

## **CHAPTER 2**

### **THEORY AND RELATED RESEARCHES**

According to the study of the Marketing Mix factors affecting consumer behavior in consuming clean food at DJ Poom Menu restaurant in Bangkok, Thailand, the researcher had gathered the related literature reviews composed of concerned conception, theories and the related for the research scheming as follow:

1. Marketing Mix
2. Consumer buying decision behavior
3. Customer satisfaction

#### 2.1 The concept and theories of Marketing Mix

##### 2.11 Introduction

“Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably”.- Chartered Institute of Marketing

“Marketing is the process of planning, and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives”.- American Marketing Association

Marketing mix is originating from single P (price) of microeconomic theory (Chong, 2003). McCarthy (1964) offered the “marketing mix”, often referred to as the “4Ps”, as a means of translating marketing planning into practice (Bennett, 1997).

Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision making managers make in configuring their offerings to suit consumers’ needs. The tools can be used to develop both long-term strategies and short-term tactical programmes (Palmer, 2004). The marketing mix management paradigm has dominated marketing thought, research and practice (Gronroos, 1994), and “as a creator of differentiation” (Van Waterschoot, n.d) since it was introduced in 1940s. Kent (1986) refers to the 4Ps of the marketing mix as “the holy quadruple...of the marketing faith...written in tablets of stone”. Marketing mix has been extremely influential in informing the development of both marketing theory and practice (Moller, 2006).

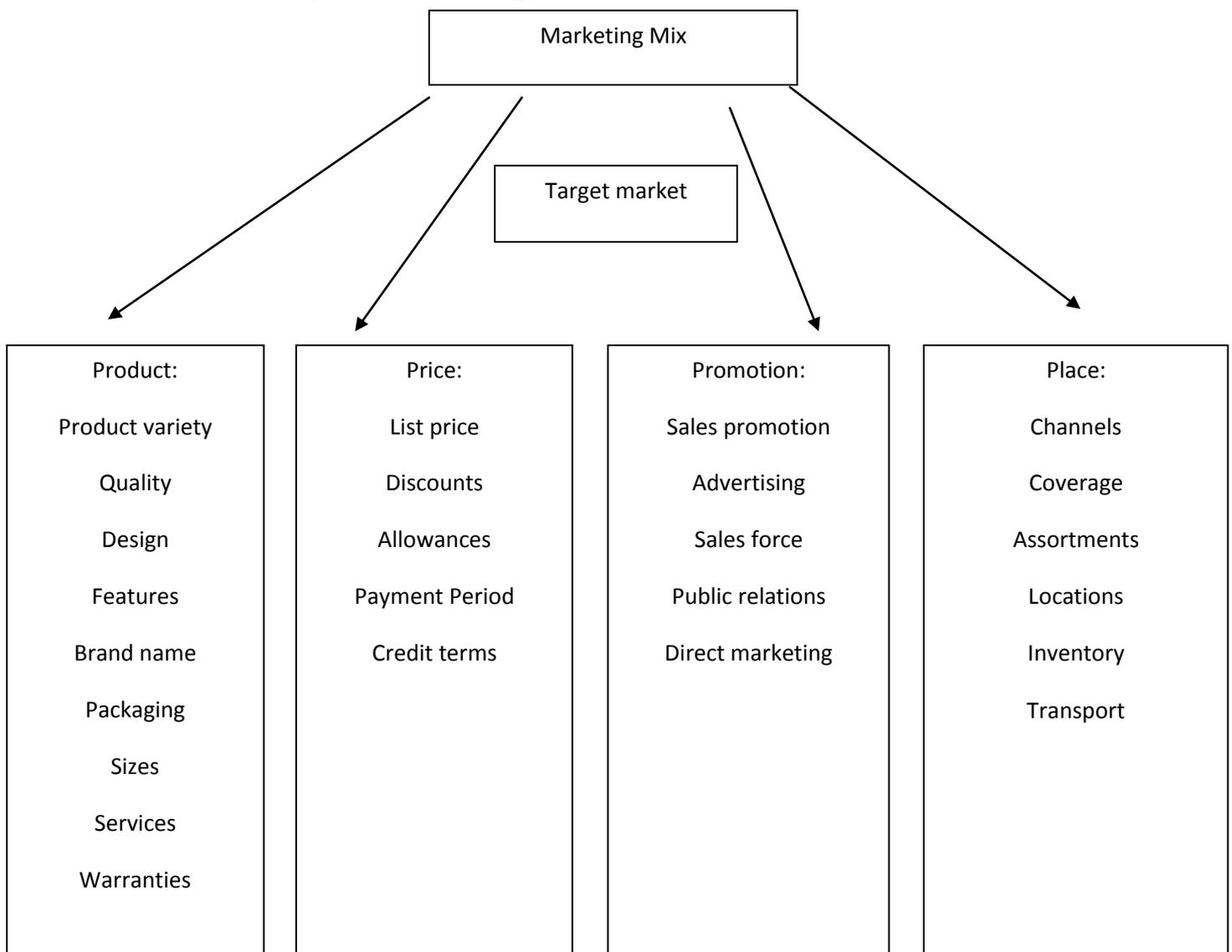
The marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager’s job is, in a large part, a matter of trading off the benefits of one’s competitive strengths in the marketing mix against the benefits of others. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager’s job. All managers have to allocate available resources among various demands, and the marketing manager will in turn allocate these available resources among the various competitive devices of the marketing mix. In doing so, this will help to instill the marketing philosophy in the organization (Low and Tan, 1995).

