Social Network Sanctions to against the Retail Business Monopolies

Tanpat Kraiwanit*
Faculty of Economics, Rangsit University

Wanchalerm Sornsrimai
Faculty of Economics, Rangsit University

ABSTRACT

The growing importance of social networks has been recognized worldwide. This paper explores factors associated with social sanctions against monopolies affected through social networks through an online survey of 1,200 people in Thailand. The factors studied include age (AGE), status (STA), income (INC), job (JOB), application used (APP), objective in using internet (FOR), online shopping behavior (ONL) and correct perspective (COR). Social sanctions against house brand products are categorized into three groups, namely 1: Doing nothing, group 2: Spreading word-of-mouth via social networks and groups, and 3: Stop buying or purchasing a smaller amount of products from the specific convenience store. The findings point to the need for efforts to disseminate knowledge so that people would be able to understand better and to see through the tricks of retailers trying to create monopolistic markets. There is a need to establish an independent organization (outside the control of government) for monitoring retailers directly. This would help curb monopolistic behavior and promote ethical competition.

Keywords: Social Network Sanctions, Monopolies in Retail Business

1. INTRODUCTION

The emerging digital world economy is changing people's lifestyles and behaviors worldwide, thus continually restructuring markets and economic theory itself. In particular, consumer choice is expanding dramatically. Today, there are many locations at which one can buy; for example, lots of convenience stores have become accessible. Yet, not unsurprisingly, several unethical practices reminiscent of traditional monopolies are continuing to flourish. An example is the continuing practice of imitating others' products, which many consider to be a form of monopolistic market structure that leads to an inefficient market system. As it is unnecessary for house brand producers to develop new products to compete, they can produce the same products at a lower cost, with less time and effort than other competitors. Therefore, they can set lower prices for their products. Also, a monopoly also allows retailers or scorers to freely select products based on the rate of return. As a result, there are a lot of monopolistic businesses in the marketplace, such as in telecommunications, transportation, and retail business, etc. However, in recent years, the world is moving towards businesses operating on a free-trade basis and as ethically as possible. However, in actual practice, this has remained a difficult endeavor. The main reasons for this difficulty are that there are no clear governmental rules and regulations. Also, bargaining power of brand name manufacturers is diminishing. No wonder consumers are

being exploited, even though they might not be aware of it. This is especially true with regard to products with lower price and lower quality being sold in convenience stores.

An increasing number of house brand products are owned by retailers who tend to grow more quickly than small manufacturer ones. This growth causes smaller manufacturers to shut down. The more consumers buy products from convenience stores, the more profits and benefits large manufacturers and retailers get. There is evidence that some house brand products sold in convenience stores represent a form of market monopoly that exploits small manufacturers. Fortunately, a few online societies that are aware of these problems related to convenience stores taking advantage of consumers have started appearing in recent times. However, the digital community needs to create many more such campaigns through social media such as Facebook and YouTube. This research focuses on consumers' perspectives of convenience store products in the context of a cartel that stands taken against monopolies by pursuing a kind of social media sanction by exploring factors associated with social sanctions against unethical practice through the use of social networks.

2. OBJECTIVES

1.To identify dominant consumer perspectives on house brand products in convenience stores.

2.To assess consumer awareness of retailer monopoly.

3.To examine the factors affecting social sanctions against monopolistic practices.

3. SCOPE OF STUDY

This research was conducted with the aim of examining information about products in convenience stores that present a high possibility of being monopolized and thus exploit small manufacturers. The focus is on ways one can participate in social sanctions against monopolies through social networks.

Definitions

House brand means a brand name used as a retailer label for products typically sold at prices lower than manufacturer brand names (Pride, William M.,2012: P228-229).

Against monopoly campaign refers to consumers who the users of social networks to create a campaign are discouraging buying of a set of products from retailer or convenience store.

Against activities to monopoly retailer means 1. Doing nothing   2. Spreading word-of-mouth in social networks (Like & Share), or 3. Stop buying or buying reduced amounts of products from a particular convenience store.

