

Using Convenience Store Service of Foreign Backpacker Tourists in Bangkok, Thailand

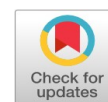
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Abstract: The aim of this study is to determine the cluster of homogenous financial centers by using hierarchical clustering analysis, and to define in which same cluster Istanbul city takes part with other financial centers. Thirty eight countries financial center and sixteen variables were included in the analysis. For analyzing data, Ward's method of hierarchical clustering analysis technique was applied and a Squared Euclidian distance measure was used. According to the analysis results, countries were grouped in four different clusters. Sydney, Vienna, Brussels, Toronto, Helsinki, Paris, Frankfurt, Tokyo, Amsterdam, Madrid, Stockholm, Zurich, London and New York were gathered in Cluster 1. Rio De Janerio, Prague, Shanghai, Johannesburg, Milan, Kuala Lumpur, Warsaw, Lisbon, Moscow, Bangkok, Athens, Tel Aviv, Seoul and Almaty were gathered in Cluster 2, and Istanbul found its place in Cluster 3 sharing with Mexico city, New Delhi, Jakarta, Cairo and Bogota. Dublin, Doha, Singapore and Dubai were gathered in Cluster 4. The empirical results clearly showed that Istanbul city has not homogenized with the international/global financial centers yet.

Keywords: Service marketing mixes, Shopping behavior, Convenience store, Foreign backpackers

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INTRODUCTION

Bangkok, the capital city of Thailand, is the top-ranked destination city for international overnight visitor arrivals according to the annual Mastercard global destination cities Index released in September, 2016. Nowadays, the number of tourists to Thailand has increased significantly in non-package tour visitors showing that most of backpackers prefer to spend their leisure time there. The more backpackers visit Thailand, the more revenue flows to tourism sector. Unlike package-tour customers who followed everything in program, backpackers made buying decision by themselves while travelling along local circumstance. Therefore their spending money scattered in many small local businesses such as B&B, guesthouse, street food business, convenience store, etc.

During travelling period, most backpackers often use convenience store service. Even shopping mall and department store provided everything on demand much more than convenience store could offer but large retail businesses had limited open time and were located mostly in central district area. Therefore backpackers usually bought things from any nearby convenience store during both travelling and resting in their accommodations. Convenience stores held the highest growth of grocery retail sales between 2008 and 2013 according to Thai people who like to buy convenience goods from the nearest place (Figure 1). In Thailand, there are more than 12,000 convenience stores, located in strip mall, neighborhood shopping area, tourist attraction, business area, etc (Hiransomboon, 2012; Pathumporn & Nakapaksin, 2015).

Not only were Thai convenience stores in modern franchise style like 7-11, Lawson, Family mart and 108 Shop, but also conducted traditional trade. Most Thai convenience stores carried food, drinks, liquor, cigarette, battery, medicine and utensils which were necessary for backpackers at affordable price. Although miscellaneous expense spending by foreign backpackers was a little amount of money, but it had the highest growth (18.56%) (Figure 2). This highest growth rate refers to the success in satisfying foreign backpackers.

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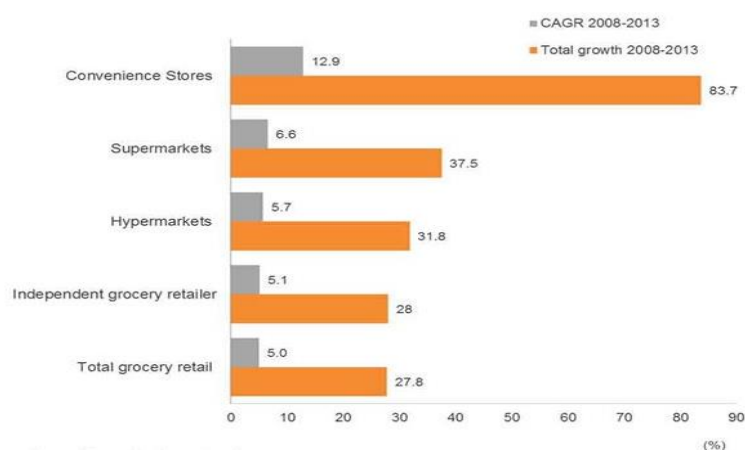


