

## BUYING DECISION OF CONSUMERS IN BANGKOK AREA FOR LACE FABRIC

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### ABSTRACT

*The current study aimed to investigate the consumer buying behaviour in lace fabric and marketing mix factor that influences lace fabric buying decision of consumers belong to Bangkok area. A total of 110 respondents were studied for this research and the data was analyzed for Percentage, Mean, Statistical t-test, One-Way ANOVA, and Regression. From the research, it was revealed that the demographic factor showed that difference in gender, age, education level, and monthly income did not make any difference in buying decision. Difference in occupation affected buying decision. For marketing mix factor found to be unrelated to buying decision for lace fabric were product, price, and marketing promotion while distribution channel was found to affect buying decision as convenience to buy and punctual delivery. The study suggested recommendations to the industry with 4Ps.*

**Keywords:** *Lace Fabric, Consumer Buying Behaviour, Decision making, Marketing mix*

### Introduction:

Clothing Industry that serves human beings with one of the basic needs is reinvented with the introduction of modern machines that produce high quality fiber with unmatched designs. In spite of the high cost, it adds value to the normal clothes. In this scenario, lace fabric, an ornamental open work fabric which is manufactured by looping, braining or twisting threads of silk or other fibers even gold or silver (Datta & Nanavaty, 2007), is being manufactured from 1500s in Europe (The History of Lace, 2014). This fabric is widely preferred by designers to replace embroidery in order to facilitate different fashion styles in dress-making. It not only applies in wedding suit, but also in casual and formal clothes in general (Sara Glenn, n.d.). The lace fabric has its own market share in Bangkok consumer industry i.e., 173.40 MU\$ in 2016. Consumer decision making has long been of interest to researchers. Beginning about 300 years ago early economists, led by Nicholas Bernoulli, John von Neumann and Oskar Morgenstern, started to examine the basis of consumer decision making (Richarme 2007). This early work approached the topic from an economic perspective, and focused solely on the act of purchase (Loudon AND Della Bitta 1993). The most

prevalent model from this perspective is 'Utility Theory' which proposes that consumers make choices based on the expected outcomes of their decisions. Consumers are viewed as rational decision makers who are only concerned with self-interest (Schiffman AND Kanuk 2007, Zinkhan 1992).

In such case, the current study is aimed to investigate the consumer decision making behaviour for buying lace fabric and understand the marketing mix factors that affect the decision of purchase. These research findings help the future researchers as well as the industry policy makers for better promotion of lace fabric which will in turn boost the export of lace fabric to various countries.

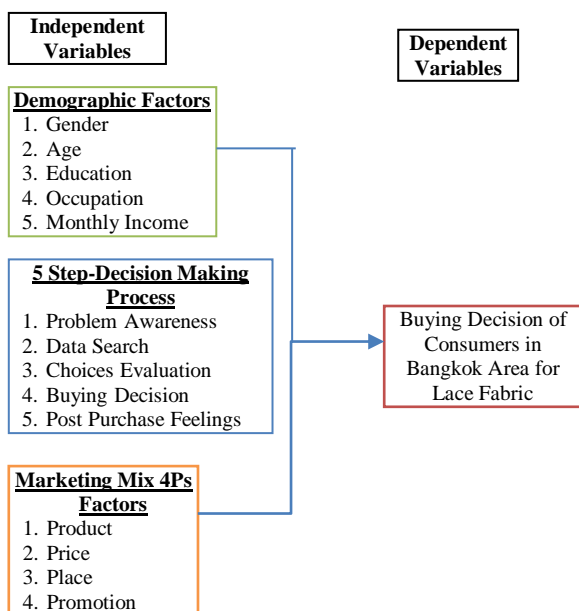
**Table 1: 2016 Product Export:  
Value MU\$ Jan. to month select box**

Yarns Total		384.35	246.82	273.68	296.15	241.45	217.85
Yarns	Cotton	82.42	46.92	64.08	67.52	42.27	32
	Man-made	283.76	198.76	197.56	212.21	185.33	173.4
	Other						
	Natural Fiber	0.07	0.07	0.01	0.04	0.03	0.12
	Silk	0.65	0.83	0.89	0.65	0.81	0.66
	Wool/Hair	17.44	0.24	11.14	15.73	13.01	11.67

