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The Marketing Mix Factors in Thai Tourists' Decision-Making Process in Using Foreign Exchange Centers

Worasiri Pholcharoen¹

Pisit Chumnanna^{2*}

¹Department of Tourism & Hospitality

²Department of Creative Digital Marketing

^{1,2}Faculty of Management Science

Bansomdet Chaopraya Rajabhat University, Bangkok, Thailand

¹Email: Worasiri.Ph@bsru.ac.th

²Email: Pisit.Ch@bsru.ac.th

*Corresponding author

Chatthep Tantivejchumna³

Department of Marketing

Faculty of Business Administration

Siam Technology College, Bangkok, Thailand

³Email: Chatthep@gmail.com

Abstract

The objective of this study was to study the marketing mix factors (7Ps) that influenced Thai tourists' decision-making process in using foreign currency exchange centers for tourism. Their decision-making process deals with the concept of service marketing mix and brand value creation. The researchers used online questionnaires to collect data from 400 customers using foreign currency exchange services at least once every three months; the participants were selected by a specific sampling method. The data were analyzed by percentage, mean, standard deviation and statistical analysis. The multiple regression results revealed that (1) marketing mix factors, employees, products, process, marketing promotion, price and physical characteristics influenced the respondents' decision-making process in using foreign currency exchange centers for tourism; and (2) brand value includes brand awareness, brand linkage, awareness of brand quality, and brand loyalty. The marketing mix factors (7Ps) and four aspects of brand value appeared to influence the respondents' decision-making process in using foreign currency service centers for tourism.

Keywords: *Marketing mix, brand value, decision making, foreign exchange service center*

1. Introduction

It has been recognized among many countries that tourism stands as an important hospitality industry in bringing in good revenue for national development (Chumnanna, 2020). Tourists need foreign exchange from Thai baht to foreign currency when travelling, job searching, studying abroad, carrying business transactions, and paying for services from foreign providers. There are branches of foreign exchange service centers as well as local exchange shops owned by Thai entrepreneurs. Currently, there has been fierce competition

among foreign exchange service providers regarding the quality of service, and the ability of the service business to meet the needs of customers.

As generally known, the quality of service essentially differentiates a particular business from its competitors in meeting with expectations of the service recipient to satisfaction. Particularly, the physical appearance of the facility, including the location, personnel, equipment, tools, communication documents and symbols, and the environment in which the client feels cared for, are also vitally important. Provided services must be in accordance with service recipients' expectations in that they be accurate and appropriate in all points of service. Providers' readiness and willingness to serve service recipients are to build trust from service recipients. Particularly, service providers need to demonstrate knowledge and skills in giving services to customers with politeness, gentility, good manners to show appropriate care for customers with different needs.

With all desirable characteristics of provided services, a service center needs to create its best image to attract and impress customers; it is the service organization's foundation to be firmly established (Noi, 2010). In such a scenario, the researchers were interested in the service aspects as part of the market mix (7Ps) and brand equity of foreign exchange service providers for Thai tourists. The researchers wanted to investigate the factors that influence Thai tourists' decision-making process in using foreign exchange service centers. It was expected that the obtained results can help improve the existing services to meet the needs of customers to satisfaction. With the obtained information from the study, business operators would become more aware of needed improvements and take constructive action on boosting brand recognition to increase market share and profits in the long run.

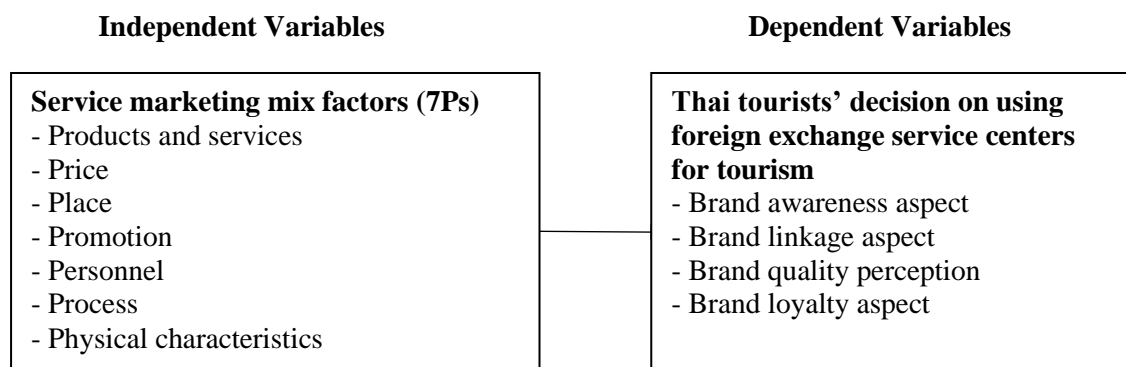
2. Research Objective

The objective of this study was to study the marketing mix factors (7Ps) that influence Thai tourists' decision-making process in using foreign currency exchange centers for tourism. The researchers expected that the findings would be beneficial to business operators to become more aware of needed improvements and provide their services to satisfaction of their customers for a good brand image as well as business gains in their operations.