4. LITERATURE REVIEW

Experience sharing in online communities

Experience sharing in online communities represents an evolutionary step being experienced by many online communities (Brousseau and Curien, 2007). The step refers to the exchange of perspectives on stores and products. For consumers to know about products, online communities have created several ways of sharing experiences among consumer community, e.g. comments and window display. Usually, it is accompanied by a number of observations each product is made available online, on a reliable website, so that people can use them as guidelines for making purchasing decisions.

The popularity of social networks such as Like & Share has grown dramatically in recent times. Many product owners are now getting interested in this phenomenon and are planning to use it as a marketing tool to attract customers. This phenomenon is also spreading among celebrities; they have started to use social networks, especially Instagram and Facebook, to communicate with their fans and as a way of promoting themselves (Vijitbunyaruk, 2011). Thus, the use of social networks seem to be becoming a way of life in general. To day, social networks are available in many forms and programs that can connect to many devices such as Twitter, Facebook and YouTube. By 2013, digital marketing had become one of the most important strategies that marketers have been using to contend with their competitors.

House brands have played a significant role in the growth of supermarkets (Lothongkam, 2001). Supermarkets have put house brand products belonging to a wide range of categories onto their shelves. Some house brand products are receiving responses comparable to those being received by famous brand products. However, it is unethical on the part of a retailer to create products identical to those offered by brand name manufacturers but at lower prices (Eagle and Dahl,2015:p37). They do not have to promote their products but just distribute them. A house brand is an option for consumers who are concerned more with price and who use price as a factor in making purchasing decisions.

Consumer protection

At present, more and more people are consuming products and services without giving any consideration to how they might be exploited (Apiprachyasakul, 2015). Such products might have a high price and be more attractive to consumers, but consumers are not aware of how much exploitation is behind them. Consumers need to know how to protect their consumer rights. They should be aware of how to behave in such a way that they will not be exploited by business operators or receive or buy any unethical or unhealthy products and services. The following are some ways of protecting consumer rights:

1) Learning and seeking more information about products that they want to consume, such as by reading product labels before purchasing.

2) Following up on a product's progress.

3) Asking for all information related to goods and services from different sellers/stores, or from experts and relatives.

4) Comparing benefits, quantity, and price of the products before consumption.

5) Planning purchases in advance and putting more emphasis on the benefits associated rather than on discounts or gifts.

6) Using substitute goods and services if the products and services being sought are too high in price.

7) Checking receipts to ensure the accuracy of quantity and price (the receipt should be kept for making a complaint if the products cause harm or are defective.)

8) Not buying goods and services from sellers who are known to generally take advantage of others.

9) Not ignoring or doing nothing when one has been exploited. Using your right to complain to related authorities and spreading the word so that other people will not be the next victims. Consumer protection is a process through which related organizations come together to protect consumer rights. Their responsibility is to ensure that manufacturers or business operators do not take advantage of individuals when selling products and services. This encourages positive consumption behavior among consumers concerned about health, cost savings, and maximizing the use of limited resources. An organization that is directly involved with consumer protection is the Office of the Consumer Protection Board. The office responsibilities are to receive complaints from consumers who suffer hardships or injuries resulting from the acts of the business operators, to follow up and scrutinize the actions of the entrepreneur. This organization encourages research on problems related to consumer protection with a view to promote and support the provision of education to consumers, cooperate with the government offices or state agencies which have the power and duty to control, and promote or prescribe the standards for goods and services. A social sanction campaign or a 'witch hunt' is a public forum that allows people to exchange, learn, and criticize every aspect of concern including political, social, or even personal issues (Kraiwanit, 2016).

House Brand Research

House brand or store brands involve having labels owned and publicized by retailers or wholesalers, which in fact, are the same products of manufacturers, but are packaged at a low cost and price. This represents reliance on unbranded products with a price focused strategy (Pride, William M., 2012: P228-229). However, since a brand enables consumer trust, many clients have voiced concerns regarding the quality of house brand products. To reduce this negative association, retailers usually create quality assurance mechanisms for their house brand labels to reduce the volume of customer complaints. However, following the recent global financial crisis, customers have become more conscious of price than quality.

Sawadee and Phonkae (2009) investigated consumer perception as a factor relating to purchasing behavior toward house brand product in Bangkok area. They found that price and value consciousness, perceived quality variability, brand image, brand familiarity, subjective norm, friends, family, work group and intention to purchase house brand product are important. In particular, brand familiarity and price consciousness were found to be especially important.