The marketer’s task is to devise marketing activities and assemble fully integrated and marketing programs to create, communicate, and deliver value for consumers.

The marketing program consists of numerous decision on value-enhancing marketing activities to use. McCarthy classified these tools into four broad groups, which he called “4Ps”: Price, Product, Place and Promotion.

The particular marketing variables under each P are shown in Figure 1. Marketing-mix decision must be made for influencing the trade channels as well as the final

consumers. **Figure1. Marketing-mix or 4P’s : Kotler (2000)**



## **Figure 1** The Four P Components of the Marketing Mix

### **Product Decisions**

The term “product” refers to tangible, physical products as well as services.

Although this typically refers to a physical product, it has been expanded to include services offered by a service organization. The specification of the product is one of the variables that a marketer has at his/her control. For example, the product can include certain colors, certain scents, and certain features. Lastly, in the broadest sense when a consumer purchases a product it also includes the post-sales relationship with the company. The post-sales relationship can include customer service and any warranty.

### **Price Decisions**

The price is the amount paid for a product. In some cases, especially in business-to-business marketing this can also include the total cost of ownership (TCO). Total cost of ownership may include costs such as installation and other products required to deliver a complete functional solution.

### **Place Decisions**

Place represents the location where a product can be purchased. It is often referred to as the distribution channel. It can include any physical store as well as virtual stores on the internet. Distribution is about getting the products to the customer.

## **Promotion Decisions**

In the context of the marketing mix, promotion represents the various aspects of marketing communication, that is, the communication of information about the product with the goal of generating a positive customer response. Promotion represents all of the communications that a marketer may insert into the marketplace. This can include TV, radio, and print advertising, as well as coupons, direct mail, billboards, and online advertising. One of the less well-defined areas in promotion is the role of a human sales force. On the other hand, consumers may rather purchase the product only when sold through the support of a known salesperson. In this case, the service, perceived or real can be defined as a feature of the product.

### **2.12 Criticize on Marketing Mix**

Peter Doyle (Doyle, 2000) claims that the marketing mix approach leads to unprofitable decisions because it is not grounded in financial objectives such as increasing shareholder value. According to Doyle it has never been clear what criteria to use in determining an optimum marketing mix. Objectives such as providing solutions for customers at low cost have not generated adequate profit margins. Doyle claims that developing marketing based objectives while ignoring profitability has resulted in the dot-com crash and the Japanese economic collapse. He also claims that pursuing a ROI approach while ignoring marketing objectives is

just as problematic. He argues that a net present value approach maximizing shareholder value provides a “rational framework” for managing the market mix.

Against Kotler’s 4Ps, some claim that they are too strongly oriented towards consumer markets and do not offer an appropriate model for industrial product marketing. Others claim it has too strong of a product market perspective and is not appropriate for the marketing of services.

