

THE QUALITY AND MANAGEMENT DEVELOPMENT FOR TRADITIONAL GROCERY STORES IN DUSIT DISTRICT, BANGKOK

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The objectives of this research were: 1) to survey the level of consumers' awareness on traditional grocery stores in Dusit District, Bangkok, based on location, service quality, risk, shopping enjoyment, value for money, shopping satisfaction and future shopping intention; 2) to survey the influences of factors including: location, service quality, risk, shopping enjoyment, value for money and shopping satisfaction on future shopping intention of the consumers of the traditional grocery stores in Dusit District, Bangkok. Quantitative and qualitative analyses are used in this research. The quantitative sample comprises of 400 consumers in Dusit District, Bangkok, to whom questionnaires were distributed. In-depth interviews were also conducted with five owners of traditional grocery stores in the same area. In analyzing data of this study, both multiple regression analysis and SPSS for windows were employed.

According to the results of this research, it was found that consumers have moderate level of awareness on location, service quality, risk, shopping enjoyment, value for money, shopping satisfaction and future shopping intention. The factors including value for money, shopping enjoyment and the risk strongly influence on shopping satisfaction and the shopping satisfaction influences on the future shopping intention. This research also indicates that the



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factor on shopping enjoyment mostly stems from the consumers organize activities together at traditional grocery stores.

Keywords: quality management, service quality, traditional grocery store

Introduction

Traditional grocery stores are basic business of many Thai people that create revenue for citizens and increase overall local money circulation for a very long time. Because running the business is easy, it requires low investment money and is businesses that are close to consumers more than other type of business. By selling goods that are necessary in daily life, they are stores that are necessary to the community demand. They are also gathering places for exchanging news and information that create many forms of relationships, which are kinship that help each other, neighbors, having the same job, and the economic integration in a community such as housewives group, cremation group, shares group, tour group, and offering group. (Princess Maha Chakri Sirindhorn Anthropology Centre, 2006)

Continuous development of economy and Thai society make the economy rapidly grow which affect citizens' lifestyle to want more convenience in their lives. This makes modern grocery stores quickly spread and have an important role to a changed lifestyle which can be seen through the rapid growth of modern grocery store business's total value from 212 billion Baht in 1999 to 500 billion Baht in 2002 (Rungruangpol, 2002; Savpaithoon. 2002) and increased to approximately 28 trillion Baht in 2008 (Kitivechpokavat, 2008) while the amount of traditional grocery stores have obviously decline. In 1999-2007, traditional grocery stores have decreased from 295,600 stores to 291,370 stores, 247664 stores, and 222,000 stores respectively in that order (Kitivechpokavat, 2008). From the growth of modern grocery stores that has been said above affect traditional grocery store to continuously having less shares in the market as shown in Tab. 1 and Fig.1.

Table 1 - Total market share percentage
(Source: The Committee of Economic, Commerce, and Industry, 2008)

Type of Market	1999	2000	2001	2002	2007	2008
Traditional Grocery Stores	70	60	46	36	35	30
Modern Retails	30	40	54	64	65	70

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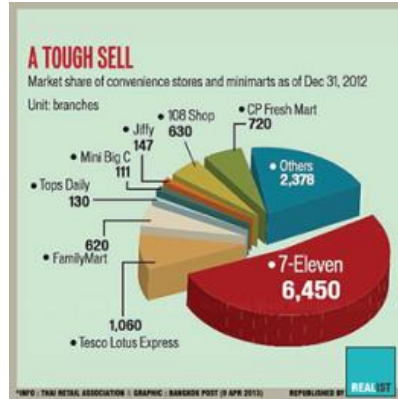


Figure 1 - Market Share of Convenience Stores in Thailand
(Source: Thai Retailer Association & Bangkok Post, 2013)

Even traditional grocery stores have become less popular but there was a research found that traditional grocery stores can meet consumers' satisfaction less than the modern grocery stores (Piriyakul & Wingwon, 2010). Other than that the quality of goods in traditional grocery stores is old, don't have price tag, and some of the goods are more expensive modern retails are actively using some of the consumers avoidance of the risks to buy low quality goods that is not worth their money. The location factor of traditional grocery stores still have an advantage (Poapongsakorn, 2002) especially when the country is facing economy crisis and weak social community.

Therefore, it is necessary to preserve traditional grocery stores, which are the places that create income, relationships, and strong community by improving traditional grocery stores to be able to meet true consumers' satisfaction. Thus, the researcher wanted to study about the influence of consumers' satisfaction factor. For a purpose that to use this knowledge in applying as a guidelines for improving the potential of traditional grocery stores that appropriate for small and middle enterprises that can keep on competing with modern grocery stores.

Objectives

The objectives of this research were:

- 1) to survey the level of consumers' awareness on traditional grocery stores in Dusit District, Bangkok, based on location, service quality, risk, shopping enjoyment, value for money, shopping satisfaction and future shopping intention;
- 2) to survey the influences of factors including: location, service quality, risk, shopping enjoyment, value for money and shopping satisfaction on future shopping intention of the consumers of the traditional grocery stores in Dusit District, Bangkok.