3. Research Conceptual Framework

The researchers used the research conceptual framework to guide the study as shown below.

Figure 1: Research Conceptual Framework (based on Kotler & Amstrong, 2006)



4. Related Theories

The researchers studied previous research with a focus on Kotler & Armstrong (2006):

In the work of Kotler & Armstrong (2006), *marketing mix* refers to variables or marketing tools that can be controlled. It is the most popular and fundamental marketing theory. Companies often use the marketing mix concept to work on satisfaction and needs of target customers and formulate marketing strategies accordingly. Originally, the marketing mix had only four variables—product, price, place, and promotion. Later, the concept was added with three more variables—people, physical characteristics, and processes—all to be consistent with the first four concepts. Modern marketing especially in service business focuses on the 7Ps marketing mix.

5. Concept Brand Value

Kotler & Armstrong (2006) also discussed the four stages of brand composition: (1) brand identity awareness through brand name awareness and the ability to create customer brand recognition, (2) identifying and communicating to customers the brand of the business, (3) customer response to the brand, and (4) the customer's emotional engagement with the brand. The inclusion of links among the brand elements creates the brand value.

6. Expected Benefits of Research

The researchers expected that the findings could lead to the following:

1. The center that provides foreign exchange services to customers could cover the factors affecting the decision on using the foreign exchange service for tourism among Thai travelers. They could serve as a strategy guideline to marketing planning with emphasis on the needs of customers.

2. Service providers could use the results of the study for development and improvement in their foreign exchange service center in terms of service quality to create impression and satisfaction for customers.

7. Population and Sample Group

The population was Thai tourists in Bangkok who used foreign currency exchange services for tourism; the exact population has still not been reported in 2022.

The researcher used a sample group of 384 Thai tourists experiencing foreign currency exchange services for tourism by using the criterion for determining the sample size of an unknown population. Therefore, the sample size was calculated after Cochran (1977) for unknown sample size formula with 95% confidence and 5% error level. The calculation formula is shown below.

$$\text{Formula } n = \frac{P(1 - P)Z^2}{E^2}$$

where n represents the sample size,

P represents the proportion of the population to which the researcher is randomly sampling .50

Z represents the investigator-defined confidence level, Z represents 1.96 at the 95 percent confidence level (level .05)

E represents the value. Maximum error occurred = .05

$$\begin{aligned} \text{substitute } n &= (.05)(1 - .5)(1.96)^2 \\ &= (.05)^2 \\ &= 384.16 \end{aligned}$$

A sample size of at least 384 people was used to estimate the percentage with no more than 5% error at 95% confidence level. For ease of evaluation and data analysis, the researchers used a total sample size of 400 samples, which was regarded as meeting the criteria specified at not less than 384 samples.

8. Research Tool

The main research tool was a questionnaire constructed for data collection. There were steps in creating the tool as follows:

1. Study the information from documents and related studies.
2. Create a questionnaire covering marketing mix and brand value that influence Thai tourists' decision-making process in using the foreign exchange center for tourism.
3. The form of the questionnaire contains 3 parts:

Part 1: General information of the respondents: gender, age, education level, occupation, average monthly income. All question items are optional and answerable.

Part 2: Seven factors of the service marketing mix: (1) products and services, (2) price, (3) place, (4) marketing promotion, (5) personnel, (6) process, and (7) physical characteristics.

Part 3: Four aspects of brand value: (1) brand awareness, (2) brand linkage, (3) awareness of brand quality, and (4) brand loyalty.

The researchers asked five marketing experts to check the content validity of the constructed questionnaire. The score was +1 when the question was consistent, 0 when unsure of the question. Consistency scores -1 when the question was not consistent. The questionnaire finally had an average of a consistency index of 0.76 or higher and was therefore considered reliable to collect data (Varnishboon, 2006). The researchers collected data online in the first quarter of 2022 and analyzed the obtained data by percentage, mean, standard deviation and coefficient analysis.

9. Results of Research

The researchers found that the majority of the samples were male--representing 59.6%, in the age range of 31-40 years, with university education at the bachelor's degree level. Most of them were self-employed/business owners with income at 20,001-30,000 baht.

