

Does Marketing Mix Still Relevant? A Study on Herbal Coffee in Malaysia

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Abstract

Today, the major problem faced in the Tongkat Ali coffee industry is the ease of market entry which is characterized by many new players frequently entering the market. The industry is highly competitive and the producers are faced with the dilemma of whether to continue to produce and sell at low profits or compete with the many players in the fierce environment as they seek to identify and determine the causes and factors that will lead to increased customer retention to guarantee profits. The purpose of this research is to study the relationship between marketing mix and customer retention for Tongkat Ali coffee. In other words, the study will attempt to identify and link the cause and effect relationship between marketing mix and customer retention for Tongkat Ali coffee. Therefore, many questions need to be answered. What are the product's attributes sought by consumers? Who are the people that consume the product? When and where do they consume it? How frequent? What factors affect repurchase decisions? Why do they continue to consume? For answers, a survey was conducted on 200 Tongkat Ali coffee drinkers. The findings revealed that product attributes and promotional activities have a positive relationship with customer retention. Price and place do not have a relationship with customer retention. Customer preference, positive customer experience, satisfaction and lasting customer loyalty are factors that impact the relationship between marketing mix and customer retention.

Keywords: Marketing Mix; Coffee industry; Marketing mix; Customer retention; Malaysia

Introduction

Tongkat Ali is a traditional herb popular among the natives of Southeast Asia valued for its medicinal benefits. It is also known by the scientific name of *eurycoma longifolia* jack. Classified as a superior herb, it works by stimulating the natural defensive action of the body, making it more resistant to various kinds of infections. Tongkat Ali was first added into coffee in the late nineties and has continued to be a popular drink since then. This study aims to examine the factors that cause and

determine its continued preference which leads to customer retention for Tongkat Ali coffee.

Marketing mix refers to the four major areas of decision making (4P's) in the marketing process that are blended and mixed to obtain the results desired by the organization to satisfy the needs and wants of customers. It is the set of controllable, tactical marketing tools of product, price, place and promotion (4P's) which are the variables that marketing managers can control in order to best satisfy customers' needs. This study will examine the relationships between the marketing mix and customer retention for Tongkat Ali coffee.

The research study will attempt to address the gap and identify the marketing mix factors and its effect on customer retention for Tongkat Ali coffee. In other words, the study will attempt to identify and link the cause and effect relationship between marketing mix and customer retention for Tongkat Ali coffee.

In the process, the research study will also attempt to examine and reinforce two models in customer preference, namely, 'Customer Preference Formation' model (Schiffman & Kanuk, 2006) and 'Black Box' model (Howard & Sheth, 1969). With regards to customer retention, references were made to journal articles by Zineldin (2006) on 'The royalty of loyalty: CRM, quality and retention' and by Mascarenhas, Kesavan, and Bernacchi (2006) on 'Lasting customer loyalty: a total customer experience approach' during the formation of the hypotheses and the research model.

Problem Statement

This involves identifying the decision problems and then translating these problems into the research problems. The major problem faced in the Tongkat Ali premixed coffee industry is the ease of market entry and the simple process involved in manufacturing. Raw materials are easily available and aplenty. The basic raw materials used are sugar, non dairy creamer, foaming powder, instant coffee powder and Tongkat Ali powder. All the raw materials are mixed in a mixer and then transferred to a filling machine to be filled and packed into sachets. Capital investment is low and the product has a long shelf life of two years and not easily perishable. Therefore, the industry is highly competitive and characterized by many new players frequently entering the market.

Today, the market is flooded with many brands of Tongkat Ali coffee and the consumer is spoilt for choice with the abundance of different brands of Tongkat Ali coffee in the market. Even Nestlé has entered the fray by producing its own brand of Tongkat Ali coffee. The entrance of Nestlé into the market has created fear and trepidation to the existing players because of its competitive strength of brand reputation, financial clout and vast resources.

