EVALUATION OF CUSTOMER SATISFACTION BY COMPARING THEIR
EXPECTATIONS AND PERCEPTIONS TOWARD TESCO LOTUS
SUPERCENTER IN BANGKOK AREA

By

SUCHADA TOTANARUNGROJ

A Thesis Submitted in Partial Fulfillment
of the Requirements for the Degree of

Master of Business Administration

Graduate School of Business
Assumption University
Bangkok Thailand

June 2003

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ABSTRACT

At the present, the situation of retail business competition in the category of Supercenter is severe, particularly in metropolitan Bangkok. In this business, Tesco Lotus is the market leader. To survive in this business, Tesco Lotus must know the customer expectations and perceptions to know the customer satisfaction which is the ultimate objective of every business to satisfy the customer needs and wants by meeting and even exceeding the customer expectations as much as possible.

This research was conducted to study the customer satisfaction by comparing their expectations and perceptions in terms of product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area. While demographic factors consist of gender, age, education levels, occupations and income levels which are direct relationship between customer expectations and perceptions of the customers. Moreover, this research apply the Disconfirmation of the Expectation Model which is the comparison process of the above variables to determine the outcome of disconfirmation to know that which is the customer satisfied or dissatisfied with Tesco Lotus in order to improve the quality of Supercenter and can satisfied the customer needs and wants as much as possible.

In this research, 201 copies of questionnaires were used as tool for collecting the primary data from the target population who are the customers of Tesco Lotus Supercenter in Bangkok area. The questionnaires composed of three parts : 26 expectation statements, 26 perceived performance statements and 5 demographic profile. The data were analyzed by using 3 types of descriptive statistic : Paired sample t-test, independent t-test, and the analysis of variance (one way ANOVA)

The result shows that there is no difference between customer's expectations and perceptions in terms of product, price, promotion toward Tesco Lotus Supercenter. According to the Disconfirmation of Expectation Model, it means that the performances or perceptions matches or exceeds the expectations of the customers so the customers are satisfied or highly satisfied with product, price, and promotion of Tesco Lotus in Bangkok area.

However, the result shows that there is difference between customer's expectations and perceptions in terms of store layout & atmospheric and service toward Tesco Lotus Supercenter in Bangkok area. According to the Disconfirmation of Expectation Model, it means that the performances or perceptions falls short of expectations so the customers are dissatisfied with store layout & atmospheric toward Tesco Lotus in Bangkok area.

For age and education levels, the result shows that there is no difference of customer's expectation when segmented by age and education level. In other hands, there is difference of customer perceptions when segmented by age, education levels.

For occupation and income levels, the result shows that there is difference of customer's expectation and perception when segmented by occupation and income levels.

Moreover, the results of gender shows that there is difference of customer's expectation and no difference of customer perception when segmented by gender.

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CHAPTER I

GENERALITIES OF THE STUDY

1.1 Introduction/Background

In the past, department stores were the only modern trade that was known among Thai shoppers. But during 1987-1995 when the growth rate of the Thai economy was high, many retailers aggressively invested into other categories of stores, such as convenient stores, discount stores, hypermarkets, and category killers. The new stores were mostly joint investment between Thai and foreign owners which have success in terms of sales and profit because they were operated with the management system that successfully used in original countries. Examples were Lotus Super center, Makro, Carrefour Hypermarket, and Tops Supermarket.

Since Thailand opened the door to free trade, increasing foreign firms' interests to invest and run their businesses in Thailand which especially in the retailing business. Many foreign firms are aiming to capture the majority of market share. Big C, Carrefour, Tesco Lotus are foreign firms that penetrate into the Thai retail business with the same goals of maximizing their market share. They classify themselves as Super centers which gain popularity from Thai consumers on the condition of their prices, cheapest prices among retailers, coupled with convenience in terms of having a large number of branches and more customer intimacy and it distributes fresh foods, dry foods, soft line products such as clothes, plastic product, etc. and hard line products such as home appliances, furniture) (Krung Thep Thuradkit, 2001).

To survive in this industry, the entrepreneur must find ways to serve customer' needs and want as much as possible. Customer satisfaction is the ultimate objective of every business : not to supply, not to sell, but to satisfy the needs that drive customers to do business. Rust and Zahorik's (1996) findings indicated that customer satisfaction may be sequentially linked to customer loyalty, customer retention, and profitability.

Rivalry amongst Supercenters

Foreign-owned competitors have managed to capture large chunks of Thailand's discount retail market and Supermarkets mostly dominated by international retailers. Is the only retail sector enjoying strong competition and expansion. Currently, there are three major players in the Supercenter sector: Tesco Lotus, Big C, and Carrefour. In 2002, the market leader was Tesco Lotus followed by Big C and Carrefour, 31%, 24%, 15%, respectively (www.thisismoney.com/20021227/nm57280.html)
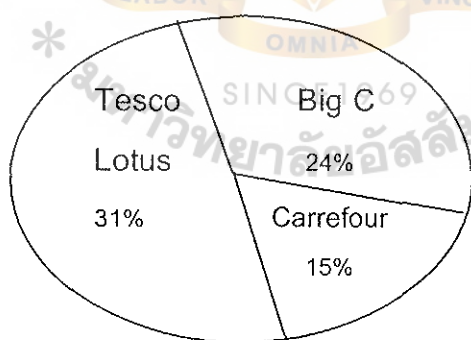
Figure 1.1 : Market Share of each Supercenter

(Source: www. thisismoney.com/20021227/nm57280.html)

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Background of Tesco Lotus Supercenter

Lotus Supercenter was registered as Ek-Chai Distribution System Co., Ltd. on August 13, 1993 by the CP group, which desired to present a new face of the retail business in Thailand for the modern lifestyle. The underlying idea was to offer a wide selection of low cost merchandise and fast services to meet the various needs of customers.

Expanding rapidly, Tesco-Lotus soon became one of the leaders in Thailand's retail industry. The business attracted the investment of Tesco, the biggest retail business in UK with a market share in the consumer market that is second to none in UK. It was established in 1995 as a Super Center retailer. Its first branch is located at Seacon Square in Bangkok. In 1997 Thailand faced the economic crisis and instability in the exchange rate. Lotus cannot pay back loan interest to foreign banks. In 1998, CP had to sell their Lotus Shares to Tesco PLC, the largest food retailer in Britain The business attracted the investment of Tesco, the biggest retail business in the UK with a market share in the consumer market. Today they operate with the same commitment, provide the best services and offer quality merchandise at low prices to Thai consumers.

CP Group, Tesco's Thai partner, is said to plan an entry into China. It will expand its present Shanghai network of four Lotus Super Centers to ultimately 12. It is also likely that Tesco will enter Malaysia, where its operation can benefit from the distribution centers in Thailand. All Lotus stores are equipped with modern hypermarket systems.

Value

"To create value for customers to earn their lifetime loyalty by consistently leading international retail with quality merchandise at low prices to customers"

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- Understanding the customer better than any one

- Be energetic, be innovative and be first for customers

- Use our strengths to deliver unbeatable value to customers

- Look after our people so they can look after our customers

Treat people how we like to be treated:

- All retailers, there's one team Tesco team

- Trust and respect each other

- Strive to do our very best

- Give support to each other and praise more than criticize

- Ask more than tell and share knowledge so that it can be used

- Enjoy work, celebrate success and learn from experiences.

For being a leader in the competitive international retail market, Tesco Lotus has 4 missions as follows:

- Providing customers everything they need with best quality products and services at the lowest price

- Increasing the skills and capabilities of the employees at all levels to serve customer

- Improving sales and providing more one-stop shopping for consumers

- Running the business with a standardized management system

1.2 Statement of Problems

Since Thailand opened the door to free trade, so there are a lot of competitions in the market and there are a lot of competitions in retail business. In this business, Tesco Lotus is the major player and be the market leader. So, If Tesco Lotus want to grow, gain the highest market share, increase sales volume more than the past, then

Tesco Lotus need to understand consumer behavior which changes over the time. Another part is to study customer satisfaction which is the ultimate objective of every business to satisfy the needs by meeting and even exceeding their expectation.

Base on the objectives in this study, therefore the research questions in this study as follows:

1) Are there difference between customer expectations and perceptions in product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok Area?

2) Are there difference between customer expectations and perceptions in product, price, store layout & atmospheric, promotion and service toward Tesco Lotus in Bangkok area when segmented by demographic factors?

3) What is the level of customer satisfaction in product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area.?

Therefore, following is the statement of problem for this research, "What is the level of customer satisfaction toward Tesco Lotus Supercenter in Bangkok area?"

1.3 Objectives of the study

The objectives of the study are as follows:

1) To study the difference between customer expectations and customer perceptions in product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area.

2) To study the difference between customer expectations and customer perceptions in product, price, store layout & atmospheric, promotion and

service when determined by demographic factors toward Tesco Lotus Supercenter in Bangkok area.

3) To study the level of customer satisfaction toward Tesco Lotus Supercenter in terms of Products, Price, store layout & atmospheric, Promotion, service.

4) To provide useful information for Tesco Lotus to improve the quality of store as the customer satisfaction.

1.4 Limitations of the study

1) The present research focuses attention on investigating satisfaction of customers of Tesco Lotus Supercenter in Bangkok area, therefore its findings may not be generalized for other Tesco Lotus Supercenters located elsewhere.

2) The present research focus attention on highlighting satisfaction of customers of Tesco Lotus Supercenter in Bangkok area, therefore its finding may not be generalized for other Supercenters located in Bangkok area.

3) The present research focuses attention on identifying customer satisfaction by selecting specific variables, therefore its findings may not be generalized for other variables which are not include in the framework of this research.

4) The present research is conducted in a specific time period, therefore its findings may not be generalized for all times.

1.5 Scope of the study

This research is to find out the difference between customer expectations and perceptions in terms of product, price, store layout & atmospheric, promotion and service toward Tesco Lotus in Bangkok area and apply the disconfirmation of the

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expectation model in order to know the level of customer satisfaction. Additionally, this research is to focus on how demographic factors relate to their expectations and perceptions toward Tesco Lotus in Bangkok area.

The researcher limits sample size 201 customers of Tesco Lotus based on the sample sizes used in marketing research studies and concentrates on only Tesco Lotus's customers who visit Tesco Lotus's branches in Bangkok area.

1.6 Significance of the study

The study of customer satisfaction is necessary to any successful business. Nowadays, there are a lot of competitions in the Super Center sector. So customer have many choices and get more benefits from competition because the stores are competing to sell quality of products at low price. Nowaday, The Supercenter that can get the most of market share is Tesco Lotus Supercenter which is 31% of the total market share when compare with competitors which are Big C and Carrefour. For these reason, the researcher has chosen Tesco Lotus Supercenter.

At the present time, this business have very high competitions among Supercenter and each of them try to satisfy customer needs and wants as much as possible so the customer will have many choices to choose the best Supercenter that can satisfy them. So, the problem will occur for Tesco Lotus because if Tesco Lotus can not satisfy the customer satisfaction, the customer will change their mind and go shopping at other Supercenters. This research will assist Tesco Lotus to find out the current satisfaction level of customers by comparing between the customer expectations and the actual perceptions toward Tesco Lotus in Bangkok area. Hence, this research helps determine the level of customer satisfaction of Tesco Lotus in terms of product, price, store layout & atmospheric, promotion and service. In

addition, this research can help the management in monitoring and better understanding the customer satisfaction level to apply and improve the company strategies to exceed the customer expectations. When Tesco Lotus can understand the customer satisfaction then Tesco Lotus will not lose the market share and be the leader in the Supercenter market in Thailand forever.

1.7 Definition of Terms

Atmospheric : defined as the conscious designing of space to create certain effects in buyers. The physical attributes, or atmosphere, of a store and its surrounding area greatly influence consumer perceptions of a retailer. To create the correct atmosphere in a store is vital to the success in buyers. (Berman and Evans, 2001).

Consumer : Individuals who identify a need, buy and consume products or services to satisfy their needs, and then dispose of the product or terminate the service when they through with it (Wells and Prensky, 1996). A decision-making unit (individual, family, household, or firm) that takes in information, processes that information (consciously and unconsciously) in light of the existing situation, and takes action to achieve satisfaction and enhance lifestyle.

Consumer Behavior : Refers to the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs (Schiffman L. G. and Kanuk, L. L. 1994).

Consumer Buying Behavior : The buying behavior of final consumers-individuals and households who buy goods and services for personal consumption (Philip Kotler and Gary Armstrong, 1989).

Customer expectation : How or what individual customers feel the service provider should offer (Parasuraman, Zeithaml, and Berry, 1988).

Customer satisfaction : Satisfaction is a consumptive formation and the level of satisfaction is indicated by the purchasing of products. Customer satisfaction is an experienced-based attitude. (Fornell, Clases, 1992).

Customer Value: The difference between the values the customer gains from owning and using a product and the costs of obtaining the product (Philip Kotler and Gary Armstrong, 1989).

Demographic factors : consist of age, gender, marital status, education level, occupation and income variables. Demographic or personal characteristics are most often used as the basis for market segmentation, and also affect the extent to which a person uses products in a specific product category (Pride and Ferrell, 1997).

Distribution Channel : A set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user (Philip Kotler and Gary Armstrong, 1989).

Perception: is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world (Philip Kotler, 2000).

Satisfaction : A person's feelings of pleasure or disappointment resulting from comparing a products or services perceived performance (or outcome) in relation to his or her expectations (Philip Kotler,1997).

Service : Is any act or performance that Tesco Lotus can offer to customers that is essentially intangible to satisfy the customer needs and wants as much as possible such as convenient check out counters, credit card acceptance, day and opening hours, car parking etc.

Service Quality : The overall evaluation of a specific service firm that results from comparing firm's performance with the customer's general expectations of how a firm in that industry should perform (Parasuraman, Zeithaml, & Berry, 1988).

Store Layout : is the spatial arrangement of selling and non selling departments, aisles, fixtures, display facilities, and equipment in the proper relationship to each other and to the fixed elements of the structure. The larger the size of a facility, the greater the range of internal options and the greater their strategic significance
(William R. Davidson, Daniel J. Sweeney & Ronald W. Stampfl, 1989)

CHAPTER II

LITERATURE REVIEW

This chapter indicates number of models and different theories which are relevant to the current study.

Consumer Behavior

Consumer behavior refers to the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. The study of consumer behavior is the study of how individuals make decisions to spend their available resources (time, money, and effort) on consumption-related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it (Schiffman L. G. and Kanuk, L. L., 1994).

Kotler (2000), Consumer behavior is influenced by four factors : cultural (culture, subculture, and social class); social (reference groups, family, and social roles and statuses:; personal (age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept); and psychological (motivation, perception, learning, beliefs and attitudes).

Hanna and Wozniak (2001) Consumer behavior is the study of how consumers select, purchase, use, and dispose of goods and services to satisfy personal needs and wants.

The Stage of the Buying Decision Process

The typical buying process consists of the following sequence of events:

1. Problem recognition

2. Information search

3. Evaluation of alternatives

4. Purchase decision

5. Postpurchase behavior
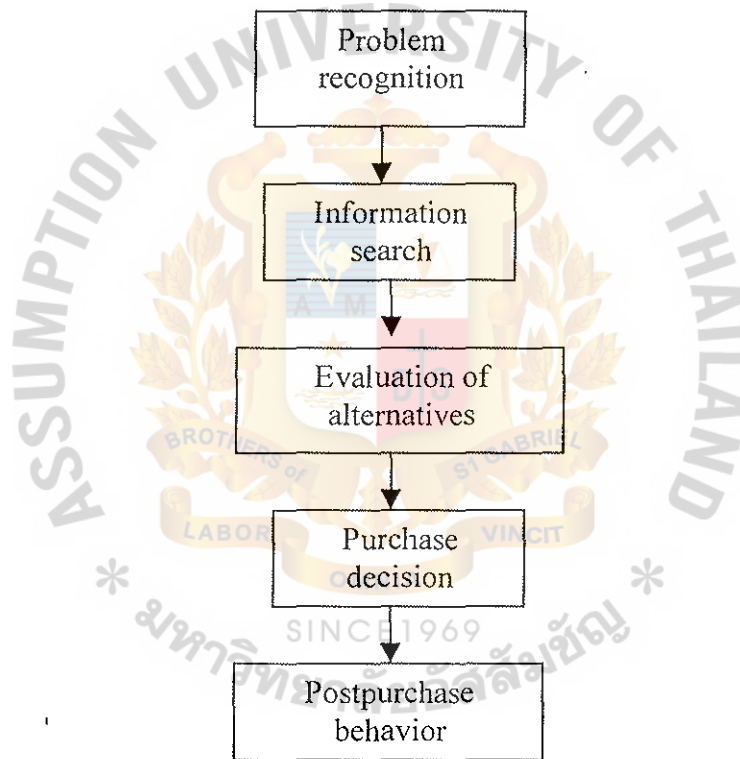
Figure 2.1 Five-Stage Model of the Consumer Buying Process

(Kotler, 2000).

The marketer's job is to understand the buyer's behavior at each stage and what influences are operating and companies must work to ensure customer satisfaction at all levels of the buying process.

The stages between 1-3 are the pre-purchase evaluation phase. Customer use their marketing information to evaluate the products and services in all the 3 stages (Kotler, 2000).

All these 5 Prepurchase and postpurchase are explained as follows:

1. Problem Recognition

The buying process starts when the buyer recognizes a problem or need. The need can be triggered by internal or external stimuli (Kotler, 2000).

Problem recognition occurs when a buyer aware of a difference between a desired state and an actual condition (Pride and Ferrell, 1997).

2. Information Search

An aroused consumer will be inclined to search for more information. We can distinguish between two levels of arousal. The milder search state is call heightened attention. At this level a person simply becomes more receptive to information about a product.

At the next level, the person may enter active information search : looking for reading material, phoning friends, and visiting stores to learn about the product. Of key interest to the marketer are the major information sources to which the consumer will turn and the relative influence each will have on the subsequent purchase decision. Consumer information sources fall into four groups:

- Personal sources : Family, friends, neighbors, acquaintances.

- Commercial sources: Advertising, salespersons, dealers, packaging, displays.

- Public sources : Mass media, consumer-rating organization

- Experiential sources : Handling, examining, using the product.

The relative amount and influence of these information sources vary with the product category and the buyer's characteristics. Generally speaking, the consumer receives the most information about a product from commercial sources – that is, marketer-dominated sources. But the most effective information comes from personal sources. Each information source performs a different function in influencing the buying decision. Commercial information normally performs an informing function, and personal sources perform a legitimizing or evaluation function.

Hanna and Wozniak (2001) argue that problem recognition is followed by search activity. The objective of search activity is identify and familiarize oneself with the course of action available to solve the perceived problem. Information search can be internal, external, or a combination.

3. Evaluation of Alternatives

Customer evaluate the competitive brand information and make a final judgement of the product. Basic concepts will help here to understand customer evaluation processes:

Some basic concepts will help us understand consumer evaluation processes :

1. The consumer is trying to satisfy a need

2. The consumer is looking for certain benefits from the product solution.

3. The consumer sees each product as a bundle of attributes with varying abilities of delivering the benefits sought to satisfy this need.

Consumers vary as to which product attributes they see as most relevant and the importance they attach to each attribute. They will pay the most attention to attributes that deliver the sought benefits.

