

**FACTORS THAT ENCOURAGE THE LONG TERM SUCCESS OF
FRESHLY BREWED COFFEE SHOPS IN BANGKOK**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2015**

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper
entitled
**FACTORS THAT ENCOURAGE THE LONG TERM SUCCESS OF
FRESHLY BREWED COFFEE SHOPS IN BANGKOK**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management

on
August 29, 2015



Miss Pariyakorn Angsuthara
Candidate

Assoc. Prof. Roy Kouwenberg,
Ph.D., CFA
Advisor

Asst. Prof. Astrid Kainzbauer,
Ph.D.
Chairperson

Assoc. Prof. Annop Tanlamai,
Ph.D.
Dean
College of Management
Mahidol University

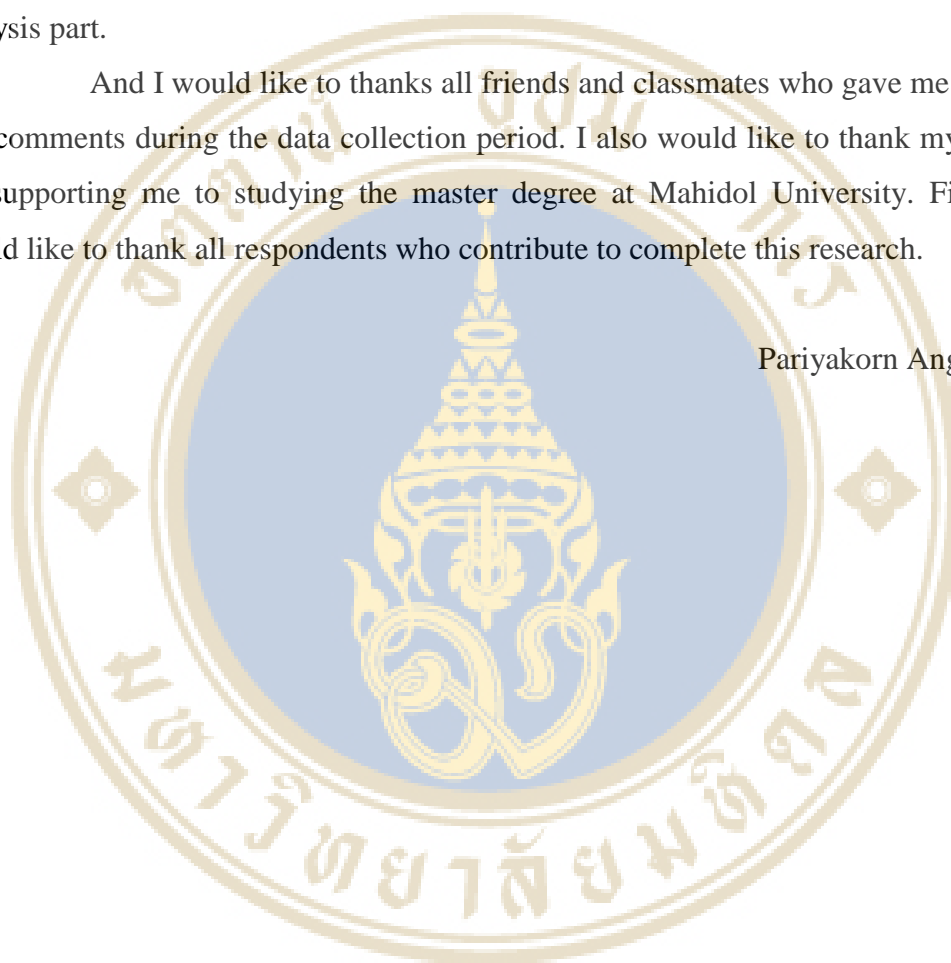
Assoc. Prof. Sooksan Kantabutra,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

To complete this research, I would like to pay sincere gratitude to Assoc. Prof. Roy Kouwenberg for guiding me throughout the paper, especially the data analysis part.

And I would like to thanks all friends and classmates who gave me advices and comments during the data collection period. I also would like to thank my family for supporting me to studying the master degree at Mahidol University. Finally, I would like to thank all respondents who contribute to complete this research.

Pariyakorn Angsuthara



FACTORS THAT ENCOURAGE THE LONG TERM SUCCESS OF FRESHLY BREWED COFFEE SHOPS IN BANGKOK

PARIYAKORN ANGSUTHARA 5749112

M.M. (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE:

ASSOC. PROF. ROY KOUWENBERG, PH.D., CFA, ASSOC. PROF. SOOKSAN KANTBUTRA, PH.D., ASSIST. PROF. ASTRID KAINZBAUER, PH.D.

ABSTRACT

This research will explore the factors that encourage the long term success of small freshly brewed coffee shops in Bangkok to help the owners compete with the big brand coffee shops, and be able to create the effective marketing strategy. Quantitative research methodology was applied in this research by collecting data via an online questionnaire with the gender quota to avoid the bias on brand preference. The respondents are those who drink coffee more than 4 cups a week and live in Bangkok.

The results revealed that both Brand preference and Customer satisfaction, especially Customer satisfaction, significantly influence the repurchase intention. The main factors are the high popularity of the coffee shop in social media that can induce people to check-in and the location that should be near the living area, while working area and department store locations are not important. Further, the good service and friendliness of the owner/waiter are important factors to the repurchase intention, and finally the unique taste of coffee is the main reason that can create differentiation among coffee shops.

KEYWORDS: Freshly brewed coffee shop / Long-term success / Bangkok /
Brand preference / Customer satisfaction

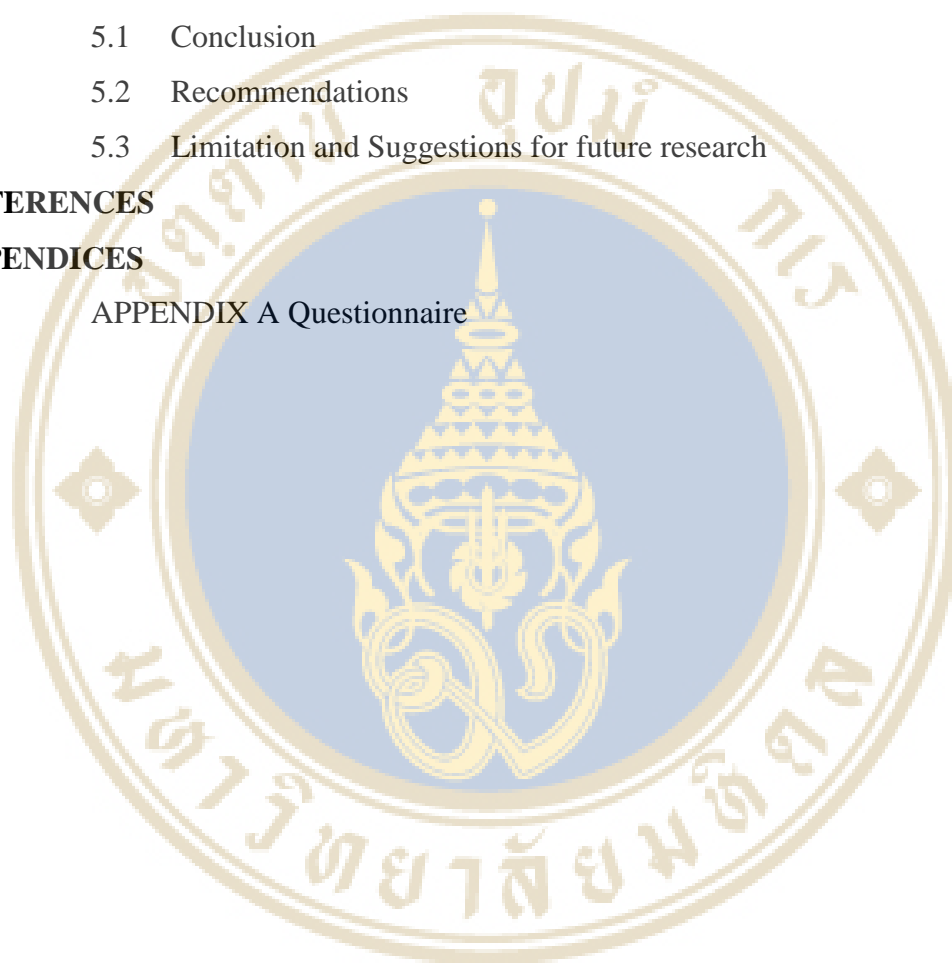
41 pages

CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
LIST OF FIGURES	vi
CHAPTER I INTRODUCTION	1
1.1 Problem statement	1
1.2 Research Question	2
1.3 Research Objective	2
1.4 Research Scope	2
1.5 Expected Benefits	3
CHAPTER II LITERATURE REVIEW	4
2.1 Customer Value and Customer Satisfaction	5
2.2 Repurchase Intention	5
2.3 Hypothesis and Framework	8
CHAPTER III METHODOLOGY	9
3.1 Research Design	9
3.2 Data Collection Methodology	10
3.3 Data Analysis	11
CHAPTER IV FINDINGS	12
4.1 Factors Influencing the Repurchase Intention	14
4.2 Consumer Behavior	18
4.3 Association among Behavior and Demographic variables	20
4.4 Relation between opinion and demographic	20

