

The Influence of Marketing Mix on Decision-Making of Laundromat Franchise by Entrepreneurs

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Yanisa Yanatham

Digital TV and Online Media, Communication Arts Faculty,
Sripatum University Khon Kaen,
Khon Kaen, Thailand

Tel: +668-9178-2221, E-mail: iiamyanisa@gmail.com

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Abstract

The aims of this research were: 1) to study the level of entrepreneurs' perception of the marketing mix of laundromat franchises, 2) to study the level of entrepreneurs' decision-making of laundromat franchises, and 3) to analyze the influences of marketing mix on decision-making of laundromat franchise. Data was collected from a questionnaire answered by 402 entrepreneurs' who attended LINE group of laundromat franchises from Thailand Franchise Expo 2023. Statistics used to analyze the data were frequency, mean, standard deviation, and multiple regression analysis. The findings show that 1) the level of entrepreneurs' perception of the marketing mix of laundromat franchises was high; 2) the level of entrepreneurs' decision-making of laundromat franchises was high; and 3) the marketing mix factor that has the highest influence on the decision-making of entrepreneurs was the price, followed by product, physical evidence, process, promotion, and people respectively, while place did not affect decision-making.

Keywords: Laundromat, Marketing Mix, Decision-Making, Entrepreneurs

1. Introduction

1.1 Background and Importance of the Problem

The laundry business, a service-oriented industry, has been an integral part of Thai society for a long time, effectively catering to the needs of urban communities. Today, this business has adapted and integrated technology to serve customers better, enhancing their convenience. This has led to the emergence of convenient laundromats that are growing in popularity. Unlike traditional coin-operated laundry machines, these modern laundromats offer washing and drying services and seating areas for customers. (Boonruang, 2023)

Laundromats in Thailand have emerged as a response to the pain points and laziness of people who seek convenience in laundry services. Traditional coin-operated laundry machines are time-consuming, requiring both washing and drying processes that can take several hours. However, modern laundromats offer the advantage of speed, utilizing industrial-grade washers and dryers that can complete a laundry cycle within 30 minutes. This innovation addresses the inconvenience of spending hours for washing and drying, enabling clothes to be ready for wearing within just an hour. (Kaenkim & Pojariya, 2022)

The laundromat business offers an auspicious investment opportunity and is of great interest. This has led to a significant increase in laundromat establishments, resulting in heightened competition. As a new business model that arises from the lifestyle behaviors of the general population, which include the regular need for clothing cleanliness, this growth in the number of establishments has led to intensified competition. (Chuesamran, 2021).

For business owners, investing in a laundromat franchise becomes more appealing due to its low overhead costs. These franchises require minimal staffing, as there's no need for constant supervision, and they eliminate the need for stocking inventory. The operational costs are primarily limited to water and electricity bills, allowing the business to operate 24/7. The predominant business model remains franchise businesses, where the parent company provides support and consultation to the franchisees. (Udomthanavong & Suan, 2020).

Laundromat franchise is experiencing intensifying competition due to the growing demand among entrepreneurs interested in investing in businesses that offer comprehensive one-stop services to fellow business owners. One of the advantages of a franchise business is that entrepreneurs do not have to start a new business entirely on entrepreneurs own, as the franchise system assists in various operations and management aspects. Everything is already streamlined and organized within the franchise system. Additionally, there is a dedicated team to provide guidance and help resolve issues for investors. Those interested only need to begin by learning how to manage the business according to the established standards set by each franchise. With this level of support, they can successfully run the business. (Niramitmongkol, 2019)

This competition encompasses package pricing, industrial-grade washing machine specifications, service delivery systems, and interior decoration. Additionally, there is a service to help franchisees find suitable business locations. Consequently, the Thailand Franchise Expo 2023 has established a dedicated zone for the laundromat franchise category. Attendees from across the country participate, and each franchise competes by employing the marketing mix (7P's) to motivate and influence potential entrepreneurs, ultimately aiding them in making informed decisions.

Based on the reasons mentioned above, the researcher is interested in conducting a research study on the influence of marketing mix on entrepreneurs' decision-making of laundromat franchises. These results from the research provide laundromat industry benefits for franchise founders, entrepreneurs, and business scholars interested in future academic research.