Due to the abundant choice of Tongkat Ali coffee available in the market, providers are faced with the problem of ensuring sustained preference to achieve loyalty and retention which impacts the financial performance of the firm. The issues faced by manufacturers and suppliers of Tongkat Ali coffee are to determine what are the reasons for customer preference for drinking Tongkat Ali coffee and the likelihood of sustained repurchase by the consumer or otherwise referred to as customer retention. In other words, why do consumers want to drink Tongkat Ali coffee and why do they continue to do so. These are the main issues faced. That is why the marketing stimuli of product, price, place and promotion are crucial factors that need to be examined to determine their effect and relationships with customer retention of Tongkat Ali coffee. The variables concerned are marketing mix and customer retention for Tongkat Ali coffee. Much research has been done on marketing mix and customer retention individually. There is a need to link the gap between these two variables.

This research study will attempt to address the gap and identify the marketing mix factors and its effect on customer retention for Tongkat Ali coffee. In other words, the study will attempt to identify and link the cause and effect relationship between marketing mix and customer retention for Tongkat Ali coffee.

Literature Review

Marketing mix

According to the American Marketing Association, marketing mix is “a systematic function and as a sequence of processes for originating, conveying and transporting importance to the clients and for taking care of customer associations with means which help the company and its stockholders.” Marketing mix can also be defined as “a set of controllable, tactical marketing tools that work together to achieve company’s objectives” from Wikipedia the free encyclopedia. The marketing tools of product, price, place and promotion (4P’s) are the variables that marketing managers can control in order to best satisfy customers in the target market. Marketing mix refers to the four major areas of decision making (4P’s) in the marketing process that are blended and mixed to obtain the results desired by the organization to satisfy the needs and wants of consumers. Reference is also made to the ‘Black Box’ model of Howard and Sheth (1969). This model is related to the black box theory of behaviorism and is different from Schiffman et al. (2006) ‘Customer Preference Formation’ model which studies the behavioral processes inside a consumer. Instead, Howard et al. (1969) ‘Black Box’ model studies the interaction of stimuli, consumer characteristics, decision process and consumer responses.

According to this model, environmental factors are the source of stimuli. Stimuli are categorized under marketing stimuli and environmental stimuli. Marketing stimuli is planned and projected by companies and comprise the marketing mix (4P's) of product, price, place and promotion. Companies strive to align product quality and attributes, pricing, place or channel of distribution and promotional efforts to meet customer's needs and preference by identifying them through market research. Environmental stimuli are the result of social factors based on economic, technical, political and cultural circumstances of a society.

Economic factors affect purchasing power which in turn will influence customer's preference and buying decisions especially pricing. Technical factors like new inventions and new technology products will also affect customer's preference and buying decisions. Political factors for example, in a country which is facing internal fighting, will necessitate the preference and priority of basic food, shelter, safety and amenities. Cultural factors such as religious beliefs, cultural values and practices will also influence customer's preference and buying decisions. The environmental factors comprising both the marketing stimuli and environmental stimuli will then impact the buyer's black box. The buyer's black box contains the buyer characteristics and the decision process which determines the buyer's response. The buyer characteristics are attitudes, motivation, perceptions, personality and lifestyle. The decision process consists of the following five stages:

- (i) Problem recognition
- (ii) Information search
- (iii) Alternative evaluation
- (iv) Purchase decision
- (v) Post-purchase behaviour

The first stage is problem recognition. At this stage, the consumer has recognized the problem and is ready to embark on a search for information on the preferred product and service that is perceived to be able to solve the problem. The second stage is information search. At this stage, the consumer will then conduct an internal memory and an external search based on personal experience, commercial sources and public sources. Perception will then play an important role in the search and selection process. Selective exposure by the consumer will determine which type of promotional messages the consumer will expose himself or herself to. Selective attention by the consumer will determine which type of promotional messages the consumer will pay attention to. Selective retention by the consumer will result in remembering messages that are perceived more important and meaningful. The third stage is information evaluation. At this stage, the consumer compares the various

available products and services for consideration. In this evoked stage, the consumer evaluates various alternatives in terms of the functional and psychological benefits that the available product or service can offer before making the final decision. At this point, one need to know what benefits consumers are looking for and which attributes are important and preferred by the consumer.