Since 1960, the model has broadened beyond its origins in economic theory to encompass aspects of sociology and cognitive psychology (Hakansson and Waluszewski, 2005). Indeed, criticism of the 4Ps has centered on its inception in the production and supply context of the 1950s, and its appropriateness to later twentieth century marketing functions. Consequently, it has been extended with a further 3Ps of participants, process and physical evidence (Booms and Bitner, 1981), and an eighth P for personalization, to reflect a services marketing orientation (Goldsmith, 1999). The growing importance of the political environment led Kotler (1984) to propose two additional Ps of political power and PR to the marketing mix. As marketing’s focus has moved to consumers and consumption, it has arguably broadened into an integrated and networked approach to organizational resources (Brownlie and Saren, 1992). This has accompanied the decline of mass markets and growth of specialization, supported by database management and customer relationship marketing principles, which evolved into the one-to-one marketing opportunities developed on the internet.

In spite of its deficiencies, the 4Ps remain a staple of the marketing mix. The subsequent Ps has yet to overcome a consensus about their eligibility and agreement over their practical application.

The concept of 4Ps has been criticized as being a production-oriented definition of marketing, and not a customer-oriented (Popovic, 2006). It's referred to as a marketing management perspective. Lauterborn (1990) claims that each of these variables should also be seen from a consumer's perspective. This transformation is accomplished by converting product into customer solution, price into cost to the customer, place into convenience, and promotion into communication, or the 4C's. Moller (2006) highlighted 3-4 key criticisms against the Marketing Mix framework:

- The Mix does not consider customer behavior but is internally oriented.
- The Mix regards customers as passive; it does not allow interaction and cannot capture relationships.
- The Mix is void of theoretical content; it works primarily as a simplistic device focusing the attention of management.
- The Mix does not offer help for personification of marketing activities.

A review of another article, "Revision: Reviewing the Marketing Mix" (Fakeideas, 2008) found that:

- The Mix does not take into consideration the unique elements of services marketing.

- Product is stated in the singular but most companies do not sell a product in isolation.

Marketers sell product lines, or brands, all interconnected in the mind of the consumer

- The Mix does not mention relationship building which has become a major marketing focus, or the experiences that consumers buy.
- The conceptualization of the mix has implied marketers are the central element. This is not the case. Marketing is meant to be ‘customer-focused management’.

Even, a study by Rafiq and Ahmed (1995) found that there is a high degree of dissatisfaction with the 4Ps, however, 4Ps is thought to be most relevant for introductory marketing and consumer marketing. The result also suggests that the 7Ps framework has already achieved a high degree of acceptance as a generic marketing mix among our sample of respondents.

### **2.13 Conclusion**

Marketing mix management paradigm has dominated marketing since 1940s and McCarthy (1964) further developed this idea and refined the principle to what is generally known today as the 4Ps. However, in the post dot-com boom, marketing managers are learning to cope with a whole host of new marketing elements that

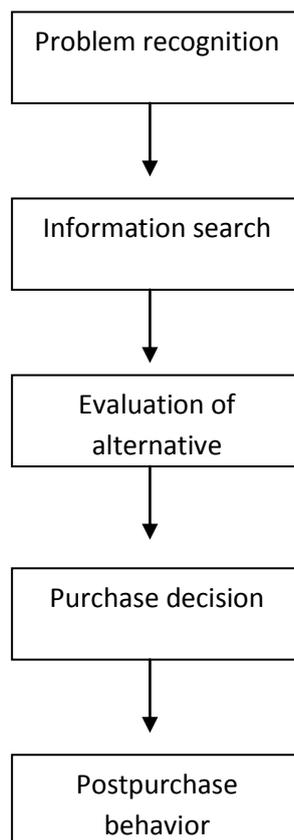
have emerged from the online world of the Internet. In some ways these new marketing elements have close analogs in the offline world, and yet from another perspective they are revolutionary and worthy of a new characterization into the E-Marketing mix (or the e-marketing delta to the traditional marketing mix) (Kalyanam and McIntyre, 2002).

Even number of criticisms on 4Ps, however, it has been extremely influential in informing the development of both marketing theory and practice. There is also too little reflection on the theoretical foundations of the normative advice found in abundance in the text books (Moller, 2006). Marketing mix was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people and process. Today however, the marketing mix most commonly remains based on the 4Ps. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbooks have been organized around it (NetMBA, n.d). In spite of its deficiencies, the 4Ps remain a staple of the marketing mix (Kent and Brown, 2006).

