

MARKETING STRATEGIES OF PHUMSIRI MANSION, MUANG DISTRICT, KHON KAEN PROVINCE

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Abstract

This independent study aimed to the marketing strategy in business operation of Phumsiri Mansion at Muang district, KhonKaen province. Origin of study was because the growth of room occupant were decrease as following data; during 2012-2013 was reduced by 4.06%, during 2013-2014 were reduce by 24.64%. The objective was to study (1) demographic data (2) selection behavior of dormitory (3) opinion rating scale to marketing mix (4) marketing strategy of Phumsiri Mansion. The study result found that, the target group, provided sufficient facilities inside and outside of room. Opinion to strategy mix of Phumsiri Mansion found that respondents rate high for product, price, place, promotion, process, people, physical evidence and quality of service. Different of general data of customers in gender, age range, faculty, year of study and monthly income, have no different in opinion rating scale of Phumsiri mansion marketing mix with statistically significant at more than 0.05 level. From the study result, used it for set up the marketing strategy of Phumsiri mansion, consist of 4 projects which were; project 1 “Break into the market”, project 2 “Room rental with discounted price from heart”, project 3 “Open heart”, project 4 “Right mansion”. Total operation budget was 183,754 Baht. After operate the projects expect that Phumsiri Mansion are able to response better to demand and opinion of target group.

Keywords: Marketing Strategies, Phumsiri Mansion, KhonKaen University



Introduction

Khon Kaen is a populous province which is not only in the center of the northeastern Thailand but also the hub of education as it is a location of KhonKaen University, Rajamangala University of Technology Isan, KhonKaen Technical College, KhonKaen Vocational College. In addition, the province is a regional technical hub with adequate public utilities and facilities in Muang District. There are many types of residences and all kinds of services. The central administration of KhonKaen University is located at 123, Mittraphap Road, NaiMuang Sub-district, Mung District, KhonKaen Province. KhonKaen University has the most competitive admission rate in the region and is one of the top universities in Thailand. KhonKaen University has 17 faculties, 3 colleges and 1 satellite campus, including Faculty of Agriculture, Faculty of Engineering, Faculty of Education, Faculty of Nursing, Faculty of Science, Faculty of Medicine, Faculty of Humanities and Social Sciences, Faculty of Associated Medical Sciences, Faculty of Public Health, Faculty of Dentistry, Faculty of Pharmaceutical Sciences, Faculty of Technology, Faculty of Veterinary Medicine, Faculty of Management Sciences, Faculty of Architecture, Faculty of Liberal Arts, Faculty of Law, College of Graduate Study in Management, College of Local Administration, International College, Graduate School and NongKhai Campus, which has the Faculty of Applied Science and Engineering and the Faculty of Business Administration [1].

At present, the number of undergraduate students tends to decrease, the number of dormitories is likely to increase and the university vacation has been changed from 3 to 6 months in 2014. As a result, the growth rate of rental room sales had decreased by 4.06% in 2012-2013 and by 24.64% in 2013-2014. Therefore, the researcher is interested in exploring the target customer behavior affecting their decision to choose rental rooms that will be used to develop the marketing strategies of Phumsiri Mansion to be in line with the target customer opinions on the marketing mix factors.

Objectives

The objectives of this study are to explore the general information of the target customers staying in dormitories in the area to the west of Khon Kaen University, their behavior and opinions on the marketing mix and to develop the marketing strategies of Phumsiri Mansion.

Methodology

This applied research has adopted descriptive social science research methodology to interpret, analyze and assess the data and used descriptive analysis to present the research results [6], while descriptive statistics have been used to explain dispersion of the data, frequency of distribution, mean and differences of variables. Inferential descriptive statistics have also been used to explain relations between the data and hypotheses and the method of inference is used to draw conclusions about the population[7].

1. Framework

The general information obtained from the target customers includes genders, ages, education, faculties and average monthly incomes. The instrument used in this study is a

questionnaire constructed based on the consumer behavior theory, the opinion theory and the marketing mix theory.

2. Hypothesis

The target customers of different genders, age groups, faculties, college years and average monthly income levels have the same level of opinion on the marketing mix factors.

