

MARKETING MIX FACTORS TOWARD DECISION MAKING IN THE PURCHASING GOODS AND SERVICES VIA FACEBOOK: IN THE CASE OF MUANG DISTRICT, UBONRAJCHATHANI PROVINCE, THAILAND

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Abstract- Facebook is a popular free social networking website that allows registered users to share and post profiles, photos and video. We can create virtual stores and advertise products using Facebook. This study is aimed to examine how marketing mix factors toward decision making in purchasing goods and services via Facebook. We also examined the relationship between various variables and marketing mix factors. A quantitative survey was conducted among 431 respondents in Muang District, Ubonrajchathani province, Thailand. The findings of the study revealed that all aspects of the 4Ps including Product, Price, Place and Promotion significantly influenced consumers' decisions when purchasing goods and services via Facebook. Moreover, gender, occupation and monthly income had a significant correlation with the type of goods purchased. There was no correlation between gender, age, education, occupation, and income with marketing mix factors at 0.05 level.

Keywords- Social Networking, Marketing Mix, Facebook.

I. INTRODUCTION

Over the last decade, there has been rapid advancements in social media development. The advance of the use of social media is rapid and compelling. It has led to new communications initiatives and marketing approaches for marketing managers to better understand consumer needs and develop the products that consumers will buy. People use social media sites such as Facebook, Twitter, and Myspace to create and sustain relationships with others [1]. In 2019, Social media users in worldwide are projected to reach 2.72 billion [2]. Market leader Facebook was the first social network to surpass 1 billion registered accounts and currently sits at 1.59 billion monthly active users. For Thailand, the amount of Facebook users was expected to reach 18.9 million this year, up from 15.6 million in 2014 [3]. Social media marketing including Facebook, is more cost efficient and more personal than many other marketing mediums. Facebook in particular has become a great platform for reaching current, new and potential consumers.

The marketing mix is a model for creating and implementing strategies. The marketing mix elements are product, price, place, and promotion. Kotler [4] states that marketing mix is a set of marketing tools for pursuing marketing objectives in a target market. According to Carthy [5] the variables, of a marketing mix, are: product, place, price, promotion; known as the "4Ps". Marketing mix is essential in defining and fulfilling the objectives for a target market. It is important in achieving organizational objective because, in the past, many organizations have failed, due to the poor implementation of a suitable marketing mix. This research is intended to analyze

marketing mix factors that influence the products/services purchases via Facebook. In addition, the research also examines hypotheses regarding the characteristic of consumers towards decision making when purchasing goods and services via Facebook. The result of the study will help entrepreneurs on Facebook to create the best strategy for increasing their chances of business success.

II. LITERATURE REVIEW

2.1. Facebook

A social network is a website that allows users to connect with others. There are many services on social network, such as, share photos, videos, music and information posting. Social networks like Facebook, Myspace and LinkedIn are great ways of keeping in touch with friends and family around the world. Facebook is one of the world's most influential social network. As of the second quarter of 2016, Facebook had 1.71 billion monthly, active users [6]. In Thailand in 2016, Facebook currently has 19.01 million users [7]. Facebook allows users to post messages, update status, chat online, share photos, and achieve other purposes. It has become an important tool for people to meet new people as well as connect with acquaintances and old friends. Moreover, live video on Facebook is the newest technology. Users can share a moment instantly with the other peoples. They can respond their comments and see their reactions. Entrepreneurs can employ Facebook to create a virtual store online, to buy and sell goods and services.

2.2. Marketing Mix

The concept of marketing mix is an important element in the field of marketing. The steps taken by

a business enterprise to improve its sales is known as marketing effort. The marketing mix is a set of controllable variables that a company can use to influence the responses of buyers. Marketing managers decide the level of marketing expenditure in order to achieve marketing objectives of the firm and, after finalizing the market budget can decide how to divide the total marketing budget among the various tools in the marketing mix [8]. The marketing mix comprise the 4Ps: Product, Price, Place and Promotion. Each of the 4Ps is an important element of the marketing mix, and each of them is significant and equal in value.