4. Purchase Decision

In the evaluation stage, the consumer forms preferences among the brands in the choice set. The consumer may also form an intention to buy the most preferred brand. However, two factors can intervene between the purchase intention and the purchase decision.

```
┌──────────────┐     ┌──────────────┐        ┌──────────────┐     ┌──────────────┐
│  Evaluation  │     │              │        │ Attitudes of │     │              │
│      of      │ ──▶ │   Purchase   │ ──┬──▶ │    others    │ ──┐ │   Purchase   │
│ alternatives │     │  Intention   │   │    └──────────────┘   ├▶│   decision   │
└──────────────┘     └──────────────┘   │    ┌──────────────┐   │ └──────────────┘
                                        │    │ Unanticipated│   │
                                        └──▶ │  situational │ ──┘
                                             │   factors    │
                                             └──────────────┘
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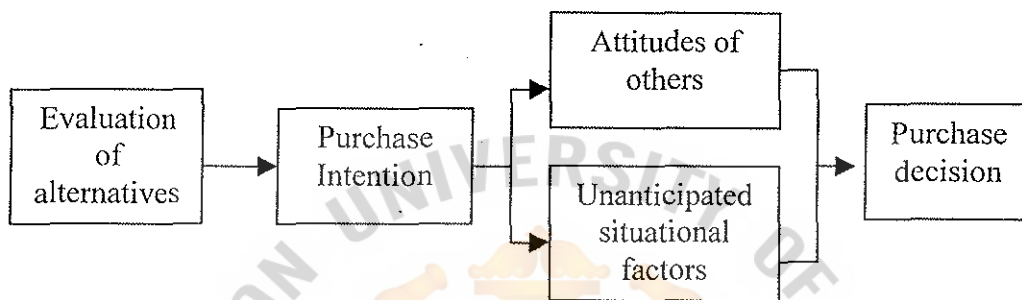
Figure 2.2: Consumer evaluation Process

The first factor is the attitude of others. The extent to which another person's attitude reduces one's preferred alternative depends on two things: (1) the intensity of the other person's negative attitude toward the consumer's preferred alternative and (2) the consumer's motivation to comply with the other person's wishes. The more intense the other person's negativism and the closer the other person is to the consumer, the more the consumer will adjust his or her purchase intention. The converse is also true : A buyer's preference for a brand will increase if someone he or she respects favors the same brand strongly. The influence of others becomes complex when several people close to the buyer hold contradictory opinions and the buyer would like to please them all.

The second factor is unanticipated situational factors that may erupt to change the purchase intention. Jack Hamilton might lose his job, some other purchase might

become more urgent, or a store sales person may turn him off. Preferences and even purchase intentions are not completely reliable predictors of purchase behavior.

A consumer's decision to modify, postpone, or avoid a purchase decision is heavily influenced by perceived risk. The amount of perceived risk varies with the amount of money at stake, the amount of attribute uncertainty, and the amount of ·consumer self-confidence. Consumers develop routines for reducing risk, such as decision avoidance, information gathering from friends, and preference for national brand names and warranties.

5. Post purchase Behavior

After purchasing the product, the consumer will experience some level of satisfaction or dissatisfaction. The marketer's job does not end when the product is bought. Marketers must monitor post purchase satisfaction, post purchase actions, and post purchase product uses.

- Post purchase Satisfaction

The buyer's satisfaction is a function of the closeness between the buyer's expectations and the product's perceived performance. If performance falls short of expectations, the customer is disappointed; if it meets expectations, the customer is satisfied; if it exceeds expectations, the customer delighted. These feelings make a difference in whether the customer buys the product again and talks favorably or unfavorably about the products to others.

Consumers from their expectations on the basis of messages received from sellers, friends, and other information sources. The largest the gap between expectations and performance, the greater the consumer's dissatisfaction. Here the consumer's coping style comes into play. Some consumers magnify the gap when the

product is not perfect, and they are highly dissatisfied. Other consumers minimize the gap and are less dissatisfied.

The importance of post purchase satisfaction suggests that product claims must truthfully represent the product's likely performance. Some sellers might even understate performance levels so that consumers experience higher-that-expected satisfaction with the product.

- Post purchase Actions

The consumer's satisfaction or dissatisfaction with the product will influence subsequent behavior. If the consumer is satisfied, he or she will exhibit a higher probability of purchasing the product again.

Dissatisfied consumers may abandon or return the product. They may seek information that confirms its high value. They may take public action by complaining to the company, going to a lawyer, or complaining to other groups (such as business, private, or government agencies). Private actions include making a decision to stop buying the product (exit option) or warning friends (voice option). In all the cases, the seller has done a poor job of satisfying the customer.

- Post purchase Use and Disposal

Marketers should also monitor how buyers use and dispose of the product. If consumers store the product in a closet, the product is probably not very satisfying, and word-of-mouth will not be strong. If they sell or trade the product, new-product sales will be depressed. Consumers may also find new used for the product.

Customer Satisfaction

Oliver (1981) thought that satisfaction is a transaction-specific and emotional reaction. He also meant that customer satisfaction is an instant emotional response by

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using products in a certain condition, and the concept of satisfaction distinguished from the attitude towards the product or brand, represents a more generalized evaluation of a class of purchased objects. In fact, satisfaction has been established as a key casual agent responsible for experienced-based attitude change.

Parasuraman (1990) introduced the key premise to customer satisfaction is the prerequisite understanding of customer satisfaction and delivering of superior service as customer compare perceptions with expectations when judging a firm's service. One the key influences of customers' expectations is price and they believe that the more they pay, the better the service should be. Nonetheless, low price with high quality adds on to his/her satisfaction if the customers perceive value of the products/services to be higher than what they pay. This premise however depends on the communication, image of the firm, flow of information to the customers and the delivery of the promise the firm made to the market.

Johnson (1998) also mentioned that customer satisfaction is equivalent to making sure that product and service performance meet customer satisfaction, with satisfaction a temporary perception of how happy a customer is with a particular product or service at that time given. Moreover, customer satisfaction is the one factor for company to improve quality internally for external perception and also has an effect on the repurchase decision for the customer. Delivering quality of product and service is determined by what customers actually consume. At the same time, customer overall evaluation of their consumption experience is considered by quality and value perception and expectation. Furthermore, customer satisfaction will lead significantly to customer repurchase, which is directly related to customer loyalty. A customer satisfaction framework is presented in Figure 2.1 that ranges

from what a company does internally to improve quality to external perceptions of quality and customer satisfaction to effect satisfaction on the repurchase decision.
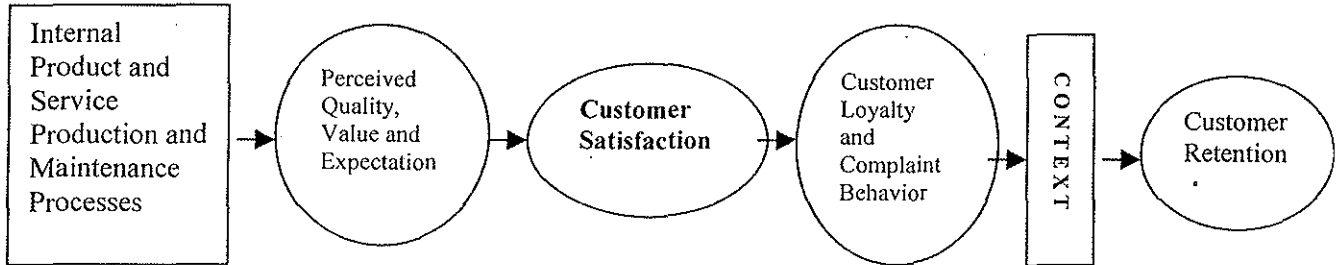
Figure 2.3 : A customer satisfaction framework (source : Johnson, 1998, page 103)

Sheth, Mittal, & Newman (1999) who explained that the purpose of business is to create and then retain a satisfied customers.

Moreover, Wells and Prensky (1996) also stated in a definition of customer satisfaction that customer satisfaction or dissatisfaction is the attitude a customer develops as a result of his or her evaluation of the consumption experience with a certain product or service. As figure 2.4 Illustrates, customers typically adopt two perspectives in evaluating their experience with a product or service:

1. Did the consumption experience satisfy their needs,

2. How did the experience compare with their prepurchase expectations about how the product or service would perform.
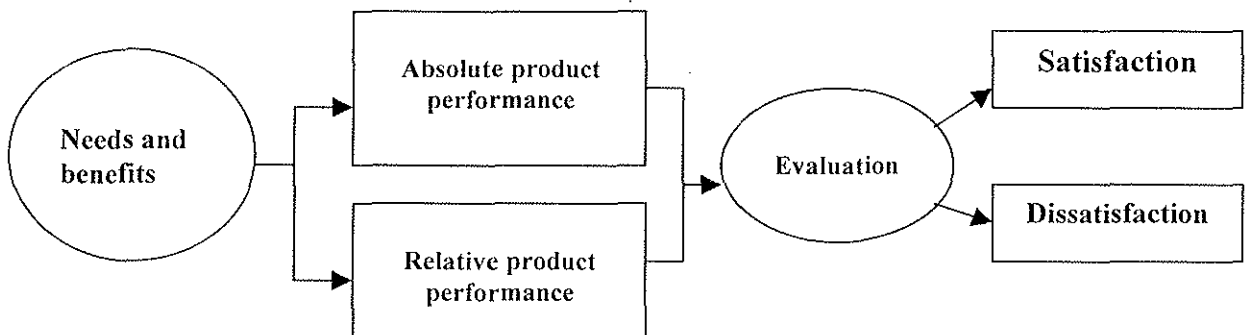
Figure 2.4 Customer satisfaction or dissatisfaction

(Source : Wells and Prensky, 1996, pp. 412)

The above statement of Wells and Prensky similarly related with Kardes (1998, pp.110) who mentioned that satisfaction involved comparing a chosen product with a rejected product. If the chosen seems superior to the rejected product, the consumer will be satisfied. Kardes (1998, p.110) also stated that satisfaction is important because it influences repurchase. If a consumer is satisfied with a product or service, he or she will continue to buy the product.

The Importance of Customer Satisfaction

Bly (1993) confirmed that in the 1990s through to the year 2000, all things have changed. Now, it's not enough simply to offer a great product or service and advertise it aggressively. To succeed, you have to be in the business of making clients happy and satisfied, not just by providing products and services.

We are living in the "Age of the Customer". A time when the client is sovereign. The successful entrepreneur or executive dedicates mind and body to one simple but vital task: doing everything possible to service the client.

Competition for clients is fiercer than ever. People are spending more cautiously, and in fields where there were only one or two vendors five years ago, the clients can now choose from among dozens of firms offering the same or similar services.

Everyday, your competitors are trying to sell similar services to your customers in an attempt to win them away from you. Only by keeping clients happy and satisfied can you prevent this. Only by providing a great service to your customers can you generate maximum business revenues from your valuable client base, year after year. And only by working continuously to prevent, anticipate, and correct problems can you stop clients from becoming unhappy or dissatisfied.

Customer Satisfaction Aids the Formation of Business Superior Competition

Muller (1991) thought that the emphasis on the traditional product quality no longer has advantageous superiority. Customer satisfaction will be the only competition weapon. Having high customer satisfaction will obtain continuous competitive superiority. In addition, customer satisfaction affects the business image and has a positive impact on brand and reputation.

For some time, satisfaction research has been "king" Spawned by the widespread adoption of the marketing concept, efforts to align marketing strategies with the goal of maximizing customer satisfaction have been pursued in earnest by product and service providers. Reported data shows that, in 1993 postpurchase research, "largely including customer satisfaction work," accounted for one third of revenues received by the largest U.S research firms (Wylie, 1993). Subsequent data (Heggins, 1997) confirmed the trend, showing that the number of firms that commissioned satisfaction studies in 1996 increase by 19% and 25% in the United States and Europe, respectively.

A Winning Doing for Increasing Business Profit

Anderson, Fornell, & Lehmann (1994) stated that firms that achieve high customer satisfaction tend to enjoy economic returns. Customer satisfaction is cumulative in that high customer satisfaction somewhat insulates a firm from short-term deficiencies. The research conducted by Fornell (1992) pointed out that an effective process of customer complaints and customer satisfaction can affect the business profit ration.

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A Key Point for Affecting Purchase Behavior

A satisfactory purchase experience would appear to be one requirement for the type of continued interest in a product that might lead to repeat purchases. Leu (2000) stated that customer satisfaction is the key issue of researching consumption behavior and influences the success of a company for the reasons that it directly affects the loyalty and reputation. Satisfied customers will purchase products again, talk about it with friends, neglect other products and buy related products.

However Gitomer (1997) argued that satisfaction is not an indication that the customer will repeat purchase. As a consumer, you have often been satisfied but never returned to that place of business. A more complicated reason is no longer the measure of customer success.

According to the above definitions of customer satisfaction it can be concluded that customer satisfaction is important for all business because it has an effect on the repurchase decision in the future and customer retention or customer loyalty. Wells and Prensky (1996) mentioned that after customers purchased a product for the first time, they evaluate their own trail and repeat experiences and determine their level of satisfaction.

The Goods/Service Continuum

Products(goods) are bundles of attributes rendering satisfaction. Services too are bundles of attributes rendering satisfaction, yet they have been more aptly described as "promises of satisfaction" (Levitt, 1983). Compared with goods, it is commonly accepted that services have unique characteristics. Services are primarily intangible, cannot be separated from their provider or stored in inventory, and their delivery tends to be inconsistent.

Both goods and services are conceptualized to fall on a continuum ranging from tangible to intangible. Goods and services contain search, experience, and credence qualities. Search qualities are those that a consumer can determine prior to purchasing, experience qualities are those that can only be discovered after purchase or during use, and credence qualities are those that a consumer may find impossible to evaluate, even after purchase and consumption. Services primarily contain experience and credence qualities.

Most goods   Most services

Easy to | Tangible element | Difficult
evaluate | Intangible | to
             | elements | evaluate

- Motor Cars   * Child care   * Medical diagnosis

- Houses   * Haircuts   * Car repair

- Furniture   * Holidays   * Dentistry

- Jewelry   * Restaurant meals   * Legal services

- Clothing   * Television repair

**High in Search   **High in Experience ** High in Credence Qualities

Qualities   Qualities
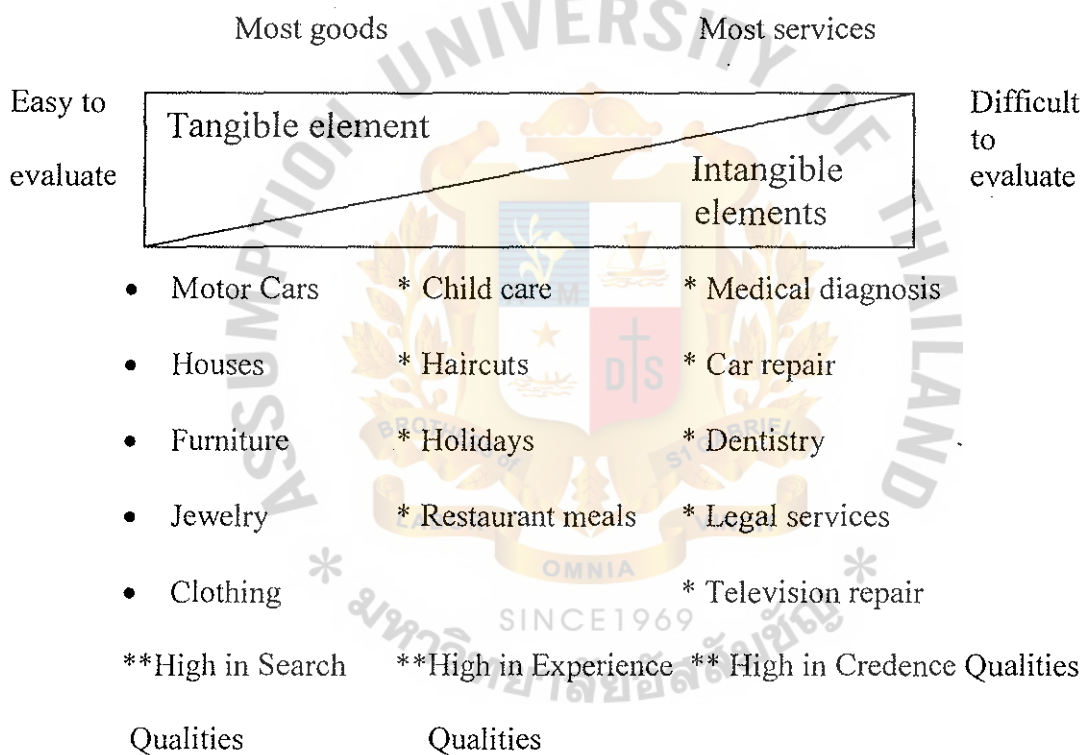
Figure 2.5 : The Good/Service continuum

Source: Rushton and Carson (1989).

Theories and Studies

Customer Satisfaction Model

Researchers generally agree customer satisfaction (goods or services) results from a subjective comparison of expected and perceived attribute levels. The key elements have been describe, with considerable conceptual and empirical support, by the disconfirmation of expectation model.

Woodruff et al. (1983) developed one of the most widely recognized customer satisfaction models known as the disconfirmation of expectations paradigm. Researchers generally agree consumer comparison of expected and perceived attribute levels. The key elements have been described, with considerable concept and empirical support, by the disconfirmation model. This model shows that satisfaction is related to the variation between a customer's pre-purchase expectations (or other comparison standard such as desire or wants) and perception of service performance. This model holds that consumer satisfaction is related to both the size and direction of disconfirmation, with three potential outcomes: negative disconfirmation, positive disconfirmation and confirmation. Any difference between expectations and perceived performance is known as disconfirmation (i.e. comparison process which consumption and usage experiences).

Comparison Process	Result
Perceived Performance > Expectation	Satisfaction
Perceived Performance = Expectation	Neutral
Perceived Performance < Expectation	Dissatisfaction

The model is constructed on the basis of comparing perceived performance and expectation which expectations are shaped by previous service experiences, word of mouth, marketing communication, awareness of competition.

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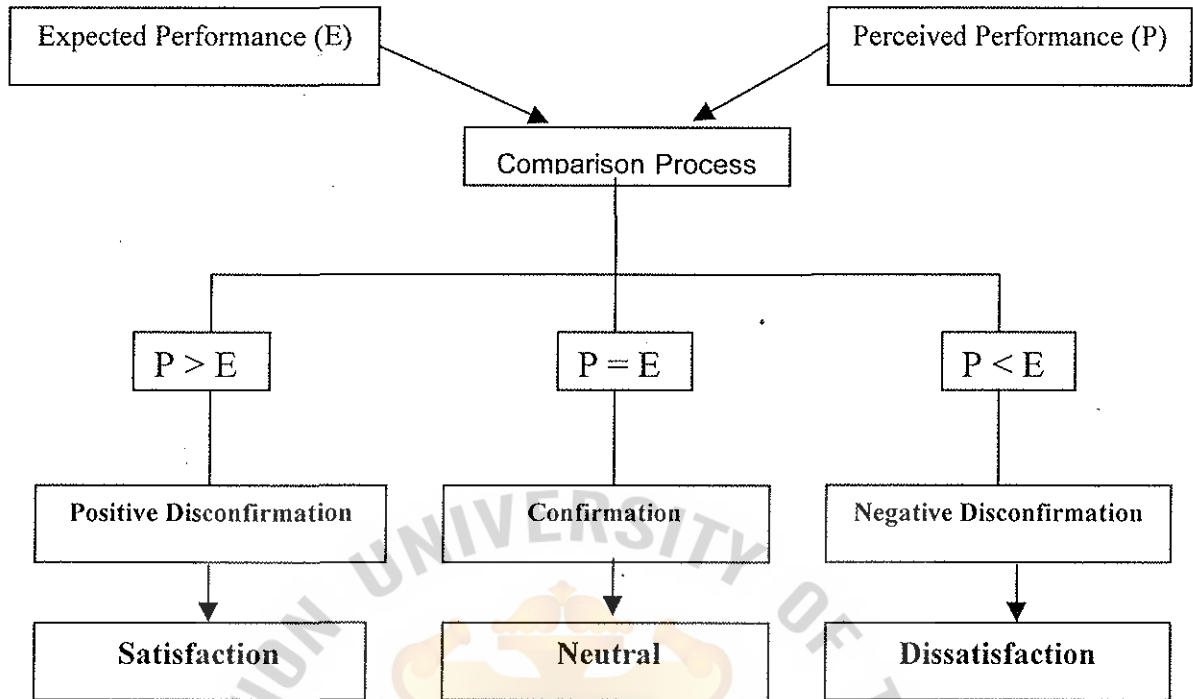
Figure 2 .6 The Disconfirmation of the Expectation Model.

Source : " Service encounter satisfaction : conceptualized; Journal of services marketing. 9(1), pp. 5-14

Factors Affecting Consumer Satisfaction

Schnaars (1991) indicated that it includes 4 constructs which are central to the model of consumer confirmation and disconfirmation.

1. Expectations

It is generally agreed that customer satisfaction evaluations are developed by comparing a customer's expectations of goods and service and the actual performance of that goods or service, including customer service. Consumer Expectations are pretrial beliefs a consumer has about the performance of a service that used as the standard or reference against which service performance is judged (Kurtz and Clow, 1998).

Parasuraman, Zeithaml, and Berry stated that customer expectation is how or what individual customers feel the service provider should offer.

Expectations are formed prior to purchase. They are anticipations about how product, brands, or services will perform. Consumers may expect products to be easy to use, reliable, stylish, inexpensive, indicative of good taste to their friends and neighbors, or·laden with feature. Consumers from expectations from previous experience with similar products, word-of-mouth communications with friends, relatives, and neighbors, and marketing efforts. Marketing efforts can make claims that overstate, understate, or realistically portray the product's benefits (Schnaars, 1991). Satisfaction is a function of perceived performance and expectations. It the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. (Kotler,2000). Expectations influence perceptions of product performance. Consumers with high expectations for a product will be more satisfied with a product than consumers with low expectations. Doing so will result in higher expectations and higher level of customer satisfaction (Schnaars, 1991).

Consumer Psychology Perspective   Marketing Management Perspective

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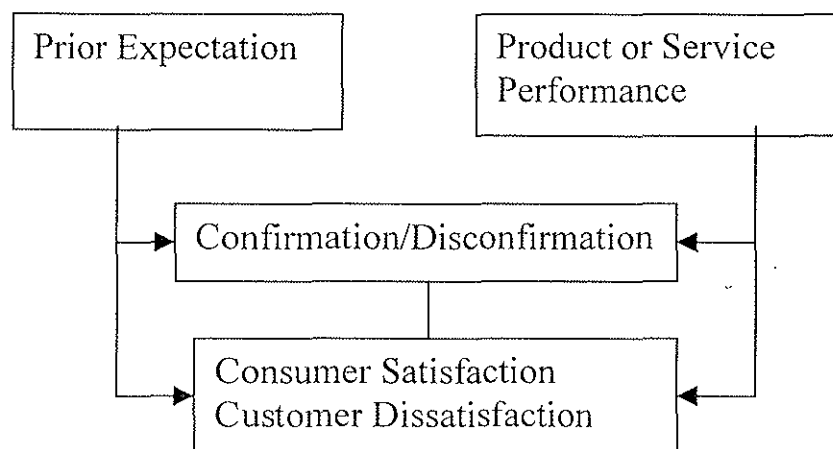
Figure : 2.7 Factors Affecting Consumer Satisfaction

Source: Schnaars, 1991.

Factors Influencing Expectations

1. <u>Word-of-mouth communications</u> : what customer hears from other customers is a potential determinant of expectations.

2. <u>Personal needs</u> : might moderate customer's expectations to a certain degree depending on their individual characteristics and circumstances.

3. <u>Past experience</u> : more experienced customers seemed to have somewhat lower expectations, it could influence customers' expectation level.

4. <u>External communications</u> : play a key role in shaping customers' expectation, particularly those of prospective customers of service.

2. Product Performance

Boyd, Walker, & Lrreche (1995) mentioned that product is anything that satisfied a want or need in terms of use, consumption, or acquisition. Performance is more strategic, and less psychological, in its outlook than expectations. Unlike expectations, product performance is something that can be engineered into the product. When measured objectively, some products simply offer higher levels of performance than others. That is independent of expectations, products offer consumers different levels of performance. It is a more tangible and a more controllable component of customer satisfaction than expectation, althrough performance can also possess a strong perceived dimension such as in the notion of perceived product quality (Schnaars, 1991).

Actual product performance is a key component in building customer satisfaction. Churchill and Surprenant (1982) stated that for a major new technological product, actual product performance directly affected perceptions of

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satisfaction. Higher product quality led to higher consumer satisfaction. Most important, this study found that the actual performance of the product was a more important predictor of customer satisfaction than the other psychological constructs. Clearly, and more recently, actual product performance has proved to be an especially important component of customer satisfaction. Improvements in actual product quality may constitute better strategy than attempts to manipulate expectations (Schnaars, 1991).

3. Confirmation/Disconfirmation

This construct in theoretical examinations of consumer satisfaction results from a comparison of prior expectations and actual product performance. That comparison constitutes the central concept in satisfaction theory. Consumer expectations are either confirmed or disconfirmed when compared with actual product performance. Three outcomes are possible, two of which are disconfirmations of prior expectations and one of which is confirmation (Schnaars, 1991).

3.1 Confirmation of Expectation

Schnaars (1991) mentioned that the product can perform as expected-expectations are confirmed. What consumers thought the product would do, it did do. A product that is expected to perform well does; a product that is expected to perform poorly does that too.

3.2 Positive Disconfirmation

Schnaars (1991) mentioned that the product may work better than expected-a pleasant disconfirmation of prior expectations. Expectations may have been too low or product performance exceptionally high.

Rust, Zahorik, & Keningham, 1996 stated that "Expectancy disconfirmation," is the gap between perceived quality and expected quality. Expectations have also a

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direct effect on perceived quality. In particular, the higher expectations, the higher perceived quality. Perceived quality is then compared to expectations, resulting in a disconfirmation, it can be either positive or negative.

Level of Quality

Customer will expectation

Positive Disconfirmation
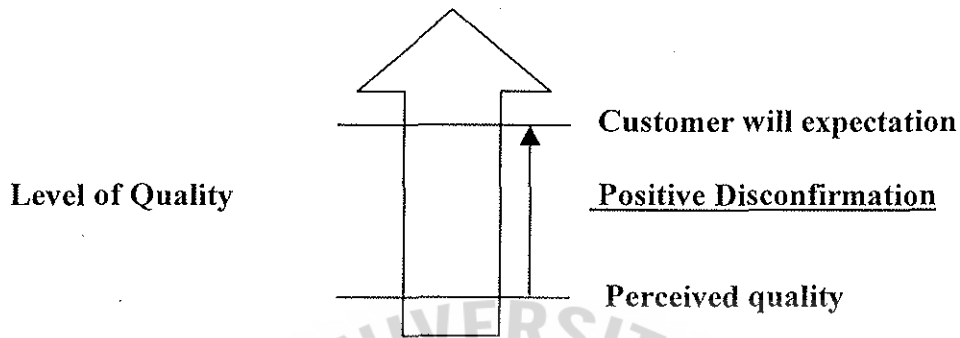
Perceived quality

Figure 2.8 : Positive Disconfirmation

This figure showed that the Perceived Quality is higher than the customer's expectation; this situation will usually result in customer's satisfaction.

3.3 Negative Disconfirmation

Schnaars (1991) stated that normally, the product may turn out to perform worse than expected. Expectations may have been set too high, or product performance may have been allowed to deteriorate. Just as prior expectations and actual product performance directly affect customer satisfaction, so to do they affect confirmation/disconfirmation. Negative disconfirmation leads to lower customer satisfaction

Rust, Zahorik, & Keningham, 1996 showed the figure that the opposite data of positive disconfirmation which perceived quality is not as good as expected so this situation will result in customer dissatisfaction.
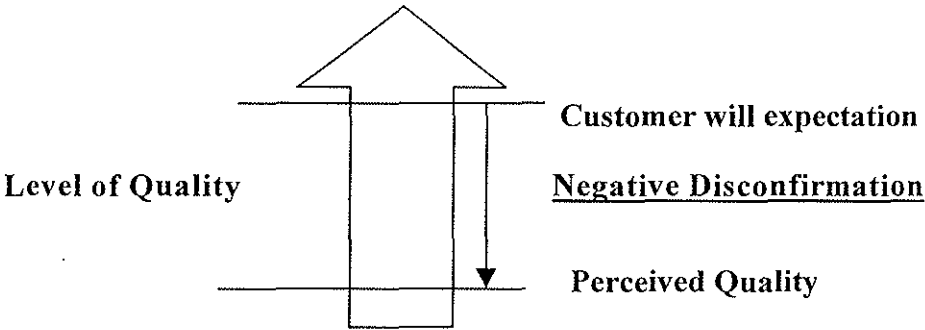
Figure 2.9: Negative Disconfirmation

4. Customer Satisfaction/Dissatisfaction

According to the theory, a product meets or exceeds expectations produces a satisfied customer. The product that meets expectations produces a confirmation of prior expectations, which results in customer satisfaction. Likewise, a product that meets expectations produces satisfaction, but disconfirms prior expectations. A product that performs worse than expected produces consumer dissatisfaction. It disconfirms prior expectations. The most recent studies have found that expectation, disconfirmation, and product performance all combines to influence customer satisfaction.

	Confirmation	Disconfirmation
Satisfaction	Product meets Expectations	Product exceeds expectations
Dissatisfaction		Product falls below expectations

Table 2.1 : Confirmation and Disconfirmation

Customer satisfaction and Dissatisfaction

Source : Schnaars, 1991

Perception

Kotler (2000) stated that a motivated person is ready to act. How the motivated person actually acts in influenced by his or her perception of the situation.

Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world.

Perception depends not only on the physical stimuli but also on the stimuli's relation to the surrounding field and on conditions within the individual.

Perception is the process through which people receive, organize, and interpret information from their environment.

Perceptions as meaning the assign to what we see, hear, sense around us as well as our perception are heavily influenced by sociocultural and psychological factors.

The key word in the definition of perceptions is individual. One person might perceive a fast-talking salesperson as aggressive and insincere; another, as intelligent and helpful. People can emerge with different perceptions of the same object because of three perceptual processes; selective attention, selective distortion, and selective retention.

Selective Attention. People are exposed to a tremendous amount of daily stimuli: The average person may be exposed to over 1,500 ads a day. Because a person cannot possibly attend to all of these, most stimuli will be screened out—a process called selective attention. Selective attention means that marketers have to

work hard to attract consumers' notice. The real challenge is to explain which stimuli people will notice. Here are some findings:

- People are more likely to notice stimuli that relate to a current need. A person who is motivated to buy a computer will notice computer ads; he or she will probably not notice stereo-equipment ads.

- People are more likely to notice stimuli that they anticipate. You are more likely to notice computers than radios in a computer store because you do not expect the store to carry radios.

- People are more likely to notice stimuli whose deviations are large in relation to the normal size of the stimuli. You are more likely to notice an ad offering $100 off the list price of a computer than one offering $5 off.

Selective Distortion. Even noticed stimuli do not always come across in the way the senders intended. Selective distortion is the tendency to twist information into personal meanings and interpret information in a way that will fit our preconceptions. Unfortunately, there is not much that marketers can do about selective distortion.