**Source:** Thailand Textile Institute, 2016

**Research Objectives:**

1. To study the buying decision of consumers in Bangkok area for lace fabrics
2. To study the marketing mix factors that affect buying decision of consumers in Bangkok area for lace fabrics

**Figure 1 Conceptual Framework****Hypothesis:**

- H1. *Difference in demographic factor has effects on buying decision of lace fabric*
- H2. *Marketing mix factor has relation with buying decision of lace fabric*

**Literature Review:****History of Decision Making:**

The history of decision making theories started about 300 years ago when Bernoulli gave the explanation for consumer decision-making. But John von Neumann and Oskar Morgenstern extended the theory and named as 'Utility theory' which revealed that customers decide based on their expectations. This model viewed consumers as rational. In 1950s, Satisficing model was proposed by Nobel Laureate Herbert Simon in which consumers got approximately where they wanted to go and there is no discussion about decision-making. In a comparison, Satisficing model doesn't go in deep routes, but Utility theory does do so (Michael R, 2005).

**Related Studies:**

The study conducted by Chanphen Phewbang (2005) about factors that affect the school and university students in Phra Nakorn, Sri Ayuthaya district for buying finished garments. The study inferred that there

is a significant role played by marketing mix. The target audience gave high importance regarding modern product, beautiful design, durability of material and easy to take care. For price, students gave high priority to bargains and discounts. For distribution channels, the students gave most importance to '*trying the clothes on while convenient location*'. For promotion, the factors with high effect on buying decision were friendly reception and direct sale respectively. Demographic factors including gender, age, education, and pocket money from parents did not relate to buying decision of the sample group. For marketing mix, factors that influenced the buying decision were product and distribution channel.

The study conducted by Phichamon Malikhao (2011) about the factors that affect the decision to buy fashion clothes via social media such as Facebook with an objective to analyze the factors that influenced decision to buy fashion clothes via social media. The study found that most of the female consumers were between 25-34 years, hold bachelor degree of education and employed with a monthly income of 10,000 – 15,000 Baht. For opinion on marketing mix, respondents highly agreed that it was the trust to buy products online through social media. Seller and consumer protection gained the trust in medium level, while internet system gained the trust in high level. The hypothesis test indicated that the trust to buy fashion clothes via online social media in terms of seller, internet system, and consumer protection affected the buying behavior on fashion clothes for expenses, number of times, and number of products bought in the same direction. Marketing mix factors including product, price, distribution channel, and promotion were related to fashion clothes buying behavior in the same direction with expenses. Marketing mix factors such as product, price, and distribution channel influence on fashion clothes buying behavior in the same direction with number of times and number of products bought at a significance level of 0.05.

**Research Methodology:**

The study incorporated convenience sampling method in order to investigate the consumers' decision making and the effect of marketing mix. A structured questionnaire was employed among 110 respondents chosen and the questions were set in Nominal Scale by choosing one from the choices in order to measure and group the data. Data gathered from part I and II was assessed by simple statistics method i.e., percentage. Both part I and part II consisted of questions with checklist answers. Statistics used to analyze data were Percentage, Mean, Statistical t-test, One-Way ANOVA, and Regression. Each level was designed for following mean. Mean of 4.51-5.00 was the highest, 3.51-4.50 was high, 2.51-3.50 was medium, 1.51-2.50 was low and 1.00-1.50 was the lowest. The total sample size is 110 and which contained four parts such as follows

- Part I captures the demographic profile of the respondents that related respondent's gender, age, income, education, occupation, etc
- Part II captures the data on decision making process that includes awareness of the problem, information search, evaluation of choices, decision making, and post-purchase feelings
- Part 3 consisted of rating scale questions asking opinion on marketing mix that affects buying decision. Likert Scale was used to measure respondent opinion in rating scale 5 levels of opinion
- Part 4 contained recommendations from respondents using open-ended questions to allow respondents to express their opinion and useful suggestions

#### Research Findings - Demographic Data:

The results inferred out of 110 respondents, mostly were females aged between 30-39 holding bachelor degree of education running their own business or dressmaking shop with a monthly income of 150,001 baht and more.

