เจ้าของ

วิทยาลัยนวัตกรรมการจัดการ มหาวิทยาลัยเทคโนโลยีราชมงคลรัตนโกสินทร์

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วัตถุประสงค์

1. เพื่อนำเสนอบทความวิชาการและบทความวิจัยที่มีคุณภาพ ด้านบริหารธุรกิจ การจัดการ และสังคมศาสตร์ ตลอดจนสาขาวิชาอื่น ๆ ที่เกี่ยวข้อง

2. เพื่อให้บริการวิชาการแก่สังคมในการเป็นศูนย์กลางเผยแพร่ แลกเปลี่ยนความคิดเห็น ประสบการณ์ การทำวิจัยและการพัฒนาผลงานวิชาการ ของนักวิจัย นักวิชาการ คณาจารย์ ผู้บริหาร นักศึกษา นักธุรกิจ และประชาชนผู้สนใจการจัดการเทคโนโลยีและนวัตกรรมทั่วไป

3. เพื่อสนองนโยบายการวิจัยและบริการวิชาการของมหาวิทยาลัยเทคโนโลยีราชมงคลรัตนโกสินทร์

กำหนดการเผยแพร่

ตีพิมพ์ 3 ฉบับต่อปี ฉบับที่ 1 (มกราคม-เมษายน) ฉบับที่ 2 (พฤษภาคม-สิงหาคม) ฉบับที่ 3 (กันยายน-ธันวาคม) เผยแพร่ในเว็บไซต์ วิทยาลัยนวัตกรรมการจัดการ มหาวิทยาลัยเทคโนโลยีราชมงคล รัตนโกสินทร์ และระบบฐานข้อมูลวารสารอิเล็กทรอนิกส์กลางของประเทศไทย หรือ Thai Journals Online (ThaiJO)

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ผู้สนใจสามารถบอกรับเป็นสมาชิกได้ที่ กองบรรณาธิการวารสารนวัตกรรมธุรกิจ การจัดการ และสังคมศาสตร์

ข้อมูลติดต่อ

วิทยาลัยนวัตกรรมการจัดการ มหาวิทยาลัยเทคโนโลยีราชมงคลรัตนโกสินทร์

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ค่าธรรมเนียมในการตีพิมพ์

บุคคลทั่วไป ภาษาไทย เรื่องละ 4,500 บาท ภาษาอังกฤษ เรื่องละ 6,500 บาท

บุคลากรของวิทยาลัยนวัตกรรมการจัดการ และมหาวิทยาลัยเทคโนโลยีราชมงคลรัตนโกสินทร์ ภาษาไทย เรื่องละ 3,500 บาท ภาษาอังกฤษ เรื่องละ 5,500 บาท

(ผู้ส่งบทความสามารถชำระค่าลงทะเบียนหลังจากได้รับการกลั่นกรองบทความเบื้องต้นจากกองบรรณาธิการ)

❖   บทความทุกเรื่องได้รับการตรวจความถูกต้องทางวิชาการโดยผู้ทรงคุณวุฒิ

❖   มีผู้ทรงคุณวุฒิภายนอกประจำกองบรรณาธิการมากกว่าร้อยละ 50

❖   บทความจากนักวิชาการและนักวิจัยภายนอกลงตีพิมพ์ทุกฉบับมากกว่าร้อยละ 50

❖   อนุญาตให้นำเนื้อหาจากวารสารไปใช้ได้ แต่ต้องระบุแหล่งอ้างอิงจากวารสารนวัตกรรมธุรกิจ การจัดการ และสังคมศาสตร์ วิทยาลัยนวัตกรรมการจัดการ มหาวิทยาลัยเทคโนโลยีราชมงคลรัตนโกสินทร์

สารบัญ

หน้า

Profiling Consumer Decision-Making Styles in Omnichannel Environment:

Evidence of Thai Consumers

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Abstract

Different types of consumers behave differently in various shopping environments. The retail industry has evolved significantly over the past few years, moving towards an omnichannel setting. This study aims to characterize Thai consumers' decision-making styles when involved in omnichannel shopping, using the Consumer Style Inventory (CSI) by Sproles and Kendall (1986) as a benchmark for consumer shopping behavior. Data from 312 respondents was collected and analyzed using exploratory factor analysis to identify shopping characteristics. The findings indicate five omnichannel shopping characteristics of Thai consumers: spontaneous recreation shoppers, brand-conscious fashionistas, quality-driven bargain hunters, confused by over-choice, and quality-seeking brand loyalists. The results partially confirm the hypothesis that the original CSI does not apply to the contemporary omnichannel setting. Only one variable from the original model, "confused by over-choice," remains relevant in the current omnichannel setting. Marketers should tailor strategies, such as exclusive loyalty programs, price comparison tools, famous brand collaboration, and immersive, to serve these diverse consumer profiles.

Keywords: Consumer decision-making, consumer-style inventory, Omnichannel, Thailand

Introduction

For the last several decades, the retail industry rapidly evolved from single-channel to multi-channel and omnichannel. Rather than managing multiple channels separately, retailers

have integrated information and services across all channels to create a seamless experience. This has created a shift from a multichannel strategy to an omnichannel approach. While the multichannel strategy deals with the whole presence across platforms, the omnichannel strategy focuses on the interaction of different channels to boost consumers' and retailers' interaction simultaneously (Li et al., 2018). This transformation was possible due to the growing pace of information technologies, which facilitated phenomena such as self-checkout kiosks, AI-based tools, and more. Additionally, the presence of easily accessible channels assists retailers in creating touchpoints in brick-and-mortar stores, e-commerce websites, mobile applications, social media websites, and many more, thereby contributing significantly to the industry's development. These changes in technology and distribution channels have a twofold effect. First, they have drastically affected consumer behaviors, influencing how consumers shop and make purchasing decisions. Second, they have challenged retailers to adjust their business models in response to the continued evolution of customer needs while trying to remain competitive (Beck & Rygl, 2015; Verhoef et al., 2015).

Most major studies in omnichannel retailing often focus on a retailer perspective. Examples of such subjects include omnichannel logistics and supply chain management (Liu et al., 2020), channel integration (Zhang et al., 2018), and channel strategy (Hosseini et al., 2018). On the other hand, there is also a body of consumer-focused research in this area of omnichannel retailing. This research examines aspects related to consumer behavior, including consumers' channel choice behavior (Park and Lee, 2017), their patterns of channel usage (Frasquet et al., 2019), their level of engagement across channels (Lee et al., 2019), their omnichannel customer experience (Komulainen & Makkonen, 2018), and their purchase intentions (Shi et al., 2020; Gerea et al., 2021).

Given that consumers exhibit diverse preferences for shopping channels, companies need to understand each consumer's preferred types of shopping channels to customize strategies and services to accommodate the unique requirements of each consumer segment. It is undeniable that omnichannel shoppers have different characteristics. Segmenting them into the right groups enables businesses to provide more tailored and impactful strategies. There has been a significant amount of research on omnichannel shopper segmentation. Various criteria are used to identify several omnichannel shopper characteristics, including

demographics, psychographics, motivation, customer journey stage, customer experience, and many more (De Keyser et al., 2015; Frasquet et al., 2019; Herhausen et al., 2019). Although extensive research has been carried out on omnichannel shopping behavior, there is a notable lack of studies examining omnichannel shoppers through the lens of consumer decision-making styles. This gap indicates an opportunity to further explore how individual decision-making styles affect consumer interaction with different channels in an omnichannel retail environment.

Moreover, studies on omnichannel shopping behavior have been conducted in many parts of the world such as the United States (Kang, 2019; Chen & Chi, 2021), India (Chaudhary et al., 2022), China (Ye et al., 2018), and Korea (Park & Lee, 2017). A minimal number of these omnichannel shopping behavior studies have focused on Thai consumers. This study aims to broaden the scope of the study by focusing on Thailand, given its position as one of the top five fastest-growing online markets in Asia (Bangkok Post, 2022). Therefore, this research aims to fill this gap by investigating whether the model of consumer decision-making style by Sproles and Kendall (1986) is still relevant in today's modern retail environment, specifically the omnichannel environment. Additionally, it intends to provide suggestions on distinctive segments of omnichannel shoppers. The outcomes of this research will provide new insights into different consumer segments in one of Asia's emerging markets. This information can be leveraged in other countries with similar cultures.

Literature Review

An Overview of Omnichannel Shopping in Thailand

The Thai retail industry has transformed significantly due to advancements in information technology and the expansion of distribution channels. Its retail landscape has evolved to seamlessly integrate both online and offline channels. According to Statista (2023), Thailand ranks second in the Southeast Asia region, after Indonesia, in terms of its digital economy. Its e-commerce market is valued at 720 billion Baht (equivalent to around $20 billion). According to the International Trade Administration, U.S. Department of Commerce (2021), Thailand has witnessed a constant growth of more than 20% in its e-commerce market over the past few years. A smartphone penetration rate of 141% of the total population also

accelerates the mobile commerce market (Kemp, 2023). Consumers can easily use mobile applications to browse, compare, and purchase products. At the same time, retail players in the market are focusing on creating a seamless customer experience across multiple retail channels. Local retail giant Central Group is investing 10 billion Baht in retail technology to improve its omnichannel platform (Central Group, 2023). With these combined factors, Thailand's e-commerce market size is estimated to be $26.5 billion in 2023 and $32 billion in 2025 (International Trade Administration, U.S. Department of Commerce, 2024).