Selective Retention. People will forget much that they learn but will tend to retain information that supports their attitudes and beliefs. Because of selective retention, we are likely to remember good points mentioned about a product we like and forget good points mentioned about competing products. Selective retention explains why marketers use drama and repetition in sending messages to their target market.

Parasuraman, Zeithaml, & Berry, 1985 mentioned that Perception as customers' beliefs concerning the service received and experienced. Boone and Kurtz (1995) defined perception as the meaning that a person attributes to incoming stimuli

received through the five senses – sight, hearing, touch, taste, and smell. The perception of an object or event results from the interaction of two types of factors.

1. Stimulus factors which characteristics of the physical object such as size, color, weight, or shape (Boone and Kurtz, 1995). The physical characteristics of an object that produce physiological impulses in an individual (Hanna and Wozniak, 2001).

2. Individual factors – characteristics of the individual, including not only sensory processes, but also experiences with similar its and basic motivation and expectations shape (Boon and Kurtz, 1995). The qualities of people that influence their interpretation of an impulse (Hanna and Wozniak, 2001).

Customer Attitude

An attitude is a person's enduring favorable or unfavorable evaluations, emotional feelings and action tendencies toward some object or idea.

People have attitudes toward almost everything: religion, politics, clothes, music, food. Attitude put them into a frame of mind of liking or disliking an object, moving toward or away from it. Attitudes lead people to behave in a fairly consistent way toward similar objects. People do not have to interpret and react to every object in a fresh way. Because attitudes economize on energy and thought, they are very difficult to change. A person's attitudes settle into a consistent pattern : To change a single attitude may require major adjustments in other attitudes.

Thus, a company would be well advised to fit its product into existing attitudes rather than to try to change people's attitudes. Of course, there are exceptions where the cost of trying to change attitudes might pay off (Kotler,2000)

Churchill (1995) stated that attitude is used to refer to an individual's preference, inclination, views or feelings toward some phenomenon. Attitude is one of the more important notions in marketing literature, because it is generally thought that attitudes are related to behavior.

Kinnear and James, 1996 mentioned that an attitude is an individual's enduring perceptual, knowledge-based, evaluation, and action-oriented processes with respect to an object or phenomenon.

Products Versus Service

The definition of a product is anything that can be offered to a market to satisfy a want or need and the definition of a service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Kotler, 1997).

The definition between products and services is becoming increasingly blurred in many industries. It is possible to identify distinguishing characteristic between products and services as follows (Clutterbuck, 1993)

Products:

- Can be fixed during manufacture, so customer often doesn't see what went wrong

- Producer and consumer linked through intermediates.

- Customers are not involved in production processes.

- Can be stocked and stored

- Cope with demand fluctuation through production planing.

- Processes usually take place in small number of location (easier to control)

- Dependent mostly on tangibles such as the function.

- Deliverables relatively easy to specify.

Services:

- Consumed as created so fix must be real-time

- Producer and consumer in direct contact.

- Customers may participate in delivery process.

- Cannot be stocked or stored

- Cope with demand fluctuation through varying work patterns.

- Process often take place in multiple, widely scattered location.

- Dependent on intangibles such as the experience.

- Deliverables often difficult to specify.

Source: Clutterbuck (1993).

Services have four major characteristics that greatly affect the design of marketing program and difference from products.

1. **Intangibility :** Services are intangible. It cannot be seen, tested, felt, heard, or smelled before they purchased. To reduce uncertainly caused by intangibility, buyers look for tangibles evidence that will provide information and confidence about the service.

2. **Inseparability :** in the hospitality services, both the service provider and the customer must be present for the transaction to occur. Customer-contact employees are part of the product. And the implication of inseparability is that customers and employees must understand the service delivery system.

3. **Variability :** services quality depends on who provides them and when and where they are provided; moreover services are produced and consumed simultaneously. The high degree of contact between the service provider and the guest means that

product consistency demands on the service provider's skills and performance at the times of the exchange.

4. **Perishability** : service cannot be stored, for example, if service providers are to maximize revenue, they must manage capacity and demand since they cannot carry forward unsold inventory.

Product

Product is anything that can be offered to a market to satisfy a want or need (Philip Kotler, 2000, P. 394). Moreover, A product is a firms's tangible offer to the market, which includes the product quality, design, features, branding, and packaging. Product that are marketed include physical goods (automobile, books),services (haircuts, concerts), persons (Michael Jordan, Places (Hawaii, Venice), organizations, and ideas (family planning, safe driving) (Koltler,1997).

Zikmund and d'Amico stated that:

" product refers to both goods and services in the consumer and organizational marketplace. Products should be broadly defined to include their intangibles, as well as tangible aspects (Zikmund and d'Amico, 1995).

Peters and Donnelly (1992) stated that the same product could be viewed in at least three dissimilar ways. First, it can be viewed in terms of the tangible product—the physical entity or service that is offered to the buyer. Second, it can be defined in terms of extended product –the tangible product along with the services that accompany it. Lastly, it can be viewed in terms of the benefits the buyer expects to get from the product.

Cravens (1991) mentioned that the performance and reliability of the product have an important influence on customer satisfaction. Products play a pivotal role in

business strategy. The importance of product quality in gaining and keeping competitive advantage is clearly established in the global business environment. He also stated that high-quality products and services favorably impact customer satisfaction. When buyers purchase a product, they actually are buying the benefits and satisfaction they think the product will provide (Pride and Ferrell, 1997).

Blythe (1997) viewed that the basis of operant conditioning is the concept of reinforcement. If a customer buys a product and is pleased with the outcome of using it, then he or she is likely to buy the product again. This means that the activity has had a positive reinforcement, and the consumer has become conditioned to buy the product the next time. The greater the positive reinforcement, the greater the likelihood of a repeat purchase.

David (1990) stated that there is little doubt that product range decisions are fundamental and the role of merchandise management is to match the product offering of the company to the requirements of the target customer group. It is here that competitive advantage can be developed or increased. This requires an understanding of customer expectations regarding choice, quality, style, uniqueness, etc. The balance between these factors is the result of a managerial decision based upon researched perceptions and expectations. It should be noted that these requirements will differ not only between target customer groups (which is obvious) but often between purchase situations within the same target group.

The above theory regarding product can explain that product is one important part in the marketing mix tools and influences customer satisfaction.

Price

Price is one of the four marketing mix element that has the most significance on product because company revenue is produced by price. In turn, if consumers or organization buyers perceive that a price is too high, they there is a reason to turn to the competitive brand, rival's products or substitute products (Kotler, 2000).

Kotler and Armstrong also stated that price is one of the four major marketing mix tools. Price level decisions are especially important due to the fact that they affect both the sales volume and value.

"the amount of money charged for a product or service or broadly speaking, the sum of the values consumers exchange for the benefits of having or using the product or service."(Kotler and Armstrong, 1989).

Hawkins (1998) also stated that price is one of the most important applications of consumer perception of marketing strategy : the amount of money one must pay to obtain the right to use the product. Consumer's price perceptions directly influence their perceptions of brand quality and frequently determine their buying behavior.

Johnson (1998) agreed that price is a satisfaction driver and, another important modeling issue is whether price or some other cost-related factor should be induced among the drivers of satisfaction.

Suchitra (2000) suggested that price can play two roles of high and low, and that "higher prices positively affect purchase possibilities, conversely lower prices influence greater purchasing. Also, price can influence the perceived value of the brand." However, sometimes price could reflect a signal of quality. A product priced "too low" might be indicated in consumer perception as having low quality (Hawkins, 1998). In the end, customers select an alternative that they perceive to offer the

highest level of value and the benefits or quality relative to the costs or prices incurred (Taylor and Wills, 1969).

Pricing is an integral part of the merchandise management decision. Its role in the merchandise ranging decision will vary according to the amount of emphasis put on price by the target customer group. Price is of crucial importance in the customers' selection of store and·it is interesting to note the changing nature of the price equation. Many retailers continue to assume that price is quantity, based on the customers' view of 'value for money'. In fact, other features such as quality, design and exclusivity are now just as important. This change could be seen in the ladies' wear market in recent years, where the growth of stores such as Benetton and Next clearly demonstrated an awareness of style, design and quality. Again it must be emphasized that price, through its role in the merchandise range decision, is an important issue in consumers' decision-making (David, 1990).

Store Layout & Atmospheric

Store Layout is the spatial arrangement of selling and non selling departments, aisles, fixtures, display facilities, and equipment in the proper relationship to each other and to the fixed elements of the structure. The larger the size of a facility, the greater the range of internal options and the greater their strategic significance.

Layout planning may be divided into a number of aspects:

- Classifying merchandise items into related groups or departments.
- Deciding the general layout arrangements.
- Determining the amount of space to be allocated to each department.
- Selecting departmental locations.
- Planning the most advantageous arrangement of merchandise items within

departmental groupings (William R. Davidson, Daniel J. Sweeney, Ronal W. Stampfl, 1989).

The selection of a store location may require extensive decision making due to the number of criteria considered including the size and characteristics of the surrounding population, the level of competition, access to transportation, the attributes of nearby stores, property costs, the length of agreement, population trends and other factors (Berman and Evans, 2001).

Store Location is in many ways a response to the convenience component of customer expectations. Many shopping decisions are based upon ease of access, parking and travelling time, and bulk food shopping. (David, 1990).

Atmospheric defined as the conscious designing of space to create certain effects in buyers. It refers to the store's physical characteristics that are used to develop an image and draw customers. To create the correct atmosphere in a store is vital to the success in buyers.

The physical attributes, or atmosphere, of a store and its surrounding area greatly influence consumer perceptions of a retailer. The impact of the storefront (the building's exterior) should not be undervalue, as it is the first part of a store seen by the customer. Inside the store, layouts and displays (the arrangement and positioning of merchandise), wall and floor colors, lighting, scents, music, and the kind of sales personnel also contribute to store image (Berman and Evans, 2001).

Promotion

Promotion is essential in modern marketing and has considerable impact on consumer response. Promotion is communicating information about the product between seller and buyer in order to create brand values and brand profile (McCarthy

and Perreault, 1984).

Kotler (1997) stated that promotion is the fourth marketing-mix tool, includes all the activities the company undertakes to communicate and promote its products or services to the target market.

The promotion mix concept refers to the combination and types of promotional effort the firm puts for the during a specified time period. In devising its promotion mix the firm should take into account three basic factors:

The role of promotion in the overall marketing mix.

- The nature of the product.

- The nature of the market.

By the way, it must be recognized that a firm's promotion mix is likely to change over time to reflect changes in the market, competition, the product's life cycle, and adoption of new strategies (Kotler, 1997)

The opinion of Kotler (1997) sales promotion consists of a diverse collection of incentive tools, mostly short-term, design to stimulate faster and greater purchase of products by consumer. Sales promotion includes samples, coupons, price off, premium, prizes, cash refund offers and so on.

Sale promotion includes a wide of assortment of tools such as money-off, coupons, samples, sweepstakes, premiums, and contests. The purpose of sales promotion is to generate a sales uplift by temporary measures or to help build long-term market share. For a new product, it can be effective method but for old declining products it will do little. Successful sales promotion has to be consistent with the brand values and be consistent with all other aspects of the brand (Nilson, 1998; Peter and Olson, 1990).

Etzel, Walker & Stanton (1997) companies utilized promotion to inform, persuade, and remind the market of the products that the company sells in order to

influence the recipient's feeling, beliefs or behavior.

By the way, Stanton and Futrell (pp. 643, referred by Ratchadaporn Khwanpanyan, 1997, pp.11) stated that the concept of the marketing mix suggests that company resources are devoted to product, price, place, promotion. The aim is to respond to the customer's needs and want to meet their satisfaction.
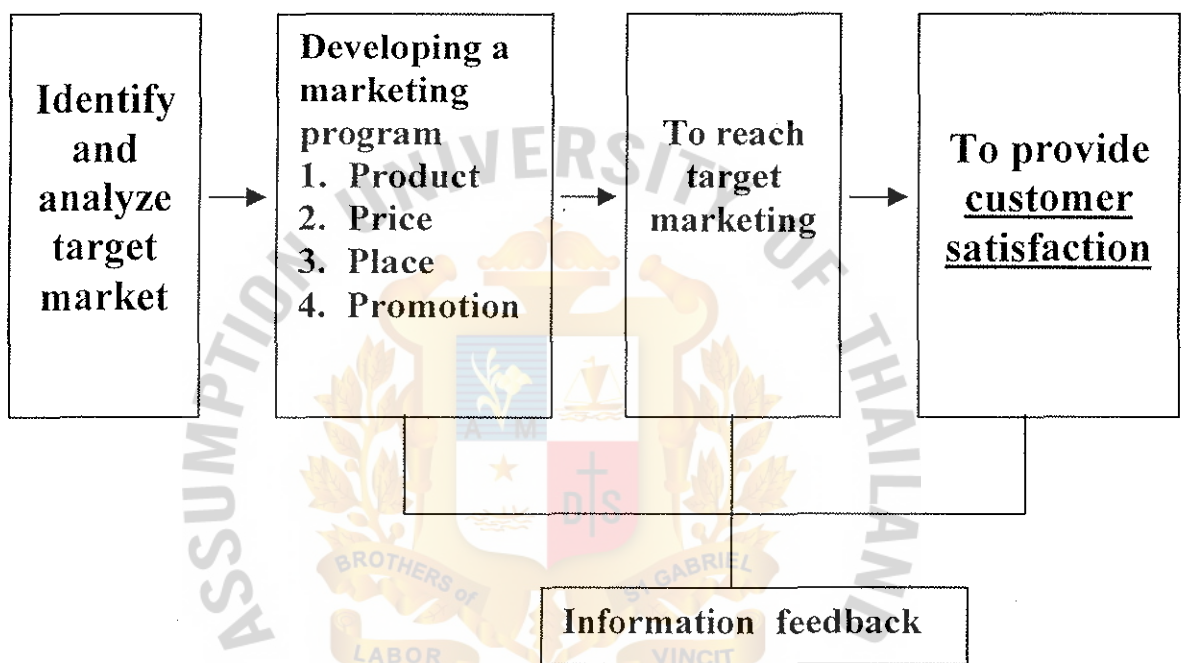
Figure 2.10 : Marketing Process

(Source : Slanton and Futrell, page 57, referred by Ratchadaporn Khwanpanya, 1997 page 12)

Service Quality

There are ranges on definitions of service suggested in the literature as follows:

"Service is an activity or series of activities of more or less intangibles nature that normally, but not necessarily, take place in interactions between the customer and

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service employees and/or physical resources of goods and/or systems of the service provider, which are provided as solution to customer problems" (Gronroos, 1990).

"Service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Kolter, 2000)

Service Quality - Receiving a high level of service is important to consumers but understanding how to evaluate the service quality received is more difficult. Two consumers receiving what appears to be the exact same service from Simi Valley Painting & Waterproofing may evaluate the quality of the service differently. One consumer may feel the service was good while the other may feel the service was performed poorly. When discussion the concept of service quality, three underlying principles should be kept in mind.

1. Service quality is more difficult for the consumer to evaluate than the quality of goods.

2. Service quality is based on consumer's perception of the outcome of the service and their evaluation of the process by which the service was performed.

3. Service quality perceptions result from a comparison of what the consumer expected prior to the service and the perceived level of service received.

Parasuraman, Zeithaml, & Berry (1988) discussed service quality as "an inference about the superiority of a product or service based on rational assessment of characteristics or attributes, or an affective judgement, and emotional response similar to an attitude".

Service Quality is the overall evaluation of a specific service firm that results from comparing firm's performance with the customer's general expectations of how a firm in that industry should perform (Parasuraman, Zeithaml, & Berry, 1988).

Kotler (1997) stated that companies are aiming for high satisfaction because customers who are just satisfied still find it easy to switch when a better offer comes along. Those who are highly satisfied are much less ready to switch. High satisfaction or delight creates an emotional affinity with the board, not just a rational preference. The result is high customer loyalty.

Oliver (1981) discussed loyalty as an outcome of customer satisfaction. He proposed that three phases of satisfaction : Cognitive, Affective, and Co-native that culminate in action loyalty. For satisfaction to affect loyalty, frequent or cumulative satisfaction is required so that individual satisfaction episodes become aggregated or blended. As will be argued here, however, more than this is needed for determined loyalty to occur. The consumer may require movement to a different conceptual plane in all likelihood, one that transcends satisfaction.

Demographic Factors

Demographic factors consists of age, gender, marital status, education level, occupation and income variables. Demographic or personal characteristics are most often used as the basis for market segmentation, and also affect the extent to which a person uses a products in a specific product category (Pride and Ferrell, 1997).

Demographic or personal characteristics are most often used as the basis for market segmentation. Berman and Evans, 2001 mentioned that groups of consumers and individual consumers could be identified in terms of such demographic variables.

Thus, this research are defines demographic factors as age, gender, education level, occupation and income variables as follows:

Age

Age is a one essential variable of demographic characteristics because it has an impact on behavior. The same age range may has the similar consumption pattern. In turn, difference in age range has variety consumption pattern also. Moreover, Onkvisit and Shaw (1994) mentioned that:

" Several subpopulations can be identified on the basis of age. Grouping by age is worthwhile because some age groups are larger and thus more attractive than others. Furthermore, not all age groups increase at the same rate." (Onkvisit and Shaw, 1994).

Kotler (2000) mentioned that consumers of different age groups obviously have very different needs and wants. They buy different goods and services or their lifetime.

Roger and Paul (2000) stated that It is clear that consumers' requirements change with age. The teenager's requirement for cosmetics, records and cinema-going are replaced in young adulthood by home furnishing and convenience food requirements, and so it goes on through the life cycle with older age groups preoccupied with health and filling their leisure time.

Hoyer and Maclinnis (1997) determined that there are four main age groups as follows:

Teens are the consumers who have an increasing influence on family decision and other age segments.

The Generation X are the consumers who have average age 20-35 years old.

The baby boomers that are 36-50 years old. They are also valued because they currently comprise about 50 percent of all those in professional and managerial occupations (Schiffman, 1991).

The 50 or older market, are the consumers who are older than 50 years old.

At the fifth Asian and Pacific Population Conference by the United Nations Conference Center in Bangkok on December 2002 which Mr. Thanksin Shinnawatra mentioned that Thailand, like many other countries, is going through a period when the number of young people is at its peak. Young people are going through their formative years when the environment around them is rapidly changing as a result of emerging new technologies and the application of such technologies to information and knowledge-sharing. As our youth represent the future, it is necessary to maximize their potential for individual and societal welfare by efficient and proper use of the most effective medium. Thailand need to remain active and address the issues of teenage pregnancy and the high prevalence of HIV/AIDS among youth (Thaksin Shinawatra, 2002).

Gender

In the past, gender has been a common segmentation basis for many products such as clothing, shoes, automobiles, and in particular personal care products. Currently, marketers are trying to present unisex products, but many products are purchased by either men or women only (Hawkins , 1998).

Roger and Paul (2000) pointed out that in the area of clothing retailers, there has long been a division between menswear and ladieswear. In the 1970s the unisex trend started and the division is now less clear cut than it was. However, many retailers still target predominantly male or female customers. Consider the target

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markets for a fishing tackle retailer and a specialist sewing machine retailer. The composition of the target groups has a major impact on the retail mix and particularly on the ways in which the retailer communicates with the different groups.

Girls and young women will be more affected and are extremely vulnerable to exploitation. It is necessary to ensure, therefore, that young people have access to reliable information and services to protect their reproductive health. Thailand's success in reducing the country's birth rate and moderating population growth is, of course, a positive development (Thaksin Shinawatra, 2002).

Education level

Income, reference group, and occupation might be associated with education level. The level of a person's formal education is the accepted approximation of social class standing (Solomon, 1999).

Schiffman (1991) mentioned that the more education a person has, the more likely it is that the person is well paid. Education determines the consumer's actual choice when they make a purchase.

Lusch & Gebhardt (1993) stated that education level is occasionally used to partition the retailer's market. Consumption of most products or retail service is not a function of education attainment, but there are notable exceptions. For example, book stores generally cater to more educated individuals, and consumers with lower levels of education represent the largest market for fishing and camping equipment. Also, college graduates or those with some post-high school education are more likely to purchase computers.

Occupation

Occupation may be a more meaningful criterion than income in segmenting some markets because occupation has relevance to income, attitude, interest and lifestyle (Guiltinan and Joseph, 1991).

·Kotler (2000) stated that occupation influences a person's consumption pattern. Marketers try to identify the occupational groups that have above-average interest in their products and services. A company could even specialize its products for certain occupational groups. Engel, Blackwell, & Miniard (1995) mentioned that consumption varies considerably between occupations.

Income

People's economic circumstances consist of their the level of disposable income, savings and assets, borrowing power, and attitude toward spending and saving. But in this study will refers to income. Income can make it possible for the consumer to afford product purchases and can imply purchasing power as well. Therefore, income and consumption are positively related. As income rises, consumers typically increase their purchases and consumption of all products expect the inferior goods such as bus fees, and instant noodles. Moreover, income also affects the type of goods that consumers are likely to buy (McConnell and Brue, 1999; Onkvisit and Shaw, 1994).

Schiffman (1991) has mentioned that income simply indicates the presence of the ability to pay for a product and service.

Solomon (1991) stated that income determines which groups have the greatest buying power and market potential and which people need more money to obtain the

goods and services that they need to express their tastes. So, obviously income is still a very important factor.

Income can also be used as a segmentation variable. Exclusive restaurants often cater to high-income households. However, not all retailers should aim at the higher income segments. Retailers like Dollar General and Family Dollar Stores, Inc., primarily target lower-income shoppers. Another example of an income segment is the professional woman who, with her higher income level, has different shopping habits than her nonprofessional counterpart.

Siriwatana (1998) found that there was a relationship between variable income and flower buying. The income level of the consumers had an effect on consumer quantity buying of orchids and carnations. Respondents, who were richer, bought orchids and carnations more than respondents, who were poorer.

