

## **SOCIAL MEDIA INFLUENCE, SERVICE QUALITY AND ONLINE MARKETING FACTORS TOWARDS CUSTOMER PURCHASING DECISION OF OVERSEAS BRANDED COFFEE SHOPS IN BANGKOK**

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### **Abstract**

This research aims to point out important factors for a business to shout out their name and make their brand awareness among people online about this modern generation. Beside general factors like Price, Location, Taste of coffee, the independent variables in this study will support dependent variables on how customer make their wise decision on purchasing for overseas branded coffee shops in Bangkok such as Social Media Influence, Online marketing and Service Quality. Sub Variables for Social Media Influence includes Engagement Insights, Post Reach and Content Creation dictates how important social media could reach to audience to attract new customers and whether or not audience is seeing business's new content and be aware. Sub Variables for Online Marketing proves a way on how online advertising works such as social media advertising, ads running on various platforms, mobile and email marketing to remind customer to come back again. Besides what is posted online, the actual service that will be provided at the store is a very important sub variable so customers would love to come back to purchase again which are Responsiveness, Quality Reliability and Customer Satisfaction. This research will be conducted through the questionnaire that will be handed out via Google form to 400 people in Bangkok who loves going to Overseas Branded Coffee shops on how they prefer and make decision on going there based on their image in social media. The result would indicate whether sub-variance (Social Media Influence, Online Marketing and Service Quality) contributes and supports dependent variable (Customer purchase decision) raises above.

**Keyword:** Social Media Influence, Online Marketing, Service Quality, Customer

### **Introduction**

This study focuses on the impact of Social Media Influence, Service Quality and Online Marketing factors on customer purchasing decisions for overseas branded coffee in Bangkok, Thailand. Data from a recent National Coffee Data Trends report (Grace Garwood, 2021) shows that 46% of Gen Z respondents reported drinking coffee in the past day. As of the year 2023, Coffee shops are a common choice for remote workers and freelancers looking for a change of environment because they have a long history of being linked with a homey and laid-back atmosphere. The selection of the ideal workplace is becoming increasingly important in today's rapidly shifting work environment which affects one's quality of work as they can concentrate on their work. The modernization of Thai people's lifestyle and the increase of tourists and expats living in Bangkok has pushed the popularity of overseas branded coffee shops to turn themselves into the game and step to the next level. The result from Kasikorn Research Center (K-Econ, online), reports the result from 2-3 passing years, the coffee market is growing every year. Due to the higher demand from customers locally and globally,

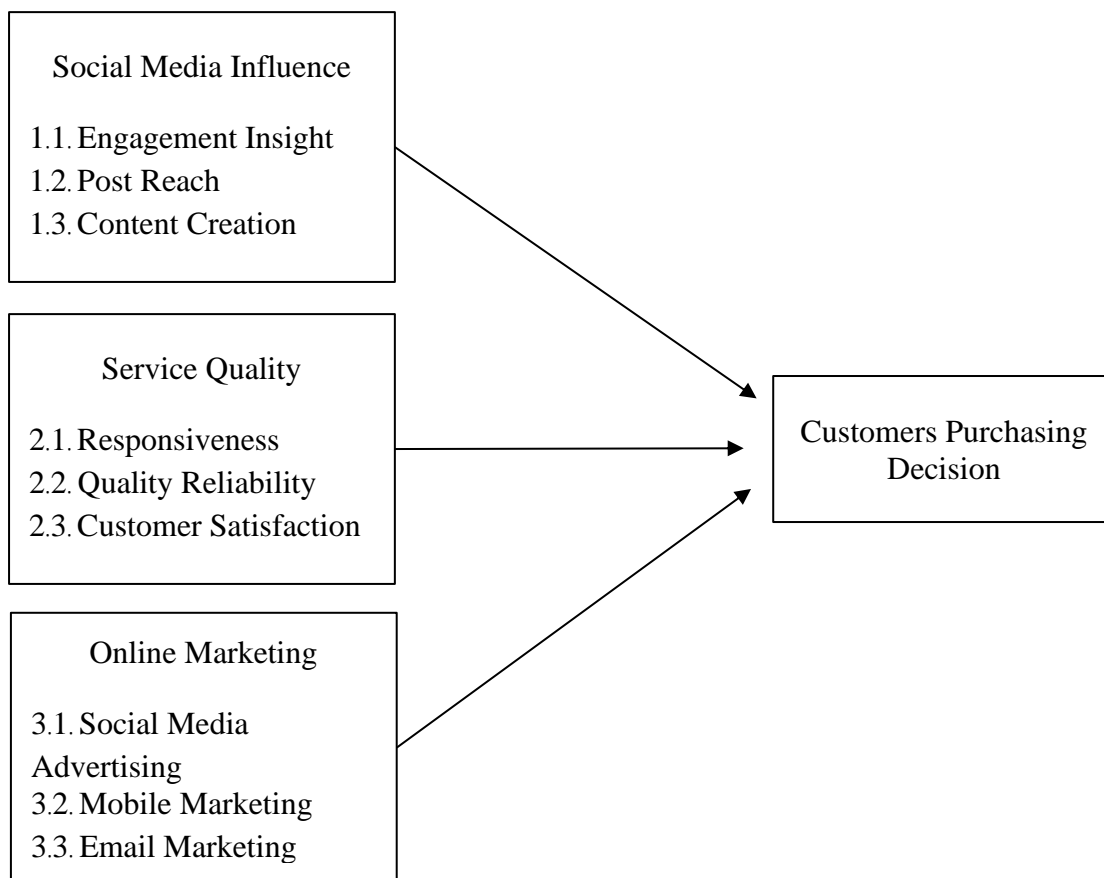
businesses become intensively competitive with each other to gather as much attention as possible. Meanwhile, there are also many overseas branded businesses investing in Thailand as Bangkok currently is one of the most crowded and popular cities to-go-to in Asia. Recently, Brazil’s The Coffee makes East Asia debut with Thailand store (World Coffee Portal, 2024) whereas there’s increment in demands, there is an increment in supply as well which leads both customer and supplier to consider carefully on how supplier would attract customers so their business could run well and there’s also sufficient decision customers hardly must make to choose their favorite and go-to-place based on trust and image.