The fourth stage is purchase decision. After evaluation, the consumer will select his preference and make a purchase decision. In order for purchase intention to lead to actual purchase certain stimuli is needed to encourage purchase, such as easy credit or payment terms, sales promotion, free gifts, lucky draws, and competition. The final stage is the post-purchase behavior stage. Customers normally make an evaluation of the performance of the product or service after experiencing its use. If the customer feels that an alternative is preferable, he will not repurchase but will more likely switch to other alternatives. The concept of cognitive dissonance sets in because the selection does not satisfy the customer's needs and expectations. At this stage it is important to convince the customer that he or she has made the right decision.

The outcome of the decision process is the buyer's response. The response will take the form of product choice (what to buy), brand choice (which brand), dealer choice (where to buy), purchase timing (when to buy) and purchase amount (how much to buy) or in short, customer preference. The important implications of this model are as follows. It is focused on the relation between the stimuli and the response of the consumer. Certain stimuli can act on the psychological process of the consumer to evoke response and purchase decisions. This model encompasses interpersonal stimuli (between people) as well as intrapersonal stimuli (within people). It assumes that the buyer has recognized the problem and his response is a conscious, rational decision process. It acknowledges the importance of perception in the selection process during information search.

The limitation of this model is that it considers the buyer's response as a result of a conscious, rational decision process in which it is assumed that the buyer has recognized the problem. But in reality many decisions are not made in awareness of a determined problem by the consumer.

Customer retention

Customer retention is the tendency to keep customers buying from you. Customer retention occurs when a customer is loyal to a company, brand or to a specific product or service, continuing to repurchase with long-term commitment and refusing to purchase from competitors and substitutes. The outcome of continuous sustained customer preference is customer retention. Has anyone ever wondered why customers continue to purchase a particular product or service repeatedly over and

over again? The answer lies in continuous customer preference as a result of positive total customer experience brought about by excellent product quality and service which may lead to customer loyalty and customer retention or sustained repurchase.

From the analysis, Mascarenhas et al. (2006) came up with the definition that total customer experience is ‘a totally, positive, engaging, enduring and socially fulfilling physical and emotional customer experience across all major levels of one’s consumption chain and one that is brought about by a distinct market offering that calls for active interaction between consumers and providers. Total customer experience entails high interaction between customers and providers. The higher the interactions and its quality the higher is total customer experience and thus, the higher is lasting customer loyalty. It augments and gives added value to product and service offer. It provides the customer an emotional, physical, intellectual, social and spiritual engagement. It provides an enduring experience before, during and long after product use thereby offering sustainable competitive advantages over other competing products. It is a personal experience and changeable with the customer, product or service.

However, Mascarenhas et al. (2006) also added a third dimension to total customer experience which is value besides the physical and emotional aspects. The contention is that by blending all three aspects of physical, emotional and value elements toward target customers and achieving positive total customer experience will build lasting customer loyalty. “We submit that when marketers offer products and services that consistently have strong physical attributes-based satisfaction, provide high emotional experience and high perceived value summing to a high total customer experience they will automatically generate high and lasting customer loyalty” (Mascarenhas et al., 2006). Based on the three major total customer experience variables of value differentiation, provider-interaction and engaging experiences, Mascarenhas et al. (2006) developed a multidimensional loyalty ladder and suggested this ladder of customer loyalty a function of customer experience.

According to Zineldin’s model, the attainment of all the 5Qs of quality attributes will lead to total quality which in turn will lead to customer satisfaction and loyalty and the outcome is positive Customer Relationships Management (CRM). Zineldin’s 5Qs model of quality attributes is not dissimilar to the practice and concept of Total Quality Management or popularly known under the acronym of TQM in the field of management. Under the concept of TQM, all aspects of quality; including product, process, procurement, delivery and service in the whole supply chain from raw materials to the end consumer; is emphasize and all members of the organization are committed to achieve excellent quality standards.

Theoretical Framework

Based on literature review of past studies, a theoretical framework for marketing mix and customer retention was formed. For an overview of the research model refer to Figure 1 below.

