

INFLUENCING FACTORS ON LOYALTY INTENTION IN THE WEEKEND MARKET

by

Chanin Yoopetch

Mahidol University International College, Mahidol University
999 Phuttamonthon 4 Road, Salaya 73170
E-mail: chanin.yoo@mahidol.ac.th

UTCC
*International Journal of
Business and Economics* **IJBE**

INFLUENCING FACTORS ON LOYALTY INTENTION IN THE WEEKEND MARKET

by

Chanin Yoopetch

Mahidol University International College, Mahidol University
999 Phuttamonthon 4 Road, Salaya 73170
E-mail: chanin.yoo@mahidol.ac.th

Abstract

With growing number of tourists around the world, there is always the need for different and unique tourist destinations. For many years, tourism destinations have been promoted in different dimensions (e.g. price and location) to international tourists and destination managers always search for the methods to encourage the tourists to revisit the destinations. Loyalty intention has become a particular research topic for tourism marketing research areas over the last few years. Clearly it is highly useful to understand more about loyalty intention and the benefits are to help tourism service providers and destination managers to discover new approaches or activities to continue to increase the tourist loyalty in the long run. From 426 samples of international tourists, the results indicated that loyalty intention is positively influenced by product quality, location, price, product variety and shopping environment, respectively. Research implications and directions for further research are also provided.

1. Introduction

Shopping is one of the most popular activities for tourists of all nations. In some places, one may visit a number of times in one month, such as the shopping mall or department stores. However, in the context of weekend markets, little studies had paid attentions to the intention to revisit the market. In recent years, there has been an increasing interest in understanding tourist loyalty intention, due to the fact that for each destination the repeat tourists contribute significantly in terms of tourist expenditures, leading to higher national income for the country.

According to McDowall(2010), the empirical research studies in the area of destination loyalty can help providing and suggesting guidelines for the effective tourist destination management by investigating the tourists' viewpoints of the destination.

During the past decade, marketing researchers have showed the importance of loyalty intention and its determinants in various industries (Sonhoh et al., 2007; Dwivedi, 2015; Akinci et al., 2015). In recent years, several local markets have been promoted as the tourist attractions for international tourists. Tourists visiting the local markets can experience different product characteristics or market environments that cannot be found in their home countries.

The purpose of the study is to highlight the influence of various factors on intention to revisit the weekend market. In addition, the results can be used to support further development of weekend market to help facilitating the shopping behaviors, shopping satisfaction and loyalty intention of the tourists.

Loyalty intention is one of the widely acceptable indicators to allow sellers to anticipate the repeat purchase in the future. The greater the degree of loyalty intention, the higher the possibility of repeat purchase (Valle, Silva, Mendes & Guerreiro, 2006). The current study contributes to the loyalty intention literature, especially in the context of destination marketing.

2. Literature Review

The context of this study is Chatuchak Weekend Market. In the current study, the area of the research was at Chatuchak Weekend Market, which is known as one of the most popular tourist attraction in Thailand. According to Tourism Authority of Thailand (2015) there are greater than 15,000 shops in the 27 acres, particularly consisting of unique local Thai products. The market is open only on weekends, allowing both Thai and foreign visitors to select variety of product choices from books, tables, fashion items, handicrafts, secondhand products, and pets. One of the main characteristics of Chatuchak weekend market is that the customers can shop and at the same time can enjoy Thai hospitality and Thai food available in different areas in the market. The operating hours of the weekend market is from 7 am. To 8 pm.

Loyalty intention is central to the study of consumer behaviour. It is the concept, which helps marketers to anticipate the repeat purchases in the future of individuals or groups of customers. Loyalty intention can be defined as the likelihood of customers to buy products or services from the same sellers again and it is less likely that the customers will go to buy those products and services from the competitors (Dwivedi, 2015; Akinci et al., 2015).

Furthermore, it is obvious that the understanding of factors influencing the loyalty intention can support the destination managers to effectively manage and attract the tourists to revisit the weekend market. Mittal & Kamakura (2001) suggested that intention to repurchase is important for businesses to understand and worth exploring. It also depends on the objectives of the researchers whether they would focus on the intention or the repurchase behaviour.

2.1 Determinants of loyalty Intention

For the factors affecting loyalty intention, Johnson, Herrmann, & Huber (2006) stated that determinants of loyalty intentions are highly dynamic and differ at different stages of product life cycles.

Price is one of the most important determinants in marketing literature and is known as the basic marketing mix affecting customer satisfaction. According to Kandampully & Suhartanto (2000), price has influence on customer decision in many aspects including intention to repurchase and on customer loyalty. Valle et al., (2006) also recognized the crucial role of price in their study on tourist satisfaction and destination loyalty intention. Sirohi, McLaughlin & Wittink (1998) showed in their research findings that price of the product reflecting in terms of perceived value for money had an impact on the loyalty intention to revisit the stores.