CONTENTS

	Page
CHAPTER V CONCLUSIONS	22
5.1 Conclusion	22
5.2 Recommendations	23
5.3 Limitation and Suggestions for future research	23
REFERENCES	25
APPENDICES	26
APPENDIX A Questionnaire	27



LIST OF FIGURES

Figure	Page
Chart 2.1 Related to customer satisfaction	6
Chart 2.2 Non-related to customer satisfaction	6
Chart 2.3 Brand preference strongly effect to the repurchase intention	7
Chart 2.4 Initial Framework	8
Chart 4.1 The respondents demographic	13
Chart 4.2 Regression analysis according to the initial framework	14
Chart 4.3 Modified framework	17
Chart 4.4 Reasons of visiting the coffee shop	18
Chart 4.5 Frequency visiting the coffee shop and time spending	18
Chart 4.6 Criteria of selection the coffee shop	19
Chart 4.7 Interaction with the coffee shop in online media	19

CHAPTER I

INTRODUCTION

In 2011, the freshly-brewed coffee consumption increased 25% among Thai people. It caused a rapid rise and opening of many new freshly-brewed coffee shops in Bangkok. (Thanonline, 2011) “There was an increasing coffee-drinking culture among Thai consumers over the review period. This trend became more significant in 2014 through both the on-trade and off-trade channels. Marketing activities by players remained the key factor driving a positive performance. This resulted in a stronger coffee-drinking culture penetrating into Bangkok and other provinces. There was also an expansion in terms of the number of chained coffee shops, independent cafés and specialist coffee shops in many places. In addition, there was a wider variety of products in terms of flavours, packaging formats and sizes available through many distribution channels.” (Euromonitor, 2015) So being successful in the freshly brewed coffee market is a big challenge, after the rapid growth of the number of coffee shops.

1.1 Problem Statement

Due to the increasing of independent freshly-brewed coffee shops in the past five years, it makes the coffee market becomes a high competitive market as the Red Ocean market – everyone tries to outperform their competitors, the market gets crowded, then profits and growth are reduced.

As being a highly competitive market, there are many entries come in and out. Most of the coffee shops were closed. Even though the famous coffee shops with attractive decorations that become popular at the beginning, they might not grow properly in the long term. However, there are still some of the freshly-brewed coffee shops that are a success and constantly growing. These coffee shops are independent,

small brands, operated by a small group or individual owners, and located throughout Bangkok, not only in the downtown or central business district (CBD).

1.2 Research Question

This study investigates how the independent freshly brewed coffee shops can compete with other coffee shops even the big brand such as Starbuck or True coffee, and success in the long term. What factors that encourage the long term success of independent freshly brewed coffee shops? Does brand influence the repurchase intention? What is the best strategy for being successful in the long term?

1.3 Research Objective

The purpose of this paper is to find out the factors that encourage the long term success of the independent freshly brewed coffee shop in Bangkok. The research will explore the factors from many aspects such as location, taste, behavior, branding and online media to help the small brand coffee shop compete with the chain store brand in the highly competitive market nowadays.

1.4 Research Scope

The research scope will concentrate on

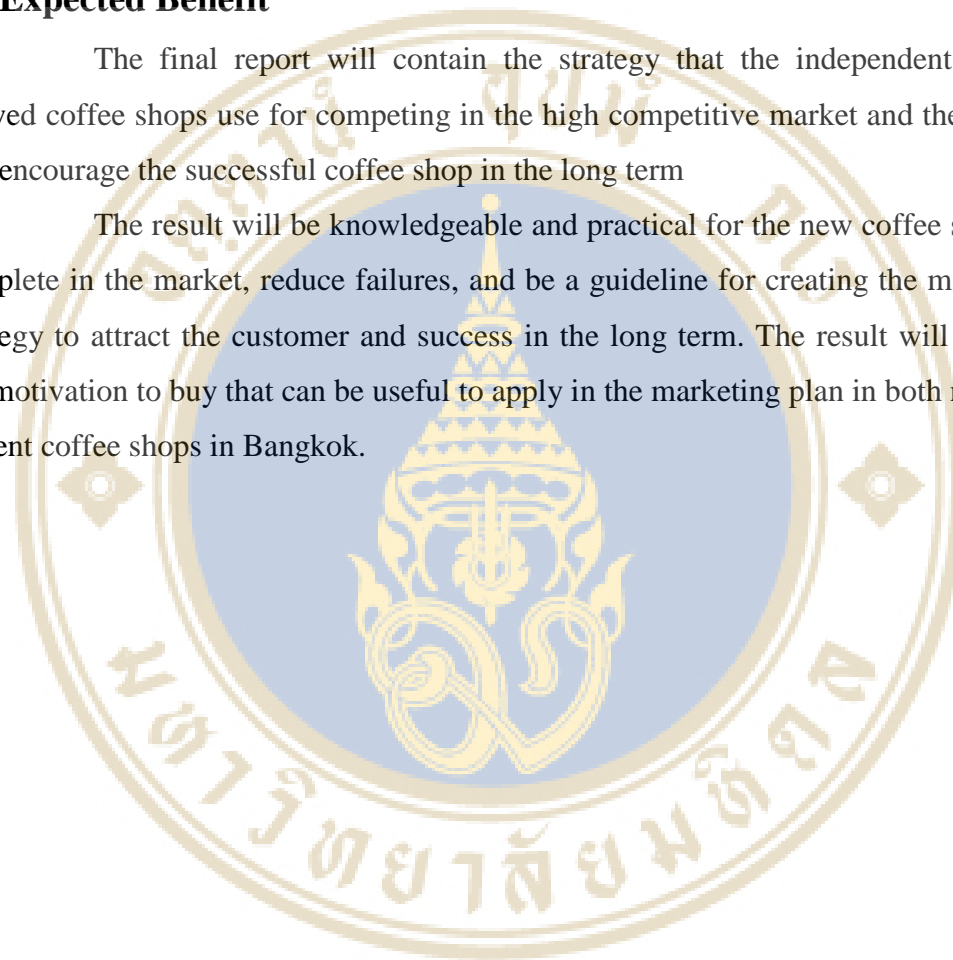
- The strategy of being successful and able to compete in the highly competitive market for the owners of independent freshly brewed coffee shops in Bangkok.
- The factors that encourage the success of the independent freshly brewed coffee shops in the long term
- Learning from independent freshly brewed coffee shops that are opened for more than three years and currently growing in profit.

The quantitative research approach will be conducted in this paper. The quantitative data will collect by conducting an internet questionnaire with 100 respondents that drink freshly brewed coffee more than 4 times per week. The respondents are Bangkok-based and age 18 – 45 years old.

1.5 Expected Benefit

The final report will contain the strategy that the independent freshly brewed coffee shops use for competing in the high competitive market and the factors that encourage the successful coffee shop in the long term

The result will be knowledgeable and practical for the new coffee shops to complete in the market, reduce failures, and be a guideline for creating the marketing strategy to attract the customer and success in the long term. The result will provide the motivation to buy that can be useful to apply in the marketing plan in both new and current coffee shops in Bangkok.

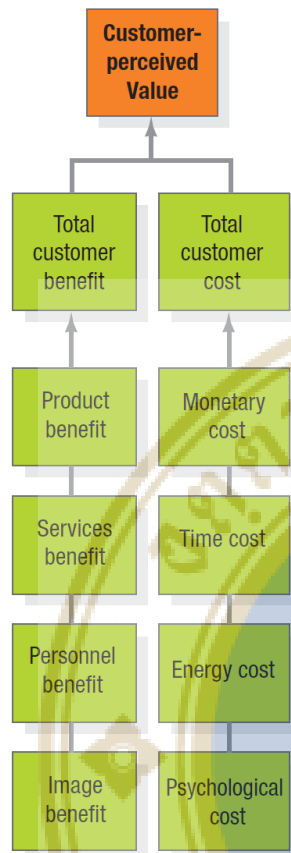


CHAPTER II

LITERATURE REVIEW

In the United States, where Starbucks has penetrated throughout the market and has become the leading global coffee shop around the world, some local small coffee shops are also successful. According to the trade journal “Small shops find tactics to battle coffee’s giant” industry experts said the best way for locally owned coffee shops to compete against Starbucks is to make the best cup of coffee on the street. The local coffee shop should find their niche and reflect the local culture. The local coffee shop should reflect the culture of their community and neighborhood. For example, if a community or target consumer are a lot of worker from home (freelance worker), the coffee shop should provide good lighting, computers and telephone outlets. Other suggestions are having a local roaster create a signature blend, having a better product and more of a personal touch. The big chain coffee shops, like Starbucks, cannot easily cater to local culture because it has to maintain consistency throughout its chain. The key success is that the small coffee shops should be able to satisfy their niche market, create customer loyalty and repurchase intention that increase the long-term relationship (Zganjar Leslie, 2001). Currently in Thailand coffee shop market, the situation is quite similar to the previous situation in the United States. Thai coffee consumption is increasing, the big brand coffee shops both Global brand and Thai brand, such as Starbucks, Coffee Bean and Tea leaf, True coffee, or Amazon expand rapidly, and also many small independent coffee shops emerge. However, the way of successful small coffee shop in Thailand and the United States might not be totally the same. The factors of being a successful small coffee shop in the long term might relate to the customer value and satisfaction, and the repurchase intention.