**Objective of the study**

1. To study the impact of Social Media Influence factor (Engagement Insights, Post Reach & Content Creation) on Customer Purchasing Decision.
2. To study the impact of Service Quality factor (Responsiveness, Quality Reliability & Customer Satisfaction) on Customer Purchasing Decision.
3. To study the impact of Online marketing factors (Social Media Advertising, Mobile Marketing & Email Marketing) on Customer Purchasing Decision.

**Scope of the study**

**Conceptual Framework**



**Hypotheses Test**

1. H1 is the impact of social media influencer factor (Engagement Insight, Post reach and Content Creation) on Customer purchasing decisions.

2. H2 is the impact of service quality factor (Responsiveness, Quality Reliability and Customer Satisfaction) on Customer purchasing decisions.

3. H3 is the impact of Online Marketing factor (Social media advertising, Mobile Marketing and Email Marketing) on Customer purchasing decisions.

## Literature Review

Item no.	Authors (Year)	Finding	Variables
1	Dar Meshi (2019)	Decision-making is oftentimes compromised in individuals with substance use disorders	Customer Purchasing decision
2	Vishnu M (2024)	Most consumers read online reviews before deciding what to buy. Positive reviews build trust in a business or product's quality claims. Social Media Influence includes Engagement Insights, Post Reach and Content Creation has a positive impact towards customer purchasing decision.	Social Media Influence
3	Ademola Abimbola (2024)	This research finding supports the hypothesis proposed that service quality factor (responsiveness, quality reliability, and customer satisfaction) have a significant impact on customers' purchasing decision on overseas branded coffee shop in Bangkok.	Service Quality
4	Parasuraman A. (2013)	Service Quality (Customer Satisfaction) does not seem to have a significant influence on customer purchase decision. People normally fail on what they think of when they first have their impression on what they see on social media.	Service Quality-Opposite result
5	Hartline M. & Ferrel O. (1996)	Online Marketing requires business on some digital skills. Main purpose of having Online Marketing is spreading awareness to the new coffee shop in town. Online Marketing has a significant impact on customer purchasing decisions.	Online Marketing

## Methodology

### Population and Sample

In this case study, sample will be collected based on both residence and non-resident in Bangkok which size of population numbered to more than 100,000 so that sample size (n) for Precision (E) of  $\pm 5\%$  would be up to 400 according to Yamane's Table for Sample Size.

### Type of Research and Tool

This study aims to determine how customers make their purchase decision on a new overseas coffee shop in Bangkok. It's very important to survey how they find new coffee shop and what factors make them want to try and purchase at the coffee shop they found. This research tool used to survey data is conducted through multiple choice questions and a five-point Likert scale. This study develops self-administered questionnaires to send out a survey to respondents via Google Forms. This questionnaire consists of 3 main sections. 1) The first

section is a screening question to choose the respondents who go to a coffee shop and their preferences and habit of going to a coffee shop in Bangkok (4 questions). 2) Demographic data (5 questions). 3) Independent variable 1 (5 questions), Independent variable 2 (5 questions), Independent variable 3 (5 questions), and Dependent variable question (5 questions).

### **Validity Test**

The online questionnaire was checked for validity and approved.

