Factors Affecting Customer Satisfaction on Brand X Green Tea:
A Case Study of Bangkok Consumers

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Abstract

This research determines the factors affecting customer satisfaction on Brand X green tea as well as the relationship between independent variables (quality of tea, price, brand image, and health concern) and dependent variable (customer satisfaction). The quantitative method was used in this research. The sampling procedure is non-random snowball sampling. The survey questionnaire is an online questionnaire via social network including Facebook, Line application, and Twitter. The scope of this research includes 385 Bangkokians who have purchased Brand X green tea. The data analysis used a statistical analysis program to perform descriptive, correlation, and multiple linear regression. The research found that the quality of tea is the most significant factor in customer satisfaction. Price and brand image have significant relationships with customer satisfaction. In contrast, health concern has no significant relationship with customer satisfaction on Brand X green tea.

Keywords: customer satisfaction, quality of tea, price, brand image, health concern

Introduction

Tea (*Camellia sinensis*) is the most consumed drink in the world. It was discovered around 2,700 BC and it is one of the oldest drinks in the world. World tea production (Black, Green, and Instant) in 2013 was 5,063,900 tons. China was the biggest tea producing nation with a yield of 1,924,500 tons, representing more than 38 percent of the world aggregate, while production in India, the second biggest manufacturer, yielded 1,200,400 tons (FAO IGG Secretariat, 2015).

World tea export in 2013 was 1,768,500 tons. Kenya exported the most tea with 419,500 tons, while China ranked the second with 329,700 tons (FAO IGG Secretariat, 2015). World tea consumption in 2013 was 4,842,100 tons. China had the most tea consumption with 1,614,200 tons, while India's was 1,001,400 tons, ranked the second (FAO IGG Secretariat, 2015).

Worldwide volumes of both hot tea and packaged ready-to-drink (RTD) tea increased by two percent in retail channels in 2015, with four percent rise evaluated in tea sold into foodservice channels for out of home consumption. At the category level, it continues to rise steadily. The Euromonitor International has determined a 2% yearly volume rise in 2016, with value sales strengthening slightly (Tea & Coffee Trade Journal, 2016).

The scenario of green tea consumption has become popular in the recent years. The elderly people drink green tea because of health concern but nowadays younger people who live a modern lifestyle also drink green tea.

There are many green tea producers in Thailand. The popularity of green tea is still steady thus each competitor has to promote its brand in different ways or find the strong point to attract customers. In Thailand, the ready to drink green tea market value decreased by 2.5 percent to 15,574 million Baht in 2015 (Ichitan group public company limited, 2016). The consumed amount was 470.7 million liters with growth rate at 0.7 percent (Ichitan group public company limited, 2016).

Brand X green tea is a product of Brand X restaurant company under Brand X group. It is a market follower in the ready to drink green tea business. The scope of this research includes Bangkokians who have consumed Brand X green tea.

Literature Review

Customer satisfaction

Measuring customer satisfaction assesses the organization's present point in a rivalry. It can categorize potential market opportunities and comprehend client conduct to predict the future sales. In addition, it communicates customer preferences to the company. It is additionally feasible to analyze whether new activities, endeavors and projects have any effect on the companies' clients. The organization's weaknesses and strengths against competitors are resolved, in view of clients' observations and judgment. The staff is persuaded to build its efficiency (Grigoroudis & Siskos, 2010).

Hansemark and Albinsson (2004) cited in Singh (2006:1) that satisfaction is a general state of mind towards a product provider or a passionate response to the distinction between what clients expect and what they really get with respect to the satisfaction of a need. Kotler (2000) likewise defined fulfillment as a man's sentiments of joy, enthusiasm, happiness or dissatisfaction that comes about because of contrasting a product's perceived performance to his desires (Lu & Lukoma, 2011).

Product Quality

Clients' perceived quality of food, for example, delicious, nutritious, and visually attractive, is an important indicator of customer satisfaction, and perceived price directs the relationship between quality of food and customer satisfaction. When clients perceive that the price is reasonable, their fulfillment with food quality can be upgraded (Ryu & Han, 2009).

Better product quality will keep up a high state of customer satisfaction which urges clients to make their next buy. Furthermore, there are various studies which demonstrated that enhanced product quality advantages organizations by building a long term client base, and making a significant resource for company–customer loyalty (Yuen & Chan, 2010).

Zamazalová (2008) mentioned the important components influencing customer satisfaction and which can be utilized to quantify customer satisfaction. The components are product (in terms of its quality, accessibility and so forth.); services; price (convenient payment conditions and others); image of a product; and distribution (Suchánek, Richter & Králová, 2014). Service quality and food quality impact customer satisfaction (Al-Tit, 2015).

