

Relationship of Service Marketing and Quality on Customer Satisfaction and Loyalty of Full-Service Car Care Customer in Phuket

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Abstract

Number of private car users in Phuket is increased annually and lead the full-service car care business in Phuket to grow up within the recent years. This research aimed to study the relationship of service marketing and quality on customer satisfaction and loyalty of full-service car care in Phuket Province. This study is quantitative research. The survey was performed with 400 full-service car care customers in Phuket Province by using purposive sampling method. The questionnaires were used as a research tool. The descriptive and multiple regression analysis were applied for data analysis. Our findings showed that, most of the respondents were Thai, male, aged 41-50 yrs., with an average monthly income of more than 50,000 baht. Most of them had a bachelor's degree, and were self-employed/self-employed. It was found that service marketing, service quality, customer satisfaction and customer loyalty are in relatively high levels. Moreover, service marketing and quality had the positive relationship on customer satisfaction and loyalty statistical significantly. The findings can be used as a guideline for the application of service marketing mix and service quality to enhance customer satisfaction and loyalty of comprehensive car care business in Phuket.

Keywords: Service Marketing, Service Quality, Satisfaction, Customer loyalty, Full-Service Car Care

1. Introduction

1.1 Background and Importance of the Problem

In present, Thailand has a large number of private car users. It was found that there were 2,638,466 new vehicles registered nationwide in 2020 (Department of Land Transport, 2021) in Phuket. Most of people in Phuket live in apartments, condominiums, and dormitories, which often do not have space for washing or cleaning cars. As a result, the behavior of car users in washing or cleaning cars has changed. Previously, people washed their own car in their residences, now they change to use car care service which located in gas stations, department stores or standalone car care shops, instead. In addition, Phuket has many foreigners and people living in private homes who use private cars but do not have time to maintain their cars, and want the car to be cleaned with a higher quality. They often use the service from the car care service center which is happening variously in Phuket. This led to the high rate of competition in the full-service car care business in Phuket. Therefore, full-service car care business entrepreneurs must continually to improve and apply various operational strategies to make a difference in providing services to customers and to increase competitiveness. Therefore, most of car care business operators had developed service marketing mix and service quality to their business.

Service marketing mix is a tool that a comprehensive car care business operator has created to meet the needs of customers in the target market of their own customers. Service marketing mix consisted of 7 areas, namely products, prices, distribution channels, promotion, personnel, physical characteristics, and processes. Many car care operators used service marketing to attract new customers and retain existing customers who have used the service, such as collecting points, use the service 10 times, get 1 time for free, free nitrogen inflating for shop customers (Issaraphap Yodkantha and Orachorn Maneesuk, 2020).

Service quality improvement is something that full-service car care business operators use to improve service quality to meet the highest standards, to increase reliability and to increase work efficiency, to saves energy or costs, to help save the environment, and to create a good image. Service quality makes customers feel confident that they will receive a consistent good service quality every time they come to use the service. This will enable businesses to operate in the era of COVID-19 by emphasizing services in accordance with operational guidelines that businesses service processes and workplaces must be arranged in accordance with the work of the new normal era or the new lifestyle (New Normal) to prevent or reduce infection. In accordance with the guidelines for compliance with the main control measures and supplementary measures for the area or in accordance with public health practices, such as spraying alcohol to disinfect before employees enter the car to clean or have ozone disinfection service in the car before providing other services, etc. (Pemika Sutika. 2559).

1.2 Research Question

Car care business operators in Phuket have applied the mix of service marketing and service quality to their own businesses and expect to satisfy their customers. The impression and satisfaction will lead to the return of the service usage in the next time. However, there are few studies in this area in Phuket or in the southern region. Therefore, this study is necessary because it will fulfill in academic gaps and the findings are also beneficial to the full-service car care business operators in Phuket and neighboring provinces. The research findings could be developed as guideline for the

application of service marketing mix and service quality to enhance customer satisfaction and loyalty of comprehensive car care business.

1.3 Research Objective

1) To study the relationship of service marketing mix and service quality towards customers satisfaction in the full-service car care business in Phuket.

2) To study the relationship of service marketing mix and the quality of service towards customer loyalty in the full-service car care business in Phuket.

