

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

**THE EFFECT OF MARKETING MIX ON CUSTOMER
SATISFACTION AT PARTS UNITED GROUP IN YANGON**

MOE MOE THU

EMBA II - 62

EMBA 16th BATCH

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ACADEMIC YEAR (2017-2019)

Supervised By:

Daw Myo Thanda Tun

Lecturer

Department of Management Studies

Yangon University of Economics

Submitted By:

Moe Moe Thu

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A Thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

Supervised By:

Daw Myo Thanda Tun

Lecturer

Department of Management Studies

Yangon University of Economics

Submitted By:

Moe Moe Thu

EMBA II - 75

EMBA 16th Batch

2017-2019

ACCEPTANCE

This is to certify that the entitled “**The Effect of Marketing Mix on Customer Satisfaction at Parts United Group in Yangon**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

Board of Examiners

(Chairman)

Dr. Tin Win

Rector

Yangon University of Economic

(Supervisor)

(Examiner)

(Examiner)

(Examiner)

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ABSTRACT

This thesis aims to identify the effect of marketing mix factors on customer satisfaction and to analyze the customer loyalty on Parts United Group in Yangon. Questionnaires survey is used to collect data from the 120 customers who have buying experience with Parts United Group in Yangon, Bago division and Mon-State. The result shows that among marketing factors, product and place have significant positive effect on customer satisfaction. Moreover, customer satisfaction have significant impact on customer loyalty. According to the result, it is recommended that in order to succeed in tight competitive market, Parts United Group needs to emphasize on product quality and variety and to provide distribution convenient of the customer. These two factors can lead to customer satisfaction and their loyalty.

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EMBA II-62
EMBA 16th Batch

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CHAPTER 1

INTRODUCTION

The succession of every business link to the satisfaction level of its customers. Whenever a business is to start, customers always come “first” and then the profit. Only the business which able to maintain the significant level of customer satisfaction would remain the leading role of the market. Today’s business company has known that customer satisfaction is key component of the business and it play a vital role to expand the market value. There, as a marketing mix factors, price, products quality, distribution place and promotion are showed a positive effect on customer satisfaction. As a consequence price, products quality, promotion and place for distribution had an indirect impact on customer loyalty.

Myanmar in needed of infrastructure development such as road and bridge construction, property, electric power generation plant projects and so many on. On the others hand, Myanmar has a vast and diverse mix of mineral resources, including jade, copper, gold, tin, and nickel. Firms that use heavy equipment machines fall into these two major categories: mining sector and construction sector. A large sum of capital shall need to purchase and invest for the heavy machinery and only the firm with has a stronger financial situation may effort to

invest. Most of the heavy machinery cost at least \$100,000 and some of those machinery might cost millions of dollars.

Customer satisfaction is an important factor that effect on company performance. Satisfaction influences repurchase intentions whereas dissatisfaction has been seen as a main reason for customer defection of purchase, Labarbera and Mazursky (1983). When succeed customer satisfaction it can lead to a lot of advantages. According to Jochen Wirtz (2003), customer are more likely to come back to repurchase product or services and generate to customer loyalty if they are satisfied with the product or service deliver by the company.

There are a wide and variety of product line of heavy machineries which are manufacturing by several international brand. The product line of the heavy machinery may differ depend of the purpose of utilities of machine such as machineries for construction of urban infrastructure, for transport system, for mining facilities and so on. In generally, the type of heavy machinery and equipment can be broadly categorized as excavators, loader cranes, concrete machinery, and heavy-duty trucks. There are also firms which manufacture spare parts and tools for those heavy machineries.

In Myanmar, there is two different ministries which are related to manufacturing goods. Ministry of Industry No. (1) produces consumer products and Ministry of Industry No. (2) especially produces heavy industrial products such as assorted types of vehicles, engines, automotive parts and CNC machines. The heavy equipment machines and related parts cannot produce locally. Therefore, this industry machines and spare parts were imported from oversea and there are up to 15 to 20 companies which import heavy machinery and equipment to fulfil domestic needs.

Part United Group is one of the companies which import spare parts and tools for heavy machineries and equipment. Parts United Group was established in 2013. The company is incorporating with about 30 employees in Yangon. It has two branches which are closed to its major market location. The company valued and emphasized for long term partnership with its clients. The major line of business of the company is importing and distributing spare parts for the heavy machines. It ensures that all employees feel as the customer satisfaction is the goal of any firm or company. It improves up company's revenue and maintain customer. As a result,

it is important for Parts United Group Company to study more about customer satisfaction as well as loyalty.

1.1 Rationale of the Study

The heavy machine industry is a mature mid-tech industry with focus on efficiency and service. The quality, efficiency and technological level of heavy machinery equipment are often driven by incremental technological advance. And all of those machines are import and distribution by local authorized dealer and some were foreign direct investment in Myanmar. High capital and operating expenditure and long machine's life leads buyers in the advance economies to focus on "life time cost" in which the actual purchasing price is only one of the several factors (Matsumoto 2011).

The heavy machines manufactures are originally from the developed countries and local companies has to face the suppliers bargaining power and compete foreign investment companies. On the others hand, customer bargaining power has been increasing as the result of entering several multinational brands of heavy machinery are presenting to Myanmar market. Generally, price, product (product's brand), promotion and place (distribution center) are the main factors that influence the customer satisfaction and loyalty. Besides that, there are others possible dimension to measure customer satisfaction could be quality, price, trust relationship, complaints, problems and many others. Every organization aims customer satisfaction where these sorts of parameters makes an organization to measure the customer's satisfaction.

Customer satisfaction is extremely important because it is the way of getting feedback from the customers in a way that they can use it to manage and improve their business. The major challenges of spare part importing company is to sort and import thousands of different items which are different in brands and models of the machineries to meet the market demand. In some situation, it is difficult to distinguish which one is genuine and which one is fake. It is vital for the business organization doing marketing of their products and services to what exactly customer is seeking for.

Products come in many types such as its product brand name and recognition can make the different between success and failure but most are normally satisfied customer basics needs. Some people spend more time researching and weighting up their options when the product is expensive and risky. After product, price plays a key role in the marketing mix factors. Pricing strategies are a mix of art and science, if price too high it is branded & high quality products and if too low customer does not trust the quality mostly. To get the customer satisfaction product and price are not sufficient factors for marketing mix in business. Even if firm have good product and right price, its need to promote. Then the marketing is about putting the right product at the right price and suitable promotion but it needs right place. Right locations are to change potential clients to actual clients. In order to success in this key business the 4 Ps marketing mix factors is important to get customer satisfaction.

Customer satisfaction is the best indicator of how the business would be in the future and it is also a key indicator of the market situation that evaluates the success of the organization. Therefore, this study is intended how the marketing mix factors influence on Parts United Group Company customers' satisfaction and then satisfied customers will become loyalty. And the focus of this research is to examine the impact of customer satisfaction and loyalty.

1.2 The Objectives of the Study

The main objectives of the study are as the following;

- (1) To examine the effect of marketing mix factors on customer satisfaction of Parts United Group Co., Ltd
- (2) To analyze the effect of customer satisfaction on customer loyalty of Parts United Group Co., Ltd

1.3 Scope and Method of the Study

This thesis study focuses on the effect of marketing mix factors on customer satisfaction and the relationship between customer satisfaction and customer loyalty of Parts United Group Co., Ltd. Company has three branches around the country. This study only focuses on the Parts United Group customers which are prevailing most of customer in

Yangon, Bago division and Mon-State. In this study, analytical research method is used to explore the objectives of study. For the primary data source, simple random sampling method is conducted and total numbers of 120 out of 173 customers to answer by using questionnaires during October 14, to November 29. Secondary data was collected from the formal research papers, text books and relevant web pages are used.

1.4 Organization of the Study

In this study consists of five chapters. In the Chapter one, the contents are subdivided in to rationale of the study, objectives of the study, scope and method of the study and the organization of the study. Chapter two consists relevant theories and discuss literatures; marketing mix factors and which influence on customer satisfaction. Chapter three consists of company profile, industry background, research design, demographic profile of respondents and marketing mix factors. Chapter four is summary analysis of marketing mix factors influencing on customer satisfaction and then satisfied customer become loyalty. Chapter five is the conclusion chapter in which findings and discussions, recommendations and suggestion and needs for further researcher are presented in different subsections.