Price

Peng and Wang (2006) mentioned the significant reason of clients in switching is the issue of price, such as the high, unreasonable and unreliable pricing strategies (Malik, Ghafoor, & Iqbal, 2012).

A high price could trigger client switching, as a quick physiological reaction to negatively valence data. The impression of price directly affects customer satisfaction, the probability of shifting, and of expanding positive word-of-mouth (Lymperopoulos, Chaniotakis, & Soureli, 2013).

Brand Image

Quality is an important factor of price premium, yet including other image measurements doubles the consistency and comprehension about price premium. The strongest factors of price premium are social image, uniqueness and home country origin (Anselmsson, Bondesson, & Johansson, 2014). Other important factors are corporate social responsibility (CSR) and attention (Anselmsson, Bondesson, & Johansson, 2014).

Lau and Phau (2007) mentioned that brand image is identified with the customers' utilization of the brand to mirror their symbolic meaning of utilization and character in self-expression (Sasmita & Suki, 2015).

Health Concern

Consumers purchase Ready-to-drink (RTD) tea refreshments since the taste, flavor, packaging, and ingredients (attributes) fulfill their craving to drink RTD tea and satisfy the advantages of being tasty to drink, having revitalizing properties, and having health-promoting properties (perceived consequences), whereby satisfying their optimal objective of encountering delight (perceived product value) (Wang & Yu, 2016).

Many participants of the study thought that adding any sweetener would reduce tea's health benefits, but that notion would require much further examination. A great majority of the respondents would use natural flavoring with their tea, such as peppermint, lemon, cinnamon and lavender. Improving tea's taste was the most picked option, while some participants thought that adding such natural flavoring might improve tea's health benefits, which also needs thorough investigation (AlHafez, Kheder & AlJoubbeh, 2016).
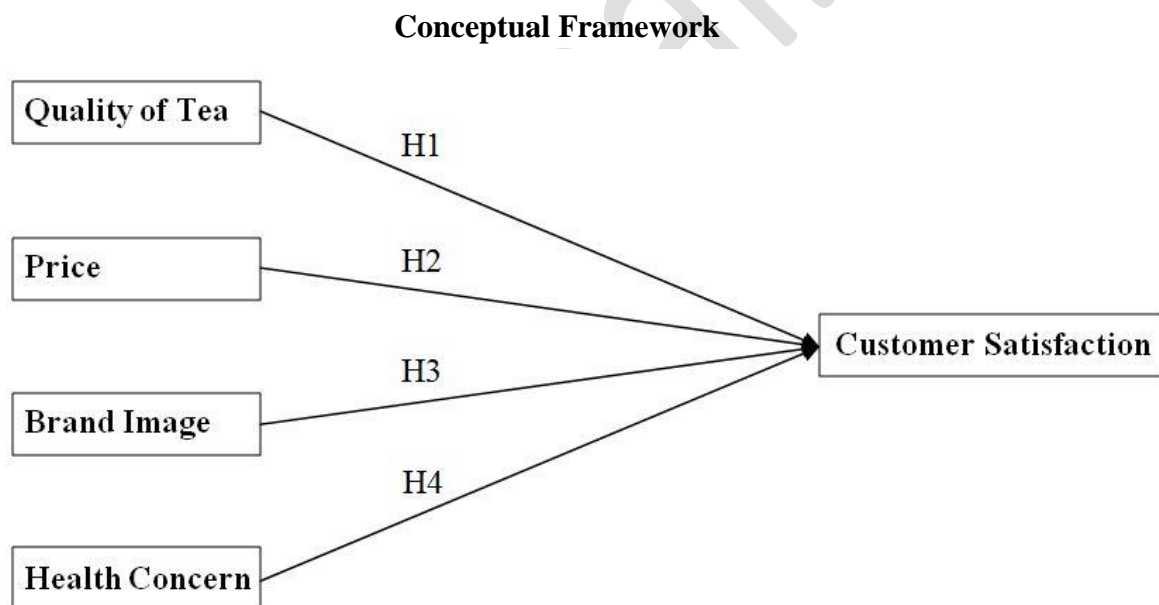
Conceptual Framework

Figure 1 Conceptual Framework of the Study

Figure 1 presents the conceptual framework of this study. There are four independent variables which influence the dependent variable, customer satisfaction. The independent variables are quality of tea, price, brand image, and health concern.

