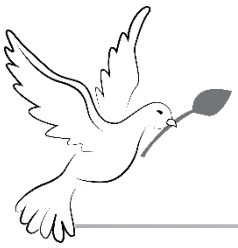
The Competitive Factors of Laminated Floorcovering Market in Thailand*



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Abstract

Research is basically classified into two types consisted previously, customer's preferences and satisfaction towards the floorcoverings were different based on culture and climate. For instance, the laminate had been one type of floorcoverings that very popular and widely used in Thailand and Mediterranean region, whilst carpets has been popular in European countries and rugs dominate in Middle East. Nowadays, those types of floorcoverings are widely available in every market due to the globalization strategy. The market value of floorcoverings in Thailand is more than 3 billion Baht. Laminate had the highest market share that gained more than fifty percent out of the overall market followed by Vinyl, Woods-Laminate, Tiled, and Carpet floorings respectively. Accordingly, this dissertation had been hence to critically analyse key issues and develop and illustrate appropriate consumer research methodology at early stages of creating the competitive factors of laminated floorcovering market in Thailand, as this was one of the most distinguishing characteristics of successful future company's project strategies. 400 sets of Research is basically classified into two types consisted of Quantitative and Qualitative research. Quantitative research is generally used in business and management that involve the numerical data that could help to answer the research objectives and research question. In additional to that, the number in quantitative research could be formed in charts, statistics and graphs in order to present, explore, describe or examine the relationship among variables to support the idea. Questionnaires were launched in Bangkok as the representative area. The participants of this study were Thai or local people who either directly have experienced or used to purchase laminate's products themselves because this research had aimed to test what were the competitive factors that effected on Thai customer satisfaction and induced to purchase intention toward the laminate.

Keywords: Purchase intention; Consumer satisfaction

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Introduction

To start with, the laminate has been significantly demanded in global market in terms of cabinets, ready-to-assemble furniture and flooring, which are made from laminate. The global laminate's market has been expected to rise more than 6 percent in 2018. The laminate market gain's has been also driven by increasing market penetration in terms of other floorcovering materials such as wood due to costs and performances benefits.

Thailand is the second largest economy in Southeast Asia; it has performed a gross domestic product (GDP) more than 12 trillion Baht in 2017**.**The flooring market in Thailand has been related to economic institutions; the result shows that sales are extremely susceptible to the cyclical of buyer spending, confidence and essential performance of buyer. Certainly, the Thai flooring market is also depended on domestic construction sector because floorcovering are used as one of a part of in construction processes. In 2007 to 2011, the flooring market had been affected caused of the economic in housing sector and it was a tough period with the decline of 20 percent since 2006 due to some of foreign investors has been conscious of the unstable economical situation. However, in 2012, there was the opportunity for the Thai flooring market due to the expanding of refurbishment works in terms of expanding in property sector such as housing, condominium and real estate (Positioning, 2007). For this reason, the flooring market expanded 20 percent that grew to THB 2 billion moderately in 2016 (www.bangkokbiznews, 2016). Nonetheless, as the construction sector was contracted in 2011, the flooring market in Thai had significantly increased by 20 percent in 2012 to be more than THB 2.4 billion due to the flooding situation in Thailand (www.prachachat, 2017). Additionally, the private housing sector stagnated from 2012 to 2013 by decreased more than 5 percent in construction output. It has been claimed that the flooring market is related to the housing sector directly as it shows that when the Thai housing sector has become expanding, the construction output also growing at the same time (Guardian, 2014).

As a result, the flooring market that used in housing sector will be concentrated in this research. Previously, customer's satisfactions and preferences in the Thai household towards flooring market are different and various, it depends on culture and climate such as tiles dominate and rugs are famous while carpet is famous and popularly used in European countries. Nowadays, there are varieties of floorcoverings that available in the global market (Churchill and Patter, 2017). The laminate sector has been playing as an important role in the part of wood floorcovering market that gained value share more than 50 percent out of the

total wood floorcoverings and it was worth to THB 1.9 billion in 2015 approximately (www.prachachat, 2017). It can be concluded that the laminate has been the most popular floorcovering, which significantly dominated in Thai market for more than a decade. It is questioning and interesting to know that why the customers in Thailand stick with the laminate as the number one floorcovering rather than others in both commercial and residential sectors (Zeitheml, 2018).