- **Product.** Product includes all components of the goods and services performance that a person receives in a transaction. It may be a tangible product or an intangible product. Regarding product on Facebook, it refers to various goods and services provided, such as cosmetics, clothing, supplementary food, CD/DVD, games, book, etc.
- **Price.** Price is the amount consumers pay for the products or services they buy. Setting a price is a key marketing strategy. Naturally, consumers are interested in obtaining a reasonable price, which means the perceived reasonable value at the time of a business transaction. There are many key factor relating to pricing on Facebook, such as price reduction, security of payment, variety of payment channels, ease of payment, etc.
- **Place.** Place is the location that provides consumers access to the products. In general, 'place' is a storefront for product distribution to the consumers. Therefore, entrepreneurs should choose a convenient place for product access. In Facebook, 'place' is a virtual store or online store, located via the Internet. Facebook is not limited to retail store hours and place for selling. The consumers can buy goods or services at anytime and anywhere over the Internet.
- **Promotion.** Promotion is the marketing activities that aims to supplement person to person selling, advertising and publicity. Facebook promotes goods and services such as product warranty, sales service, product discount, voucher, coupon, etc. In order to gain more users, for a larger membership.

This study explores the use of the marketing mix for the strategic planning of virtual stores, on Facebook. The finding can be used to define a planning strategy for the stores, on Facebook.

III. RESEARCH METHOD

3.1 Statement of Problem

In the present competitive environment consumers usually face a variety of products and services that might satisfy a particular, given need. How do they choose among these market offerings? Marketing mix is the set of controllable, tactical marketing tools that a company uses to promote brand or product in

the market. All the elements, in the marketing mix, influence each other. They make up a business marketing plan for a company and, if handled right, can give the business great success. Business, however, handled wrong, could take years to recover. Nowadays, the distribution channel of a product are different from the past, especially in social media channel. The aim of this study is to investigate marketing mix factors used toward influencing the decision making, by consumers, in purchasing goods and services via Facebook.

3.2 Objective of Study

The following were the research objectives

1. To study the influence of demographic variables towards the purchasing of goods and services via Facebook.
2. To investigate the role of marketing mix factors in decision making, in the purchasing of goods and services via Facebook.

3.3 Sample

Convenience sampling method was adopted for the purpose of creating sample units, by the researcher. Since the total population is infinite, the researcher used 341 respondents from the sample in Muang District, Ubonrajchathani province, Thailand.

3.4 Instruments

The instrument of research was questionnaire that was divided into three parts:

- Part1: General data of respondents using descriptive statistics by Frequency and Percentage.
- Part2: Analysis of data regarding the opinion of consumers towards marketing mix factors, by Mean and Standard deviation.
- Part 3: Examination of the hypotheses regarding the characteristic of consumers towards decision making when purchasing goods and services via Facebook by Chi-Square and Analysis of variance (ANOVA).

3.5 Hypothesis of Study

Hypothesis 1: There is no significant difference between the gender of consumers and the type of goods purchased.

Hypothesis 2: There is no significant difference between the age of consumers and the type of goods purchased.

Hypothesis 3: There is no significant difference between the education of consumers and the type of goods purchased.

Hypothesis 4: There is no significant difference between the occupation of consumers and the type of goods purchased.

Hypothesis 5: There is no significant difference between the monthly income of consumers and the type of goods purchased.

Hypothesis 6: There is no significant difference between the gender of consumers and marketing mix factors.

Hypothesis 7: There is no significant difference between the age of consumers and marketing mix factors.

Hypothesis 8: There is no significant difference between the education of consumers and marketing mix factors.

Hypothesis 9: There is no significant difference between the occupation of consumers and marketing mix factors.

Hypothesis 10: There is no significant difference between the income of consumers and marketing mix factors.

3.6 Data Collection Procedure

Primary data was collected through filled-in questionnaire received from the respondents who ever bought a product via Facebook.

3.7 Data Analysis

Data from the questionnaires was analyzed using SPSS version 22.0 software. The techniques used in studying the data included descriptive statistics, reliability analysis and correlation analysis.

IV. RESULT AND DISCUSSION

Table 1: Demographic Profiles Respondents

| Demographic Variables | Number of Respondents | Percentage |
|----------------------------|-----------------------|------------|
| 1. Gender | | |
| Male | 129 | 29.93 |
| Female | 302 | 70.07 |
| 2. Age | | |
| Below 20 years old | 136 | 31.55 |
| 21-30 years old | 236 | 54.76 |
| 31-40 years old | 44 | 10.21 |
| 41-50 years old | 6 | 1.39 |
| Above 51 years old | 9 | 2.09 |
| 3. Education | | |
| Undergraduate | 212 | 49.19 |
| Bachelor's degree | 208 | 48.26 |
| Postgraduate | 11 | 2.55 |
| 4. Occupation | | |
| Student | 244 | 56.61 |
| Government employees | 59 | 13.69 |
| Private employees | 79 | 18.33 |
| Entrepreneur | 27 | 6.26 |
| Others | 22 | 5.10 |
| 5. Monthly income | | |
| Less than 10,000 baht | 266 | 61.72 |
| 10,001-20,000 baht | 116 | 26.91 |
| 20,001-30,000 baht | 26 | 6.03 |
| 30,001-40,000 baht | 7 | 1.62 |
| 40,001-50,000 baht | 9 | 2.09 |
| More than 50,001 baht | 7 | 1.62 |
| 6. Type of goods purchased | | |

