

## **The Influence of Marketing Mix on Generation X and Y Consumer's Decision-Making Process: A Comparison Study between Café Restaurant and Casual Dining Restaurant in Thonglor**

**การศึกษาอิทธิพลของส่วนผสมทางการตลาดที่มีผลต่อการตัดสินใจของผู้บริโภคในช่วงเจเนอเรชั่นเอ็กซ์และไว้ : การศึกษาการเปรียบเทียบระหว่างร้านอาหารคาเฟ่และร้านอาหารทั่วไปในย่านทองหล่อ**

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### **Abstract**

The objectives of this study were to study the effect of demographic factors on consumer decision-making process, to study the effect of service-marketing mix on consumer decision-making process, and to study the consumer's decision-making process and consumer's behavior on purchasing products and services. The scope of the study covers demographic factor, consumer behavior, and marketing mix effecting consumer decision-making process of café restaurant and casual restaurant in Thonglor.

Regarding to research methodology, descriptive and inferential statistics were used to describe the population. The research conducted a set of questionnaire to find out the relationship of demographic, consumer behavior, and service marketing mix toward consumer decision-making process.

The result showed that most of the respondents were receiving the information about the restaurant through their friend and relative and mainly making the decision based on the influencing of their friends.

Moreover, generation Y decision-making process was based on the taste of the foods and the branding of the restaurant, whereas generation X, their decision making process was concern on the price, taste of the foods, and promotion of the restaurant.

**Keywords:** Consumer Behavior, Consumer Decision-making Process, Service Marketing mix and Restaurants

## บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อศึกษาปัจจัยของ ประชากรศาสตร์ และส่วนผสมทางการตลาด ที่มีผลต่อการตัดสินใจในการเลือกร้านอาหาร การศึกษาพฤติกรรมและกระบวนการตัดสินใจเลือกร้านอาหารในกลุ่มร้านอาหารคาเฟ่และร้านอาหารทั่วไปในย่านทองหล่อ ในงานวิจัยนี้จะครอบคลุมการศึกษาของประชากรศาสตร์ พฤติกรรมผู้บริโภค และส่วนผสมทางการตลาด

งานวิจัยนี้เป็นงานวิจัยเชิงปริมาณ โดยใช้แบบสอบถามจากกลุ่มลูกค้าร้านคาเฟ่และร้านอาหารทั่วไปในย่านทองหล่อ เพื่อนำไปวิเคราะห์ถึงปัจจัยความสัมพันธ์ ระหว่างประชากรศาสตร์ ส่วนผสมทางการตลาด และพฤติกรรมผู้บริโภค ซึ่งมีผลต่อการตัดสินใจในการเลือกร้านอาหารเหล่านั้น

ผลการวิจัยพบว่า กลุ่มประชากรส่วนใหญ่จะได้รับข้อมูลเกี่ยวกับร้านอาหารผ่านทางเพื่อนหรือญาติตัวเอง ซึ่งผลการวิจัยพบว่า เพื่อนเป็นปัจจัยหลัก ที่มีอิทธิพลค่อนข้างสูงในการตัดสินใจเลือกร้านอาหารคาเฟ่ และร้านอาหารขนาดเล็กในย่านทองหล่อ

ในส่วนของปัจจัยรองนั้น เจนเนอเรชั่นวาย ให้ความสำคัญ กับเรื่องรสชาติอาหาร และแบรนด์ของร้านอาหาร ในส่วนเจนเนอเรชั่นเอ็กซ์นั้น ให้ความสำคัญกับเรื่องของ ราคา รสชาติอาหาร และโปรโมชั่นของทางร้าน ซึ่งเป็นปัจจัยรอง ที่ส่งผลต่อกระบวนการตัดสินใจเลือกร้านอาหารคาเฟ่และร้านอาหารขนาดเล็กในย่านทองหล่อ

**คำสำคัญ :** พฤติกรรมผู้บริโภค การตัดสินใจ ส่วนผสมทางการตลาดและร้านอาหาร

## Introduction

The population of Thai people ranked in the world's twenty-largest country, and the world economic forum ranked Thailand as the thirty-seven most competitive economic. The gross domestic products (GDP) of Thailand has the value more than US\$406 billion in 2016 according to the World Bank. Moreover, Thai people appear to be back on eating out, spending money to the food services sector.

