

# Guidelines for Marketing mix strategies Development of Coffee shop entrepreneurs and Factors Marketing mix affecting the Consumer's making to choose Coffee shop

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## ABSTRACT

This research aims 1. To study the development of marketing mix strategies of coffee shop entrepreneurs in Chanthaburi Province. 2. To study consumers' behavior in the choice of coffee shop service in Chanthaburi Province and 3. To analyze the marketing mix factors (7P's) affecting the decision to use the coffee shop service of the coffee shop users in Chanthaburi Province. Use two research methods, qualitative research is the main informants are the 5 executives of the coffee shop by in-depth interview and quantitative research, a total of 400 samples. The statistics used to analyze data include frequency, percentage, mean, standard deviation, and multiple regression.

The results showed that coffee shop entrepreneurs are constantly developing marketing mix strategies to meet the needs of consumers and purchase and customers who are the brand royalty and multiple regression analysis of 7P's marketing mix factors affecting the decision to use the coffee shop service in Chanthaburi Province. It was found that all factors affected the decision to use the coffee shop service at a statistical significance level of 0.05.

## Keywords

Marketing Strategies, Marketing mix, Coffee shop, Entrepreneurs, Consumer Behavior

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## Introduction

Coffee is a plant that is native to Africa. Early, coffee was a wild plant until it was grown in Arabia. It was discovered in the 6th century around AD 575 before spreading to other regions of the world such as Latin America, India, and Southeast Asia. Nowadays, "coffee" is a popular drink, whether it is in the capital or provincial society, and statistics show that Thai coffee drinking rates average at 300 cups per person per year. The 2018 statistics show that the total value of the domestic coffee shop business is more than 1.7 billion baht, which is growing up more than 15-20% from the previous year. If looking at the rate of coffee drinking per person per year. Thailand is also considered to have a lot of opportunities compared to many countries with a rate of drinking coffee as high as 1,000 cups per person per year, such as Finland and the United State of America (Coffee Business Trends, 2018).

From these factors, the coffee shop business has higher competition, each store has to create a spotlight and distinction to attract customers. In addition to the decoration of the shop, there is also a presentation for the quality of coffee and the barista's ability simultaneously. Because of the younger generation of coffee drinkers pays more attention to the taste and quality of the coffee by making coffee taste good, and good quality. It takes the expertise of the barista to pay attention to choosing coffee beans, how to make coffee, and creating a coffee menu that will be pleasing to customers. Over the years, Thai baristas have developed their knowledge and capabilities rapidly to become internationally recognized (Bangkok Business, 2018)

From the statement of problem and significance of research shows that the coffee shop as one of the food businesses and leisure destinations for tourists, the development and adoption of a marketing mix are another way to develop a successful coffee shop business and more importantly, create jobs for local people. Therefore, it is a reason for the researchers to study the guidelines for the development of marketing strategies of coffee shop entrepreneurs and marketing mix factors (7P's) affecting the decision to use the coffee shop service. Case Study: Chanthaburi Province. 1. To study the development of marketing mix strategies of coffee shop entrepreneurs in Chanthaburi Province. 2. To study consumers' behavior in the choice of coffee shop service in Chanthaburi Province and 3. To analyze the marketing mix factors (7P's) affecting the decision to use the coffee shop service of the coffee shop users in Chanthaburi Province.

The results of the study can be used as a guide to develop, improve and plan the coffee shop market to meet the needs of consumers and other coffee shop entrepreneurs can be used to improve business and meet the needs of consumers as much as possible.

## Research Methodology

The population and samples used in the research include qualitative research, the main informants are 5 executives of the coffee shops: 1. Kays Espresso Bar 2. Latte Coffee House Chanthaburi 3. Mililín Café & Eatery 4. Koff House Coffee Bar & Eatery and 5. Hom Chan Café. Due to the number of followers of social media (Facebook Fanpage) respectively. By in-depth interviews with executives by selecting purposive sampling. Quantitative research, because

the population is large and does not know the exact population. Therefore, the sample size can be calculated from the W.G. Cochran sample size unknown formula, with a 95 percent confidence level and 5 percent tolerance level from the formula calculation of the sample size of 384 people. The researchers then used a total sample size of 400 samples.

