their needs of customers as much as possible more importantly, consumer behavior in deciding to buy a new car has many factors. Service marketing strategy is another. That is very important by focusing on meeting the needs of consumers and high flexibility. ABC Company in Thailand is the most important company that produces and exports cars in the country and export. It is possible that the quality of products and the quality of after-sales service as the main factors. The obvious confirmation is the current market share. Although many competitors launched new cars to the market to stimulate sales, the ABC company still maintain a stable customer base. That's because of the commitment and dedicated to producing quality cars. Therefore, the consumers have confidence in quality and the performance of these cars. That are suitable for the current price including service centers where can meet the needs of quality, service, and dealers that reach all target groups of service center. However, the ABC company realizes the high competition in EV cars. They are many brands from China and Europe that they launch products in Thailand and success for a few years. These is the challenge of ABC company to loss market share in the future. Moreover, they have the new strategy that is the centralization service. The researcher wants to study about customer behaviors to develop service quality of ABC company.

The next important thing is sales. It's something that can't be forgotten or can be abandoned. That is customer retention or after-sales service. It is another process that will make customers satisfied and use products for a long time. We can call "Royalty". According to a survey of J.D. Power (2019) (J.D. Power 2018 Thailand Automotive Performance, Execution and Layout (APEAL) Study, SM) found that the consumer service center is depended on brand at the most satisfied. The survey found that the brand's service center of ABC company is ranked No. 5, but number one sales. ABC company should increase the service quality to keep relation with the customers. From such problems make entrepreneurs realize the importance of services in order to keep customers in mind. The service marketing mix influences the decision to use the service Center at ABC company.

Research objectives

1. To study the service marketing mix factors that influence the decision to use the service center of ABC company.
2. To study the service quality factors that influence the decision to use the service center of ABC company.

The Scope of the research

Scope of content

The researcher conducts a study of concepts and theories on 7P's (Marketing Mix), service quality, and consumer decision-making.

Scope of population and sample

2.1 Population: 9,852 people who use the service at ABC company in 2021 (Annual Report, 2021)

2.2 The sample group is the consumer who uses the service at ABC company. The sample was determined by using the formula to calculate the sample size of Taro Yamane (1973) at the confidence level of 95 percent. The sample size was obtained 384 people.

Scope of Variable

Independent variables include service marketing mix factors (7Ps). It consists of product, price, place, promotion, physical, people and process.

Service quality factors consist of tangibles, reliability, Responsive and Empathy.

Dependent variables were the decision to use the service of ABC company. It consists of service of employee, service satisfaction and loyalty to the service center.