3. Scope of the study, population and samples

In this study, the sample group is a group of target customers who are undergraduate students living in dormitories in the area to the west of KhonKaen University. The data was collected from 25 customers of Phumsiri Mansion and 400 customers of other dormitories in KhonKaen University.

4. Research instruments and validation

The instrument used in this study is a questionnaire constructed based on the consumer behavior theory, the opinion theory and the marketing mix theory. To validate the constructed questionnaire, the researcher employed an index of consistency (IOC) to examine the quality of the research instrument by having 3 experts, including an expert in marketing and management, Assistant Professor Ruchirat Patanathabutr, Ph.D., an expert in marketing who is the manager of KurngThai Bank, Tung Srang Branch, KhonKaen Province, Sirilak Ruamngor, and an expert teacher of special expertise and a co-business owner, Kraisorng Dejchai, criticize and revised the questionnaire. The IOC value fell between 0.5-1; therefore, the questionnaire was then used to collect the data in this study.

5. Data collection

The data was collected from the target group in the area to the west of KhonKaen University during June 1-13, 2015. The questionnaires were distributed to 425 respondents which were divided into 2 sample groups according to the sampling quota and the scope of this study. After collecting all the questionnaires, the researcher reviewed them and analyzed the data using a micro computer. The researcher then used SPSS for Windows Version 17.0 to analyze statistical data, including percentage, mean value, standard deviation, t-test and ANOVA.

6. Research conditions

The hypothesis testing was used to accept or reject the null hypothesis (H_0). The null hypothesis was accepted when the computed significant value was 0.05 or higher and the null hypothesis was rejected when the computed significant value was less than 0.05.

Results

1. General information

According to the general information of the target customers, most of them are female, aged under 20, who are 3rd year university students with an average monthly income of 5,000-10,000 baht.

2. Behavior of target customers

Regarding the behavior of the target customers, the researcher has found that they share a room with their friends and they themselves are decision makers. The activities done in



their room are listening to music, using a computer and watching television. The facilities in the room include a bed, a mattress, a chair and a bathroom. The facilities outside the buildings are parking space for motorcycle and washing vending machines. The durations of their stay are 4-6 months and less than 2 months. At present, they are staying at Phumsiri Mansion and other places with appropriate prices, adequate parking space and good atmosphere. Someone has given them suggestions about the services and an average rent starts from 3,000 baht a month.

3. Levels of customer opinion on the marketing mix

Regarding the levels of target customer opinion on the marketing mix of Phumsiri Mansion, the researcher has found that their level of their opinion on the overall marketing mix was found at the high level and their levels of opinion on the separate marketing mix factors were also found at the high level, ranking from high to low mean scores as follows: physical evidence, process, people, product, productivity and quality, place, price and promotion.

Concerning the product, the customer opinion on the product was rated at the high level due to the facilities in the room, such as a water heater, the Internet, a refrigerator and a cable television system, the daily and monthly services, the suite service with a separate bedroom and the modern and beautiful design. Their comments were that the Internet connection was very slow, the mattress was not soft and the television signal was not good. They also suggested that there should be televisions and refrigerators in all rooms, air conditioners should be maintained properly and there should be merit-making ceremonies at the buildings.

With regard to the price, the customer opinion on the price was found at the high level regarding the appropriate service rates with the services, the competitive rates compared to other places in the area, the appropriate lump-sum water bill of 100 baht per month, the reasonable rental room rates of 3,300-3,700 baht per month, the suitable insurance cost of 3,000 baht, the proper electricity charge of 8 baht per unit recorded from a separate Watt-hour meter. In addition, they thought that the electricity cost was too high and they wanted the lower rental room rates. The cost of water should be based on the units of water used rather than charging a lump-sum water bill of 100 baht each month.

Considering the place, the customer opinion on the place was at the high level. This was because there was an office where customers can talk to the dormitory staff and there were various channels for customers to contact the staff, such as Line and telephone, when they had problems or wanted to rent rooms. In addition, payment by bank transfer was available and there was a connection with the tutoring schools to receive more customers during university vacations. They also suggested that security personnel should be on duty 24 hours a day.