Research Tools, the tools used in this research, the qualitative research uses in-depth interviews, informal interviews, participation observation, and non-participation observation. Analyze the data obtained from the interview using triangulation data. The quantitative research used the questionnaire, which was divided into 3 sections, consisting of (1) the general survey of the respondents. (2) Questionnaire on consumers' behavior in choosing to use the coffee shop service in Chanthaburi Province (3) Market factor (7P's) affecting the decision to use the coffee shop service in Chanthaburi Province, which is confident of the questionnaire (Index of Item – Objective Congruence) between 0.91 and 0.95

The analysis methodology in this research includes descriptive statistics, frequency, percentage, mean, and standard deviation, and hypothesis tests with inferential statistics by analyzing the multiple regression analysis to analyze the marketing mix factors (7P's) affecting the decision to use the coffee shop service of the coffee shop users in Chanthaburi Province, which is significantly defined at 0.05 levels.

## Research Results

### Part 1 Qualitative Results

Guidelines for developing a marketing mix strategies (7P's) of coffee shop entrepreneurs

From interviewing 5 coffee shop entrepreneurs about the Guidelines for the development of marketing strategies (7P's) found that the coffee shop entrepreneurs have adopted the marketing mix as a way to develop a strategy, as follows: (1) The product, the entrepreneur has increased the taste of coffee and beverages that serve, smell, color, and concentration. The containers and packaging are clean, modern, and standards. Snacks and other snacks are available. It is clean and has an acceptable mark on the product. (2) Price, entrepreneurs show the character of clear product price. The price is available according to the size of the packaging, the price is suitable for the quality. Special price for customers who are members (3) Place, location is reasonable and convenient. There are price tags and selectable media, transportation services such as parking spaces, etc. (4) Promotion, the entrepreneur is advertised using various media, has a membership card to exchange goods, and offer discounts to customers. (5) People, employees are enthusiastic, friendly, and helpful. Personality development is suitable for the job and clean. (6) Physical evidence, each entrepreneur creates an appropriate atmosphere and a peaceful place to relax and appointment or meeting. (7) Process, Fast service, standardized service procedures, easy to understand, and facilities such as Wi-Fi, etc.

### Part 2 Quantitative Research Results

7P's behavior and factors affecting the decision to use the coffee shop service of the coffee shop users in Chanthaburi Province. The results of the general data analysis of the respondents showed that the majority of respondents were female, 257 people (64.25%), most of them aged 20-30 years, 199 people (49.75%), had lower education than a bachelor's degree, 209 people (52.25%), 178 people are private company employees (44.50%) and monthly income 20,001 - 30,000 baht, 189 people (47.25%)

The analysis of consumers' behavior data in choosing to use coffee shop service in Chanthaburi Province found that the majority of consumers used the service of Kays Espresso Bar, 201 people (50.25%), used the service 4-5 times/week, 197 people (49.25%) came to use the service from 12.01-16.00, 166 people (41.50%) by sitting at the store, 217 people (54.25%), a cold drink/smoothie of 251 people (62.75%). There is a service charge per time, not more than 100 baht for 176 people (44.00%), most of them prefer a latte, cappuccino, espresso, mocha, 181 people (45.25%). The normal taste of 189 people (47.25%) and most of them use the coffee shop is negotiation, meeting, the appointment of 191 people (47.75%)

**Table 1** Marketing mix factors (7Ps) affecting the decision to use the coffee shop service in Chanthaburi Province.

Marketing mix factors (7Ps) affecting the decision to use the coffee shop service in Chanthaburi Province.	$\bar{x}$	S.D.	Levels of Satisfaction
Product Factors	4.40	0.72	Very Satisfied
Price Factors	4.63	0.63	Very Satisfied
Place Factors	4.60	0.63	Very Satisfied
Promotion Factors	4.65	0.64	Very Satisfied
People Factors	4.86	0.31	Very Satisfied
Physical Evidence Factors	4.80	0.46	Very Satisfied
Process Factors	4.63	0.60	Very Satisfied
<b>Total</b>	4.65	0.64	Very Satisfied