From all the information stated previously, it became clear that social networks have spread widely to all countries around the world. Communication among people in the world can happen dramatically fast. At present, house brand products are having a greater influence on consumers as they shop in general convenience stores. Unfortunately, such products tend to be monopolized and exploited. More and more products are becoming available, about which, consumers may or may not know before. However, information on resistance or social sanction campaigns is not available, even with regard to the methods or the related organizations engaged in protecting consumer rights. As a result, the following issues were set as the primary objectives of this study: to identify dominant consumer perspectives on house brand products in convenience stores.

Expected findings and implications: The study findings focus on reducing the level of monopolies in the future.

5. RESEARCH METHODOLOGY

Our study used a quantitative method to explore information about products in the convenience store that have the potential to be monopolized and has the possibility of consumer exploitation. The research was conducted via online channels. The focus was on exploring ways to create a campaign against cartels in convenience stores.

6. DATA COLLECTION AND ANALYSIS

The study focused on people who regularly use the internet and knew about these campaigns against the monopoly of the retailer. Data collection was done online so that consumers could access it anywhere. 1,200 samples covering the entire country of Thailand were collected. The questions included general data of users and their perceptions regarding house brands and involvement in campaigns against monopolies. Statistical inferences were drawn through discriminant analyses inquiring into the affecting factors that affect campaigning against monopolies.

7. RESEARCH RESULTS

Table 1: Perspective towards house brand products

Perspective	Number	Percentage
1. What are house brand products?		
1.1. Products produced for sale in general convenience stores.	209	17.4
1.2. Products produced for sale in specific convenience stores.	775	64.6
1.3. Products produced or have similar packaging to products of other brands that generate good sales.	216	18.0
Total	1200	100.0
2. What do house brand products look like?		
2.1. They have several features that are different from other products in the marketplace and are more expensive.	118	9.8
2.2. They have fewer features than other products in the marketplace and are cheaper.	444	37.0
2.3. They have the same features as other products in the marketplace, but are cheaper.	638	53.2
Total	1200	100.0

Table 1 presents the perspectives on house brand products. Note that the perspective "Products that are produced for sale in general convenience stores and have different features from other products in the marketplace and are more expensive" received significantly lesser support than "Products that produced for sale in particular convenience stores that are

provided or have similar packaging to products of other brands that generate good sales with fewer features than other products in the marketplace. These are cheaper and have the same features as other products in the market, but more affordable" was determined to be the correct perspective. If the participants could answer the two parts of the questions correctly, the perception was set as representing the *correct*—meaning the prevailing—view. If one or both were incorrect, the perspective is set as *incorrect*. The following table indicates the overall conclusion:

Table 2: Correct Perspective on house brand products

Correct perspective		Number	Percentage
Correct		899	74.92
Incorrect		301	25.08
	Total	1200	100.0

The dependent variable, Y, included social sanctions against monopolies through the utilization of social networks. Table 3 summarizes the findings.

Table 3: Social sanctions against monopolies (dependent variable) in the study

Answer	Y (Group)	Number	Percentage
Group 1: Doing nothing	1	265	22.1
Group 2: Spreading word-of-mouth in social networks (Like & Share)	2	277	23.1
Group 3: Stop buying or buying lesser amount of products from a particular convenience store	3	658	54.8
Total		1200	100.00

From Table 3, if participants answered 'Doing nothing', it meant not participating in the sanction. '1' was used to represent this reply. The answer 'spreading word-of-mouth in social networks', partly involved in the ban. '2' was used to describe this response. Last but not least, for the answer 'stop purchase or buying a lesser amount of products from a particular convenience store', meant full participation in the sanction. '3' was used to represent this answer.
Table 4 summarizes the findings from our Pearson's Chi-square analysis.