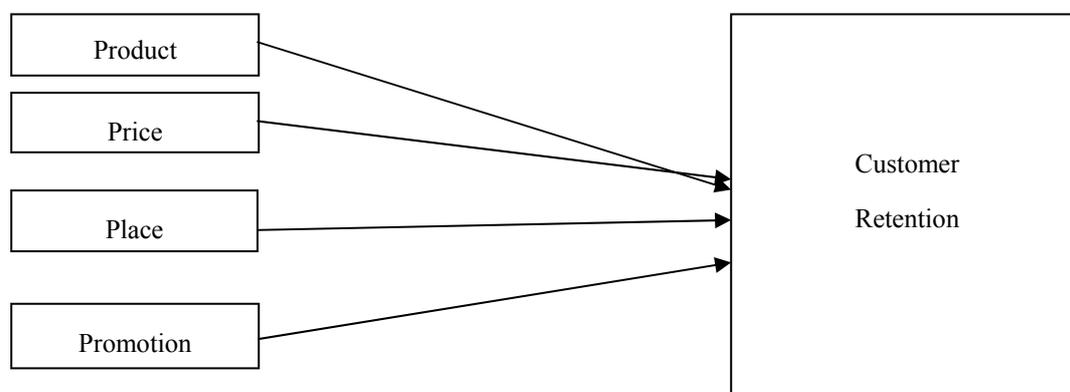


Fig. 1 A research model for the relationship between marketing mix and customer retention for Tongkat Ali coffee.

Research Hypotheses

Product

The physical product and service offered to the consumer. Product decisions include product variety, quality, design, features, brand name, packaging, sizes, services, warranties and returns. It is possibly the most important ingredient of the marketing mix structure as product attributes provide the benefits that satisfy the needs and wants of customers. Failure to do so will spell the end of the organization as sales revenue generated will be limited.

Therefore, product is the most important factor in the marketing mix which determines customer retention for Tongkat Ali coffee. The perceived product attributes and benefits to be derived from drinking Tongkat Ali coffee is the reason for sustained preference and customer retention. In this study, we will examine the likelihood that the stronger the perception, the more likely the incidence of customer retention. Therefore, this study will examine the positive relationship between product attributes and customer retention. Based on research by Mascarenhas et al. (2006), Howard et al. (1969), Schewe and Hiam (1998), and Mittal and Kamakara (2001), product attributes play an important part in customer retention. According to Gale (1999) in a report by American Productivity & Quality Centre, attributes that are customer-defined and market-driven, reveal customer value data that organizations can use in tactical business decisions and strategic planning. Therefore, in the context of the Malaysian environment, we would like to know whether:

H1: Product attributes have a positive relationship with customer retention.

Price

Price is the amount of money that consumers pay to obtain the product. Pricing decisions should take into account profit margins and the pricing response of competitors. Pricing includes list price, discounts, allowances, payment period and credit terms. Price is an important element in the marketing mix structure because low prices may not generate enough profits for the organization. Worse still if it cannot cover costs. Too high prices may drive away customers. This is because the amount of money that is demanded in exchange for a product is entirely dependent on the customer's means, preference and needs.

According to Sherden (1997), in an article for small business reports, customer defections may be related to price increases. Zeithaml (1988) is of the view that monetary cost is one of the factors that influence consumer's perception of a product's value. Gale (1994) used a technique called Customer Value Analysis (CVA) to measure perceived value. This perceived value metric was used to link performance of companies to the firm's relative market share. The value metric was defined as customer's response to a 'worth what paid for' question. Gale posed a value question 'considering the products and services that your vendor offers are they worth what you paid for them?' Price becomes an important element in the marketing mix that retains Tongkat Ali coffee drinkers. In this study, we will be examining the negative relationship between price and customer retention. Therefore, this study will examine the likelihood that lower prices will increase customer retention and higher prices will reduce customer retention. In other words:

H2: Price has a negative relationship with customer retention.

Place

Place refers to the company activities that make the product available. Place decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution system performs transactional, logistical and facilitating functions. Distribution decisions include market coverage, channel member selection, assortments, locations, inventory and transport. Place is an important aspect of the marketing mix because obviously the location of your business and the availability and accessibility of your products should be as convenient as possible for the customer to reach.

Based on the study by Chung et al. (2003), site image or place is therefore, another important factor in the marketing mix which affects customer retention for Tongkat Ali coffee. This study will examine the likelihood that the more accessible

and available the product to the customer, the higher will be customer retention for Tongkat Ali coffee. Therefore, the study will attempt to establish:

H3: There is a positive link between place and customer retention.