## **2.2 Consumer buying decision behavior**

### **2.21 Five stage model of the buying process**

According to Kotler & Keller (2012), a buyer goes through five stages while making a decision to purchase. These stages are best explainable when a buyer goes for buying costly items, such as a house, a car, diamond jewellery etc. However, in day-to-day purchase, consumers may not go through all these stages, since some commodities do not need information, and based on buyer's previous experience they will visit a store for the purchase. These stages are (Figure 2): “problem recognition, information search, evaluation of alternatives, purchase decision, and purchase behavior” (Kotler & Keller 2012).



**Figure 2** Five stage model of the buying process

## **Problem Recognition**

Problem recognition is the first stage of consumer decision making process and it can be explained as “result of an imbalance between actual and desired needs” (Lamb et al, 2011, p.190). Interestingly, problem recognition may relate to actual need of a perspective customer to a specific product or service, as well as, ‘perceived’ customer need imposed by businesses through effective marketing communication strategies.

Marketers need to identify the circumstances that trigger a particular need by gathering information from a number of consumers. They can then develop marketing strategies that spark consumer interest. (Kotler & Keller, 2012,p.189).

## **Information Search**

The second stage of consumer decision making process relates to information search. Once a need is recognised by a perspective customer, he would seek for information about the available ways to satisfy the need. It is important to stress that “the extent to which the consumer needs to search for information depends on his current information levels and the perceived value of the additional information” (Pradhan, 2009,p.123).

When consumers identify a need, they may look for information about how to satisfy it. A consumer may look for information from five general sources:

Personal Sources – by consulting other people like family members, ‘friends, and others.

Commercial Sources – through sales people, ads, packages, and so on.

Public Sources – through media publicity, reports of research firms, etc.

Experiential Sources – experiencing products, i.e., by handling them or by consuming or using them. For example, a consumer may taste a particular item of fast food, and if he likes it, then he may make a purchase decision.

Customers are greatly influenced by marketing strategies of retailers during this stage of the decision – making process as well. Namely, retailers communicate information about the brand through various communication channels that might include any combination of advertising, direct marketing, public relations and publicity, personal selling, events and experiences and sales promotion (Kotler and Keller, 2012).

### **Evaluation of Alternatives**

During the third stage of consumer decision making process perspective customers are engaged in evaluation of alternatives. In other words, during this stage “consumers consider the relative importance of each attribute of the product-service mix” (Reid and Bojanic, 2009,p.39).

Influencing customer behavior at this stage of decision making process is critical for retailers in terms of improving their levels of customer attraction and retention.

Accordingly, retailers attempt to attract customers with their competitive edges that are usually based in one or more elements of market mix.

It worth to be noted that “the marketing mix principles are controllable variables which have to be carefully managed and must meet the needs of the defined target group” (Kumar, 2010,p.45). Depending on the nature of their chosen strategy retailers might decide to base their competitive advantages on product (Marks and Spencer, Waitrose), price (Lidl, Netto), promotion (Tesco, Sainsbury’s), and/or place (Tesco, Sainsbury’s).

### **Purchase decision**

Making the purchase corresponds to the fourth stage of customer decision making process.

Factors playing significant role on the choice of retailer to make a purchase from at this stage include the level of satisfaction from past shopping experiences, product return policy, store atmosphere and the intensity of time pressure associated with the purchase.

Moreover, it has to be stated that “if the need isn’t great and the solutions the consumer finds aren’t desirable enough to motivate a purchase, the consumer may postpone the purchase until a satisfactory opportunity presents itself” (Lake, 2009,p.29)

### **Postpurchase behavior**

The last stage of customer decision making process involves post-purchase behavior of customers. It goes without saying that “the post-purchase phase of the decision-making process is essential for marketers to ensure that consumers are satisfied after the purchase” (Ramesh, 2008, p.3). the level of satisfaction or dissatisfaction associated with specific shopping experience customer value brand perceptions and the nature of their repeat purchase behavior.