Table 4: Pearson's Chi-square Values

Variable	Symbol	Pearson's Chi-Square	Sig.	%	Score
age	AGE	268.825	.000	13.80%	13.80
marital status	STA	136.943	.000	7.03%	7.03
education level	EDU	37.193	.000	1.91%	1.91
income	INC	185.656	.000	9.53%	9.53
job	JOB	270.788	.000	13.90%	13.90
application used	APP	94.432	.000	4.85%	4.85

objective in using internet	FOR	248.843	.000	12.77%	12.77
online shopping behavior	ONL	410.292	.000	21.06%	21.06
frequency in visiting convenience store	FRE	68.388	.000	3.51%	3.51
retailer expense	EXP	90.942	.000	4.67%	4.67
correct perspective	COR	59.231	.000	6.96%	6.96
		1947.935		100.00	100.00

*Only significant variables are listed.

Next, we set a score for each choice of every variable by 'cross tabulating' independent variables in Table 4 with the dependent variables in Table 3 to find the proportion of participants for each answer. The weight of each variable was set as the ratio of the Chi-square value to the total value—for example, if the Chi-square value is 268.825 and the total amount is 1947.935, then the weight equals 268.825/1947.935, which 13.80%. Next, we calculated the score of each variable (see Table 4) and analyzed the results by using discriminant analysis.

Discriminant Analysis
1) Compliance with normal distribution was tested by using a Kolmogorov Smirnov Z value equal to 5.917 and significance equal to .000 with $\alpha = .05$. It could thus be concluded that the distribution was non-normal, so it does not meet the required conditions. However, since the number of participants (1,200) was large, data distribution might not have much impact on the correctness of the analysis. Therefore, the research continued.
2) Multicollinearity—The Variance Inflation Factor (VIF) and the tolerance value were explored by using a stepwise method to eliminate the independent variables exhibiting certain interrelations. The results are presented in Table 5.

Table 5: Regression analysis via a stepwise method

Variables	Collinearity Statistics	
	Tolerance	VIF
ONL	.683	1.464
AGE	.451	2.217
FOR	.762	1.313
STA	.710	1.408
JOB	.575	1.739
INC	.630	1.587
APP	.888	1.127
COR	.881	1.135

Table 5 shows that that FRE, EXP and EDU could be eliminated from further analyses. With the remaining variables, the analysis of tolerance and VIF revealed that the tolerance value was almost 1 and The VIF value was not more than 10. As a result, it could be concluded that the remaining independent variables did not exhibit multicollinearity.

3) Further analysis of the variance of the independent variable in each group revealed that Box's M test result was equal to 1135.810 and significance level = .106, which was greater

than the threshold significance level, α, () which had been set at .05. This meant that the variance of independent variables in each group was equal, i.e., following the underlying conditions.

Next, the best variables for inclusion in the final regression equation were using Wilks' lambda statistical method. Table 6 summarizes the findings.

Table 6: Variables entered/removed method

Step	Entered	Wilks' Lambda-value							
		Statistic	df1	df2	df3	F-value			
						Statistic	df1	df2	Sig.
1	ONL	.797	1	2	1197.000	152.379	2	1197.000	.000
2	AGE	.712	2	2	1197.000	110.581	4	2392.000	.000
3	JOB	.676	3	2	1197.000	86.259	6	2390.000	.000
4	INC	.647	4	2	1197.000	72.548	8	2388.000	.000
5	FOR	.630	5	2	1197.000	62.120	10	2386.000	.000
6	COR	.618	6	2	1197.000	53.961	12	2384.000	.000
7	APP	.610	7	2	1197.000	47.671	14	2382.000	.000
8	STA	.600	8	2	1197.000	43.246	16	2380.000	.000

From Table 6, it could be concluded that the best variables for the creation of an equation for discriminant analysis included ONL, AGE, JOB, INC, FOR, HBI, APP and STA.

Discriminant Analysis

Next, discriminant analysis was done using a statistical software program. The results are shown in Table 7.

