

PERCEIVED PRODUCT QUALITY, BRAND AWARENESS, AND PROMOTION CONTRIBUTIONS AFFECTING PURCHASE DECISION OF CONVENIENCE STORES IN BANGKOK, THAILAND

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Abstract

This study aims to understand the perspective of product quality, brand awareness and promotion contribution affecting purchasing decisions in convenience stores in Bangkok, Thailand. The three independent variables of this study are product quality, brand awareness, and promotion contributions. The sub-variables of product quality are performance, reliability, and original product. The sub-variables of brand awareness are the number of stores, advertisements, and social media influence. The sub-variables of promotion contributions are discounts, combo, and memberships. The dependent variable of this study is consumer purchasing decisions. Quantitative research was used for the collection of data and the total responses for this quantitative is 454 foreigners who are living or long staying in Bangkok as sampling. The questionnaire is based on multiple-choice questions for demographic data but some questions require answers with opinions about the questions regarding both independent and dependent variables and supporting the result of the research. The result supported all three proposed hypotheses, showing that there is a connection between the independent variables (product quality, brand awareness, and promotion contributions) and dependent variables (consumer purchasing decisions).

Keywords: Purchasing decisions, Product Quality, Brand Awareness, and Promotion Contributions

Introduction

This study focuses on the perspective of product quality, brand awareness, and promotion contributions affecting consumers purchasing decisions in convenience stores in Bangkok, Thailand. The brands that are doing business as the name of convenience stores in Thailand are 7-Eleven, Lawson 108, Tops Daily, Jiffy, Mini Big C, and CJ Express. According to Thailand Business News Article by Juan Allan (2024), the convenience store market in Thailand is expected to grow by 18% in 2022, led by increased demand for on-the-go and ready-to-eat products. However, Joel Goldstein (2022) also stated that leaders must make sure they are truly adapting to the times and growing and adapting to the convenience store industry as a whole. Elie Y. Katz (2024), the CEO and president of National Retail Solutions (NRS), states convenience stores should not lose sight of the fact that they must be prepared to stock the products that customers visiting a particular shop are looking for. The Thailand Migration Report 2019 by the United Nations Thematic Working Group on Migration in Thailand, edited by Benjamin Harkins (2019), reports that Thailand maintains an open economy foreign migration continues to have an important role in Thailand's socio-economic development due to the country's over the years. The non-Thai population has increased from an estimated 3.7

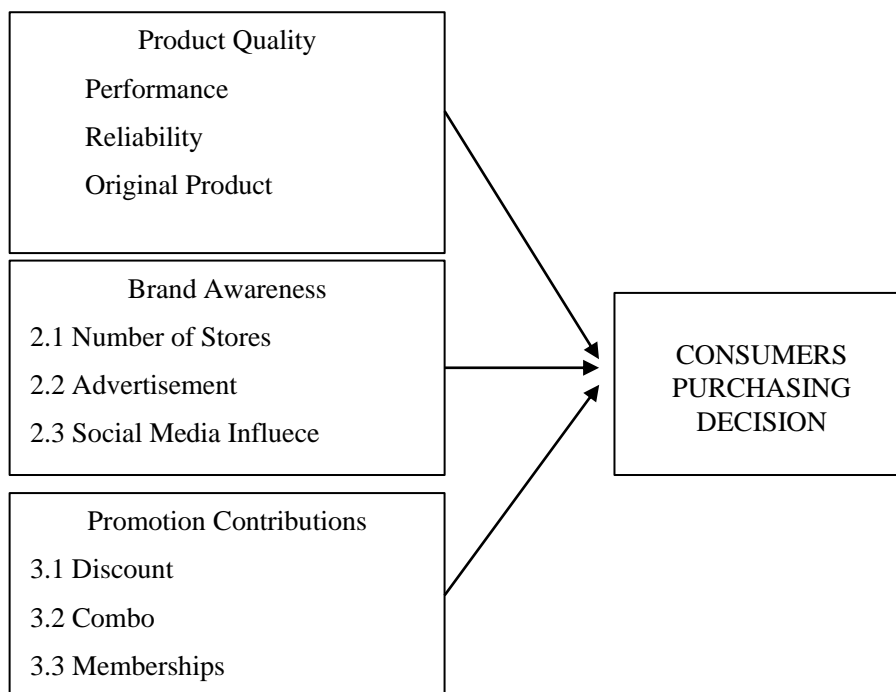
million in 2014 to 4.9 million in 2018. Among them, 112,000 are work-permitted workers, 50,000 are special law workers, and 150,000 are retired/married/residing with Thais. The survey by Chris Wyatt estimated that in 2024 there will be between 3-4 million foreigners living and working in Thailand. Therefore, it is expected that more and more foreigners will come to Thailand to work, migrate or even start living as students. The purpose of this study is to explore the factors influencing the purchasing decisions of convenience stores targeting foreigners living in Bangkok in an increasingly globalized Thailand through a systematic analysis of the external and internal environment.