1.2 Research Question

- 1) How do entrepreneurs perceive on marketing mix of laundromat franchises?
- 2) How do entrepreneurs perceive on decision-making of laundromat franchises?
- 3) How does the marketing mix influence decision-making of laundromat franchises by entrepreneurs?

1.3 Research Objective

- 1) To study the level of entrepreneurs' perception on marketing mix of laundromat franchise.
- 2) To study the level of entrepreneurs' decision-making of laundromat franchise.
- 3) To analyze influences of marketing mix on decision-making of laundromat franchise.

2. Literature Review

2.1 Related Concepts and Theories

2.1.1 Marketing Mix (7P's)

The traditional 4P's framework, encompassing Product, Price, Place, and Promotion, laid the foundation for marketing strategy development (Kotler, 1997). However, changing consumer behaviors, technological advancements, and globalization have prompted the evolution of marketing practices. The 7Ps marketing mix, which expands the traditional framework to include People, Process, and Physical Evidence, offers a comprehensive approach to crafting marketing strategies that cater to today's diverse customer needs.

Product: This element focuses on the attributes of the product or service being offered. It includes considerations such as product design, features, quality, and branding, all of which contribute to creating a unique value proposition for customers.

Price: Pricing strategies play a crucial role in positioning a product or service in the market. Effective pricing decisions take into account factors such as cost, perceived value, competition, and the target market's willingness to pay.

Place: The distribution channel chosen determines how the product or service reaches customers. The 7Ps framework emphasizes the significance of making products accessible to the target market through well-defined distribution channels and retail locations.

Promotion: Promotion strategies involve communicating the value proposition to the target audience. This element encompasses advertising, public relations, social media campaigns, and other communication methods to engage and attract customers.

People: People are an integral part of the customer experience. Businesses need to focus on training and empowering their staff to provide exceptional customer service, which can influence customer perceptions and loyalty.

Process: The process refers to the procedures and systems involved in delivering the product or service. A streamlined and efficient process contributes to a positive customer experience and can impact brand reputation.

Physical Evidence: This element represents tangible and intangible cues that customers perceive as evidence of a product or service's quality. It includes aspects such as packaging, branding, and customer reviews.

2.1.2 Decision-Making

Kotler & Armstrong (2016) state that purchase decision-making is a pivotal metric in marketing and business success. Consumers increasingly become acquainted and familiar with brands, resulting from their awareness of the brand's benefits, leading to preference. When a need arises, consumers seek further information about the brand themselves. In other words, a brand's and consumers' relationship is a crucial variable in purchase decisions. The outcomes from this examination are significant variables that influence future brand-building in business, ranging from the brand identity of products to services and even pricing strategies. These reflections stem from the value derived from this awareness process, which plays a significant role in managing and maintaining the brand and the business moving forward.

Problem Recognition: refers to the consumer becoming aware of a need or necessity for a particular product. Marketers use methods to stimulate product demand, such as presenting pricing, distribution channels, or marketing promotions, to generate consumer interest and desire for that specific product.

Information Search: occurs when consumers, having recognized a problem or need, seek detailed information from various sources. This process is the initial step after the consumer experiences the desire for a particular product. The role of marketers in this stage involves preparing and disseminating information and news to trade and personal sources comprehensively and efficiently.

Evaluation of Alternatives: is the second step, where consumers consider various product options based on the information gathered. The criteria used in evaluating alternatives are the attributes of the products, such as size, shape, and ranking of importance. The evaluation involves comparing these attributes against price, appropriate quality, and product reliability. Marketers play a role in this stage by creating a sense of suitability for different aspects of the product and by comparing various brands available in the market.

Purchase Decision: is when the consumer decides to purchase a product after evaluating the various alternatives. Once the consumer has assessed the options available, they will buy the product that best matches their needs and preferences.

Post-Purchase Behavior: refers to the feelings of satisfaction or dissatisfaction that occur after a product has been purchased and used. Satisfaction depends on whether the product's attributes align with the consumer's expectations and needs. If a consumer feels satisfied, repeat purchases are

more likely. Conversely, if consumers feel dissatisfied and their expectations are met, they tend to avoid repurchasing.