Figure 1. Growth of grocery retail sales by retail channel

Source: Yuen, 2015

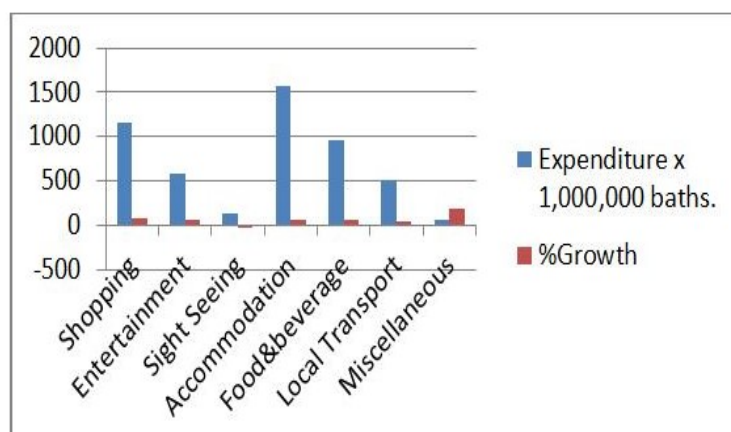


Figure 2. Average expenditure of international non-package tour to Thailand in 2015

Source: Department of Tourism Operating Center, 2016

Objectives of study

- To study service marketing mix affecting usage of convenience store by foreign backpacker in Bangkok, Thailand.
- To study buying behavior in convenience store of foreign backpacker in Bangkok, Thailand.
- To compare levels of service marketing mix affecting usage of convenience store by foreign backpacker in Bangkok, divided by personal information of foreign backpacker.
- To compare levels of service marketing mix affecting usage of convenience store by foreign backpacker in Bangkok, divided by buying behavior in convenience store of foreign backpacker.

LITERATURE REVIEW

Tosun, Temizkan, Timothy and Fyall (2007) studied tourist shopping experiences and satisfaction to examine tourists' perceived satisfaction with local shopping culture, staff service quality, product value and reliability, physical features of shops, payment methods and other shopping and shop attributes with special reference to the region of Cappadocia, Turkey. A survey questionnaire was designed and conducted with tourists visiting the region on a guide tour. It was found that the respondents recorded different levels of satisfaction with various attributes of shops and shopping. Based on the research results, it is suggested that providing a higher level of shopping experience for tourists and increasing the contribution of shopping to the regional economy require supporting indigenous local people via various fiscal and educational instruments to continue producing and retailing authentic handicrafts and sou-

venir goods. It is believed that this not only is necessary for the achievement of higher levels of tourists' satisfaction and greater economic benefits for the local economy but also for achieving the ultimate goal of sustained and sustainable tourism development (Pathumporn & Nakapaksin, 2015).

Ritbonchai (2013) studied about service marketing-mix factors affecting buying decision making at Seven-Eleven convenient. The research's objectives are 1) To study the relationship between service marketing-mix factors affecting buying decision making at Seven-Eleven convenient store based on the attitudes of the students of Burapha university, 2) To confirm service marketing-mix factors affecting buying decision at Seven-Eleven convenient store of the students of Burapha university using the Second Orders Confirmatory Factor Analysis as the statistical tool. The populations in the study were from 10,637 students of Burapha university in the academic year 2011. Sampling size was calculated using Yamane formula with the reliability at 95 percent, so 387 samples were derived. Stratified random sampling was applied to derive the samples who were undergraduates from different faculties. The quantitative research approach was using the focus group approach. A questionnaire was used as the data collection tool. The descriptive statistics were used for the analysis of the characteristics of those respondents and the inferential statistics were used in answering the research questions via Pearson's Coefficient Correlation analysis of service marketing-mix factors and the Second Orders Confirmatory Factor Analysis with LISREL. The findings are that 1) the relationships between service marketing-mix factors affecting the buying decision at Seven-Eleven convenient store, according to 387 samples from Burapha university students are ranked as follows: for service staff and process dimensions ($r = 0.67$), for process and physical characteristic dimension ($r = 0.64$), and for public relations and physical characteristic dimension ($r = 0.53$) respectively. 2) the study on service marketing-mix factors affecting buying decision at Seven-Eleven convenient store of the students of Burapha university using the Second Orders Confirmatory Factor Analysis as the statistical tool, confirmed that the first three factors affecting buying decision are related to physical evidence and presentation ($ly_7 = 0.84$), process ($ly_6 = 0.80$), and product ($ly - 1 = 0.70$) respectively.