The food services sector recorded and value just under US\$21.9 Billion in 2012. The Food services market in Thailand listed 2.4% in compound annual growth rate (CAGR) between 2008-2012, and expected the growth rate of the CAGR to be double (4.85%) in 2013-2017. (Agriculture and Agri-Food Canada, 2015)

Furthermore, Thonglor is one of the Bangkok's most popular dining streets, well known for the variety of restaurant choice, from a fast food dining to a fine dining restaurant. (Purcell, 2013) According to the Trip advisor, 2015, there are more than 7000 restaurant operated in Bangkok, and more than 100 restaurant was located in the Thonglor district.

According to the previous research, most of them have been done on the Fast food restaurant or the Chain Restaurant, but the study on independent own Café restaurant and Casual Dining Restaurant still limited. Moreover, both café and casual dining restaurant have different nature in term of price, decoration and services, which has effect the decision making of generations X and Y costumers. Both generations X and Y has different behavior and characteristic in purchasing product and services. Therefore, in order to get a deep understanding on the topic, the researcher have chosen two type of restaurants (Café restaurant and Casual dining restaurant) in order to compare the behavior and characteristic of both Generation X and Generation Y.

## **Objectives of the Study**

1. To study the effect of demographic factors on consumer decision-making process
2. To study the effect of service-marketing mix on consumer decision-making process.
3. To study and compare the consumer's decision-making process and consumer's behavior of generations X and Y on purchasing products and services.

## **Scope of Research**

This Research has covered the following content:

1. Services Marketing Mix Factor of products, price, place, promotion, people, physical evidence, and process.
2. The Demographic factors of age (generation), gender, income, and occupation.
3. Consumer behavior and decision making process of Café restaurant and Casual Dining restaurant in Thonglor.

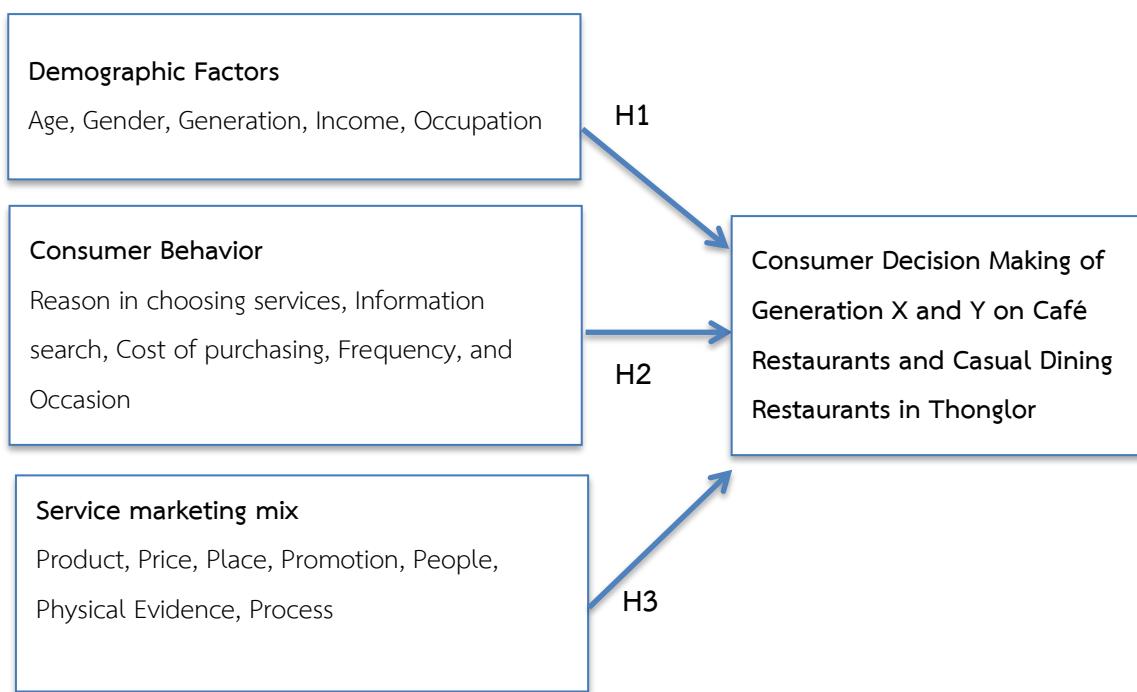
## Area of Research

This research has covered consumer behavior, the Black Box model, Marketing Mix Model, and the decision making process.