Literature review

The basic premise for successful marketing is to know how to provide consumer satisfactions high enough so that they will keep coming back. There are many factors that can influence consumers to purchase goods and services today and in the future. MacDougall and Levesque (2000) stated that there is a relationship between satisfaction today and intention of

purchasing more tomorrow. East, Gendall, Hammond, and Lomax (2005); Wanida Suwunniponth, (2014) pointed out that only when consumers are highly satisfied with products and services will they likely come back to the same stores to show their loyalty. The research model was adapted from Ring, Newton, Borden, and Farris (1989). They explained some of the external factors such as location, quality of service and satisfaction are important to consumers to choose any grocery stores.

A good location is often associated with success of a retail business (Armstrong & Kotler, 1990). The management of modern retail must give serious consideration to the location. First, consider if the location is convenient for consumers, the location itself will strengthen the chance of success as well as enhance consumers' satisfaction. Second, the location has an effect on long term profit. More often than not, a good location can offset any mediocrity in management (Duncan & Hooander, 1977). The selection of proper location is vital to the business in that it can establish the comparative business edge and serve as a basis for long term planning. The quality of service can be a result of a comparison between an expected quality from traditional grocery stores and a real experience perceived from consumers who actually purchases goods and services (Parasuraman, Zeithamal, & Barry, 1994). Quality is a value added entity which is a reflection of attention, speed, enthusiasm, and employee knowledge. The aim of high quality of service is to enhance consumers' satisfaction.

Risk can be defined as an uncertainty that can make consumers unable to meet their objectives of purchasing. Risk is often reflected in a loss of opportunity, a waste of time and money for consumers (Mitchell, 1999). Risk is also an important factor in consumers' purchasing decision. The high value of the item purchased, the higher the risk associated with that purchase.

Walters and Hanrahan (2000) studied many retail strategies and they found that besides a good location, a nice atmosphere and a good surrounding of the retail store operation is important. Nice atmosphere and good surrounding can increase the pleasure of shopping.

Generally, consumers often search for sellers who possess high quality products with low price. In addition, consumers often pay attention to sales, discounts, or any products that offer a lower price. Consumers who are satisfied with their purchase often have an intention to patronage the same retail repeatedly. Consumers can signal their loyalty in terms of purchasing the same products or services again, providing a compliment to employees or the retail owner by not purchasing from competitors (Reinartz & Kumar, 2000).

Methodology

This paper utilized both quantitative and qualitative method. A questionnaire was developed based on the idea of market measurement of Bruner, James, and Hensel (2001). The chosen items were with an alpha Cronbach higher than 0.06 (Hair et al., 1998). A total convenience sample of 400 consumers who were owners of traditional grocery stores was asked to participate in the questionnaire survey. The data was collected by a survey questionnaire. Information was analyzed by Multiple Regression Analysis and the software packages SPSS for Windows. An in-depth interview was also utilized with five owners of tradition grocery stores in Dusit District, Bangkok who had a long experience in tradition grocery stores and knew their customers very well.

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This paper was aimed to test these six hypotheses:

- H1. Location significantly influences the shopping satisfaction.
- H2. Service quality significantly influences the shopping satisfaction.
- H3. Risk significantly influences the shopping satisfaction.
- H4. Shopping enjoyment significantly influences the shopping satisfaction.
- H5. Value for money significantly influences the shopping satisfaction.
- H6. Shopping satisfaction influences the future shopping intention.

Results

Table 2. Level Of Awareness Of Each Factor
(Results of the author survey)

Factors	Mean	S.D.	Level
1. Location	3.13	0.774	Medium
2. Service Quality	3.09	0.636	Medium
3. Risk	3.15	0.203	Medium
4. Shopping Enjoyment	3.24	0.716	Medium
5. Value for Money	3.24	0.706	Medium
6. Shopping Satisfaction	3.12	0.686	Medium
7. Future Shopping Intention	3.23	0.716	Medium
Total	3.17	0.562	Medium

Table 3. Level Of Awareness Of Value For Money
(Results of the author survey)

Factors	Mean	S.D.	Level
1. Like to purchasing goods that have been discounted by compromising	3.41	0.954	High
2. Like cheap product from traditional grocery stores	3.25	0.958	Medium
3. Choosing product that only worth the money	3.28	0.962	Medium
4. Good quality product with the expensive price	3.14	0.883	Medium
5. Willing to pay extra to have better quality product from traditional grocery stores	3.13	0.912	Medium
Total	3.24	0.706	Medium

From Tab. 2 found that consumers of traditional grocery stores in Dusit District, Bangkok has awareness level of every factors in medium level ($\bar{x} = 3.17$, S.D. = 0.562). The

consumers had demonstrated an awareness level of shopping enjoyment factor ($\bar{x} = 3.24$, S.D. = 0.716) and value for money factor first ($\bar{x} = 3.24$, S.D. = 0.706). Second are future shopping intention ($\bar{x} = 3.23$, S.D. = 0.716), risk ($\bar{x} = 3.15$, S.D. = 0.203), and location ($\bar{x} = 3.13$, S.D. = 0.774) respectively in that order.