Research Objectives

1. To study the impact of the product quality factors (performance, reliability, and original products) on consumer purchasing decisions.
2. To study the impact of the brand awareness factors (number of stores, advertisements, and social media influences) on consumer purchasing decisions.
3. To study the impact of promotion contributions factors (discounts, combo, and membership) on consumers purchasing decisions.

Scope of the Research

Conceptual Framework



Hypothesis Test

- H1: Product quality factors (performance, reliability, and original product) have significantly affected consumers' purchase decisions.
- H2: Brand awareness factors (number of shops, advertisement and social media influence) have a significant important on consumer perception and affect consumers' purchasing decisions.
- H3: Promotional contribution factors (discount, combo, membership) are important for consumers' perception and affect consumers purchasing decisions.

Literature Review

| Item no. | Authors (Year) | Finding | Variables |
|----------|---|--|-------------------------------|
| 1 | Carol M. Kopp (2020) | Consumers' purchasing decisions are influenced by the perceived value they receive from a product or service compared to its cost. This value is often determined by factors such as quality, functionality and convenience. | Consumers Purchasing Decision |
| 2 | Sean Seah, et al. (2022) | Purchasing decision intention can be classified into two categories: expectations and values. Expectations can be defined as the likelihood that a behaviour or action will produce a desired outcome. Value can be defined as the degree to which an individual desires an outcome; the two central elements can be combined by multiplication, with motivation being the product of expectation and value. | Consumers Purchasing Decision |
| 3 | Manoj, G., et al. (2023) | How product quality contributes to overall perceived value. Product quality and Value-Percept Theory are closely intertwined concepts that significantly influence consumer behaviour and satisfaction. | Product Quality |
| 4 | University of Texas at Arlington (2019) | The perceived value of a product is also contingent upon its quality. It is a general tendency among consumers to be willing to pay a premium price for products that are perceived to be superior in terms of quality, durability and functionality. | Product Quality |
| 5 | Carol M. Kopp (2024) | Brand awareness refers to the extent to which consumers are aware of the name of a product. Ideally, consumer perceptions of a brand include positive perceptions of the qualities that distinguish the product from competing products. | Brand Awareness |
| 6 | Reza Pishghadam, et al. (2022) | A person's motivation to act is influenced by their expectations, which are their beliefs about success and the value they place on the task. By increasing expectations and values, stores can motivate customers to purchase. | Brand Awareness |
| 7 | John C, D (2021) | Sudden buying impulses are consistent with rational purchasing decisions in order to paint a holistic picture of the average consumer | Promotion Contribution |
| 8 | Dr. Serhat Kurt (2022) | Instrumentality refers to the belief or expectation that specific performance will lead to specific outcomes or rewards. And it refers to the degree to which an individual believes | Promotion Contribution |

| Item no. | Authors (Year) | Finding | Variables |
|----------|----------------|---|-----------|
| | | that a particular behaviour or effort will lead to a desired outcome or reward. | |

Research Methodology

Population and Sample

This study focused on convenience stores in Bangkok, especially on Shukmvit Road, and according to the data report of Statista (2023), the total number of inhabitants in Bangkok, the metropolitan area is about 11.07 million. According to the table named Yamane’s table below, the sample size will be required to collect 400 samples with a precision level of $\pm 5\%$ because the population size is over 100,000.