Table 1: Items of Test Results on 7Ps

Products and services
Price
Place
Promotion
Personnel
Process
Physical characteristics

Factors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	b	Std. Error	Beta		
Marketing Factors					
Products and services	0.232	0.094	0.246	3.774	0.001*
Price	0.085	0.062	0.088	1.081	0.001*
Place	0.224	0.084	-0.076	-1.220	0.261
Promotion	0.133	0.064	0.143	2.403	0.012*
Personnel	0.136	0.074	0.219	3.638	0.001*
Process	-0.004	0.069	0.101	0.124	0.981
Physical characteristics	0.178	0.076	0.191	1.535	0.152
R 0.832 Adjusted R Square 0.479 R Square 0.398 Std. Error of the Estimate 0.52					
Brand Equity					
Brand awareness	0.135	0.045	0.137	2.595	0.001*
Brand linkage	0.1208	0.057	0.145	2.702	0.003*
Awareness of brand quality	0.205	0.047	0.226	4.770	0.001*
Brand loyalty	0.194	0.051	0.188	3.331	0.001*
R 0.579 Adjusted R Square 0.463 R Square 0.368 Std. Error of the Estimate 0.336					

*Statistical significance at 0.05 level

The researchers found that the marketing mix factors--product aspects, marketing promotion, and personnel/employees influenced the service decision on using currency exchange service centers. The brand value aspects--brand awareness, brand linkage, awareness of brand quality, brand loyalty influenced Thai tourists' service decision on using the foreign exchange service centers that recognize the needs of customers.

The results of the test of the marketing mix factors affecting Thai tourists' decision on using foreign exchange centers for tourism pointed to the significant role of the staff influencing the service decision process as seen in the order of products and services, price, promotion and personnel.

As for the place aspect, it had no influence on the decision-making process in using foreign exchange service centers.

The details of the 7Ps marketing mix are as follows:

The marketing mix of foreign exchange centers provided product-related foreign exchange services influencing the decision-making process in using a foreign exchange service center in three phases: perception of demand, searching for information, and behavior after using the service.

The marketing mix of foreign exchange service centers in the price aspect influenced Thai tourists' decision-making process in using a foreign exchange service center for tourism.

The marketing mix of foreign exchange service centers in the place aspect had no influence on Thai tourists' decision-making process in using foreign exchange service centers for tourism.

The marketing mix of foreign exchange service centers in the marketing promotion aspect influenced Thai tourists' decision-making process of using foreign exchange service centers in two aspects: perception of demand, and behavior after using the service.

The marketing mix of foreign exchange service centers in the personnel/ employee aspect influenced Thai tourists' decision-making process in using foreign exchange service centers in four phases: perception of demand, searching for information, alternative assessment, and behavior after using the service.

The marketing mix of currency exchange service centers in the aspect of physical characteristics influenced Thai tourists' decision-making process in using foreign exchange service centers in behavior after using the service.

The marketing mix of currency exchange service centers in the aspect of process influenced Thai tourists' decision-making process in using foreign exchange service centers in three phases: information search, service decision, and behavior after using the service.

The details of seven marketing mix factors and four aspects of brand value are shown in Table 2.

Table 2: Summary of the Test Results of Marketing Mix Factors and Brand Aspects Affecting Thai Tourists' Decision on Using Foreign Exchange Service Centers for Tourism

Marketing Factors	1. Brand awareness	2. Brand linkage	3. Awareness of brand quality	4. Brand loyalty
Products and services	✓	✓	✓	✓
Price		✓	✓	✓
Place	✓	✓	✓	✓
Promotion	✓	✓		
Personnel	✓			✓
Process	✓	✓		✓
Physical characteristics	✓		✓	✓

As seen in Table 2, seven marketing mix factors and four brand aspects are shown in their inter relationship in affecting Thai tourists' decision-making process in using foreign

exchange service centers for tourism. The researchers looked at customers’ awareness of brand value--brand quality and brand loyalty--significant in the service decision-making process at the 0.05 level, followed by brand awareness. and brand linkage.

As shown in Table 3, the details of four brand aspects and the decision-making process are as follows.

The brand value of a center providing foreign exchange services on *brand recognition/ awareness* influenced Thai tourists’ decision-making process in using foreign exchange service centers in four phases: perception of demand, alternative assessment, and service decision behavior after using the service

The brand value of the center that provides *brand linkage* for foreign exchange services influenced Thai tourists’ decision-making process in using foreign exchange service centers in four phases: perception of demand, searching for information, alternative assessment, and behavior after using the service.

The brand value of the foreign exchange service center on *awareness of brand quality* influenced Thai tourists’ decision-making process in using foreign exchange service centers in five phases: perception of demand, searching for information, alternative assessment, service decision, and behavior after using the service.

The brand value of the foreign exchange service center on *brand loyalty* influenced Thai tourists’ decision-making process in using a foreign exchange service center in five phases: perception of demand, searching for information, alternative assessment, service decision, and behavior after using the service.