Scope of time

January to September 2021

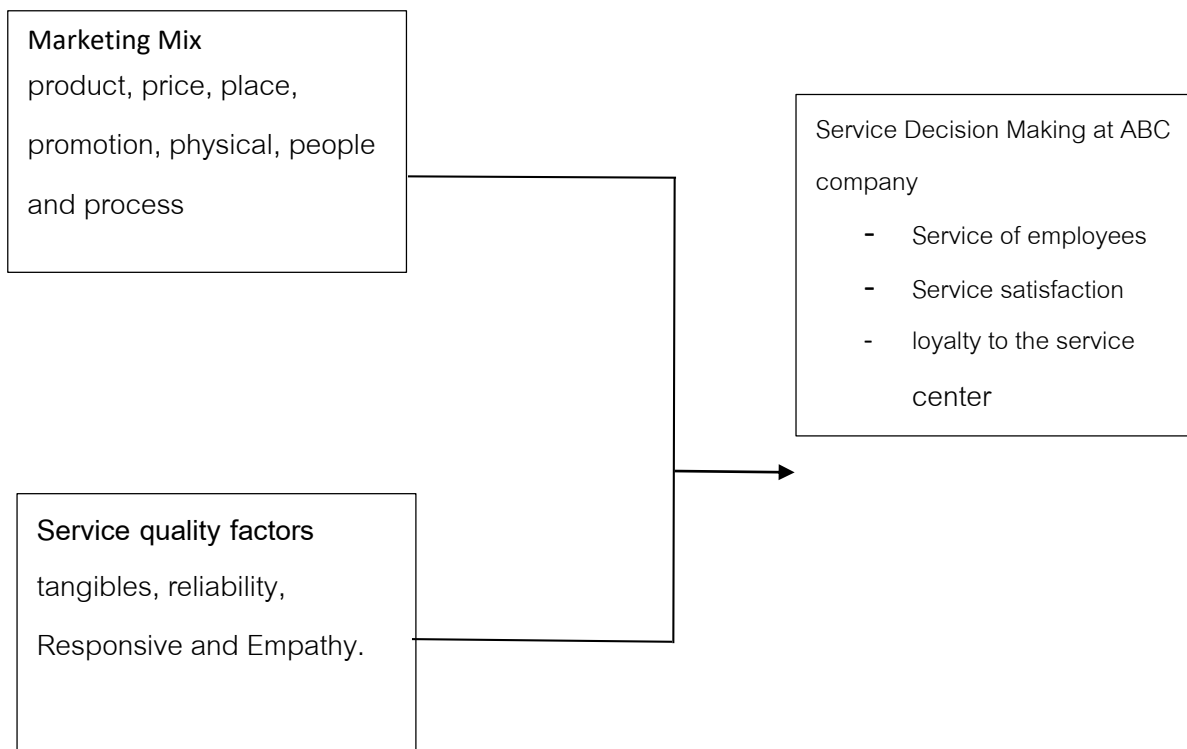


Figure 1: The conceptual framework

LITERATURE REVIEW

1. The service marketing mix 7Ps theory

The service marketing mix is a combination of the various elements of services marketing that firm use to interact their internal organization and message to customers (Kotler, 2000). The mixture consists of the 7 P's; Product, Price, Place, Promotion, People, Process and Physical Evidence. The service marketing mix, also practice the service that the business offers just as it would treat a product. While the first 4 P's are involved in product marketing, the remaining 3 P's focus attentionally on services and strengthening customer satisfaction. The 4 P's have been confederated with the Marketing Mix since creation by E. Jerome McCarthy in 1960.

There are

Product-The Product should perfect fit for customer need, it should work and it should solved the consumers' problems.

Place- The product should be easily to find from where your target consumer shopped, may be High Street, Mail Order or the more current option via cyberspace or an online shop.

Price- The Product should always represent their worth for customer's money, not necessarily mean it should be the cheapest one but what customers are happy to pay a little more for something that really work for them.

Promotion- Public relation, Sales Promotion, Personal Selling and, in most of the times, social media are likely to be the key communication tools. These tools should be used to set across the organization's message to the correct listener in the things that they would like to hear, whether it be informative or appealing to their emotions.

The late 70's, there was widely announced by marketers that the marketing mix should be updated for more components. This brings to create the extended marketing mix in 1981 by Booms & Bitner which added 3 new components to the 4 P's Principle. So, the 7 P's Marketing Mix Model.

The extended 7 P's are:

People-The companies are rely on the people/staff who stand for them from front line Sales staff to the Managing Director. Having the right people is necessary because they are the main part of business offering as the products/services are offering.

Processes-The delivered of service is done with the repeated customers so the process is very important for customer satisfaction.

Physical Evidence-Almost services include physical elements of what the consumer is paying for is intangible. For example, a hair salon would provide their client with a completed hairdo and an insurance company would give their customers some form of printed material, they are still receiving a "physical product" by this definition. Kotler, (2003,p. 16) also said that Marketing mix is variable that control the market. Variable factor that supply the consumer need and make them satisfy. Marketing mix is the important composition to make the flow or control of marketing process. Business must create suitable marketing mix to construct marketing strategy.

2. Service Quality

2.1 Service quality

The definition of service quality is often vary from person to person according to the situation, service quality definition vary only in term of word used but the perceived service delivery meets, excess or fails to satisfied customer expectations (Cronin and Taylor, 1992; Oliver, 1993; Zeithaml, Berry and Parasuraman, 1993). The past studies indicate that service quality is vital indicator for satisfaction pay attention to service quality can help the organization to catch competitive edge. Generally, people consider service quality when price and cost remain same (Turban,2002). The concept of service quality was introduced in 1980s when the firms realized that only quality product maintain competitive edge (Boshoff and Gray 2004). According to Parasuraman et al.(1985),the service quality is explain as the comparison between service performance and service expectation. They proposed service quality to be a function of perceived process quality, pre-purchase customer expectations and perceived output quality. Base on their statement of 1985, service quality is checked by the differences between customers' perception of the service experience and their expectation of service.