From Tab. 3 found that consumer have awareness level of overall value for money in the medium level ($\bar{x} = 3.24$, S.D. = 0.706). Consumers have a high awareness level ($\bar{x} = 3.41$, S.D. = 0.954) of purchasing goods that have been discounted by compromising with the seller in traditional grocery stores. Second is choosing product that only worth the money ($\bar{x} = 3.28$, S.D. = 0.962) and prefer cheap product from traditional grocery stores ($\bar{x} = 3.25$, S.D. = 0.958) respectively in that order.

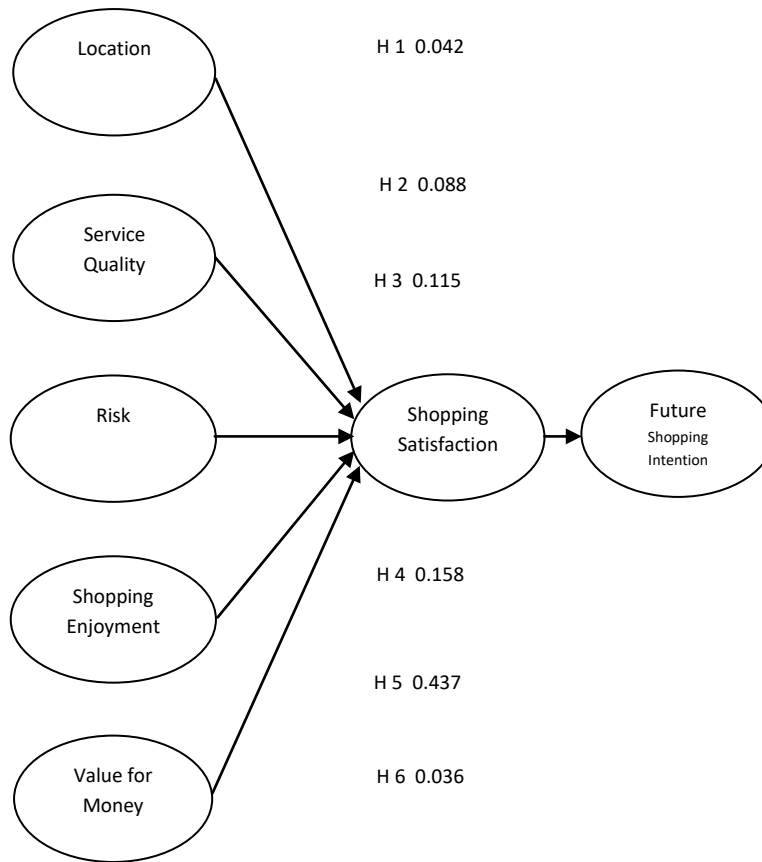


Fig. 2. The results of analytic hypotheses
(Results of the author survey)

From Fig. 2 reveals the model of the factors influencing shopping satisfaction and affecting the future shopping intention.

From Tab.4 survey result of the factor that influent the future shopping intention of traditional grocery store in Dusit District, Bangkok found that value for money, shopping enjoyment, and risk are influential to shopping satisfaction and shopping satisfaction influent the future shopping intention.

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Table 4 - The Results of Hypotheses Testing
(Results of the author survey)

	Hypothesis	Coef.	t-test	Summary
1	Location significantly influences the shopping satisfaction.	0.042	0.373	Non-Support
2	Service quality significantly influences the shopping satisfaction.	0.088	0.075	Non-Support
3	Risk significantly influences the shopping satisfaction.	0.115	0.025	Support
4	Shopping enjoyment significantly influences the shopping satisfaction.	0.158	0.007	Support
5	Value for money significantly influences the shopping satisfaction.	0.437	0.000	Support
6	Shopping satisfaction influences the future shopping intention.	0.036	0.000	Support

Conclusions and Discussion

Research result found that value for money factor, shopping enjoyment, and risk are important factors that influence the shopping satisfaction and shopping satisfaction influent the future shopping intention. Traditional grocery stores should use above factors to improve traditional grocery stores to have an opportunity to take back shares in the market from modern retail stores. The research result demonstrated that most of consumers have pleasure with the activities they did together in the traditional grocery stores creating bond and unity of the community which match with Singelis (1994) that said pleasure is an important factor of consumers in purchasing good which have attachment and the close kinship with people.

From the finding about risk, the operators of traditional grocery stores in Dusit District, Bangkok should improve more of reputation in price and products' quality for consumer to trust and have purchasing satisfaction by finding good quality products to sell in a reasonable price and they must be products that meet consumer's needs so that it can increase potential in a competition as Sproles & Sproles (1990, p.134) said that careful consumers emphasize on discounting and same kind of product that has a cheaper price and also match with research of Jones (1999) that studied about grocery stores' reputation that affect consumer in both positive and negative way found that consumers' positive experiences come from satisfaction in buying product that is cheaper than the normal price.

Suggestion

Traditional grocery stores need to improve their layout and product display to be modern and reduce consumers risk in terms of poor quality products or expiratory products.

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