Omnichannel Shopping Behavior

Omnichannel refers to the integration of various channels, both physical and digital, into a platform where customers can access them at any place and time for unified shopping (Lazaris & Vrechopoulos, 2014). In this context, consumers simultaneously use different channels to facilitate their shopping behavior. It is becoming increasingly common for consumers to utilize multiple channels when shopping for a product. Neslin et al. (2006) noted that with the rise of omnichannel retailing, customers often use one channel to collect information about products while making purchases through another channel. This behavior is referred to as "research shopping" (Wu et al., 2015), where consumers tend to switch from one channel to another while searching for and purchasing a product (Verhoef et al., 2007). Consumers blend offline and online channels in their purchasing journey. Research shopping includes the two concepts of showrooming and webrooming (Flavián et al., 2020). Showrooming is where buyers examine a product sold offline at a retail store and then use online means to make the purchase (Flavián et al., 2016; Gensler et al., 2017). On the other hand, as consumers research products online across digital platforms such as websites and mobile applications, they buy them from a physical store (Kramer, 2014). This process of purchasing behavior is called webrooming. Omnichannel consumers are shoppers who use multiple channels and engage in both showrooming and webrooming behaviors (Flavián et al., 2020).

According to the literature, various factors influence the types of channels consumers choose for their omnichannel experience. Singh and Jang (2022) emphasize perceived channel characteristics and identify that consumers weigh the perceived benefits against the perceived drawbacks of each channel to determine their choice. Sharma and Fatima (2024) focus on

moderating role of omnichannel habits in the relationship between perceived value and omnichannel usage. Mukhopadhyay et al. (2024) identify that the quality of omnichannel integration affects consumer patronage in an omnichannel environment. Additionally, several researches have stated that consumers choose different channels in the omnichannel environment to fulfill their utilitarian and hedonic needs (Cervellon et al., 2015; Becker et al., 2017; Boardman and McCormick, 2018). Other situational factors such as time (Chocarro et al., 2013), place and social surroundings (Bilgicer et al., 2015), marketing communication (Bilgicer et al., 2015), and distribution availability (Madden et al., 2017) also impact consumers' choice of channels for their shopping experience. Product characteristics are found to have an indirect effect on channel choice. These factors include product price (Xu and Jackson, 2019), product type (Goraya et al., 2022), product complexity (Kim et al., 2021), and product involvement (Chocarro et al., 2013), among others. Consumer characteristics also indirectly affect how consumers choose the distribution channel for shopping. Age and gender are two common socio-demographic factors studied (Dorie & Loranger, 2020). For example, Mishra et al. (2024) study factors influencing the behavioral intention of GenY in using omnichannel service. Additionally, psychographic factors such as price consciousness, openness to innovation, and impulsiveness have been investigated to segment various types of omnichannel shoppers (Sand et al., 2016; Brand et al., 2020; Maggioni et al., 2020).

Consumer Decision-Making Styles

Understanding the consumer decision-making process is crucial for effective marketing strategy as it reflects the enduring characteristics of consumers. Consumer decision-making styles (CDMS) are multidimensional psychological constructs representing an individual's predisposition during the decisions. This knowledge plays a pivotal role in many marketing efforts including market segmentation, positioning, and strategy development (Anić et al., 2012, Sinkovic & Yamin, 2013). CDMS are widely used by marketers as a foundation for consumer segmentation. They offer insights into consumer purchasing behavior by examining the cognitive processes (Makgosa & Sangodoyin, 2018). Substantial research has been conducted regarding this crucial step of decision-making. Recent studies by Abdel Wahab et al. (2023); Garg et al. (2023) also confirm the impact of consumer decision-making style on marketing practice by stating its effect on consumer product involvement and purchase intention.

According to Fan and Xiao (1998), three major approaches are used to study consumer decision-making styles. The first is the lifestyle approach, which identifies several characteristics of consumer behavior. The second is the typology approach, which classifies consumers into different types. The third approach is the consumer characteristic approach, which focuses on the cognitive dimensions of consumer decision-making. Using the consumer characteristic approach, consumer decision-making style is defined as "a mental orientation characterizing a consumer's approach to making choices" (Sproles & Kendall, 1986, p. 276). "It reflects the decision-making styles of consumers when purchasing goods or services" (Baoku et al., 2010, p. 629).

Sproles and Kendall (1986) developed the Consumer Style Inventory (CSI), a tool designed to profile a particular consumer style regarding their distinct decision-making characteristics. The CSI refers to different orientations of decision-making that assist researchers and practitioners in systematically measuring shopping orientations (Wesley et al., 2006). It is a valuable instrument for segmentation and positioning. According to Sproles and Kendall (1986), there are eight unique styles of consumer decision-making: the perfectionist and quality-conscious, brand-conscious, novelty-and-fashion-conscious, and recreational and hedonic shoppers. These are followed by price-conscious, impulse buyers, confused-by-over-choice consumers, and brand loyal. Perfectionist/high quality-conscious consumers are those who put more effort into looking for the best quality products. Brand-conscious consumers purchase expensive and well-known brands based on the belief that having expensive tags means getting high quality. Novelty and fashion-conscious consumers are drawn to new and innovative products, finding excitement from identifying new things. Recreational and hedonic shoppers are those who find fun and pleasure in shopping. Price-conscious consumers focus on getting products at lower prices. Impulsive shoppers make spontaneous purchases without much consideration of money spent. Confused consumers feel bombarded with an excessive number of brands and stores to choose from, often experiencing information overload. Brand-loyal consumers repeatedly purchase from the same stores and buy the same brands.

As each consumer typically exhibits only one or two dominant styles, while some may have no dominant traits, the CSI has been widely employed to study consumer buying behavior across diverse cultures, retail formats, and product categories (Khare, 2016). Since its

introduction, the CSI has been tested in various cultural settings, including the United States (Sproles and Kendall, 1986; Lysonski et al., 1996), Germany (Walsh et al., 2001), China (Hiu et al., 2001; Tai, 2005; Zhou et al., 2010), India (Lysonski et al., 1996; Khare, 2016), and others. Investigations into the CSI have extended beyond traditional retail channels to include online shopping contexts (Khare, 2016; Helmi et al., 2023). The findings from these studies confirm the existence of consumer decision-making styles while also highlighting characteristics that may not align with the original CSI framework. Although there is an abundance of studies on consumer decision-making across international populations, existing studies on Thai consumers often address other products, such as those in the grey market (Rojanasingsawad, Ryding, & Barnes, 2020), environmentally friendly food (Kantatasiri, Jaroenwanit, & Brown, 2015), rather than exploring the omnichannel retail setting. This study aims to assess the applicability of the CSI in predicting Thai consumers' omnichannel shopping behavior. The following hypothesis of "CSI framework is not applicable to validate the decision-making style of Thai consumers in omnichannel shopping context".

Methodology

Instrument Design

The questionnaire survey was developed to collect data and consisted of three sections. The first section contained screening questions based on consumers' experience of purchasing products through various channels. Two questions were developed based on showrooming and webrooming concepts to identify whether consumers "search information offline and purchase online" and/or "search information online and purchase offline" (Chiou et al., 2017) over the past 3 months. The second section collected demographic information from participants, including age, gender, marital status, education, occupation, and income. The third section comprised the original CSI scale from Sproles and Kendall (1986), consisting of 40 items. Samples of CSI measurement items by Sproles and Kendall (1986) are summarized in Table 1. Items were measured on a seven-point Likert scale, with 1 representing "strongly disagree" and 7 representing "strongly agree" to enhance the reliability and validity of the measurement. It produces less response bias than the fewer points scales (Finstad, 2010).

Table 1 Sproles and Kendall's (1986) Consumer Style Inventory

Measurement	No. of Items	Sample Question
Quality Conscious/Perfectionist	8	I make special efforts to choose the best quality products
Brand Conscious	6	The well-known national brands are best for me
Novelty-Fashion Conscious	6	I keep my wardrobe up-to-date with the changing fashion
Recreational	4	Going shopping is one of the enjoyable activities of my life
Price Conscious/Value for Money	3	The lower price products are usually my choice
Impulsive/Careless	5	I should plan my shopping more carefully than I do
Confused by Over-Choice	4	There are so many brands to choose from that often I feel confused
Habitual/Brand Loyal	4	Once I find a product or brand I like, I stick with it

Data Collection

The research focused on the general population with specific characteristics, specifically Thai consumers who have been involved in an omnichannel experience during their purchasing journey in the past three months. Self-administered questionnaires were distributed online through social media platforms such as Facebook, Line, and Instagram using the snowballing method. Questionnaires were distributed through multiple initial participants to diversify the sample and reduce selection bias. A total of 338 questionnaires were completed and returned, with 312 containing usable data. Table 2 outlines the demographic characteristics of the respondents.

Table 2 Descriptive Statistics of Respondents' Profiles (N = 313)

Variable	Frequency	Percentage
Gender		
Male	146	46.6
Female	159	50.9
LGBTQ+	7	2.2

Table 2 (continued)

Variable	Frequency	Percentage
Age		
18-25	54	17.3
26-35	78	25.0
36-45	72	23.1
46-55	73	23.4
Above 55	35	11.2
Status		
Single	147	47.1
Married	138	44.2
Divorces, separated	27	8.7
Education		
Below bachelor degree	33	10.6
Bachelor degree	183	58.7
Master degree	79	25.3
Doctoral degree	17	5.4
Occupation		
Students	34	11.0
Government officials	68	21.8
Private firm workers	133	42.6
Business owners	51	16.3
Others	26	8.3
Income		
Less than 15,000 Baht	28	9.0
15,001-30,000 Baht	86	27.6
30,001-50,000 Baht	93	29.8
50,001-80,000 Baht	60	19.2
80,001-100,000 Baht	28	9.0
More than 100,000 Baht	17	5.4

Analysis and Findings

An Exploratory Factor Analysis (EFA) was conducted on 40 measurement items to classify the consumer decision-making styles of Thai consumers involved in omnichannel purchasing behavior. A Principal Component Analysis with varimax rotation was used to extract the factors, using an Eigenvalue of 1 to determine the number of factors. The factor analysis indicated five factors that accounted for 56.55% of the variability. Out of the forty items, twenty-one had factor loadings of more than 0.5, ranging from 0.535 to 0.752. The remaining items were suppressed since their values were below 0.5. The factors were checked for internal consistency using Cronbach's Alpha value, inter-item correlation, and item-to-total correlation. The analysis showed that all five decision-making styles displayed Cronbach's Alpha values ranging between 0.654 and 0.950. According to Hair, Black, Babin, and Anderson (2010), a Cronbach's Alpha value of 0.7 is a common cutoff; however, a lower value is acceptable in exploratory studies when measuring new constructs. Kline (2013) stated that a Cronbach's Alpha of 0.6 is acceptable at the early stages of research. All inter-item correlations and item-to-total correlations passed the minimum levels of 0.3 and 0.5, respectively, as suggested by Hair et al. (2010). Table 3 displays the five derived constructs and their internal consistency measurements.