Roger and Paul (2000) stated that segmentation by income is another long-standing retail practice. Retailers like Harrods aim to appeal to higher income groups by offering "exclusive" products, higher than average prices and a greater range of customer services. Rising disposable income in the UK and the trend towards double income families has offered greater opportunities for retailers targeting these higher income groups. With higher incomes comes a customer orientation towards quality of merchandise and service and a lesser emphasis on price.

Demographic factors can often be useful for defining target groups due to the fact that they are easy to identify. Therefore, the difference in customer demographic characteristics including age, gender, education level, occupation and income may affect the customer satisfaction with the Tesco Lotus Super Center.

Previous research

Mr. Pongsa Nuamkrut (2000) study about the Retailing Mix Factors of Hypermarkets/Supercenter in Chiang Mai Province that Affect the Consumers' Purchase.

The purpose of this study was to determine the retailing mix factors of hypermarkets/Supercenter in Chiang Mai province that affect the consumers' purchase.

Samples of this study were consumers of 3 hypermarkets/Supercenter in Chiang Mai, i.e. Tesco Lotus Supercenter, Auchan Hypermarket and Carrefour Hypermarket. Accidental sampling was used to select 70 respondents from each store. Thus, the total number of respondent was 210. Questionnaires were used to collect data. The data was analyzed using the SPSS statistical program to generate frequency tables, percentage, mean and standard deviation.

Consumers rated the importance of each retailing mix factor as follows:

1. **Product** : Product sub factors that the respondents considered as highly important were as follows : Products met the consumers' requirements. Various kinds and brands of product were sold. Products had good quality .i.e., new, fresh and clean. Cashiers worked accurately. Products were sold in different sizes, forms and models. A food center was available. Payment counters were sufficient. Products for special occasions were available and price could be checked by in-store scanners.

2. **Price** : Price sub factors that the respondents considered as highly important were as follows. Price tags were clearly seen. Prices were cheaper than other stores. Prices were discounted occasionally. Products

were sold in multi-packaging so that prices per unit were cheaper than normal price and special prices were offered.

3. **Place** : Place sub factors that the respondents considered as highly important were as follows. Shopping carts and baskets were provided. Stores were clean and free of bad odour. Products were displayed in categories that made it easy to shop. The area of stores was large. The signs to show locations of products were clearly seen. Stores were located in good location. The aisle was large and convenient. Parking lots were covered with screen or roof, sufficient and free of charge. Large store signs were clearly seen. Stores were not noisy and had longer service hours.

4. **Promotion** : Promotion sub factors that the respondents considered as highly important were as follows. The pamphlets for special priced products were distributed. Stores were advertised in various media. Stores had point of purchase-product display.

5. **Personality**: Personality sub factors that the respondents considered as highly important were as follows. Stores had variety of products. Stores had good reputation. Stores had full service facilities. All product categories were supplied. Stores had friendly and courteous staff. Products had low prices. Stores were decorated in beautiful modern style and being branches of stores from foreign countries or Bangkok.

Hirunyawadee Taweemoon, Phawanee Yuenket (2001) study about The study of Consumer Behavior in Superstore: A case study of Tesco Lotus, Saraburi Branch. In this study is aimed to study consumers' behavior using superstore service at Tesco

Lotus, Saraburi branch. By applying 450 copies of questionnaire to survey consumers using Tesco Lotus services. The variables provided in this study are gender, ages, marital status, occupation, income, educational level, residence area, application of service behavior, and effect factors on Super store service option. The statistical analyses are percentages, average mean and standard deviation. Special Packages Statistical Social (SPSS/PC) is applied to find that most of service consumers are female, averaged 21-30 year and 31-40 year respectively. In term of residence area and marital status, most of consumers will use service on weekend and holiday seasons, during 1 p.m. – 4 p.m., and buying consumption products and household merchandises are made by family units.

The effected factors on service option is product factor itself, mostly problem faced by consumers are non-negotiable prices, less provided area for recreation, and insufficient and inconvenience parking area. Apart form this the consumer wanted service for Tesco Lotus Super center, Saraburi branch is governmental service such as electricity, water supply, telephone etc.

Thida S. (2001) studied about the marketing mix and the impact on consumer shopping behavior towards discount stores. The objective of this research is to study consumer behavior, the attitude of consumers, the marketing mix, and what factors influence consumers to shop at discount stores in Bangkok. The researcher has used questionnaires to gather information from consumer and select frequency, mean, standard deviation, chi-square, and f-test as a tool for statistic analysis. The result showed that most of the respondents prefer to shop at discount stores two or three times per month, during weekends, between 18.01 to 21.00 hours. They usually spend one or two hour(s) each time and usually go to discount stores by cars. The

main reasons for purchasing products are for home / personal usage. Respondent6s prefer to buy mostly personal care product and most of them have bought house brand products. They usually pay bills by cash and on average spend 501-1,000 bahts each time.

When considering the consumer behavior analysis and chi-square test, it is found that the discount stores that the respondents go to shop at most, relate to the time of the day they usually shop, how long they usually spend shopping and the main reason for home / personal usage that the purchase products. For attitudes of consumer towards discount stores and marketing mix analysis, the researcher found that attitudes of consumer towards discount stores are in agreement with the criteria set. For product, price, place, promotion, and service factors fall in somewhat important criteria.

Pimpawat K. (2002) studied the customer satisfaction toward KFC restaurant in Bangkok by comparing about customer expectation and perception. The research focused on six categories, which are cleanliness, hospitality, accuracy, maintenance, product, and speed of service. The researcher collected data from 425 customers at selected KFC Restaurants. The data were analyzed by using descriptive statistic: the paired sample t-test, independent t-test, and the analysis of variance (ANOVA)

The results of this study indicated that there is a significant difference between customer expectation and perception toward KFC Restaurants as well as when segmented by cleanliness, hospitality, accuracy, product, and speed of service. Maintenance is the only one factor that indicates no difference between customer expectation and perception. Moreover, the results showed that customers having different age category, gender, educational level, occupation, and income level differ

in their expectation toward KFC Restaurants. The research also found that there is a significant difference in customer perception when segmented by gender. In contrast, the research indicates that the customers' perception when segmented by age level, educational level, occupation, and income level are similar.

Gaysorn Kholthanasep (2001) Studied about the customer expectation and perception of service quality of first class hotels in Bangkok Metropolitan Area.. This research focused on five dimensions of service quality : tangibles, reliability, responsiveness, assurance, and empathy. Moreover, this study also considered demographic characteristic factors, which consisted of income levels, occupation, education levels, age categories, and purpose of visit that may influence expected and perceived service quality of hotel customers. Using the SERVQUAL survey instrument, the researcher collected the data, which are divided into three parts: expectation measurement, perception measurement. and personal data. 350 hotel's customer were collected by convenience sampling method from five first class hotels in Bangkok.

The results of this study showed that there was a significant difference between customer expectation and perception of service quality of first class hotels in Bangkok as well as when segmented by five service quality dimensions : tangibles, reliability, responsiveness, assurance, and empathy. In addition, respondents having different income levels, occupation and educational levels differ in their perceptions of service quality of first class hotels in Bangkok. However, only respondents of different age categories and purpose of visit also differ in their expectations of service quality of first class hotels in Bangkok at the level of 0.05

Dr. Bhasu Bhanich Supapol (1999) studied about Purchasing Behavior at Supermarkets which emphasizes on the analysis of consumers' purchasing behavior at supermarkets covering product selections, patterns, preferred locations, average expenditures each shopping trip, various factors affecting consumers' spending, and marketing strategies used by supermarkets to attract consumers. The respondents in this study comprise 360 male and female, living in Bangkok. Aged 20-29, 30-39, and over 40 years old in equal proportion. Occupations of surveyed sample are devided into state employees (32%), corporate employees (23%), students (13%), business entrepreneurs (11%), state enterprises employees (7%) and other (14%). Five main reason why consumers prefer shopping at department stores' supermarkets are convenient location (88%), variety of goods (66%), well arrangement of goods (43%), reasonable prices (41%), and safe parking facilities (32%).

Research results showed that female consumers often prefer variety of goods, convenient location, while male consumers look for safe/free parking, fast payment system and politeness of sales staffs. Consumers, aged 20-29 years old often consider the reputation of the supermarkets, while those over 40 years old prefer convenient location, reasonable prices and adequate seats/rest area.

For Payment for goods, 92% of the total consumer prefer to pay with cash, and 24% with credit cards. The proportion for cash and credit cards payment by male/female consumers are almost equal. However, consumers, aged 20-29 years old account for most of the cash payments, while those 30-39 years old account for most of the credit cards payments for goods at supermarket.

For Product Purchasing, In terms of age classification, consumers over 40 years old often buy more cosmetics for skin care products than other consumer

groups; shoppers, aged 20-29 years old prefer buying confectionery items, while shoppers aged 20-29 and 30-39 years old often buy hair care products.

In terms of marital status, single people often buy hair care products and confectionery items more than other consumer groups, while married people prefer buying food seasonings, milk and dairy products more than other consumer groups.

The five main factors which consumers consider in selecting supermarkets are convenient location (6.53 points), reasonable prices (6032 points), variety of goods (6.14 points), cheaper prices (5.82 points) and fast payment system (5.80 points).

Sales promotions influencing on Buying Decisions which are marketing activities which attract or motivate consumers to buy goods at supermarkets. From this study, price discounts/price off have great impact on shoppers' buying decisions, followed by free samples. Furthermore, other sales promotional tools: discount coupons, coupons for gift exchanges, premiums, various lucky draw contests, seasonal sales promotional campaigns during New Year, Chinese New Year, and Songkran festival can stimulate consumers to buy certain products.

It was found out that price discounts, free gifts and non-seasonal promotional campaigns are very effective tools to attract male shoppers, while product samples, discount coupons, products sales presenters, and seasonal/festive promotional campaigns should be used for female consumers.

The research shows that the competition in supermarkets business has intensified as a result of free entry. Supermarket operators, thus, have to adjust their marketing strategies accordingly, by employing 4 basic marketing principles. (product, price, place, promotion). These combined with a suitable location become key factors for business success. The following are observations of marketing strategies which should be adopted by supermarket entrepreneurs:

Product/Service: These days supermarkets offer daily grocery items such as fresh meats, fruits and vegetables, milk and dairy products. As such, entrepreneurs must take care of freshness of these items and keep inventory in check to attract regular customers, not switching to convenience stores whose prices are becoming more competitive.

Employees/Sale staffs play vital roles in attracting new customers and maintaining existing customers' satisfaction and loyalty. Research showed that supermarket shoppers look for quick payment system and polite staff. Supermarket entrepreneurs who have well-trained staffs will be able to maintain customer relationship, especially under intensifying competition.

Price: Consumers are very sensitive to price changes as they often buy daily household goods at supermarkets and memorize the price of each item very well. Therefore, supermarket operators should set reasonable prices in order that consumers can compare commodity prices in supermarkets with those of other stores before making decision.

Place: Consumers prefer to shop at department stores' supermarkets as they enjoy the convenience of "one-stop shopping" with variety of goods and services to select. Supermarket operator has to choose a suitable location as a prerequisite for expanding branches, and provide products which meets the needs of target customers in that particular area. Busy consumers prefer supermarket that is convenient for shopping.

Promotion:

- Price discount/Price off is the most effective strategy to attract customers with regard to the current economic situation. However, price discount may be launched together with the distribution of free samples so

consumers can try certain products. Thus, the value of goods sold each time tends to increase.

- Discount coupons attached with leaflets for certain products sold at supermarket would attract consumers to spend more. At the same time, other advertising media such as televisions, newspapers and billboards also help motivate consumers.

- Fair/reasonable prices should be emphasized through advertising media in such a way that consumers are not exploited such as leaflets information price list.

It is very important to understand the consumer behavior which is different by demographic factor. So the marketer should try to understand the consumer behavior and try to satisfy them as much as possible with the observation of marketing strategies (product, price, place, promotion) which should be adopted in the business.

CHAPTER III

RESEARCH FRAMEWORKS

In this research, this chapter focuses on the framework of this research which describes the theoretical framework, the conceptual framework, definition of variables, research design, research hypotheses and operationalization of the Independent and Dependent Variables.

3.1 Theoretical Framework

In this research, the objectives of the researcher is to study the evaluation of customer satisfaction by comparing their expectations and perceptions in terms of product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter's customer in Bangkok area.

The three principle variables are customer's expectation, customer's perception and demographic factors. The researcher uses the disconfirmation model of customer satisfaction in order to measure the levels of customer satisfaction and comparison between a customer's pre-purchase expectation and perceptions of service performance. The difference between expectations and perceptions is called disconformation.

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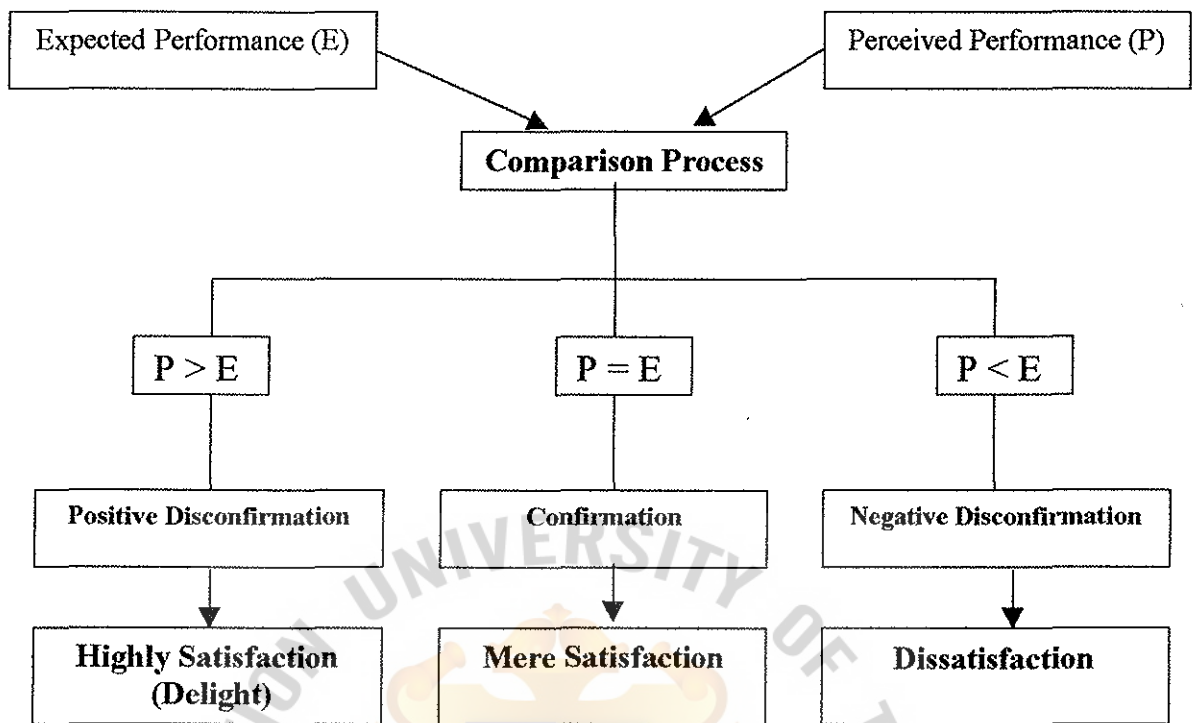
Figure 3.1: The Disconfirmation of the Expectation Model.

Source : " Service encounter satisfaction : conceptualized; Journal of services marketing. 9(1), pp. 5-14

3.2 Conceptual Framework

The researcher designed conceptual framework to evaluate the level of customer satisfaction by comparing their expectations and perceptions in terms of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenters in Bangkok area. While demographic factors are direct relationships between expectations and perceptions of customers.

The model as shown below which indicates the relationship and the comparisons of this study and shows each evaluation factor has a direct relationship with customer performance and expectation, which expectation is compared relative to the performance. The comparison process of the above variables will determine the

outcome of disconfirmation or the customer satisfaction or customer dissatisfaction. If the performance exceeds or match expectations (P>E), it means a positive disconfirmation or confirmation, it will lead to satisfaction. But if the performances are not exceeds the expectation, it means a negative disconfirmation, it will lead to dissatisfaction.

Figure 3.2: Conceptual Framework

Independent Variable   **Dependent Variable**
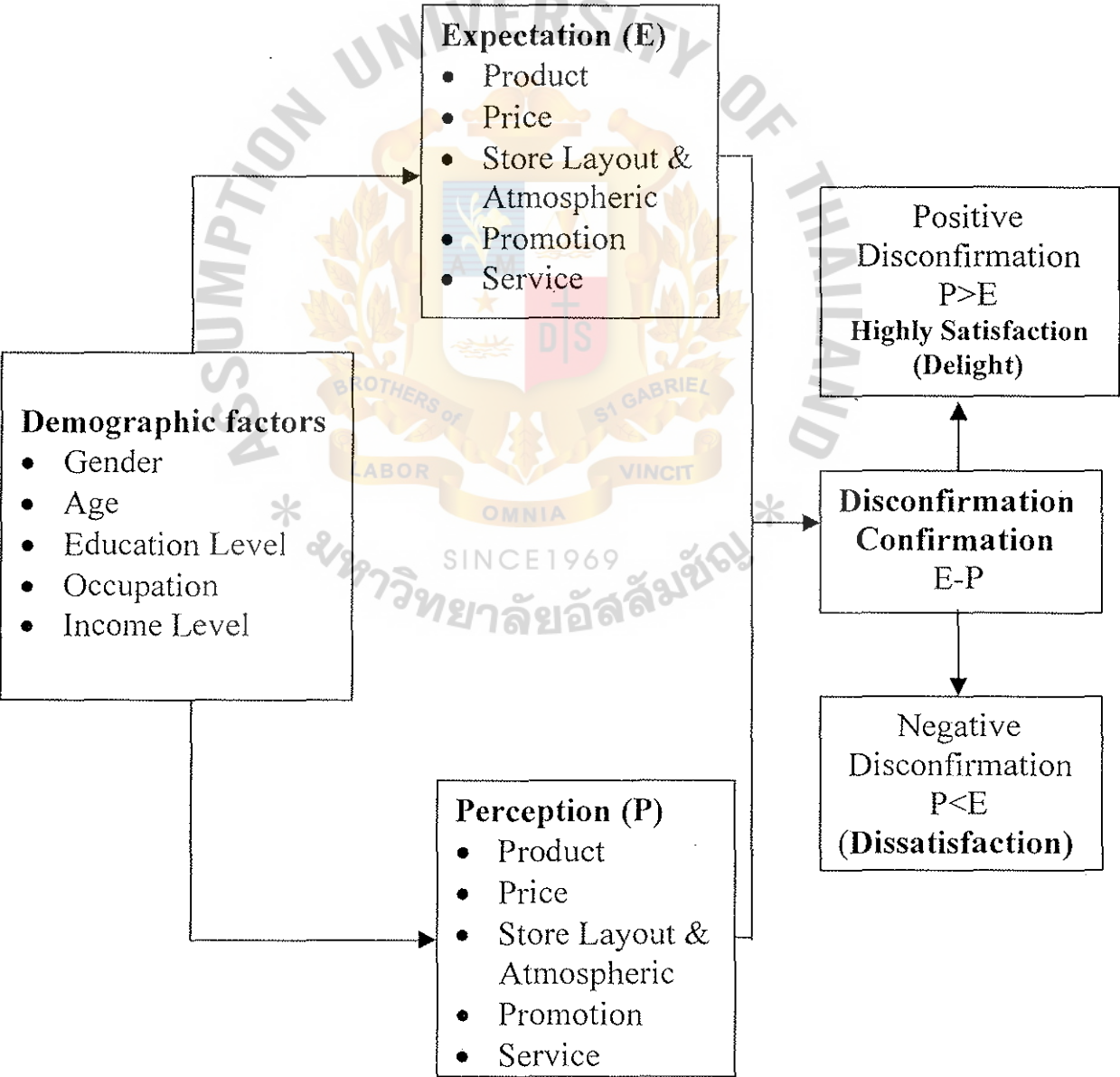
3.3 Research Hypotheses

Hypothesis statements are conjectural statements of the relationship between two or more variables that carry clear implication for testing the stated relations. The hypotheses statements as shown below are explanations for the objective of this research. The researcher has set the hypotheses in order to study the difference between customer expectations and perceptions toward Tesco Lotus (in terms of product, price, store layout & atmospheric, promotion and service provided by Tesco Lotus in Bangkok area. And to measure the difference between the difference between customer expectation and perceptions of Tesco Lotus in Bangkok area when segmented by demographic factors – Gender, Age, Education Level, Occupation, Income Level.

The hypothesis statement is set as follows:

1. Ho1 : There is no difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area.

    Ha1 : There is difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area.

2. Ho2 : There is no difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in Bangkok area.

Ha2 : There is difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in Bangkok area.

3. Ho3 : There is no difference between customer's expectations and perceptions in terms of price toward Tesco Lotus Supercenter in Bangkok area.

Ha3 : There is difference between customer's expectations and perceptions in terms of price Tesco Lotus Supercenter in Bangkok area.

4. Ho4 : There is no difference between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area.

Ha4 : There is difference between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area.

5. Ho5 : There is no difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area.

Ha5: There is difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area.

6. Ho6 : There is no difference between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area.

Ha6 : There is difference between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area.

Customer's Expectations:

7. Ho7 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Ha7 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

8. Ho8 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Lotus Supercenter in Bangkok area when segmented by age levels

Ha8 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service Tesco Lotus Supercenter in Bangkok area when segmented by age levels.

9. Ho9: There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

Ha9 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

10. Ho10 : There is no difference of customer's expectations of product, price, store layout & atmospheric promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

Ha10 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

11. Ho11 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

Ha11 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

Customer's Perceptions:

12.   Ho12 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Ha12 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

13.   Ho13 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age.

Ha14 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age.

14.   Ho14 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

Ha14 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

15.   Ho15 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

Ha15 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

16.   Ho16: There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by Income levels.

Ha16: There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.
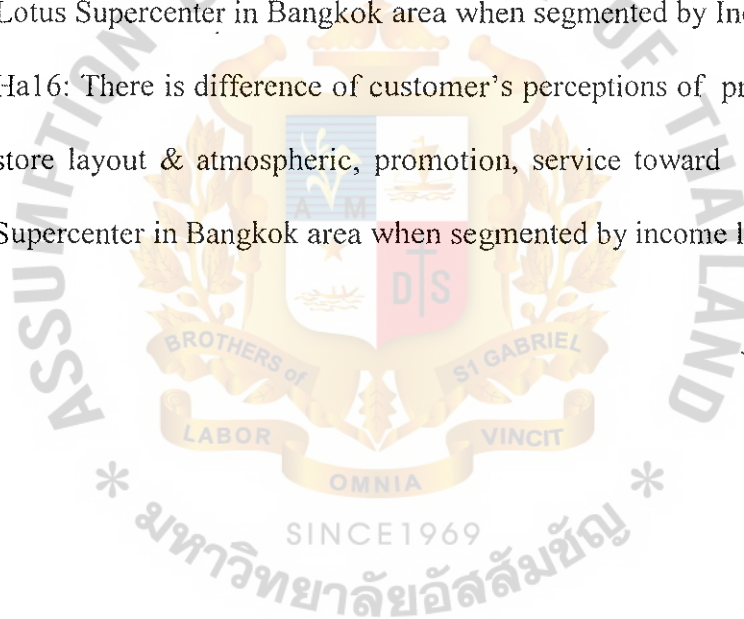
3.4 Operationalization of the Independent and Dependent Variables.

Concept	Concept Definition	Operation components	Level of Measurement
Expectations on Product	Product is anything that can be offered to a market to satisfy a want or need	• Availability of product varieties • Quality of product • Variety of brand of each product • Variety of sizes of each product • Freshness of product	Interval
Perceptions on Product	Product is anything that can be offered to a market to satisfy a want or need	• Availability of product varieties • Quality of product • Variety of brand of each product • Variety of sizes of each product • Freshness of product	Interval

Concept	Concept Definition	Operation components	Level of Measurement
Expectations on Price	Price is the amount of money one must pay to obtain the right to use the product.	• Reasonable Price • Low price	Interval
Perceptions on Price	Price is the amount of money one must pay to obtain the right to use the product.	• Reasonable Price • Low price	Interval
Expectations on Store Layout & Atmospheric	Store layout is the spatial arrangement of selling, aisles, fixtures, display facilities, and equipment in the store. Atmospheric refers to the store's physical characteristics that influence customers Perception.	• Easy accessibility • Ability to find what you need • Quality of atmosphere of store • Quality of Cleanliness store • Feeling of safety while shopping in store.	Interval

Concept	Concept Definition	Operation components	Level of Measurement
Perceptions on Store Layout & Atmospheric.	Store layout is the spatial arrangement of selling, aisles, fixtures, display facilities, and equipment in the store. Atmospheric refers to the store's physical characteristics that influence customers Perception.	• Easy accessibility • Ability to find what you need • Quality of atmosphere of store • Quality of Cleanliness store • Feeling of safety while shopping in store.	Interval
Expectations on Promotion	Promotion includes all the activities the firm undertakes to communicate and promote its product.	• Price discounts • Discount coupons • Buy 1 Get 1 Free • Premium • Advertising on TV • Point of Purchase Adverting	Interval

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Concept	Concept Definition	Operation components	Level of Measurement
Perceptions on Promotion	Promotion includes all the activities the firm undertakes to communicate and promote its product.	• Price discounts • Discount coupons • Buy 1 Get 1 Free • Premium • Advertising on TV • Point of Purchase Ad.	Interval
Expectations on Service	Service is any act or performance that one party can offer to another.	• Convenient check-out counters • Credit card acceptance • Shuttle bus service • After sales service • Day and opening hours • Staff politeness • Quality of car parking	Interval
Perceptions on Service	Service is any act or performance that one party can offer to another.	• Convenient check-out counters • Credit card acceptance • Shuttle bus service • After sales service • Day and opening hours • Staff politeness • Quality of car parking	Interval

Concept	Concept Definition	Operation components	Level of Measurement
Gender	Sex identification of person.	It refers to the gender of respondents: • Male • Female	Nominal Scale
Age	The period of time a person has lived.	It refers to the age of respondents: • Less than 20 years • 21-30 years • 31-40 years • over 40 years	Ordinal Scale
Education Level	Education determines the consumer's actual choice when they make a purchase.	It refer to the education level of respondents: • Below Bachelors Degree • Bachelor Degree • Higher than Bachelor Degree	Ordinal Scale
Occupation	Occupation influences a person's consumption pattern.	It refer to occupation of respondents: • Company officer • Self-employed • House-wife • Students	Nominal Scale

Concept	Concept Definition	Operation components	Level of Measurement
Income level	Income simply indicates the presence of the ability of pay for a product or service.	It refers to the income of a respondent per month : • Below 10,000 Baht • 10,001-20,000 • 20,001-30,000 • 30,001 and above	Ordinal Scale

Table 3.1 : Operationalization of the Independent and Dependent Variables

CHAPTER IV

RESEARCH METHODOLOGY

This chapter explains the research method to be used, respondents and sampling procedures, research instruments/questionnaires and collection of data/gathering procedures.

4.1 Research Methods Used

The objective of this research refers to the customer satisfaction by comparing their expectations and perceptions because customer is very important factor for every business. This subject of the study will focus on customer satisfaction on product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area.