The primary purpose of this study is to compare between the Thai flooring market and European flooring market. Previously, the laminate was the most popular floorcovering in Thailand by gaining more than 60 percent out of the total market, however; overall laminate's shares have been declining into 50 percent in the recent years since wood, vinyl, tiles and carpet have been introduced in Thai market. Nowadays, the customers in Thailand prefer to use laminate rather than using carpet or the others as most of customers say that laminate are easier to clean and maintain when comparing with the carpets. In contrast, there have been more than a decade since laminate, and also other types of floorcovering such as vinyl have introduced in Thai flooring market. Additionally, it is very interesting to study and understand the reasons in these issues. Last but not the least, this study is aimed to examine the impact of customer perception for laminate on customer satisfaction and purchase intention. Therefore, this research study will be conducted with the aim to critically understand why customers in Thailand mostly use the Laminate as home floorcovering rather than other types such as vinyl, woods or carpet, and which competitive factors that could be affected on purchase intention toward laminate by using consumer research. In terms of customer's viewpoint, the marketing mix strategies will be used to identify the customer's viewpoint including customer's value, cost to customer, convenience choice, communication, caring, comfort, and complete, which could be affected to customer satisfaction and lead to purchase intention accordingly.

Consequently, this dissertation is hence to critically analyse key issues and develop and illustrate appropriate consumer research methodology at early stages of creating the competitive factors of laminated floorcovering market in Thailand, as this is one of the most distinguishing characteristics of successful future company's project strategies.

Objective of the Research

1. To identify the effects of consumer's behaviour in terms of purchase intention of laminated floorcovering market in Thailand.
2. To identify the consumer's decision in terms of purchase intention of laminated floorcovering market in Thailand.
3. To critically research the competitive factors of laminated floorcovering market in Thailand.

Research Methodology

In terms of methodology, referring to Yamane (1973), quantitative method will be used in order to critically analyse the data, 400 sets of the questionnaires were specifically launched in Bangkok area as a representative. The primary reason that Bangkok has been choosing in this research study is the variety of people who live in this province; therefore, it can be conclude that people who live in Bangkok are come from diffident districts or provinces that could be describe in overall behaviours. The participants of this study must be Thai or local people who either directly have experienced or used to purchase laminate's products themselves because this research is aimed to test what are the competitive factors that effect on Thai customer satisfaction and induce to purchase intention toward the laminate. The data were mainly collected in Bangkok city centre, Sathorn, Silom, Siam, and Asoke, Is an area that is popular with many people as well as, the exhibitions and fairs that have been quarterly created in a year. "Deliver and collect questionnaire" will be used to ask those people directly and let them fill all answers to the questions straightaway (Brance, 2014). First of all, it is able to make physical measurement such as the height or width of something, or how much it weighs. It might be even wish to include measuring age in this category. Then, it can be also measure less physical things, such as how often something happens, or people's attitudes towards something. In the first case the observations have been made, and measure the number of times something occurs (or is observed, as the observer may miss things). In the second case, the scales have been use in order to in-depth studying in this dissertation. In this instance we would ask a series of questions about a person's attitudes, and then convert the answers into a numerical value expressing a positive or negative attitude. Some social scientists claim that it is able to measure how much people love each other, or how strongly feel about an event. In addition, the important thing about a measurement is that it is reliable and valid. To be reliable means that if it has been measured the same thing again on another

day (or if another person takes the measurement), then we obtain the same result. If someone is 6'2" today, and only 5'8" the following day, then either something very strange is going on or our measurement is not reliable. Therefore, valid means that it measures what it purports to measure. In additional to that this dissertation is aimed to develop the factors affecting Customer Satisfaction and Purchase Intention of Laminate of floorcovering market in Thailand. Then it has to make sure that those questions do actually measure that. Whilst there are statistical techniques for checking reliability, validity is harder to assess. Most of the time spent will be assessed face validity.