2. Literature Review

2.1 Related Concepts and Theories

Service marketing mix is one of the most important concepts in marketing because it lead to create the customer satisfaction. Marketers will use the marketing mix as a tool to approach with their target market (Krisana Thawong, 2016). Service marketing mix consists of 7 components or 7Ps (Napat Sriyaphai, 2018) which are products, prices, distribution channels, marketing promotion, personnel, physical characteristics, and process aspects. Therefore, service marketing mix in this research will refer to the use of seven service marketing tools to meet the needs of customers in the target market that the full-service car care business has defined.

Service quality is the assessment of the customer regarding the excellence or superiority of the service (Phetai Muangma, 2017). The result of the customer evaluating the quality of the service received is known as the quality of service perceived by the customer with perceived service, which is the experience that occurs after the customer has received the service. There are five criteria for evaluating the quality of all services, namely reliability, confidence, tangible, attention and customer response (Prasert Buaked and Kitti Kaewkheow, 2020). Therefore, the quality of service in this research means the ability to meet the needs of the business to customers or the service process that meets the operational standards at the level of credibility.

Customer satisfaction is an element that measures how good a service is. It is used to improve the work related to the service. It consists of two parties, namely those who are responsible for service or employees, officers, service providers and customers by studying customer satisfaction with service providers (Mantawit Chanamporn, 2017). Customers consider satisfaction in receiving services in five areas: internal environment; the duration of service, the convenience of travel, quality and price (Nopawit Wachirapanyanon, 2017). In this research, satisfaction was measured in all 5 areas.

Customer loyalty means the commitment or obligation between those who provide services to customers with purchase or use behavior consistently with pleasure until it became a positive relationship. The customer is willing to come back to use the service again next time. A good relationship is an important barrier to prevent customers to interest in using competitor services. (Chaiyaphos Ruenmon, 2016). In this research, the customer loyalty consists of 2 aspects, namely the intent to buy and word-of-mouth behavior.

2.3 Conceptual Framework

Research conceptual framework was shown in Figure 1.

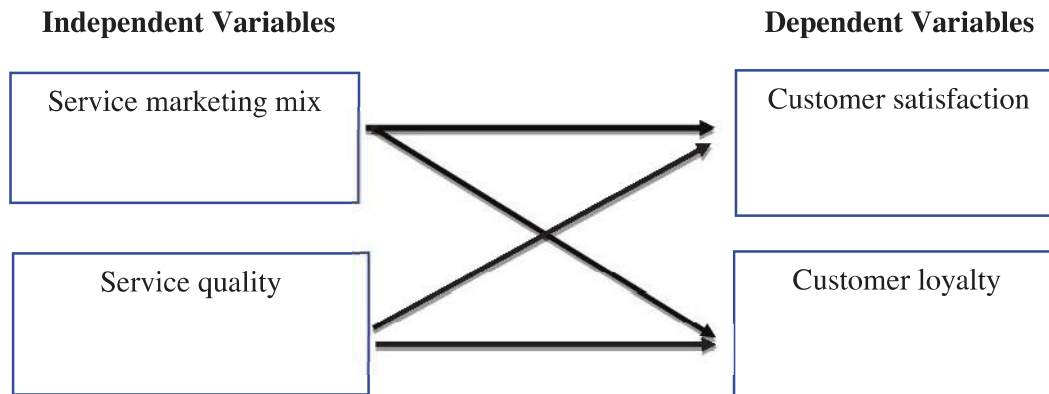


Figure 1 Research Conceptual Framework

2.4 Research Hypothesis

From the research conceptual framework, the hypothesis of the research can be established as follows:

Hypothesis 1, service marketing mix and service quality had a statistically significant positive correlation with customer satisfaction in the full-service car care business in Phuket.

Hypothesis 2, service marketing mix and service quality had a statistically significant positive correlation with customer loyalty in the full-service car care business in Phuket.

3. Research Methodology

3.1 Research Design

This research uses a quantitative research methodology.

3.2 Population and Sample

The population used in the study was the customers of the full-service car care business in Phuket because the population is large and the exact number of the population is unknown. Therefore, the sample can be calculated from the formula of W.G. Cochran, the level of confidence is 95% and 5% error level a minimum of 384 samples will be obtained to prevent errors in questionnaires collection and research evaluation. The researcher therefore, determined the sample size for a total of 400 samples.