CHAPTER 2

THEORATICAL BACKGROUND

This chapter mainly describes about the theories, marketing mix (4Ps) such as products, price, place & promotion, definition of customer satisfaction and customer loyalty and conceptual framework of the study.

2.1 Marketing Mix Factors

The marketing mix is a foundation model for business, it was first invented by Neil Borden, the president of the American Marketing Association in 1953. The marketing mix is

marketing tools that help marketer obtain what they need and want. The concept of the marketing mix appeared in 1950 and during 60's the marketing mix concept gained relevance with the appearance of the 4Ps concept. The marketing mix is often crucial when determining a product or brand's offer and there are 4 Ps dimensions such as product, price, place and promotion.

The factors that constantly changing in market, evolving consumers, globalization, innovation and a complex environment have made researchers and practitioners think about extending marketing theory to better understand these factors. American Marketing Association, in its most recent definition, state that marketing is the process of planning and executing the conception, pricing and promotion and distribution of ideas, goods and services to make exchange and satisfy individual and organizational objectives. Additionally, many believe that in recent years, consumers have become more demanding, more self-centered, more independent, more critical and better informed (Capon & Hulbert, 2000; Lewis & Bridger, 2000).

The marketing mix is a list of categories of marketing variables but the list never includes all relevant elements, it does not fit every situation, and it becomes obsolete. In many marketing textbooks arranged around the marketing mix , such as Philip Kotler's well -known Marketing Management , the combining aspect and the need for integration of Four Ps are discussed, even in depth, but such discussions are always limited owing to the fact that was not explicitly include in integrative dimension. In the 1950's in Europe, researchers Arne Rasmussen and Gosta Mickwitz developed a parameter theory, which was dynamic marketing mix approach connected to the product life cycle and done using and economic approach rather than a behavioral approach. Parameter theory was a much more develop model than the Four P version of marketing mix notion. Despite, the Four Ps of the marketing mix have become the universal marketing model or even theory and an almost totally dominating paradigm for most academics, and they have had a great impact on the practical of marketing as well.

In fact, especially in Europe, the relationship approach as a foundation for theory of marketing have already been developed in industrial marketing and services marketing. Marketing has never had general theory, although the managerial school based on the marketing mix (4Ps) management paradigm is frequently treated as one.

Product: Kotler and Armstrong (2006) described that a product can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. Product is a physical objective that is sold and has a clear characteristics, a complex set of benefits that can be used to meet customer needs. Service product or service –good mix is when a business offers a service and a product or a good together as its practice. This service-good mix can refer to many different types of businesses in all different industries. Past researchers have clearly suggested that the product influences have a significant impact on business performance. Consumer buy the products frequently, with careful planning, and by comparing brands based on price, quality, style, and feature. Product must provide value to a customer and it involves introducing new products or improvising the existing products. If product range and product line increase it helpful in increasing customer satisfaction. Moreover, increasing product line may attract new customer (Benson, P. Shapiro, 1988).In overall study found product design and style to have a significant positive effect on firm performance.

Price: Pricing is an important factor of marketing mix and it should choose strategic choices when pricing the products to successfully achieve business objectives. Pricing support others three factors, product, place and promotion and it is not easy to set the price of the product. Price is the only element that generates revenue and helps others activities like product distribution, promotion and advertisement. It includes nature of service issues such as discounts, list prices, credit, payment term and conditions. Price is included in the price, products or service offered for sale and it is only element that does not include costs charged to the customer to buy products they take. Due to the intangible nature of services, price becomes a crucial quality indicators (Zenithaml, 1981).According to Kotler (2007) defined that price as a cost of producing, delivering and promotion the product charged by the organization. Zeithaml (2008) was of the view that monetary cost is one of the factors that influence consumer's perception of the product's value. The price which set for the product or service plays a large role in its market. Therefore, customers usually buy products on the basis of price rather than others attributes (Peter and Donnelly, 2007).

Place: Marketing sectors is the backbone of the companies' development plan and provides an economic growth to the country. It all stemmed from companies needs of itself apart in crowed market place. Includes issues such as distribution channels, market coverage, products inventory, and transportation and distribution sites. Place defended as the ease of access which

potential customer associates to a service such as location and distribution (Hirankitti et al., 2009). Place referred to where the customer able to buy the products, based on companies' distribution channel and their needs place (cleverism, 2018). In the marketing mix, the process of moving products from the producer to the targeted customer or end user is called place. In other words, it is how the product is bought where it is bought. Nowadays, most of companies are set the business up which near customer's place, it is called the place of marketing mix. Correct place which focuses on where the business is located, where the target market is placed, how best to connect there two, how to store goods in the interim and how to eventually transport them. Customer satisfaction depends largely on how the firm distributes its product and which channel the firm is using distribute them (Shapiro, 2007, 36).

Promotion: Promotion can be defined as the various avenues, a corporation uses to inform to people about their products, educate them on the distinctive features of their products. Promotion used by organizations to maintain long-term relationships with their customers and build brand royalty (Mahajan & Mahajan, 2015). And promotion is about a decision of how best to the related product to target market and persuade consumer to buy it (Lovelock, Patterson, & Walker, 1998). Without promotion no product succeed in the marketplace and organizations therefore need to use a combination of the five elements of promotion, which are advertising, personal selling, public relations, social media and sales promotions, to develop a well-coordinated plan and targeting the market. There are many ways for promotion, but it requires strategic research into the target audience and where to find them. The role of promotion in the marketing mix is important for brands which can achieve this by using strategic tactics to connect with consumers to generate a response. Nowadays, internet marketing is one of the most powerful ways of promotion a product (Goldman Sachs, 2011). If the customer is satisfied with the product or service they refer to their near and dear one (Goldman Sachs, 2011).

2.2 Customer Satisfaction

Customer satisfaction has been one of the top tools for successful business. And customer satisfaction, especially as marketing, is ascertains the expectation of the customer on how the goods and services are being facilitated by companies. Customer satisfaction is the

attitude of a customer towards a product or service after it has been used. Customer satisfaction is all company goals, then the company gain competitive advantages to stay survival.

In addition marketers consider satisfying customer as a key element of business activities especially in competitive tight market. Traditional concept of customer satisfaction, which is an emotional factor but sometime, satisfaction can be considered based on personal experience, individual beliefs and relationship. Customer satisfaction is based on business to business (B2B) relationship also, thus it is a necessary component of a business strategy as well as customer retention and product repurchase. To maximize the customer satisfaction, companies should educate the product details and how its drive their business to develop at B2B business.

According to Jochen Wirtz (2003), customer satisfaction may lead to customer; customers are more likely to come back and repurchase products or services, and generate customer loyalty as well as they introduce the product to others people surround them. If firm can make customer satisfaction, that customer satisfaction is the goal of that firm and then directly attracts more customers through word of mouth and also increase the repurchase intension of customer. There has been tons of approach to customer satisfaction as well as many ways to measure customer satisfaction. Former, many researcher have stated that the product quality, service quality and price are fatal factors that influence the customer satisfaction. On the others hand some researchers also have stated that customer satisfaction is influenced not only by product and service quality and price but also by situation factors and personal factors.

Customer satisfaction is barometer that predicts the future customer behavior (Hill Roche & Allen 2007.). The most important topics such as the product and its feature, functions, reliability and sales activities are required to meet or exceed the customer satisfaction. The value of keeping a satisfied customer is only one-tenth of winning a new one. Therefore, when the organization wins a customer it should continuous to build up a good relationship, trust with customer so it is easy to get the feedback from them.

2.3 Customer Loyalty

Oliver (1999) and Dhevika & Subranmani (2005) stated that, a customer become and remain loyal, the customer by themselves have to believe that the products or services by the organization offers to them which was the best alternative for him/ her. Today customer loyalty is more complex than in the past because of technological breakthrough and widespread of the internet uses. Loyalty customer recommend others to buy from you and think more than twice before changing their mind to buy others service or product. Loyal customers are essential for business because there are five reasons, such as loyal customers are easier to sell, can act as brand ambassadors, acquiring new customers are more expensive, loyal customer are protect the firm from competition and they offer constructive feedback.