2.2 Measurement of service quality

In recent past 20 years, the scholars founded the service quality has expanded massively. (Cronin and Taylor, 1992) developed 22-item SERVPERF scale for measuring service quality. According to this tool it has five dimensions; these are Tangibility, Reliability, responsiveness, assurance and Empathy. Later on many empirical

works have applied the instrument of SERVPERF to measure service quality in different kind of businesses (Cronin, J. Jr. & Taylor, S., 1992; Parasuraman, A., Zeithaml, V. A. & Berry, L. L., 1985)

2.3 The SERVPERF five dimensions

2.3.1 Tangibility

As the name suggested that all the tangible things or physical facilities including personnel, equipment, building and renovation etc.(Olu Ojo,2008). According to Cronin and Taylor (1992) the tangible service indicator consists of cleanliness of the dining area, employees wear neat and clean dresses they must use disposable gloves and also wear hair nets and the seating and parking facilities are must be up-to-date.

2.3.2 Reliability It describes the capabilities to fulfil promised services accurately and dependably (Olu Ojo, 2008). Services delivered as a hotel promised to customer with accurate charges.it is also important to fulfil promises on time and in a systematic way.

2.3.3 Responsiveness It describe the intentions of the firm and its willingness towards customers' help (Olu Ojo,2008). It means that the employees always willing to help the customers and they should have a time to respond to customers' request. Tell the employs exact time about service deliveries. Employees are available for prompt services.

2.3.4 Assurance

It involves the understandings and courtesy of employees, their capabilities to convey confidence and trust. Assurance consists of courtesy, competence, security and credibility (Olu Ojo, 2008). In Hotel point of view a customer feel safe while consuming services and feel secure at his stay. Employees must have a sufficient skills and knowledge to perform polite and courteous services.

2.3.5 Empathy It consists of caring and customized responsiveness to customers. This empathy contains communication, access and understanding the customer (Olu Ojo, 2008). Hotel services must have availability of tools or apparatuses etc. The location is easily findable and served food must be packed). The SERVPERF is widely used in services industry by the academics and practicing managers throughout the world, it needs to be modified based on hotel consumers and their needs. In past literature only (Miyoun and Haemoon, 1998) used this model to measure service quality with customer satisfaction point of view. This study also supports the argument in the literature that performance-only. (SERVPERF) is the superior forecaster of service quality. This study also supports the argument in the literature that performance-only (SERVPERF) is the better predictor of service quality (Cronin and Taylor, 1992; Babakus and Boller, 1992)

3. decision making variable concept and theory

Schiffman & Kanuk (2000) explained that consumer decision process are the steps of buying or having service of consumer which choose sources of buying and choose the way to pay. Pre-purchase process of product or service from the alternative options have 4 steps which are

1) Realize the problem. The demand in consumers' mind with the necessary to use the product or service to solve their problem. It is arousing acknowledgement from one or many source like person, place, product, etc. Occur acceptance of data choosing, received and understanding in choosing information.

2) Searching for information. Consumer finding more information prior purchasing decision, which are receive information, observation, collect data in their mind.

3) Alternative consideration. Searching for option and selection the product or service from the total options. Need to solve the problem which are the beginning of decision process, to help consumer make their alternative assessment. There is the process of analyze and filter the data to end up with respond for the procurement.

4) Purchase decision. The decision making from the imagination in consumer's mind, lead to changing of personality, way of life, selves' concept.

Sometimes the decision making for their own need, sometimes decision from the quality of product or service, or even for social side, which is decided from the famous of product, on fashion to fulfill consumer happiness or purchase from their royalty. The recognizing of problem or consumer need will happen when they see the differences clearly between ideal state and real state. Then consumer will be searching for all information to solve their problem or fulfill their need, to find the way that suitable for themselves. After all assessment the alternative, they will finally decide which brand they will buy. The important reasons or factors to make consumer purchase decision are 2 of these.