Hypotheses

H1o: Quality of tea has no significant relationship with customer satisfaction on Brand X green tea.

H1a: Quality of tea has a significant relationship with customer satisfaction on Brand X green tea.

H2o: Price has no significant relationship with customer satisfaction on Brand X green tea.

H2a: Price has a significant relationship with customer satisfaction on Brand X green tea.

H3o: Brand image has no significant relationship with customer satisfaction on Brand X green tea.

H3a: Brand image has a significant relationship with customer satisfaction on Brand X green tea.

H4o: Health concern has no significant relationship with customer satisfaction on Brand X green tea.

H4a: Health concern has a significant relationship with customer satisfaction on Brand X green tea.

Research Methodology

The method used in this research was the quantitative method. The quantitative method is easy to record the answer, and the respondents could reply without much time consumption. The data analysis used a statistical analysis program to perform descriptive, correlation, and multiple linear regression.

The respondents were from residents of Bangkok. As of December 2015, the number of citizens in Bangkok was 5,696,409 where the male numbered 2,695,051 and female were 3,001,358 (Bangkok Metropolitan Administration, 2016). Since there are millions with population count, the scope of research included 385 Bangkokians who have purchased Brand X green tea.

In this research, the sampling procedure was non-random snowball sampling. The researcher distributed online questionnaires via social network including Facebook, Line application, and Twitter. A survey questionnaire was used in this research. The questionnaire contained two sections, which were personal information and measuring variables.

Data Analysis

Table 1
Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	284	73.8	73.8	73.8
	Male	101	26.2	26.2	100.0
	Total	385	100.0	100.0	

According to Table 1, the respondent consisted of 284 female (73.8%) and 101 male (26.2%).

Table 2

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30 years old	116	30.1	30.1	30.1
	31-40 years old	236	61.3	61.3	91.4
	41-50 years old	31	8.1	8.1	99.5
	More than 50 years old	2	0.5	0.5	100.0
	Total	385	100.0	100.0	

According to Table 2, most of respondents were at the age group 31-40 years old, which presented 236 respondents (61.3%), followed by 21-30 years old with 116 respondents (30.1%). On the other hand, the smallest group of respondents was at the age group more than 50 years old, which represented two respondents (0.5%).

Table 3

Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15,000 – 25,000 Baht	126	32.7	32.7	32.7
	25,001 – 35,000 Baht	94	24.4	24.4	57.1
	35,001 – 45,000 Baht	19	4.9	4.9	62.1
	Less than 15,000 Baht	29	7.5	7.5	69.6
	More than 45,000 Baht	117	30.4	30.4	100.0
	Total	385	100.0	100.0	

According to Table 3, the majority group of 126 respondents (32.7%) was at a range of 15,000 – 25,000 Baht, followed by more than 45,000 Baht with 117 respondents (30.4%).

Table 4

Correlations

Correlations

Factors	Pearson Correlation / Significant Value	Levels	Correlation Coefficient
Quality of Tea	Pearson Correlation	.883[**]	There is a significantly positive very strong relationship between quality of tea and customer satisfaction.
	Sig. (2-tailed)	.000	
Price	Pearson Correlation	.769[**]	There is a significantly positive strong relationship between price and customer
	Sig. (2-tailed)	.000	

			satisfaction.
Brand Image	Pearson Correlation	.840[**]	There is a significantly positive very strong relationship between brand image and customer satisfaction.
	Sig. (2-tailed)	.000	
Health Concern	Pearson Correlation	.712[**]	There is a significantly positive strong relationship between health concern and customer satisfaction.
	Sig. (2-tailed)	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

In analysing correlation, this study employs the guide that Evans (1996) suggested value to identify the levels of strength of the correlation as follows: the very weak relationship meaning the value of 0.00 - 0.19, the weak relationship meaning the value of 0.20 - 0.39, the moderate relationship meaning the value of 0.40 - 0.59, the strong relationship meaning the value of 0.60 - 0.79, and the very strong relationship meaning the value of 0.80 - 1.00.

According to Table 4, quality of tea and brand image have significantly positive very strong relationship with customer satisfaction at the value of 0.883 and 0.840, respectively. As for the price and health concern, they have significantly positive strong relationship with customer satisfaction at the value of 0.769 and 0.712, respectively.