METHODOLOGY

Tools for data collection

Questionnaires were employed for the survey consisting of 3 parts as follows:

Part 1: Personal information of foreign tourist backpacker.

Part 2: Using convenience store service behavior of foreign backpacker in Bangkok, Thailand.

Part 3: Levels of service marketing mix affecting usage of convenience store by foreign backpacker in Bangkok, Thailand.

Population and sample group

The population in this research was foreign backpacker shopping at convenience store in Bangkok, Thailand during November 2015 - February 2016. The samples were taken from popular tourist attractions and foreign tourist shopping area in Bangkok. These data were collected through interviews of 400 customers (Hiransomboon, 2016; Luekveerawattana, 2016).

One of the non-probability sampling techniques called convenience sampling was deployed in customer survey. Personal interview was done by using questionnaires.

Data analysis

Descriptive statistics such as percentage were used in the data analysis regarding personal information of respondents. Mean and standard deviation were used to analyze levels of service marketing mix affecting usage of convenience store by foreign backpacker in Bangkok.

T-test was used to compare core competency levels between two genders. F-test for one-way analysis of variance (One-way ANOVA) was used to compare levels of service marketing mix affecting usage of convenience store by foreign backpacker in Bangkok divided by personal information and buying behavior.

RESULTS

Personal information of foreign backpacker

Researcher divided foreign backpackers as following:

- Gender; male and female.
- Age; not more than 20 years old, 21 - 30, 31 - 40, more than 40 years old.
- Nationality; European, Asian, American and others.
- Education; lower than bachelor's degree, bachelor's degree, higher than bachelor's degree.
- Marital status; single, married, divorced/separated.
- Travel budget; lower than 1,000 US\$, 1,000 US\$, more than 1,000 US\$.
- Length of time spent in Bangkok; not more than a week, 815 days, more than 15 days.

From the survey, most foreign backpackers were male (53.00%), age 21 - 30 years old (43.75%), European (39.75%), had bachelor's degree (53.25%), travel budget was more than 1,000 US\$ (59.25%) and spent time in Bangkok not more than one week (35.75%).

Using convenience store service behavior of foreign backpacker in Bangkok, Thailand

Most foreign backpackers bought things from both traditional and modern convenience stores (63.50%). While Thai people like to shop in modern franchise-system store as 7-eleven or Family Mart, foreign backpackers prefer to use traditional trade. Local style and flexible policy of traditional convenience store impressed foreign visitors. This came from the warm welcome attitude of Thai people towards foreigners as guests of the country.

Thailand is a tropical country with hot weather and sunshine all year long. That was the reason why drinks were in the top rank of buying items (38.50%). In Thailand, people enjoyed eating and there were many kinds of food available 24 hours so every convenience store provided food items as a snack, instant food, chilled ready-to-eat meals, etc. Microwave oven with full-service from store staff enhanced foreign backpackers to enjoy both western and Asian food.

The highest frequency of buying in convenience store was 3-5 times (35.75%). But some backpackers bought more than 10 times because there are many convenience stores in Bangkok. Located nearby convenience store or supermarket was what foreign backpackers preferred. Consequently, store entrepreneurs chose location crowded with people such as in community, office zone, etc. The more stores selling convenience goods, the easier people can buy.

Time of using convenience store was uncertain, more often in day time (46.25%). Food and drinks in convenience store were the attractive items. Shopping at night usually occurred to buy some liquor to drink with friends in guesthouse or hotels as the study found that the location of convenience store that foreign backpackers preferred was near their accommodations (58.50%).

Service marketing mix affecting usage of convenience store by foreign backpacker in Bangkok

The highest level of service marketing mix affecting foreign backpacker using convenience store was convenience to use service ($\bar{x} = 3.97$). There are many convenience stores in Bangkok. Due to easy-to-buy process and long-opening period, Thai people preferred convenience store to any kind of retail shop. Some convenience stores provided fresh food, tools, stationary items, etc., not only convenience goods.

The second level was price of product ($\bar{x} = 3.75$). Some products had different levels of price according to the quality of product such as juice 100% had higher price than mixed juice 40%. Moreover, Thailand's cost of living was lower than European's but higher than some Asian's like China resulted in different opinion of respondents. Legitimate price tag was neglected in some traditional stores while every modern franchise convenience stores used standard price tag.