Table 3: Summary of Results of the Brand Value Test Affecting Thai Tourists’ Decision on Using Foreign Exchange Service Centers for Tourism

The decision process in using the foreign exchange service centers	The brand value of the foreign exchange service centers			
	Brand awareness	Brand linkage	Awareness of brand quality	Brand loyalty
1. Brand awareness	✓		✓	✓
2. Brand linkage	✓	✓	✓	
3. Awareness of brand quality	✓		✓	✓
4. Brand loyalty	✓	✓	✓	✓

As shown in Tables 1-3, seven marketing mix factors (7Ps) and four aspects of brand value were interrelated, and service business entrepreneurs need to identify a good balance of these components in providing quality services to their customers.

10. Discussion and Conclusion

The results of this study pointed to the importance of the market mix factors in the operations of business organizations in providing foreign exchange services. This issue was studied by two previous researchers Cheedim (2012) and Salim (2017). Cheedim (2012)

looked at factors affecting consumers' use of currency exchange services at Krung Thai Bank in Bangkok, and reported the significance of product distribution channels, price, process, promotion, personnel, and physical characteristics in attracting customers. Salim (2017) studied foreign exchange service centers for tourism among Thai tourists regarding the factors influencing customers' decision on using Green Super Rich (Thailand) Foreign Exchange Center; the customers in Bangkok under study chose the service of Super Rich (Thailand) according to the marketing mix factors of product, price, and distribution channel—statistically significant at the 0.05 level. In the service industry as in food and restaurants, service providers also need to be sensitive to customers' need and satisfaction; for example, Jaruthaveephonlukool et al. (2020) investigated factors affecting consumer satisfaction in using Food Panda's application services in Bangkok metropolitan area, and reported the importance of quality service, responsiveness to needs of customers, and speed in delivery.

The present study showed similar results with extended dimensions of brand value. The results showed that the marketing mix factors (7Ps), especially the *process and price* factors, in Thai tourists' decision on using foreign exchange services, as perceived by the respondents as tourists/ owners of private service companies in Bangkok. The *process* factor was earlier discussed by Phakdeephirot (2021) on the significance of service process management as part of tourists' satisfaction with the quality of products and services. In the present study, the researchers found one interesting point in the obtained result that *price* did not appear to influence brand value in the aspect of brand awareness. As for the *personnel* factor, the results indicated that it neither influenced brand linkage nor awareness of brand quality. However, Sukiam (2020) earlier asserted that people in teamwork in service organizations are highly valued in order to survive through business competition in the service industry. To the researchers of the present study, the obtained results on *process*, *price*, and *personnel* could perhaps suggest somewhat disparity between some marketing factors with specific aspects of brand value in the context of Thai tourists' decision and buying behaviors.

As for the point on brand value in the aspect of *brand awareness*, the researchers noted that food and beverage service outlets consider this particular aspect of paramount importance, as emphasized by Salim (2017). This previous researcher identified *personnel* and *physical characteristics*, and additional factors—service quality and safety factors as affecting customers' satisfaction. Two more previous researchers also highlighted importance of *personnel* and *physical* characteristics in the service industry (Booranakittipinyo & Tang, 2020).

The obtained results on brand value revealed its relationship with the decision-making process (see Table 3). Such relationship was earlier pointed out by Noi (2010) who examined customers' brand value, trust and satisfaction. Chomchai (2012) also studied brand values and marketing factors affecting consumers' behavior in Bangkok's blue restaurant service selection, and reported brand value factors influencing customers' decision on using provided services. It should be noted that brand value is in fact determined by essential dimensions of service quality for consumers' greater satisfaction: service quality, service expectation, and service perception (Phakdeephirot, 2020). In this light, the overall results of the present study on seven marketing mix factors and four aspects of brand value appear to fall in line with the findings of the previous studies in that

personnel and *service quality* account for success in attracting customers and maintaining their brand loyalty in the long run.

11. Future Research

Based on the obtained findings, the researchers would like suggest two points for consideration of marketing researchers:

- It would be worth to secure viewpoints from foreign customers on how they perceive foreign exchange service centers operated by Thai entrepreneurs. This is to give a clearer picture of the existing foreign exchange service centers on what and how to improve their current services.
- It would be interesting to study customer retention in terms of needs of target groups of travelers to benefit planning in marketing, as well as communication channels to reach identified customers, preferably by means of digital devices and platforms.

12. The Authors

Worasiri Pholcharoen is a lecturer and researcher in the Department of Tourism & Hospitality. Pisit Chumnanna is on the staff of the Department of Creative Digital Marketing. Both authors are in the Faculty of Management Science, Bansomdet Chaopraya Rajabhat University, Bangkok, Thailand.

The third co-author Chatthep Tantivejchumna is working for the Department of Marketing, Faculty of Business Administration, Siam Technology College, Bangkok, Thailand.

The three authors share their academic and research interest in the areas of marketing, innovations and technology, current issues in marketing mix, consumers' decision-making process, and service provision activities.

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