2.2 Conceptual Framework

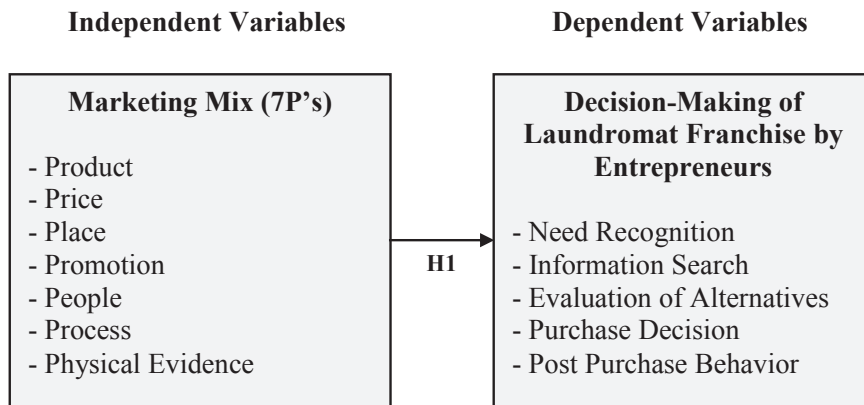


Figure 1 Conceptual Framework

2.3 Research Hypothesis

Hypothesis 1: Marketing Mix (7P's) factors affect decision-making of Laundromat Franchise by Entrepreneurs.

3. Research Methodology

3.1 Research Design

This research is survey research in which the researcher conducted *quantitative research* to study the influence of marketing mix on entrepreneurs' decision-making of Laundromat franchises.

3.2 Population and Sampling

The population of this research was Thai entrepreneurs who own the laundromat franchise business, which is an unknown size population. The researcher determines the research scope by focusing on the entrepreneurs who attended LINE group of laundromat franchises from Thailand Franchise Expo 2023. The sample size calculation used the Yamane formula (1973) with a confidence level of 95% and a margin of error of 5%, resulting in a total sample size of 400 samples. Then, the researcher used a convenience sampling technique for data collecting.

3.3 Research Instruments

The questionnaires were conducted using the Likert Rating Scale with 5 levels of measurement in a total of 32 questions. The questions were divided into categories, including 8 questions about general information, nominal and ordinal scales, 14 about marketing mix (7P's), and 10 about decision-making.

The questionnaire was evaluated for content validity by examining the Index of item-objective congruence (IOC) through the assessment of 3 qualified experts. The result found that all questions met the criteria with an average score between 0.892 - 0.971, which was higher than .70, and showed that the question was relevant to the topic. (Wanichbancha, 2018).

3.4 Data Collection

The questionnaires were conducted as online documents for the convenience of answering. 402 responses were received. Thus, the response rate for this study is considered acceptable.

3.5 Statistics Used for Data Analysis

The researcher used descriptive statistics (frequency, mean, standard deviation) and multiple regression analysis for inferential statistics.

4. Data Analysis and Findings

4.1 Data Analysis of the Qualitative Data

The results of general information from the questionnaire were presented in the conclusion table as follows:

Table 1 General Information Data

				n = 402			
General Information		n	%	General Information		n	%
Gender	Female	267	66.4	Residence	Bangkok and vicinity	237	59
	Male	135	33.5		Others	165	41
Age	Under 25 years	66	16.4	Marial Status	Single	185	46
	25 - 44 years	223	55.4		Married	199	49.5
	45 - 64 years	84	20.9		Divorce	10	2.5
	Over 64 years	29	7.3		Widow	8	2
Education	Under bachelor's degree	13	3.2	Occupation	Business owner	292	72.6
	Bachelor's degree	291	72.3		Company employee	45	11.2
	Master's degree	91	22.6		Government officer	39	9.7
	Doctor's degree	7	1.9		Others	26	6.5
Income	Under 100,000 THB	74	18.4	Experience	Never	105	26.1
	100,001 – 150,000 THB	196	48.7		Laundromat Brand ownself	162	40.3
	150,001 – 300,000 THB	104	25.9	Franchise owner	118	29.4	
	Over 300,000 THB	28	7	Founder franchise	17	4.2	