Promotion

Promotions are activities that persuade target customers to try the product. Promotion decisions are those related to communicating and selling to potential consumers. Promotion decisions involve advertising, sales promotion, sales force, public relations, direct marketing, media types, word of mouth and point of sale. Promotion is a very important element in the marketing mix because it is a means of communication to the customer to promote product awareness, product knowledge, product attributes and benefits and persuade the customer to buy the product. It provides the stimulus to which customers' response.

Chung et al. (2003) in his study also mentioned that promotion is an important factor in the marketing mix. Promotion yields great influences on customer retention for Tongkat Ali coffee. This study will examine whether more effective promotional activities will result in higher customer retention for Tongkat Ali coffee. Therefore, the study will examine whether:

H4: Promotional activities are positively related to customer retention.

Methodology

The primary objective is to identify the population and sampling frame that could be used in a survey of consumer usage and customer retention for Tongkat Ali coffee. "A sampling frame is a list of elements from which the sample may be drawn. It is also called the working population." (Zikmund, 2003). The first task in carrying out a research survey is to correctly identify a highly representative population that is suitable for use in the survey research. There is a need to determine what are the elements needed to be searched in the chosen population. Random sampling of Tongkat Ali coffee drinkers will be selected covering various age groups and gender in the city of Alor Setar and the surrounding villages and towns on the outskirts of the city. A minimum of two hundred (200) survey questionnaires will be collected from respondents chosen from a cross section of the population in the city of Alor Setar and the surrounding villages and towns on the outskirts of the city. The respondents to be targeted will be Tongkat Ali coffee drinkers surveyed at roadside stalls, coffee shops, hawker centers, Mamak (Indian Muslim) restaurants and factory canteen. Data collection will be based on the quantitative type. The population and sampling frame is summarized as follows (in Table 1).

Table 1. Population and sampling frame for survey questionnaire on Tongkat Ali coffee drinkers

Item	Selection Criteria	No. of respondent selected from urban population	%	No. of respondent selected from rural population	%	Total No. selected	%
1	Roadside stalls	20	10%	20	10%	40	20%
2	Coffee shops	20	10%	20	10%	40	20%
3	Hawker centres	20	10%	20	10%	40	20%
4	Mamak restaurants	20	10%	20	10%	40	20%
5	Factory canteen	20	10%	20	10%	40	20%
	Total no. of respondents selected	100	50%	100	50%	200	100%

Analysis

The people that drink Tongkat Ali coffee are males (83%) and Malays (61%) formed the largest group of Tongkat Ali coffee drinkers. Consumers breakdown by age group are 21-30 years (29.5%), 31-40years (31%) and 41-50 years (24%). Consumers drink Tongkat Ali coffee at no fixed time (89.5%). They usually drink at roadside stalls (25.5%), coffee shops (22%), Mamak restaurants (21%) and hawker centres (20%). The majority of them drink 2 cups of Tongkat Ali coffee per day. The factors that affect consumers' repurchase decision are brand reputation (77%), consistency in taste and quality (89%) and as a health supplement (89.5%). Consumers continue to drink Tongkat Ali coffee because of product attributes and promotional activities according to the results of this study.

The product attributes and characteristics that the consumer is looking for in Tongkat Ali coffee is unique taste, aroma, quality and value (91.5%); easy to prepare, complements meals, evokes satisfying and emotional experience (90%); improves memory, boosts energy, stay alert and focused (88.5%); contains herbs and provides health and medicinal benefits (90%).

A Regression Analysis was done to test the hypothesis and the following information was obtained (as provided in Table 2).

Table 2. Regression and ANOVA^b

R	R Square	Adjusted R Square	F	Sig.
0.830 ^a	0.698	0.682	107.838	0.000 ^a ***

*** $p < 0.01$

^a Predictors: (Constant), dist channel, promotion, price, prod att

^b Dependent Variable: cus retention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std Error	Beta		
1	.825	.174		4.752	.000***
(Constant)	.516	.041	.704	12.554	.000***
Prod att	4.894E-02	.037	.062	1.324	.187
Price	7.304E-02	.024	.135	2.996	.003***
Promotion	8.955E-02	.037	.128	2.403	.017***
Dist channel					

*** p < 0.01

Dependent Variable: cus retention

The ANOVA^b significance level of 0 is considered good and acceptable. The above R values are all above 0.5 and explains the model fit. Therefore, the dependent variable has been clearly explained by all the independent variables. The research is well framed and is good to explain the relationship between the independent and dependent variables. If the R value is < 0.5 it is considered not good.