Table 3 Exploratory Factor Analysis for the Consumer Decision-Making Style

Factor (Cronbach's alpha)	Items	Factor Loading	Inter-Item Correction	Item-to-Total Correlation
Spontaneous Recreation Shoppers (α = 0.950)	Shopping is not a pleasant activity to me ®	-0.752	0.46 - 0.62	0.54 - 0.71
	Shopping is a waste of my time ®	-0.750		
	I enjoy shopping just for the fun of it	0.721		
	I make my shopping trip fast ®	-0.695		
	I am impulsive when purchasing	0.694		

Table 3: (continued)

Factor (Cronbach's alpha)	Items	Factor Loading	Inter-Item Correction	Item-to-Total Correlation
Brand Conscious Fashionistas (α = 0.868)	Fashionable, attractive style is very important to me	0.679	0.36 - 0.65	0.54 - 0.72
	I prefer buying the best-selling brand	0.637		
	The higher the price of a product, the better its quality	0.635		
	The most advertised brands are usually very good choices	0.624		
	A well-known national brand is best for me	0.552		
	I keep my wardrobe up-to-date with the changing fashion	0.547		
	I usually have one or more outfit of the very newest style	0.535		
Quality-Driven Bargain Hunters (α = 0.685)	I look carefully to find the best value for money	0.694	0.32 - 0.43	0.51 - 0.54
	Getting very good quality is very important to me	0.683		
	I buy as much as possible at sales prices	0.555		
Confused by Over Choice (α = 0.691)	The more I learn about the products, the harder it seems to choose the best	0.630	0.39 - 0.46	0.50 - 0.54
	Sometimes it is hard to choose which stores to shop	0.614		
	There are so many to brands to choose from that often I feel confused	0.547		

Table 3: (continued)

Factor (Cronbach's alpha)	Items	Factor Loading	Inter-Item Correction	Item-to-Total Correlation
Quality-Seeking Brand Loyalists (**α** = 0.654)	I have favorite brands I buy over and over	0.710	0.35 - 0.42	0.50 - 0.56
	My standards and expectations for products I buys are very high	0.623		
	When it comes to purchasing products, I try to get the very best perfect choice	0.574		

Out of the five factors identified, one factor, confused by over choice, was consistent with the original CSI model in classifying Thai omnichannel shoppers. The four new factors identified were named spontaneous recreational shoppers, brand conscious fashionistas, quality-driven bargain hunters, and quality-seeking brand loyalists. Four items from the original scale of recreational shoppers and one item from impulsive shoppers were loaded under one factor. This factor was named spontaneous recreational shoppers. The brand conscious fashionistas variable contained seven items from the original scales of brand conscious consumers and fashion-conscious consumers. The remaining two factors described consumers with a concern for quality. The quality-driven bargain hunters factor included one item from brand conscious and two items from price conscious, while the quality-seeking brand loyalists variable contained two items from brand conscious and one item from brand loyal. Therefore, the hypothesis is partially accepted.

The average scores of the five confirmed consumer decision-making styles were examined to assess their importance in representing the shopping behaviors of Thai consumers in the context of an omnichannel shopping environment. The mean scores of the constructs were calculated by adding the mean scores of all individual items and then dividing by the number of items. A greater score value indicates a higher representation of Thai consumer characteristics. Table 4 exhibits the mean score of each variable.

Table 4: Average Score Analysis of Consumer Decision-Making Style

Decision-Making Style	Mean	Standard Deviation
Spontaneous Recreation Shoppers	3.78	0.5614
Brand Conscious Fashionistas	5.04	1.0337
Quality-Driven Bargain Hunters	5.50	0.8637
Confused by Over Choice	5.14	1.0677
Quality-Seeking Brand Loyalists	5.55	0.8857

Discussion

From the original model of consumer decision-making style developed by Sproles and Kendall (1986), only one factor was confirmed. This indicates that consumer shopping behavior has changed due to many influences such as technology, culture, and society. For the four new factors proposed, the names were given based on the content contributed to the dimensions. The "Quality-Seeking Brand Loyalist" dimension is the most outstanding omnichannel shopping characteristic among Thai consumers, with a mean score of 5.55. This indicates that Thai consumers are concerned about quality when purchasing products, and the brand still plays an important role. Being quality-conscious, Thai consumers continue to purchase the same satisfying brand they have experienced in the past. The finding of this new dimension is in line with previous literature. According to Pappu et al. (2006), quality-conscious consumers tend to be loyal to brands they associate with high quality. Studies by Kumar et al. (2006); Das (2014) reveal that quality perceptions drive consumer brand and store loyalty, indicating that quality-conscious consumers tend to be more brand loyal. With a focus on quality and brand loyalty, it is expected that consumers who possess these two characteristics are likely to be omnichannel shoppers. Quality-conscious consumers extensively search for information to ensure the best quality purchase decisions. Omnichannel shopping allows them to gather, compare, and verify information across various channels to ensure the quality they seek (Verhoef et al., 2015). Consistency in the quality of products and services when consumers experience brands through online, offline, mobile apps, or other omnichannel platforms generates trust and loyalty (Melero et al., 2016).

The second strongest characteristic of Thai consumers demonstrating omnichannel shopping behavior is being "quality-driven bargain hunters," with a mean of 5.50. It is not surprising that Thai consumers are bargain hunters. Thai consumers are price conscious and often seek promotions to maximize the value received. They prioritize affordability and value for money aspects when purchasing products. Evaluating price against quality received is their common behavior. The content of this dimension shows that "quality-driven bargain hunters" seek the best value, look for the best quality, and aim for the lowest possible price. The existence of this behavior confirms previous literature by Zeithaml (1988); Rao and Monroe (1989) that consumers perceive value based on price and quality. It is undeniable that this type of consumer would thrive in an omnichannel shopping environment, as various platforms allow them to leverage multiple sources of information to optimize their purchasing decisions. With diverse touchpoints in omnichannel, quality and price comparisons are enhanced (Gao and Su, 2017). Consumers can compare prices, read reviews, and check product availability across omnichannel platforms to get the best deal. The decision-making process becomes more informed regarding price, quality, and value (Verhoef et al., 2015).

"Confused by over choice" is the only variable that aligns with the original consumer decision-making style by Sproles and Kendall (1986). This characteristic demonstrates a mean score of 5.14. A possible reason to explain this behavior among Thai consumers lies within the context of the changing retail environment. Thailand's retail market has undergone significant changes in both online and offline settings, offering countless products and services through various omnichannel options (Goraya et al., 2022). Despite the abundant information available across platforms, conflicting information may arise, contributing to the complexity of new shopping options. Consumers may become confused and face difficulties in choosing and making decisions. This explains the existence of "confused by over choice" consumers in the omnichannel shopping environment. However, this type of consumer may not enjoy the omnichannel shopping experience. The overabundance of choices and information could overwhelm them, causing more stress in their decision-making and leading to decision fatigue (Iyengar & Lepper, 2000; Tugend, 2010; Chernev et al., 2015). Consequently, these consumers are likely to obtain less enjoyment from shopping.

"Brand-conscious fashionistas" is the fourth characteristic of Thai consumers identified in the omnichannel shopping environment, with a mean score of 5.04. One possible reason to explain this Thai consumer behavior is the retail landscape itself. Numerous shopping malls, luxurious boutiques, and online platforms cater to brand and fashion-conscious behaviors by continuously offering new trends to satisfy customers and remain competitive in the market. Moreover, well-known brands and fashionable items signify social status for Thai consumers. Therefore, it is foreseeable that this characteristic exists in the Thai context. Literature also confirms the overlap between brand consciousness and fashion consciousness characteristics. Consumers associate well-known brands with the latest fashion trends. Those who are aware of new fashion trends prefer famous global brands (Park & Rabolt, 2009; Khare & Rakesh, 2010). "Brand-conscious fashionistas" are likely to be involved in omnichannel shopping behavior since these platforms allow them to enhance their shopping experience by keeping up with the new trends offered by various brands. Multiple platforms enhance accessibility to up-to-date trends. Moreover, integrated brand experiences can easily be captured through these online and offline channels (Goraya et al., 2022).

Lastly, "spontaneous recreation shoppers" represent the weakest shopping characteristic identified, with the lowest mean score of 3.78. This outcome illustrates that Thai consumers are less likely to be "spontaneous recreation shoppers" when involved in omnichannel shopping. The result is unexpected yet understandable. Shopping is often viewed as a social activity in Thai society. Hanging out with friends and family in shopping places serves a recreational purpose. The abundance of shopping malls, especially in Bangkok, makes shopping more convenient. The ease of access to multiple omnichannel platforms allows consumers to shop anywhere and anytime, facilitating impulse purchases for recreational purposes (Shankar et al., 2003; Verhoef et al., 2015). Moreover, constant exposure to trends on ever-booming social media contributes significantly to spontaneous shopping behavior. On the contrary, a substantial portion of Thai consumers are experiencing financial constraints (World Bank, 2019). Consumers are more cautious in their spending, prioritizing essential items over discretionary ones. Consequently, recreational and impulse purchases are less likely to occur. Additionally, omnichannel shopping may not be as attractive to

"spontaneous recreation shoppers" as in-store shopping due to its limited ability to provide immediate gratification of the purchase (Aragoncillo & Orus, 2018).