2.1 Customer Value and Customer Satisfaction



Consumer makes their purchasing decision based on their perception of the value they are going to receive in return for their money. Customer value is a measure of the difference between what consumer gains from using, owning or experiencing the purchase and the cost of obtaining it. The customer value is both tangible and intangible or even emotional. And customer satisfaction occurs when the company delivers the promised value to the customer. (Middleton, 2011)

According to Marketing Management, Kotler and Keller (2011), "Customer-perceived value" (CPV) consists of two elements: customer benefit and cost. Total customer benefit is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering because of the product, service, people, and image. Total customer cost is the perceived bundle

of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychological costs.

2.2 Repurchase Intention

Repurchase intention is the individual's judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances. (Hellier, Geursen, Carr, Rickard, 2000) The repurchase intention can be affected by many attributes.

2.2.1 The relation with customer satisfaction

According to the study of the relationship between customer satisfaction and repurchase intention of the India telecommunication service company (Srivastava, K. Sharma, 2013), the study found that the customer satisfaction relates to the

repurchase intention which comes from the service quality and corporate image. But, the service quality and corporate image itself have stronger significant relations directly to the repurchase intention than the customer satisfaction. (Figure 2.1)

However, in the different context, the customer satisfaction does not necessary effect to the repurchase intention. According to Hume (2011), customer satisfaction is not related to the repurchase intention for museums in Australia. The factors that affect the repurchase intention are the service quality and customer-perceived value for time and money, even though both factors are also related to the customer satisfaction. (Figure 2.2)

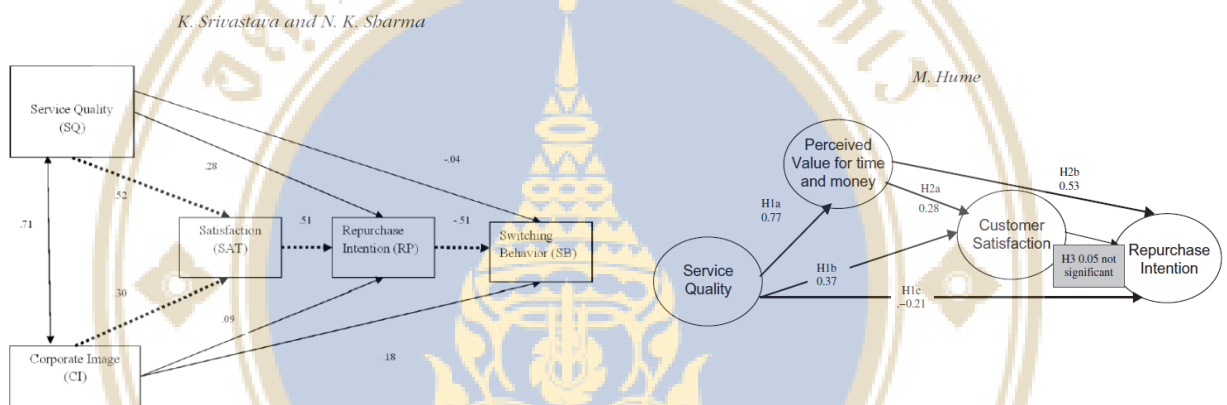


Figure 2.1 related to customer satisfaction, Srivastava, K. Sharma (2013)

Figure 2.2 non-related to customer satisfaction, Hume (2013)

2.2.2 The relation with Brand

In the car insurance and personal superannuation service, the research found that the Brand preference strongly affect to the repurchase intention. According to Hellier, Geursen, Carr, Rickard (2003), the repurchase intention has a strong and direct relation to the Brand preference that derives from the customer satisfaction, perceived value. From this model, the initial factor derives from the perceived quality of the product then it significantly effect to the perceived value and equity which will measure the customer satisfaction.

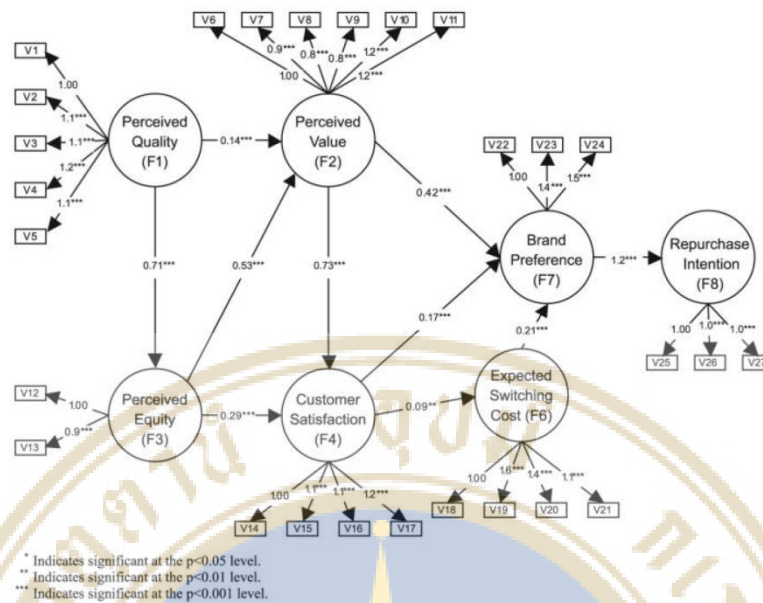


Figure 2.3 Brand preference strongly effect to the repurchase intention, Hellier, Geursen, Carr, Rickard (2003)

2.2.3 The relation with store atmosphere

According to Repurchase intentions in a retail store – exploring the impact of colors, Anja, Jasmina, Maja (2014) that explore the effect of color influence the customer loyalty in the groceries retail store in the context of south-east European culture via online research. The main finding is that warm and neutral color can boost the repurchase intention by increasing the spending time and money in the store.

2.3 Hypothesis and Framework

Based on the literature review, in Thai coffee shop context, we expect that the factors that encourage the success of small independent coffee shops in the long term would be

- The high quality of coffee drinks: unique taste, smell, or process from high quality ingredients and packaging
- The friendly and customized service
- The brand uniqueness and consistency
- The store's atmosphere, decoration and design that suit the target group
- The reputation in the social media

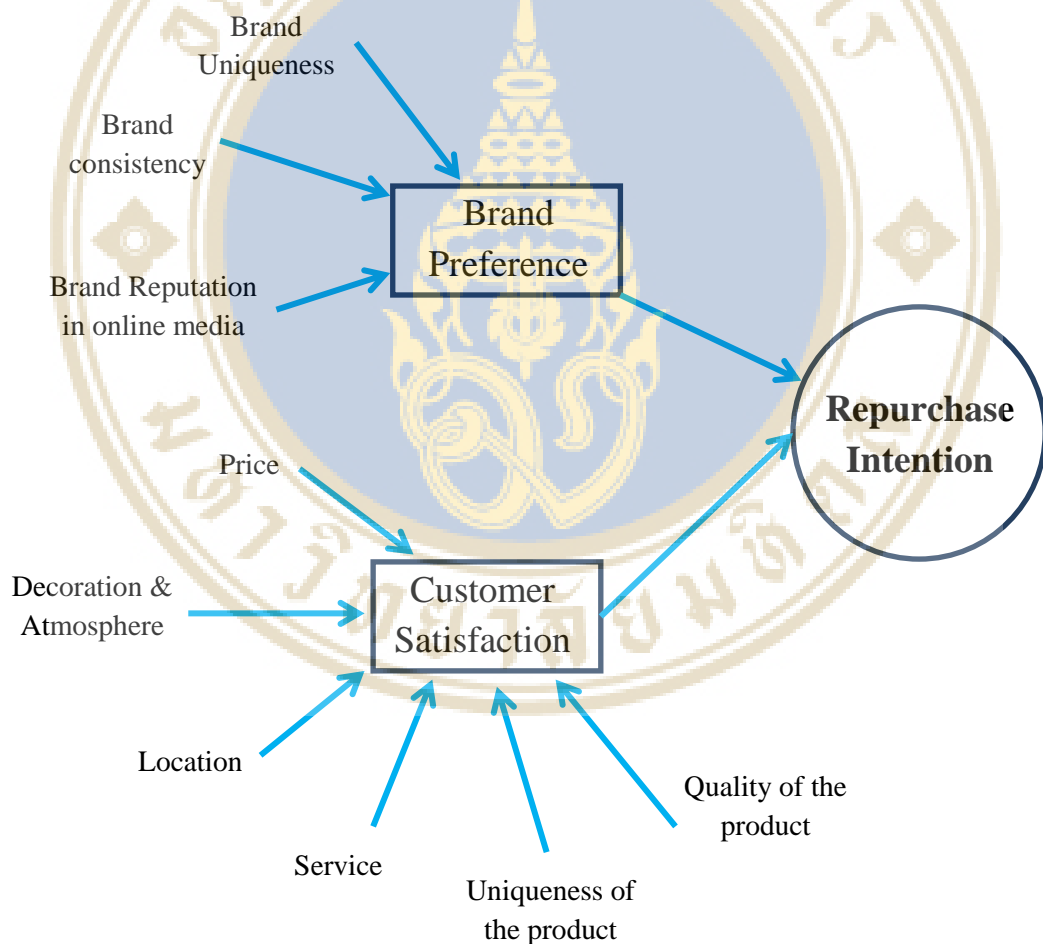


Figure 2.4 Initial Framework

CHAPTER III

METHODOLOGY

This research aims to explore the factors that affect the repurchase intention at independent coffee shops in Bangkok, and to understand the criteria that encourage and support the long-term growth of the independent coffee shops.