Type of research and tool

The research tool used for the study was quantitative research. The research design was created in Google Forms. The questionnaire includes demographic data and lifestyle data. The questions related to independent and dependent variables with multiple choice and a five-point Likert scale from 1-5. After the research design was completed, a questionnaire was sent online to 454 respondents with English language skills in Bangkok using the snowball sampling method. After the data was collected, the study used analytical software to analyse the data. The result findings showed that product quality, brand awareness, and promotion contributions significantly affect consumers' purchasing decision.

Validity Test

The online questionnaire was checked for validity and approved by the advisor.

Reliability Test

30 samples, the data from the questionnaires were analyzed by using Cronbach’s Alpha in the statistical software, with a total reliability of .968. The required value to be accepted is 0.7-1.00.

Statistics

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

Research Results

Demographic Data

The most respondents are Asian which is 68.3 % and the second is European which is 18.1%. For ages, there is occupied from 18 years old to 44 years old which is 94.7 % in total. The section of 18-24 years old is 20.7%, the section of 25-34 years old is 42.3%, and the section of 35-44 years old is 31.7%. Most of the respondents are female which is 53.7 %, and males are 42.3 %. The respondents are primary students, which is 32.2% and employees, in proportion to their age. Most respondents spend 45,001 THB-55,000 THB which is 25.6% and the next most expenditure is 35,001 THB-45,000 THB which is 22.0%.

Lifestyle Data

Most respondents eat at home which is 65.2%, and the second is going to a restaurant which is 26.9%. More than half of respondents go to convenience store(s) 5-9 times a week

(51.5%). Most of the respondents are going to 7-Eleven, which is 55.9% and the second is Lawson 108, which is 16.4%. And more than 90% of the respondents are going to convenience stores to purchase product(s) (91.1%).

Mean and Standard Deviation

- Respondents are moderately agreed with the Product Quality Factors:
($\bar{x} = 4.08$, S.D. = .696)
- Respondents are moderately agreed with the Brand Awareness Factors:
($\bar{x} = 4.16$, S.D. = .817)
- Respondents are moderately agreed with the Promotion Contributions Factors:
($\bar{x} = 3.98$, S.D. = .874)
- Respondents are moderately agreed with the Consumer Purchasing Decision:
($\bar{x} = 3.96$, S.D. = .868)

Multiple linear regression

1. Analysis of the Effect Product Quality: Co-efficient- 0.2797
Accepted with Adjusted R-square-.482, $F = 141.279$, $*P \leq 0.05$
Performance (Significance = 0.000), Reliability (Significance = 0.000), and Original Product (Significance = 0.000).
2. Analysis of the Effect of Brand Awareness: Co-efficient- 0.2712
Accepted with Adjusted R-square-.524, $F = 167.132$, $*P \leq 0.05$
Number of Stores (Significance = 0.000), Advertisement (Significance = 0.000), and Social Media Influence (Significance = 0.002)
3. Analysis of the Effect of Promotion Contributions: Co-efficient- 0.2981
Accepted with Adjusted R-square-.654, $F = 286.783$, $*P \leq 0.05$
Discount (Significance = 0.000), Combo (Significance = 0.000), and Membership (Significance = 0.000)

Discussion

Demographic Data

Most respondents are young adults between 20 and 30 years old, with a slightly higher number of males than females. The majority hold a bachelor's degree, followed by those with a Master's. Most are full-time workers, with freelancers as the second-largest group. Common income levels are between 5000-7000 THB and 3000-5000 THB. Most have 1-2 years of work experience, with a significant portion having over 3 years.