The hypothesis that ‘product attributes have a positive relationship with customer retention’ is accepted based on the above regression analysis which shows the significance level for product attribute to be 0.

The hypothesis that ‘price has a negative relationship with customer retention’ is rejected based on the above regression analysis which shows the significance level for price to be 0.187. Therefore, price does not explain customer retention and has no relationship with customer retention. Customer retention is not dependent on price. The hypothesis that ‘there is a positive link between place and customer retention’ is rejected based on the above regression analysis which shows the significance level for distribution channel to be 0.017. Therefore, place does not explain customer retention and has no relationship with customer retention. Customer retention is not dependent on place.

The hypothesis that ‘promotional activities are positively related to customer retention’ is accepted based on the above regression analysis which shows the significance level for promotion to be 0.003.

Discussion

The hypothesis that ‘product attributes have a positive relationship with customer retention’ is accepted based on the logic that high quality product attributes which consistently meet customer preferences or expectations will lead to positive customer experience, satisfaction, lasting customer loyalty and customer retention. Several studies support this contention. According to Mittal and Kamakara (2001) attribute performance has a direct impact on repurchase intentions. Zineldin (2006) 5Qs Model of Quality Attributes emphasized the importance of establishing long-term customer

relationship by providing quality product or service which meets customers' needs to sustain satisfaction, create continuous loyalty which may lead to continuous repurchase and customer retention. According to Mascarenhas et al. (2006) products and services that consistently have strong physical attributes-based satisfaction, provide high emotional experience and high perceived value will result in positive total customer experience that will automatically generate high and lasting customer loyalty which lead to customer retention outcome.

Descriptive statistics from the frequencies analysis (additional analysis) and regression analysis also lend support to this hypothesis. Frequencies analysis revealed that respondents show high percentages of agreement that product attributes influence their preference which in turn leads to their willingness to make extra efforts to purchase the product, recommend it to others and continue to consume it or, in other words, customer retention. Regression analysis show a significance level of 0 which is acceptable. The hypothesis that 'price has a negative relationship with customer retention' is rejected because it implies that if price increases, customer retention will decrease and vice versa. This is not true because even if price increase, some consumers continue to purchase and drink Tongkat Ali coffee because they are hook on the product and do not mind paying for the higher price as long as they are able to enjoy and savour the coffee. Of course there are also consumers who switch to other substitutes which are perceived to give better value for the same amount spent.

At the same time, low prices may not necessarily cause increased buying and customer retention. This is because there is a limit to the amount of coffee a person can consume. At first, when we increase our intake of coffee we may experience great pleasure and satisfaction. But as we continue to take more and more, we may experience great discomfort and get sick of it. The law of diminishing returns sets in. Obviously, there is a limit to how much coffee we can consume. Sometimes, at low prices, the product may be perceived to be an inferior product. Customers may switch to substitutes priced at the original higher price paid for the product. This is align with Mittal and Kamakara (2001) study on satisfaction and repurchase behaviour. According to this study, consumers with different characteristics have different thresholds of satisfaction levels. Therefore, some will continue to buy regardless of price change whereas others will switch. This is also align with Gale (1994) study on perceived value metric which defined the customer's response to a 'worth what paid for' question.

Descriptive statistics from the frequencies analysis revealed contradictory results. Although respondents show high percentages of agreement that high price discourage buying. However, it also revealed that respondents show low percentages of agreement that low price motivate buying. This implies that customer retention is not

dependent on price. But whether switching occurs due to high or low price and at what price levels remains to be determined. Regression analysis show a significance level of 0.187 which is not acceptable.

The hypothesis that 'there is a positive link between place and customer retention' implies that if placing strategies increase, customer retention will increase and vice versa. This is not true because even if we employ the most effective and efficient distribution channels and ensure full coverage of the market place so that the product is both available and easily accessible, it does not mean that the consumer will repurchase although the product is readily accessible. If the consumer does not like the product after trying it out the first time, he will most likely not repurchase the product again. Therefore, place does not necessarily guarantee repurchase and customer retention. This view is further reinforced by the above regression analysis which shows the significance level for distribution channel to be 0.017 which is considered not acceptable. Therefore, place does not explain customer retention and has no relationship with customer retention. Customer retention is not dependent on place.