Accordingly, a range of retailers invest in post-purchase communications among customers that can be done through follow-up calls or e-mails from salespeople. However, such type of practices are usually exercised in relation to high value items and it is not very popular among the majority of retailers.

## **2.22 Summary**

The typical buying process consists of the following sequence of events: problem recognition, information search, evaluation of alternatives, purchase decision and postpurchase behavior. The marketers’ job is to understand the behavior at each stage.

## **2.3 Customer satisfaction**

### **2.31 Customer satisfaction’s perception**

The most straight forward definition of customer satisfaction have been provided by American marketing guru Philip Kotler “If the product matches expectation, the consumer is satisfied: if it exceeds them, the consumer is highly satisfied: if it falls

short, the consumer is dissatisfied”. Customer satisfaction, or disaffection, is feeling a customer has about the extent to which their experiences with an organization have met their need (Nigel et al 2007, 31). According to Craig (2003,1), customer satisfaction can mean anything since it can involve so variable like price, lead time, conformance, responsiveness, reliability, professionalism, and convenience, and sometimes it is a complicated mix of all of these and more. The company might not be able to control many things about its business environment, but it certainly can control the quality of its products. Customer’s perception is the largest contributor to customer satisfaction, because that is how customer normally think of the product and service quality, like how is the products, how is the salesclerk’s attitude, but that is something the company cannot totally control. Moreover, sometime customer’s perception might be influent be some unreality, fiction expectation, or two customers bought exactly the same product had a different perception since the perception is variable, as it can be influent by customer’s mood.

### **2.32 Measuring Customer Satisfaction**

Organization can understand the customer satisfaction by the number of refunded products, complaint calls and complaint emails. Organizations for better understand the elusive and ever changing perceptions can use data-gathering and analysis tools, and intelligent organization use various of tools to monitor customer satisfaction because no single tool is capable to get the whole range of information for understand customer perceptions. (Craig 2003, 2)

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products. Because satisfaction is basically a psychological state, care should be taken in the effort of quantitative measurement, although a large quantity of research in this area has recently been developed.

Work done by Berry, Brodeur between 1990 and 1998 defined ten 'Quality Values' which influence satisfaction behavior, further expanded by Berry in 2002 and known as the ten domains of satisfaction. These ten domains of satisfaction include: Quality, Value, Timeliness, Efficiency, Ease of Access, Environment, Inter-departmental Teamwork, Front line Service Behaviors, Commitment to the Customer and Innovation. These factors are emphasized for continuous improvement and organizational change measurement and are most often utilized to develop the architecture for satisfaction measurement as an integrated model.

Work done by Cronin and Taylor propose the "confirmation/disconfirmation" theory of combining the "gap" described by Parasuraman, Zeithaml and Berry as two different measures (perception and expectation of performance) into a single measurement of performance according to expectation. According to Garbrand,

customer satisfaction equals perception of performance divided by expectation of performance.

The usual measures of customer satisfaction involve a survey with a set of statements using a Likert Technique or scale. In this paper, researcher uses a five-point Likert scales. The customer is asked to evaluate each statement and in term of their perception and expectation of the performance of the organization being measured.

The clean eating

There is no direct definition for “clean eating”. Specially, clean eating is not a diet-it is a lifestyle choice. Clean eating is not a new concept, as a matter of fact clean eating has been around for quite some time. Those involved with health, fitness or nutrition from competitors to personal trainers and health conscious individuals have been practicing “clean eating” for years.

One with many benefits that include:

1. Fat Loss
2. Weight Loss
3. Increased Energy
4. Clearer Skin
5. Shinier Hair
6. Better Sleep
7. Increased mental well-being

When someone makes the choice to eat “clean” they are choosing to eliminate all processed food and extra additives from their diet. Basically, you are choosing to eat whole, unrefined foods.

The basics of eating clean include-eating lots of fruits and vegetables. These are straight from nature-the idea is to stay away from anything that may have been altered in any way.

Include meats, however, “whole” meats that you have chosen straight from the butcher or prepared yourself. You would be very surprised to find out what is actually in ground turkey.

Enjoy whole grains-these are grains that are still complete and haven’t been broken down in any form. Examples include: brown rice, whole wheat and other whole grains. You will have to get used to reading over food labels. Just because a product says its “whole grain” does not mean it is. It also does not mean they have not added a bunch of other ingredients as well.