Additionally, the concepts that need to be familiar with the levels of measurement consisted of 4 different levels, which are nominal, ordinal, interval and ratio accordingly. To start with, nominal that refers to naming things, hence 'nominal'. An example would be placing things into categories based upon observations. For example, if you observe that there are 3 buildings covered by laminated, which 2 brown buildings and 1 green building. In additional to that it is able to describe that any one laminate is into which category it falls. The observers do not know how many colors it has unless it is in the plain category. Nextly, ordinal means that the observers know about the order of things, but not the differences between them. As an example, let it could be considered measuring duration of floorcovering within 10 years used. Consequently, an ordinal measurement would be types of floorcovering that came 1^{st}, 2^{nd}, 3^{rd} and so on such as laminate, carpet and vinyl etc. It is enable to rank the floorcovering type in terms of their quality, but it does not know how long the longest timing of floorcovering was than the second duration (Tantrakul, 2017). As well as interval, one of the levels of measurement, which have some information about the gap between two scores or measurements. For instance, considering the floor temperature of a room. It has been measured 3 rooms, and record temperatures of 10°C (Room A), 20°C (Room B) and 30°C (Room C). As with the ordinal measurement, we know which room is the warmest, and which the coldest – we can rank the rooms in order of temperature. However, we also know that the difference in temperature between Room A and Room B is the same as that between Room B and Room C. Last but not the least, ratio is similar to interval measurement, with only one difference. In additional, a ratio scale, a score of 0 means the absence of something. For example, in terms of the temperature, 0°C does not mean an absence of temperature, however, it means extremely cold, but it is possible for temperatures to fall as low as -273°C. So measuring something using a Celsius (C) scale is an interval measurement, and not ratio accordingly (Brew, 2014).

The data were mainly collected in Bangkok city centre, Sathorn, Silom, Siam, and Asoke, Is an area that is popular with many people as well as, the exhibitions and fairs that have been quarterly created in a year. In terms of timing research, the questionnaire will be collected data starting from 1st June 2018 to 1st June 2019 in order to gain the reliable data as much as possible by mainly launching in the yearly furniture exhibition in Bangkok such as Home Design & Décor exhibition, House & Condo Residence exhibition, and Home in Style exhibition etc. Due to those samples are come from diffident districts or provinces that could be described in overall behaviours in the field of competitive factors of laminated floorcovering market in Thailand.

Moreover, data analysis is very important in this research, as it will be used to debate between the collected data and the previous researches. The data will be gathered into statistics program and interpreted by using graphs and tables. Additionally, Linear Regression, Cross-Tabulation, Multiple Regression, and Frequency will be used in order to interpret the data.

Research results

Regarding to the 13 hypothesises have been created in order to critically understand this research study. Particularly, hypothesis 5, hypothesis 6, hypothesis 11 and hypothesis 12 could be a research gap that have to be investigated in primary data to find out the actual factors that why Thai customers prefer to use and purchase laminates rather than the others as the main of household's floorcoverings as following;

H1: The appearance of laminate has a positive impact to customer satisfaction

H2: The quality of laminate has a positive impact to customer satisfaction

H3: The price of laminate has a positive impact to customer satisfaction

H4: The social norm of laminate has a positive impact to customer satisfaction

H5: The maintenance of laminate has a positive impact to customer satisfaction

H6: The durability of laminate has a positive impact to customer satisfaction

H7: The appearance of laminate has a positive impact to purchase intention

H8: The quality of laminate has a positive impact to purchase intention

H9: The price of laminate has a positive impact to purchase intention

H10: The social norm of laminate has a positive impact to purchase intention

H11: The maintenance of laminate has a positive impact to purchase intention

H12: The durability of laminate has a positive impact to purchase intention

H13: The customer satisfaction on laminate has a positive impact to purchase intention

For H1, the coefficient of appearance is 0.448 meaning that there is a positive relationship between appearance and customer satisfaction. Moreover, the p-value is less than 0.05, which can be interpreted that this coefficient is statistically significant. Therefore, the appearance of laminate has a positive impact to customer satisfaction.