There are two kinds of customer loyalty based on behavioral and emotional loyalty on the goods and services. If the customer continuous doing business with firm, it is called behavioral loyal while he/ she is one who prefer to buy form the vendor is called emotional loyal. Both behavioral and emotional loyal model, increased satisfaction should increase customer loyal. Customer loyal directly maintain the customer as well as effect on customer buying decision. Therefore, marketer and business man from all over the world are trying to achieve customer loyalty for their firm and company.

The result of some researchers, brand image and customer loyalty is not significant impact, but product price, store location and product quality are significant on customer loyalty. Generally customer stay loyal if the products price offers by the firms meets the expectations of customers. Therefore firms should provide reasonable price in order to increase and retain loyal customers. This statement is suitable for some retail firms but for others industry products; brand image is an important marketing tool for manufacturers to increase their loyal customer or to keep their existing customers.

At currently, most of companies have some form of customer loyalty program because customer loyalty is important for an organization. Not only that the royal customer stick to business and more products and service but also royal customers speak about business to others as word of mouth.

2.4 Empirical Studies

Recently, influences of marketing mix components on customer satisfaction have been regularly analyzed (Saludin, Ling and Razili, 2007; Mamoun, 2012; Ahmend and Rahman, 2015). Customer satisfaction is an indicator which shows whether the customer will make repurchase decision or not along with their loyalty (Boonlertvanich, 2011). And customer loyalty is another important factor in customer satisfaction. Customer satisfaction and customer loyalty are those two-strong pillars of business and it helps to compete with the competitors in market. Beardeb & Teel (1983) as cited in Chow et al. 2013, mentioned customer satisfaction is important attribute to marketers as it assumed to be a significant determinant for repeat sales, positive word of mouth as well as building customer loyalty.

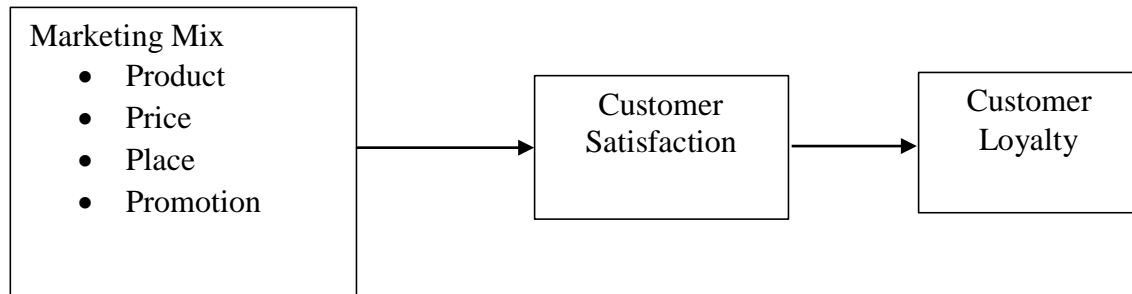
Customer satisfaction and loyalty is important for modern business for two main reasons. First, customers are scarce resource it is difficult to get and old customer than from and new one. Second, customer loyalty and satisfaction has a positive effect on the profit revenues of the organization (Rosenberg & Czepiel 2017). Customer satisfaction and switching cost show a positive effect on customer loyalty. Price, service quality, product quality impacted a positive effect on customer satisfaction. As a consequence price, service quality, product quality had an indirect effect on customer loyalty.

Based on Coyne (1986), there are two critical thresholds affecting the link between customer satisfaction and loyalty. On the high side, when satisfaction reaches to a limited degree, loyalty increases dramatically, at the equivalent time satisfaction decline to a particular level the loyalty dropped equally dramatically (Oliva, Oliver & MacMillan 1992). Satisfaction is an attitude, whereas loyalty is expressed as a behavior. Customer satisfaction and loyalty represent a top prior of the company's success and profit. Satisfaction does not automatically lead described to loyalty it need a step by step process. But customer loyalty directly leads to an increase in both sales and profitability (Chi, 2005).

Empirical Studies are the collection and analysis data based on direct observation or experiences in the "field". This study mainly based on previous research was a study about "The Influence of Marketing Mix and Customer Satisfaction on Customer Loyalty among Hijab Consumers: Norsyaheera Abd Wahab and Lailatul Faizah Abu Hassan, 2013". The previous research framework starts from the independent variables of this research are based on 4 Ps marketing mix factors towards customer satisfaction, product quality and brand image

also directly impact to customer satisfaction. The conceptual framework of this previous paper was described in Figure (2.1).

Figure (2.1) Conceptual Framework of Norsyaheera Abd Wahab



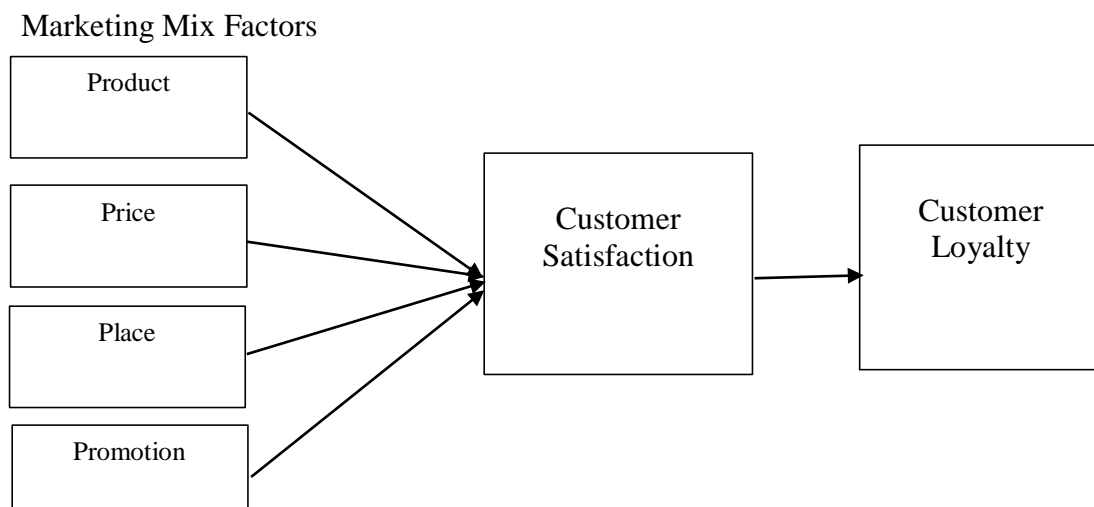
Source : Norsyaheera Abd Wahab (2013).

Result from this study, author confirmed that the customer satisfaction was really important in order to create loyal customers, it is indeed,important that marketing mix and its element can help business providers to know the factors that their customers are looking for when buying hijabs.

2.5 Conceptual Framework of the Study

Conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Richel and Ramey, 1987).This paper takes a cautionary stance to the impact of marketing mix on customer satisfaction, and the customer satisfaction show a positive effect on customer loyalty. The conceptual framework of this study is as shown in Figure (2.2).

Figure (2.2). Conceptual Framework of the Study



Source: Own Compilation (2019).

According to conceptual framework, product brand, price, promotion and distribution channel (place) are the factors that influence on customer satisfaction and there is also a relationship between customer satisfaction and customer loyalty. The framework is about the factors influencing on customer satisfaction and relationship between customer satisfaction and customer loyalty of Parts United Group Company in Yangon.

CHAPTER 3

PROFILE AND MARKETING MIX FACTORS OF PARTS UNITED GROUP

This study investigates introduction the effect of marketing mix factors on customer satisfaction towards Parts United Group Co., Ltd. It contains background of the industry, profile of the Parts United Group Co., Ltd, research design, demographic profile of the respondents and marketing mix factors of Parts United Group are presented.