Eat fewer ingredients - try not to purchase items with more than 4-6 ingredients in the ingredient lists. Also, be sure you recognize every ingredient. If you can’t pronounce it, you probably shouldn’t put it in your body.

Simple Guidelines for Success:

1. Eating small frequent meals 5-6 times per day to level blood sugar and prevent hunger

2. Include lean protein, complex carbohydrates and heart healthy fats in each meal choice
3. Avoid All processed and/or refined foods (sugar, baked goods, candies, white flour, white rice, etc)
4. Avoid saturated and trans fats
5. Avoid sodas, high calorie juices and other drinks that give your body no nutritional value and lots of unnecessary (unwanted) calories
6. Avoid high calorie, non nutritious foods(i.e. junk food)
7. Drink at least 8 cups of water per day

As I mentioned above, “clean eating” is not a new concept; it has been around for a long time. If you have never eaten this way before it may take some practice and some time to get 100% “clean”. Unprocessed, natural state foods have a different taste than frozen and processed foods. Your taste buds will go through an adjustment period. Although it is less expensive to eat clean and nutritious foods, it does require more time in the kitchen planning and cooking meals.

### **Related Research**

**Naphat Sirisumphan** (2527: Abstract) studied about consumption behavior of population at municipal area of Chonburi province by studying the small delicatessen selling business found that most of the consumers had consumption extravagant behavior as a consumption behavior for “entertainment” that was more than the necessity or being full. By the female consumers preferred buying the

delicatessen as a snack and dessert for eating among the meals. And the male consumers preferred buying the delicatessen for eating as a meal. Factors affecting on consumer buying decision behavior for delicatessen such as, the convenience, the taste, the satisfaction or the dissatisfaction, the eating needs, the belief on tradition, the price, the colour and the palatability of food. The minority of population focused on the cleanness, value and quality of food.

ChariyarVirunrach( 2004: Abstract). This cross-sectional survey research was designed to investigate certain factors that affect the food consumption behavior among sixth-grade students in several Bangkok Metropolitan schools. The study applied the 'Pender Health Promotion Model 1980' as its conceptual framework. The sampled group in this study consisted of 420 sixth-grade students who were studying in 17 Bangkok Metropolitan schools. The students were selected by using a stratified sampling method. Data, in the form of answers to self-administered questionnaires, were collected from the students who had attended their classes between February 12, 2002 and March 12, 2002. The data were analyzed statistically by using frequency distribution, percentage, means, standard deviation, Pearson's Moment Correlation, and Chi-Square. The factors predicting the food consumption behavior were analyzed by Multiway Analysis of Variance and Multiple Classification Analysis. The result of this study showed that the food consumption behavior was correct at a moderate level (81.0%). In the period of 1-7 days of the

past week that the students could recall, they consumed snacks at 69.6%, carbonated beverages at 58.1%, and instant noodles at 41.2%. It was found that the cognitive-perceptual factors (such as attitude toward health and vision on health) and modifying factors (such as gender, number of siblings, number of family members, mother's education level and the student's daily allowance) were correlated significantly with the food consumption behavior. Cues to action (such as perceptions of influence from friends and media) also affected the food consumption behavior significantly. From Multiple Classification Analysis, it was found that the modifying factors were the best predictor which could predict 10.0 percent of the variation in behavior. Moreover, 5.0 percent and 4.0 percent of the variation in food consumption behavior could be predicted by cognitive conceptual factors and cue to action respectively.

The result of this study suggested that, as a strategy of health education, the content in school curriculum should be developed to reflect the long-term benefits of healthy food consumption. Schools should assist in the development of the students' cognitive-perceptual factors that affect their food consumption behavior. Distribution of unhealthy foods should be controlled. A group of friends with proper food consumption behavior should be formed in order to serve as a model for others.

Rungruengsilp, U. (1977) studied health-promoting behaviors among 300 vocational college students from three colleges in Prachuapkhirikhan Province using Pender

Health Promotion Model. She found that socio-psychological factors, modifying factors, and cues to action were significantly related to, and could predict their health-promoting behaviors. Best predictor was socio-psychological factors, explained at 28%, modifying factors at 8%, and cues to action at 8%.