The third level was physical evidence ($\bar{x} = 3.74$). Every convenience store categorized products in order for self-service customer to find items easily. Also the store signage was quite clear especially in franchise-systemized convenience store. However, traditional stores did not have staff uniform whereas franchise stores had standard uniform for staff in every branch.

The fourth level was service process ($\bar{x} = 3.72$). Because payment must be done one by one, customers needed to stand in a queue waiting to pay - this was an ordinary custom in self-service shop. However, paying by credit card/smart card payment was allowed only at franchise-systemized convenience store.

The fifth level was service personnel ($\bar{x} = 3.69$). Most Thai employees were polite and had beautiful smile to greet their customers. Thai people were quite helpful and had service-mind. The weakest point of these staff was being unable to communicate in English except in the store nearby tourist attractions or foreigner's accommodation.

The sixth level was product ($\bar{x} = 3.68$). Convenience store in Thailand provided many items of merchandise; not only convenience goods were available but also necessary things for daily life such as Internet package, SIM package, smart phone utensils, medicines, etc. Moreover, most products, especially food items, were fresh with expiry date indicated to show the standard quality. However, not every store carried local product items due to inconsistency of quantity produced all year long or low production capacity. Therefore a few small local enterprises did business with chained or franchise-systemized convenience stores.

The lowest level was marketing promotion ($\bar{x} = 3.26$). Foreign backpacker spent a short period in Bangkok therefore they preferred discount to accumulated point in purchase bills for redeem and would not apply for membership as local people did (Table 1).

Table 1: Marketing mix affecting usage of convenience store by foreign backpacker in Bangkok, Thailand

Marketing mix affecting usage of convenience store by foreign backpacker in Bangkok.	\bar{X}	S.D
1.Product.	3.68	0.68
1.1 Products are of high quality.	3.70	0.85
1.2 Each product has wide choice	3.65	0.88
1.3 Full range of products is available.	3.72	0.86
1.4 Local products are available to try.	3.64	0.99
2.Price of product.	3.75	0.76
2.1 Price of product is reasonable to its quality.	3.89	0.83
2.2 Price of product is not more expensive than in my country.	3.67	1.20
2.3 Price tags are clearly stated.	3.68	0.99
3.Convenience to use service.	3.97	0.78
3.1 Store located in place where is easy to find.	4.04	0.85
3.2 Open 24 hours.	3.91	0.94
4.Marketing Promotion	3.26	0.74
4.1 Discount price.	3.59	0.92
4.2 Premium/giveaway.	3.18	0.95
4.3 Persuasion of store employee.	3.19	0.99
4.4 Accumulated purchase bills for redeem.	3.11	1.03
5. Service Process	3.72	0.74
5.1 Cashier can work rapidly/no long queue.	3.76	0.87
5.2 Services customers by first come/ first served.	3.85	0.85
5.3 Credit card/smart card payment is allowed.	3.57	1.07
6. Store Employee/Service personnel.	3.69	0.80
6.1 Employee can communicate with foreigner.	3.55	1.02
6.2 Employee can respond to your request.	3.57	0.97
6.2 Employee has service-mind.	3.71	0.94
6.3 Employee has polite manner and services with smile.	3.95	0.94
7. Physical Evidence of store	3.74	0.67
7.1 Clean place/equipment/product.	3.76	0.85
7.2 All product categories in order and easy to find.	3.84	0.82
7.3 Clear store signage.	3.81	0.87
7.4 Beautiful store/nice place for shopping	3.60	0.87
7.5 Employees wear uniform dress.	3.73	1.00

Comparison of marketing mix level of foreign backpacker using convenience store in Bangkok

Foreign backpackers with different nationality and length of time spent in Bangkok had different levels of every service marketing mix except convenience to use service. Asian backpacker had different life style from European, American and the others. Most of the tourists in Bangkok were Chinese who ate rice, liked to negotiate price while shopping, bought things from intimacy-operating store and did not pay much attention to the physical evidence of the store. Whereas westerner backpackers preferred bakery products, paid at tagged-price and liked clean, well-arranged store. Foreign backpackers with different education levels had different levels of product and service process. Backpackers who had bachelors degree or higher preferred fresh and nutritious food while lower educated people consumed instant food, cigarette and liquor. Some backpackers who had never been in school system may not use first-come, first served method so the store employee must ask them to be in queue.