For H2, the coefficient of quality is -0.309 meaning that there is no positive relationship between quality and customer satisfaction. Therefore, the quality of laminate has no positive impact to customer satisfaction.

For H3, the coefficient of price is 0.015 meaning that there is a positive relationship between price and customer satisfaction. However, the p-value is more than 0.05, which can be interpreted that this coefficient is not significant. Therefore, the price of laminate has no positive impact to customer satisfaction.

For H4, the coefficient of social norm is 0.677 meaning that there is a positive relationship between social norm and customer satisfaction. Moreover, the p-value is less than 0.05, which can be interpreted that this coefficient is statistically significant. Therefore, the social norm of laminate has a positive impact to customer satisfaction.

For H5, the coefficient of maintenance is 0.093 meaning that there is a positive relationship between maintenance and customer satisfaction. However, the p-value is more than 0.05, which can be interpreted that this coefficient is not significant. Therefore, the maintenance of laminate has no positive impact to customer satisfaction.

For H6, the coefficient of durability is 0.008 meaning that there is a positive relationship between durability and customer satisfaction. However, the p-value is more than 0.05, which can be interpreted that this coefficient is not significant. Therefore, the durability of laminate has no positive impact to customer satisfaction.

For H7, the coefficient of appearance is 0.174 meaning that there is a positive relationship between appearance and purchase intention. Moreover, the p-value is less than 0.05, which can be interpreted that this coefficient is statistically significant. Therefore, the appearance of laminate has a positive impact to purchase intention.

For H8, the coefficient of quality is 0.029 meaning that there is a positive relationship between quality and purchase intention. However, the p-value is more than 0.05, which can be interpreted that this coefficient is not significant. Therefore, the quality of laminate has no positive impact to purchase intention.

For H9, the coefficient of price is 0.010 meaning that there is a positive relationship between price and purchase intention. However, the p-value is more than 0.05, which can be interpreted that this coefficient is not significant. Therefore, the price of laminate has no positive impact to purchase intention.

For H10, the coefficient of social norm is 0.596 meaning that there is a positive relationship between social norm and purchase intention. Moreover, the p-value is less than 0.05, which can be interpreted that this coefficient is statistically significant. Therefore, the social norm of laminate has a positive impact to purchase intention.

For H11, the coefficient of maintenance is -0.051 meaning that there is no positive relationship between maintenance and purchase intention. Therefore, the maintenance of laminate has no positive impact to purchase intention.

For H12, the coefficient of durability is -0.152 meaning that there is no positive relationship between durability and purchase intention. Therefore, the durability of laminate has no positive impact to purchase intention.

Consequently, there are only two factors in customer perception about laminate that have a positive impact on customer satisfaction, which are appearance and social norm. In another word, people who perceive well about laminate in terms of appearance (e.g. the laminate is good looking, gorgeous, beautiful, or attractive) and social norm (e.g. the laminate is generally used in Bangkok household or the laminate is easy to find and available everywhere) will feel more satisfied on laminate. In additional to that, there are only two factors in customer perception about laminate that have a positive impact on purchase intention, which are appearance and social norm. In another word, people who perceive well about laminate in terms of appearance (e.g. the laminate is good looking, gorgeous, beautiful, or attractive) and social norm (e.g. the laminate is generally used in Bangkok household or the laminate is easy to find and available everywhere) will be more likely to purchase laminate in the future.

Last but not the least, for H13, the coefficient of customer satisfaction is 0.511 meaning that there is a positive relationship between customer satisfaction and purchase intention. Moreover, the p-value is less than 0.05, which can be interpreted that this coefficient is statistically significant. Therefore, the customer satisfaction on laminate has a positive impact to purchase intention.

Discussion of research results

This study aims to examine the impact of customer perception for laminate on customer satisfaction and purchase intention. The data is collected from 400 respondents in Bangkok based on questionnaire. For demographic profile of sample, most of respondents are female. Moreover, most of respondents are between 31-40 years old and 41-50 years old. Their yearly salary is between 180,000-240,000 Thai Bath and 240,001-300,000 Thai Bath.