3.3 Research Instruments

The tools used in this research were questionnaires, with the following steps of development and verification respectively:

1) Document study, Textbooks and related research, and a questionnaire was created to cover the research objectives.

2) Take the generated questionnaire for a content validation test with an expert academics in the relevant field of 5 people. From the test results, it was found that the IOC of all questions in the questionnaire. The value is between 0.51 - 1.0 indicates that all questions pass the specified criteria.

3) The revised questionnaire was tested with customers of the full-service car care business in Phuket, the number of 30 people. From the test results, it was found that the messages in all groups of questionnaires had a confidence coefficient greater than 0.7 means that all questions passed the specified criteria.

3.4 Data Collection

In this research, a specific sampling method were used. The data were collected only from customers of the full-service car care business in Phuket.

3.5 Statistics Used for Data Analysis

In this research study, there are two types of statistics used for data analysis:

1) Descriptive statistics consisting of frequency, percentage, arithmetic mean, standard deviation. The interpretation was then performed using the Interpretation Criteria using the mean of the question points. The interpretation criteria have been set for 5 levels (Thanin Silcharu, 2020) as follows:

Score 4.21 – 5.00 is the highest level,	Score 3.41 – 4.20 is high level
Score 2.61 - 3.40 is moderate,	Score 1.81 - 2.60 is low
Score 1.00 – 1.80 is the lowest level.	

2). Inferential statistics is a statistic for finding the relationship between the dependent variable and the hypothesized independent variable. In this research, the statistics used in the analysis were Multiple Regression Analysis with service marketing mix and service quality is the independent variables and customer satisfaction and loyalty are the dependent variables.

4. Data Analysis and Findings

4.1 Introduction

Demographic information

From the research results, it was found that most of the respondents were Thai (56.2 percent), male (50.8 percent), aged 41-50 yrs., with an average monthly income of more than 50,000 baht (25.4 percent). Most of them had a bachelor's degree (50.7%), and were self-employed/self-employed (36.0%) as showed in table 1.

Table 1 Demographic Information

Demographic information	N	%
<u>Gender</u>		
Male	240	60.00
Female	160	40.00
<u>Age</u>		
Below 20 yrs	22	5.50
21-30 yrs	69	17.25
31-40 yrs	133	33.25
41-50 yrs	57	14.25
51-60 yrs	77	19.25
Above 60 yrs	42	10.50
<u>Monthly income</u>		
Below 10,000 baht	16	4.00
10,000 – 20,000 baht	60	15.00
20,001 – 30,000 baht	123	30.75
30,001 – 40,000 baht	100	25.00
40,001 – 50,000 baht	52	13.00
Above 50,000 baht	49	12.25
<u>Occupation</u>		
Housewife	22	5.50
Governance	69	17.25
Business owner/self-employed	133	33.25
Student	57	14.25
Private company employees	77	19.25
Others	42	10.50
<u>Education</u>		
Below bachelor degree	175	43.75
Bachelor degree	180	45.00
Above bachelor degree	45	11.25

4.3 Data Analysis of the Quantitative Data

Level of service marketing mix, service quality, customer satisfaction and loyalty in the full-service car care business in Phuket

Perceived level of service marketing mix, service quality, customer satisfaction and loyalty in the full-service car care business in Phuket are shown in Table 2.

Table 2 Perception Level of Service Marketing Mix, Service Quality, Customer Satisfaction and Loyalty

Factors	Average	S.D.	Level
Service Marketing Mix	3.96	0.56	High
1. Product	3.79	0.66	High
2. Price	3.99	0.60	High
3. Place	4.01	0.63	High
4. Promotion	3.88	0.63	High
5. Personal	4.05	0.71	High
6. Physical appearance	4.02	0.64	High
7. Process	3.97	0.68	High
Service Quality	4.02	0.60	High
1. Assurance	4.01	0.70	High
2. Customer response	4.03	0.68	High
3. Reliability	4.08	0.65	High
4. Caring and caring	4.05	0.64	High
5. The tangible aspect/appearance	3.95	0.68	High
Customer Satisfaction	4.00	0.63	High
1. Price	4.05	0.67	High
2. Quality	4.06	0.70	High
3. The internal environment	3.97	0.66	High
4. The convenience of traveling	3.93	0.74	High
5. The duration of service	3.97	0.73	High
Customer Loyalty	3.94	0.65	High
1. Intent to buy	3.90	0.67	High
2. Word-of-mouth behavior	3.98	0.69	High