Table 7: Canonical discriminant function coefficients

Variables	Symbol	Coefficients	
		Equation 1	Equation 2
Constant	-	-10.779	-5.858
Age (AGE)	AGE	.056	-.171
Status (STA)	STA	.277	-.032
Income (INC)	INC	.247	.536
Job (JOB)	JOB	.162	.322
Application used (APP)	APP	.477	.672
Objective for using internet (FOR)	FOR	.092	-.265
Online shopping behavior (ONL)	ONL	.116	-.192
Correct perspective (COR)	COR	.976	1.973

Table 7 presents the coefficients for each variable in the equation which was in the form of raw data. As such, the weight derived from the equation was a non-standardized coefficient which was the result of selecting non-standardized from the statistics options. The

results received from the analysis were the weights of each variable and the constant. The results of the analysis can be used to form an equation in terms of a raw score as:

Equation 1: Y_1 = -10.779 + 0.056 (AGE) + 0.277 (STA) + 0.247 (INC) + 0.162 (JOB) + 0.477 (APP) + 0.092 (FOR) + 0.116 (ONL) + 0.976 (HBI)

Equation 2: Y_2 = -5.858 - 0.171 (AGE) - 0.032 (STA) + 0.536 (INC) + 0.322 (JOB) + 0.672 (APP) - 0.265 (FOR) - 0.192 (ONL) + 1.973 (HBI)

Back Testing

A observe value was placed into both equations to facilitate the finding of the group centroids. This value was used to evaluate group means of canonical discriminant functions. Table 8 shows the results.

Table 8: Functions at group centroids

Against to retailer monopoly	Equation 1	Equation 2
Group 1: Doing nothing	-.978	-.446
Group 2: Spreading word-of-mouth in social networks (Like & Share)	-.608	.534
Group 3: Stop buying or buying a lesser amount of products from a particular convenience store	.649	-.045

Table 8 presents the results concerning group centroids using raw (non-standardized) data. The group centroids were determined by multiplying the coefficient of a variable with the value of each variable. Once the raw score for each variable was thus determined, group centroids could be calculated by dividing the sum of the values for each variable by the numbers of participants in that group. The following were the main findings from this phase of analysis:

In equation 1: Group 1 centroids were equal to -0.978, group 2 -0.608, and group 3.649. Clearly the figure for Group 3 was different (it was positive). Therefore the equation for this group was selected to be the best.

In equation 2: Group 1 group centroids were equal to -.446, group 2: 0.534, and group 3 -0.045. Group 2 was different from the others which mean that this equation was the best for categorizing group 2. Clearly the figure for Group 2 was different (it was positive). Therefore the equation for this group was selected to be the best.

The analysis could also be used for classifying who should be in which group by inserting a value for the independent variable into both equations and calculating the group centroids. If the value of the group centroids was close to that for a particular group, there was a higher chance of the member being a member of that group. Consequently, participants were assigned membership to that group. As a result, the participants who were not categorized by equations 1 and 2, were put in the remaining group.

Back testing was performed next to verify the correctness of predictions by comparing them with the real information (see Table 9).

Table 9: Classification of back testing results

Predict / Observe	doing nothing		Like & Share		stop buying		Total
	Number	% Correct	Number	% Correct	Number	% Correct	
doing nothing	141	53.2	101	38.1	23	8.7	265

Like & Share	59	21.3	200	72.2	18	6.5	277
stop buying	42	6.4	198	30.1	418	63.5	658
							63.3%

Table 9 presents the results of the analysis indicating the effectiveness of the equation by comparing the original and the statistically determined group memberships. The results revealed that originally there were 265 cases in group 1, but the predictions from the equation resulted in 141 cases of correct prediction (53.2%). On the other hand, originally there were 277 cases in group 2, but the predictions from the equation resulted in 200 cases of correct prediction (72.2%). As for group 3, originally there were 658 cases, but the predictions from the equation resulted in 418 cases of correct prediction (63.5%). In all, the equation was correct about 63.3% of the time.

8. CONCLUSION

The factors associated with social sanctions against monopolies through the use of social networks, include age (AGE), status (STA), income (INC), job (JOB), applications used (APP), objective in using the internet (FOR), online shopping behavior (ONL) and correct opinion and perspective (COR). This information can be used to form two equations that can be used for categorizing groups of social sanctions against monopolies and exploitation into 3 groups:

Equation 1: Y_1 = -10.779 + 0.056 (AGE) + 0.277 (STA) + 0.247 (INC) + 0.162 (JOB) + 0.477 (APP) + 0.092 (FOR) + 0.116 (ONL) + 0.976 (COR).

This equation was the best for categorizing group 3—stop buying or buying a fewer products from a particular convenience store.