3.1 Background of Heavy Machinery Industry

The heavy machinery industry produces a wide variety of equipment for utilizing in the construction of urban infrastructure, in transport systems, in mining facilities, as well real estate developments. The major type of heavy machinery can be categorized into four main segment: earth moving machinery, such as excavators, material handling machinery such as loader cranes, concrete & road machine equipment such as concrete machinery, and others crane, dozer, dump truck. For those spare parts as core components including engine, pump, gear parts etc. are often driven by incremental technological advance. In the earth moving operations, which are highly dependent on the equipment such as excavators.

Myanmar, in need of infrastructure development, such as a road building and the provision of a stable supply of electric, will continue to drive construction demand. On the others hand, Myanmar has a vast and diverse mix of mineral resources, including jade, copper, gold, coal, tin. Heavy machines such as excavators are essential equipment's of those industries. With ASEAN turning 50 and China's One-Belt –One –Road initiative setting, Myanmar is in urgent needs to close its infrastructure gap because Myanmar's urban population growth that faster than now.

The heavy machine industry is a mature mid-tech industry with a focuses on efficiency and service, and this market was estimated at round 93.8 billion USD in 2013 then longer period of strong growth until the financial crisis 2008. Products are more technically complex and often specialized to customer organization, more money, people and procedure are involved. On the other hand, the construction industry is considered as a hazardous industry because of its high number of accidents and fatality .Therefore, safety is one of the main requirements in construction sites. For the firm any accident may put the company in financial troubles. Where the satisfaction of that industrial customers is measured by seven different dimensions such as satisfaction with product, salespeople, product-related information, order handling, technical services, internal personal and complaint handling.

To get customer satisfaction, most of heavy machine firms have to address important key customer concern such as fuel efficiency, maintenance cost, a well-established aftersales service in the competition. Therefore, it is difficult to sell high-tech, big cost goods and deep mining pits and waste rock dump piles projects are very big risky in this type of market.

Sometime, the marketer very difficult to find out who the buyer is and who user is as different role played by the customer.

Therefore, heavy machines industry trading companies, need to be conscious of the factors affecting customer satisfaction to be strong relationship. Customer satisfaction not only plays an essential role in marketing, but also a critical factor in persuading consumers to make repurchases. Heavy machine industry products are brand image and after sales service were related significantly higher than quality of product, lower price, location of suppliers and availability of credit in terms of the product. In the rapid changing global market, heavy machines firms and manufactures tried to obtain customer loyalty to gain their own competitive advantages. Then, loyalty customer tend to buy more and buy frequently because they satisfied the value of the product and service less price sensitive. Whether firm can comprehensive and in-time maintenance service, parts with good quality is one of the key purchase criteria for customer's satisfaction in this heavy machine industry.

3.2 Profile of Parts United Group Company

Parts United Group was established in 2013 and its main business is importing and distribution of spare parts and tools for heavy machines. Head office of the company is situated in Yangon and it has two branches Bago division and Mon-State which are near gold mining projects.

Most of companies in this industry are authorized dealer from foreign companies and selling their own brand such as CAT, Komatsu, Kobelco, Hyundai, and Doosan. Dealer companies are emphasized their brand machines and its related spare parts. The company is running with about 30 employees. At the startup of the business it imported and distributed the spare parts only for excavators and bulldozers. Later on, Parts United Group expended its business and imported wheel loader and after sales service and new business of service contract on customer demands.

Most of the staffs in Parts United Group are former sales and marketing staffs of the international heavy machinery dealer. Therefore, Parts United have solid knowledge and familiar with spare parts of different brand and model of heavy machineries. Some of the

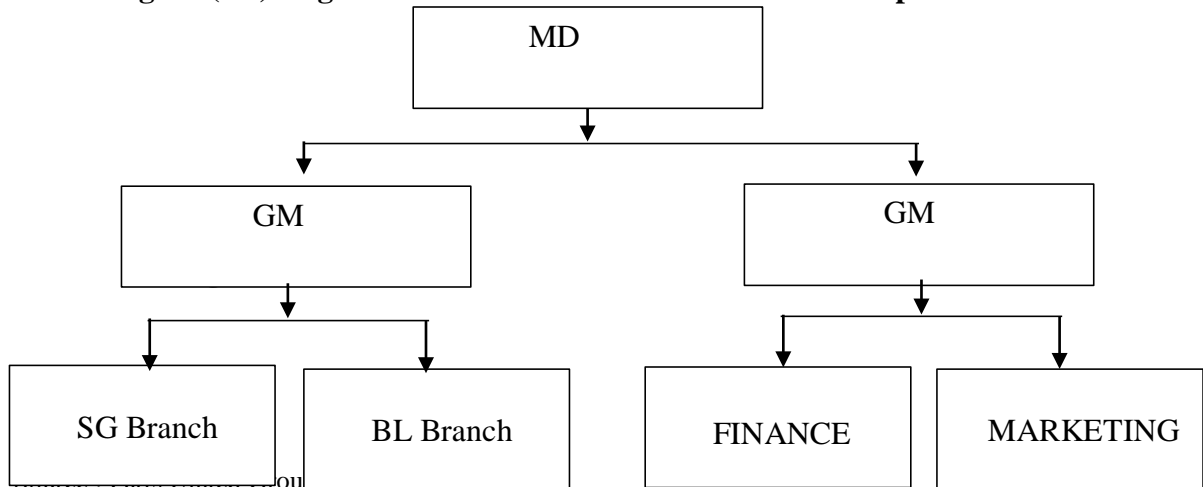
technician have nearly have 20 years experience in the same industry. Company business operation is well organized both 4ps marketing activities and after sales service to improve in the competitive market. Parts United Group have been long term relationship with customer and most of customer are trust with our Part Unite Group.

The head of Parts United Group Co., Ltd is located in Insein Township, Yangon and Bago division and Mon-State. Vision statement of the company is to be the most reliable business partner for the customers. And mission statement is providing with a particular type of equipment of technology, correct spare parts. Create exceptional value for customer to have belief or confidence in the honesty, skill or safety of a person or organization in this industry. And Parts United Group assume that it work or behave well in the way the customer expect. Industry is B2B (business to business) communication, Parts United Group try together with customer's business trend.

3.2.1 Organization Structure of Parts United Group

Parts United Group Co., Ltd organization structure which is stated in figure (3.1).

Figure (3.1) Organization Structure of Parts United Group



3.2.2 Main Products Types of Parts United Group

Parts United Group mainly supply the spare parts of Excavators, Dozer, Loader or others heavy machines. It targets gold mining and jade mining projects who have the machines

by many brands. Therefore, the company supply many items of product per brands. Table (3.1) shows the products type of the company.

Table (3.1) Main Product Types

Brand Name	Parts Components	Genuine	Replacement
Volvo, Doosan, Hyundai (Korea)	Engine Ass'y	Original Manufacturer (Genuine Parts & High Price)	Original Equipment Manufacturer (Replacement Parts & Reasonable Price)
	Hydraulic Main Pump Ass'y		
	Travel Device Ass'y		
	Motor (Travel, Swing) Ass'y		
CAT, Komatsu, Kobelco, Hitachi (Japan)	Undercarriage Parts		
	Ground Engaging Tools Accessories		
	Filtration Elements		
	Cylinder Ass'y and Seal Kits		
Others LG, SANY, ZOOMLION (China)	Electronic Wire harness		
	Electronic Machine Control Units		
	Engine Control Units		

Source : Parts United Group Co.,Ltd (2019)

First, the company is selling the spare parts by offering faster deliver, better quality, special products that are difficult to find in local market and after sales service with warranty. To grow the business, company emphasize to build stronger and long – term customer relationship continuously.

3.3 Research Design

This study aims to explore the effect of marketing mix factors on customer satisfaction towards Parts United Group Company and to analyze the relationship between customer satisfaction and customer loyalty. Analytical research method is used in this study. To achieve

this objectives, both primary data and secondary data are used in this study. Secondary data are obtained from text books, previous research papers and internet

. Conducted a survey for primary data and 120 customers responded to structured questionnaire. To get the primary data, the respondents at Yangon, Bago division and Mon-State of Parts United Group were asked whether they have satisfaction and loyalty towards Parts United Group or not. All of 120 respondents were answered completely. Therefore, the sample size of this study is 120 respondents. The respondents were surveyed by random sampling method.