| | | |
|------------------------------|-----|-------|
| Cosmetics | 95 | 22.04 |
| Clothing | 205 | 47.56 |
| Supplementary food | 32 | 7.42 |
| CD / DVD | 8 | 1.86 |
| Games | 29 | 6.73 |
| Books | 37 | 8.58 |
| Others | 25 | 5.80 |
| 7. Frequency of purchase via | | |
| Facebook | 78 | 18.10 |
| 1 times per week | 56 | 12.99 |
| 2-3 times per week | 214 | 49.65 |
| 1 times per month | 57 | 13.23 |
| 1 times per year | 26 | 6.03 |
| Others | | |
| 8. The amount of purchasing | | |
| Less than 500 baht | 127 | 29.47 |
| 500-1,000 baht | 216 | 50.12 |
| 1,001-2,000 baht | 58 | 13.46 |
| More than 2,000 baht | 30 | 6.96 |

Table 1 shows the distribution of demographic profile of the total sample size (N=431). The majority of the respondents are female (70.07%), age between 21-30 years old (54.76%), were undergraduate (49.19%), student occupation (56.61%), less than 10,000 baht for average income, per month (61.72%), the type of goods purchased was clothing (47.56%), 1 times per month for frequency of purchase, through Facebook, and 500-1,000 baht for the purchase amount.

Table 2: Reliability statistics

| Cronbach's Alpha | Number of items |
|------------------|-----------------|
| 0.909 | 20 |

The internal consistency of reliability of the marketing mix scale is shown in Table 2. The value of Cronbach's alpha for each construct of the marketing mix exceeded the minimum 0.7 [9]. Cronbach's alpha was 0.909 for distribution intensity. All coefficient alphas were between 0.902 and 0.907. Therefore, the 20 items of marketing mix scale was reliable.

Table 3: Opinions of the respondents

| Opinions of respondents to the marketing mix | \bar{x} | S.D. | Level |
|--|-----------|------|-------|
| Product | 3.95 | 0.59 | Agree |
| Price | 3.84 | 0.63 | Agree |
| Place | 4.06 | 0.61 | Agree |
| Promotion | 3.71 | 0.72 | Agree |
| Total | 3.89 | 0.53 | Agree |

Table 3 presents the mean scores of the opinions, regarding marketing mix factors towards decision making when purchasing goods and services via

Facebook. Participants revealed that the factors in marketing mix (4Ps) were very important when they purchase goods and services via Facebook (Mean = 3.89). Among the four aspects, all aspects were rated at a agree level; the first one emphasizes 'Place' (Mean = 4.06), the second one, 'Product' (Mean = 3.95), and the third one is 'Price' (Mean = 3.84). According to the study, the results indicated that 'Place' was ranked as the most influential aspect, followed by 'Product', 'Price', and 'Promotion'. With the reference to the five components of 'Place', that the place should be accessible at all time, easy to order, delivered on time, guaranteed shipments, and a variety of delivery methods. This is relevant to the study of Meera [10] that studied the marketing mix of the 4P'S for competitive advantage. In this research, 'Place' is the online distribution channels or virtual stores. It is a mechanism through which goods and services are moved from the service provider and manufacturer to the consumer. Distribution has a huge effect on profitability and, therefore, a firm should have an excellent supply chain and logistics management plan for distribution.