The study uses descriptive research method for approaching to describe data in quantitative aspect and to be able to describe the characteristics of variables in a situation.

Zikmund (1997) stated that a descriptive research is one designed to describe characteristics of population or phenomenon and to determine the answers to who, what, when, where, and how questions.

The data were collected by survey method because it reaches the target group (customers in Tesco Lotus Supercenter in Bangkok area) effectively, inexpensive quickly. Moreover, survey will be used as research technique because the researcher would like to obtain primary data directly from the target population. Interviewing the target population by using questionnaire would be used to obtain primary data for this research. The data provided information about customer's demographic,

customer's expectations and customer's perception. This research applied the cross-sectional study which is a study in which data is gathered just once, perhaps over period of days or weeks or months in order to answer a research question.

4.2 Respondents and Sampling Procedures

The respondents of this research will be the customers of Tesco Lotus in Bangkok area because it has many branches in Bangkok area. The researcher expected 201 persons as the target population or sample size of respondents.

4.2.1 Target Population that is to be sampled, this is called the target population. This research aims to study the customer satisfaction towards product, price, store layout & atmospheric, promotion and service of Tesco Lotus in Bangkok area, thus the target population to be used in this research is 201 persons who are customers of Tesco Lotus Supercenter in Bangkok area.

4.2.2 In this research, the sample design is **probability sampling**, sampling units are selected by chance. It is possible to pre-specify every potential sample of a given size that could be drawn from the population, as well as the probability of selecting each sample. Every potential sample need not have the same probability of selection, but it is possible to specify the probability of selecting any particular sample of a given size. **Systematic sampling technique** was used in this research. A probability sampling technique in which the sample is chosen by selecting a random starting point and then picking every ith element in succession from the sampling frame (Naresh K. Malhotra, 1999). In this approach, every kth element in the population is sampled. Beginning with a random start of an element in the range of 1 to k. The kth element is determined by dividing the sample size into the population

size to obtain the skip pattern applied to the sampling frame. The major advantage of systematic sampling is its simplicity and flexibility (Cooper and Schindler, 2001).

4.2.3 Sampling Unit Zikmund (1997) stated that the Sampling Unit is a single element or group of elements subject to selection in the sample. The Sampling Unit are Tesco Lotus in Bangkok area.

4.2.4 Sample Size in this research. Zikmund (1997) suggested that to determine sample size for a proportion, the researcher must make a judgement about confidence level and the maximum allowance for a random sampling error. Further the size of proportion influences random sampling error; thus as estimate of the expected proportion of success must be made based on intuition or prior information. It referred to the number of elements to be included in this study.

The sample size decision should be guided by a consideration of the resource constraints. In any marketing research project, money and time are limited. Other constraints include the availability of qualified personnel for data collection. The sample size required should be adjusted for the incidence of eligible respondents and the completion rate (Naresh K. Malhotra, 1999).

In this research used the sample sizes which used in marketing research studied as follows:

Table 4.1 : Sample Sizes Used in Marketing Research Studies

Type of Study	Minimum Size	Typical Range
Problem identification research (e.g. Market potential)	500	1,000-2,500
Problem solving research (e.g. pricing)	**200**	**300-500**
Product tests	200	300-500
Test marketing studies	200	300-500
TV/radio/print advertising (per commercial or ad tested)	150	200-300
Test market audits	10 stores	10-20 stores
Focus groups	6 groups	10-15 groups

Source: Naresh K. Malhotra, Marketing Research: An Applied Orientation, 1999, pp. 332

For this research, the researcher collected data from 201 respondents as the target population or sample size based on the sample sizes used in marketing research studied by Naresh K. Malhotra because this research is a problem solving research in terms of product, price, store layout & atmospheric, promotion and service. Moreover, this research is conducted in a specific time period.

For this research, the researcher collected data from 201 respondents as the target population or sample size, which was divided into 3 groups as follows:

1. Tesco Lotus Supercenter (Rama II)   67 respondents

2. Tesco Lotus Supercenter (Rama III)   67 respondents

3. Tesco Lotus Supercenter (Rama IV)   67 respondents

     Total respondents   201 respondents

4.3 Research Instruments/Questionnaires

To answer and gain more understanding about the research questions, the survey is chosen as a technique. There are several types of survey commonly used: Personal interviews, telephone interviews, and questionnaires.

Dutka (1993) mentioned that questionnaire design is a critical phase of the customer satisfaction research process. Customer Perceptions must be quantifiable to measure satisfaction. The measurement process, therefore, is a critical component of the research.

In this research, the researcher used questionnaire for data collection about customer satisfaction on product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area.

The questionnaires were designed based on objectives of this research. The formation of questionnaire was conducted based on the theoretical framework in Chapter III. It consists of questions to be asked to the respondents, who were customer of Tesco Lotus Supercenter in Bangkok area. All questions were presented in three parts as follows:

Part I : The customer's expectation on product, price, store layout, promotion and service toward Tesco Lotus Supercenter.

Five Point is used to indicate the degree respondents assign to each statement as shown below:

Very High	1
High	2
Neutral	3
Low	4
Very Low	5

Part II: **The customer's perception on product, price, store layout, promotion and service toward Tesco Lotus Supercenter.**

For part I and II, it consists of   statements, the respondents are provided with a five point scale.

Five Point Likert-scale is used to indicate the degree respondents assign to each statement as shown below:

Strongly Disagree	1
Disagree	2
Normal	3
Agree	4
Strongly Agree	5

Part III : Demographic Profile of the respondents. This part is designed to provide information including gender, age, education level, occupation, and income level. This part contains the multiple-choice questions.

Hussey (1997) wrote that a further advantage of Five Point Likert-scale is that a number of different statement can be provided in a list, which does not take up much space, is simple for the respondent to complete and simple for the researcher to code and analyze.

Research Instrument Design

Part	Variable	Sub-Variable	Question No.
Part I	Customer's expectations	• Product	1-6
		• Price	7-8
		• Store layout & Atmospheric	9-13
		• Promotion	14-19
		• Service	20-26
Part II	Customer's perceptions	• Product	1-6
		• Price	7-8
		• Store layout & Atmospheric	9-13
		• Promotion	14-19
		• Service	20-26
Part III	Demographic Profile	N/A	1-5

Table 4.2 : Research Instrument Design

The questionnaires were collected during May 2003 at Tesco Lotus Supercenter in Bangkok area.

4.4 Collection of Data/Gathering Procedures

The researcher used questionnaires as the instrument of this research. The advantages of this kind of questionnaire are that it can be collected in a complete form

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within a short period of time and can be obtained from the target respondent immediate completion. This approach is also easy to be interpreted by computer.

Data Collection

In this research, the researcher conducted sampling throughout the day on weekdays and weekends between 12:00 a.m. – 19:00 p.m. The researcher distributed 30 questionnaire per day starting during May 2003.

All the data used to complete this research was collected from two major sources : Primary data and Secondary data.

Primary Data:

This data is the extent of customer satisfaction toward Tesco Lotus Supercenter in Bangkok area. This questionnaire were the main tool to gather this information. The respondents to this questionnaire customer of Tesco Lotus Supercenter.

Secondary Data:

In this research, secondary data collected from magazines, journals, books, newspapers, and the internet. The data received from that sources were used in composing the literature review and other parts.

This research collected data and information from both primary and secondary sources. Sources of secondary data included journals, articles, books, and magazines. With this research, questionnaires were selected as a primary source, as the best way of finding out customers' current perspectives and because of time constraints, financial constraints, and sample sizes.

Gathering Procedures:

The process of the data collection by self-administered questionnaires is carried out of Tesco Lotus Supercenter in Bangkok area. During May 2003, weekdays and weekends.

Pretest of the Questionnaires:

Churchill (1996) stated that each question in the questionnaire should be carefully reviewed to ensure that it is not confusing or ambiguous, potentially offensive to the respondents, leading or bias inducing and also is easy to answer. It claimed that a questionnaire pretest is vital. It is the use of questionnaire on a trial basis in a small pilot study to determine how reliable and valid the questionnaire is. In the pretest, the interviewer can see whether some questions seem confusing or produce resistance or hesitancy among respondents for one reason or another. In order to detect the weakness and error in the instruments (Questionnaires), pre-testing is required before any actual testing is conducted. Pretests are considered essential to detect the problems of the questionnaire when obtaining information from the respondents.

In this research, the researcher use questionnaire was the administered to 30 respondents on a random basis. In this research comprised of 26 expectations statements, 26 perceptions statement, and the information about demographic profile of the customers.

In order to find out reliability, the overall questions in the questionnaire were processed by a SPSS program by using the Cronbach's Coefficient Alpha Scales. The finding of reliability is shown in Table 4.3

Table 4.3 : The reliability of Product, Price, Store Layout & Atmospheric, Promotion and Service

Product, Price, Store Layout & Atmospheric, Promotion and Service	Cronbach's Coefficient Alpha Indices	
	Expectation	Perception
Product	0.6506	0.8095
Price	0.7338	0.6365
Store Layout & Atmospheric	0.8609	0.7780
Promotion	0.6616	0.7899
Service	0.8277	0.6862
Total	0.7277	0.8616

The alpha coefficient values measured in the pretest are between 0.6365 – 0.8609. Normally, indices above 0.60 were considered to be acceptable. If the reliability value is at least 0.60, it is considered reliable. So, all questions were considered reliable and the result of reliability estimates in this pretest ensured the success of this questionnaire in conducting the main study.

4.5 Statistical Treatment of Data

The data is coded into the symbolic from that is used in Statistical Package for Social Science (SPSS) program. This program is utilized to summarize and interpret the data especially when time is limited and it used for descriptive analysis. All statistical manipulations of the data follow commonly accepted research practices.

The form of data presentation from these procedures would also be presented in an easily interpretable format using descriptive along with the tabular form.

The detail and concepts of each statistical method used are shown as follows:

1. Descriptive Analysis

Zikmund (1997) stated that in order to interpret the data gathered, descriptive analysis is applied to transform the raw data into a form that will make them easy to understand and interpret; rearranging, ordering, and manipulating data to provide descriptive information.

The researcher used of Descriptive statistic of Frequency Distribution such as means, standard deviation, range etc., describing on demographic profile of the customers such as gender, age, education level, occupation and income level (monthly).

2. Independent T-test

Independent T-test applied in the research to find out whether any differences existed between customer's gender and others.

Saiyod (1995) stated that Independent T-test is used to test the hypothesis stating that the mean scores on some interval or ration scaled variable will be significantly different for two independent samples or groups.

The formula for T-test analysis

$$t = \frac{\overline{X1} - \overline{X2}}{\sqrt{\dfrac{S1^2}{n1} + \dfrac{S2^2}{n2}}}$$

$$df = \frac{(S_1^2/n_1 + S_2^2/n_2)}{\dfrac{(S_1^2/n_1)^2}{n_1-1} + \dfrac{(S_2^2/n_2)^2}{n_2-1}}$$

Where: X_1 = Mean of group 1

X_2 = Mean of group 2

S_1 = Variance of group 1

S_2 = Variance of group 2

n_1 = Sample size of group 1

n_2 = Sample size of group 2

df = Degree of freedom

3. Paired Sample T-test

Paired Sample T-test analyze the difference between the means of two groups when the sample data are obtained from populations that are related.

The formula for test statistic of paired-observation T-test as shows as follows:

$$T = \frac{\bar{D} - \mu D_0}{SD / \sqrt{n}}$$

Where $\bar{D}$ = the sample average difference between each pair of observations

SD = the sample standard deviation of these differences

n = the number of pairs of observation

$\mu D0$ = the population mean difference under the null hypotheses.

4. Analysis of Variance (ANOVA)

Analysis of Variance (ANOVA) is a statistical method for determining the existence of differences among several population means (AcZel, 1999). In this research, ANOVA analysis is involving the investigation of the effects of one treatment variable on an interval scaled dependent variable; a hypothesis testing technique to determine whether statistically significant differences on means occur between two or more groups.

The formula as show as follows:

$$F = \frac{MSb}{MSw}$$

Where : F = F-distribution

MSb = Mean Square between groups

MSw = Mean Square within groups

Table 4.4 : Summary of Analysis of Variance

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F-ratio
Between groups	SSb	P-1	MSb	
Within groups	SSw	N-P	MSw	$F = \dfrac{MSb}{MSw}$
Total	SSt	N-1		

Where P = Number of groups

N = Number of observations in group1.

Table 4.5 Summary of Hypothesis and Statistical Analysis

Hypothesis	Statistical
Ho1 : There is no difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area. Ha1 : There is difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area.	Paired Sample T-test

Hypothesis	Statistical
Ho2 : There is no difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in Bangkok area. Ha2 : There is difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in	Paired Sample T-test
Ho3 : There is no difference between customer's expectations and perceptions in terms of price toward Tesco Lotus Supercenter in Bangkok area. Ha3 : There is difference between customer's expectations and perceptions in terms of price toward Tesco Lotus Supercenter in Bangkok area.	Paired Sample T-test
Ho4 : There is no difference between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area. Ha4 : There is difference between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area	Paired Sample T-test
Ho5 : There is no difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area. Ha5: There is difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area.	Paired Sample T-test

Hypothesis	Statistical
Ho6 : There is no difference between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area. Ha6 : There is difference between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area.	Paired Sample T-test
Customer's Expectations: Ho7 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender. Ha7 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.	Independent T-test
Ho8 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Lotus Supercenter in Bangkok area when segmented by age levels Ha8 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels.	Anova

Hypothesis	Statistical
Ho9: There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels. Ha9 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.	Anova
Ho10 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation. Ha10 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.	Anova
Ho11 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income level. Ha11 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.	Anova

Hypothesis	Statistical
Customer's Perceptions: Ho12 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender. Ha12 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.	Independent T-test
Ho13 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age. Ha13 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age.	Anova
Ho14 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward three selected branches of Tesco Lotus Supercenter in Bangkok area when segmented by education levels. Ha14 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward three selected branches of Tesco Lotus Supercenter in Bangkok area when segmented by education levels.	Anova

Hypothesis	Statistical
Ho15 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation. Ha15 : There is difference of customer's perceptions of product, price, store layout & atmospheric; promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.	Anova
Ho16: There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by Income levels. Ha16: There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.	Anova

CHAPTER V

PRESENTATION OF DATA AND CRITICAL DISCUSSION OF RESULTS

This research study has focused attention on investigating the customer satisfaction by comparing their expectations and perceptions toward Tesco Lotus Supercenter in Bangkok area. This chapter will explain the results of the analysis of all gathered data. The data has been collected by conducting survey on a sample of 201 respondents. The analysis includes 3 parts that explain the demographic characteristics of respondents, expectations and perceptions of respondents towards product, price, store layout and atmosphere, promotion, service of Tesco Lotus Supercenter in Bangkok area and summary of hypothesis testing result.

This research has tested 16 hypotheses that were identified on the basis of the conceptual framework highlighted in the Chapter 3. Descriptive statistical analysis, as well as inferential statistic analysis has been used for the hypotheses testing.

5.1 Presentation, Analysis and Interpretation of Data.

Descriptive Statistics

Descriptive Statistics is an efficient means of summarizing the characteristics of a large set of data.

Descriptive Analysis is the method of preliminary data analysis that helps summarize the general nature of variables included in a study and the interrelations among them.

Part I: Demographic Characteristics

The demographic characteristics of the respondents that participated in this research can be categorized into 5 variables including gender, age, education level, occupation and income per month, which can presented in frequency tables as follows:

Table 5.1.1: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	74	36.8	36.8	36.8
	female	127	63.2	63.2	100.0
	Total	201	100.0	100.0	

Table 5.1.1 highlights the gender of the respondents and explains that the 201 respondents of this research include 74 or 36.8% male respondents and 127 or 63.2% female respondents. This signifies that majority respondents were female persons.

Table 5.1.2: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 20 years	23	11.4	11.4	11.4
	21-30 years	108	53.7	53.7	65.2
	31-40 years	58	28.9	28.9	94.0
	over 40 years	12	6.0	6.0	100.0
	Total	201	100.0	100.0	

Table 5.1.2 reveals age groups of respondents and explains that those whose age ranges between 21-30 years (108 or 53.7% respondents) represent the majority group of respondents. The other larger groups of respondents are represented by those whose age ranges between 31-40 years (58 or 28.9%respondents) and less than 20 years (23 or 11.4% respondents). It also includes 12 or 6.0% respondents whose age is over 40 years. This signifies that respondents whose age ranges between 21-30 years represent the majority group of respondents.

Table 5.1.3: Education Level of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Bachelors Degree	59	29.4	29.4	29.4
	Bachelors Degree	100	49.8	49.8	79.1
	Higher than Bachelor Degree	42	20.9	20.9	100.0
	Total	201	100.0	100.0	

Table 5.1.3 shows the educational background of respondents and explains that the largest group of respondents (100 or 49.8% respondents) is holding Bachelors Degree. The other larger groups are holding a degree that is below Bachelor's Degree (59 or 29. 4% respondents) and higher than Bachelor's degree (42 or 20.9% respondents). This signifies that largest group of respondents is holding a Bachelor's degree.

Table 5.1.4:Occupation of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	company officer	129	64.2	64.2	64.2
	Self-employed	9	4.5	4.5	68.7
	House-wife	13	6.5	6.5	75.1
	Students	50	24.9	24.9	100.0
	Total	201	100.0	100.0	

Table 5.1.4 shows the occupation of the respondents and explains that the majority of the respondents (129 or 64.2% respondents) are company officers. The other larger group of respondents (50 or 24.9% respondents) is that of students. It also includes 13 or 6.5 % respondents and 9 or 4.5% respondents who are housewives and self-employed persons respectively. This signifies that the majority group of respondents is that of company officers.

Table 5.1.5: Income of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 10,000 baht/month	69	34.3	34.3	34.3
	10,001-20,000 baht/month	98	48.8	48.8	83.1
	20,001-30,000 baht/month	31	15.4	15.4	98.5
	30,001 baht and above	3	1.5	1.5	100.0
	Total	201	100.0	100.0	

Table 5.1.5 shows the monthly income of respondents and explains that the income of the largest group of respondents (98 or 48.8% respondents) ranges between

Baht 10001 – Baht 20000 per month. The monthly income of other larger groups 69 or 34.3% respondents and 31 or 15.4% respondents ranges below Baht 10,000 and between Baht 20,001 – 30,000 per month respectively. It also includes 3 or 1.5% respondents whose monthly income is more than Baht 30,000 per month. This signifies that the largest group of respondents is that whose income ranges between Baht 10001 – Baht 20000 per month.

Part II: Expectation and Perception of respondents towards product, price, store layout & atmosphere, promotion, service of Tesco Lotus Supercenter in Bangkok area.

This research concentrated to study the customer expectations and perceptions toward Tesco Lotus Supercenter in Bangkok area from the viewpoint of product, price, store layout & atmospheric, promotion and service. The questionnaire consisted of 26 statements and responses were obtained on the five-point scale. Table 5.1.6 and 5.1.7 shows the overall mean scores and standard deviation were calculated according to 5 categories and the results are summarized as follows:

Table 5.1.6 Summary of the Mean Score Rating and Standard Deviation of expectation according to product, price, store layout & atmospheric, promotion and service.

	N	Mean	Std. Deviation
Expectation of product	201	19.71	2.12
Expectation of price	201	5.75	.96
Expectation of Store layout and atmospheric	201	16.69	1.94
Expectation of Promotion	201	18.68	2.75
Expectation of Service	201	22.91	3.35
Valid N (listwise)	201		

The table 5.1.6 shows that the highest mean score of customer expectations was service (22.91) and followed by product (19.71), promotion (18.68), store layout and atmospheric (16.69) and price (5.85).

Table 5.1.7 Summary of the Mean Score Rating and Standard Deviation of Perception according to product, price, store layout & atmospheric, promotion and service.

	N	Mean	Std. Deviation
Perception of Product	201	19.94	2.54
Perception of Price	201	5.78	1.03
Perception of Store Layout and atmospheric	201	16.29	2.36
Perception of Promotion	201	18.75	3.48
Perception of Service	201	22.41	3.37
Valid N (listwise)	201		

The table 5.1.7 shows that the highest mean score of customer perceptions was service (22.41), followed by product (19.94), promotion (18.75), store layout & atmospheric (16.29), and price (5.78) respectively.

Inferential Statistics

Hypotheses Test

Hypotheses are conjectural statements of testing the stated. In this research has set 16 hypotheses in order to study the differences between customer expectations and perceptions (in terms of product, price, store layout & atmospheric and service) provided by Tesco Lotus in Bangkok area. Hypotheses can test the relationship between each variable as indicated in conceptual framework. It consists of 4 statistical techniques, which are Descriptive Analysis to describe on demographic profile of the respondents, Independent T-test to test the hypotheses stating that the mean scores on some interval or ration scaled variable will be significantly different for two independent samples or groups (gender of the respondents), Pair Sample T-test to test the difference between the means of two groups when sample data are obtained from populations that are related (expectation and perception of the respondents), and Analysis of Variance (ANOVA) to determine whether statically significant differences of the means occur between two or more groups (age levels, education levels, occupation, income levels).

Hypothesis 1

Ho1 : There is no difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area.

Ha1 : There is difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area.

