

FACTORS INFLUENCING THE CUSTOMER SATISFACTION ON THE ONLINE SHOPPING APPLICATION IN BANGKOK AND METROPOLITAN AREA: THE STUDY OF SHOPEE

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Abstract

Today, online shopping has influenced to our society. Shopee is the one of the biggest e-Commerce which is provide variety of products, a social community for exploration, and smooth and satisfactory services. People can buy and sell products online via Shopee easily.

The researcher interested this topic because there was not academic research on Shopee application or other e-commerce application which is signified a need to study the effect of demographic factor, service marketing mix 6P's and customer satisfaction on the online shopping application in Bangkok: The study of Shopee. The research finding revealed that there is an effect of demographic profile and customer satisfaction on Shopee application in Bangkok and Metropolitan area. And there is an effect of Service marketing mix (6P) and customer satisfaction on Shopee application in Bangkok and Metropolitan area.

The findings of this study can provide baseline information to Shopee marketing team to develop marketing strategy to better attract customer to use application for shopping and gain more income to the company. For the person who is interesting in selling on Shopee, this study will be useful for making the decision to invest for their business.

Keyword: Online shopping, E-commerce, Shopee application, Customer satisfaction

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Introduction

Nowadays, the digital age or online shopping websites has influenced to our society. And has growing in marketing and advertising industry because it can reach to people in this era easily. Advertising companies and various organizations also sale products by online application. Moreover, we have mobile phone with us all the time and mobile phone which is have high technology be a part of our lifestyle and change lifestyle a lot, easy communication and comfortable also can help and find solutions of the problems in life easily. This impact people interested and consume product and E – marketplace more and more.

E-commerce business in Thailand is expect to scale up to another level this year with more creative activities to engage with potential customers, including live streaming, social commerce, direct to customer (DTC) strategies and more shopping experiences. According to experts, live-streaming activities in which presenters introduce products via e-marketplaces and social media platforms will become a crucial new strategy driving online sales, as Thailand is now one of the leading fronts for "conversational commerce". The 5G technology is expected to create a better presentation of products online and a smarter shopping experience among users. The ultra-fast internet network will also be interacting in a real time between sellers and buyers and take the shopping experience to another level with multi-platform sales channels using both online and offline approach (Suchit & Komsan, 2020).

Shopee is the leading e-commerce platform in Southeast Asia and Taiwan. It is a platform customized for the region, providing both buyers and sellers with an easy, secure and fast online shopping experience, strong payment and logistical support. With a wide selection of product categories ranging from consumer electronics to home & living, health & beauty, baby & toys, fashion and fitness equipment, Shopee aim to always improve its platform and become the region's e-commerce destination of choice.

Over the past three years since starting the businesses in Thailand, Shopee has more than 23 million downloaders in Thailand, more than 800,000 online shops and over 1,000 leading brands. The company had estimated the number of online shoppers in Thailand will reach 13.9 million in 2021 and the spending for online shopping will increase from 8,000 baht to 12,700 baht per person. The number of online shoppers will increase as a result of the increasing use of smart phones by 37% of total population. And the number of mobile phone users who use internet connectivity will increase to 27 million persons. The number of internet users in Thailand will rise to 41 million people and Thailand currently has the world's top social media users including Facebook and Instagram. It has also found out that 67% of online shoppers access shopping via mobile phones, followed by 22% who do online shopping through both PC and mobile phones (Terence, 2018).

This study aims to test factors influencing customer satisfaction via online shopping application in Bangkok and Metropolitan area, this study proposed two hypotheses as follows:

H1: Demographic profile has an effect on customer satisfaction on Shopee application in Bangkok and Metropolitan area.

H2: Service marketing mix (6P) has an effect on customer satisfaction on Shopee application in Bangkok and Metropolitan area.

Investigating constructs

The research paper focuses on effects of demographic factors and service marketing mix 6P of influencing the customer satisfaction on the online application (Shopee) in Bangkok and Metropolitan area. Moreover, this study collected data from customer in Bangkok and Metropolitan area that have experienced in online shopping application (Shopee). Therefore, this will limit a generalization of the result to similar research domain.

This definitions of key terms in this study are described as follows:

- **E- Commerce** refers to the buying and selling of goods or services using the internet, and the transfer of money and data to do these transactions. Ecommerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

- **E-market place** a virtual online market platform where companies can register as buyers and sellers to conduct business to business transactions over the internet. The use of the internet has helped remove intermediaries in a transaction. It is a web-based information system which provides opportunities for both suppliers and buyers.

- **Shopee application** a mobile social shopping platform, and it conforms to the global e-commerce trend of mobile e-commerce.

- **Demographic** dividing the market on variables such as age, race, religion, gender, nationality, occupation, family size, family life cycle, ethnicity, income, social class and education.