From Table 1, the marketing mix factors (7P's) affecting the decision to use the coffee shop service of the coffee shop users in Chanthaburi Province. The overview is at the highest level ( $\bar{x} = 4.65$ ) when classified as a factor, It was found that the personal factors affecting the decision to use the coffee shop service of the coffee shop users in Chanthaburi Province were the highest level ( $\bar{x} = 4.86$ ). Promotion factors are at the highest level ( $\bar{x} = 4.65$ ). The price factor and process factor are at the highest level ( $\bar{x} = 4.63$ ). Place factors are at the highest level ( $\bar{x} = 4.60$ ) and Product factors at the highest level ( $\bar{x} = 4.40$ )

**Table 2** Multiple Regression Analysis, Marketing mix factors (7Ps) affecting the decision to use the coffee shop service in Chanthaburi Province

Factors affecting the decision to use the service	b	beta	P-value	Sig
Product Factors	.230	.213	3.710	.000*
Price Factors	1.439	1.190	3.231	.002*
Place Factors	.174	.152	2.828	.005*
Promotion Factors	.255	.216	3.675	.000*
People Factors	.237	.258	3.157	.001*
Physical Evidence Factors	1.552	1.257	3.069	.000*
Process Factors	.164	.149	2.917	.005*
<b>Constant</b>	1.372		4.739	.000
R <sup>2</sup> = .212 R = .242 F = 22.459 Sig = .000				

From Table 2, multiple regression analysis, marketing mix factors (7Ps) affecting the decision to use the coffee shop service in Chanthaburi Province found that all marketing mix factors (7Ps) affecting of the decision to use the coffee shop service at a statistically significant level of 0.05

### Discussion and Conclusion

Based on research on the guidelines for the development of marketing mix strategies of coffee shop entrepreneurs and marketing mix factors (7P's) affecting the decision to use the coffee shop service. Case study: Chanthaburi Province is by the objectives, which can be discussed as follows:

1. The guidelines for the development of marketing mix strategies of coffee shop entrepreneurs to develop business, the coffee shop entrepreneurs must plan to develop a marketing mix integrity strategy to meet the needs of the users according to Suracha Boonraksa, (2014), study the guidelines for developing marketing strategies to promote the perceived value of Thai desserts in Samutsakhon based on the creative economic concept. Differentiation has to be made and in terms of products, flavors, packaging, pricing, prices should be varied according to the type of product and marketing promotion should be advertised via social networks. Public relations to promote the identity of the business, it also supports the research of Kaniitha Yahatta, (2015), study The development of business coffee Shrimp Zaa, because of Human development is very important, consumers will choose the store where the service staff has good human relations, and the process is to provide fast and accurate service. Physical evidence choose a shop with a nice atmosphere and by Kotler, (1997). He said that the marketing mix refers to a variable or a marketing tool that can be controlled, companies are often used together to meet the satisfaction and needs of the customers who were originally targeted. The marketing mix will have only 4 variables (4P's): Product, Price, Place, and Promotion. There are 3 more variables: People, Physical Evidence, and Process, because of the coffee shop business needs to have

seven development guidelines, each of which is very important for consumers to decide on the service.

2. Behavior and marketing mix factors (7P's) affecting the decision to use the coffee shop service of the coffee shop users in Chanthaburi Province.

Consumers' behavior who use the coffee shop service Consumers who come to the coffee shop are all used because of their preferences and meet their own needs or meet various meetings. Solomon, (1996) said, studies of the processes in which individuals or groups of people are involved in selecting, purchasing, using or consuming products, services, ideas, or experiences to satisfy their needs and desires and according to Hoyer and MacInnis, (1997), consumers' behavior is a reflection of all consumer purchasing decisions related to acquisition, consumption, and limitation on goods, services, time, and conception by decision-making units in a particular period. As well as Loudon and Bitta, (1988), said decision-making processes and physical activities that a person engages in when assessing the acquisition, use or shopping of goods and services. In this regard, the marketing mix factors (7P's) affecting the decision to use the coffee shop service in Chanthaburi Province found that all marketing mix factors (7Ps) affecting of the decision to use the coffee shop service at a statistically significant level of 0.05

### Recommendation

1. The entrepreneurs can apply this research to the development of marketing mix strategies and consumers' behavior in deciding to use the coffee shop service.
2. Compare strategies for marketing mix strategies for the two or more coffee shops for clarity of research

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