SPSS software is used to analyze the data. Both of analytical method and Linear Regression method were used in this study. Analytical research is used to describe characteristics of a population or phenomenon being studied. The survey question used for this study consists of three sections. Section one is the question for demographic information. Section two contains the questions for the marketing mix factors. In section three, the question for the customer satisfaction and customer loyalty of Parts United Group. The questions in section are closed question (i.e., the respondents are required to choose one or more out of given possible answers). Then, the questions in section two and three are measured with a five point Likert scale ranging from “strongly disagree to strongly agree” (1=strongly disagree to 5=strongly agree).

Reliability analysis refer to the fact that a scale should consistently reflect the construct it is measuring. It was undertaken in order to test the internal consistency of the variables in the questionnaire. Then, Cronbach’s alpha was selected to conduct the reliability test as it is the most common tool for internal consistency reliability coefficient in particular psychometric measurement. It test to see if multiple question Likert scale survey are reliable. Cronbah’s alpha told that the test is accurately measuring the variable of interest. (Tavakol and Dennick, 2011).

Table (3.2) Reliability Analysis

Category	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No.of Items	Interpretation
Product	0.931	0.932	8	Excellent
Price	0.886	0.897	8	Good
Place	0.925	0.926	7	Excellent
Promotion	0.916	0.916	7	Excellent
Customer Satisfaction	0.961	0.961	10	Excellent
Customer Loyalty	0.945	0.946	9	Excellent

Source: Survey data (2019)

Table (3.2) showed that the Cronbach's Alpha of all factors in this study were more than 0.9 except the price data which was 0.886. Therefore, it can be indicated that the data is high level of internal consistency and to be reliable and valid.

3.4 Demographic Profile of the Respondents

The survey is conducted questions to 120 of customers in Yangon, Shwe Gyin Township in Bago division and Belin Township in Mon -State. After survey, it is found that all of respondents were completed the questionnaires. According to the survey data, the respondent's personal (demographic) factors are classified into five categories such as gender, age, education, occupation, income level. All of these topics are discussed in Table (3.3). The data are presented in term of number and percentage of respondents as shown in Table (3.3).

Table (3.3) Demographic Profile of Respondents

Demographic Factors	Description	No. of Respondents	Percentage (%)
	Total	120	100.00
Gender	Male	88	73.33
	Female	32	26.67
Age	Under 21 years	9	7.5
	21-25 years	14	11.67
	26-30 years	18	15
	31-35 years	29	24.17
	36-40 years	15	12.5
	Above 40 years	35	29.17
Academic Education	Read & Write	3	2.5
	Primary School	3	2.5
	Bachelor Degree	7	5.83
	Middle School	45	37.5
	High School Graduate	1	0.83
	Bachelor Degree	61	50.83
Occupation	Student	4	3.33
	Government Service	3	2.5
	Company Staff	60	50.0
	Business Owner	33	27.5
	Others	20	16.67
Income level (MMK)	Under 50,000	4	3.33
	50,000-100,000	4	3.33
	100,001-200,000	19	15.83
	200,001-300,000	28	23.33
	300,001-400,000	24	20.00
	Over 500,000,	41	34.17

Source: Survey data (2019)

Table (3.3) presents the demographic data summary of the respondent. There are total of 120 respondents to the survey. In this study, male respondents are more than female respondents because male of the nature of the job which is more related to the male workers. Then six different types of age group are surveyed for this research. The largest distribution of the respondents is the group of respondents who are above 40 years old. The smallest portion of distribution is age groups between 21 and 25 years and under 21 years. Therefore, it can be

verified that the young people under 25 years do not like to do this industry or not suitable for this job but adult who are over 36 years like to do this work and it also suitable age.

The education level of the respondents is divided into six groups such as illiterate, read & write, primary school, middle school, high school and bachelor degree. The education level of majority respondents is bachelor degree holders. It indicates that most of customers are well educated which is nearly half of respondents and most of them are engineering background.

In this study, the occupation of the respondents is also classified into five groups such as student, government service, company staff, business owner and others. The majority of respondents' occupations are company staff. This result represents that most of customers of Parts United Group are company staff and business owner because the industry nature is project based and most of companies are doing jade mining site and gold mining site. Therefore, male prefer more than female and most of them are business owner and engineers and worker.

For the income, the monthly income levels of respondents are divided into six groups. The majority of respondent's income is over 500,000 MMK. Therefore, it can be concluded that most of the respondents who purchase at Parts United Group have an income level above 500,000 MMK because most of customers are own business man and some are engineer or site manager who high level salary.

It can be concluded that the age of above 40 years and 31-36 years, business owner or site engineers, male customers with income level of 500000 MMK are mostly the customers of Parts United Group in Yangon, Bago division and Mon -State.

3.5 Marketing Mix Factors of Parts United Group

In this part, the effect of marketing mix factors on customer satisfaction are analyzed based on customer perception on marketing mix. The mean value and standard deviation of each factor was analyzed by 5 Point Likert scale and result are presented in Table (3.4), (3.5) (3.6) and (3.7).

3.5.1 Product

The following Table (3.4) shows the mean value and standard deviation of product quality factors that influence on customer satisfaction of Parts United Group. For this product quality questionnaire, there are eight questions to analyze. The results are shown as the following Table (3.4).

Table (3.4) Product

No.	Description	Mean	SD
1	Trust and well received	3.78	1.14
2	Good quality	3.78	1.07
3	Get back value	3.97	1.12
4	Well – Made	3.98	1.09
5	Country Of Origin	4.02	1.13
6	Variety of brands	3.53	1.18
7	Good after sales service	3.83	1.08
8	Well understand on products nature	3.53	1.25
	Overall Mean	3.80	

Source: Survey data (2019)

As shown in above Table (3.4), most of respondents have same option with the eight questions of the survey and their mean value is nearly 4. Then mean value of country of origin is the highest mean score. It point out that the respondents buy from Parts United Group because the company provide genuine product.

But the mean score of variety of brands and well understand on product nature are lowest by 3.53. It means that the company cannot support many kinds of brands and components spare parts items. However, the overall mean value of product quality factor is 3.80 which mean the product quality factors is positively influence on customer satisfaction towards Parts United Group. Therefore, the customers are satisfied with product quality such as country of origin, get back value on paid money and after sales service of Parts United Group although the company does not support many kinds of brands & components and knowledge sharing of products.

3.5.2 Price

The following Table (3.5) shows the mean value and standard deviation of price setting factors that influence on customer satisfaction of Parts United Group. For this price setting questionnaire, there are eight questions to analyze. The results are shown as the following Table (3.5).

Table (3.5) Price

No.	Description	Mean	SD
1	Acceptable price setting	3.68	0.99
2	Setting price based on brand	3.77	0.96
3	Setting price based on quality	3.92	1.00
4	Calculate based on currency	3.78	0.97
5	Setting price consider on important situation	3.96	1.00
6	Price based on payment system	3.33	1.28
7	Setting price calculate COGS	3.67	1.06
8	Price consider on market price	3.28	1.26
	Overall Mean	3.67	

Source: Survey data (2019)

As mention in Table (3.5), it is found that the respondents are recognized with the offer price of Parts United Group with the overall mean value 3.67 because the value is above the neutral score of 3. The highest mean value is from the setting price based on government import situation which mean the customer are highly acceptable with the setting price method by this important situation, first. The lowest mean score value is setting price is based on payment system. It can be concluded that the offer price is not highly important on payment system because customer is interested in product and brand first, they are not price sensitive. Thus, regarding with price setting factor the customers are mostly interested in government import situation only.

3.5.3 Place

The section presents the perception of respondents on the branch locations of the company. The mean values and standard deviation of each questions and overall mean are shown as Table (3.6).