Lifestyle Data

Most of respondents in the survey of this study were eating at home and going to restaurants. Half of respondents go to convenience stores 5-9 times a week, and their main convenience store is 7-Eleven, which has the largest number of shops in Thailand. Most their purpose for going to a convenience store is usually to purchase goods, but they often go to convenience stores to make payments.

Attitudes towards variables

1. Independent Variable 1: Product Quality Factors

Most respondents agreed with performance, reliability, and original product. Overall, respondents agreed with product quality factors. The findings align with previous

studies by Manoj, G., et al. (2023) and University of Texas at Arlington (2019) which demonstrated that product quality plays a crucial role in perceived value, strongly influencing consumer behavior and satisfaction. Also this result suggest that consumers tend to perceive high-quality, durable, and functional products as more valuable and are often willing to pay a premium price for them.

2. Independent Variable 2: Brand Awareness Factors

Most participants strongly agreed with number of stores, advertisement, and social media influence. Overall, participants agreed with the brand awareness factors. The findings align with previous studies by Carol M. Kopp (2024) and Reza Pishghadam (2022) which stated that Brand awareness measures how well consumers recognize a product's name and its distinguishing qualities. Positive brand perceptions help set the product apart from competitors. Consumer motivation to purchase is driven by their expectations of success and the value they place on the product. Stores can boost sales by increasing both customer expectations and perceived value.

3. Independent Variable 3: Promotion Contributions Factors

Most respondents agreed with discount, combo, and membership. Overall, participants agreed on the aesthetic values factors. The findings align with previous studies by John C, D (2021) and Dr. Serhat Kurt (2022) are demonstrating a positive relationship that sudden buying impulses align with rational purchasing decisions, providing a complete view of consumer behavior. Instrumentality is the belief that specific actions or efforts will lead to desired outcomes or rewards. It how an individual expects their behavior to produce a particular result.

Hypotheses

- H₁: Product quality factors (performance, reliability, and original product) have significantly affect consumers' purchase decisions.
- H₂: Brand awareness factors (number of shops, advertisement and social media influence) have a significant important on consumer perception and affect for consumers' purchasing decisions.
- H₃: Promotional contribution factors (discount, combo, membership) are important for consumers' perception and affect consumers purchasing decisions.

Recommendations

The findings of this study reveal significant relationships between product quality, brand awareness, and promotional contributions on consumer purchasing decisions. Future research should explore the nuanced impacts of these variables, such as the role of product reliability and originality in shaping foreign consumer in Bangkok, Thailand preferences, as well as the influence of social media and advertising on brand awareness. These focused investigations would provide deeper insights into how specific sub-factors drive purchasing behavior.

Given the growing importance of technology in retail, further studies could assess the integration of digital tools like mobile apps, personalized promotions, and cashless payment systems in enhancing customer satisfaction and loyalty. Additionally, research on the long-term effects of branding strategies and promotional campaigns could provide valuable insights into fostering consumer retention and loyalty in competitive retail markets.

Finally, comparative research across regions or industries would help contextualize these findings and identify universal versus localized factors influencing consumer decisions. The inclusion of variables such as customer loyalty and retention, together with the

psychological impact of promotions, in the scope of the study would further improve the understanding of the growing number of foreign consumer behaviours in convenience stores.

Recommendations for Future Research

This study highlights the potential for growth in the convenience store industry while identifying its limitations and providing recommendations for future research. Key limitations include the study's reliance on English-only questionnaires, which restricted participation, and the small sample size of 400 online respondents, which may not fully represent the target population. Future research should consider larger sample sizes and alternative methods, such as convenience sampling, to improve accuracy.

The study also emphasizes the influence of localized products and services on foreign consumers' purchase decisions in Bangkok, a growing demographic. Given the increasing number of foreigners in Bangkok, further research on product localization in convenience stores would provide valuable insights into meeting the needs of this segment. These findings could help the industry refine strategies to better cater to diverse foreign consumer preferences and enhance overall market potential.

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