Table 5.1.8 : Using Paired sample t-test to test the difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Total of Expectation	83.75	201	6.17	.44
	Total of Perception	83.18	201	8.72	.61

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Total of Expectation & Total of Perception	201	.561	.000

Paired Samples Test

	Paired Differences					t	df	Sig. (2- tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Total Expectation - Total Perception	0.57	7.33	.52	-.36	1.68	1.284	200	.201

From the table 5.1.8, Paired Samples test indicates the 2-tailed significant value of 0.201, which is more than 0.05 (0.201 > 0.05). Therefore, the null hypothesis was accepted. It means that there is no difference between customer expectations and perceptions in product, price, store layout and atmospheric, promotion and service at the 0.05 significant level.

Hypothesis 2

Ho2 : There is no difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in Bangkok area.

Ha2 : There is difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in Bangkok area.

Table 5.1.9 : Using Paired sample t-test to test the difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in Bangkok area.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	expectation of product	19.71	201	2.12	.15
	Perception of Product	19.94	201	2.54	.18

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	expectation of product & Perception of Product	201	.387	.000

Paired Samples Test

	Paired Differences					t	df	Sig. (2- tailed)
				95% Confidence Interval of the Difference				
	Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
Pair 1 Expectation of product – Perception of Product	-.23	2.60	.18	-.60	.13	-.1.273	200	0.204

From the table 5.1.9, Paired Samples test indicates the 2-tailed significant value of 0.204, which is more than 0.05 (0.204 > 0.05). Therefore, the null hypothesis was accepted. It means that there is no difference between customer's expectations and perceptions in terms of product at the 0.05 significant level.

According to the Disconfirmation of Expectation Model which the result of mean shows that the mean score of expectation of product (19.71) is less than the mean score of perception of product (19.94). It shows that expectation is less than perception (19.71<19.94). It means the customer are highly satisfied with product provided by Tesco Lotus Supercenter.

Hypothesis 3

Ho3 : There is no difference between customer's expectations and perceptions in terms of price toward Tesco Lotus Supercenter in Bangkok area.

Ha3 : There is difference between customer's expectations and perceptions in terms of price toward Tesco Lotus Supercenter in Bangkok area.

Table 5.1.10 : Using Paired sample t-test to test the difference between customer's expectations and perceptions in terms of price toward Tesco Lotus Supercenter in Bangkok area.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	expectation of price	5.75	201	.96	6.76E-02
	Perception of Price	5.78	201	1.03	7.27E-02

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	expectation of price & Perception of Price	201	.132	.061

Paired Samples Test

	Paired Differences					t	df	Sig. (2- tailed)
	Mean	Std. Deviation	Std.Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Expectation of price – Perception of Price	-0.03	1.31	9.25E-02	-.11	.25	- .753	200	.452

From the table 5.1.10, Paired Samples test indicates the 2-tailed significant value of 0.452, which is more than 0.05 (0.452 > 0.05). Therefore, the null hypothesis was accepted. It means that there is no difference between customer's expectations and perceptions in terms of price at the 0.05 significant level.

According to the Disconfirmation of Expectation Model which the result of mean shows that the mean score of expectation of price (5.75) is less than the mean score of perception of price (5.78). It shows that expectation is less than perception (5.75<5.78). It means the customer are highly satisfied with price provided by Tesco Lotus Supercenter.

Hypothesis 4

Ho4 : There is no difference between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area.

Ha4 : There is difference between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area.

Table 5.1.11 : Using Paired sample t-test to test the difference between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Expectation of Store layout and atmospheric	16.69	201	1.94	.14
	Perception of Store Layout and atmospheric	16.29	201	2.36	.17

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Expectation of Store layout and atmospheric & Perception of Store Layout and atmospheric	201	.506	.000

Paired Samples Test

	Paired Differences					t	df	Sig. (2- tailed)
	Mean	Std. Deviation	Std.Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Expectation of store layout and atmospheric – Perception of store layout and atmospheric	.40	2.16	.15	9.89E-02	.70	2.620	200	.009

From the table 5.1.11, Paired Samples t-test indicates the 2-tailed significant value of 0.009, which is less than 0.05 (0.009 < 0.05). Therefore, the null hypothesis was rejected. It means that there is difference between customer's expectations and perceptions in terms of store layout and atmospheric at the 0.05 significant level.

According to the Disconfirmation of Expectation Model which the result of mean shows that the mean score of expectation store layout and atmospheric (16.69) is more than the mean score of perception of store layout and atmospheric (16.29). It shows that expectation is more than perception (16.69>16.29). It means the customer are dissatisfied with store layout and atmospheric provided by Tesco Lotus Supercenter.

Hypothesis 5

Ho5 : There is no difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area.

Ha5: There is difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area.

Table 5.1.12 : Using Paired sample t-test to test the difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Expectation of Promotion	18.68	201	2.75	.19
	Perception of Promotion	18.75	201	3.48	.25

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Expectation of Promotion & Perception of Promotion	201	.498	.000

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std.Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Expectation of promotion – Perception of Promotion	-0.07	3.18	.22	-.52	.37	-.329	200	.743

From the table 5.1.12, Paired Samples t-test indicates the 2-tailed significant value of 0.743, which is more than 0.05 (0.743 > 0.05). Therefore, the null hypothesis was accepted. It means that the there is no difference between customer's expectations and perceptions in terms of promotion at the 0.05 significant level.

According to the Disconfirmation of Expectation Model which the result of mean shows that the mean score of expectation of promotion (18.68) is less than the mean score of perception of product (18.75). It shows that expectation is less than

perception (18.68<18.75). It means the customer are highly satisfied with promotion provided by Tesco Lotus Supercenter.

Hypothesis 6

Ho6 : There is no difference between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area. ·

Ha6 : There is difference between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area.

Table 5.1.13 : Using Paired sample t-test to test the difference between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Expectation of Service	22.91	201	3.35	.24
	Perception of Service	22.41	201	3.37	.24

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Expectation of Service & Perception of Service	201	.443	.000

Paired Samples Test

	Paired Differences					t	df	Sig. (2- tailed)
	Mean	Std. Deviation	Std.Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Expectation of service – Perception of service	.50	3.55	.25	8.26E-03	1.00	2.005	200	.046

From the table 5.1.11, Paired Samples t-test indicates the 2-tailed significant value of 0.046, which is less than 0.05 (0.046 < 0.05). Therefore, the null hypothesis was rejected. It means that there is difference between customer's expectations and perceptions in terms of store layout & atmospheric at the 0.05 significant level.

According to the Disconfirmation of Expectation Model which the result of mean shows that the mean score of expectation of service (22.91) is more than the mean score of perception of service (22.41). It shows that expectation is more than perception (22.91>22.41). It means the customer are dissatisfied with service provided by Tesco Lotus Supercenter.

Hypothesis 7

Customer's Expectations:

Ho7 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Ha7 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Table 5.1.14 : Using independent t-test to test the difference of customer's expectations of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by genders.

Group Statistics

	gender	N	Mean	Std. Deviation	Std. Error Mean
Total of Expectation	male	74	85.32	5.65	.66
	female	127	82.98	6.31	.56

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig (2-tailed)	Mean Difference	Std.Error Difference	Lower	Upper
Total (Ex)	Equal Variances Assumed	.996	.320	2.632	199	.009	2.34	.89	.59	4.09
	Equal Variances not assumed			2.710	166.683	.007	2.34	.86	.64	4.04

From the table 5.1.14, t-test for independent sample analysis indicates the 2-tailed significant value of 0.009 and 0.007, which is less than 0.05 (0.007<0.009

<0.05). Therefore, the null hypothesis was rejected. It means that there is difference between customer's expectations in terms of product, price, store layout & atmospheric, promotion and service when segmented by gender at the 0.05 significant level.

Hypothesis 8

Ho8 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Lotus Supercenter in Bangkok area when segmented by age levels

Ha8 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels.

Table 5.1.15 : Using One way ANOVA to test the difference of customer's expectations of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels.

ANOVA

Total of Expectation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	155.846	3	51.949	1.373	.252
Within Groups	7454.142	197	37.838		
Total	7609.988	200			

Table 5.1.15 shows the results that the significant value of 0.252, which more than 0.05 (0.252>0.05). Therefore, the null hypothesis was accepted. It mean that there is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward three selected branches of Lotus Supercenter in Bangkok area when segmented by age levels at 0.05 significant level.

Hypothesis 9

Ho9: There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

Ha9 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

Table 5.1.16 : Using One way ANOVA to test the difference of customer's expectations of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

ANOVA

Total of Expectation

	Sum of Squares	df	Mean Square	F	Sig.
Between Group	155.991	2	77.995	2.072	.129
Within Groups	7453.997	198	37.646		
Total	7609.988	200			

Table 5.1.16 shows the results that the significant value of 0.129, which more than 0.05 (0.129>0.05). Therefore, the null hypothesis was accepted. It mean that there is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels at 0.05 significant level.

Hypothesis 10

Ho10 : There is no difference of customer's expectations of product, price, store layout & atmospheric promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

Ha10 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

Table 5.1.17 : Using One way ANOVA to test the difference of customer's expectations of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

ANOVA

Total of Expectation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	898.729	3	299.576	8.794	.000
Within Groups	6711.258	197	34.067		
Total	7609.988	200			

Multiple Comparisons

Dependent Variable: Total of Expectation

LSD

(I) occupation	(J) occupation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
company officer	Self-employed	-6.90*	2.01	.001	-10.87	-2.93
	House-wife	6.01*	1.70	.001	2.66	9.36
	Students	-.13	.97	.892	-2.05	1.79
Self-employed	company officer	6.90*	2.01	.001	2.93	10.87
	House-wife	12.91*	2.53	.000	7.92	17.90
	Students	6.77*	2.11	.002	2.60	10.94
House-wife	company officer	-6.01*	1.70	.001	-9.36	-2.66
	Self-employed	-12.91*	2.53	.000	-17.90	-7.92
	Students	-6.14*	1.82	.001	-9.73	-2.56
Students	company officer	.13	.97	.892	-1.79	2.05
	Self-employed	-6.77*	2.11	.002	-10.94	-2.60
	House-wife	6.14*	1.82	.001	2.56	9.73

*. The mean difference is significant at the .05 level.

Table 5.1.17 shows the results that the significant value of 0.000, which less than 0.05 (0.000<0.05). Therefore, the null hypothesis was rejected. It mean that there is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward three selected branches of Tesco Lotus Supercenter in Bangkok area when segmented by occupation at 0.05 significant level.

From the result of Multiple Comparison tables (LSD) shows that the significant value of education level between among company officer and self-employed, company officer and house-wife are 0.001 and 0.001 respectively which is less than 0.05 (0.001<0.05). It means that there is difference of customer's expectations who are company officer and self-employed , company officer and house-wife.

Moreover, the significant value of self-employed and house-wife is 0.000, which is less than 0.05 (0.000<0.05). It means that there is difference of customer's expectation between the customers who are the self-employed and house-wife. The significant value of self-employed and student is 0.002, which is less than 0.05 (0.002 <0.05). It means that there is difference of customer's expectation between the customers who are the self-employed and student. The significant value of house-wife and student is 0.001, which is less than 0.05 (0.001<0.05). It means that there is difference of customer's expectation between the customers who are the house-wife and student.

Hypothesis 11

Ho11 : There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

Ha11 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

Table 5.1.18 : Using One way ANOVA to test the difference of customer's expectations of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

ANOVA

Total of Expectation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	361.696	3	120.565	3.277	.022
Within Groups	7248.292	197	36.793		
Total	7609.988	200			

Multiple Comparisons

Dependent Variable: Total of Expectation

LSD

(I) income	(J) income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
below 10,000 baht/mont	10,001-20,000 baht/month	-1.17	.95	.220	-3.05	.71
	20,001-30,000 baht/month	.98	1.31	.455	-1.61	3.57
	30,001 baht and above	-9.31*	3.58	.010	-16.36	-2.25
10,001-20,000 baht/mor	below 10,000 baht/month	1.17	.95	.220	-.71	3.05
	20,001-30,000 baht/month	2.15	1.25	.086	-.31	4.62
	30,001 baht and above	-8.14*	3.56	.023	-15.15	-1.13
20,001-30,000 baht/mor	below 10,000 baht/month	-.98	1.31	.455	-3.57	1.61
	10,001-20,000 baht/month	-2.15	1.25	.086	-4.62	.31
	30,001 baht and above	-10.29*	3.67	.006	-17.52	-3.06
30,001 baht and above	below 10,000 baht/month	9.31*	3.58	.010	2.25	16.36
	10,001-20,000 baht/month	8.14*	3.56	.023	1.13	15.15
	20,001-30,000 baht/month	10.29*	3.67	.006	3.06	17.52

*. The mean difference is significant at the .05 level.

Table 5.1.18 shows the results that the significant value of 0.022, which less than 0.05 (0.022<0.05). Therefore, the null hypothesis was rejected. It mean that there is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward three selected branches of Lotus Supercenter in Bangkok area when segmented by income levels at 0.05 significant level.

From the result of Multiple Comparison tables (LSD) shows that the significant value of income level between 30,001 baht and above and below 10,000 baht/month (0.010) and 10,001-20,000 baht/month (0.023) and 20,001-30,000 baht/month (0.006) respectively which is less than 0.05. (0.006<0.010<0.023<0.05).

It means that there is difference of customer's expectation who have income level between 30,001 baht and above and below 10,000 baht/month, between 30,001 and above and 10,001-20,000 baht/month and between 30,001 baht and above and below 10,000 baht/month.

Hypothesis 12

Customer's Perceptions:

Ho12 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Ha12 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Table 5.1.19 : Using Independent t-test to test the difference of customer's perceptions of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Group Statistics

	gender	N	Mean	Std. Deviation	Std. Error Mean
Total of Perception	male	74	82.43	8.66	1.01
	female	127	83.62	8.76	.78

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	T	df	Sig (2-tailed)	Mean Difference	Std.Erro Difference	Lower	Upper
Total (Per)	Equal Variances Assumed	.004	.953	-.931	199	.353	-1.19	1.28	-3.70	1.33
	Equal Variances not assumed			-.934	154.165	.352	-1.19	1.27	-3.70	1.32

From the table 5.1.19, t-test for independent sample analysis indicates the 2-tailed significant value of 0.353 and 0.352, which is more than 0.05 (0.353>0.352> 0.05). Therefore, the null hypothesis was accepted. It means that there is no difference between customer's perceptions in terms of product, price, store layout & atmospheric, promotion and service when segmented by gender at the 0.05 significant level.

Hypothesis 13

Ho13 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels.

Ha13 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels.

Table 5.1.20 : Using One way ANOVA to test the difference of customer's perceptions of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels.

ANOVA

Total of Perception

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	898.582	3	299.527	4.126	.007
Within Groups	14302.926	197	72.604		
Total	15201.508	200			

Multiple Comparisons

Dependent Variable: Total of Perception

LSD

(I) age	(J) age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
less than 20 years	21-30 years	.14	1.96	.943	-3.72	4.00
	31-40 years	1.06	2.10	.616	-3.08	5.20
	over 40 years	9.15*	3.03	.003	3.16	15.13
21-30 years	less than 20 years	-.14	1.96	.943	-4.00	3.72
	31-40 years	.92	1.39	.510	-1.82	3.65
	over 40 years	9.01*	2.59	.001	3.89	14.12
31-40 years	less than 20 years	-1.06	2.10	.616	-5.20	3.08
	21-30 years	-.92	1.39	.510	-3.65	1.82
	over 40 years	8.09*	2.70	.003	2.76	13.42
over 40 years	less than 20 years	-9.15*	3.03	.003	-15.13	-3.16
	21-30 years	-9.01*	2.59	.001	-14.12	-3.89
	31-40 years	-8.09*	2.70	.003	-13.42	-2.76

*. The mean difference is significant at the .05 level.

Table 5.1.20 shows the results that the significant value of 0.007, which less than 0.05 (0.007<0.05). Therefore, the null hypothesis was rejected. It means that there is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels at 0.05 significant level.

From the Multiple Comparison Table (LSD) shows that the significant value of age between over 40 years and less than 20 years (0.003), 21-30 years (0.001), and 31-40 years (0.003). It means there is difference of customer's perceptions between customers who are over 40 years and less than 20 years, over 40 years and 21-30 years, and over 40 years and 31-40 years.

Hypothesis 14

Ho14 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

Ha14 : There is difference of customer's perceptions of product, price, store layout & · atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

Table 5.1.21 : Using One way ANOVA to test the difference of customer's perceptions of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

ANOVA

Total of Perception

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1028.839	2	514.420	7.187	.001
Within Groups	14172.669	198	71.579		
Total	15201.508	200			

Multiple Comparisons

Dependent Variable: Total of Perception

LSD

(I) education	(J) education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Below Bachelors Degree	Bachelors Degree	-4.31*	1.39	.002	-7.05	-1.57
	Higher than Bachelor Degree	-5.91*	1.71	.001	-9.28	-2.54
Bachelors Degree	Below Bachelors Degree	4.31*	1.39	.002	1.57	7.05
	Higher than Bachelor Degree	-1.60	1.56	.306	-4.66	1.47
Higher than Bachelor Degree	Below Bachelors Degree	5.91*	1.71	.001	2.54	9.28
	Bachelors Degree	1.60	1.56	.306	-1.47	4.66

*. The mean difference is significant at the .05 level.

Table 5.1.21 shows the results that the significant value of 0.001, which less than 0.05 (0.001<0.05). Therefore, the null hypothesis was rejected. It means that there is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels at 0.05 significant level.

From the result of Multiple Comparison tables (LSD) shows that the significant value of education level between below Bachelor's Degree and Bachelor's Degree is 0.002, which is less than 0.05 (0.002<0.05). It means that there is difference of customer's perceptions between the customers who have below Bachelor's Degree and Bachelor's Degree education levels.

Furthermore, the significant value between below Bachelor's Degree and higher Bachelor's Degree is 0.001, which is less than 0.05 (0.001<0.05). It means

that there is difference of customer's perceptions between the customers who have below Bachelor's Degree and higher than Bachelor's Degree.

Hypothesis 15

Ho15 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

Ha15 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

Table 5.1.22 : Using One way ANOVA to test the difference of customer's perceptions of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

ANOVA

Total of Perception

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1513.955	3	504.652	7.263	.000
Within Groups	13687.553	197	69.480		
Total	15201.508	200			

Multiple Comparisons

Dependent Variable: Total of Perception

LSD

(I) occupation	(J) occupation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
company officer	Self-employed	-6.69*	2.87	.021	-12.36	-1.03
	House-wife	5.91*	2.43	.016	1.13	10.70
	Students	-4.08*	1.39	.004	-6.81	-1.34
Self-employed	company officer	6.69*	2.87	.021	1.03	12.36
	House-wife	12.61*	3.61	.001	5.48	19.73
	Students	2.62	3.02	.387	-3.33	8.57
House-wife	company officer	-5.91*	2.43	.016	-10.70	-1.13
	Self-employed	-12.61*	3.61	.001	-19.73	-5.48
	Students	-9.99*	2.60	.000	-15.11	-4.87
Students	company officer	4.08*	1.39	.004	1.34	6.81
	Self-employed	-2.62	3.02	.387	-8.57	3.33
	House-wife	9.99*	2.60	.000	4.87	15.11

*. The mean difference is significant at the .05 level.

Table 5.1.22 shows the results that the significant value of 0.000, which less than 0.05 (0.000<0.05). Therefore, the null hypothesis was rejected. It mean that there is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation at 0.05 significant level.

From the result of Multiple Comparison tables (LSD) shows that the significant value of education level between among house-wife and company officer

(0.016), house-wife and self-employed (0.001), house-wife and students (0.000). which is less than 0.05. (0.000<0.001<0.016<0.05). It means that there is difference of customer's perceptions who are house-wife and company officer , house-wife and self-employed, and house-wife and students.

Moreover, the significant value of company officer and students is 0.004, which is less than 0.05 (0.004<0.05). It means that there is difference of customer's perceptions between the customers who are company officer and students.

Hypothesis 16

Ho16: There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by Income levels.

Ha16: There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

Table 5.1.23 : Using One way ANOVA to test the difference of customer's perceptions of product, price, store layout and atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

ANOVA

Total of Perception

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2239.210	3	746.403	11.344	.000
Within Groups	12962.298	197	65.798		
Total	15201.508	200			

Multiple Comparisons

Dependent Variable: Total of Perception

LSD

(I) income	(J) income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
below 10,000 baht/month	10,001-20,000 baht/month	1.30	1.27	.310	-1.22	3.81
	20,001-30,000 baht/month	9.53*	1.75	.000	6.07	12.99
	30,001 baht and above	9.51*	4.78	.048	7.51E-02	18.94
10,001-20,000 baht/month	below 10,000 baht/month	-1.30	1.27	.310	-3.81	1.22
	20,001-30,000 baht/month	8.23*	1.67	.000	4.94	11.53
	30,001 baht and above	8.21	4.75	.086	-1.16	17.59
20,001-30,000 baht/month	below 10,000 baht/month	-9.53*	1.75	.000	-12.99	-6.07
	10,001-20,000 baht/month	-8.23*	1.67	.000	-11.53	-4.94
	30,001 baht and above	-2.07E-02	4.90	.997	-9.69	9.65
30,001 baht and above	below 10,000 baht/month	-9.51*	4.78	.048	-18.94	-7.51E-02
	10,001-20,000 baht/month	-8.21	4.75	.086	-17.59	1.16
	20,001-30,000 baht/month	2.07E-02	4.90	.997	-9.65	9.69

*. The mean difference is significant at the .05 level.

Table 5.1.23 shows the results that the significant value of 0.000, which less than 0.05 (0.000<0.05). Therefore, the null hypothesis was rejected. It means that there is difference of customer's perceptions of product, price, store layout &

atmospheric, promotion, service toward three selected branches of Lotus Supercenter in Bangkok area when segmented by income levels at 0.05 significant level.

From the result of Multiple Comparison tables (LSD) shows that the significant value of income level between below 10,000 baht/month and 20,001-30,000 baht/month (0.000) and below 10,000 baht/month and 30,001 baht and above (0.048), which is less than 0.05 (0.000<0.048<0.05). It means that there is difference of customer's perceptions who have income level between below 10,000 baht/month and 20,001 – 30,000 baht/month, and between below 10,000 baht/month and 30,001 baht and above.

Moreover, the significance value of income level between 10,001-20,000 baht/month and 20,001-30,000 baht/month (0.000). It means that there is difference of customer's perceptions who have income level between 10,001-20,000 baht/month and 20,001-30,000 baht/month.
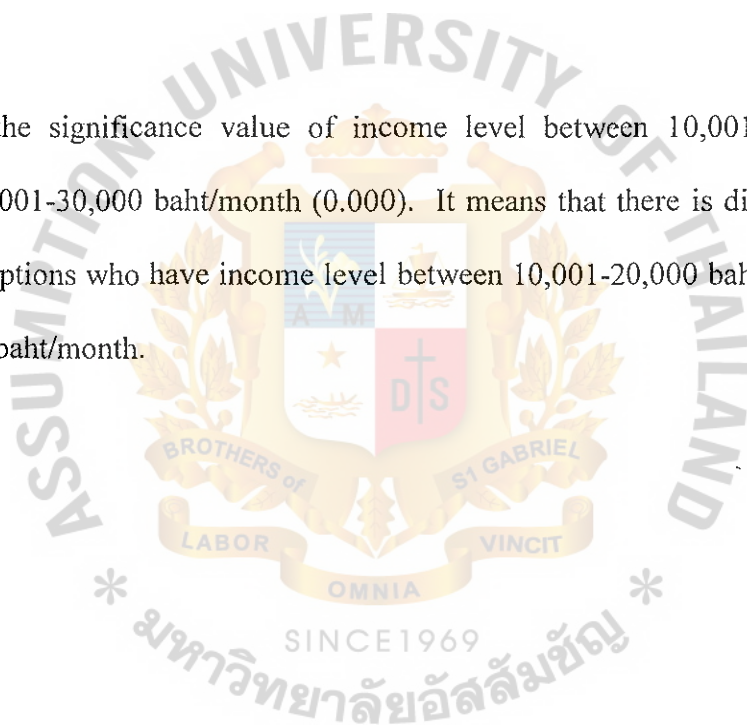
Part III : Summary of hypothesis testing result

Table 5.1.24 Summary of hypothesis testing result

- **Paired Sample t-test (hypothesis 1-6)**

Hypothesis	Level of Significance	Result
H1 : There is **no difference** / difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area.	0.201	Accepted Ho
H2 : There is **no difference** / difference between customer's expectations and perceptions in terms of product toward Tesco Lotus Supercenter in Bangkok area.	0.204	Accepted Ho
H3 : There is **no difference** / difference between customer's expectations and perceptions in terms of price toward Tesco Lotus Supercenter in Bangkok area.	0.452	Accepted Ho

Hypothesis	Level of Significance	Result