Table (3.6) Place

No.	Description	Mean	SD
1	As nearly as customer job site	3.86	1.06
2	Multi distribution channel to deliver	3.91	1.19
3	Offer from oversea directly	3.86	1.13
4	Serve at nearest place	3.79	1.05
5	24 hours service at branch	3.59	1.25
6	Attractive matter of customers	3.86	1.08
7	Setting arrangement, enough space	3.67	1.13
	Overall Mean	3.79	

Source: Survey data (2019)

As shown in Table (3.6), most of the respondents agree with the seven of statements and their mean value is more than 3. The mean value of multi distribution channel is the highest mean score 3.91 which represents that the respondents are greatly satisfied with the multi distribution channel of Parts United Group. The second largest mean score is for opening the branches closed to the job sites and which make ease to customers. The customers are very pleased that the branch locations are closed to their job sites and they prefer the quick access to stores for their emergency needed of spare part for their heavy machines. The weakest mean score is 24 hours servicing of branches but its mean score is still more than neutral. The overall mean value of place factors is 3.79. It can be conducted that the customers are not much concerned about 24 hours service, they just attached multi distribution channel, direct support from oversea and as near as their job sites.

3.5.4 Promotion

The respondent's perception on the promotion activities of Parts United Group is present in Table (3.7).

Table (3.7) Promotion

No.	Description	Mean	SD
1	Depending on situation and introduction	3.57	1.13
2	Throughout social media	3.66	1.22
3	Persuasion to purchase	3.61	1.13
4	Well informed of promotion	3.31	1.17
5	Attractive to purchase	3.59	1.12
6	Promotion price or bottom price	3.65	1.12
7	First prior attraction	3.91	1.00
	Overall Mean	3.61	

Source: Survey data (2019)

As shown in Table (3.7), majority of respondents are recognized with the seven of statements and their mean value is more than 3. It indicates that respondents are very interested the bottom price compare with promotion price of products. The lowest mean score is the mean score of well informed of promotion. It indicates that the information of promotion or the activities of promotion which held by suppliers are not very important of respondents and it also neutral.

CHAPTER 4

ANALYSIS ON THE EFFECT OF MARKETING MIX FACTORS ON CUSTOMER SATISFACTION AND LOYALTY IN PARTS UNITED GROUP

This chapter arranged into two parts. In the first part, customer satisfaction towards Parts United Group is described. In next part of the chapter, the effect of marketing mix on customer satisfaction and the relationship between customer satisfaction and customer loyalty of Parts United Group are presented.

4.1 Analysis on the Effect of Marketing Mix Factors on Customer Satisfaction

This section described influencing factors such as product, price, place and promotion which effect of customer satisfaction.

4.1.1 Customer Satisfaction

The following Table (4.1), shows the mean value and standard deviation of customer satisfaction of Parts United Group Company. There are ten questions to be analyzed and the results are shown as Table (4.1).

Table (4.1) Customer Satisfaction

No.	Description	Mean	SD
1	Enjoy at this company	3.85	1.14
2	Pleased for visiting this company	3.87	1.09
3	Satisfied with service offered	3.88	1.00
4	Highly motivated employees service	3.98	0.97
5	Fully knowledge employees service	3.84	0.98

6	Trust, reliable and unity	3.83	0.95
7	Considering as customer is first place	4.01	0.99
8	Good company image	3.86	1.05
9	Customer is first prior concept	3.92	1.05
10	Overall, good positive impression	3.95	1.04
	Overall Mean	3.90	

Source: Survey Data (2019)

As shown in Table (4.1), the respondents agree with all of the statements of customer satisfaction and all of the mean value is more than 3.8. The mean value are range between 3.83 and 4.01. Moreover, the overall mean value if customer satisfaction is 3.90 which represents the respondents are pleased and satisfied with this company and consider as customer is first place concept is fulfill the customer expectation. Then the respondents recognized that they expect the highly motivated employee's service to them. Therefore, the customer satisfaction of Parts United Group is clearly shown.

4.1.2 The Effect of Marketing Mix on Customer Satisfaction

The linear regression model is applied for exploring the effect of marketing mix on customer satisfaction. The result of the analysis is shown in Table (4.2).

Table (4.2) Effect of Marketing Mix on Customer Satisfaction

Model	Unstandardized Coefficient		t	Sig	VIF
	B	Std. Error			
(Constant)	0.458	0.211	2.170	0.032	
Product	0.465***	0.080	5.844	0.000	2.386
Price	0.056	0.085	0.666	0.507	2.549
Place	0.340***	0.084	4.061	0.000	3.401
Promotion	0.115	0.073	1.567	0.120	2.487
R Square	0.735				
Adjusted R Square	0.725				
F Value	79.582***				

Source: Survey Data (2019)

Note: ***Significant at 1% level; ** Significant at 5% level; * Significant at 10% level

According to analysis result, the specific model could explain very well about the variation of the customer satisfaction of the respondents on Parts United Group, and since the value of R Square is about 74 percent. The model can explain 73 percent about the variance of the independent variable (Marketing Mix) and dependent variable (Customer Satisfaction) because Adjusted R square is 0.725. The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specified model can be said valid. Moreover, t-values in all factors are greater than 0 showing evidence against the null hypothesis that there is no significant difference.

The results indicate the both of Product and Place has significant relationship on customer satisfaction. But the rest of marketing mix factors of Pricing and Promotion are variable have not significant relationship on customer satisfaction.

Product variable has the expected positive sign and highly significant coefficient value at 1 percent level. The positive relationship indicates that the increase in Product value lead to the effect on customer satisfaction in Parts United Group. The increase in Product value by 1 unit will also raise the effect on customer satisfaction by .465 units.

Place variable has the expected positive sign and highly significant coefficient value at 1 percent level. The positive relationship indicates that the increase in Place value lead to the effect on customer satisfaction in Parts United Group. The increase in Place value by 1 unit will also raise the effect of customer satisfaction by .340 units.

The standard coefficient (Beta) of Product has the largest value (.465) among four explanatory variables indicating the Product has the greatest contribution to the effect on customer satisfaction in Parts United Group.

Product factors is the most significant effect on customer satisfaction because customer are more prefer product brand and its quality than others factors in this industry. This is reasonable concept and accept in the real market situation. The products are imported from other countries, especially from Japan, Italy Singapore and China. Nowadays, China is main manufacture for this industry products but cannot trust on product quality, brand name. China

can made many product range such as genuine, fake, good second hand etc. Even if the company bought from china and distribution to local but they told the customers honesty how distinguish which one is fake and which one is genuine. Therefore, most of respondents are more prefer the statement of country of origin offer by this company. To summarize, all of dimensions of described model have significant positive effect on customer satisfaction but the main determination of subjective norms component of the customers to be the product factor.

4.2 Analysis on the Effect of Customer Satisfaction on Customer Loyalty

Customer satisfaction is an indicator of customer's attitude towards a product and satisfied customer will be loyalty. Thus, this section mainly described by two parts such as customer loyalty and how the customer satisfaction impact on customer loyalty.

4.2.1 Customer Loyalty Towards Parts United Group

The following Table (4.3), shows that the mean value and standard deviation of customer loyalty of Parts United Group. The signals of customer loyalty are the final goal of items included in this analysis. There are nine question analyzed. The mean value and standard deviation of each and overall mean are shown as Table (4.3).

Table (4.3) Customer Loyalty

No	Description	Mean	SD
1	Continuous to use as partner	3.68	1.17
2	Word-of –mouth	3.83	1.03
3	Suggestion to others	3.72	1.01
4	Made-believe as right choice	3.79	0.99
5	Recommendation to friends and others	3.80	1.03
6	First prior	3.71	0.98
7	More than selling	3.48	1.06

8	Secure and accurate	3.79	0.96
9	Genuine interested in handling	3.84	1.05
	Overall Mean	3.74	

Source: Survey Data (2019)

As shown in Table (4.3), the respondents agree with all of the statements of customer loyalty and all of mean value is more than 3.5. The mean values are range between 3.68 and 3.79. The largest mean value score is 3.84 which is the statement 9, which means that the customer want to get the genuine interested in handling to their problem by company. Because most of respondents are decision makers or purchaser and they choose the company that has good relationship with them to buy the spare and they have less products knowledge. Customer can get easily the right product by the support of skillful sales person, therefore customers are more prefer the statement of genuine interested in handling.