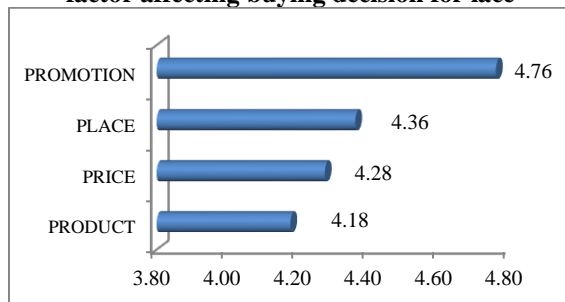
#### Data on factors in decision making to buy lace fabric:

It was indicated that most respondents paid highest attention in searching information of lace fabrics on magazines and publications, evaluating choices by themselves, making buying decision because of price, and having chance to repurchase.

#### Data on marketing mix that affects decision to buy lace fabric:

The study showed that the samples gave first importance to marketing promotion including cash discount, frequent promotion, advertising lace in many ways and advertising lace on internet magazine. Second significant was given to distribution channel in terms of convenience to buy, punctual delivery, and availability of buying channels. For price factor, respondents emphasized on variety of choices on price, and cheaper price than competitors. For product factor, first priority was given to reliability of lace fabric manufacturer, colour and modern design of lace fabric, quality of lace fabric, and beauty of the lace fabric respectively.

**Figure 2: Significance levels of marketing mix factor affecting buying decision for lace**



#### Hypothesis Test Result

The table 2 indicates the comparison in decision making towards buying lace fabric.

**Table 2: Hypothesis test results**

Occupation	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.284	1	2.284	5.860	0.017
Within Groups	42.089	108	.390		
Total	44.373	109			

- The difference in occupation of respondents has effect on the decision to buy lace fabric as seen in one pair of occupation that is wedding gown shop and designer. The hypothesis resulted that that factors including gender, age, education, monthly income did not have effect on buying decision for lace fabric while occupation do so with the Sig. value of 0.017.
- Marketing mix factor was related to buying decision for lace fabric. The study indicated that marketing mix such as product, price, and marketing promotion did not have effect on buying decision for lace fabric while distribution channel had effect with the Sig. value of 0.004

#### Research Discussion:

From the study, it was found that following important points that are worth discussing for future research.

- **Demographic factor had influences on buying decision for lace fabric:** Different occupation of consumers resulted in different buying decision in which there was one pair i.e., wedding gown shops and designers. This is similar to the results of the study by Phichamon Malikhao (2011) that concerning factors affecting decision to buy fashion clothes via online social media i.e, Facebook
- **Marketing mix factor was related to buying decision for lace fabrics:** The results revealed that there is an importance given by the respondents towards the buying convenience and punctual delivery from the distribution channel as the results of the study, Chanphen Phewbang's (2005) The research indicated that there is a relationship between buying decision and distribution channel which resembled the study of Phichamon Malikhao (2011: Abstract) concerning factors affecting decision to buy fashion clothes via online social media Facebook. The research found that marketing mix which was distribution channel had relation with buying decision for fashion clothes in terms of frequency of purchase and number of products purchased in the same direction at statistical significance level of 0.05

#### Limitations of the study:

The study was conducted only among the selected respondents who happened to be consumers from the

Bangkok city and no specific sampling strategy was employed. The future researchers must employ a good sampling strategy to include the online purchasers of all generations, online sellers and vendors etc.

### Recommendation from the Research:

From the results, the industry decision makers, market players are suggested with the 4Ps such as follows.

- **Product:** Lace sellers should try to keep up with new fashion from overseas to gain new idea for importing the products for target market. Dressmaker's shops and wedding gown shops buy lace differently. Therefore lace sellers should make the products available to different target group such as most dressmaker's shop use lace with a variety of patterns, colours, and designs while most wedding gown shops use luxury style and white colour
- **Price:** Most consumers paid attention to origin, price, and brand of the products. Therefore lace sellers should be careful to set suitable prices for the products and target market in order to maintain market share in the long run
- **Place:** Lace sellers may expand channels to market the products by making relationship with agents and maintain trade relation for mutual benefits, increase in sales, and effective delivery finally will lead to profit yielding and maintaining regular customers. Lace sellers should find channel of distribution to main cities such as Chiang Mai, Ubon Ratchathani, Phuket, etc. in order for prompt delivery whenever customer needs without waiting for the products
- **Promotion:** Lace sellers should promote by advertisement on magazine and company's website. Advertisement has large effects on purchasing decision as well as promotion such as cash discount. Credit sales should also be taken into consideration. The sellers may extend the credit from 30 days to 60 days to maintain current customers and also attract new customers.

### Acknowledgement:

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