3.1 Research Design

This research will explore the factors that affect the repurchase intention of heavy coffee drinkers in Bangkok. The research divided into two major criteria: Brand preference and Customer satisfaction.

- Brand preference will indicate whether the Brand of an independent coffee shop has an effect to the repurchase intention in terms of Brand Uniqueness, Brand consistency, Brand reputation in online media.
- For customer satisfaction, it can be divided into 4 parts: Price, Decoration and Atmosphere, Location, and customer perceived value. Then, the customer perceived value can separated into 3 parts: Service, Uniqueness of the product, and quality of the product.

So the result will benefit for both marketing and business analysis. The research wills analysis by many SPSS methods to show the relations between each variable and then improve the repurchase intention for the independent coffee shops.

3.2 Data Collection Methodology

3.2.1 Population

This research population focuses only on people with high coffee consumption who live in the Bangkok area. High coffee consumption is defined as consuming more than 4 cups of coffee per week and has been to an independent coffee shop. The motivation is that this population has high potential to be a valued customer and they have much experience to provide the useful opinion in the survey. And the target population should also be able to access the internet and social media due to the online questionnaire approach. This research does not limit the age, income, or occupation of the respondents, beyond having internet access.

3.2.2 Sampling

The quota sampling is used in this research. We limit the quota of gender to avoid the effect of gender preference to the style of coffee shops' brand and decorations. The sample size is 30-50 female respondents and 30-50 male respondents. Location of respondents is limited to living in Bangkok only, to avoid the bias of local decorations and geographic such as northern decorations or uphill location. The research approach is the online close-ended questionnaire because of the short data collection period and convenience for respondents to access the questionnaire.

3.2.3 Data Collection

Data Collection will conduct with the online close-ended questionnaire that is separated into 5 parts: Introduction, Screening question, General Question, Specific question, and Demographic question consequently.

- Introduction will explain the objective of the survey and estimated time using for finishing the questionnaire.
- Screening question will select only our target which is the high coffee consumption people who live in Bangkok.
- General question will explore target behavior. Both the coffee consumption behavior and the activity in the coffee shop that lead to

revisiting. And also find out how the target interacts with the coffee shop in online and social media.

- Specific question will explore deeply in the detail of variables according to the framework. This part will ask the respondents the opinion in many aspects and will be measured by Likert scales to observe the level of agreement or disagreement. The questions will cover many variables: Brand uniqueness, Brand consistency, Brand reputation in online media, Price, Decoration and Atmosphere, Location, Service, Uniqueness of product, and Quality of product.
- Demographic question will collect the general information about the respondents such as age, education level, occupation, income, type of accommodation, marital status, and interested activity. To find out the relationship between the demographic, behavior, and variables that encourage the long term success of independent coffee shops.

The online questionnaire will be shared via social network to seek out the target, and will also be sent to the coffee shops in Bangkok to reach the target directly. Total respondents will be 60-100.

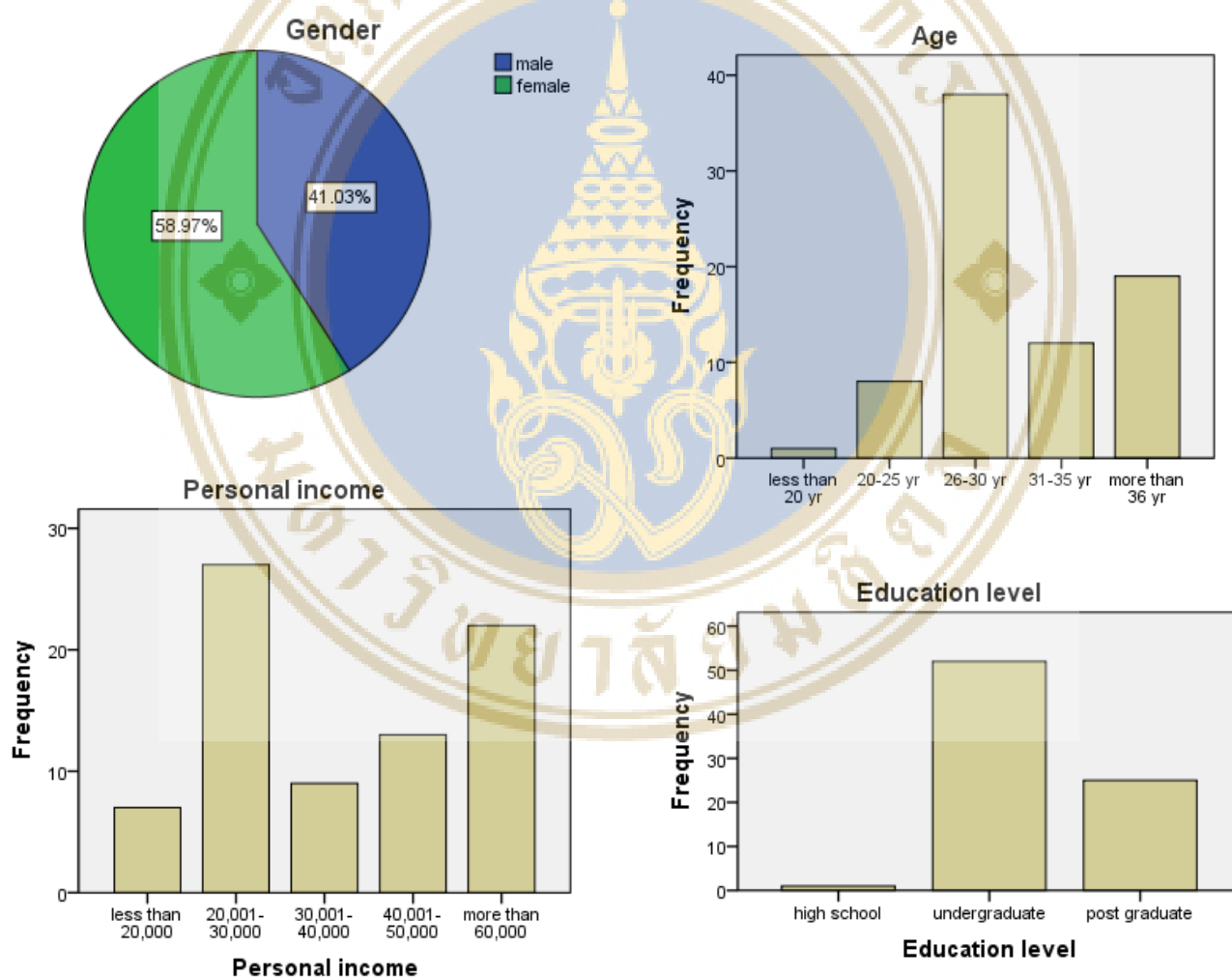
3.3 Data Analysis

This research will analyze the data by SPSS methods. The methods are Frequencies analysis, Cross-tabulation, ANOVA, and Regression analysis. First, we use the Frequencies analysis to summarize the demographic data and behavior of the respondents. Then, Cross-tabulation and ANOVA analysis are used to find out the relationship between variables and nominal data such as demographic and behaviors. And these will help create the modified repurchase intention structure.

CHAPTER IV FINDINGS

Since finishing the data collection process, total respondents are 78 people which consist of 46 females and 32 males. The data analysis follows the research framework in chapter I and use SPSS program to analyze the results.

The general descriptions of all respondents are shown as below.