The second largest mean score is 0.83, stated in statement 2 which mean that most of customer are prefer and trust their word-of –mouth each other than company supported. The overall mean value of customer loyalty is 3.79, Parts United Group has high customer loyalty. The possible reason is that the customer who satisfied with product and place which serve from Parts United Group and they will continuous to buy from company and will be loyalty.

4.2.2 The Effect of Customer Satisfaction on Customer Loyalty

For the purpose of the relationship between customer satisfaction and customer loyalty of Parts United Group Company, the regression model is used to analyze the findings of survey built up the respondents. The result of relationship between customer satisfaction and customer loyalty of Parts United Group Company are shown in the following Table (4.4).

Table (4.4) Effect of Customer Satisfaction on Customer Loyalty

Model	Unstandardized Coefficient		t	Sig	VIF
	B	Std. Error			
(Constant)	0.339	0.389	0.871	0.386	
Customer Satisfaction	0.796***	0.097	8.138	0.000	1.000
R Square	0.362				

Adjusted R Square	0.357
F Value	66.969***

Source: Survey Data (2019)

Notes: *** Significant at 1% level; ** Significant at 5% level; * Significant at 10% level

According to analysis result, the specified model could explain very well about the variation of the customer loyalty of the respondents on Parts United Group, since the value of R Square is about 36 percent. The model can explain 36 percent about the variance of the independent variable (Customer Satisfaction) and dependent variable (Customer Loyalty) because Adjusted R square is 0.357. The value of F test, the overall significant of the model, is highly significant at 1 percent level. This specified model can be said valid. Moreover, t-values in all factors are greater than 0 showing evidence against the null hypothesis that there is no significant difference.

Customer satisfaction has positive and highly significant at 1% confidence level. It indicates that one unit of customer satisfaction can lead to 0.796 increase in customer loyalty.

The evolution of heavy machine market has affected the customers especially in jade mining, gold mining and infrastructure. Most of business owner choice the spare parts from this company because their past experience and long term relationship are leading to buy from this company. Moreover, they trust on the products of this company based on their long term relationship and two branches are located at major market location.

As sum up, overall evaluation shows that the model explain the customer loyalty well because the result caused expected signs and significant coefficient for customer satisfaction. As conclusion, there is positive relationship between customer satisfaction and customer loyalty of Parts United Group in Yangon because customer are satisfied with product and place of company. Therefore, the company get the customer satisfaction and the customer satisfaction can activate the customer loyalty.

CHAPTER 5

CONCLUSION

This chapter is conclusion of the study that is included the finding and discussion of the previous chapter, the suggestion and recommendation of the study and needs for further research of the study. Finding and discussion are based on the influencing factors of customer satisfaction and the analysis of customer satisfaction and customer loyalty of Parts United Group in Yangon. Suggestion and recommendation are based on the result of the finding and need further research described on the result of the finding.

5.1 Finding and Discussions

The main objective of this study is to examine the factors influencing on customer satisfaction and analyze the relationship between customer satisfaction and customer loyalty of Parts United Group in Yangon. Customer satisfaction and customer loyalty represent a top prior of the company's success and profit and significant concept of customer buying behavior. It is easy to understand that there is a significant positive relationship between customer satisfaction and customer loyalty. It can leads to an increase in both sales and profitability in the competitive market.

As a result, the respondents have highly satisfaction towards Parts United Group. This means that the customers are overall satisfied with this company. Moreover, the customers are pleased and trust that the company can support their problem solution and fulfill their

expectations. The customer satisfaction is measured by four factors which are product range, price setting, place and promotion in this study.

According to research result, product nature is existed as important factor of customer satisfaction of Parts United Group. In general, most of respondents are agreed that the product supported by company and company location with nearest their job site. It can be concluded that most of customer are trust on product brand and quality and prefer the location as near as their job site. It is highly satisfied on customer and highest mean value of Parts United Group.

In the result, the price setting is natural and all of respondents agreed it and there is not significantly impact of the customer satisfaction. In physically, most of industry products are not based on price only but based on others specification more. Customer are atomically understood the price and not price sensitive nature on those product brands. Therefore, price setting is normal and it was last facts and figure after product and place.

According to survey result, the second largest mean score is place factor and plays a significant role of customer satisfaction towards Parts United Group. The customer are satisfied the company location which near or with their job site because their job site are at located forestry or mining areas. Indeed, customers are consider when they need the product where they can get first and not consider others facts and figures. Thus, the place factors is significantly impact on customer satisfaction and influence on customer satisfaction on Parts United Group.

With reference to survey result of promotion factor, its mean score is relatively low compare to the others factors. Its point it out the customer in this industry are prefer the price which calculated on product brand and its import procedure from oversea. And big cost and high- tech industry product are not fully concern by promotion activities. Buying decision is considered by product prior and bottom price and there is very little moderately promotion in this industry products. Therefore, the promotion factor has moderately influence in customer satisfaction.

As result of statistically analysis of the effect of the influencing factors in customer satisfaction, this study explore that product quality, price setting and located place have a significant positive effect on customer satisfaction towards Parts United Group company. The

promotion factor has not significant coefficient with customer satisfaction of Parts United Group because of analysis research of this study.

As result of mean value of customer loyalty, respondents are decided to continuous to Parts United Group in the future and they also recommend to others by word-of-mouth. These results are come out based on customer satisfaction of Parts United Group, therefore top management are needs to try to get more and more customer satisfaction and built customer loyal and maintain it so on.

From analysis of the relationship between customer satisfaction and customer loyalty, it is found that the customer satisfaction has positive and highly significant with customer loyalty of Parts United Group. Thus, it can be conclude that there is a relationship between customer satisfaction and customer loyalty of Parts United Group in this study.

5.2 Suggestions and Recommendations

According to the research analysis, it can be found that the product factor has a high significant impact towards customer satisfaction and customer loyalty of Parts United Group. Because, the management of this company emphasized their product quality, product nature, widely product and more product items. The place factor has also positive impact on customer satisfaction and customer loyalty of Parts United Group in Yangon. The management of that company carefully discovered and opened branch one and another which were near as customer job site. Based on current project situation or next government license of projects, management continuously finding for next place for showroom.

Within the finding of this study, the management should put consideration into price setting procedure. Price factors has also signification on customer satisfaction but if compare with others factors or payment term, it impact less than product and place. Promotion is not effect on customer satisfaction but, should be help promotion plan to attract more customer interest. And the management should plan to provide quotation based on price option, payment system, credit term., etc in order to differentiate from tight compete market.

Heavy machinery and its connected spare parts business industry mainly depends on customer loyalty and built with unity. Customer satisfaction is key performance indicator

within business. Moreover, highly satisfied customers are tending to be more loyal than the customer who are merely satisfied. Now the management in this study facing challenges that in studying in this factors that might hinder the customer satisfaction and customer loyal with the rapid growth of Parts United Group. Thus the management and all of employee should be seeks more customer satisfaction and link to a business because customer satisfaction and customer loyalty should be incorporated into the long- term goal of a business. According to this study, the main drivers of the customer satisfaction are product and place supported by this company which also can leads to customer loyalty. Therefore, this company manager should enhance to widely support product brands and focus to open next branches at new place which near customers. Moreover, they should improve customer satisfaction, how to keep building a good relationship with customer because the greater the gain in customer satisfaction and the greater the chance of obtaining loyalty.

5.3 Needs for Further Research

In this study, there are some limitation during the progress of the research. Limitations are important for the further research to learn and acknowledge as a way to improve the quality of the research. The survey questions were collected from only 120 respondents who have buying experience at Parts United Group in Yangon, Bago division and Mon- State.

Moreover, this study only focus on some main variables such 4P marketing mix and after sales service and customer satisfaction. There might be other variable affecting customer satisfaction and customer loyalty. Therefore, the further study should also try on customer satisfaction such as relationship marketing. Furthermore, further study should also focus on government project situation and policy, customers' business and their financial performance in order to support company survival and profitable in the long run.

