Abstract

Retail Propinquity: A Location Strategy in Thailand

Retail propinquity is a terminology introduced by this study. The new term signifies a strategic location for retailers of similar shopping goods in 'CA-PM' perimeter. The 'CA-PM' or Chairawee Anamthawat-Propinquity Measurement is the maximum distance from the target store where a new piggyback store must locate its establishment, thus benefiting from the law of cumulative attraction (Nelson, 1958). "CA-PM' is calculated by taking a square root of the average size of the opening store and its target store.

A model showing causes and effects of retail location decision of Thai retailers has been conceived for the study. Location decision makers from five retail categories were chosen for the study: three product groups (gold ornaments, computer related goods, and fabrics) and two service types (Thai traditional massage and wedding studios). From all five groups, a quota sampling of both propinquitous and non-propinquitous retailers were gathered for analysis, using Structural Equation Modeling (SEM). Throughout all stages of this research, triangulation method was employed to ensure that the findings were least affected by each method's weakness.

This dissertation aimed to solve four research questions. First, it was to understand why retail propinquity grew almost three times in Bangkok in the past decade. Second, it was to find out what factors driving the Thai retailers' location decisions. Third, the author wanted to gain insights on the outcomes of propinquitous location decision, as compared to the non-propinquitous ones. Fourth, it aimed to constructively recommend retail theorists and practitioners on the model usage. Reviewing of retail development literature fulfilled the first objective. Exploratory research method clarified the second and third objectives. Hence, the last objective is the summary of this sizeable study. Finding results are useful to both academics and professionals in retail management and marketing alike. Few research opportunities have been suggested in the closing chapter of this dissertation.