Conclusion and Implications

This study aimed to characterize the decision-making styles of Thai consumers in an omnichannel shopping environment using the original Consumer Style Inventory by Sproles and Kendall (1986) as a benchmark. The results indicate evolving decision-making styles. Only one dimension, "confused over choice", remains in line with the original model. Four new consumer profiles are identified, portraying new characteristics in an omnichannel environment. These characteristics include "quality-seeking brand loyalists", "quality-driven bargain hunters", "brand-conscious fashionistas", and "spontaneous recreation shoppers". The findings confirm that consumer behaviors have substantially changed throughout the years. Consumers are becoming more complex in their decision-making.

It is evident from the research that consumers do not possess only one characteristic but also blended ones as shown through findings of four new characteristics. Marketers have to adjust their strategies for these diverse profiles. To serve those who are concerned about quality, ensuring good and consistent quality should be a mandated strategy. Loyalty programs and coherent brand messages should be provided to create trust and loyalty. At the same time, equipping all channels with comprehensive information about competitive pricing and price comparison could attract bargain hunters. Serving the fashionistas, marketers should continuously update inventory to match the latest fashion trends while integrating technologies to enhance the seamless shopping experience. Collaboration with famous brands to provide exclusive collections is another option to fascinate the brand-conscious. For consumers who are spontaneous shoppers, marketers should create impulse purchase opportunities through intriguing displays and low-price cuts. Constant notification on new arrivals and special offers could be provided to trigger the impulse purchase. Enjoyable in-store experiences, such as ease-to-shop layout, interactive displays, and events, could make shopping more recreational.

Limitations and Future Research

This study profiles the consumer decision-making characteristics of Thai consumers in an omnichannel environment. The findings are specific to consumers in Thailand. It is recommended to conduct further research in other cultural contexts that have a high adoption of omnichannel practices. Furthermore, consumer decision-making behavior could vary by product category. Some products are more likely to be purchased through omnichannel channels, while others through single channels. Integrating different product categories into the study to determine shopping characteristics and channel choices is suggested. Additionally, besides decision-making characteristics, there are other factors that influence consumers' intention to purchase through omnichannel. Further exploration of these factors could add value to the study field.

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The Influence of Product and Service Quality on Coffee Shop Entrance Fees:
An Application of Hedonic Price Theory

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Abstract

The purpose of this research was to study factors affecting coffee shop entrance fees according to the characteristics of the coffee shop. This research applied hedonic pricing theory to determine entrance fees of coffee shops, which were location, product characteristics, and service. The secondary data was retrieved from Facebook and Google Maps business information of 134 coffee shops in tourist towns in Thailand. The data was analyzed by regression analysis. The research found that factors determining entrance fees were consistent and statistically significant with the theory, especially the mountain view, and the redemption of entrance fees for products. However, the social media factors, Facebook followers, and Google Maps ratings were not significant to entrance fees, which implies that there was a problem with the quality of followers and rating of coffee shops.

Keywords: Hedonic Pricing Theory, entrance fees, coffee shop

Introduction

Consumer behavior changes in recent years have induced coffee shop businesses to create appealing menus and ambiances that attract customers to plan their travel to stop by

and take photos for their accounts on social networking services. The growth of the food and beverage industry, especially in the coffee shop business, has led to increased competition, cost pressures, and new entrants. Coffee shop owners need to create unique selling points to attract customers and maintain competitiveness amidst these changes. Business owners must consider all factors influencing consumer decisions to meet the increasing demand and maintain market share (Fogarty, 2012; Raab et al., 2009).

The situation of the coffee shop industry is expected to continuedly growing, driven by the recovery from COVID-19 and government economic stimulus policies. The rapid expansion of the franchise of big brands of coffee shops, and small coffee shops can start a new business easier through social media platform marketing and delivery platform support. However, the industry still faces challenges from the incomplete recovery of purchasing power and rising costs. The variety of consumer choices requires coffee shop owners to be cautious in investment and cost management. Despite the growth trend, the recovery of the food and beverage business remains fragile, necessitating careful adaptation and management to maintain profitability (Parsa et al., 2010).

While facing fierce competition in the industry, coffee shops should consider the pricing strategy of food and beverages, and entrance fees of coffee shops, as important factors for attracting consumers and boosting business revenue. Appropriate pricing strategies are critical factors in running a restaurant or coffee shop, considering the quality of products, services, ambiance, and customer experience. Entrance fees must offer value and attract customers, while product prices should reflect quality and lead to profits. Inappropriate pricing is one of the reasons for coffee shop business failures. Therefore, coffee shop owners must carefully define customer segments and other factors. Effective pricing strategies must balance customer attraction and business profitability (Shoemaker et al., 2005; Parsa et al., 2005).

The hedonic price theory can be used to analyze the pricing of coffee shop entrance fees by considering characteristics of coffee shops such as location, product, and service quality. Additional factors are popularity in social networking services, number of reviews, influence on customers' perceived quality, and willingness to pay. Although this model is commonly used in the real estate and hotel industries, it can be applied to coffee shop businesses to analyze the shadow price. However, studies on coffee shop entrance fee pricing

based on this concept are limited, justifying further research to understand the factors influencing business success (Lancaster, 1966; Raab et al., 2009).

Research objectives

To study the factors influencing the determination and price level of entrance fees for coffee shops based on the shop's characteristics.

Literature review

Hedonic Price Theory

Hedonic Price Theory is an economic concept that explains the relationship between a product's price and its characteristics. The theory suggests that the price of a product is the sum of the values consumers assign to each of its attributes. It developed from Lancaster's (1966) study, which suggests that consumers decide to purchase goods based on the attributes that bring them satisfaction, rather than the product itself. The Hedonic Price Method applies this theory to set prices according to consumer satisfaction derived from various product attributes. It is particularly useful for analyzing markets with diverse and differentiated products, such as real estate, computers, and automobiles. The theory helps to identify the value of each attribute, offering a better understanding of consumer decision-making and pricing mechanisms in complex markets. It is valuable for analyzing consumer behavior, marketing strategy development, and product development to meet consumer needs effectively (Rosen, 1974).

Hedonic Price Theory is linked to the concept of Quality Heterogeneity by considering the variety in product quality within the same market, affecting pricing. This model employs consumer utility theory and regression analysis to determine the relationship between product attributes and price. Ladd and Suvannunt (1976) developed a model suitable for analyzing food products, assuming a fixed number of attributes for consumers, while producers can modify them. Regression equations are used to identify the relationship between attributes and price. The pricing of entrance fees to coffee shops can be categorized into two groups:

location-related attributes and product and service quality attributes, represented by the pricing equation exhibited in Rosen (1974) as follows:

$$P = f(X_i)$$

where P is the price and Xi are various characteristics of the goods or services.

Location-Related Attributes

Location-related attributes are important in evaluating the price of a product. In Hedonic Price Theory, pricing based on location attributes involves analyzing how various characteristics affect a product's price. The design and location of a shop impact customer satisfaction and can enhance the product's value. Rosen (1974) suggested that the value of goods is related to their characteristics or generally beneficial attributes. This approach is often applied in real estate economics, where different attributes of houses, such as the number of bedrooms or bathrooms, determine the actual value of the property. For instance, Anglin and Gençay (1996) noted that attributes like the number of bedrooms, bathrooms, and yard size increase house prices. This indicates that location attributes significantly impact pricing for coffee shop entrance fees. Analyzing these attributes using Hedonic Pricing Theory helps understand how each feature affects the price, enabling coffee shop operators to set prices appropriately to market conditions and customer expectations. Abrate, Capriello, & Fraquelli (2011) studied hotel room pricing and found that hotel characteristics such as the number of amenities, services, hotel size, star rating, brand association, and location significantly affect room rates.

Accessibility Characteristics

The study of coffee shop entrance fees using Hedonic Price Theory aligns with accessibility characteristics, analyzing how accessibility-related attributes affect a product's value and price. For example, in purchasing a residence, accessibility would include proximity to essential places, amenities, or distance from key locations like shopping malls, schools, or parks. Emphasizing good accessibility can increase property prices as consumers seek a convenient lifestyle with easy access to various facilities. Understanding and analyzing how accessibility affects the price of goods or services helps businesses and consumers

comprehend the value of each attribute, facilitating more rational buying and selling decisions (Andersson, 2010). In comparing coffee shop entrance fees, accessibility characteristics include the shop's location, distance from the community, distance from tourist attractions, type of shop, and atmosphere (e.g., mountain views). Hedonic Price Theory is frequently used in hotel research, where various attributes like location, amenities, and services significantly affect pricing. Espinet et al. (2003) found that hotel size, star rating, city location, distance from the beach, and parking availability are key factors in determining hotel pricing. This data shows that location and atmosphere significantly influence the pricing process for goods or services.

To gain a competitive advantage in the business, coffee shop owners or operators focus on the atmosphere of their establishments, as it is a crucial factor that significantly affects pricing. A unique and attractive atmosphere often creates a positive experience for customers, which can increase their satisfaction and willingness to pay higher prices for their coffee shop visit. Elements such as interior decoration, music, and scenic views, like those of the sea or mountains, are often investments aimed at enhancing the customer experience. These factors can enable coffee shops to set higher prices and influence customers' decisions to choose their establishment. However, pricing must also consider the cost of providing services, including expenses for maintaining the shop's atmosphere. It is essential to ensure that the set prices align with the overall satisfaction and expectations of the customers. Creating a valuable and engaging atmosphere is a strategic approach that allows coffee shops to price their offerings appropriately for the market and target customers (Loureiro et al., 2013).

Product and Service Quality Attributes

The Hedonic Price Theory suggests that product pricing is based on various product and service attributes. Analyzing the impact of each attribute on pricing helps producers or sellers set prices that accurately reflect the product's value in the market. Improving the quality of products and services based on these attributes can increase value, directly affecting pricing. Prices are set according to the value consumers are willing to pay for the features and benefits associated with the product or service. Higher quality goods or services can charge higher prices, as they reflect better attributes, directly impacting the product's cost and market price (Zeithaml et al., 2006). In the restaurant industry, menu design and pricing are critical to

business performance, and prior research has shown that effective menu design can significantly increase profits (Annaraud, 2007; Yang & Chang, 2011).