### Population and Sample

The population of this research were the generation X and generation Y that are the consumer of the Café restaurant and the Casual Dining restaurant in Thonglor. The sample size will be 480 people in total base on the calculation of the sample size.

## Conceptual Framework



## Literature Review

### Restaurant Industry

The food services sector recorded and value just under US\$21.9 Billion in 2012. The Food services market in Thailand listed 2.4% in compound annual growth rate (CAGR) between 2008-2012, and expected the growth rate of the CAGR to be double (4.85%) in 2013-2017. (Agriculture and Agri-Food Canada, 2015).

### Marketing

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society

at large" (American marketing association, 2013). Kotler (2010) has defined the term marketing similar to American marketing association, however Kotler (2010) has added on the term marketing by saying, Marketing is a social and managerial process which offering the products or services that answering the need and want from the market in order to create a value in exchange for customers.

Yelkur (2000) mentioned that the consumer behavior would be influenced and affected by the critical elements in the services marketing mix. The perception andfeeling have physical effect on attracting new customer and maintain existing customers. Moreover, one of the key goals in marketing for restaurant is to successfully develop 7ps services marketing mix. Kotler and Keller (2006); Mullins and Walker (2010) have supported, the marketing mix would act as a core concept of marketing, and the 7ps elements are the fundamental variables to the success of any services company.

### **Consumer Behavior**

American Marketing Association (AMA) have given the definition of consumer'sbehavior as "human's action that directly relates to cognition, understanding, behavior, and situation which mutually affect reciprocation for human life's existence". (Peter and Osen, 1990, cited in Thomyachati, 2012; Engel et al., 1993) has mentioned that consumers' behavior are the decision making process which related upon the characteristic of individual in evaluating, acquiring, using and disposing goods and services.

Evans et al. (2009) has suggests that the study of consumer behavior study is to know how the individual react or respond to the products based on the individual feeling and what they know about the products or services. Mahé, (2010) has supported that consumer behavior is the study of how and why people decided to purchase goods and services. There are many factors influencing consumer on decision making of purchasing products or services. Generally, consumer expects the products or services that best responded their need.

### **Generation Consumer Behavior and lifestyle**

The definition of Generation X is differs depending on which research you founded, however, the term generation x will apply to the people ages between 34-50. This group this generation born with the introducing stage of computer, Internet, and cell phone. As an adult, they are consumer in which they are seeking for the best value for money and making inform decision. Generation X have the common characteristic as they are seeking for products

information, respond to digital and traditional advertising, brand Loyal, and value diversity and independence.

Generation Y have been known as the millennial generation have age between 20 - 34. People who are in this age's group are born with modern technology such as computer, laptop, Internet, and cell phone. The characteristic of this group are easily influence by technology and online media. (Chevette, 2015 and Aquino, 2012) Moreover, Schawbel (2015) had mentioned about generation Y buying process., he stated that, most of the generation Y aren't influenced by the advertising, they reviewing blog before purchased, they want to engage with band on social media, they want to co-create the products with company, and they are brand loyal.

## Methodology

This research was based on the exploratory research. According to Burns and Bush (2012), the aim of an exploratory research is guiding the researcher to get the most relevant information and deep understanding toward the research problem. The exploratory research will occur when the research has very little information regarding the research problem or when the information regarding the problem is not clear.

This research has conducted a deductive approach. According to Saunder et al. (2012) Deductive approach is aimed to test a theoretical framework, in which the research want to gain an understanding from the secondary data in order to carry out a research to get the most relevant primary data to answer the topic problem. The quantitative approach will conducted through the form of structured questionnaire. (Appendix A)

The time frame of this report was cross sectional, as the research required a short time frame to get the most relevant information. The researcher has been giving out the questionnaire during the March 2016 to May 2016, other information that then researcher received after May 2016 will not be used.

Data collection of this research is divided in two set of data, which are secondary and primary data. The researcher gathered the secondary data from the previous research and theoretical framework through library, online journal, news papers, and other online websites.