From Table 2, it was found that most of the respondents had perception of the service marketing mix, service quality, overall customer satisfaction and loyalty in high level. In terms of service marketing mix factors, it was found that the personal aspect was the most perceived. (mean equal to 4.05), followed by physical characteristics. (mean equal to 4.02), place (mean of 4.01), price (mean of 3.99), process (mean equal to 3.97), promotion (mean equal to 3.88) and product side (mean equal to 3.79), respectively. In terms of service quality, it was found that reliability was the most perceived. (mean equal to 4.08), followed by care and attention. (mean equal to 4.05), customer response (mean equal to 4.03), assurance (mean value 4.01) and tangible/appearance aspect (mean equal to 3.95), respectively. In terms of satisfaction, it was found that the customers were most satisfied with the quality (mean of 4.06), followed by price (mean of 4.05), internal environment and length of service (average is 3.97) and the convenience of travel (mean equal to 3.93), respectively. In terms of loyalty, it was found that customers were the most loyal in word-of-mouth behavior. (mean equal to 3.98), followed by intent to buy (mean value is 3.90).

Relationship of service marketing mix and service quality towards customers satisfaction in the full-service car care business in Phuket

The relationship of the service marketing mix and service quality towards customer satisfaction in the comprehensive car care business in Phuket are shown in Table 3.

Table 3 Relationship of Service Marketing Mix and Service Quality Towards Customer Satisfaction in the Comprehensive Car Care Business in Phuket

Model	Customer Satisfaction				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.064	0.087		0.745	0.457
Product	0.082	0.029	0.098	2.859	0.004
Price	0.059	0.032	0.065	1.838	0.067
Place	-0.008	0.025	-0.009	-0.318	0.751
Promotion	0.016	0.024	0.018	0.661	0.509
Personal	-0.005	0.029	-0.005	-0.16	0.873
Physical appearance	0.079	0.03	0.086	2.644	0.009
Process	0.088	0.031	0.097	2.779	0.006
Assurance	0.094	0.028	0.108	3.367	0.001
Customer response	0.172	0.028	0.194	6.175	0.000
Reliability	0.158	0.03	0.171	5.255	0.000
Caring and caring	0.178	0.027	0.194	6.602	0.000
Tangible aspect/appearance	0.073	0.029	0.085	2.541	0.011
R	R²	Adjust R²	SE(est.)	F	Sig.
0.931	0.867	0.863	0.175	209.634	0.000

From Table 3, when considering the overall picture, it was found that the service marketing mix and service quality had a positive relationship with customer satisfaction statistically significant (p-value = 0.00). The service marketing mix and service quality could explain the customer satisfaction 86.3% (Adjusted R² = 0.863). This indicates that when the service marketing mix and service quality increased, customer satisfaction will increase accordingly.

When consider in the element level, Product, Physical appearance, Process, Assurance, Customer response, Reliability, Caring and Tangible aspect/appearance had positive relationship with statistically significant (p-value < 0.05). Moreover, when look into the Standardized Coefficients (Beta), Customer response and Caring had the highest influenced to customer satisfaction followed by Reliability, Assurance, Product, Process, Physical appearance and Tangible aspect/appearance, respectively.

Relationship of service marketing mix and the quality of service towards customer loyalty in the full-service car care business in Phuket

The relationship of the service marketing mix and the quality of service towards customer loyalty in the full-service car care business in Phuket are shown in Table 4.