Foreign backpackers with different travel budget had different levels of marketing promotion and service personnel. Lower-budget backpackers needed lower and negotiable price to save their money (Table 2).

Table 2: T-prob. and F-prob. of service marketing mix affecting usage of convenience store in Bangkok divided by foreign backpackers personal information (One-way ANOVA analysis at 0.05 significant level)

Foreign Backpacker's Personal Information	Product	Price of Product	Convenience to use Service	Marketing Promotion	Service Process	Service Personnel	Physical Evidence
Gender	0.194	0.113	0.070	0.956	0.184	0.584	0.851
Age	0.382	0.177	0.144	0.768	0.824	0.328	0.747
Nationality	0.000*	0.000*	0.319	0.013*	0.006*	0.000*	0.000*
Education	0.007*	0.209	0.660	0.202	0.030*	0.609	0.213
Travel budget	0.089	0.111	0.389	0.007*	0.199	0.011*	0.616
Length of time spent in Bangkok	0.003*	0.030*	0.218	0.001*	0.029*	0.000*	0.014*

Foreign backpackers found that modern franchise-system convenience store had fixed price indicated on price tag while some traditional stores had no price tag so customer had to ask the seller. Moreover, modern franchise-system convenience stores had clear store signage, full of electricity light all day and well-decorated differently from traditional ones. Surprisingly, foreign backpackers preferred traditional convenience store because backpackers would like to touch local experience.

Different frequency of buying led to different products bought, convenience to use, marketing promotion and service personnel. If a convenience store provided wide range of products, backpackers would repurchase in the same place without finding from the others. Store located nearby accommodation was the most frequent place to go. The frequency of buying in a particular store increased intimacy between buyer and seller and then discount of regular customer had been taken.

Foreign backpackers with the different location of convenience store had the different marketing promotion and service personnel. Using pricing policy based on location, it seldom had discount price in convenience store near tourist attractions. Unlike in convenience store where most customers were local people, most of the store staff in convenience store located in foreign tourist area had foreign language skills (Table 3).

Table 3: T-prob. and F-prob. of service marketing mix affecting usage of convenience store in Bangkok divided by foreign backpacker's buying behavior (One-way ANOVA analysis at 0.05 significant level)

Foreign Backpacker's Buying Behavior	Product	Price of Product	Convenience to Use Service	Marketing Promotion	Service Process	Service Personnel	Physical Evidence
Type of convenience store	0.739	0.036*	0.043*	0.120	0.074	0.125	0.001*
Product bought	0.631	0.413	0.119	0.525	0.531	0.677	0.166
Frequency of buying	0.002*	0.216	0.004*	0.007*	0.240	0.001*	0.156
Time of buying	0.437	0.598	0.633	0.265	0.734	0.271	0.816
Location of convenience store	0.382	0.137	0.239	0.040*	0.087	0.000*	0.393

SUGGESTIONS

- There was more opportunity for small traditional convenience store to service foreign backpackers or foreign tourists. Being in local style would be attractive for tourists who came from different cultures. Therefore local-styled convenience store for foreign backpacker should be located near accommodation such as guesthouses, B&Bs, resorts and small hotels.
- The main issue for physical evidence was being well-arranged. Also everything in store must be clean. Traditional convenience store should have store signage in foreign language such as English or Chinese. Additional light outside and in store including unique staff uniform are recommended.
- Payment by credit card should be possible because some items such as whiskey were quite in large amount of money. For long trip, backpackers need to have cash all along their journey so they could save their cash by using credit card. Cash card for store member was not appropriate for the foreigners who visited Thailand for a short period of time.
- Price tags were necessary and should be indicated in US\$, Euro or Chinese Renminbi for foreign backpackers to understand the price (but payment must be in local currency). Moreover, good price means suitable to its quality.
- Store staff should have foreign language skills. Simple method to train personnel was preparing some sentences that were usually used in commercial conversation and let the employees memorize.
- Local goods or souvenirs should be available for tourists. As travelling is a learning experience, tourists are eager to open their point of view to the new culture and different circumstances. Therefore it is the opportunity for small local enterprises to place their local products in convenience stores, open the venture for new customer segments, and learn to start international business.

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— This article does not have any appendix. —