Moreover, the primary data of this research has been conducted base on the structured questionnaire. The structured questionnaire will be conducted in Thonglor District, where several Caférestaurant and Casual Dining restaurant are located. The questionnaire will be given out to the respondent in the equal number of 240 for the Café restaurant consumer and

another 240 for the Casual Dining consumer. This will allow the research to do the comparisons study on the decision making process.

Data analysis has been occurred after the research has gathered all of the data collection. The researcher will be implementing the use of statistic software to analysis and interpret the data. The analyzing of the data collection will in the form of descriptive Statistic.

In this research paper, the researcher will use Chi-square to test hypothesis 1, hypothesis 2 and hypothesis 3.

## Research Finding

According to the result of part 1, Demographic. The male respondents were 237 (49%) and female respondents were 243 (51%). There are 240 (50%) respondents in generation X and 240 (50%) respondents in generation Y. More than 116 (53%) respondents of generation Y are earning an income of 20,000 baht or lower, followed by 107 (48%) respondents are earning between 20,001 – 40,000 baht. For generation X respondent are mostly earn a monthly income between 20,001 – 40,000 baht with 118 (67%) of the respondents. followed by 84 (46%) respondents are earning between 40,001 – 60,000 baht .

According to the result of part 2, Consumer behavior.

Reason of choosing	Café Restaurant				Casual Restaurant			
	Generation Y		Generation X		Generation Y		Generation X	
	No.	%	No.	%	No.	%	No.	%
Taste of food	29	24.2	23	19.2	9	7.5	25	20.8
Reasonable price	15	12.5	54	45	2	1.7	46	38.3
Sale promotion	3	2.5	18	15	34	28.3	8	6.7
Restaurant Interior	18	15	3	2.5	0	0	4	3.3
Branding	27	22.5	16	13.3	65	54.2	17	14.2
Location	22	18.3	6	5	10	8.3	20	16.7
Others	6	5	0	0	0	0	0	0
<b>Total</b>	<b>120</b>	<b>100</b>	<b>120</b>	<b>100</b>	<b>120</b>	<b>100</b>	<b>120</b>	<b>100</b>

In Café Restaurant of Generation Y respondent, 24.2% answered that the taste of food is the reason of choosing a restaurant in Thonglor, followed by branding 22.5%. For Generation X, 45% of the respondent answer that reasonable price is the reason of choosing a restaurant in Thonglor, followed by taste of food 19.2%, sale promotion 15%.

In Casual Restaurant of Generation Y respondent, 54.2% answered that Branding is the reason of choosing a restaurant in Thonglor, followed by sale promotion 28.3%. For Generation

X, 38.3% of the respondent answer that reasonable price is the reason of choosing a restaurant in Thonglor, followed by taste of food 20.8%.

Channel that the respondent receive the information	Café Restaurant				Casual Restaurant			
	Generation Y		Generation X		Generation Y		Generation X	
	No.	%	No.	%	No.	%	No.	%
Past Experience	26	21.7	32	26.7	38	31.7	40	33.3
Friend/Relative	70	58.3	57	47.5	73	60.8	57	47.5
Online Media	21	17.5	15	12.5	9	7.5	15	12.5
Print Media	1	0.8	3	2.5	0	0	4	3.3
Mass Media	2	1.7	13	10.8	0	0	4	3.3
Others	0	0	0	0	0	0	0	0
<b>Total</b>	<b>120</b>	<b>100</b>	<b>120</b>	<b>100</b>	<b>120</b>	<b>100</b>	<b>120</b>	<b>100</b>

Generation Y respondent of the café restaurant were mostly receiving an information from friend/relative with 58.35%, followed by past experience 21.7%. For Generation X, 47.5% were receiving information from friend/relative, followed by past experience 26.7%.

In Casual Restaurant, 60.8% of generation Y respondent received information from friend/relative, followed by past experience 31.7%. For Generation X, 47.5% were receiving information from friend/relative, followed by **past** experience 33.3%.

For Third part of the research is the important level of marketing mix which is the most relevant factor. The result had showed that product, price, and promotion were the main factors that influenced the decision-making process of the consumer, and these factors are on high important level.

The comparison result has show the significant factor effecting generation X and Y consumer' behavior toward both café restaurant and casual dining restaurant. The comparison result shown in the table below.