Table 4 Relationship of Service Marketing Mix and the Quality of Service Towards Customer Loyalty in the Full-Service Car Care Business in Phuket

Model	Customer Loyalty				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.215	0.141		1.518	0.13
Product	0.189	0.047	0.205	4.015	0.000
Price	0.06	0.053	0.060	1.137	0.256
Place	0.071	0.041	0.072	1.738	0.083
Promotion	0.000	0.039	0.000	-0.007	0.994
Personal	-0.075	0.047	-0.08	-1.601	0.110
Physical appearance	0.068	0.049	0.068	1.404	0.161
Process	0.103	0.051	0.104	1.994	0.047
Assurance	0.053	0.046	0.056	1.17	0.243
Customer response	0.131	0.046	0.135	2.861	0.004
Reliability	0.081	0.049	0.080	1.660	0.098
Caring	0.118	0.044	0.117	2.673	0.008
Tangible aspect/appearance	0.163	0.047	0.174	3.477	0.001
R	R²	Adjust R²	SE(est.)	F	Sig.
0.838	0.702	0.693	0.285	76.136	0.000

From Table 4, when considering the overall picture, it was found that the service marketing mix and service quality were significant statistically related to customer loyalty (p-value = 0.00). The service marketing mix and service quality could explain customer loyalty 69.3% (Adjusted $R^2 = 0.693$). It shows that when the service marketing mix and service quality increased customer loyalty will increase accordingly.

When considering in each component, it was found that Product, Process, Customer response, Caring and Tangible aspect/appearance has a positive relationship with customer loyalty significant statistically (p-value < 0.05). Moreover, when look into the Standardized Coefficients (Beta), Product had the highest influenced to customer loyalty followed by Tangible aspect/appearance, Customer response, Caring and Process, respectively.

5. Conclusion, Discussion, and Recommendation

5.1 Conclusion

This research aimed to study the relationship of service marketing and quality on customer satisfaction and loyalty of full-service car care in Phuket Province. The survey was performed with 400 full-service car care customers in Phuket Province by using purposive sampling method. The questionnaires were used as a research tool. The statistics used to analyze data were mean or standard deviation and multiple regression analysis. Our findings showed that, most of the respondents were Thai, male, aged 41-50 yrs., with an average monthly income of more than 50,000 baht. Most of them had a bachelor's degree, and were self-employed/self-employed. It was found that service marketing, service quality, customer satisfaction and customer loyalty are relatively high levels. Moreover, service marketing and quality had the positive relationship on customer satisfaction and loyalty statistical significantly.

5.2 Discussion

From the research results, it was found that the service marketing mix and service quality were related to customer loyalty in the full-service car care business in Phuket. These findings are consistent with the research of Krisana Thavong. (2016) who studied the marketing factors for car care business that affect consumer loyalty in Chonburi province. It was found that all marketing factors for businesses were positively correlated with loyalty. It is also consistent with the research results of Sommai Phanthuwong (2017) who have studied the opinion levels on marketing mix, service quality, reuse of car care businesses in Muang District, Lampang Province by convenient sampling method from those who 400 samples of car care services were used in Muang District, Lampang Province.

Moreover, the results showed that the quality of service had a direct influence on the repeat use of the car care business and the marketing mix has direct and indirect influence on repeat service. It was also found that service marketing mix and service quality is positively correlated with customer satisfaction in the full-service car care business in Phuket. These findings are consistent with research by Nopawit Wachirapanyanon (2017) studied the satisfaction factors affecting the decision to choose car care services of the people in Bang Khun Thian area. From the random sampling of 200 service users, it was found that the population in Bang Khun Thian area had the highest level of satisfaction in choosing the car care service in terms of price and the internal environment and service marketing mix and service quality was positively correlated with population satisfaction in Bang Khun Thian District.

5.3 Recommendation

5.3.1 Recommendation for Applying the Research Results

1) An full-service car care business operator in Phuket should focus on continually raising the quality of service. It should focus on reliability such as service, quality car wash tools and chemicals, having employees who have good knowledge of products and services, service with care, honest and reliable, and giving advice and answering questions. Solve customer problems correctly will increase the level of customer satisfaction and loyalty.

2) The full-service car care business operator in Phuket should focus on developing the service marketing mix regularly to meet their needs by focusing on people, such as having employees with experience, knowledge, expertise in service. Moreover, the presence of careful staff while serving, employees and having staff that are polite, humble, will increase the level of customer satisfaction and loyalty.

5.3.2 Recommendation for Further Research

1) Further research should add other independent variables such as information technology and other innovations to analyze the relationship with customer satisfaction and loyalty in the full-service car care business in Phuket.

2) In this study, a study was conducted from a sample of consumers only in Phuket. In the next study, it may be studied by collecting data from samples from other provinces, etc.

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