The quality of goods and services greatly affects pricing since consumers are generally more satisfied and willing to pay higher prices for high-quality products or valuable services. Therefore, high-quality goods or services are likely to be priced higher than lower-quality ones in the market due to increased consumer demand and satisfaction. Moreover, quality affects the shop's costs; maintaining high product or service quality incurs higher expenses, potentially leading to higher prices. Menu analysis is a vital tool for restaurant owners to determine pricing, as effective pricing strategies can lead to consumer satisfaction and financial success (Atkinson & Jones, 1994). For coffee shops charging entry fees, product and service quality attributes, such as the ability to redeem entry fees for goods, the number of Facebook followers, the number of Google Maps reviews, and the review scores on Google Maps, are considered. Premium coffee shops with high entry fees typically have distinctive identities and offer special or luxurious experiences. Shops with additional features, like live music or performances, may also charge higher entry fees. Shops that use pricing to create a premium image may set higher entry fees than regular coffee shops. Therefore, shops with high product and service quality and a focus on exclusivity and luxury can set higher entry fees to reflect the value and experience offered, in line with Hedonic Price Theory (Ryu & Han, 2010).

Reputation and Success Factors

Reputation is another critical factor for the success of restaurants or coffee shops, as these businesses are experience-based, and customers cannot fully evaluate them before consumption. Consumers may feel uncertain when choosing a service, so they often seek others' opinions before purchasing goods or services. In the restaurant and coffee shop industry, the impact of word-of-mouth has been extensively studied and recognized as a crucial source of information for consumer decision-making (Luca, 2016; Fogarty, 2012). Zhang et al. (2010) studied different types of online reviews, showing a significant positive relationship between consumer-generated ratings about food quality and service and online popularity, such as website visits. Luca (2016) analyzed the impact of consumer reviews on social media, finding a positive correlation between star ratings and restaurant revenue. Restaurants with higher review volumes tend to engage online reviewers more actively than

those with fewer reviews. Therefore, consumer reviews can be used to verify a restaurant's reputation. Yim et al. (2014) applied the Hedonic Pricing model to analyze key attributes influencing food prices in restaurants. The research found that food quality and presentation significantly positively impact food prices. At the same time, factors like the number of blogger reviews (e-WOM), location on the first floor of a building, Italian cuisine, and franchise status negatively affect food prices. Fogarty (2012) concluded that restaurant reputation rankings and expert opinions correlate with Hedonic pricing.

Research Methodology

This study examines the relationship between various attributes and the pricing analysis of coffee shop entry fees. It discusses relevant theories and summarizes previous research to provide a foundation for this study. The research is presented in the following order; data collection and data analysis.

Data Collection

Data was collected from a total of 134 coffee shops, categorized into two types: 50 coffee shops that charge entry fees and 84 general coffee shops that do not charge entry fees. The data was gathered from Facebook and business information on Google Maps. The researcher collected this data to examine and compare the entry fees of coffee shops. The variables used in the data collection were derived from a review of the relevant literature, focusing on two components:

1. Location-related attributes as independent variables influencing the entry fee pricing in this research. Since location directly affects costs, customer access, and the shop's image, it is also related to competition, target customer groups, and pricing strategies. Studying these relationships helps to understand pricing mechanisms in the coffee shop business comprehensively.

2. Product and service quality attributes are independent variables that influence entry fee pricing in the research. These factors reflect the value, popularity, and customer perception of the coffee shop, which affect pricing.

The study identifies five independent variables related to attributes that influence coffee shop entry fees based on product characteristics, detailed as follows:

Location-Related Attribute (1 Variable):

　　1. Mountain View: Coffee shops with a mountain view are coded as 1, while those without are coded as 0.

Product and Service Quality Attributes (4 Variables):

　　1. Type of Shop Charging Entry Fees: Coffee shops that allow the entry fee to be fully redeemed for products are coded as 1, while those that do not allow redemption are coded as 0.

　　2. Number of Facebook Followers: The number of followers of the coffee shop's Facebook page.

　　3. Number of Google Maps Reviews: The total number of reviews on Google Maps for the coffee shop.

　　4. Google Maps Review Score: The average review score of the coffee shop on Google Maps.

Table 1 A summary of the variables for the sample group.

variable	Mean	SD	Min	Max
Shop with mountain view (N= 26)				
Coffee shop entrance fee	82.31	56.94	20	300
No. of followers on Facebook	42,896.15	40,853.30	33,000	150 000
No. of reviews on Google Maps	740.08	919.48	20	3,932
Google Maps Review Score	4.38	0.23	4	4.9

Table 1 (continued)

variable	Mean	SD	Min	Max
Shop with no mountain view (N= 108)				
Coffee shop entrance fee	18.33	40.45	0	250
No. of followers on Facebook	33,484.17	49,207.48	690	370,000
No. of reviews on Google Maps	770.56	1,331.45	18	12,324
Google Maps Review Score	4.36	0.24	3.6	4.9

Data analysis

This research utilizes the Hedonic Price Method to analyze the relationship between various factors or attributes and coffee shop entry fees. The study uses Regression Analysis to calculate equations and examine the direction and relationship of different independent variables affecting the pricing of coffee shop entry fees, based on the hypotheses. The independent variables are categorized into two main groups, and the collected data is analyzed using statistical software as follows:

$$P_i = f\left(X_{ij}, Control_{ik}\right) \tag{1}$$

$$P_i = \alpha + \beta_j \sum_{i=1}^{n} \sum_{j=1}^{m} X_{ij} + \beta_k \sum_{i=1}^{n} \sum_{k=1}^{p} Control_{ik} + \varepsilon \tag{2}$$

where

P_i is Dependent variable: Price of entrance fee to store i. The nth shop in this study has a total of 134 shops that charge an entrance fee and do not charge an entrance fee.

α is the hidden price of the entrance fee to the store

β_j Shadow price of characteristic j

X_{ij} is the independent variable is the jth characteristic of the ith store.

Where j=1 is a coffee shop with a mountain view.

j=2 is the type of coffee shop where an entrance fee can be exchanged for goods and services

j=3 Number of followers on Facebook

j=4 Number of Google Maps reviews x Google Maps review score

$Control_{ik}$ is the control variable of store i together with

where k=1 accepting credit card payments

k=2 large store type

k=3 Types of services provided by the store

k=4 provinces where coffee shops are located

Table 2 Hedonic Pricing Analysis of Factors Determining Coffee Shop Entrance Fees

Variable	Price	% of store entrance fees
Constant (entrance fee)	173.07***	100.00
Mountain View (0 = No, 1 = Yes) coffee shop with a mountain view.	25.34*	14.64
Exchangable Fee (0 = No, 1 = Yes) coffee shop where entrance fee can be exchanged for goods and services	30.11***	17.40
No. of followers on Facebook	33.18	19.17
No. of Google Maps reviews x Google Maps review score	1.54	0.89
Accepting credit card payments	YES	
Large store type	YES	
Types of services provided by the store	YES	
Province where the coffee shop is located	YES	
Total Observations	134	
Chi-squares Test	9.79***	
R-Squared	0.6938	

Statistical significance level of *0.1, **0.05, and ***0.01

Results and discussion

The regression analysis of coffee shop entry fee pricing, based on coefficients, provides the following findings: The Chi-squared Test statistic is 9.79, and the Coefficient of Determination (R-squared) indicates the percentage of variance in the dependent variable explained by the estimated model. The results show that all factors together explain 69.38% of the variation in the combined pricing of coffee and entry fees.

The analysis reveals that the factor of having a mountain view significantly impacts the determination of coffee shop entry fees at a significance level of 0.1. Compared to a base entry fee of 173.07 THB, the presence of a mountain view can increase entry fees by 25.34 THB. A scenic mountain view is considered an added attribute that enhances consumer value and experience, consistent with the Hedonic Price Method, which considers such attributes as crucial determinants of price. A beautiful mountain view enhances the ambiance and provides a better experience for consumers, making the visit more valuable. As a result, consumers are willing to pay higher prices for the experience of enjoying a scenic view. The finding that the mountain view factor is statistically significant in pricing decisions indicates that this attribute is important to consumers and influences their willingness to pay higher fees for better experiences. Therefore, unique attributes, such as a scenic view, are essential for operators to consider, as they can create added value and justify higher service pricing. This aligns with the research by Yim et al. (2014), which stated that restaurant decor, aesthetics, and convenience significantly affect food pricing. Similarly, De Silva et al. (2013) found that amenities, location, and establishment features correlate with higher pricing. Fogarty (2012) concluded that location is vital to a restaurant's success, where visually appealing locations serve as selling points that attract customers. Maintaining a natural atmosphere in a shop involves high costs, such as maintaining open spaces, sourcing natural materials, or environmental maintenance. These factors need higher pricing to recover costs and generate profit, including adjusting food prices accordingly. This is consistent with Espinet et al. (2003), who found that hotel location, accessibility, size, decor, star rating, city proximity to the beach, parking facilities, and amenities significantly affect hotel pricing processes. The study's findings align with research on factors influencing pricing in the food and beverage industry, where location and surrounding ambiance are critical factors for customers (Ryu & Han, 2010; Ryu et al., 2012). Coffee shops

with distinct locations and ambiance, such as scenic views, can create positive customer experiences, leading to a willingness to pay higher prices. However, pricing in the food and beverage industry must also consider other factors, such as raw material costs, labor, rent, and local competition. Therefore, operators must carefully evaluate various factors to set appropriate and competitive prices.