1. To identify the effects of consumer's behaviour in terms of purchase intention of laminated floorcovering market in Thailand. Most of respondents, which could be counted 59.2 percent of total number of respondents, have already owned the house. For those who are currently rent a house, most of them have planned to purchase the house in the future. For the most important factors that respondents would consider in selecting the floor type, the three most important factors that people consider when they will select the floor are maintenance, quality, and price. Moreover, most of respondents have used the laminate in their house before. Among three types of floor that are laminate, vinyl, and carpet, most of respondents are currently using laminate in their house. However, most of them have chosen vinyl as the most preferred type of floor. Furthermore, most respondents do not find any difficulties or problems in cleaning and maintaining laminate or problems with stains, dust, and mildew on laminate, or the problems of laminate being ripped, torn, or scratched.

2.To identify the consumer's decision in terms of purchase intention of laminated floorcovering market in Thailand. Based on the perception of respondents in terms of 6 factors including appearance, quality, price, common, maintenance, and durability, respondents have perceived that the vinyl floor is beautiful and the price is cheaper compared to other floor types. Moreover, the vinyl floor is commonly used and more durable. Meanwhile, respondents also perceive that the laminate floor has higher quality and easier to maintenance than other floor types.

For customer perception about laminate like appearance, quality, price, social norm, maintenance, and durability, the highest score is price with the average score of 3.2853. The second highest score is appearance with the score of 3.0680 and the next highest score is quality with the score of 3.0350. The score on other factors including maintenance, durability, and social norm are 2.8920, 2.7700, and 2.5550 respectively. Therefore, respondents mostly perceive about laminate with higher score in terms of price, appearance, and quality.

For customer satisfaction on laminate, in average, respondents feel satisfied with laminate. However, the average score on 2.9053 out of 5 means that the level of satisfaction

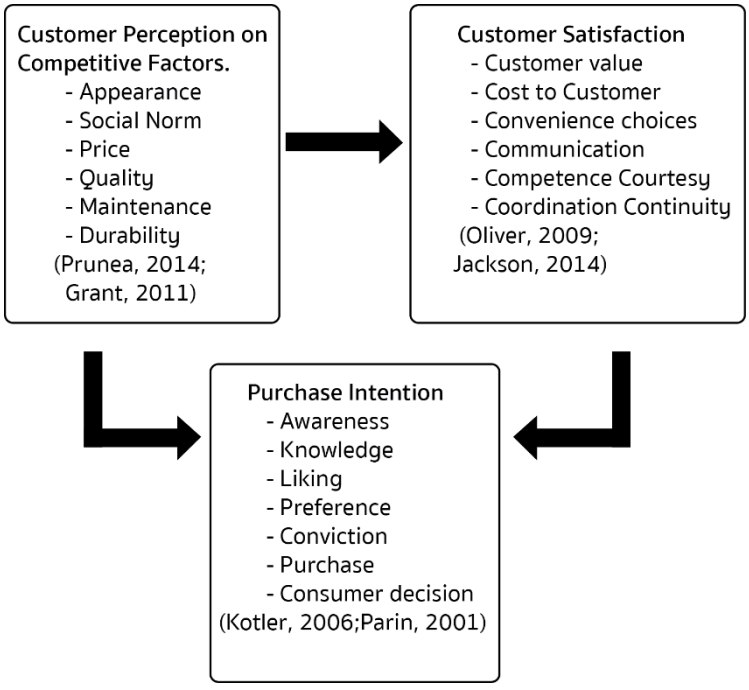
is not relatively high. Therefore, it may need further investigation why the level of satisfaction in using laminate is not high. The average score of purchase intention is 3.2653. This means that respondents have intention to purchase the laminate. However, compared to the score on customer satisfaction, this means though respondents do not feel much satisfied with laminate, they are likely to purchase it the future.

3. To critically research the competitive factors of laminated floorcovering market in Thailand. The result of hypothesis testing of H1 to H6 shows that there are only two factors in customer perception about laminate that have a positive impact on customer satisfaction, which are appearance and social norm. In another word, people who perceive well about laminate in terms of appearance (e.g. the laminate is good looking, gorgeous, beautiful, or attractive) and social norm (e.g. the laminate is generally used in Thai household or the laminate is easy to find and available everywhere) will feel more satisfied on laminate.