The hypothesis that 'promotional activities are positively related to customer retention' implies that if promotional activities are increased customer retention will be increased and vice versa. This hypothesis is accepted based on the logic that promotional activities will create product awareness, product knowledge, product attributes and benefits and persuade customers to buy the product and use it. If satisfied, it may lead to sustained repurchase, loyalty and customer retention. A study by Chung et al. (2003) support this contention. According to this study on influencing factors for repurchase intention in internet shopping malls, promotion is positively related with repurchase intention.

Descriptive statistics from the frequencies analysis and regression analysis also lend support to this hypothesis. Frequencies analysis revealed that respondents show high percentages of agreement that promotion and gifts is important, they are persuaded by advertisements and mass media, and brand reputation is important when making repurchase which if sustained may lead to customer retention. Regression analysis show a significance level of 0.003 which is acceptable.

Several theoretical implications can be derived from this research study. With regards to the 4Ps of marketing mix, the research shows that product attributes and promotion have a direct relationship with customer retention. In other words, if product attributes increase, customer retention will increase and vice versa. Similarly, if promotional activities increase, customer retention will increase and vice versa. However, price and place have no relationship with customer retention.

Therefore, this study reinforces the theory of Mascarenhas et al. (2006) who reported in *Journal of Consumer Marketing*, 23/7, page 397- 405, that products and services that consistently have strong physical attributes-based satisfaction, provide high emotional experience and high perceived value will result in positive total customer experience that will automatically generate high and lasting customer loyalty which lead to customer retention outcome. This study is also aligned with Mittal et al. (1998) who reported in *Journal of Marketing*, vol.62, no.1, page 33-47 that attribute performance has a direct impact on repurchase intentions in addition to effect through satisfaction.

The findings of this research study is also similar to Chung et al. (2003) who mentioned that promotion is an important factor in the marketing mix that which affects repurchase intentions as reported in *Parallel and Distributed Processing Symposium Proceedings International Volume*, issue 22-26, page 7. Increased promotional activities will create product awareness, product knowledge, product attributes and benefits, entice consumers to purchase and consume the product. If the outcome results in satisfaction, it may lead to sustained repurchase, nurture loyalty and increase customer retention. Lack of promotional activities will reduce product awareness and product knowledge and slow down efforts to drive consumers to purchase and consume the product. The result will be reduced repurchase, increased switching and decreased customer retention.

Price does not have a relationship with customer retention. Customer retention is not sensitive to price changes. Therefore, customer retention is not dependent on price. Place does not explain customer retention and has no relationship with customer retention. Customer retention is not sensitive to place. Therefore, customer retention is not dependent on place. Males make up the majority of drinkers and Malays form the largest ethnic group of consumers. This has important implications to producers and sellers of Tongkat Ali coffee because it enables them to identify the target segment to focus on.

It is preferred taken hot probably due to the normal practice of preparing traditional medicine by boiling the herbs to extract its potency and efficacy. Therefore, it is less likely that the product will sell well during the hot season. This implies that the sales of this product may be seasonal in nature. A majority of the respondents consume 2 cups per day because an overdose of Tongkat Ali may cause body temperatures to rise resulting in irritation, bad temper and aggressiveness. According to research carried out, the maximum intake per day is 200 gm. This will throw light on the consumption rate and facilitate the forecast of quantity demanded for the product. Preference for the product to be in powder form and packed in sachet is probably due to practical reasons like convenient storage and maintaining freshness.

This facilitates producers' decision making involving product packaging and design. Most consumers of Tongkat Ali coffee take their coffee outside the home at roadside stalls, coffee shops, hawker centres and Mamak restaurants. This information will be of great help when formulating market strategies especially when deciding promotional activities are to be carried out where.

In conclusion, it can be deduced that the findings revealed that product attributes and promotional activities have a positive relationship with customer retention. Price and place do not have any relationship with customer retention. Therefore, customer retention is not dependent on price and place but dependent on product and promotion in the marketing mix.

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