On the subject of the promotion, the customer opinion on the promotion was at the high level since there was a large sign in front of and around the buildings and the dormitory supported social activities, such as donating clothes and books to the underprivileged. There were also advertisements through various channels, such as handing out the business cards, posting the information on the Internet, and offering special promotions to current customers, for example, giving them discounts for introducing new customers.

With respect to the process, the customer opinion on the process was rated at the high level in terms of the fast and high standard service, the well-organized services and the

simple service procedures, respectively. The services were on time and the appointments were well kept.

Relating to the people, the customer opinion on the people was found at the high level because the staff members were knowledgeable about the facilities in the dormitory and they were skillful and proficient; therefore, they were able to solve all problems well. In addition, the staff members were service-minded and friendly. They also provided everyone with the same service standard.

With reference to the physical evidence, the customer opinion on the physical evidence of the services was found at the high level as the buildings were officially certified as dormitories and operated by a certified dormitory manager, there was a clear sign indicating that this is a drug-free dormitory, tables and chairs for customers were adequate and well arranged, the service areas were clean and beautiful, there was adequate parking space for cars and motorcycles and the environment was peaceful and pleasant. The only suggestion was to properly maintain the floor.

In regard to the productivity and quality, the customer opinion on the service quality was rated at the high level. The services were provided with the expected standard. The receipts were issued correctly and the services were accurate. There were proper insurance for operational errors.

Respecting the marketing mix, the customer opinion on the marketing mix of Phumsiri Mansion, Muang District, KhonKaen Province, the customers were considered based on the demographic data, including genders, ages, education levels and average monthly incomes. The researcher has found that the customers of different demographic groups possess the same level of opinion on the marketing mix of Phumsiri Mansion with a statistical significance level 0.05. In addition, the customers who have different careers also have the same level of opinion on the marketing mix of Phumsiri Mansion with a statistical significance level 0.05.

As for the additional comments, the customers have found that, in terms of the product, the Internet connection was slow, the mattress was too firm, and the television was not clear. They have also suggested that there should be televisions and refrigerators in all rooms, air conditioners should be properly maintained and there should be merit-making ceremonies at the buildings. Regarding the price, the electricity cost was too high and they wanted the lower rental room rates. The cost of water should be charged according to the units of water used rather than a lump-sum water bill of 100 baht each month. With respect to the place, there should be security personnel 24 hours a day. In terms of the physical evidence of the services, the floor should be properly maintained. The customers did not have any comments or suggestions on the promotion, the process, the people and the productivity and quality.

4. Marketing strategies of Phumsiri Mansion

The results have been used to develop the marketing strategies of Phumsiri Mansion, consisting of 4 projects, including a project on “Break into the market” a project on “Room rental with discounted price from heart” a project on “Open heart” and a project on “Right mansion” with the budget of 183,754 baht. After the implementation of these projects, it is expected that Phumsiri Mansion will be able to better fulfill the customer needs and increase the customer satisfaction.



Conclusion

The results are in line with the objectives of this study. The researcher has found that most of the target customers are female who share their room with friends. This is in accordance with the marketing mix theory. The level of customer opinion on the physical evidence of the services was found with the highest mean score, conforming to the opinion theory and the stimulus response theory.

Discussion

The results of this study conform to the objectives and the results have been discussed based on the service marketing mix theory (8P's) as follows:

Regarding the product, the customer opinion on the promotion was at the high level due to the facilities in the room, such as a water heater, the Internet, a refrigerator and a cable television system, the daily and monthly services, the suite service with a separate bedroom and the modern and beautiful design. This is in line with the study of Punnatthajatur (2013) on the feasibility study of Panida Female Dormitory near Roi Et Rajabhat University which has stated that the factors influencing the decision on choosing rooms for rent are sizes of the room, attractive appearances of the place, facilities in the room, spacious parking space and good location.

Respecting the price, the customer opinion on the promotion was at the high level because of the appropriate service rates with the services and the competitive rates compared to other places in the area, which is in accord with the research done by PornchanitChinsuwan (2013) stating that the reasonable price is that factor affecting the customers' decision making.

In terms of the place, the customer opinion on the promotion was at the high level because there was an office where customers can meet with the dormitory staff members and there were various channels for customers to contact the staff members, such as Line and telephone, when they had problems or wanted to rent rooms. In addition, payment by bank transfer was possible and there was a connection with the tutoring schools to get more customers during long vacations. They also suggested that security personnel should be on duty 24 hours a day.