The factor related to coffee shops that charge entry fees redeemable for products significantly affects entry fee pricing at a 0.01 significance level. Compared to a base entry fee of 173.07 THB, this attribute allows for an increase of 30.11 THB. This finding suggests that this attribute is essential to consumers and influences their decision to pay higher entry fees. Allowing consumers to redeem entry fees for products provides additional utility, which follows the Hedonic Price Method principle of considering various attributes and utilities as critical pricing factors. When a coffee shop offers extra benefits, such as redeemable entry fees for products like food and beverages, consumers perceive added value and are willing to pay more. Consequently, coffee shops can set higher entry fees due to the increase in perceived value. Therefore, operators can set higher prices if the product features are superior to competitors or align with customer needs (Marn et al., 2004; Hinterhuber, 2008). In the case of coffee shops that allow entry fees to be redeemed for products, this is a unique attribute that adds value to the service, as customers receive both the experience of visiting the shop and the product. This differs from typical coffee shops, allowing these shops to set higher entry fees based on perceived customer value. However, pricing according to this theory must consider perceived customer value; if customers do not see the value in unique features, they may not accept higher prices. Therefore, operators must communicate and build appropriate value perception for customers (Nagle & Hogan, 2006). This is consistent with Zeithaml et al. (2006), who stated that pricing is cautiously determined to represent product and service quality for consumers, and with Annaraud (2007) and Yang and Chang (2011), who emphasized that menu design and pricing are critical to restaurant performance, with effective menu design maximizing profitability. Yim et al. (2014) studied restaurant pricing factors and found that ratings, food presentation, and menu variety positively affect pricing. Fogarty (2012) noted that the type of food sold affects pricing differently. This analysis demonstrates that menu pricing

or service entry fees are essential tools for restaurants and coffee shops, as effective pricing strategies can lead to consumer satisfaction and financial success.

The factor of the number of Facebook followers did not show statistical significance when compared to a base entry fee of 173.07 THB. Similarly, the number of Google Maps reviews and review scores showed no statistical significance. This study suggests that the number of followers and reviews may not be significant due to insufficient data. The impact of review scores on pricing may depend on various factors, such as the reliability of reviews, the number of reviewers, and the purpose of the reviews. Fake reviews significantly affect coffee shop pricing by creating inaccurate perceptions about the products or services, leading to customer distrust and reduced credibility of the coffee shop. Social media has enabled the monetization of positive reviews, which can account for up to 17.40% of entry fees, though this is not statistically significant.

Social media metrics can be monetized if a shop can generate significant engagement. Increased reviews can translate into revenue, but this cannot be statistically confirmed due to a modest 17.40% influence. This finding suggests that followers on Facebook or reviews might be manipulated, making it difficult to distinguish genuine from fake popularity, thus lacking statistical significance. Nonetheless, this study found a 17.40% influence on coffee shop entry fees if reviews are considered. Although reviews do not significantly affect entry fee pricing, the overall consideration of reviews may impact long-term pricing strategies. Businesses should pay attention to reviews and use them appropriately in pricing decisions. Chossat and Gergaud (2003) mentioned that customer reviews on service, food, and decor are related to food pricing, explaining how restaurant ratings on social media are based on consumer data and dining experiences. In the service industry, word-of-mouth impacts are recognized as a vital source of consumer decision-making. Consumers can easily find reviews of restaurants, menus, and locations. Additionally, blogger reviews on social media platforms such as Facebook, Wongnai, and Google Maps have become sources of restaurant reviews, which are factors in pricing goods and services (Fogarty, 2012; Jeong & Jang, 2011; Litvin et al., 2008).

Previous studies have shown that service quality is a critical factor in food pricing, with good reviews leading to better pricing decisions, aligning with Luca (2016), who noted that consumer reviews on social media affect food and entry fee pricing and that star ratings on social media have a positive correlation with restaurant revenue. Fogarty (2012) also found that online critic ratings and customer opinions influence food and entry fee pricing but should be based on genuine reviews.

The control variables include factors such as credit card payment options, large shop types, types of services offered (e.g., shops selling beverages only, beverages and bakery, or beverages, bakery, and food), and the province location of the coffee shops. The provinces include Chonburi, Nakhon Ratchasima, Phetchabun, Chiang Mai, Prachuap Khiri Khan, Bangkok, Kanchanaburi, Chiang Rai, Nong Khai, Nakhon Pathom, Nonthaburi, Pathum Thani, Lamphun, Lopburi, Prachinburi, and Ayutthaya. These control factors ensure that the study results are accurate and realistic in determining coffee shop entry fee pricing.

Recommendations for Application of the Research

Recommendations for Consumers

The research findings on the factors affecting coffee shop entry pricing, including location attributes and product and service quality, align with previous studies. Consumers can use these understandings to plan their visits to coffee shops. For those seeking a unique and special experience beyond typical coffee shops, selecting venues with scenic views, such as mountain vistas, is recommended. These establishments can charge higher entry fees due to the added value of the ambiance. Consumers should also consider shops that offer special benefits, such as redeemable entry fees for products, which provide additional value beyond the in-shop experience, making the higher entry fee worthwhile. For a standout and novel experience, selecting a coffee shop that offers both mountain views and redeemable entry fees will provide a dual benefit of scenic enjoyment and special privileges. Such establishments often charge the highest entry fees. In summary, consumers should consider the unique attributes and special benefits of each shop to determine whether the higher entry fee offers good value, ensuring a good experience.

Recommendations for Coffee Shop Operators

Coffee shop operators can use these factors, including location attributes and product and service quality, to target appropriate consumer segments. The study also finds that the ambiance and scenic views can significantly add value to the business. Operators can use this research to set entry fees based on the costs of goods or services appropriately. Analyzing the impacts of this study highlights the relationship between business strategies, the coffee market, and economic outcomes. The insights provided can help coffee shop operators understand the importance of research and its practical applications. Operators should focus on enhancing the shop's scenic views, particularly mountain views, which are significant factors allowing for higher entry fees, as customers are willing to pay more for beautiful scenery. Additionally, offering special benefits, such as redeemable entry fees for products, adds perceived value, allowing for higher pricing. If a shop offers both mountain views and redeemable entry fees, it can set the highest entry fees by combining these two attractive factors, with customers willing to pay a premium for the experience and benefits received. It is also crucial for operators to study and analyze competitors in the nearby area to set competitive entry fees based on the shop's attributes and incentives. Effective communication of the shop's unique qualities and benefits to customers can help demonstrate the value and justify higher entry fees.

Recommendations for Future Research

This study focuses on determining coffee shop entry fees based on specific shop attributes and factors influencing pricing. Given the highly competitive nature of the food and beverage industry, with multiple factors contributing to business success, future research should consider both coffee pricing and entry fee determination. Future studies could explore consumer demand concerning willingness to pay for coffee and entry fees to survey and analyze consumer behavior and preferences related to coffee pricing. Additionally, examining the supply side of coffee shop businesses could help businesses understand consumer needs and respond appropriately. This approach would also facilitate systematic and efficient service improvements to better align with market demands.

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A Study on the Impact of Reward Programs on Building Brand Loyalty

for Buffet Restaurants and Perception of Environmental Value

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Abstract

This study explores the impact of reward programs on building brand loyalty and enhancing the perception of environmental value among consumers of buffet restaurants in Bangkok and its vicinity. With intense competition and rising raw material costs in Thailand's restaurant industry, reducing food waste while fostering customer loyalty is vital. The research employs a quantitative approach, utilizing survey data from 428 consumers, categorized by reward type and frequency of visits. Structural Equation Modeling (SEM) reveals that rewards and brand engagement significantly influence both intrinsic and extrinsic motivations, leading to higher participation in loyalty programs. Findings indicate that different reward types (restaurant vs. shopping mall coupons) and visit frequencies affect the perceived effectiveness of loyalty programs. Consumers receiving restaurant coupons emphasize environmental value and brand engagement as key to loyalty, whereas those with shopping mall coupons focus more on the loyalty program itself. The study concludes that integrating rewards, motivations, and sustainability into loyalty programs not only boosts customer engagement but also supports environmental sustainability. These insights suggest that effective loyalty programs in buffet restaurants should balance rewarding consumer participation and promoting sustainable practices, contributing to both brand loyalty and environmental awareness.

This research provides a framework for businesses to develop strategic loyalty programs that align with consumer behavior and environmental goals, offering a pathway to long-term sustainability and profitability in the restaurant sector.

Keywords: Intrinsic and extrinsic motivations, rewards, loyalty programs, brand loyalty, engagement, perceived environmental value, buffet restaurants

Introduction

The competition in the restaurant business in Thailand is intense, with a significant market value as the role of food plays an integral part in Thai culture and lifestyle. The characteristic of restaurant industry has low barriers to entry, making it relatively easy for new entrepreneurs to enter the market. As a result, the number of restaurants has been increasing, whether through the establishment of new businesses or the expansion of branches by large firms. However, many restaurants are forced to close due to various factors, including consumer trends, taste of food, cleanliness, or service quality. It is observed that only about 35% of restaurants survive. Thus, the restaurant business can be considered one of the most challenging sectors. Additionally, the cost of raw materials for restaurants tends to rise due to the impact of global warming, so businesses must efficiently manage their raw material costs. One approach to managing these costs is by reducing food waste. Restaurants produce an average of 4% - 10% of food waste from their total raw materials (Baldwin & Shakman, 2012). Most food waste occurs during food production or when consumers leave food uneaten, with buffet restaurants generating a higher proportion of food waste than the average. If restaurants can manage food waste more effectively, they can reduce costs and increase their profitability.

Consumers who visit buffet restaurants tend to order or take large portions of food because they seek maximum value from the paid fixed price, which often results in uneaten food and food waste. Most Buffet restaurants impose fines for leftover foods. Even though consumers pay the fines, the uneaten food is still disposed of, which is food waste and adds to the business's disposal costs. In some cases when consumers refuse to pay the fines, it may lead to dissatisfaction, causing them not to return, thereby losing the opportunity to build customer loyalty. Therefore, restaurants should rethink their approach to maintaining good

customer relationships by offering rewards. Rewards serve as positive incentives for desirable consumer behavior. Daryanto et al. (2010) found that rewarding consumers through loyalty programs can enhance customer loyalty and increase sales. Additionally, Bijmolt et al. (2010) noted that rewards create a positive customer experience, leading to perceived brand value and long-term loyalty. Therefore, buffet restaurant operators should aim to reduce food waste while also increasing consumer loyalty by implementing loyalty programs for customer participation, as consumer loyalty can add value to the business (Dorotic et al., 2014).