The analysis revealed that most respondents are 267 females (66.4%) and 135 males (33.5%). Age between 25-44 years 223 respondents (55.4%), followed by 45-64 years 84 respondents (20.9%), under 25 years 66 respondents (16.4%), and over 64 years 29 respondents (7.3%) respectively. For the most education level, 291 respondents had a bachelor's degree (72.3%), followed by a master's degree 91 respondents (22.6%), under a bachelor's degree 13 respondents (3.2%), and doctor's degree 7 respondents (1.9%) respectively. The majority of 196 respondents (48.7%) had an income of 100,001-150,000 THB, followed by 104 respondents (25.9%) of 150,001 – 300,000 THB, 74 respondents (18.4%) with income under 100,000 THB, and 28 respondents (7%) of income over 300,000 THB respectively. Most respondents had a residence in Bangkok and its vicinity for 237 (59%), and 165 respondents lived in others (41%). Most respondents are Married 199 (49.5%), followed by single 185 (46%), divorced 10 (2.5%), and widows 8 (2%) respectively. For the occupation, Business owners 292 respondents (72.6%), followed by company employees 45 respondents (11.2%), government officers 39 respondents (9.7%), and others 26 respondents (6.5%) respectively. For the Experience about Laundromat, most respondents had brand ownself 162 (40.3%), followed by franchise owner 118 (29.4%), never 105 (26.1%), and founder franchise 17 (4.2%), respectively.

The results of the level of entrepreneurs' perception on marketing mix of laundromat franchise from the questionnaire were presented in the conclusion table as follows:

Table 2 Level of Entrepreneurs' Perception on Marketing Mix (7P's)

Variables	\bar{x}	S.D.	Interpretation
Marketing Mix (7P's)	3.74	.691	High
- Product	3.81	.766	High
- Price	4.67	.733	Very high
- Place	2.48	.652	Less
- Promotion	3.94	.711	High
- People	3.66	.726	High
- Process	3.71	.686	High
- Physical Evidence	3.92	.657	High

n = 402

The results showed that the overview of the entrepreneurs' perception of the marketing mix of laundromat franchises is high (\bar{x} = 3.74, S.D. = 0.691). In terms of the highest mean, price (\bar{x} = 4.67, S.D. = 0.733), followed by promotion (\bar{x} = 3.94, S.D. = 0.711), physical evidence (\bar{x} = 3.92, S.D. = 0.657), product (\bar{x} = 3.81, S.D. = 0.766), process (\bar{x} = 3.71, S.D. = 0.686), people (\bar{x} = 3.66, S.D. = 0.726), and place (\bar{x} = 2.48, S.D. = 0.652), respectively.

The results of the level of entrepreneurs' decision-making of laundromat franchise from the questionnaire were presented in the conclusion table as follows:

Table 3 Level of Entrepreneurs' Decision-Making of Laundromat Franchise

Variables	\bar{x}	S.D.	Interpretation
- Decision-Making	4.35	.680	High
- Problem Recognition	3.78	.716	High
- Information Search	4.86	.736	Very high
- Evaluation of Alternatives	4.74	.625	Very high
- Purchase Decision	3.66	.704	High
- Post-Purchase Behavior	4.69	.624	Very high

n = 402

The results showed that the overview of the entrepreneurs' decision-making of laundromat franchise is high ($\bar{x} = 4.35$, S.D. = 0.680). In terms of the highest mean, information search ($\bar{x} = 4.86$, S.D. = 0.736), followed by evaluation of alternatives ($\bar{x} = 4.74$, S.D. = 0.625), post-purchase behavior ($\bar{x} = 4.69$, S.D. = 0.624), problem recognition ($\bar{x} = 3.78$, S.D. = 0.716), and Purchase Decision ($\bar{x} = 3.66$, S.D. = 0.704), respectively.

The results of the influence of marketing mix (7P's) on decision-making of laundromat franchise by entrepreneurs were presented in the conclusion table as follows:

Table 4 Influence of Marketing Mix on Decision-Making of Laundromat Franchise by Entrepreneurs

Variables	B	SE _t	β	t	Sig.	Zero order Correlation	Collinearity Tolerance	Statistics VIF
(Constant)	1.844	.141		13.476	.000*			
Price (X ₂)	.366	.051	.396	4.875	.000*	.687	.339	2.977
Product (X ₁)	.312	.054	.331	4.711	.000*	.662	.302	3.659
Physical Evidence (X ₇)	.286	.062	.304	4.342	.000*	.635	.296	3.016
Process (X ₆)	.251	.052	.287	3.505	.000*	.620	.316	3.181
Promotion (X ₄)	.208	.065	.224	2.986	.000*	.611	.273	2.847
People (X ₃)	.146	.061	.167	2.562	.000*	.602	.268	3.063
	R = .622		R ² = .410		SE _{est} = .471			