Equation 2: Y_2 = -5.858 - 0.171 (AGE) - 0.032 (STA) + 0.536 (INC) + 0.322 (JOB) + 0.672 (APP) - 0.265 (FOR) - 0.192 (ONL) + 1.973 (COR).

This equation was the best for categorizing group 2—spreading word-of-mouth in social networks.

As for data that could not be categorized into groups 2 and 3, they were considered to be belonging to group 1, i.e., the 'doing nothing' group. Over all the predictions were found to be correct about 63.3% of the time.

9. DISCUSSION AND RECOMMENDATIONS

This research has found that the applications used (APP), the objective for using the internet (FOR), online shopping behavior (ONL) and correct perspective (COR) were the variables of significance and had a strong impact (as seen from the coefficient of the variable) on social sanction campaigns established to protect the rights of consumers who do not want to be taken advantage of and exploited by retailers. However (Pride, William M., 2012: P228-229),

they are enabled consumer trust by creating quality assurance process in an attempt to reduce the number of customers complaining. Furthermore, the recent global economic crisis had forced the client to become more price conscious. The implication is that the government is well-advised to set up appropriate policies or legal acts for reducing exploitation by retailers. For instance, the government could organize media channels for the dissemination of knowledge for people to better understand and to take a stand against products that are at significant risk of being monopolized and exploited. Also, there could be an independent organization (not be controlled by the government) facilitating direct monitoring of business operators or retailers to significantly reduce monopolistic behavior on their part and ensure that would compete with one another in accordance with the accepted ethical standards. The goal should be to create and establish mutual rules and regulations for operating businesses ethically.

REFERENCES

[1] Apiprachyasakul, Kumnai. (2015). Consumer Behavior: Focus Media and Publishing Co. Ltd. Master's Thesis, Sripatum University. Business Administration, Marketing.

[2] Brousseau, Eric and Curien, Nicolas. (2007). Internet and Digital Economics Principles Methods and Applications. Cambridge: Cambridge University Press.

[3] Charoensook, Cheewan. (2011). Adaptation of Marketing Strategy for Thai Traditional Retailing. Master's Thesis, Sripatum University. Business Administration, Marketing.

[4] Consumer rights protection (n.d.), Retrieved March 23, 2017, from http://www.wangchan.ac.th/ teacher_issue/ busi/ business1_ files/Page683.htm

[5] Intanonchai, Thawanrat. (2009). Energy drinks advertising and myth consumption of minibus drivers in Chiang Mai Province. Master's Thesis, Chiang Mai University.

[6] Kraiwanit, Tanpat. (2016). Creative and Digital Economy, Text book. Faculty of Economics, Rangsit Univesrity.

[7] Lothongkam, Teeraphan. (2001). Strategic IMC: Strategy for marketing communication. Bangkok: Tipping Point Press.

[8] Phongpaew, Aniruth. (2010). Factors Influencing Buying Behavior Towards House Brand Products in Convenience Store of People in Bangkok and Suburb: A Case Study of Tesco-Lotus Express. Master's Thesis, Sripatum University. Business Administration, Marketing.

[9] Piyarangsri, Pratya. (2011). Comparison of consumer behaviors on consuming factorial and community spirits in Chiang Mai Province. Master's Thesis, Chiang Mai University.

[10] Pongvitayapanu, Pawoot. (2007). e-Commerce: rich channels, low capital investment, easy, generating 24 hours income (2nd edition). Bangkok: Phongwarin Printing.

[11] Runchanon, Panisa. (2005). Principles of Marketing. Bangkok: Thammasarn.

[12] Srijarat, Nunta. (2008). The study of consumers' attitude and buying behavior towards CP's products of Ka-Lai chicken producer in Taguatung District, Phang Nga Province. Master's Thesis, Suan Dusit University, Bangkok.

[13] Tippala, Kamolpop. (2015). Decision of consumer process Mueang Chiang Mai District towards purchasing digital single-lens reflex camera. Graduate school. Chiang Mai, Chiang Mai University. Bachelor of Business Administration on Marketing

[14] Tom, Duncan. (2002). MC Using advertising and promotion to build brands. New Jersey: McGraw-Hill.

[15] Vijitbunyaruk, Pichit. (2011). Social Media: Future Medial. Executive Journal. (99-103).