Loyalty programs are an integrated marketing tool that helps businesses retain existing customers and increase the chance of attracting new customers. Businesses use loyalty programs to reward customer participation and strengthen the bond between customers and the business (Brodie et al., 2013). Loyalty programs can take various forms, such as point accumulation or social media engagement (Smith, 2014). Therefore, designing a loyalty program needs to consider multiple factors to create a program that benefits the business and satisfies customers. Typically, loyalty programs offer rewards to attract consumer participation, which aligns with the concepts of customer engagement (Van Doorn et al., 2010) and the Intrinsic and Extrinsic Motivations concept (Ryan & Deci, 2000) to enhance the program's effectiveness.

With this background, this research is interested in studying the development of loyalty programs for buffet restaurants operated in highly competitive environments. The program should aim to build customer brand loyalty while simultaneously reducing food waste in buffet restaurants, which are major contributors to food waste and a cause of global warming. This study also incorporates environmental and sustainability concepts, specifically the perception related to environmental value (Green Perceived Value), which can encourage environmentally conscious consumers to develop brand loyalty and contribute to strengthening the relationship between consumers and businesses (Chen & Chang, 2013).

Research Objectives

The objective of this study is to examine the factors that influence the success of reward programs in building brand loyalty and the perception of environmental value.

Literature Review

This research focused on studying the impact of reward programs on building brand loyalty for buffet restaurants and the green perceived value. The relevant theories and concepts for establishing the research framework are as follows:

The concept of customer engagement, as described by Van Doorn et al. (2010), shows the interactions between customers and brands or organizations beyond simple transactions. This concept is rooted in psychological studies and expanded into other fields. It underlines customer behaviors such as word-of-mouth, writing reviews, or giving ratings, which are driven by motivations such as receiving rewards. Customer engagement comprises cognitive, emotional, and behavioral dimensions, positing that fostering engagement leads to brand loyalty and the creation of shared value. In this research, the concept is applied to study loyalty programs aimed at reducing food waste in buffet restaurants, which not only promotes brand loyalty but also benefits the environment.

The concept of reward redemption effects by Dorotic et al. (2014) examines the effects of rewards on consumer behavior, finding that rewards are an effective marketing strategy for building loyalty, increasing sales, creating positive experiences, and encouraging desirable customer behaviors. However, designing reward programs requires many considerations of the appropriateness and needs of the customers. Rewards are categorized into two types: direct rewards, which are tangible and immediate, such as cash prizes or gifts, and indirect rewards, which offer experiential benefits, such as social recognition or new skill development. Both types are crucial for long-term customer satisfaction and loyalty. Combining these reward types effectively strengthens the relationship between customers and brands. Dorotic et al. (2014) also emphasize that the primary goal of loyalty programs is to increase customer interest in the brand. Its effects lead to changes in purchasing behavior because customers feel cherished by the service provider. Rehnen et al. (2017) further suggest that the process of rewarding must be considered through customer motivations before it leads to loyalty programs and brand loyalty.

Intrinsic and Extrinsic Motivations concept by Ryan and Deci (2000) divides motivation into those two main types. Intrinsic motivation develops from personal interest, enjoyment, or challenge, independent of external rewards, while extrinsic motivation is driven by external

factors such as rewards, praise, or financial incentives. This concept is crucial for understanding customer engagement, as motivation influences decisions to participate in various loyalty programs offered by businesses. When designing loyalty programs, it is essential to understand the difference between intrinsic and extrinsic motivations of customers, considering factors such as the type and size of rewards, as well as the method of rewarding them, to create appropriate motivation and build long-term brand loyalty. This will help businesses in designing more effective marketing strategies to build long-term customer loyalty and engagement.

Green perceived value is an intrinsic factor at the level of individual consciousness that affects thoughts, feelings, and behaviors related to the environment, which can be influenced by both external and internal stimuli. Various studies have defined this concept as both a strategic process in building relationships with consumers, concern about environmental impact, and behaviors aimed at reducing negative environmental effects. Moreover, it is a crucial factor in green marketing, which helps build a positive organizational image, increase profitability, and enhance consumer loyalty. In this sense, Chen and Chang (2013) suggest that green perceived value is essential both in terms of sustainable development and business strategy.

Brand loyalty refers to the positive feelings that individuals or groups have towards a particular brand, resulting from a positive experience with a product or service, leading to repeated purchases and ongoing support for that brand, even in the face of external factors that may influence behavior change. Researchers consistently define brand loyalty as a positive relationship between consumers and brands, manifested through repeated purchases and consistent support, regardless of competing brands. Brand loyalty is crucial for the success and sustainability of a business, as it builds customer trust and acceptance, increases the chances of long-term market survival, adds value to the brand, and strengthens the relationship between the brand and its customers. Therefore, building and maintaining brand loyalty is a key strategy for developing a business sustainably (Oliver, 1999).

The green perceived value significantly influences brand loyalty, as the current trend of consumers is increasingly making their decisions concerning social and environmental responsibility. Brands that have environmental concerns often build trust and confidence among consumers, leading to emotional bonds that form the foundation of long-term loyalty.

Additionally, brands with a clear environmental stance can differentiate themselves from competitors, attract consumers with aligned values, and create communities of consumers with shared interests, thereby strengthening the relationship between customers and the brand. Chen and Chang (2013) confirms the positive relationship between green perceived value and brand loyalty behaviors, such as repeat purchases, recommendations, and brand advocacy. Thus, demonstrating environmental responsibility is not only beneficial for the planet but also a critical strategy for building long-term brand loyalty.

Through the literature review and the study of relevant concepts, theories, and research, this study connects the concept of customer engagement with customer reward programs and examines the impact on customer loyalty, including the relationship between rewards, motivation, and customer engagement—a relatively under-researched topic. This study has summarized this information to develop the research framework, analyzing the impact of rewards on building brand loyalty and supporting environmental efforts related to reducing food waste in buffet restaurants, which is exhibited in Figure 1: research framework below.
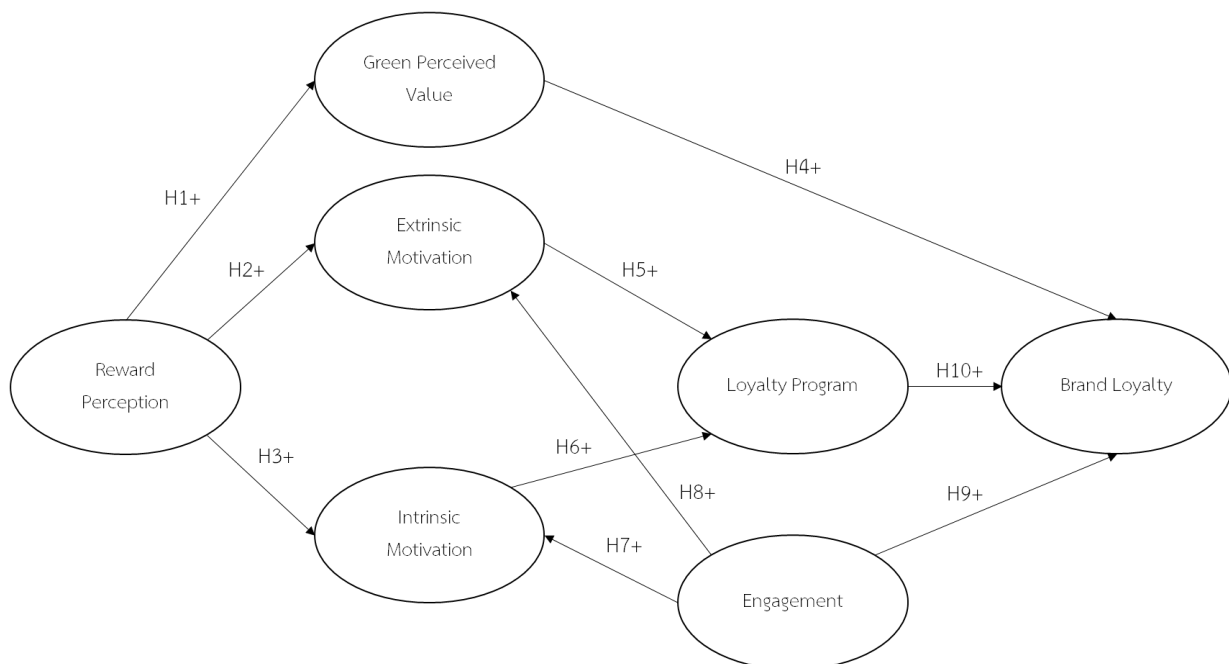
Research Framework

Figure 1 Research Framework

Research Methodology

The study on the impact of reward programs on building brand loyalty for buffet restaurants and the green perceived value focuses the consumers on Bangkok and its vicinity. This study is survey research aiming to gather data for discussing the observed phenomena. We employed a quantitative research method, following specific steps including the study procedure, population and sample, research instruments, data collection, and data analysis and statistical methods, as detailed below.

Sample Group

The sample data for this research consisted of 428 consumers who frequently use buffet restaurants in Bangkok and the vicinity areas. It was divided into two groups based on the type of reward chosen: those who chose restaurant discount coupons and those who chose shopping mall discount coupons. Additionally, the sample was categorized by the frequency of buffet restaurant visits into two groups: consumers who visit 1-2 times per month and those who visit more than 3 times per month. This categorization was designed to represent the population effectively, aiming to study the use of rewards in promoting food waste reduction in buffet restaurants, fostering brand loyalty, and supporting environmental sustainability. Data was collected through online questionnaires, and the sample composition is presented in Table 1.

Table 1 Sample Composition

Type of reward	Frequency of visits to buffet restaurants per month		Total
	1 - 2 times	more than 3 times	
1. restaurant discount coupons	126	95	221
	(57.01%)	(42.99%)	(100.00%)
2. shopping mall discount coupons	71	136	207
	(34.30%)	(65.70%)	(100.00%)
total	197	231	428
	(46.03%)	(53.97%)	(100.00%)

Research Instruments

Steps in Developing Research Instruments

1. Study theories and related research on brand loyalty to use as a basis for the development of the research framework.

2. Develop a research framework concerning the factors influencing the success of reward programs in building brand loyalty and the green perceived value.