Based on the characteristics of the market, the customers usually expect the product variety when shopping. Elliot and Fowell (2000) suggested that product variety support the repurchase behaviour. Rohm and Swaminathan (2004) show that shoppers usually sought for variety of product in order to find the right product to buy.

Quality has influenced on repeat visitation of the destination. Related to the work of Alegre & Cladera (2006), the study was conducted in the context of holiday destination and found that the tourists continued to show interest and maintain their loyalty when high quality of the destination can be identified.

Shopping environment can be defined as the atmosphere and facilities provided in the shopping areas, including interaction between buyers and sellers, and numbers of customers and sellers (Deighton & Grayson (1995). Mathwick, Malhotra, & Rigdon (2001) mentioned shopping environment can create experiential value for the customers. In addition, shopping environment can also reflect the design of overall environments creating positive consumer feelings to enhance the potentials of buying products (d'Astous, 2000).

Another important factor for studying tourist's attraction is location. For retailing sites, including for the market and shopping centers, location plays important roles for customer's decisions in visiting (Mark & James, 1996). One of the important factors for tourist's decision for shopping sites is good location, including the safety of the location. (Yüksel & Yüksel, 2007).

One of the main highlights of the weekend market is that customers can look for local, rare and unique products available only in a certain areas. Product characteristics can have the effect on customer preference and how they evaluate the product (Tenenhaus, Pages, Ambroisine& Guinot, 2005). In the context of weekend market, the tourists may look for unique or local product characteristics that the tourists have never found in their home countries.

In the current study, dependent variable is loyalty intention and independent variables are price, product quality, product variety, shopping environment, location and product uniqueness.

To develop the questionnaire for the study, past literatures were investigated and interviews were conducted with marketing experts to validate the questions. Furthermore, reliability analysis showed acceptable results for all the factors with Cronbach's alpha of higher than 0.6 as shown in Table 1.

Table 1: Results of Reliability analysis

Factors	Items	Cronbach's alpha
Loyalty intention	<ul style="list-style-type: none"> - I will come back to shop at Chatuchak weekend market in the future. - I will talk positively about Chatuchak weekend market to others. - I always think positively about Chatuchak weekend market. - I will recommend others to shop at Chatuchak weekend market. 	0.88
Price	<ul style="list-style-type: none"> - I am very concerned about price. - When I shop, I usually compare prices of the products. - I usually shop around for lower price of the product. 	0.77
Product variety	<ul style="list-style-type: none"> - There are many different types of products available in Chatuchak weekend market. - Chatuchak weekend market has products for all customer groups. - I feel that I can find any type of product in Chatuchak weekend market. 	0.68

Factors	Items	Cronbach's alpha
Product quality	- The products at Chatuchak weekend market have good quality. - The quality of products, sold at Chatuchak weekend market, is trustworthy.	0.68
Shopping environment	- Sellers at Chatuchak weekend market are friendly and ready to service the customers. - It is easy to walk around Chatuchak weekend market. - The shopping areas have good atmosphere. - I can find what I want to buy in Chatuchak weekend market.	0.67
Location	- Chatuchak weekend market is easy to access. - The location is convenient via public transportation.	0.63
Product uniqueness	- Chatuchak weekend market has a number of rare products that I have never seen. - I find many products with unique design at Chatuchak weekend market. - There are many locally made products in Chatuchak weekend market.	0.80

3. Research Method

In the context of the current study, the author collected data from 426 international tourists shopping at the Chatuchak weekend market. The questionnaires were distributed in the period of eight weeks due to the fact that the market only opened on Saturday and Sunday. 426 usable questionnaires were identified and analyzed for further analysis. Multiple regression model was developed in order to test the relationship among the variables as follows;

$$\text{Loyalty intention} = B1(\text{Price}) + B2 (\text{Product variety}) + B3(\text{Product quality}) + B4(\text{Shopping environment}) + B5(\text{Location}) + B6(\text{Product uniqueness})$$

4. Research Results

In this part, demographic characteristics of the respondents were provided and the test of proposed regression model were indicated in order to identify the influential factors on loyalty intention. The details of demographic characteristics were shown in Table 2.

Table 2: Demographic Characteristics

Characteristics	Frequency	Percent
<i>Gender</i>		
Male	210	49%
Female	216	51%
<i>Nationality</i>		
Asian	225	47%
Non-Asian	201	53%
<i>Education</i>		
High school	21	5%
Vocational	67	16%
Some college	101	24%
College degree	237	56%

Characteristics	Frequency	Percent
<i>Marital status</i>		
Single	199	47%
Married	176	41%
Divorced	20	5%
Others	31	7%
<i>Age (years)</i>		
18 – 25	65	15%
26 – 35	133	31%
36 – 45	120	28%
46 – 55	80	19%
Above 55	28	7%

The data were collected at Chatuchak weekend market and international tourists. The details of demographic characteristics were identified in terms of gender, nationality, education, marital status and age. Female respondents (51%) slightly outnumbered male respondents (49%). Most tourists earned college degree (56%). In terms of marital status, the majority of sample was single (45%), followed by married group (41%). Regarding nationality, top three nationalities in Asian group were Chinese, Japanese, and Malaysian, respectively. In addition, for Non-Asian group, the three largest groups were British, American and Australian, orderly.