1. Purchase reason. It compares with product or service profile before making decision to buy. Analyzing the information compare between valuable after purchase. This kind of decision making usually have in male more than female because male is quite steadier in mood than female.

2. Purchase from the emotion. It usually happened in female more than male. This type of decision is immediate after accepts some information that impact or stimuli demand gland. For example, when women saw sale advertisement in front of beauty clinic, they will decide to use the service abruptly.

RESEARCH METHODOLOGY

1. The research instrument was a questionnaire divided into 5 parts as follows:

Part 1 Personal factors are gender, age, occupation, average monthly income.

Part 2 Information about service marketing mix factors (7 Ps) which are Product, Price, Place, Promotion, Personnel, Physical and Process.

Part 3 Information on Service Quality

Part 4 Information about the decision to use service center at ABC company.

Part 5 Additional Suggestions The questionnaire's reliability was 0.85. The confidence test with Cronbach's Alpha was 0.955, which was greater than 0.7.

2. Methods of data collection. The researcher made a letter requesting assistance for collecting research to request assistance in collecting information then distribute Questionnaires to a sample population of 384.

Data analysis

1. Descriptive data analysis used to describe general data analysis, factor, the marketing mix (7Ps) are influencing the decision to use ABC company's Service Center. They are presented in the form of percentage, mean and standard deviation.

2. Inferential data analysis is a comparative analysis and analyze the relationship of information related to variables studied which is a study of the data of the sample by using a statistical package program to assist in testing the relationship of independent and dependent variables. The tool used for the statistical analysis was the multiple regression analysis by using the Stepwise method, which is a method that has Appropriateness in selecting the best predictor variable and the most economical model. It was obtained and the data was analyzed to study the influence of independent variables towards the dependent variable. It is a statistic used to test a hypothesis. By knowing the value of one variable, it will be able to do one variable. It is written in a linear equation in raw score format as follows.

The results of the research concluded and discussed the results. It was found that most of the service users were males more than females accounted for 56.50% and 43.50, respectively, were aged between 25-40 years, or 49.30 percent were employees of private companies accounted for 54.80% with average monthly income less than 20,000 baht or 35.50%.

Research Recommendations

1. Suggestions for applying the research results.

1.1 In terms of products, it was found that the service users had the lowest average opinion about the modern service system. Service companies should focus on adopting technology and applied to service. In case of maintenance work should optimize the operations of the service center.

1.2 In terms of price, it was found that the service users had the lowest average opinion about the service charge and the service quality. ABC company should have management in the form of service appraisals such as periodic checks, change parts and heavy repair work. So that the service user can decide first and decide to use the service and will always see the service fee first.

1.3 In terms of marketing promotion, it was found that the service users had the lowest average opinion about the promotion on a regular basis. Service companies should arrange special offers and promotions, such as giveaways, free accessories, accessories, or gifts for special festivals, such as getting out of the car on a birthday. Comprehensive repair service during various festivals with prizes in order to increase motivation in consumer decision-making.

1.4 In terms of physical characteristics, it was found that the service users had opinions about the comfortable place to support, while waiting for service and have facilities while waiting for service with the lowest average. The service company should improve designing waiting rooms for customers to be more comfortable, spacious and modern.

1.5 In terms of personnel and services, it was found that service users had the highest opinions and priorities. Service companies should focus on development. Train employees have knowledge, expertise and provide new information about the service on a regular basis to maintain the service standards of the center to be consistent and create more credibility

2. Suggestions for the next research

2.1 A study on the level of expectation and satisfaction with service at ABC company's Service Center should be done in additional fields in order to know the level of expectation and the level of customer satisfaction towards the service of the ABC company service center in order to gain a broader and deeper understanding.

2.2 The factors influencing the decision to use service center should be studied more in other areas. The researcher studies the decision and the level of demand for service of ABC company. Moreover, it should be a guideline for the expansion of the service business to any branches of ABC company. The business opportunities and increase convenience for customers are a guideline for improvement services to meet the needs of customers continue effectively.

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