Table 4: Pearson Chi-Square between variables and type of goods purchased

| Hypothesis | Variables | Value | df | Asymp. Sig. (2-sided) |
|------------|----------------|------------|----|-----------------------|
| H1 | Gender | 94.204 (a) | 6 | 0.000* |
| H2 | Age | 35.215 (a) | 24 | 0.065 |
| H3 | Education | 18.081 (a) | 12 | 0.113 |
| H4 | Occupation | 48.788 (a) | 24 | 0.002* |
| H5 | Monthly income | 45.607 (a) | 30 | 0.034* |

Table 4 presents the utilization of the Chi-square to test the relationship between variables and the type of goods purchased. Gender, occupation and monthly income had a significant correlation with type of goods purchased, while age and education showed no significant difference with type of goods purchased. For the gender variable, this is consistent with earlier research showing that, while both genders participated in aberrant consumer behaviors, the types of behavior tended to vary by gender (e.g., females are more likely to purchase clothing than males) [11]. For the occupation variable, the earlier research showed that there were statistical relationships between occupation and brand preference. Hence, marketing organizations can direct their marketing campaigns specifically addressing the different occupation [12]. For the monthly income variable, this was consistent with earlier research showing that showed consumer behavior towards E-marketing. There was a significant difference, with a strong relation, between income of the respondents and the purchase decisions [13].

Table 5: H6 - The correlation between gender and marketing mix factors

| Gender | No. of Respondents | Mean | S.D | t | p |
|--------|--------------------|------|------|-----|------|
| Male | 129 | 3.92 | 0.45 | 0.7 | 0.46 |
| Female | 302 | 3.88 | 0.56 | 4 | |

Table 6: H7 - The correlation between age and marketing mix factors

| Age | No. of Respondents | Mean | S.D | F | P |
|--------------------|--------------------|------|------|------|------|
| Below 20 years old | 136 | 3.84 | 0.54 | 1.66 | 0.16 |
| 21-30 years old | 236 | 3.92 | 0.50 | | |
| 31-40 years old | 44 | 3.77 | 0.62 | | |
| 41-50 years old | 6 | 4.10 | 0.45 | | |
| Above 51 years old | 9 | 4.09 | 0.37 | | |

Table 7: H8 - The correlation between education and marketing mix factors

| Education | No. of Respondents | Mean | S.D | F | P |
|-------------------|--------------------|------|------|------|------|
| Undergraduate | 212 | 3.90 | 0.53 | 0.49 | 0.61 |
| Bachelor's degree | 208 | 3.88 | 0.52 | | |
| Postgraduate | 11 | 3.74 | 0.59 | | |

Table 8: H9 - The correlation between occupation and marketing mix factors

| Occupation | No. of Respondents | Mean | S.D | F | P |
|----------------------|--------------------|------|------|------|------|
| Student | 244 | 3.89 | 0.54 | 0.03 | 0.99 |
| Government employees | 59 | 3.89 | 0.46 | | |
| Private employees | 79 | 3.89 | 0.48 | | |
| Entrepreneur | 27 | 3.86 | 0.43 | | |
| Others | 22 | 3.92 | 0.79 | | |

Table 9: H10 - The correlation between monthly income and marketing mix factors

| Monthly income | No. of Respondents | Mean | S.D | F | P |
|-----------------------|--------------------|------|------|------|------|
| Less than 10,000 baht | 266 | 3.88 | 0.54 | 0.38 | 0.86 |
| 10,001-20,000 baht | 116 | 3.92 | 0.43 | | |
| 20,001-30,000 baht | 26 | 3.90 | 0.52 | | |
| 30,001-40,000 baht | 7 | 3.68 | 1.27 | | |
| 40,001-50,000 baht | 9 | 3.88 | 0.54 | | |
| More than 50,001 baht | 7 | 3.77 | 0.43 | | |

Table 5-9 presents the utilization of the t-test and ANOVA F-test results among variables and marketing mix factors. Gender, age, education, occupation and income showed no significant difference with marketing mix factors. This is consistent with earlier research that showed the role of social media marketing in the automobile sector. Men and women respondents had similar ratings or preferences for social media platforms, hence, no marketing strategy should be devised based on gender. In addition, age-group or occupation differences across sample units, ratings and preferences, towards social media usage, are similar for promoting two-wheeler products in the India market [14]. Moreover, the research about effects of social network marketing on consumer purchase behavior. Results show that people with various income levels are influenced similarly in terms of consumer purchasing power [15].

CONCLUSIONS

The purpose of this study is to investigate the opinion of consumers toward marketing mix factors in the strategic planning of an organization. Marketing mix has a very important role for attaining competitive advantage for an organization. In particular, the 'Place' component is a unique of Facebook that is virtual stores. Marketing manager should consider the following points: access all time, ease of order, delivery on time, guarantee of shipments, and a variety of delivery methods.

This paper also finds that gender, occupation and income had a significant correlation with the type of goods purchased. Therefore, the selection of the type of goods and services, made available on Facebook, should take into account the factor of gender, occupation and the income of consumers. Finally, gender, age, education, occupation and income showed no significant difference relating to marketing mix factors.

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