3. Create a questionnaire and review it with inputs from consultations with academic advisors.

4. Test the revised questionnaire for reliability by distributing it to a sample of 30 respondents. Analyze the reliability and validity of the questionnaire using the Cronbach's Alpha Coefficient method. Data was collected from 428 complete responses. The validity of the questionnaire was found to be satisfactory, with most component weights within an acceptable range, allowing them to be grouped as a single factor. The reliability of the questionnaire, based on the %Total Variance, showed that some aspects, such as intrinsic motivation, had values below 0.7. However, Cronbach's Alpha Coefficient was generally within a good range, indicating that the questionnaire is of high quality and suitable for further data analysis. The factors studied are summarized in Table 2.

Table 2 Factors that influence brand loyalty of customers of buffet restaurants

	Factor Loading	%Total Variance	Cronbach Alpha	Number of Items
1. Rewards Perception	0.8213 - 0.8706	0.7288	0.8124	3
2. Engagement	0.8290 - 0.8905	0.7483	0.8314	3
3. Intrinsic motivation	0.7400 - 0.8281	0.6318	0.8527	5
4. Extrinsic motivation	0.8779 - 0.9146	0.8064	0.8797	3
5. Loyalty Program	0.8614 - 0.9010	0.7667	0.8476	3
6. Brand loyalty	0.8704 - 0.9031	0.7750	0.9031	4
7. Green perceived value	0.8571 - 0.9268	0.8094	0.9198	4

Data Collection

This study collected primary data through online questionnaires between March and May 2024, resulting in 428 complete responses. The sample was categorized based on the type of rewards chosen and the frequency of buffet restaurant visits. We presented the means of various variables calculated from Sections 1 and 2 of the questionnaire, along with applicable t-test or F-test statistical results to compare the differences in means. This preliminary statistical presentation provides an overview of the sample and serves as a crucial foundation for further analysis in the research.

Data Analysis

The quantitative data analysis in this research was conducted systematically and comprehensively across multiple dimensions. The process began with descriptive statistics to analyze the demographics of the sample, presented in tables and graphs. Subsequently, the factors influencing the success of reward programs in building brand loyalty and the green perceived value were analyzed using t-tests and F-tests for variance analysis. Additionally, the questionnaire items were grouped by latent variables, and Cronbach's Alpha was used to assess the reliability of the measurement tools. The variance of responses was analyzed, and a Structural Equation Modeling (SEM) approach, using Maximum Likelihood Estimation, was employed to study the causal relationships between variables. This detailed and comprehensive data analysis provided a complete overview and in-depth understanding of the data and effective conclusions and discussions of the findings.

Study Results and Discussion

The study analyzes the factors that influence the success of reward programs in creating brand loyalty and green perceived value by using Structural Equation Modeling (SEM). Results from this model, exhibited in Table 3, were applied to answer the research framework's questions through statistical processing.

Table 3 SEM model results

Variable		Total	Type of rewards		Frequency of visits per month	
			For restaurant	For shopping mall	1 - 2 times	More than 3 times
INM						
	RWS	0.376***	0.288***	0.508***	0.388***	0.185**
	EN	0.386***	0.427***	0.344***	0.718***	0.261***
EXM						
	RWS	0.512***	0.404***	0.647***	0.307***	0.581***
	EN	0.268***	0.509***	-0.064	0.748***	0.009
GPV						
	RWS	0.343***	0.239***	0.364***	0.461***	0.116
LP						
	INM	0.368***	0.410***	0.254***	0.659***	0.256***
	EXM	0.493***	0.384***	0.613***	0.278***	0.515***
BL						
	GPV	0.160***	0.218**	0.121*	0.268***	0.134**
	LP	0.600***	0.513***	0.705***	0.533***	0.653***
	EN	0.232***	0.313***	0.135	0.138	0.256***
Statistics						
	N	428	221	207	197	231
	ll	-8398.8	-3428.2	-4497.1	-3917.4	-4292.5
	chi2_bs	7387	5385.4	3065.9	3549.3	4684.4
	chi2_ms	1137.3	864.9	884.2	629.8	1088.3
	RMSEA	0.088	0.101	0.106	0.084	0.116
	SRMR	0.158	0.176	0.148	0.189	0.161
	CD	0.978	0.986	0.967	0.986	0.985
	CFI	0.877	0.882	0.776	0.888	0.812
	TLI	0.861	0.866	0.747	0.873	0.787

Statistical significance level of *0.1, **0.05, and ***0.01

Remarks: RWS = Reward Size, EN = Engagement, INM = Intrinsic Motivation, EXM = Extrinsic Motivation, LP = Loyalty Program, BL = Brand Loyalty, GPV = Green Perceived Value

The structural equation modeling analysis by reward type shows two groups of customers who received different rewards from loyalty programs—Group 1, which received restaurant discount coupons, and Group 2, which received shopping mall discount coupons. The key findings demonstrate that both groups valued the rewards offered by the programs, with these rewards motivating both intrinsic and extrinsic participation in the loyalty programs. Additionally, both groups recognized that the rewards could enhance their green perceived value.

When examining the factors influencing the success of loyalty programs, it was found that both groups placed importance on intrinsic and extrinsic motivations that contributed to their loyalty to the program. However, differences emerged between the two groups concerning the factors influencing brand loyalty. The group that received restaurant coupons emphasized the importance of environmental value perception, loyalty programs, and brand engagement as crucial factors in building brand loyalty. In contrast, the group that received shopping mall coupons prioritized loyalty programs and environmental value perception but did not consider brand engagement as significant. The rewards received by customers, such as rewards, intrinsic and extrinsic motivations, environmental value perception, and the value of loyalty programs, were all important in building brand loyalty.

The structural equation modeling analysis also considered the frequency of buffet restaurant visits, dividing the sample into two groups: those who visited 1-2 times per month and those who visited more than 3 times per month. For the former group, it was found that rewards and brand engagement significantly influenced intrinsic motivation, increasing customer interest and enthusiasm for the restaurant. Rewards also positively impacted extrinsic motivation and environmental value perception. Both intrinsic and extrinsic motivations positively influenced participation in loyalty programs, leading to brand loyalty. Environmental value perception and loyalty programs also positively impacted brand loyalty.

For the group that visited more frequently, the analysis showed that rewards still positively influenced intrinsic motivation, though to a lesser significant level. However, brand engagement did not have an impact, and while rewards continued to positively affect extrinsic motivation, they did not influence environmental value perception in this group. Nevertheless, motivation still positively influenced loyalty programs and environmental value perception,

with loyalty programs and brand engagement having a positive impact on brand loyalty. Thus, the factors influencing brand loyalty among buffet restaurant customers differed based on service frequency, with the more frequent visitors being more influenced by brand engagement.

Overall, the study found that the key factors positively influencing both intrinsic and extrinsic customer motivation were rewards and brand engagement. These motivations led to participation in special programs or loyalty programs, aligning with the findings of Kim (2018), which noted that rewards from membership programs significantly influence customer motivation to use the service. Regarding brand engagement, Hapsari et al. (2017) highlighted that interactions and engagement between customers and brands can build bonds and affection for the brand, increasing motivation to use the brand's products or services.

Moreover, rewards also had a positive impact on the green perceived value, which in turn influenced brand loyalty. This finding aligns with the research of Delmas and Lessem (2017), which showed that environmental rewards for outstanding sustainability performance increased customer and stakeholder awareness of the organization's commitment to the environment. Chen et al. (2022) also found that rewards for participating in environmental activities increased consumer awareness of environmental practices and its products' carbon footprint.

The primary factors directly influencing brand loyalty were environmental value perception, loyalty programs, and brand engagement. When considering both direct and indirect influences, extrinsic motivation had the greatest impact on participation in loyalty programs, followed by rewards, intrinsic motivation, and brand engagement. The factors with the most significant indirect impact on brand loyalty were intrinsic motivation, followed by extrinsic motivation, rewards, and brand engagement. In conclusion, rewards, motivation, brand engagement, environmental value perception, and loyalty programs are crucial in building customer loyalty in buffet restaurants.

Recommendations

Recommendations for Practical Application

Based on the research findings, businesses should focus on designing loyalty programs with attractive reward sizes, as the size of the rewards significantly influences both extrinsic and intrinsic motivations, helping to attract customers to participate in the programs. Additionally, communication and emphasis on the brand's environmental value should be prioritized, as environmental value perception is a key factor in fostering brand loyalty. Furthermore, businesses should consider creating activities that stimulate both extrinsic and intrinsic motivations to encourage customer participation in loyalty programs. However, brands should not overemphasize intrinsic motivation, as this may not lead to long-term brand loyalty. Activities that allow customers to engage with the brand should be prioritized, as brand engagement has been found to influence intrinsic motivation and brand loyalty. Regular monitoring and evaluation of the impact of loyalty programs are also recommended, as loyalty programs have a direct impact on customer loyalty.

Recommendations for Future Research

This research has identified several factors influencing brand loyalty, suggesting the need for comparative studies of factors affecting customer loyalty in different cultural contexts, business types, or customer groups to create more comprehensive knowledge. Qualitative research both in short-term and long-term, is also important for understanding customer behavior, motivation, and feelings toward loyalty programs and brand engagement. For businesses, the findings provide guidance on designing and improving loyalty programs and brand engagement activities to align with the needs and motivations of target customer groups, including the creation of both extrinsic and intrinsic motivational systems, such as point systems, reward types, and brand value communication. Businesses should develop diverse channels and activities, such as various social media platforms, to continuously engage customers with the brand, along with regularly tracking customer feedback, behavior, and engagement levels to refine strategies appropriately. Businesses should also focus on different customer segments, considering the context and differences among target groups, to strategically and effectively foster motivation and loyalty.

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