- **Service Marketing Mix (6P)** product, place, price, promotion, personalization, and privacy

- **Customer Satisfaction** is a measure of how products and services supplied by a company meet or surpass customer expectation.

- **Concept of Mobile Application** A mobile application also referred to as a mobile app or simply an app, is a computer program or software application designed to run on a mobile device such as a phone, tablet, or watch.

To future understand the relationship between demographic profile, service marketing mix 6P's and customer satisfaction, the following relevant studies have been reviewed. Studies of Supawan (2012) showed that Most of the customers are female aging between 26-30 years old. They are mainly private company employees having the monthly income from Baht 20,001 to 30,000 and have an educational background equivalent to a bachelor's degree level or lower. Customers with difference in occupations and education levels have difference in the online purchasing behavior in term of the frequency of service purchase. Customers pay attention to overall product, price, place, and process factors of the service marketing mix on the ENSOGO website at high levels.

Jutarat (2015) explored Factors Affecting the decision making on purchasing products from the online application founded that the result of demographic factors, occupational differences affect the decision-making on purchasing on an online

application. The findings show that four factors: 1) product place and technology acceptance factor, 2) security and reliability factor, 3) price quality and variety of (4) products in application and prompt delivery factor, and 4) public relations consumer communication and popularity of application factor, were found to affect the decision-making on making a purchase on an online application in descending order.

Methodology

The research is a survey research design that uses a self-administrative questionnaire to collect data from respondents. The respondents are age between 21-30 years old and who live in Bangkok and Metropolitan area. The research adopted convenience sampling method by giving out questionnaire to customers who were using Shopee application for buying product of Bangkok and Metropolitan Area. Convenience sampling was used for this study because the respondents are selected to be in the right place at the right time and least time consuming compared to other sampling techniques. Due to the number of populations is unknown, the researcher uses Taro Yamane table to calculate by the approximately sample size for this study (Poldongnok 2009). The sample size is calculated based on 95% confidence level and 5% sampling error. This Study collected data from 395 samples.

Data was analyzed by using descriptive statistic for frequency, percentage, mean and standard deviation and Pearson's Chi-Square (X^2 -test) was used to test the relationship between demographic profiles, and customer satisfaction using Shopee. The confidence level of 95% or $\alpha < 0.05$ was adopted to test the hypotheses of the study. Correlation was used to find the relationships between marketing mix and customer satisfaction using Shopee.

Results and Discussion

This study collected data from customer satisfaction on Shopee application in Bangkok and Metropolitan area. Questionnaires were distributed 395 respondents who using Shopee application.

In summary, the respondents of this study are customer satisfaction on Shopee application in Bangkok and Metropolitan area. The majority of respondents are female (52.2%) followed by male (47.8%) of the total. The largest groups are aged 21-30 years old (47.1%) followed by 31-40 years old (30.4%), 41-50 years old (9.6%), 20 or under (9.4%), 51 years old above (3.5%). Most of them are work in private companies with average monthly income at Above 30,000 baht.

Most respondents agreed that service marketing mix strategy such as product, place, people, Personalization and Privacy have an impact on their customer satisfaction on Shopee application in Bangkok and Metropolitan area.

This leads to development of conceptual framework of the study and the following hypothesis:

H1: Demographic profile has an effect on customer satisfaction on Shopee application in Bangkok and Metropolitan area.

H2: Service marketing mix (6P) has an effect on customer satisfaction on Shopee application in Bangkok and Metropolitan area.

Table 1 Result of Hypothesis 1: Relationship between Demographic profile and Satisfaction of using.

*Level of significant $\alpha = 0.05$

Items	Value	Df.	Sig.
Gender	4.001 ^a	4	.406
Age	70.909 ^a	16	.000*
Occupation	34.162 ^a	12	.001*
Monthly income	19.294 ^a	12	.082

The table 1 showed that Satisfaction of using was found having a significant relationship with Age and Occupation ($P < 0.05$).

Table 2 Result of Hypothesis 2: Relationship between Service Marketing Mix 6P' and Satisfaction of using.

Items	R ²	Sig
Product	0.139	0.006*
Price	0.318	0.000*
Place	0.390	0.000*
Promotion	0.365	0.000*
Personalization	0.208	0.000*
Privacy	0.517	0.000*

*Level of significant $\alpha = 0.05$

Table 2, Showed that product, price, place, Personalization and Privacy were found having particular significant relationship with Satisfaction of using. ($P < 0.05$)

Marketing Mix (Product) and Satisfaction of using

The study was found that product was found having a partial significant relationship with Satisfaction of using Shopee has a wide variety of products ($R=0.139$, $P < 0.05$). Respondents the product on Shopee is the same standard as other high-street retailers ($R=0.270$, $P < 0.05$). Respondents Shopee provides an after-sale service for bought products to the same standard as other high-street retailers ($R=0.346$, $P < 0.05$). Respondents Shopee provides information including details and price of the product thoroughly ($R=0.286$, $P < 0.05$). Respondents the product on Shopee has more variety in styles than other high-street retailers ($R=0.400$, $P < 0.05$). Respondents the product

guidance/instructions on Shopee are as good as other high-street retailers ($R=0.366$, $P < 0.05$).