*P < .01

The analysis of the influence of marketing mix (7P's) on entrepreneurs' decision-making of laundromat franchises found statistically significant effects at the .01 level in all 6 variables. These variables include price, product, physical evidence, process, promotion, and people. The standardized regression coefficients (β) were .396, .331, .304, .287, .224, and .167, respectively, based on standardized scores (β). The R-squared (R^2) value was .410, indicating that 6 marketing mix variables can explain 41% of the variance in entrepreneurs' decision-making of laundromat franchises. Notably, place was the only variable that did not significantly impact the decision-making.

4.4 Summary of the Results

These results can be excluded from the predictive equation as follows.

The regression equation in raw score form is:

$$Y = 1.8444 + .366X_2 + .312X_1 + .286X_7 + .251X_6 + .208X_4 + .146X_5$$

The regression equation in standardized score form is:

$$Z = .396X_2 + .331X_1 + .304X_7 + .278X_6 + .224X_4 + .167X_5$$

5. Conclusion, Discussion, and Recommendation

5.1 Conclusion

The results showed of the overview of the entrepreneurs' perception of the marketing mix of laundromat franchises showed that the level is high. In terms of the highest mean, price, followed by promotion, physical evidence, product, process, people, and place, respectively.

The results of the overview of the entrepreneurs' decision-making of laundromat franchise showed that the level is high. In terms of the highest mean, information search, followed by evaluation of alternatives, post-purchase behavior, problem recognition, and Purchase Decision, respectively.

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5.2 Discussion

1) The research findings reveal that business owners prioritize price as the top variable, as it is crucial for investment in the business. Next is promotion, a highly competitive incentive to motivate entrepreneurs to invest in various franchises. Next in line is physical evidence, encompassing store decor and branding communications that foster customer confidence in the product. In the context of a laundromat business, this refers to the core elements, such as the number of industrial washing and drying machines, automated coin exchange machines, and digital payment systems, as proposed by each franchise process. This signifies a comprehensive service package for

launching a one-stop laundromat business. People refer to the staff and personnel of franchise companies who facilitate various conveniences. Notably, place was the only variable that referred to facilitating location acquisition for starting a business, as suggested by the research findings, which could indicate that most entrepreneurs already had a business location in place. (Phuphisith & Kurisu, 2022; Rungroengpol, 2018)

2) Based on the decision-making result, information search is considered the most important factor for entrepreneurs. Considering the current price variable of laundromat franchise options, which range from 700,000 to 3,000,000 THB, it becomes evident that information search is crucial due to the higher costs involved. Subsequently, evaluating alternatives plays a significant role in comparing offers from different franchises. Furthermore, Post-Purchase Behavior is another variable that entrepreneurs consider, especially concerning the maintenance of industrial washing machines, drying machines, and automated coin exchange machines, which require skilled technicians. By analyzing general information, it becomes apparent that a substantial number of entrepreneurs are brand ownself. Therefore, problem recognition might refer to the challenges faced in running their businesses, which sparks interest in the franchise format for laundromats. All these variables collectively lead to the purchase decision finally. (Srichan, 2023; Lapsathaporn, et al. (2019).

3) According to the analysis of the influence of marketing mix (7P's) on entrepreneurs' decision-making, 6 variables of marketing mix: price, product, physical evidence, process, promotion, and people. In the mentioned order, these variables all hold significance in entrepreneurs' decision-making, aligning with the aforementioned statistical results, except for place variable, which lacks influence. This is mainly because most entrepreneurs interested in laundromat franchises typically already own their business locations. However, some franchises do provide location-finding services to facilitate expansion for those interested entrepreneurs who do not possess a location. (Puttaphol & Srijumpa, 2021)

5.3 Recommendation

Future research should focus on successful franchises that have a high number of entrepreneurs investing. This is achieved through a combined research approach, including quantitative and qualitative methodologies to obtain in-depth information. This approach also involves studying stakeholders' impact on the overall business.

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