Table 3: Descriptive Statistics of Variables

	Mean	Std. Deviation	N
Loyalty intention	4.61	.769	426
Price	5.75	.987	426
Product variety	5.54	1.091	426
Product quality	4.47	1.235	426
Shopping environment	3.96	1.181	426
Location	4.39	1.080	426
Product uniqueness	5.14	1.213	426

According to the descriptive statistics table, the means of the variables ranges from 3.96 to 5.75. The highest mean is with “price”, followed by variety of products.

To test the relationship among independent variables and loyalty intention, multiple regression model was developed and tested. The results were shown in the following tables below.

Table 4: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.540 ^a	.291	.281	.652	2.129

Based on ANOVA table, global test showed that the model is acceptable ($F= 28.708$; $Sig. =.000$). With Durbin-Watson closed to 2, there is no autocorrelation issue. In addition, with VIFs less than 10, multicollinearity is not detected. According to the model summary table, the regression model had R Square of 29.1%.

Table 5: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	73.150	6	12.192	28.708	.000 ^b
Residual	177.941	419	.425		
Total	251.092	425			

a. Dependent Variable: Loyalty intention.

b. Predictors: (Constant), Price, Product variety, Product quality, Shopping environment, Location, and Product uniqueness

Table 6: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.451	.234		14.749	.000		
Price	.290	.046	.372	6.358	.000	.494	2.024
Product variety	.170	.044	.242	3.851	.000	.429	2.329
Product quality	.259	.034	.416	7.518	.000	.553	1.810
Shopping environment	.081	.035	.124	2.317	.021	.588	1.701
Location	.290	.042	.407	6.961	.000	.494	2.025
Product uniqueness	-.044	.032	-.070	-1.377	.169	.658	1.519

a. Dependent Variable: Loyalty intention.

From Table 6, the influential factors affecting loyalty intention are product quality, location, price, product variety and shopping environment, respectively. A factor of unique product characteristics has no influence on loyalty intentions.

As a result, the acceptable model can be shown in the following equation:

Loyalty intention = .372 Price + .242 Product variety + .416 Product quality + .124 Shopping environment + .407 Location - .070 Product uniqueness

(t-value)	(6.358)	(3.851)	(7.518)	(2.317)	(6.961)	(-1.377)
[sig.]	[0.000]	[0.000]	[.000]	[.000]	[.021]	[.169]

5. Discussions

The findings of this research shed light on the perception of visiting the weekend market with the new perspectives. As Tourism Authority of Thailand (2015) suggested that Chatuchak weekend market provides unique and local products where international tourists can explore and select, but however product uniqueness showed no influence on loyalty intention. In addition, the study indicated that price had positive influence loyalty intention. This is supported by the work of Valle et al., (2006) and Kandampully & Suhartanto (2000), mentioning that price led to intention to repurchase. The finding of this current study is also in line with the concept that quality had influence on repeat visitation (Alegre & Cladera, 2006). Furthermore, location of the destination is crucial to increase the degree of loyalty intention (Yüksel & Yüksel, 2007)

6. Conclusions

The study highlights the significance of loyalty intention in the areas of destination management in the context of weekend market. With 426 samples, the findings analyzed the data from international tourists visiting Chatuchak weekend market and tested the influencing factors affecting their intention to revisit the market again. Quality of product, location and price are three most influential factors on loyalty intention, respectively. This certainly confirmed with many of the past literatures (e.g. Alegre & Cladera, 2006). that product quality is considered the very important criterion for the tourists to revisit in the future, while location is shown to be the second-most influential factor, indicating that accessibility of the weekend market can increase the possibility of revisit as well.

7. Recommendations and Implications for Future Research.

The findings can provide several guidelines for practitioners. One of the most important factors affecting loyalty intention is product quality. Therefore, it is important to ensure that the tourists can always trust the quality of the products sold in the market. Quality assurance program should be introduced to all the sellers to certify the product quality. In addition, destination managers and service providers can devise marketing strategies on attracting the tourists to revisit the destination by focusing on the critical influencers, such as prices and locations. Additionally, due to the special characteristics of weekend market with its growing popularity, this study suggested that the destination managers should consider the development of similar markets with near the tourists' attractions in order to improve the number of tourist attractions in different areas. Future studies may apply in-depth interviews or focus-group discussions to explore the segmentation of different nationalities, ages or genders. Other studies may also add other variables, including motivational factors or shopping behaviors.