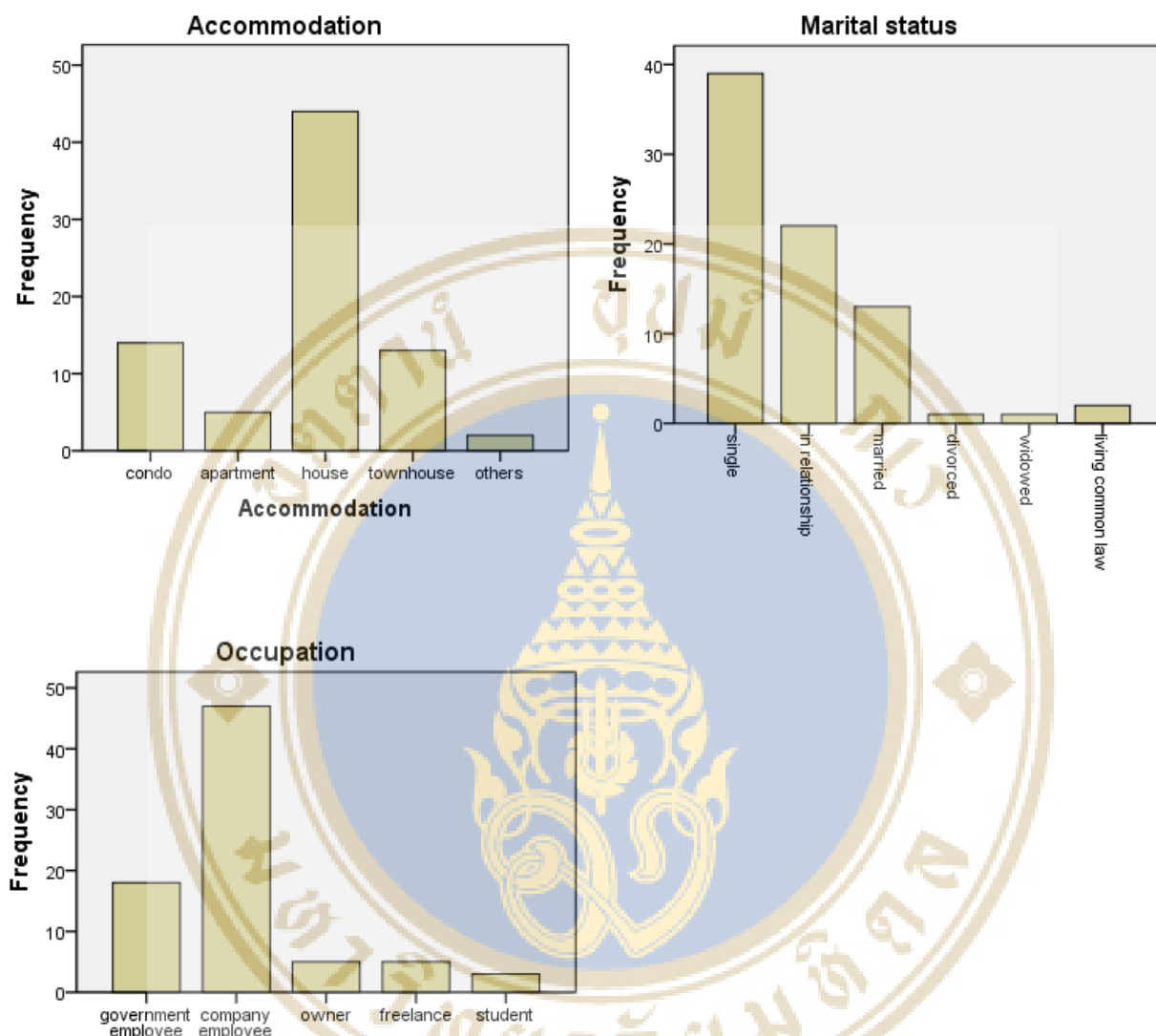


Figure 4.1 The respondents demographic

Most of respondents are the first jobber who aged between 26 – 30 years old. Their monthly personal income is around 20,001 – 30,000 baht which can be categorized as a middle income person. Their education level is undergraduates and they live at home.

4.1 Factors influencing the repurchase intention

According to the initial framework in Chapter I, each variable is defined by many attributes as the chart below. Then we run the Regression analysis to explore how each factor influences the repurchase intention.

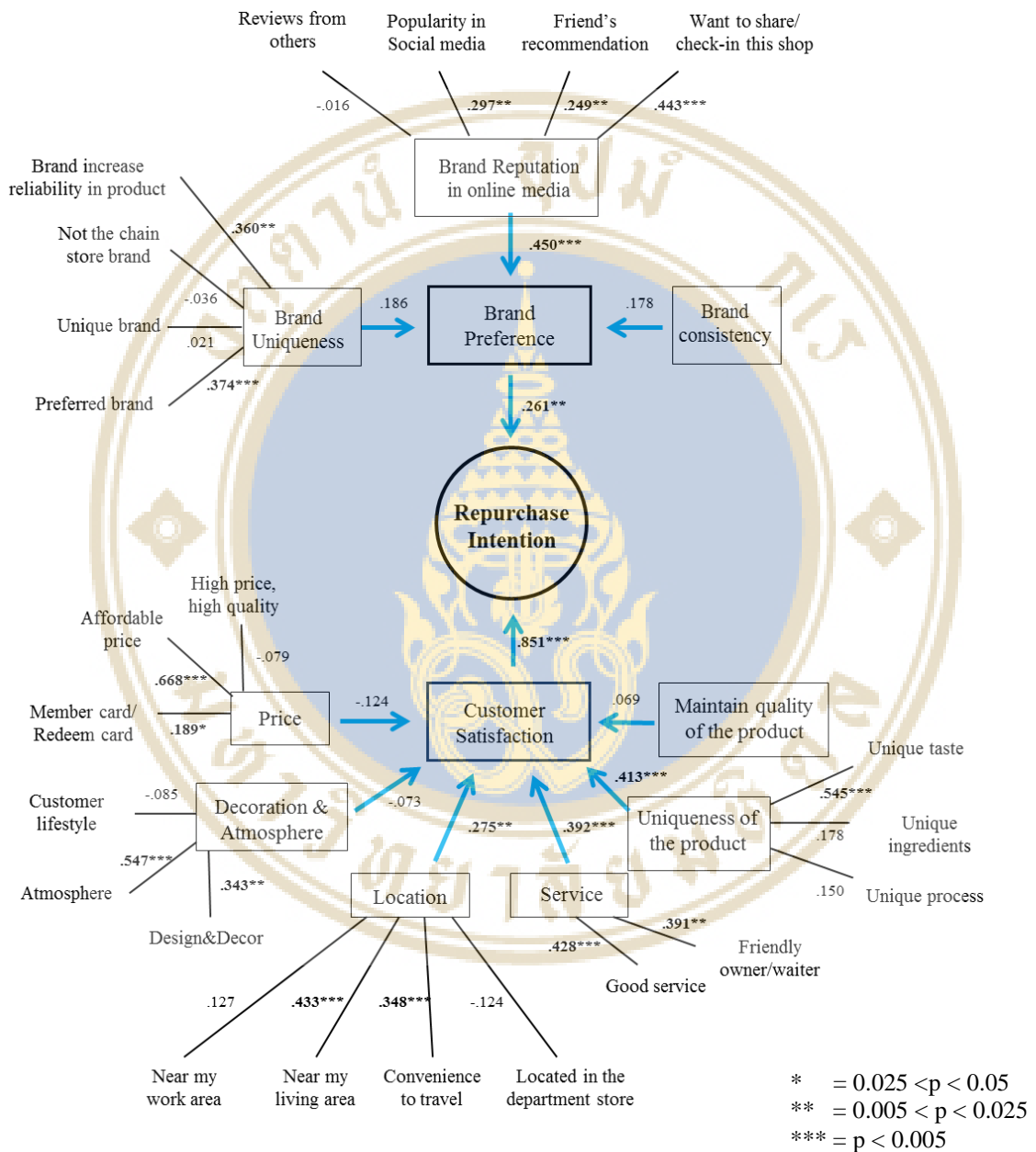


Figure 4.2 Regression analysis according to the initial framework

By using the linear regression analysis, Repurchase intention of the coffee shop is explained by two main factors: Brand preference and Customer satisfaction. This research analyzes the Brand preference variables separately from Customer satisfaction by using the Brand preference's question "Brand makes me revisit the coffee shop" as a dependent variable. First, we analyze each variable within the group according to the initial framework to explore the importance of each variable as independent variables for explaining "Brand makes me revisit the coffee shop". Then, we combine the independent variables from the first stage by computing its mean, the summated scale, to summarize the variables as a group. For example, reviews from others, popularity in social media, friend's recommendations, and sharing/check-in this coffee shop are analyzed as independent variables with Brand preference question as a dependent variable. Then, computing mean of each group: Brand uniqueness, Brand reputation in online media, and Brand consistency to analyze as independent variables with the Brand preference question as the dependent variable.

For Customer satisfaction analysis, the dependent variable is Customer satisfaction question "If I am satisfied with this coffee shop, I will revisit". Then we analyze the same method as Brand preference. The independent variables are first analyzed within the group such as High price high quality, Affordable price, and Member card to explain the dependent variable. Then, computing the mean of them as Price, we analyze the summated scale again to explain the same dependent variable.

Finally, to analyze the repurchase intention, we combine the customer satisfaction variables by computing the mean of all variables in its category (16 variables), and the Brand preference question "Brand makes me revisit the coffee shop" is used as the Brand preference variables. Both Brand preference variable and Customer satisfaction variable are analyzed as independent variables that analyze with the dependent variable "If I am satisfied with this coffee shop, I will revisit" question so it can summarize which variables affect the repurchase intention of the coffee shop.

The result shows that both Customer Satisfaction and Brand preference are significant to the repurchase intention of the independent coffee shops in Bangkok. But not all the factors are significant to these two main factors according to the initial framework. The Brand reputation in online media is the only factor that makes the brand preference significant to the repurchase intention. The brand reputation in online

media derives from the shop popularity in social media, friend's recommendations, and when the shop reputation online is high enough to encourage consumers to interact with them in social media such as sharing or check-in on Facebook at this shop.

Another main factor that has the high significance at $p < 0.001$ is customer satisfaction. Customer satisfaction derives from 3 factors: Location of the shop, Quality of the service, and the Uniqueness of the product. Especially the Service and Uniqueness of the product show the high significance to the customer satisfaction at less than 0.001. For location factor, the shop must locate near the consumers' living area and also be convenient to travel to. For service, both the good quality and the friendliness of waiter or owner are significant to the service factor that must be applied to the coffee shop because of the high significant to the customer satisfaction. For Uniqueness of the product, this factor focuses only on the unique taste of the coffee exclude the uniqueness of ingredients or coffee process.

