

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

This research attempted to find out the impact of customer society involvement that influences young-adult on their purchase intention as well as the brand loyalty and brand switching, whether these variables have direct linear relationship or not. In this particular research, there are four variables: (1) Contextual Factors; (2) Brand Loyalty; (3) Brand Switching as the independent variables, and (4) Purchase Decisions as the dependent variable. After completing this study, the results of the research are now able to address research questions.

There are three research questions in this particular study:

1) Do the contextual factors have a significant impact on purchase decisions?

According to the result found in this research, the contextual factors from family and flatmate to product packaging and availability were proved to have a positive significant impact on purchase decisions, which means the contextual factors are considerably affecting the young adults with age range 18-24 years old on their decision to buy mineral water. This might be assumed that the young-adults are influenced by the people surroundings (family, flatmate, friend) and the lifestyle, personal appearance, product image, packaging, and product's size and availability. As it is assumed that all of the respondents in this research were living with their roommates in the rent house or apartment.

Mineral water is categorized as convenience product as consumers usually buy that product frequently, immediately, and with minimal comparison and buying effort (Kotler, 2012).

2) Does the brand loyalty have a significant impact on purchase decisions?

The research confirmed that brand loyalty have significant impact on purchase decisions. Brand name, brand packaging, and product image influence the purchase decisions of young-adults to buy mineral water that will influence them in building brand loyalty for the individuals.

Additional features provided are also the considerable factors for the young-adult respondents on their purchase decisions. The influence of advertising is affected equally on their purchasing decisions. The convenience while consuming the product is one of the considerable factors as well as the quality expectations and the past usage affected on buying mineral waters.

3) Does the brand switching have significant impact on purchase decisions?

The result shows that brand switching have significant impact on purchase decisions. Brand switching is considerably affecting young-adults' decision making to buy mineral water.

Interestingly, this research came up with a new result, which found out that there is a significant impact on brand switching on purchase decisions. It disconfirmed the result of the previous study that shows the absence of correlation between the brand switching and purchase decisions in the UK market. This might be occurred because there were differences on the product studied in the previous research (colas, cornflakes, and tissues) and current

research (mineral water) and the research geographical scope might also affect the result.

Promotions clearly influence the decisions of young-adults in Jakarta to buy the mineral water. In-store promotions and product promotions are equally important on their purchasing decisions. The increasing number of brands and product lines are also considerable factors for the youngsters to switch brands over mineral water. Unsurprisingly, young-adults in Jakarta are price sensitive and would like to try new brand due to curiosity. Yet, they also concern on the quality and packaging of the mineral water. Once they are dissatisfied of one brand, they would easily switch it to another brand.

5.2 Managerial Implications

The results bring great interest to those who are involved in the mineral water industry, especially in Jakarta. As such it, this research attempts to help the companies to have better focus on their approach to the young adult market from their contextual factors perspective, as well as to provide an insight for the business practitioners on how to maintain their customer loyalty and to give another insight on how Indonesian young adults perceive the mineral water as a commodity or brand.

First of all, the evidence shows that the existence of direct linear effect between contextual factors and purchase decisions. The role of viral marketing is more effective in influencing people to buy mineral water, word of mouth through readers opinion, comments and opinion on social network. Here, company should pay more attention or more active on the customer service and information availability on their interactive communication platform. As this show, if a person is

happy with one brand of mineral water, he or she will spread the word with others and others will pay more trust on their family/friends/flatmate recommendation than traditional promotion. Since mineral water is considering as fast-moving goods, the product availability and size is very important for the consumer when buying a product of a specific brand. The change of consumer lifestyle would appear to provide a marketing opportunity for affecting the brand choice. It is important for the company to pay extra attention on the inventory system. It can be done by collaborating intensively with the minimarket, such as regular visit to the minimarket or provide the online monitoring inventory. Due to significant correlation between contextual factors and purchase decisions of young-adult, company can use the communication strategy using real life context on promotion, such as sending the message into real life context (slice of life). For example, it doesn't need celebrity to endorse the product, but picturing family consuming the product would better convey the message. Additionally, reinforcing campaigns in the area of young-adult get together such as campus or sports club may prove valuable to reach the target market.

Secondly, the evidence shows that the existence of direct linear effect between brand loyalty and purchase decisions. Company can maintaining the existing consumers that can be supported by conducting traditional promotion along with the viral marketing, where the mineral water producers can take advantage of each promotion benefits.

Thirdly, mineral water, unlike other fast-moving goods, is a convenience product. Company need to pay more attention to the in-store promotion including maintain or increase the quality of the product itself. Speaking about the quality given on the product, company need to focus on continuous innovation.

5.3 Limitations on Current Research

In conducting the research, there are some difficulties encountered by the researcher. Firstly, in reality there are a lot of local minimarkets that own the better market share compared to the international minimarkets in this retail industry landscape. In this study, the researcher has chosen the 2 international minimarkets that located near by campuses area in Jakarta, which represent the different target market that they focused on in order to narrow the scope.

Secondly, in order to provide the reliability and validity of variables, there are at least 3 questions to be asked for one variable. However, the researcher decided to use only one question similar to that used in the previous study in the brand loyalty variable. It does not allow the researcher to measure the reliability and validity for the brand loyalty variable.

5.4 Recommendations for Future Research

In order to encounter any shortcomings of future research, the researcher would like to suggest the followings that can be used in the future research in the same topic:

- Increasing the number of minimarkets observed in an area; this would enhance the credence of the findings.
- Using a different target respondents and the region of research in order to examine whether different target respondent and research region would give a different finding.

- Broadening the geographical coverage; as this would help to provide more comprehensive approach to the topic.
- Adding more questions on the brand loyalty variable in order to help measuring the reliability and validity of this variable.