Concerning the promotion, the customer opinion on the promotion was at the high level as there was a large sign in front of and around the buildings. This has also been mentioned in the study of RapeepornBunyong (2011) on the strategic planning to increase the number of customers of Fasai Residence, KhonKaen Province, that the move-in rate is higher than the move-out rate has resulted in a decrease in the number of renters; therefore, the promotion will help keep the current renters and increase the number of newcomers.

With regard to the process, the customer opinion on the promotion was at the high level due to the fast and high standard service, the well-organized services and the simple service procedures, the punctual services and the well-kept appointments, respectively.

Considering the people, the customer opinion on the promotion was at the high level as the staff members were service-minded and friendly and they also provided everyone with the same service standard. This has also been found in the study of MullikaKhunnoi (2013) on the

marketing strategic planning of Ban Kunchiraporn Dormitory to increase the number of renters in Muang District, KhonKaen Province, that most customers give precedence to the friendliness of the owner.

As for the physical evidence of the services, the customer opinion on the promotion was at the high level due to the spacious parking space for cars and motorcycles. This agrees with the study of MullikaKhunnoi (2013) on the marketing strategic planning of Ban Kunchiraporn Dormitory to increase the number of renters in Muang District, KhonKaen Province, that customers give priority to adequate parking space for cars and motorcycles.

Regarding the service quality, the customer opinion on the service quality was found at the high level. The expected standard services were provided, while the receipts were accurate and the services were appropriate. In addition, insurance for operational errors was acceptable.

Suggestions (if any)

1. Recommendations for Phumsiri Mansion

According to the results of this study, the guidelines for improving the capability of Phumsiri Mansion to be line with customers' opinions and needs can be divided into 2 parts as follows:

1.1 Customer behavior affecting their decision to choose rental rooms

The researcher has found that the target customers wanted to share their rooms with friends; therefore, Phumsiri Mansion should organize the activities to promote friendship. The emphasis should be placed on customer relation management to strengthen relationships among people living in the dormitory. Some examples of activities are paying respect to the spirit house on the Buddhist Sabbath, conducting making-merit ceremonies at the dormitory, organizing a New Year's party. These activities will be the opportunities for the customers to familiarize themselves with the owner, other people staying in the same dormitory and the place. As a result, the people who live in this dormitory will feel as if they are living in the same house. They will live with good dorm mates in pleasant atmosphere. In addition, they will know the owner who is willing to help them with anything and listen to their suggestions about the place. The firm friendship will lead to the love for the dormitory and the motivation to improve this place.

1.2 Customer opinions on factors influencing the decision on choosing rooms for rent

The researcher has found that the customers give the highest precedence to the physical evidence of the services. Therefore, the manager should pay close attention to the external environmental management, such as replacing the damaged floor connecting the buildings with solid planks. In addition, the owner think that trees and flowering and ornamental plants should be well maintained and the areas should be clean and pleasant.

Second, regarding the product, speed the Internet connection at the dormitory should be increased, the mattresses that are too soft should be replaced with the new ones, the televisions with low quality images should be fixed, there should be televisions and refrigerators



in all rooms, the air conditioners should be properly maintained and there should also be merit-making ceremonies during the long university vacation.

Third, in terms of the place, security personnel are not on duty 24 hours a day; however, emergency contact stickers are clearly visible and the telephone number of the owner is always available.

Fourth, concerning the price, the prices of rental rooms should be cheaper. The electricity cost is too high. The rent has been decreased from 3,700 baht to 3,500 baht per month.

Fifth, with regard to the promotion, there should be more advertisements on the Internet. The dormitory has joined a Facebook group, called Around KKU, and the link should appear on KhonKaen Link's website.

After the implementation of these practices, there should be a follow-up every 6 months in order to improve the operation to respond to the customer needs.

2. Recommendations for future studies

In the future, there should be a study on opinions of regular customers on the marketing mix of Phumsiri Mansion. In addition, there should be regular follow-ups and evaluations every 6 months in order to meet the needs of the target customers which will result in an increase in income in the long run.

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