Hypothesis statement	Café Restaurant				Casual Restaurant			
	Generation Y		Generation X		Generation Y		Generation x	
	Accept	Reject	Accept	Reject	Accept	Reject	Accept	Reject
H1.1: Gender has significant influence the consumer decision-making process.		X		X		X		X
H1.2: Income has significant influence the consumer decision-making process.		X		X		X	X	
H1.3: Occupation has significant influence the consumer decision-making process.		X		X	X			X
H2.1: How often has significant influence the consumer decision-making process.		X		X		X		X
H2.2: The reason has significant influence the consumer decision-making process.		X		X		X	X	
H2.3: Who has significant influence the consumer decision-making process.		X		X		X		X
H2.4: Channel has significant influence the consumer decision-making process.		X		X		X		X
H2.5: Average Cost has significant influence the consumer decision-making process.		X		X		X		X
H2.6: When has significant influence the consumer decision-making process.		X		X		X	X	

Hypothesis statement	Café Restaurant				Casual Restaurant			
	Generation Y		Generation X		Generation Y		Generation x	
	Accept	Reject	Accept	Reject	Accept	Reject	Accept	Reject
H3.1: Product	X			X		X	X	
H3.2: Price		X		X		X	X	
H3.3: Distribution Channel		X		X		X		X
H3.4: Promotion		X		X		X		X
H3.5: People		X		X		X		X
H3.6: Physical Evidence		X		X		X		X
H3.7: Process		X		X		X	X	

## Discussion

From the research through questionnaire has shown different characteristic between generation X and generation Y. Each generation have different need and want toward the product and services. The customer behavior plays a crucial role in knowing the need and want of the customer. Through this research, the result has shown different need and want of both generation X and Y, and to be analyses the influences of customer behavior toward decision-making.

First, Demographic which consist of age, gender, income and occupation. According to the result in Chapter 4, gender has played a crucial role in choosing a type of restaurant, where most of the female respondent tends to choose a Café restaurant, and male are more toward a place for hanging out like a Casual Dining. Other factors such as income and occupation have less influence on their decision-making.

Second, Consumer behavior. According to Howell (2012) and Williams n.d., Generation X was seeking for value of money. The money value was an important influence on the choice of their restaurant. Data was collected in Chapter 4 part 2 was analyzed that most of the generation give the important toward the price of the product, and the taste of foods. Therefore if the generation X feel that the taste and the portion of the food was acceptable

with the right price, then the generation X consumer will be more likely to choose that particular restaurant. However, in generation Y, have totally different need want. According to Newyorkbusinesswire (2009) and Howell (2012), generation Y consumer was seeking for a place to hang out with friend, and easily influenced by their friend. The data was collected in Chapter 4 part 2 was analyzed that generation Y consumer choose to hanging out with friend and mostly choose the restaurant by the branding rather than Price.

Third, Marketing Mix. Yelkur R, (2000) mentioned that the consumer behavior would be influenced and affected by the critical elements in the service marketing mix. In this research paper, the result has shown that not all of the service marketing mix element had influenced the consumer decision making. The result had shown that Product, Price, Promotion, and Process was the most likely influenced the consumer in term of decision making, but other element such as place, people, and physical evidence was less likely to be involved in consumer decision making process.

## **Recommendation for future research**

### **Recommendation for researchers:**

1. The researcher should conduct the research with all other generation to get a better result
2. The researcher should select other type of restaurant in order to have a better understanding of consumer behavior in Thonglor.

### **Recommendation for Restaurant**

1. The restaurant owner or the manager should put the right direction of the business plan toward the target market
2. The restaurant should put the right product at the price at the right target market
3. The restaurant should place a questionnaire for the customer in order to get to understand the need and want of the customer
4. For the café restaurant, the consumer's base was in generation Y. The restaurant should spend more time in promoting a restaurant through social media in order to attract new customer and respond to the lifestyle of generation Y.
5. For the casual dining restaurant, the consumer's base was in generation X. These generations are seeking for the value for money. Therefore, the owner should do price

promotion of the product and service or create a set menu in order to attract new costumer and creating value for the existing customers.

#### **Recommendation for Further Study**

- 1) For future research needs to be able to define the different type of restaurant toward different consumers.
- 2) For future research also need to take action in specific age group rather than generation
- 3) More research on different type of restaurant.
- 4) More research on different type of customer.

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