However, the customer satisfaction shows higher effect on the repurchase intention with p-value less than 0.001 and higher beta at 0.851 compared to 0.261 for the brand preference factor. So the research can be concluded as the modified framework as the chart below.

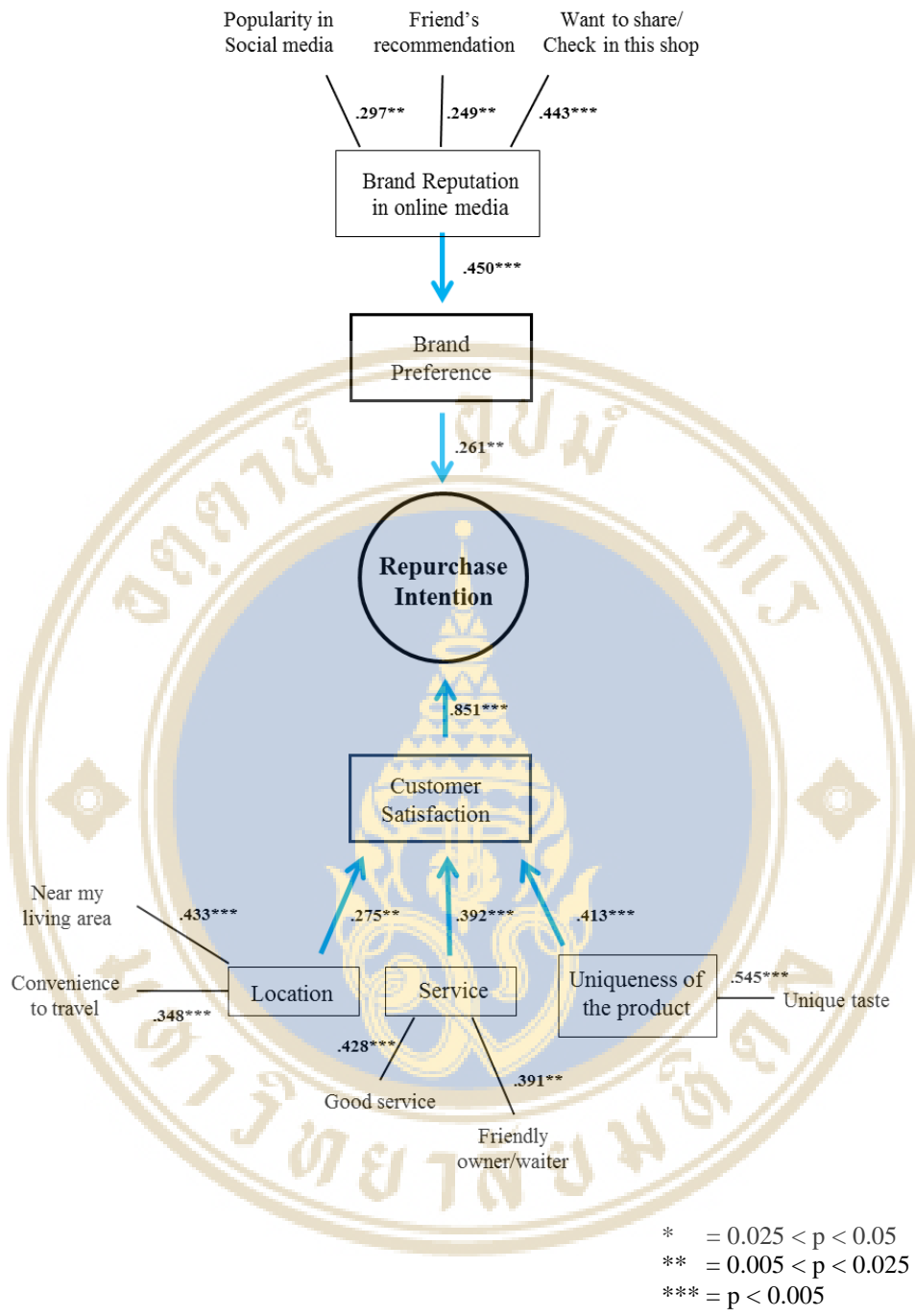


Figure 4.3 Modified framework

4.2 Consumer behavior

From the descriptive analysis, the result shows that most of respondents visit the independent coffee shop because they want to drink and sit, and having a good cup of coffee. Moreover, some of the respondents visit the coffee shop to wait for friends and use as a meeting place for work.

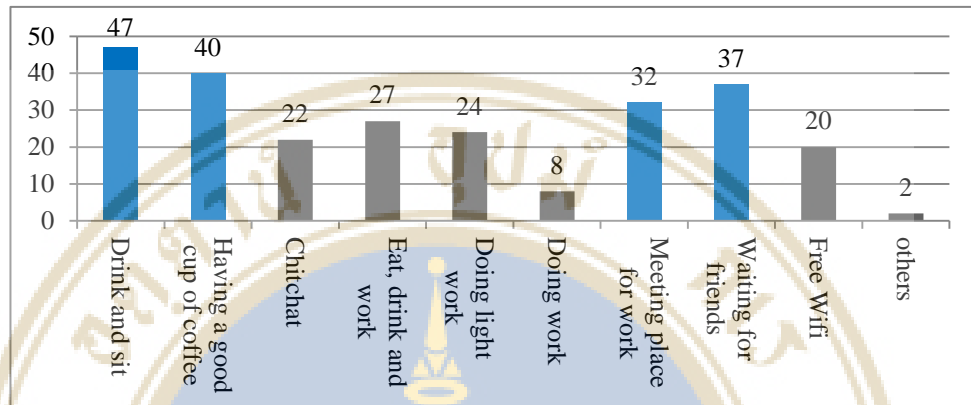


Figure 4.4 Reasons of visiting the coffee shop

And most of respondents visit the coffee shop 2-3 times or once a week. They spend less than 2 hours per each visiting the coffee shop.

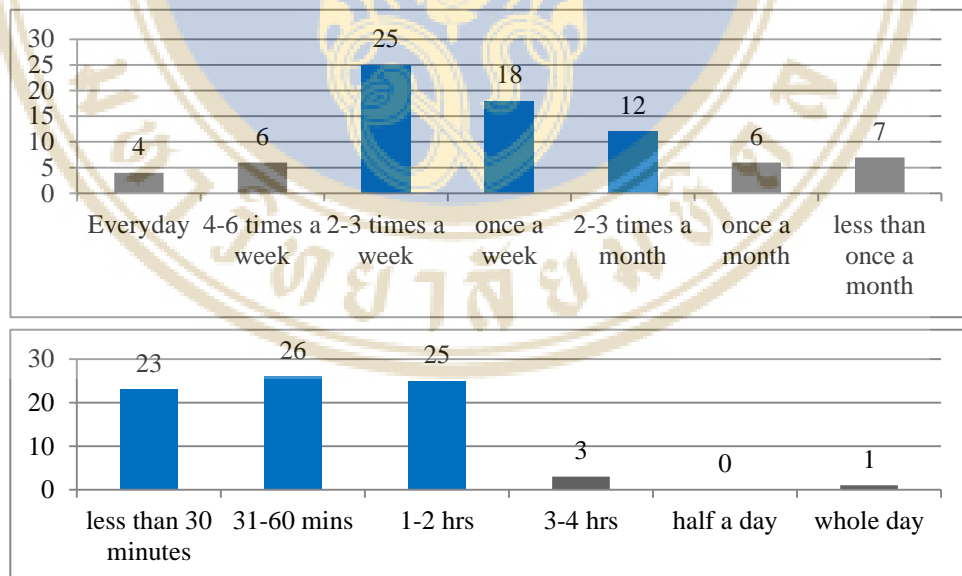


Figure 4.5 Frequency visiting the coffee shop and time spending

Most of respondents select by considering the good atmosphere and the great taste of coffee. Then they consider about the location of the coffee shop such as convenience to travel and nearest shop at that time.

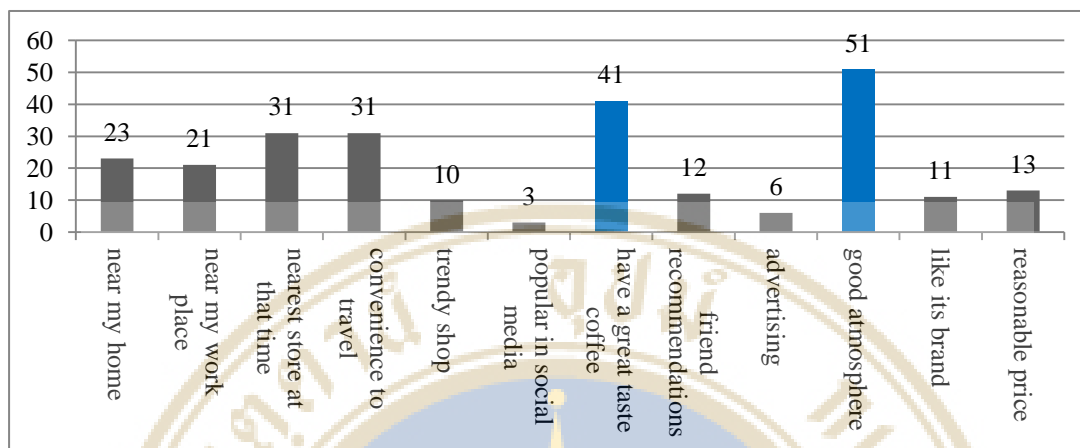


Figure 4.6 Criteria of selection the coffee shop

In social media, 38.5% of respondents follow the coffee shop at least one of social platform such as Facebook, Twitter, Instagram or website. They interact by liking their page to follow the updated news, check-in the coffee shop in Facebook and post their picture.