H4 : There is no difference/ **difference** between customer's expectations and perceptions in terms of store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area.	0.009	Rejected Ho
H5 : There is **no difference** / difference between customer's expectations and perceptions in terms of promotion toward Tesco Lotus Supercenter in Bangkok area.	0.743	Accepted Ho
H6 : There is no difference / **difference** between customer's expectations and perceptions in terms of service toward Tesco Lotus Supercenter in Bangkok area.	0.046	Rejected Ho

Table 5.1.25 : Summary of Hypothesis testing result

- **Independent t-test (hypothesis 7, 12)**

- **One way ANOVA (hypothesis 8,9,10,11,13,14,15,16)**

Hypothesis	Level of Significance	Result
H7 : There is no difference / **difference** of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.	**0.009, 0.007**	**Rejected Ho**
H8 : There is **no difference** / difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels	**0.252**	**Accepted Ho**
H9: There is **no difference** / difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.	0.129	**Accepted Ho**

Hypothesis	Level of Significance	Result
H10 : There is no difference / **difference** of customer's expectations of product, price, store layout & atmospheric promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.	0.000	Rejected Ho
H11 : There is no difference / **difference** of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.	0.022	Rejected Ho
H12 : There is **no difference** / difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.	0.353, 0.352	Accepted Ho
H13 : There is no difference / **difference** of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels.	0.007	Rejected Ho

Hypothesis	Level of Significance	Result
Ho14 : There is no difference / **difference** of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.	0.001	**Rejected Ho**
Ho15 : There is no difference / **difference** of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.	**0.000**	**Rejected Ho**
Ho16: There is no difference / **difference** of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by Income levels.	0.000	**Rejected Ho**

CHAPTER VI

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter will include all the results obtained after analysis of data received from survey for this research. This chapter is divided into 4 parts. The first part highlights the summary of findings for research questions explained in the statement of problem and research hypotheses. The second part is related to conclusion of the study. The third part explains recommendation for this study. The fourth part reveals the suggestion for the future study, use and application of the findings of this research.

6.1 Summary of Findings

In this research is aimed to evaluate of customer satisfaction by comparing their expectations and perceptions toward Tesco Lotus Supercenter in Bangkok area. It focuses in term of product, price, store layout & atmospheric, promotion, and service provided by Tesco Lotus Supercenter in Bangkok area. And to measure the difference between customer expectations and perceptions when segmented by demographic factors – gender, age, education level, occupation and income level.

According to Statement of Problems and Research Hypothesis as presented in chapter 1 and 3 in this study. There are three research question and the data analyses and findings will be summarized as follows:

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Research Question I

Are there differences between customer expectations and perceptions in product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area?

According to the result of hypothesis 1-6 which can show the result of hypothesis by using Paired Sample t- test as follows:

Hypothesis 1: there is no difference between customer's expectations and perceptions in product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area.

Hypothesis 2-6 showed the result of customer expectations and perceptions in product, price, store layout & atmospheric, promotion and service as follows:

Hypothesis 2: there is no difference between customer's expectations and perceptions in product toward Tesco Lotus Supercenter in Bangkok area.

Hypothesis 3: there is no difference between customer's expectations and perceptions in price toward Tesco Lotus Supercenter in Bangkok area.

Hypothesis 4: there is difference between customer's expectations and perceptions in store layout & atmospheric toward Tesco Lotus Supercenter in Bangkok area.

Hypothesis 5: there is no difference between customer's expectations and perceptions in promotion toward Tesco Lotus Supercenter in Bangkok area.

Hypothesis 6: there is difference between customer's expectations and perceptions in service toward Tesco Lotus Supercenter in Bangkok area.

From the result of each hypothesis showed that there is no difference between customer expectations and perceptions toward Tesco Lotus Supercenter in Bangkok area and when segmented in terms of product, price, store layout & atmospheric,

promotion and service. Store layout & atmospheric and service are the 2 factors which indicates that there is difference between customer expectations and perceptions because the 2 tailed significant value are less than the set criteria (0.05). Therefore, the null hypothesis was rejected.

Research Question II

Are there differences between customer expectations and perceptions in product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by demographic factors?

The study found out that the majority group of the respondents were female (63.2%). The average age of the respondents of this research was 21-30 years old (53.7%). Most of the respondents was company officer (64.2%) with an average income of 10,001-20,000 baht/month (48.8%). The average education level of the respondents was Bachelor's degree (49.8%) which the education levels of the respondents was quite high because the majority were Bachelor's degree and Higher than Bachelor Degree (20.9%). It means only 29.4% was the respondents who have below Bachelors Degree. From this point, it was a good point for this research because they can understand the question of questionnaire and they can cooperate with the research better than those who have less education.

According to hypothesis 7-16, there are 2 hypothesis (7,12) which use independent t-test to determine whether there is no difference/difference of customer expectations / customer perceptions of product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

For Hypothesis 8,9,10,11,13,14,15,16 which use One way ANOVA to determine whether there is no difference/difference of customer expectations / customer perceptions of product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area when segmented by age levels, education levels, occupation and income levels. To clear more understanding about the research question II, a summary of the hypothesis testing are shown as follows:

Customer expectations and perceptions when segmented by gender:

Hypothesis 7: There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Hypothesis 12 : There is no difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by gender.

Customer expectations and perceptions when segmented by age levels:

Hypothesis 8: There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service Tesco Lotus Supercenter in Bangkok area when segmented by age.

This might be because people who have different age will have no different expectation with Supercenter (retail business) because they have an image about the Supercenter that is a combination of a discount which provided variety of products, cheapest price, easy accessibility, good promotion and good service etc. to the customers.

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Hypothesis 13 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by age.

From the Multiple Comparison Table (LSD) shows there is difference of customer's perception between customers who are over 40 years and less than 20 years, over 40 years and 21-30 years, and over 40 years and 31-40 years.

From this point, respondents have different perceptions it might be because perceptions can emerge with different perceptions of the same object of Tesco Lotus Supercenter and people of different age categories also have different needs and interests.

Customer expectations and perceptions when segmented by education levels:

Hypothesis 9: There is no difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

This might be the same reason of customer expectations when segmented by age levels because people who have different age and education levels will have no different expectations with Supercenter because they have an image about the Supercenter that they classify themselves as Supercenter which gain popularity from Thai consumers on the condition of their price, cheapest prices among retailers, coupled with convenience in terms of having large number of branches and more customer intimacy and it distributes fresh foods, dry foods, soft line products and hard line products.

Hypothesis 14 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by education levels.

From the result of Multiple Comparison tables (LSD) shows that there is difference of customer's perceptions between the customers who have below Bachelor's Degree and Bachelor's Degree education levels.

Furthermore, there is difference of customer's perceptions between the customers who have below Bachelor's Degree and higher Bachelor's Degree.

Customer expectations and perceptions when segmented by occupation:

Hypothesis 10 : There is difference of customer's expectations of product, price, store layout & atmospheric promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

From the result of Multiple Comparison tables (LSD) shows that there is difference of customer's expectations who are company officer and self-employed , company officer and house-wife.

Moreover, there is difference of customer's expectations between the customers who are the self-employed and house-wife and there is difference of customer's expectations between the customers who are the self-employed and student. There is difference of customer's expectations between the customers who are the house-wife and student.

Hypothesis 15 : There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service Tesco Lotus Supercenter in Bangkok area when segmented by occupation.

From the result of Multiple Comparison tables (LSD) shows that there is difference of customer's perceptions who are house-wife and company officer, house-wife and self-employed, and house-wife and students.

Moreover, there is difference of customer's perceptions between the customers who are company officer and students.

Customer expectations and perceptions when segmented by income levels:

Hypothesis 11 : There is difference of customer's expectations of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

From the result of Multiple Comparison tables (LSD) shows there is difference of customer's expectation who have income level between 30,001 baht and above and below 10,000 baht/month, between 30,001 and above and 10,001-20,000 baht/month.

Hypothesis 16: There is difference of customer's perceptions of product, price, store layout & atmospheric, promotion, service toward Tesco Lotus Supercenter in Bangkok area when segmented by income levels.

From the result of Multiple Comparison tables (LSD) shows that there is difference of customer's perceptions who have income level between below 10,000 baht/month and 20,001 – 30,000 baht/month, and between below 10,000 baht/month and 30,001 baht and above.

Moreover, there is difference of customer's perception who have income level between 10,001-20,000 baht/month and 20,001-30,000 baht/month.

It might be because money is very important factor for the customer to buy something such as if the customer who have higher income will expect and perceive that the products are cheap while the customer who have lower income will expect and perceive that the products are expensive for them.

Customer expectations when segmented by demographic factors:

According to the summary of hypothesis testing indicates that there is no difference of customer's expectations when segmented by age, and education level

because the 2-tailed significant value of those were greater than the set criteria (0.05) so the null hypothesis was accepted.

Moreover there is difference of customer's expectations when segmented by gender, occupation and income levels because the 2-tailed significant value of those were less than the set criteria (0.05) so the null hypothesis was rejected.

Customer perceptions when segmented by demographic factors:

From the hypothesis testing result indicates that there is no difference of customer perceptions when segmented by gender because the 2-tailed significant value of those were greater than the set criteria (0.05) so the null hypothesis was accepted.

There is difference of customer's perception when segmented by age, education levels, occupation and income levels because the 2-tailed significant value of those were less than the set criteria (0.05) so the null hypothesis was rejected.

Research Question III

What is the level of customer satisfaction in product, price, store layout & atmosphere, promotion and service toward Tesco Lotus Supercenter in Bangkok area?

Kotler (2000) stated that satisfaction is a function of perceived performances and expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted.

From the result, hypothesis 2,3,5 indicates that there is no difference between customer expectations and perceptions in terms of product, price, promotion toward Tesco Lotus in Bangkok area. The 2-tailed significant value are more than the set

criteria (0.05). Therefore the null hypothesis was accepted. Moreover, the result shows the mean score of expectations less than the mean score of perceptions. According to the Disconfirmation of Expectation Model, it means that the performances or perceptions matches the expectations of the customer so the customers are satisfied or highly satisfied with product, price and promotion of Tesco Lotus in Bangkok area.

But from hypothesis 4,6 indicates that there is difference between customer expectations and perceptions in terms of store layout & atmospheric and service toward Tesco Lotus in Bangkok area. The 2-tailed significant value are less than the set criteria (0.05). Therefore the null hypothesis was rejected. Moreover, the result shows the mean score of expectations more than the mean score of perceptions. According to the Disconfirmation of Expectation Model, it means that the performances of perceptions falls short of expectations so the customers are dissatisfied with store layout & atmospheric and service toward Tesco Lotus in Bangkok area.

6.2 Conclusion

The objectives of this research is to evaluate the customer satisfaction by comparing their expectations and perceptions in terms of product, price, store layout & atmospheric, promotion and service toward Tesco Lotus Supercenter in Bangkok area. While demographic factors are direct relationship between expectations and perceptions of the customers. This research apply the Disconfirmation of the Expectation Model which is the comparison process of the above variables to determine the outcome of disconfirmation to know that what is the customer satisfied

or dissatisfied with Tesco Lotus in order to improve the quality of Supercenter and can satisfied the customer needs and wants as much as possible.

The result indicated that there is no difference between customer expectations and perceptions toward Tesco Lotus Supercenter.

When segmented by product, price, store layout & atmospheric, promotion and service, the summary result are showed as follows:

There is no difference between customer's expectation and perception in terms of product , price, promotion toward Tesco Lotus Supercenter. The 2 tailed significant value are more than the set criteria (0.05). Therefore the null hypothesis was accepted. According to the Disconfirmation of Expectation Model, it means that the performances or perceptions matches or exceeds the expectations of the customers so the customers are highly satisfied or delighted with product, price and promotion of Tesco Lotus Supercenter in Bangkok area.

Because of Tesco Lotus offered the variety of product, reasonable price and provided interesting promotion to the customers all the time. This will make customers satisfied with Tesco lotus Supercenter in Bangkok area.

Moreover, there is difference between customer's expectations and perceptions in terms of store layout & atmospheric and service toward Tesco Lotus Supercenter. The 2 tailed significant value are less than the set criteria (0.05). Therefore the null hypothesis was rejected. According to the Disconfirmation of Expectation Model, it means that the performances of perceptions falls short of expectations so the customers are dissatisfied with store layout & atmospheric and service toward Tesco Lotus in Bangkok area.

Sometimes Tesco Lotus concentrates only on product, price and promotion to provide to the customers and ignored about service and store layout that are important

factors because everyday, other competitors provide the similar products, price and promotion to the customers so if Tesco Lotus can provide very good service and good store layout when compare with other competitors so it can make the customer satisfied and make the customers impress with it, they will be the customer again and can generate maximum business revenues from the customers.

When segmented by demographic factors - age, gender, education levels, occupation, income levels which demographic factors are most often used as the basis for market segmentation.

According to the summary of hypothesis testing indicates that there is no difference of customer's expectation when segmented by age, and education level

This might be because people who have different age and education levels will have no different expectation with Supercenter because they have an image about the Supercenter that it will offer to the customer such as variety of products, cheapest price, easy accessibility, good promotion and good service that is the main purpose of retail business in Thailand.

In other hands, there is difference of customer's perception when segmented by age, education levels, because respondents have different perceptions it might be because perceptions can emerge with different perceptions of the same object of Tesco Lotus Supercenter and people of different age categories or education levels also have different needs, opinion and interests. From the result show that older customers (over 40 years) will have different perceptions from younger customers (21-30, and 31-40 years)

Moreover there is difference of customer's expectation and perception when segmented by occupation and income levels. It might be because the customers who have good occupation which also have higher income will have more expectation than

the customers who were students or housewife which have lower income but for the perception also different depends on different expectations.

From the hypothesis testing result indicates that there is difference of customer's expectations and no difference of customer perceptions when segmented by gender and normally, female and male have different expectations which is female always have more sensitive to many things but depend on the situation and environment. But for perceptions, no difference between male and female because Tesco Lotus provided everything for male and female equally such as provided the men's wear department and women's wear department.

6.3 Recommendation

In the past, department stores were the only modern trade that was known among Thai shoppers. Nowadays there are many foreign firms are aiming to capture the majority of market share. From this point, customers have many choices and get more benefits from the competition because the stores are competing to sell quality products at low prices. Customers also have higher expectation about this business more than in the past. In this business, Tesco Lotus Supercenter is the market leader. So, if Tesco Lotus wants to grow, gain the highest market shares, increase sales volume more than the competitors then Tesco Lotus need to know the customers expectations and customers perceptions and then they will know the customer satisfaction which is the ultimate objective of every business to satisfy the needs by meeting and even exceeding the customer expectations as much as possible.

The results of hypothesis 2,3,5 in this research show that the customer are highly satisfied with product, price and promotion of Tesco Lotus Supercenter which it is good for the customers.

But for the result of hypothesis 4,6 in this research, it indicates that the customers are dissatisfied with the store layout & atmospheric and service. By the way, the researcher would like to recommend in detail in terms of store layout & atmospheric, and service as follows:

Store layout & Atmospheric:

Store Layout is the spatial arrangement of selling departments, aisles, fixtures, display facilities, and equipment in the proper relationship to each other and to the fixed elements of the structure.

Store Layout is an important success factor for retail business. The researcher would like to recommend about it as follows:

1. Improve the cleanliness of the shopping area and the facilities such as rest rooms to satisfy the customer.

2. Improve displays of products to be easy for customers to find things and take the products from the shelves.

3. Provide clearly sign to tell customers where they can find the product.

4. Improve the atmosphere of stores with the politeness of staff and suitable decoration in the special occasion such as New Year Festival, Chinese Festival, Back to school etc.

Service:

Service is very important factor to satisfy customer needs and wants by meeting or exceeding the customer expectations. To increase customer satisfaction by exceeding their expectations, Tesco Lotus should implement the following recommendations:

1. Train the staffs, either part time or full time to give information on what customer needs to know, where the products are or information about products. Train them to serve the customer with politeness.

2. Improve the check out counters to be faster by increasing the number of cashier check out lanes during peak period.

3. Improving the speed of the cashiers in bill calculations and to show friendliness as well as sincerity while customers are waiting for their bill.

4. Improving the after sales service to make the customer impress and want to buy the products at the store again.

5. Provide enough space for parking lots and improve the cleanliness of parking area especially the shading car park.

6. Provide the differentiation of services to make them different from the competitors such as a free toy corner for children to play in when their parents bring them to Tesco Lotus Supercenter. And this Zone should be inside the store and should be near the toy department.

Moreover, the results of hypothesis 7,10,11,13,14,15,16 in this research when segmented by demographic factors show that there is difference between customer's expectation when segmented by gender, occupation and income levels. There is difference of customer's perceptions when segmented by age, education levels, occupation and income levels.

By the way, the researcher would like to recommend based on the results of this research as follows:

- For customer's expectations, Tesco Lotus should create the image of the store such as advertising on TV, brochure that the store provides one stop shopping service which have variety of products, prices, promotions, good store layout & atmospheric and service for the customers who have different gender, occupation and income levels.

- For customer's perceptions, Tesco Lotus should provide the variety of products, prices, promotions, suitable decoration in the special occasion and good service to the customer who have different age, education levels, occupation and income levels. For example, Tesco Lotus should provide variety of products for the customer who have different age levels because consumers' requirement change with age. The customer who have age less than 20 years and also be the students want to buy the accessories or the fashion clothes which cheap price. In contrast, the customers who have age range between 31-40 years want to buy the home appliances or consumer products for their life time and family etc. Moreover, the customers who have good occupation which also have high income want to buy the high quality of products and good brand name such as clothes or cosmetics. With higher income comes a customer orientation towards quality of merchandise and service and a lesser emphasis on price. And Tesco Lotus should provide good service to satisfy the customers who have different demographic factors equally.

Suggestion for further research

1. This research focuses attention of customers of Tesco Lotus Supercenter in Bangkok area only so it may not be generalized for other Tesco Lotus elsewhere, from this point, further research should study at Tesco Lotus Supercenter other provinces to know the overall customer satisfaction by comparing their expectations and perceptions.

2. Further research should be conducted the sample size that larger than this research in order to obtain more accurate data and research result of the research.

3. Further studies should add more factors in the research besides product, price, store layout & atmospheric, promotion and service. An example of additional factors is the store's reputation.

4. This research focused on 5 demographic factors – gender, age, education levels, occupation and income level. Further research should be added the marital status which is one of the important demographic factors.

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APPENDIX A

Questionnaire

Dear Sir/Madam

This questionnaire is designed to study "Customer satisfaction by comparing between customer expectations and perceptions toward Tesco Lotus SuperCenter in Bangkok area". As part of the data collection for MBA thesis, Assumption University.

Please kindly take a few moments to complete this questionnaire based on your experience. Your participation is very much appreciated