### **Reliability Test**

The reliability test was conducted with a volunteer sample group of 400 respondents. The data from the questionnaires were analyzed by using Cronbach's Alpha in the statistical software, with total reliability of 25.091 The required value to be accepted is 307.684

### **Statistics**

1. Descriptive statistics consisted of frequency, mean, and standard deviation.
2. Inferential statistics consisted of multiple regression analysis tests.

## **Result**

### **Demographic Data**

Most respondents are adults (21-25 years old), followed by 189 people in their mid 20's (26-35 years old) and only 5 people are elderly from (36-40 years old). This data also shows that 220 of the respondents are male and only 170 respondents are female. 296 of them are Thai, 84 of them are non resident and 5 of them chose others they specified as they're not Thai but they're living in Thailand. Most of them are living in Bangkok (346 people) which makes our survey accurate as if we want responses from people's decision on purchasing coffee from overseas brands in Bangkok. 29 of them are not living in Bangkok and 25 of them are living outside Thailand. Data shows that 35 of respondents go to coffee shops everyday, 109 of them go more than 1 time a day, 226 of them come 2-3 times a week, and 30 of them come occasionally.

### **Mean and Standard Deviation**

- Social Media Influence Factors: ( $\bar{x}$ = 3.59, SD = .890), SATISFIED
- Service Quality Factors: ( $\bar{x}$ = 3.71, SD = .870), SATISFIED
- Online Marketing Factors: ( $\bar{x}$ = 3.42, SD = .775), SATISFIED
- Customer Purchasing decision: ( $\bar{x}$ = 3.88, SD = .800), SATISFIED

### **Multiple linear regression**

**1. Social Media Influence vs Customer Purchasing decision:** Accepted with Adjusted R-rate =.764, F = 428.282, \*P $\leq$ .05 (Engagement Insights (Sig = <.001), Post Reach (Sig = <.001) and Content Creation (Sig = <.001))

**2. Service Quality vs Customer Purchasing decision:** Accepted with Adjusted R-rate =.793, F = 504.183, \*P $\leq$ .05 (Responsiveness (Sig = <.001), Quality Reliability (Sig = .009) and Customer satisfaction (Sig = .081))

**3. Online Marketing vs Customer Purchasing decision:** Accepted with Adjusted R-rate =.746, F = 387.892, \*P $\leq$ .05 (Social Media Advertising (Sig = <.001) and Mobile Marketing (Sig = <.001). But Email Marketing is rejected (Sig = .002))

## **Conclusion**

### **Demographic Data**

Most respondents are adults from 21-25 years old. Data also shows that 220 of the respondents are male and 296 of all respondents are Thai. According to the survey, 209 of the respondents are employees. Most of them are living in Bangkok which is 346 people. 226 of them come to the coffee shop 2-3 times a week. Among the respondents, 346 of them look for coffee shop on social media.

### **Attitudes towards variables**

● **Independent Variable 1: Social Media Influence Factor**, The most respondents satisfied with Content Creation, followed by Engagement Insights, and neutral with Post Reach. Overall, participants satisfied with Social Media Influence factors.

● **Independent Variable 2: Service Quality Factor**, The most of the respondents satisfied with Responsiveness, then Quality Reliability, and Customer Satisfaction. Overall, Participants satisfied with Service Quality Factors.

● **Independent Variable 3: Online Marketing Factor**, The most respondents satisfied with the Social Media Advertising, Mobile marketing, and Email Marketing. Overall, participants satisfied with the Online Marketing Factors.

### **Hypotheses**

● H1: Social Media Influence (Engagement Insights, Post Reach, Content Creation) have a significant impact on customer purchasing decision.

● H2: Service Quality (Responsiveness, Quality Reliability) have a significant impact on customer purchasing decision, while Service Quality (Customer Satisfaction) does not have a significant impact on customer purchasing decision.

● H3: Online Marketing (Social Media Advertising, Mobile Marketing, Email Marketing) have a significant impact on customer purchasing decision.

### **Recommendation**

The result of this study is useful for the managerial implications of oversea branded coffee shops in Bangkok since the results showcased ways and what the audience thinks would catch their mind from consumers perspective. However, there are few recommendations for future research since there were limitations in this research. First, this study could only conduct quantitative research with the limitations of 400 respondents. Some of them are not living in Bangkok. The results might have been different otherwise. Therefore, future research should focus on both qualitative and quantitative research.

Moreover, as discussed early, the non-statistically significant result returned for Customer Satisfaction ( $P = 0.081$ ). It is possible that respondents may be confused with the structure of the specific questions or that customer satisfaction is not so important to them when compared to other service qualities like responsiveness, quality reliability that the oversea coffee shop provides. Therefore, it calls for further research for customer satisfaction for more clarification and understanding. Therefore, another sampling method such as the convenience sampling technique is recommended for future research.

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