

USING THE AHP METHOD TO EVALUATE LAUNDROMAT STORE LOCATION SELECTION: A CASE STUDY IN BANGKOK METROPOLITAN REGION

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Abstract

Consumer behaviors are changing fast as everyday life is becoming more and more competitive. For this reason, the lifestyle of living has changed to a more urban society, especially in the Bangkok Metropolitan Region. People who live or work in an urban society, tend to be often in a hurry. This is the reason why many people have become increasingly interested in using laundry services. The key to success in business will always depend on many key factors. One of these is the location selection factor. This study investigates the selection of a suitable location for opening a laundry shop in the Bangkok Metropolitan Region via a multi-criteria decision process (Multi-Criteria Decision Making: MCDM) analyzed using the Analytic Hierarchy Process (AHP). It was found that the top nine important criteria were 1) population density, 2) average housing prices in the area, 3) number of parking spaces, 4) rental fees, 5) number of competitors, 6) ease of access, 7) surrounding environment, 8) distance from the main road, and 9) distance from schools and universities. Four locations were selected for the study, namely Chatuchak District, Soi Phahonyothin 24; Bang Khen District, Phahon Yothin Road; Bangkapi District, Soi Ramkhamhaeng 24; and Lat Krabang District, Soi Lat

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Krabang 46. From the study, it was found that Soi Lat Krabang 46 was the best alternative for setting up a laundromat store.

Keywords: Strategic Location Selection, laundromat store, Analytical Hierarchy Process

1. INTRODUCTION

Current socio-economic conditions have resulted in changing consumer behavior and a change to a more specific “Niche Market” due to the fast-paced lifestyle and increased tiredness from work (Kasikorn Research Center, 2018). In 2016, the Department of Provincial Administration (Registration Statistical System, Department of Provincial Administration, 2016) predicted that the number of employees of Generation Y (Gen Y) in various organizations is as high as 80 percent of the total workforce, making Gen Y unique. Gen Y especially like convenience and speed, using technology as a factor that is important in life. Another distinctive characteristic of people in Gen Y is that they want to live a balanced life (Lertphiphatthanon, 2018). According to the Lazy User theory, these people will choose the solution that requires the least effort, making their decision according to the lowest effort level. Effort refers to the combination of money spent, time spent, and energy spent. According to this theory, people will determine the physical or mental tasks needed to meet user needs by deploying technology (Tetard & Collan, 2009). Therefore, service industry entrepreneurs are required to provide

many types of service to meet the needs of consumers and offer convenience. This is an opportunity for entrepreneurs to offer a variety of products to meet the changing needs of their customers, but it requires the application of technology and innovation to create added value for their products (Kasikorn Research Center, 2018). Businesses that are likely to meet the needs of the main target customers (Gen Y) are the service businesses. “Convenience Laundromats” are self-service shops that allow customers to bring their clothes for washing and drying using machines and other equipment that reduces the time taken for these chores; they are usually open for 24 hours. Entrepreneurs are more interested in investing in this type of business. One factor that affects the likelihood of a service business being successful in the long run is choosing the correct location. This is one of the things that entrepreneurs must focus on in their strategic planning (Hernandez, 2007; Kuo et al., 2002; Turhan et al., 2013). Specifically, assessing the market potential of the area in which the store is located is an important strategic tool that helps retailers to attract customers to the store (Grewal et al., 2009).

Based on the literature review and related research, no studies have examined the decision of location