Marketing Mix (Price) and Satisfaction of using

The founding showed that price was found having a partial significant relationship with Satisfaction of using I often get a cheaper price on Shopee ($R=0.318$, $P < 0.05$). Respondents I can compare prices between Shopee and other high-street retailers conveniently ($R=0.331$, $P < 0.05$). Respondents It's worth buying products from Shopee ($R=0.306$, $P < 0.05$). Respondents It's worth buying products from Shopee ($R=0.457$, $P < 0.05$).

Marketing Mix (Place) and Satisfaction of using

Researcher found that Place was found having a partial significant relationship with Satisfaction of using Shopee is reliable ($R=0.390$, $P < 0.05$). Respondents Shopee has multiple payment methods ($R=0.286$, $P < 0.05$). Respondents Functions on Shopee are interesting and attractive ($R=0.310$, $P < 0.05$). Respondents Buying process on Shopee is fast and convenient ($R=0.331$, $P < 0.05$). Respondents I can buy products on Shopee 24 hours a day, seven days a week ($R=0.272$, $P < 0.05$). Respondents Shopee has fast and various choices of deliveries ($R=0.335$, $P < 0.05$).

Marketing Mix (promotion) and Satisfaction of using

The founding showed that promotion was found having a partial significant relationship with Satisfaction of using Shopee often provides codes and coupons for buying products ($R=0.365$, $P < 0.05$). Respondents I can find Shopee's Facebook page easily ($R=0.208$, $P < 0.05$). Respondents I know Shopee from 'Blackpink x Shopee' on BTS advertising ($R=0.308$, $P < 0.05$). Respondents I can use codes and coupons for discounts ($R=0.448$, $P < 0.05$). Respondents Shopee often remembers previous information ($R=0.447$, $P < 0.05$).

Marketing Mix (personalization) and Satisfaction of using

Personalization was found having a partial significant relationship with Satisfaction of using Shopee often remembers previous information ($R=0.517$, $P < 0.05$). Respondent Shopee provides 24 hour a day customer service ($R=0.374$, $P < 0.05$). Respondent I get feedback from customer service immediately when I need help ($R=0.336$, $P < 0.05$).

Marketing Mix (privacy) and Satisfaction of using

Privacy was found having a partial significant relationship with Satisfaction of using Shopee keeps customers information confidential e.g. email, mobile number, address ($R=0.346$, $P < 0.05$). Respondent Shopee provides a privacy policy ($R=0.423$, $P < 0.05$). Respondent Shopee provides customer information in terms of delivery only ($R=0.362$, $P < 0.05$).

Implication of the study

1. From the study, the female respondent's age between 21-30 years are using Shopee for purchasing product a lot. To gain more income and satisfaction from them, Shopee management team should find more beauty product such as hi-end brand and popular clothing brand to attract them.

2. The research finding that respondents who has income 10,000 or below mostly ask their friends or relatives' opinion for shopping. Shopee can improve strategy for those who give high rate and positive comment but must be based on their real experience will get more coin to exchange to exclusive products or can be a discount on next purchasing.

3. The result from the study also revealed that marketing mix (6 P) product, price, place, promotion, personalization, and privacy are influenced customer satisfaction. However, some of respondents feel neutral impressed with negotiating with the seller on Shopee. It might be some customer never negotiated with the seller by chatting. Shopee management team can improve the functions or add the bottom for negotiate for discount.

4. Promotion strategy such as know Shopee from Blackpink x Shopee on BTS advertising was found to show least effect on customer satisfaction compare to other strategy of promotion. Not everyone using BTS for transportation, Shopee should focus advertising on other social medias is an advantage e.g. Facebook, YouTube, Instagram because mostly customers are in Gen Y, they always use social media for daily life. They better see advertising on social media than transportation.

Limitation of the study

There are several limitations in which the researcher encountered throughout the processes of research conduction. The limitation of the study still leaves room for future study in the following areas:

1. The future study may replicate this study and extend sampling frame to other provinces in 4 regions of Thailand (e.g. Phuket, Chiangmai, Khon-Kaen). The larger sample size may help to increase the explanation power of the finding.

2. Future studies may explore others factors influencing the customer satisfaction on the online shopping application: The study of Shopee such as efficiency, availability, fulfilment, responsiveness, contact. So that the findings of future research can better provide effective marketing strategies as guidelines for marketers.

3. Other recommendation for future study is The Influence of customer purchase decision toward customer satisfaction in Bangkok and Metropolitan area: The study of Shopee.

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