Furthermore, the result of hypothesis testing of H7 to H12 shows that there are also only two factors in customer perception about laminate that have a positive impact on purchase intention, which are appearance and social norm. In another word, people who perceive well about laminate in terms of appearance and social norm will be more likely to purchase laminate in the future.

Last but not the least, the result of hypothesis testing of H13, the customer satisfaction on laminate has a positive impact to purchase intention.

Consequently, according to the research findings, it is enable to establish new the research framework, which could be effectively and efficiently used in order to clearly understand the competitive factors of laminated floorcovering market in Thailand as conceptual framework (figure 7) following;



Conclusion

According to the new research find's conceptual framework as figure 7, it has been found that the most competitive factor is Appearance, Social Norm, Price, Quality, Maintenance, and Durability accordingly. It is enabling to summarise that in order to create the purchase intension towards laminated floorcovering in Thailand. It is obviously defined that the customer's perceptions on laminated floorcovering products have shifted from Quality to Social Norm. The shifting in customer's perceptions on laminated products may cause of increasing in technology. People are be able to stimulated their interests through social media such as Facebook, Instagram, What Sapp and Twitter etc., as a result, people are get use to with the advertised products or celebrities. Therefore, when consumers prefer to think or purchase any kind of products, the primary chooses will be the first one that comes to their mind. Last but not the least, the marketers have to emphasise on Appearance and Social Norm that those have positive impact directly to purchase intension by critically understand customer's perceptions on laminated floorcovering products in order to gain more customers in the future, and continue the exiting customers as well.

Suggestions

The result of hypothesis testing reveals that customer perception for laminate is very important in determine both the level of customer satisfaction and purchase intention. The two important factors in customer perception are appearance and social norm. The perception about appearance of laminate includes the perception that the laminate is good looking, gorgeous, beautiful, or the laminate is most attractive compared to other floor types. The perception about social norm of laminate includes the perception that the laminate is generally used, especially for Thai household. Moreover, the laminate is easy to find and available everywhere. People who perceive highly for both appearance and social norm will also feel more satisfied on laminate and will be more likely to purchase laminate in the future (purchase intention).

On the other hand, compared to the average perception for laminate in various factors, social norm has the lowest score compared to other factors. This means that, in average, people do not perceive that the laminate is commonly used by other people. When comparing laminate with other floor types in terms of social norm and commonly use, the score of laminate is lower than vinyl floor. However, perception on appearance is relatively high compared to other factors. When comparing laminate with other floor types in terms of

appearance, the score of laminate is slightly lower than vinyl floor but much higher than carpets floor.

Last but not the least, in order to improve customer satisfaction on laminate as well as their purchase intention, the marketer for laminate need to communicate the value of laminate especially in terms of appearance and social norm to target customers. The perception on appearance of laminate can be improved by making laminate as good looking, gorgeous, beautiful, and attractive. The perception about social norm of laminate can be improved by making the laminate to be commonly used by Thai household as well as making the laminate is easy to find and available. After those target customers perceive more positively about laminate, especially in terms of appearance and social norm, they will feel more satisfied on their laminate and this will lead to their purchase intention like they are more likely to purchase the laminate in the future.

In terms of Social Norm, it is interesting that people do care about social norm rather than believing in price, quality, maintenance and durability. In this point, the market may conduct the qualitative research, especially, in-depth interview in terms of Social norm, in order to deeply and critically understand why people in Thailand have shifted customer's perceptions on laminated floorcovering.

Consequently, this research is effectively and efficiently beneficial for those with work closely with the floorcovering product or marketers who interested in finding the competitive strategies that enable to use the founded powerful factors to set company's strategies to complete with other competitors in terms of floorcovering market wisely. As well as, those people who interested in the doing other researches, are enable to use this research to be guide the customer's trends, customer's preferences, customer's satisfaction, and competitive factors in order to generate the useful researches in the future.

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