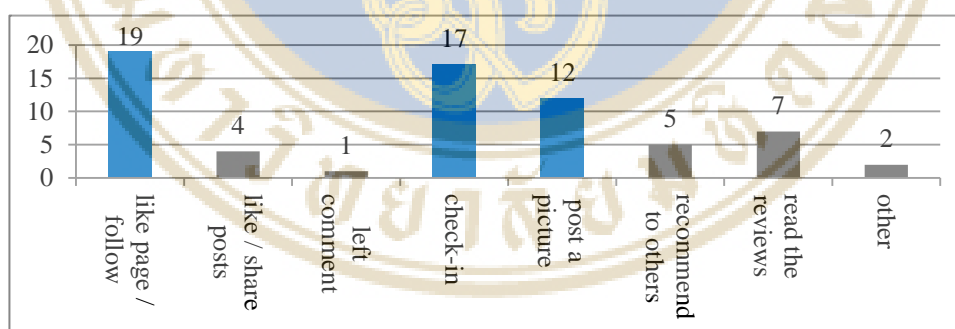


Figure 4.7 Interaction with the coffee shop in online media

4.3 Association among behavior and demographic variables

Cross tabulation analysis between behavior and demographic variables shows some significant relations as describe below.

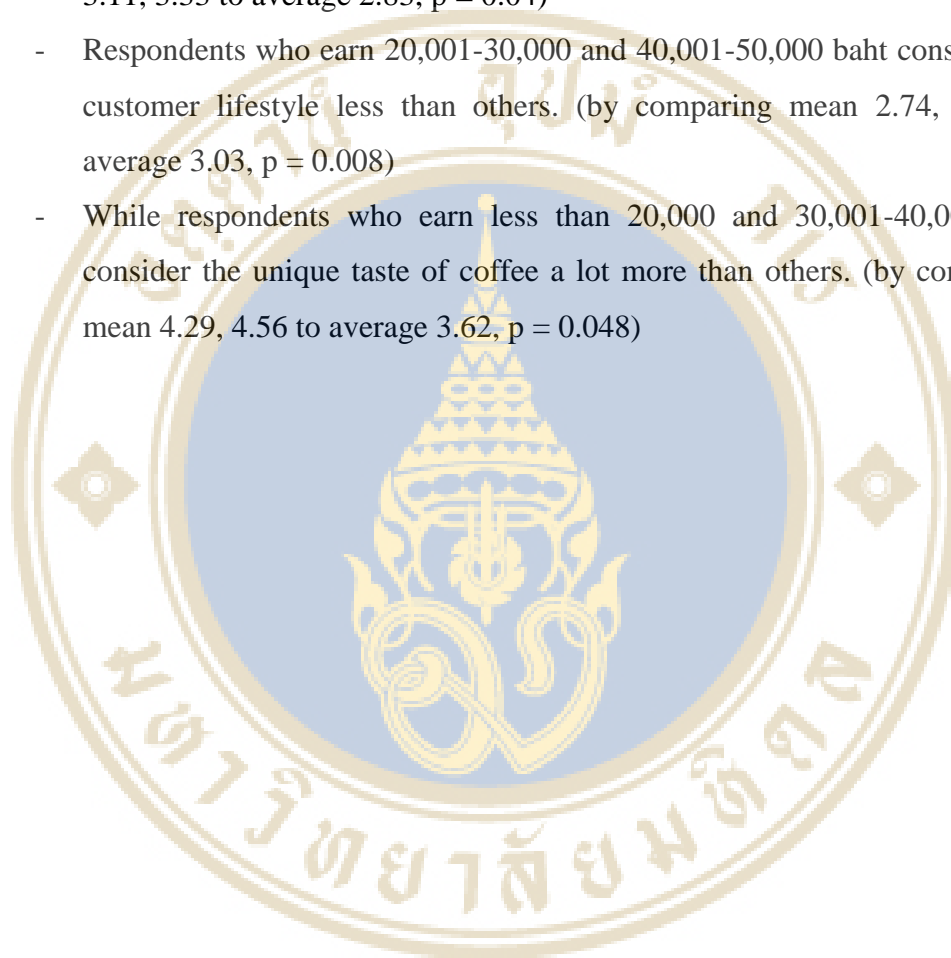
- Respondents who aged 26 – 30 years will revisit the coffee shop if they like its brand more than other age group. ($p = .031$) And they also revisit if they like its design and decoration ($p = .020$)
- 60.5% of respondents aged 26-30 years old visit the coffee shop to drink and sit. They want to chill out.
- Company employees tend to consider the frequent customer card and redeem card more than other groups. ($p = .045$) But the customer lifestyle in the coffee shop does not affect them to revisit the coffee shop. ($p = .004$)
- Respondents who live in a house will revisit the coffee shop because the service both friendly owner/waiter and good quality service. ($p = .021, .002$)
- 23.9% of female respondents select the coffee shop that they like its brand. While 100% of male respondents select a coffee shop without considering the brand. ($p = .003$)

4.4 Relation between opinion and demographic

ANOVA analysis between opinion and demographic shows some significant relations as describe below.

- Male respondents consider the customer lifestyle in the coffee shop more than female. (by comparing mean 3.31 to 2.83, $p = 0.037$)
- Respondents who are single and in the relationship consider the good quality service a lot more than who are married. (by comparing mean 3.72, 3.95 to 2.92, $p = 0.025$)
- Student respondents consider their friend's recommendation a lot more than other occupation. (by comparing mean 3.67 to average 2.73, $p = 0.035$)
- Student, owner and company employee highly consider the shop's atmosphere. (by comparing mean 4.67, 4.20, 3.91 to average 3.73, $p = 0.048$)

- Younger respondents consider the affordable price more than the older. (by comparing mean 5.00, 4.63 to average 3.64, $p = 0.052$)
- Younger respondents also consider the coffee shop brand more than the older. (by comparing mean 5.00, 4.00 to average 3.33, $p = 0.015$)
- First jobbers who earn 20,001 – 40,000 baht consider the frequent customer card or redeem card more than other income group. (by comparing mean 3.11, 3.33 to average 2.83, $p = 0.04$)
- Respondents who earn 20,001-30,000 and 40,001-50,000 baht consider the customer lifestyle less than others. (by comparing mean 2.74, 2.62 to average 3.03, $p = 0.008$)
- While respondents who earn less than 20,000 and 30,001-40,000 baht consider the unique taste of coffee a lot more than others. (by comparing mean 4.29, 4.56 to average 3.62, $p = 0.048$)



CHAPTER V

CONCLUSIONS

5.1 Conclusion

To be successful in the highly competitive market of Bangkok coffee shops, the owner needs to consider the repurchase intention factors that encourage long term success. After collecting the data and analysis with many factors, the research shows some consistent and interesting findings. This research focuses only on heavy coffee consumers who drink more than 4 cups a week that would be good potential customers for the long term growth. Most of the respondents are single and aged between 26-30 years old. Their monthly personal income is around 20,001-30,000 Baht.

The research found that two main factors, Brand preference and Customer satisfaction, are important to the repurchase intention, but Customer satisfaction is more significant. The respondents perceive the brand influences the repurchase intention by Brand reputation in online media that derives from the coffee shop's popularity in social media, friend's recommendations and willingness to share/check-in this coffee shop online. Especially students consider their friend's recommendations more than other groups of customers. Younger people consider the brand more than the older customers. Most male customers select the coffee shop without considering the brand, so brand does not affect men's decision making as much as women.

For Customer satisfaction, it derives from 3 factors: Location, Service, and Uniqueness of the product. Coffee shops should locate near the living area more than working area, like in greater Bangkok, and the shop should be convenient to travel to. Coffee shops should have their own unique taste of coffee to differentiate from others. Uniqueness of ingredients and brewing are not much important. And both good service and the friendliness of owner/waiter are also important for customer satisfaction that can lead to repurchase intention, especially for those who are single and in the relationship. However, the research shows that good atmosphere does not

affect the repurchase intention, but most of the respondents select the coffee shop by its atmosphere. People aged 26-30 has highest potential to revisit the coffee shop because they like its brand, and its design and decoration.

For promotion, the frequent customer card or redeem card could generate a high conversion rate with first jobbers in the company who has personal income around 20,001 – 40,000 Baht. For pricing, Affordable price mostly affect the younger customers' decisions.