References

- Akinci, S., Kiyimalioğlu, A. & Atilgan Inana, E. (2015), "How golf players' satisfaction from golf experience predicts their loyalty intentions? Mediating role of perceived value", *International Journal of Culture, Tourism and Hospitality Research*, 9 (2): 117-132.
- Alegre, J. & Cladera, M. (2006), "Repeat visitation in mature sun and sand holiday destinations", *Journal of Travel Research*, 44 (3): 288-297.
- Chiu, C. M., Lin, H. Y., Sun, S. Y. & Hsu, M. H. (2009), "Understanding customers' loyalty intentions towards online shopping: an integration of technology acceptance model and fairness theory", *Behaviour & Information Technology*, 28 (4): 347-360.
- d'Astous, A. (2000), "Irritating aspects of the shopping environment", *Journal of Business Research*, 49 (2): 149-156.
- Deighton, J. & Grayson, K. (1995), "Marketing and seduction: Building exchange relationships by managing social consensus", *Journal of Consumer Research*: 660-676.
- Dwivedi, A. (2015), "A higher-order model of consumer brand engagement and its impact on loyalty intentions", *Journal of Retailing and Consumer Services*, 24: 100-109.
- Elliot, S. & Fowell, S. (2000), "Expectations versus reality: a snapshot of consumer experiences with Internet retailing", *International Journal of Information Management*, 20 (5): 323-336.
- Jacoby, J. & Chestnut, R. W. (1978), "Brand loyalty: Measurement and management".
- Johnson, M. D., Herrmann, A. & Huber, F. (2006), "The evolution of loyalty intentions", *Journal of marketing*, 70 (2): 122-132.
- Kandampully, J. & Suhartanto, D. (2000), "Customer loyalty in the hotel industry: the role of customer satisfaction and image", *International journal of contemporary hospitality management*, 12 (6): 346-351.
- Kim, H. & Niehm, L. S. (2009), "The impact of website quality on information quality, value, and loyalty intentions in apparel retailing", *Journal of Interactive Marketing*, 23 (3): 221-233.
- Mark, E. & James, S. (1996), "How critical is a good location to a regional shopping center?", *Journal of Real Estate Research*, 12 (2): 459-468.
- Mathwick, C., Malhotra, N. & Rigdon, E. (2001), "Experiential value: conceptualization, measurement and application in the catalog and Internet shopping environment", *Journal of retailing*, 77 (1): 39-56.
- McDowall, S. (2010), "International tourist satisfaction and destination loyalty: Bangkok, Thailand", *Asia Pacific Journal of Tourism Research*, 15 (1): 21-42.
- Mittal, V. & Kamakura, W. A. (2001), "Satisfaction, repurchase intent, and repurchase behavior: Investigating the moderating effect of customer characteristics", *Journal of marketing research*, 38 (1): 131-142.

- Rohm, A. J. & Swaminathan, V. (2004), "A typology of online shoppers based on shopping motivations", *Journal of business research*, 57 (7): 748-757.
- Sirohi, N., McLaughlin, E. W. & Wittink, D. R. (1998), "A model of consumer perceptions and store loyalty intentions for a supermarket retailer", *Journal of retailing*, 74 (2) 223-245.
- Tenenhaus, M., Pages, J., Ambroisine, L. & Guinot, C. (2005), "PLS methodology to study relationships between hedonic judgements and product characteristics", *Food quality and preference*, 16 (4): 315-325.
- Tourism Authority of Thailand (2015), Retrieved from <http://www.tourismthailand.org/See-and-Do/Sights-and-Attractions-Detail/Chatuchak-Weekend-Market--2088>
- Valle, P. O. D., Silva, J. A., Mendes, J. & Guerreiro, M. (2006), "Tourist satisfaction and destination loyalty intention: a structural and categorical analysis", *International Journal of Business Science and Applied Management*, 1 (1): 25-44.
- Wong, A., Dean, A. M. & White, C. J. (1999), "Customer behavioural intentions in the hospitality industry", *Australian journal of hospitality management*, 6 (1): 53.
- Valle, P. O. D., Silva, J. A., Mendes, J. & Guerreiro, M. (2006), "Tourist satisfaction and destination loyalty intention: a structural and categorical analysis", *International Journal of Business Science and Applied Management*, 1 (1): 25-44.
- Yüksel, A. & Yüksel, F. (2007), "Shopping risk perceptions: Effects on tourists' emotions, satisfaction and expressed loyalty intentions", *Tourism management*, 28 (3): 703-713.
- Zins, A. H. (2001), "Relative attitudes and commitment in customer loyalty models: Some experiences in the commercial airline industry", *International Journal of Service Industry Management*, 12 (3): 269-294.