Part I : Expectation

What were your expectations about product, price, store layout & atmospheric, promotion and service of Tesco Lotus Supercenter before shopping.	Very High 5	High 4	Normal 3	Low 2	Very Low 1
Product 1. The availabilities of product varieties					
2. Quality of non-food products.					
3. Quality of food products.					
4. The variety of brands of product categories.					
5. The variety of sizes of each product forms.					
6. The freshness of products.					
Price 7. The reasonable price.					
8. Exhibition of price on label.					
Store Layout & Atmospheric 9. Easy accessibility.					
10. Ability to find what you need.					
11. Quality of atmosphere of stores.					
12. Quality of Cleanliness of stores.					
13. Feeling of safety while shopping in store.					
Promotion 14. Price discounts.					
15. Discount coupons.					
16. Buy 1 Get 1 Free.					
17. Premiums.					
18. Advertising on TV.					
19. Point of Purchase Advertising.					
Service 20. Convenient check-out counters.					
21. Credit Card acceptance.					
22. Shuttle bus service for customers.					
23. After Sales service for products.					
24. Day and Opening hours.					
25. Politeness of employees.					
26. Quality of car parking.					

Part II : Perceived Performance
(Satisfaction)

What were your perceptions about product, price, store layout & atmospheric, promotion and service of Tesco Lotus Supercenter after shopping.	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
Product 1. The availabilities of product varieties.					
2. Quality of non-food products.					
3. Quality of food products.					.
4. The variety of brands of product categories.					
5. The variety of sizes of each product forms.					
6. The freshness of products.					
Price 7. The reasonable price.					
8. Exhibition of price on label					
Store Layout & Atmospheric 9. Easy accessibility.					
10. Ability to find what you need.					
11. Quality of atmosphere of stores.					
12. Quality of cleanliness of stores.					
13. Feeling of safety while shopping in store.					
Promotion 14. Price discounts.					
15. Discount coupons.					
16. Buy 1 Get 1 Free.					
17. Premiums.					
18. Advertising on TV.					
19. Point of Purchase Advertising.					
Service 20. Convenient check-out counters.					
21. Credit Card acceptance.					
22. Shuttle bus service for customers.					
23. After Sales service for products.					
24. Day and Opening hours.					
25. Politeness of employees.					
26. Quality of car parking.					

Part III Demographic Profile

1) Gender
☐ Male   ☐ Female

2) Age
☐ Less than 20 years
☐ 21-30 years
☐ 31-40 years
☐ Over 40 years

3) Education Level
☐ Below Bachelors Degree
☐ Bachelors Degree
☐ Higher than Bachelor Degree

4) Occupation
☐ Company Officer
☐ Self-employed
☐ House-wife
☐ Students
☐ Others, please specify.................................

5) Income Level (monthly)
☐ Below 10,000 Baht /month
☐ 10,001 – 20,000 Baht /month
☐ 20,001 – 30,000 Baht /month
☐ 30,001 baht and above

APPENDIX B

แบบสอบถาม

เรียน ท่านผู้ตอบแบบสอบถาม

       แบบสอบถามชุดนี้จัดทำขึ้นเพื่อใช้เป็นส่วนประกอบในการศึกษาและทำวิทยานิพนธ์ของนักศึกษาปริญญาโท มหาวิทยาลัยอัสสัมชัญ ผู้จัดทำของความกรุณาท่านผู้ตอบแบบสอบถามทุกท่านโปรดตอบแบบสอบถามนี้ทุกข้อเพื่อให้วิทยานิพนธ์ฉบับนี้สมบูรณ์เพื่อนำข้อมูลที่ได้ไปใช้ประโยชน์ต่อการศึกษาและผู้ที่ต้องการจะใช้ประโยชน์จากวิทยานิพนธ์ชุดนี้ ผู้จัดทำขอขอบคุณท่านผู้ตอบแบบสอบถามทุก ๆ ท่านที่สละเวลาของท่านและให้ความร่วมมือเป็นอย่างดีในการทำแบบสอบถามชุดนี้มา ณ ที่นี้ด้วย

ส่วนที่ 1: ความคาดหวัง

กรุณาระบุความคาดหวังก่อนที่ท่านจะใช้บริการ ที่เทสโก้ โลตัส ต่อปัจจัยทางด้านสินค้า,ราคา, การจัดห้างและบรรยากาศภายในห้าง, การส่งเสริมการขายและการบริการ	คาดหวัง สูงมาก 5	คาดหวัง สูง 4	ปานกลาง 3	คาดหวัง ต่ำ 2	คาดหวัง ต่ำมาก 1
สินค้า 1. ความหลากหลายของสินค้า					
2. คุณภาพของสินค้าประเภทใช้ในครัวเรือน					
3. คุณภาพของสินค้าประเภทอาหาร					
4. ความหลากหลายของยี่ห้อสินค้า					
5. ความหลากหลายของขนาดสินค้า					
6. ความสดใหม่ของสินค้า					
ราคา 7. ความเหมาะสมของราคา					
8. ความชัดเจนของป้ายแสดงราคาสินค้า					
การจัดห้างและบรรยากาศภายในห้าง 9. สถานที่สามารถเข้าถึงได้ง่าย					
10. สามารถหาสินค้าที่คุณต้องการได้ง่าย					
11. คุณภาพของบรรยากาศภายในห้าง					
12. คุณภาพของความสะอาดภายในห้าง					
13. คุณภาพของความปลอดภัยขณะเลือกซื้อสินค้า					
การส่งเสริมการขาย 14. ราคาสินค้าถูกทุกวัน					
15. การแจกคูปองส่วนลด					
16. ซื้อ 1 แถม 1					
17. การแลกของสมนาคุณ					
18. การโฆษณาทางโทรทัศน์					
19. ป้ายโฆษณาภายในห้าง					
การบริการ 20. ความสะดวกของเคาน์เตอร์จ่ายเงิน					
21. การรับชำระค่าสินค้าผ่านบัตรเครดิต					
22. บริการรถรับส่งลูกค้า					
23. การบริการหลังการขาย					
24. วันและเวลาเปิดทำการ					
25. ความสุภาพของพนักงาน					
26. คุณภาพของที่จอดรถ					

ส่วนที่2 : การประเมิน

กรุณาประเมินหลังจากที่ท่านใช้บริการที่เทสโก้ โลตัส ต่อปัจจัยทางด้านสินค้า,ราคา,การจัดห้าง และบรรยากาศภายในห้าง, การส่งเสริมการขาย และการบริการ	เห็นด้วย อย่างยิ่ง 5	เห็นด้วย 4	ปานกลาง 3	ไม่เห็นด้วย 2	ไม่เห็นด้วย อย่างยิ่ง 1
สินค้า					
1. ความหลากหลายของสินค้า					
2. คุณภาพของสินค้าประเภทใช้ในครัวเรือน					
3. คุณภาพของสินค้าประเภทอาหาร					
4. ความหลากหลายของยี่ห้อสินค้า					
5. ความหลากหลายของขนาดสินค้า					
6. ความสดใหม่ของสินค้า					
ราคา					
7. ความเหมาะสมของราคา					
8. ความชัดเจนของป้ายแสดงราคา					
การจัดห้างและบรรยากาศภายในห้าง					
9. สถานที่สามารถเข้าถึงได้ง่าย					
10. คุณภาพของการจัดตกแต่งห้าง					
11. คุณภาพของบรรยากาศภายในห้าง					
12. คุณภาพของความสะอาดภายในห้าง					
13. คุณภาพของความปลอดภัยขณะเลือกซื้อสินค้า					
การส่งเสริมการขาย					
14. ราคาสินค้าถูกทุกวัน					
15. การแจกคูปองส่วนลด					
16. ซื้อ 1 แถม 1					
17. การแลกของสมนาคุณ					
18. การโฆษณาทางโทรทัศน์					
19. ป้ายโฆษณาภายในห้าง					
การบริการ					
20. ความสะดวกของเคาน์เตอร์จ่ายเงิน					
21. การรับชำระค่าสินค้าผ่านบัตรเครดิต					
22. การบริการรถรับส่งลูกค้า					
23. การบริการหลังการขาย					
24. วันและเวลาเปิดทำการ					
25. ความสุภาพของพนักงาน					
26. คุณภาพของที่จอดรถ					

<u>ส่วนที่ 3</u> ข้อมูลทั่วไปของผู้ตอบแบบสอบถาม

1) เพศ
   □ ชาย   □   หญิง

2) อายุ
   □ น้อยกว่า 21 ปี
   □ 21-30 ปี
   □ 31-40 ปี
   □ มากกว่า 40 ปี

3) ระดับการศึกษา
   □ ต่ำกว่าระดับปริญญาตรี
   □ ระดับปริญญาตรี
   □ สูงกว่าระดับปริญญาตรี

4) อาชีพ
   □ พนักงานบริษัท
   □ กิจการส่วนตัว
   □ แม่บ้าน
   □ นักเรียน / นักศึกษา
   □ อื่น ๆ โปรดระบุ ....

5) รายได้ต่อเดือน
   □ ต่ำกว่า 10,000 บาท/เดือน
   □ 10,001 – 20,000 บาท/เดือน
   □ 20,001 – 30,000 บาท/เดือน
   □ 30,001 บาทหรือมากกว่า

APPENDIX C

History and Development of Retail Business in Thailand

Historically, retailing has been in existence since the Sukothai Age and continuously evolved down to present day. It is said that retailing in Thailand has existed for more than 700 years. In the 3rd Reign of the Rattanakosin Age, two foreigners, Mr. Hunter and Mr. Heys introduced the western concept of retailing into Thailand by setting up their own store named "Hunter & Heys". In the following reigns, many foreigners appeared in the country and did business as the result of more openings for free trade policies. At that time, merchants with the same nationality were clustered in one area for trading. For instance, the Chinese conducted business at Sum Peng, and the Indians at Pha Huarat. There were other trading areas at Wang Burapa and Bang Lumpu.

Not until 1956, did concepts of department stores develop in Thailand. It originated with the Central Group founded by the Jirathiwat family. The first branch of the Central department store was initially established at Wang Burapa. During that time, the products in the department store were sold at high prices with limited product line.

In 1964, Thai Daimaru, the first department store owned by foreigner, was built and located at Rajaprasong. At the same time, they brought new technologies with them such as escalators, air conditioning systems, and so on. The appearance of this Japanese retailer awakened Thai modern trade retailers.

After that, modern retailing business has been steadily developing in terms of store expansion, emergence of new entrants, store decoration, variety of merchandise, etc. For example, Central opened its second store at Silom Road, Thai Daimaru changed their location from Rajaprasong to the Rajadamri arcade and became the No.

1 department store in Thailand. In addition, many new department stores emerged such as Pata, Cathy, Merry King, and Bang Lumpu department stores.

The industry trembled once again in 1979. Many new entrepreneurs entered and seized market shares, after the market has been dominated for a long time by only two giant business groups : Central and Thai Daimaru. These entrepreneurs were The Mall and Robinson. Robinson, managed by Thais who had formerly conducted business for Thai Daimaru, was established at Siam Square in 1979. The business succeeded and was expanded to a second and third store at Victory Monument and Rajadamri, respectively. Until 1981, the Mall existed at Rajadamri Road, but it was not very successful.

Not long after, many new department stores opened such as Metro, Sogo, Welco, Big Bell, New World, Kaew Pha, River City, and Ma Boon Krong. All of them were not totally successful. Some had to shut down their businesses because they did not have their own unique selling points.

Twelve years ago, Thai retailers adopted two new concepts of retailing. Makro introduced Cash and Carry to the market in 1989. Under this concept, it emphasizes more on selling merchandise in bulk rather than store decoration. Another concept is the convenience store. CP group opened the first 7-eleven on the corner of Patpong. The products sold in these shops are daily-consumed products. Both concepts were very welcomed by Thais.

Recently, in 1994, the Thai retail business moved up one step. Supercenters appeared to Thais' eyes under the name of Lotus Supercenter. Then, Big C and Carrefour jumped into this segment and shared some market share a few years later.

The Retail Business in Thailand

The retail business in Thailand has developed from being traditional retail shops in the family business to that of department stores, Supercenters, convenient stores and specialized retail shop. This certainly affects each category of business to prescribe its pattern of business operation and target group of customers more clearly, thus, for the effective selection of products, arrangement of products, determination of selling price and carrying out of marketing activities, including business information in terms of discount stores is a popular pattern of retail business in Thailand and having the highest potential of growth due to meeting the demands and way of life of the consumers as well as covering almost all groups of customers, particularly those who have medium and low incomes, which are the majority of groups of customers in the country.

At the present, the situation of retail business competition, in the category of Super center is severe, particularly in metropolitan Bangkok. This causes a decrease of customer penetration covering each branch. As a result, every player must hurriedly carry out its marketing activities to maintain its customers base as much as possible.

Structure of the Retail Business

The retail trade in Thailand now consists of many different types of outlet that distribute products to consumers from small corner shops to huge discount stores. However, we are able to categorize these outlets into two major types : traditional trade and modern trade.

The traditional trade :

- Dominated by small family-run shops selling a multitude of produce and merchandise and owned by Thais

- providing old-fashioned services and exhibiting outdated displays

- running business with non-standardized management systems and limited investment

- Being located in small commercial buildings or in local community.

- Generally, these businesses are set up on the main floor of their homes, and the living quarters are located above. We can normally find these traditional trades along streets or even in villages.

- They are operated in forms of a grocery shop or a mom and pop shop. Most of their customers are people living around there.

The modern trade :

- A retail business bringing and keeping up to date the physical appearance, the fixtures, and the equipment of a store to increase its attractiveness to satisfy customers' need and want as much as possible.

- They have good technologies and management allowing them to reduce operating costs and increase profits.

- Providing modern services and displays

- Running business with standardized management systems.

- Putting large investment in technology and innovation to attract customers.

Berman & Evans (2001) identified that modern trade retailing in Thailand can separate as follows:

Department Stores : Carry several product lines typically clothing, home furnishing and household goods. Each line operates as a separate department

managed by specialists for example Central Department Store, The Mall Department Store and Robinson Department Store.

The Shopping Complex: Developed from the department store, generally requires at least 25,000 square meters to satisfy the concept of "one-stop shopping." Example are Future Park Rangsit Shopping Complex and Maboonkrong Center.

Discount Stores : Provide cheap prices and mass production. · The target market of this kind of store is from low to middle class. Discount Stores are divided into two types as the following:

- **Wholesale Club :** The customer needs to subscribe for membership and gets a member card for discount. Makro is good example.

  "cash and Carry" is the discount supermarket of the wholesaling industry that mainly targets at retailers. The retailer must go to wholesaler's place of business, select and assemble the order, check out at a central station, pay cash for the assembled order, and load as well as transport the order. Makro is the only cash and carry retail business that we can find at the present time.

- **Super Center or Hypermart:** Developed from the supermarket. The area is around 10,000 – 15,000 square meters. Approximate 75-80 percent of the goods are consumer goods and 20-25 percent are household goods, appliances and clothing.

  "Super Center" is a combination of a discount store (a large scale retailing institution that has a broad, shallow product assortment, low prices and few customer services) and a complete grocery store. Currently, we have three giant supercenters in Thailand: Tesco Lotus, Big C, and Carrefour.

Supermarkets : Emphasize fresh foods and instant foods. Some of them are located in the Department stores such as Tops Supermarket. Some of them stand on their own such as Food Land Supermarket.

Convenience Stores : Mostly sell consumer goods, foods and beverages. They normally are open 24-hour a day and have many branches around the city. Typical examples are 7-Eleven and am/pm.

Specialty Stores: Concentrate on selling specific goods or service lines, such as apparel and accessories, toy and furniture. Specialty Stores usually carry a narrow but deep assortment in their chosen category and tailor their strategy to selective market segments. This enables specialty stores to maintain better selection and sales expertise than their competitors which are often department stores. Examples are Boots, The Bodyshop, Index Furniture Shop and Nike Concept Shop.

Structure of the retail business in Thailand.
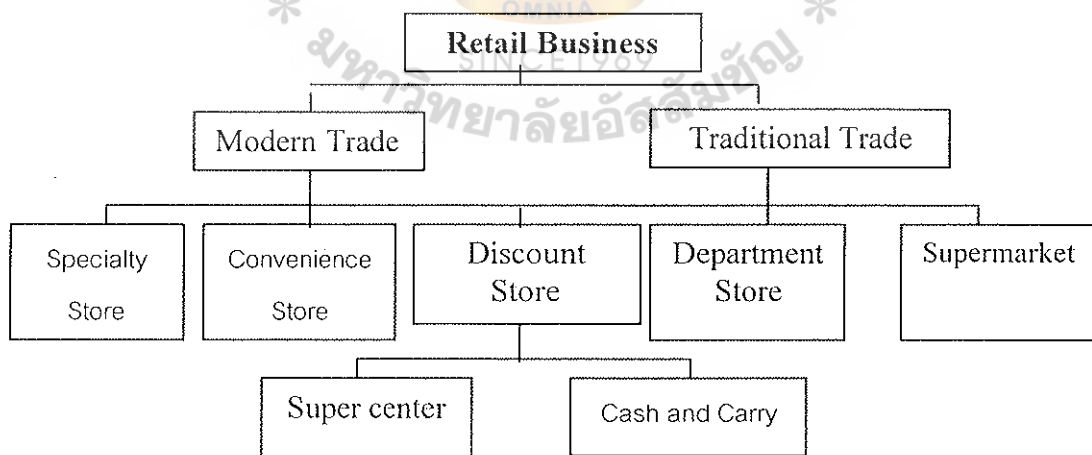
The distribution of market shares in the retail business in 2000 as follows;

Hypermarkets (Tesco-Lotus, Big C, Carrefour = 30%)

Department Store (Central Department Store and the Mall Department Store = 28%)

Convenience Store (7-eleven, AM/PM = 17%)

Cash & Carry (Makro = 16%)

Supermarket (Tops Supermarket = 9%)

Features of Retail Business : Modern Trade

Features of Retail Business : Modern Trade.

Pattern	Characteristics	Example
Department Store	1. Big retailer that provide various, modern style, and famous brand name products.	2. Central 3. Robinson 4. The Mall
Category Killer	1. Sell the same products with variety 2. Price is quite low 3. Emphasize on space and decoration	1. Makro Office Center 2. Power Buy 3. Super Sports
Convenience Store	1. Small retailer, high profit. Limited in consumer products including ready made food and beverages. 2. Location and service hours will respond to consumers who live of work there. 3. Varieties of products are less than Supermarkets. The trend of customer is buying products for immediate consumption.	1. 7-eleven 2. Tiger Mart 3. Select

Pattern	Characteristics	Example
Hypermarket/Discount Store	1. Big retailer. 2. Area is about 25,000-50,000 with products including food and general products 3. 20-25% of products sold are household products, electronic appliances, and clothes. 4. Large parking lot.	1. Tesco Lotus 2. Big C 3. Carrefour
Cash-and- Carry	1. Wholesale business which each purchasing is large amount, low profit, and the lowest operating cost. 2. 5,000-25,000 products of stock. 3. Sell in large amoaunt in lower price than other retail business. 4. No special service. Be self service. 5. Large parking lot.	1. Makro

APPENDIX D

Interesting information about Tesco Lotus

Tesco Lotus's Team

The people behind the scenes

Chairman of the Board

Khun Sunthorn Arunanondchai

Chief Executive Officer

Mr. Michael Raycraft

Number of Employees

Currently at 14,000, with projections reaching as high as 20,000 by 2004.

Tesco Lotus House Brands.

Development of housebrands by leading retailers is a global trend which has particular significance for Thai companies. Tesco Lotus is committed to the expansion of its "SuperSave" housebrand of products and expects this area of its product line to become incseasingly popular with Thai shoppers in the future.

Products Standard

Tesco Lotus'policy is to set ambitious production standards in order to encourage manufcturers to produce quality products that meet our criteria. We also set a high standard for services to asure our customers that they will receive excellent products services from Tesco Lotus.

The BRC (BRITISH RETAIL CONSORTIUM) Standard is the measure that Tesco Lotus urges partmers to meet in order to raise production standards to International levels. This is includes:

- HACC (Hazard Analysis Critical Contro Points, Product Safety)
- GMP (Good Manufacturing Practice)
- Quality Management System

Tesco Lotus uses this system as the standard to evaluate our partners Tesco Lotus House Brand Consumer products.

Product Development

Prior to production a new product must pass rigorous evaluation in terms of market demand and consumer acceptance, especially in personnel care products like shampoo, soap, toothpaste, and powders. Tesco Lotus adds another important and necessary checkpoint : allergen testing.

Controlling product and supplier quality pre-launch begins with the right mixtures, according to the rules of the Food and Drug Administration. The product label must be examined for compliance with the rules of the Consumer Protection Board. Manufacturing inspection is done by Tesco Lotus expert inspectors. Since 1998, our inspectors have adapted BRC standards to be suitable for the manufacturing environment in Thailand. All vendors must meet BRC standards before thy can be accepted as our partners in the production of Tesco Lotus House Brands.

Product quality checking after launch.

Product quality check after launch uses random selection of products to measure for hazardous bacteria, chemicals, and physical safety to assure customers of product quality. The product must follow quality control standards and must be useable by all consumer.

Therefore customers can safety use products from Tesco Lotus, the same as any other market leaders' brand.

Fresh Food Standard

Fresh food is another product line where Tesco Lotus takes extra care. There is a Tesco Lotus brand and details on the package.

Tesco Lotus has a modern distribution center for fresh food. Fresh food quality is inspected by authorities certified by the Composite System and Materials Department the Ministry of Public Health. We inspect for chemical culminants in meat; vegetables products are also inspected for Borax, DDT and formalin.

Not only do we inspect for contamination in Tesco Lotus fresh food, but we also have excellent logistics. From producer to the store shelf, we store fresh food in appropriate temperatures uitable for each fresh food. This will assure customers that Tesco Lotus fresh food is safe and maintains quality and freshness, from the field to your table.

Tesco Lotus House Brands

Today, 111 vendors supply Tesco Lotus with 553 "SuperSave" house brand items. The number of products is expected to reach 1,000 by the end of 2002. A further benefit for Thai vendors supplying SuperSave products is the implementation of stringent international standards of food safety and hygiene that must be met in all factories. With these standards already achieved for Tesco Lotus, the opportunity exists to expand into international markets.

Service providing by Tesco Lotus – To make it convenient.

- Mini Shopping Cart

  Mini Shopping Cart designed especially for children-small in size, light in weight.

- Mini Shopping Cart with Driver Seat

  Even the youngest smart drivers can have fun while shopping at Tesco Lotus.

- Shopping Cart with Baby Seat

  Use our safe and convenient shopping cart with baby seat while shopping with your child. Strong & handy with a wheel lock for use on the escalator.

- Wheel Chair

Wheel chairs for the disabled are provided.

- Shopping Basket

  A handy shopping basket for more convenience on a light shoipping day.

- Price Check Point

  Check the price of all goods yourself with the easy-to-use price check scanner.

- Pure Drinking Water

  Free pure drinking water for your refreshment while shopping.

- Cart Locker

  Store your goods in our cart locker while you enjoy a meal or shsop some more.

- Check-out Counter

  Quick and convenient check-out with a large number of counters. Major domestic and international credit cards are accepted. ATM machines are available.

- Playland

  The playland has lots of fun for your little ones.

- Shuttlebus

  Free shuttlebus service for Tesco Lotus customers at selected stores. Please check at the Customer Service counter in the store for details.

- Car Park

  Spacious, secure, and convenient shaded car park.

- Tesco Lotus Credit Card

  Get a card today and enjoy the convenience and other special benefits, like discount offers and advanced notice of sales and events. The Tesco Lotus Card is accepted at all Tesco Lotus stores nationwide.

- Installments Purchase

For your convenient, pay for your purchases in installments, powered by Aeon Card or First Choice Credit Card.

- After Sales Service

  After sales service for electronic appliances : free delivery, free maintenance (as indicated in guarantee conditions) and special low installation fee. Just contact the After Sales Service counter.

Number of Vendors

Thai vendors are the cornerstone of the company's development. Since 1998 Tesco Lotus has trebled the number of its food and non-food vendors to its current level of 1,900. Of these vendors, 97% are Thai. In 2001, Tesco Lotus purchased 38 billion baht worth of goods for resale with the amount of business conducted through each of these vendors ranging from 1 million to over 1 billion baht annually.

APPENDIX E

Expectations and Perceptions of Product

R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E (A L P H A)

		Mean	Std Dev	Cases
1.	EXPRD1	3.9453	.5933	201.0
2.	EXPRD2	3.6219	.6755	201.0
3.	EXPRD3	3.7413	.7764	201.0
4.	EXPRD4	3.9303	.6820	201.0
5.	EXPRD5	3.8308	.6791	201.0
6.	EXPRD6	3.8358	.6387	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 6

Alpha =   .6017

R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E (A L P H A)

		Mean	Std Dev	Cases
1.	PERPRO1	3.9900	.5915	201.0
2.	PERPRO2	3.7512	.6912	201.0
3.	PERPRO3	3.8060	.6761	201.0
4.	PERPRO4	3.9055	.8100	201.0
5.	PERPRO5	3.8806	.6676	201.0
6.	PERPRO6	3.6567	.6297	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 6

Alpha =   .7788

Expectations and Perceptions of Price

R E L I A B I L I T Y   A N A L Y S I S - S C A L E   (A L P H A)

		Mean	Std Dev	Cases
1.	EXPRI7	3.9751	.7965	201.0
2.	EXPRI8	3.7562	.7844	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 2

Alpha =   .6095

R E L I A B I L I T Y   A N A L Y S I S - S C A L E   (A L P H A)

		Mean	Std Dev	Cases
1.	PERPRI7	3.9303	.7383	201.0
2.	PERPRI8	3.7065	.6771	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 2

Alpha =   .6817

Expectations and Perceptions of Store Layout & Atmospheric

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	EXSA9	4.2786	.7294	201.0
2.	EXSA10	3.9900	.6557	201.0
3.	EXSA11	3.7562	.6894	201.0
4.	EXSA12	3.8806	.5794	201.0
5.	EXSA13	3.9453	.5118	201.0

Reliability Coefficients

N of Cases = 201.0   N of Items = 5

Alpha = .7209

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PERSA9	4.0995	.6709	201.0
2.	PERSA10	3.8756	.8997	201.0
3.	PERSA11	3.7114	.6829	201.0
4.	PERSA12	3.8259	.7103	201.0
5.	PERSA13	3.9104	.6942	201.0

Reliability Coefficients

N of Cases = 201.0   N of Items = 5

Alpha = .8083

Expectations and Perceptions of Promotion

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	EXPROM14	4.0100	.7141	201.0
2.	EXPROM15	3.5274	.8891	201.0
3.	EXPROM16	3.6468	.8830	201.0
4.	EXPROM17	3.5821	.9563	201.0
5.	EXPROM18	3.3234	.8888	201.0
6.	EXPROM19	3.5274	.7813	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 6

Alpha =   .6639

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PERPRM14	3.8905	.7335	201.0
2.	PERPRM15	3.6219	.8639	201.0
3.	PERPRM16	3.5771	.9515	201.0
4.	PERPRM17	3.5672	.8466	201.0
5.	PERPRM18	3.4826	.7752	201.0
6.	PERPRM19	3.6716	.7561	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 6

Alpha =   .8855

Expectations and Perceptions of Service

R E L I A B I L I T Y   A N A L Y S I S - S C A L E   (A L P H A)

		Mean	Std Dev	Cases
1.	EXSER20	3.9204	.9506	201.0
2.	EXSER21	3.6269	.9247	201.0
3.	EXSER22	3.3284	.8670	201.0
4.	EXSER23	3.5174	.8491	201.0
5.	EXSER24	3.8109	.7239	201.0
6.	EXSER25	4.1144	.7562	201.0
7.	EXSER26	4.1542	.7491	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 7

Alpha =   .7079

R E L I A B I L I T Y   A N A L Y S I S - S C A L E   (A L P H A)

		Mean	Std Dev	Cases
1.	PERSER20	3.6716	.8612	201.0
2.	PERSER21	3.6915	.6815	201.0
3.	PERSER22	3.5025	.7357	201.0
4.	PERSER23	3.3731	.7649	201.0
5.	PERSER24	3.9303	.5614	201.0
6.	PERSER25	3.6617	.8746	201.0
7.	PERSER26	4.0547	.7225	201.0

Reliability Coefficients

N of Cases =   201.0   N of Items = 7

Alpha =   .8114