Table 5
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-.152	.091		-1.676	.095		
Quality of Tea	.591	.046	.516	12.768	.000	.268	3.731
Price	.194	.037	.190	5.289	.000	.340	2.943
Brand Image	.310	.037	.335	8.365	.000	.272	3.680
Health Concern	-.058	.031	-.068	-1.848	.065	.321	3.120

a. Dependent Variable: Customer Satisfaction

According to Table 5, quality of tea was the most powerful influencer at the value of 0.591. Beta also has t-value and significance of that t-value associated with it. The highest beta was quality of tea at the value of 0.516. This value showed that quality of tea affected customer satisfaction. This could be summed that if quality of tea changed by one unit, customer satisfaction will increase by 59.1%.

There are three independent variables that are statistically significant ($p < 0.05$) towards customer satisfaction which are quality of tea, price, and brand image. On the contrary, health concern showed 0.065, indicating that health concern was not statistically significant factor affecting customer satisfaction.

Table 6

Table of Hypothesis Testing Results on Multiple Linear Regression

Hypotheses	Details	Results
H1o	Quality of tea has no significant relationship with customer satisfaction on Brand X green tea.	Rejected
H2o	Price has no significant relationship with customer satisfaction on Brand X green tea.	Rejected
H3o	Brand image has no significant relationship with customer satisfaction on Brand X green tea.	Rejected
H4o	Health concern has no significant relationship with customer satisfaction on Brand X green tea.	Failed to Reject

According to the above hypothesis testing table, H1o, H2o, and H3o are rejected at significance level testing value at 0.001 which means that quality of tea, price, and brand image have a significant relationship with customer satisfaction on Brand X green tea. In contrast, health concern has no significant relationship with customer satisfaction on Brand X green tea.

Discussion and Conclusions

The information from the tables that are illustrated above brings about the following discussion and conclusions.

Quality of Tea

This finding shows that quality of tea is the most significant factor for customer satisfaction. Furthermore, the result also supported the previous studies which found that clients' perceived quality of food is an important indicator of customer satisfaction (Ryu & Han, 2009). Yuen and Chan (2010) highlighted that better product quality would keep up a high state of customer satisfaction. Zamazalová (2008) mentioned a key factor that affects customer satisfaction and which can be used to measure customer satisfaction is quality of product (Suchánek, Richter & Králová, 2014). Moreover, Al-Tit (2015) also indicated that food quality impacted customer satisfaction.

Price

From the study, the result shows that price has a significant relationship with customer satisfaction. Peng and Wang (2006) mentioned that the significant reason of clients in switching is the issue of price, such as the high, unreasonable and unreliable pricing policies (Malik, Ghafoor, & Iqbal, 2012). Furthermore, Lymperopoulos, Chaniotakis, and Soureli (2013) found that the impression of price directly affects customer satisfaction, the probability of shifting, and of expanding positive word-of-mouth which is similar to this research.

Brand Image

The result of the study shows that brand image has a significant relationship with customer satisfaction. From the study of Anselmsson, Bondesson, and Johansson (2014), the result showed that one of the critical factors of customer satisfaction was brand image. Moreover, Lau and Phau (2007) mentioned that brand image is identified with the customers' utilization of the brand to mirror their symbolic meaning of utilization and character in self-expression (Sasmita & Suki, 2015).

Health Concern

The previous study (Wang & Yu, 2016) found that health-promoting properties fulfill customers' ideal goal of experiencing enjoyment. Furthermore, some people thought that adding natural flavoring with their tea might improve tea's health benefits (AlHafez, Kheder & AlJoubbeh, 2016) which surprisingly contrasted with the findings of this current research. The health concern has no significant relationship with customer satisfaction on Brand X green tea. This could be because consumers may purchase Brand X green tea because of the delicious taste which fulfills the basic benefit of thirst-quenching property. Thus, the health concern has a minor impact toward customer satisfaction.

Recommendations

These findings of the current study may be useful for the manager team, especially for marketing team of Brand X green tea. These results could change status of Brand X green tea to be a market challenger and gain more market share. From the results of this research, the manager should focus on quality of tea, price, and brand image which have a significantly positive relationship with customer satisfaction.

Firstly, the quality of tea is the major factor that managers should concern. According to the various choices of beverage nowadays, the customer tends to select the high quality of beverage. Thus, the managerial team should search for the best quality of tea as they can for customer satisfaction.

Secondly, price is a significant factor. Thus, the manager team should keep the price competitive for the target market. Furthermore, the perception of direct opponents would likewise help in setting the price to be similar in order to be able to compete and at the same time make the most benefit (Parpal, n.d.).

Thirdly, brand image is an important factor to make customer satisfied. The good image of Brand X green tea makes customer desire to purchase it. The better distinguished characteristics of Brand X green tea than other brands could attract customers.

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