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APPENDIX A
QUESTIONNAIRE

INTRODUCTORY LETTER

Dear Sir/Madam,

RE: RESEARCH STUDY

I am pleased to inform you that I am a student at Yangon University of Economic pursuing a degree in Masters in Business Administration (MBA). As partial fulfillment for my degree, I am conducting a research on Factors Influencing Customer Satisfaction of Parts United Group Co., Ltd in Yangon.

Please note that any information you give will be treated with confidentiality. Your assistance will be highly appreciated. I look forward to your prompt response.

Yours faithfully,

Moe Moe Thu
(EMBA II – 62)

SECTION ONE: DEMOGRAPHICS GENERAL INFORMATION

1. Gender

- Male
- Female

2. Age

- 21- 24 years
- 25-30 years
- 31-35 years
- Over 40 years

3. Academic Education

- Illiterate
- Read & Write
- Primary School
- Middle School
- High-school Graduate
- Under Graduate Diploma
- Bachelor Degree

4. Occupation

- Student
- Government Service
- Company staff
- Business Owner
- Others

5. What is your current income level? (Both employed and unemployed)

- Under Ks 50,000
- Ks 50,001 – 100,000
- Ks 100,001 – 200,000
- Ks 200,001 – 300,000
- Ks 300,001 – 400,000
- Ks 400,001 – 500,000
- Over Ks 500,000

SECTION TWO: PRODUCT / SERVICE

Based on the products/services offered by Parts United Group Co., Ltd give your opinion on the following as honestly as possible (1 not agree to 5 highly agreed).

6	I am well accept with products/services offered by Parts United Group	1	2	3	4	5
7	Parts United Group's products/services are of very high quality	1	2	3	4	5
8	I get value for my money on products/services offered by Parts United Group.	1	2	3	4	5
9	The word 'WELL-MADE' highly describe the products/services offered by the Parts United Group	1	2	3	4	5
10	The word 'COUNTRY OF ORIGIN' tell the true on the products/services of Parts Unite Group	1	2	3	4	5
11	I agree that Parts United Group can support most of brands spare parts (Doosan, Volvo, Hyundai, LG, CAT.....)	1	2	3	4	5
12	I accept that Parts United Group can support the after sales service (service process, deliver to door to door, keep promise in concern with deliver)	1	2	3	4	5

PRICE

Based on the Price of Parts United Group give your opinion on the following as honestly as possible (1 not agree to 5 highly agreed).

13	I am well mostly accept the price which offered by Parts United Group	1	2	3	4	5
14	I can understand that the price is based on brand which offer by Parts United Group	1	2	3	4	5
15	I can see that if the price is based on quality which offer by Parts United Group	1	2	3	4	5
26	Business set their product pricing on internal factors such as desire profit, or cost of goods sold.	1	2	3	4	5
17	Sets price is based on also USD or RMB currency exchange rate	1	2	3	4	5
18	Sets price should be to take a measure of what customers will be willing to pay using pricing and value research surveys.	1	2	3	4	5
19	Sets price is based on brand & Country of origin, brand and quality and currency exchange rate	1	2	3	4	5
20	Sets price is based on also payment system or credit term if need or big amount	1	2	3	4	5

PLACE

Based on the PLACE of Parts United Group give your opinion on the following as honestly as possible (1 not agree to 5 highly agreed).

21	Parts United Open and ready to serve to the customer as nears as they can the customer's place (Office location is near customer job site)	1	2	3	4	5
22.	Uses multi-distribution channels to deliver our products to different customers groups (door to door deliver to customer place, deliver nearest third party logistic, stand by support at near customer job site)	1	2	3	4	5
23	Parts United can offer to us if we need urgently need from oversea (Oversea order process is shorter than others)	1	2	3	4	5
24	We can get the parts once when we want from Parts United Group as soon as the nearest place from us	1	2	3	4	5
25	We can get 24 hours at any branches of Parts United Group	1	2	3	4	5
25	Opened near customer job site is very attractive matter for customers	1	2	3	4	5
27	The setting arrangements in the showroom @ Part United Group are comfortable and given me enough space	1	2	3	4	5

PROMOTION

Based on the PROMOTION of Parts United Group give your opinion on the following as honestly as possible (1 not agree to 5 highly agreed).

28	Advertise or promote products are depend on situation (introduction stage and based on demand and supply)	1	2	3	4	5
29	Uses web/ internet advertising (establish website and through face book..etc)	1	2	3	4	5
30	Advertisement persuades me to purchase this service	1	2	3	4	5
31	I'm well informed of the promotion held.	1	2	3	4	5
32	Sales promotion is attractive me to purchase this products or service	1	2	3	4	5
33	I want promotion price (which is discount or buy one –get one or present) than bottom price	1	2	3	4	5

34	I want bottom price is first prior than promotion event setting price	1	2	3	4	5
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SECTION THREE: CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

Customer Satisfaction

35	I really enjoy myself to contacted with Parts United Group Company	1	2	3	4	5
36	I am pleased that I have visited to this company	1	2	3	4	5
37	I am very satisfied with the services offered by this company	1	2	3	4	5
38	Employee are high motivated to serve customer needs and wants	1	2	3	4	5
39	Employee are well trained for the products knowledge and ready to explain to customers	1	2	3		5
40	Parts United Group can trust , reliable and unity for our business	1	2	3	4	5
41	They have strong experience for this business and sell ethically.	1	2	3	4	5
42	This company employee are willing to help customer as first prior.	1	2	3	4	5
43	And they are consider customer needs in the first place.	1	2	3	4	5
44	Overall , I have a good positive impression towards this company	1	2	3	4	5

SECTION THREE: CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

Customer Loyalty

45	I will continuous to use this company	1	2	3	4	5
46	I speak positive things about this company to the others (word- of -m mouth)	1	2	3	4	5
47	I would suggested this company to those who search my advice about / such matter	1	2	3	4	5
48	I believe I made the right choice by buying from this company	1	2	3	4	5
49	I would recommend Parts United Group company to my friends and others	1	2	3	4	5

50	I will likely choose Parts United Group even I have the alternatives of others parts	1	2	3	4	5
51	This company is interested in more than just selling me goods and making a profit	1	2	3	4	5
52	I agree that this company can provide secure and accurate service to customer.	1	2	3	4	5
53	I trust that, when customer are facing problem, this company show genuine interest in handling customer problem.	1	2	3	4	5
54	Parts United has good company image for the business.	1	2	3	4	5

APPENDIX B

STATISTICAL OUTPUT

Regression Analysis Result for Factors Influencing Customer Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.857 ^a	.735	.725	.46453	.735	79.582	4	115	.000	1.617

a. Predictors: (Constant), Promotion Mean, Product Mean, Price Mean, Place Mean

b. Dependent Variable: Customer Satisfaction Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	68.693	4	17.173	79.582	.000 ^b
	Residual	24.816	115	.216		
	Total	93.509	119			

a. Dependent Variable: Customer Satisfaction Mean

b. Predictors: (Constant), Promotion Mean, Product Mean, Price Mean, Place Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
	1 (Constant)	.458	.211				2.170	.032	.040	.877		
Product Mean	.465	.080	.434	5.844	.000	.308	.623	.782	.479	.281	.419	2.386
Price Mean	.056	.085	.051	.666	.507	-.112	.224	.687	.062	.032	.392	2.549
Place Mean	.340	.084	.360	4.061	.000	.174	.506	.783	.354	.195	.294	3.401
Promotion Mean	.115	.073	.119	1.567	.120	-.030	.260	.663	.145	.075	.402	2.487

a. Dependent Variable: Customer Satisfaction Mean

Analysis on Relationship between Customer Satisfaction and Customer Loyalty

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.602 ^a	.362	.357	.94115	.362	66.969	1	118	.000	2.198

a. Predictors: (Constant), Customer Satisfaction Mean

b. Dependent Variable: Customer Loyalty Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.318	1	59.318	66.969	.000 ^b
	Residual	104.520	118	.886		
	Total	163.839	119			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	.339	.389		.871	.386	-.432	1.110					
Customer Satisfaction Mean	.796	.097	.602	8.183	.000	.604	.989	.602	.602	.602	1.000	1.000

a. Dependent Variable: Customer Loyalty Mean