5.2 Recommendations

In conclusion, the coffee shop should make their brand popular and beloved in the social media to lead to revisiting and repurchase, by increasing the interaction between friends and encourage customers to suggest your coffee shop in their personal account because customers focus on reviews by friends. The coffee shop should also keep up-to-date their online page or website. If the coffee shop would like to promote the brand, they should focus on younger or/and females customers, instead of male/older customers who do not consider the coffee shop brand much. And the coffee shop should emphasize on differentiating their taste of coffee such that customer perceive its unique value. The service must be good, and both the owner and waiters should be service-minded. But the location is not necessary to be in the department store or in the CBD area (Central Business District), but better to locate in large living areas, or areas convenient to travel to.

5.3 Limitations and suggestions for future research

However, this research has limitation of time, sample size, and sampling method. So to increase the accuracy of the result, the research should collect a larger sample size and use the probability sampling method, or weight the data to avoid the bias or dominant result. This research only explores the topic from the consumer point of view, but lack of the owners' who have experience in the coffee shop business. It would increase the accuracy if the research can analyze and find the common factors

that are important from both customer and owner perspective. Moreover, most of the coffee shops do not sell coffee only, so it would be better if the research can explore further on the bakery, smoothie or dishes that can increase the repurchase intention and strengthen the success of the coffee shop.



REFERENCES

- Euromonitor, (2015). "Coffee in Thailand, July 2015". Retrieved from
<http://www.euromonitor.com/coffee-in-thailand/report>
- Hume Margee. How Do We Keep Them Coming?: Examining Museum Experience Using a Services Marketing Paradigm. *Journal of Nonprofit & Public Sector Marketing*, 23:71-94, 2011
- Kotler, Phillip. Keller, Kevin Lane. Marketing Management. Pearson, 2011
- Middleton, Simon. What you need to know about marketing. Capstone, 2011
- Phillip K. Hellier Gus M. Geursen Rodney A. Carr John A. Rickard, (2003), "Customer repurchase intention", *European Journal of Marketing*, Vol. 37 Iss 11/12 pp. 1762 – 1800 Permanent link to this document:
<http://dx.doi.org/10.1108/03090560310495456>
- Srivastava, Kavita. K.Sharma, Narendra. Service Quality, Corporate Brand Image, and Switching Behavior: The Mediating Role of Customer Satisfaction and Repurchase Intention. *Service Marketing Quarterly*, 34:274-291, 2013
- Thanonline, (2011). "A' Roma and Malongo roaster penetrate Thai coffee market". Retrieved from
http://www.thanonline.com/index.php?option=com_content&view=article&id=56139:2011-02-15-03-50-11&Itemid=524#.Vbm37fmqqko
- Varga, Anja; Dlačić, Jasmina; Vujičić, Maja. Repurchase Intentions in a retail store – Exploring the impact of colours. *Ekonomski vjesnik : časopis Ekonomskog fakulteta u Osijeku* (0353-359X) 14 (2014), 2; 229-244
- Zganjar Leslie, (2001). Small shops find tactics to battle coffee's giant. *Puget Sound Business Journal*, 21(49), 35.
 Retrieved from
<http://search.proquest.com/docview/226904691?accountid=46528>



APPENDIX A:

Questionnaire

“Factors that encourage the repurchase intention of the independent coffee shops in Bangkok”

This survey aims to explore which factors that influence the repurchase intention for the independent coffee shop in Bangkok to help encourage the long term success of these coffee shops. This survey will take around 10 minutes.

This survey is a part of the Master degree thematic paper at College of management, Mahidol University. All information will be kept confidential, and is used for research purposes only.

Part 1

Do you drink coffee more than 4 cups per week?

- Yes No (end of survey)

Do you live in Bangkok?

- Yes No (end of survey)

What is your gender?

- Male Female

Part 2

Why you go to the coffee shop? (Check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> Drink and sit (want to chill out) | <input type="checkbox"/> Having a good cup of coffee |
| <input type="checkbox"/> Chitchat | <input type="checkbox"/> Eat, Drink and work |
| <input type="checkbox"/> Doing light work (reply email, stock trading) | <input type="checkbox"/> Doing work (freelance) |
| <input type="checkbox"/> Meeting place for work | <input type="checkbox"/> Waiting for friends |
| <input type="checkbox"/> Free Wifi | Other, please specify..... |

How often do you go to the independent coffee shop?

- | | |
|--|--|
| <input type="radio"/> Everyday | <input type="radio"/> 2-3 times a week |
| <input type="radio"/> 4-6 times a week | <input type="radio"/> once a week |
| <input type="radio"/> 2-3 times a month | <input type="radio"/> once a month |
| <input type="radio"/> Less than once a month | |

How long do you mostly spend in the coffee shop?

- | | |
|--|-------------------------------------|
| <input type="radio"/> Less than 30 minutes | <input type="radio"/> 31-60 minutes |
| <input type="radio"/> 1-2 hours | <input type="radio"/> 3-4 hours |
| <input type="radio"/> Half a day | <input type="radio"/> Whole day |

How do you select the coffee shop to go? (Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Near my home | <input type="checkbox"/> Near my work place |
| <input type="checkbox"/> Convenience to travel | <input type="checkbox"/> This shop is trendy (talk of the town) |
| <input type="checkbox"/> Popular in social media | <input type="checkbox"/> Have a great taste coffee |
| <input type="checkbox"/> Friend recommendations | <input type="checkbox"/> Advertising |
| <input type="checkbox"/> Good atmosphere | <input type="checkbox"/> Like its brand |
| <input type="checkbox"/> Other, please specify..... | |

Do you follow the coffee shop in social media such as website, Facebook, Instagram, Twitter?

- Yes No (skip the next question)

How do you interact with the coffee shop in online or social media? (Check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Like page / Follow | <input type="checkbox"/> Like / Share posts |
| <input type="checkbox"/> Left comments | <input type="checkbox"/> Check-in |
| <input type="checkbox"/> Post a picture | <input type="checkbox"/> Recommend to others |
| <input type="checkbox"/> Read the reviews | <input type="checkbox"/> other, please specify |

Part 3

Please rate your opinion if you agree or disagree with each of the following statements:

	1 Strongly disagree	2 Disagree	3 Neither Agree nor Disagree	4 Agree	5 Strongly agree
I will revisit this coffee shop because it is not the chain store brand					
I revisit this coffee shop because it has a unique brand					
I revisit only the coffee shop that I like its brand					
I am loyal to this coffee shop because of its brand consistency					
I revisit this coffee shop because of the popularity in the social media					
I revisit this coffee shop because of a friend's recommendation					
I revisit this coffee shop because					

the reviews from others					
I revisit this coffee shop because I want to share/check-in the popular coffee shop					
The brand of the coffee shop makes me feel confident in their products					
The brand makes me revisit the coffee shop					
I revisit this coffee shop because of the affordable price					
The high price means high quality coffee					
I revisit this coffee shop because it has a frequent customer card, or redeem card					
I revisit this coffee shop because I like its design and decoration					
I revisit this coffee shop because I like its atmosphere					
I revisit this coffee shop because I like its customer lifestyle (such as worker, group of friend, teenager, freelance)					
I revisit this coffee shop because it's near my working area					
I revisit this coffee shop because it's near my living area					
I revisit this coffee shop because it convenient to travel to					

I revisit this coffee shop because it located in a department store					
I revisit this coffee shop because the owner/waiter is friendly					
I revisit this coffee shop because of it has a good service					
I revisit this coffee shop because of the unique taste of its coffee					
I revisit this coffee shop because of the unique coffee ingredients					
I revisit this coffee shop because of the unique process of making coffee					
I revisit this coffee shop because they can maintain the quality of coffee					
If I am satisfied with this coffee shop, I will revisit					

Part 4

What age group do you belong to?

- Less than 20 years old
- 20 – 25 years old
- 26 – 30 years old
- 31 – 35 years old
- More than 35 years old

What is your marital status?

- Single
- In Relationship
- Engaged
- Married
- Divorced
- Separated
- Widowed
- Living common law

What is your level of education?

- Less than high school
- High school
- Undergraduate
- Post graduate
- Ph.D

Which best describes your current job?

- | | |
|--|--|
| <input type="radio"/> Government employee | <input type="radio"/> Company employee |
| <input type="radio"/> Owner | <input type="radio"/> Freelance |
| <input type="radio"/> Student | <input type="radio"/> Housewife |
| <input type="radio"/> Other, please specify..... | |

What is your personal income?

- | | |
|---|---|
| <input type="radio"/> Less than 20,000 Baht | <input type="radio"/> 20,001-30,000 Baht |
| <input type="radio"/> 30,001-40,000 Baht | <input type="radio"/> 40,001-50,000 Baht |
| <input type="radio"/> 50,001-60,000 Baht | <input type="radio"/> More than 60,000 Baht |

What type of accommodation do you live in?

- | | |
|---|---------------------------------|
| <input type="radio"/> Condominium | <input type="radio"/> Apartment |
| <input type="radio"/> House | <input type="radio"/> Townhouse |
| <input type="radio"/> Other, please specify | |

What activities do you prefer in your free time? (Check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> Eating | <input type="checkbox"/> Reading |
| <input type="checkbox"/> Traveling | <input type="checkbox"/> Playing games |
| <input type="checkbox"/> Surfing the internet | <input type="checkbox"/> Shopping |
| <input type="checkbox"/> Hang out with friends | <input type="checkbox"/> Exercise |
| <input type="checkbox"/> Other, please specify | |

-End of the questionnaire-