

MARKETING MIX OF MUANG PHON AUTO PARTS, PHON DISTRICT, KHON KAEN PROVINCE

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Abstract

This independent study investigated the marketing strategies of the “Muang Phon Auto Parts” Auto Parts business, Phon District, Khon Kaen Province. This study aims to explore the general information and customer behavior, their levels of opinion on the marketing mix of Muang Phon Auto Parts in order to offer develop marketing strategies that appropriately respond to customer behavior and opinions. The results revealed that customers have chosen to purchase the products because of reasonable high quality products, prices, complete range of products, lower prices compared to other stores. The overall customer opinion on the marketing mix is found at the agree level, ranking from high to low as follows: price, product, place and promotion. Levels of customer opinions on the marketing mix found customers who are first time customers and non-first time customers of different genders, age groups, education levels and average monthly income levels share the same level of opinion on the marketing mix. Considering the marketing strategies suitable. With reference to the S-T strategy and W-O strategy. There is a budget of 79,000 baht. After the implementation of these projects, it is expected that the customer needs will be well satisfied and the store will be well known among customers.

Keywords: Marketing strategies, Muang Phon Auto Parts, Auto parts, First time customers



Introduction

Muang Phon Auto Parts was founded in 1990. It is located at 40/9-10 Panitcharoen Road, Muang Phon Sub-district, Phon District, Khon Kaen Province. The store sells auto parts for passenger cars, panel trucks and medium duty trucks which are currently widely used. Muang Phon Auto Parts has run its business for more than 25 year.

According to Department of Land Transport's national new car registration statistics released on December 31, 2014, there are 3 types of registered cars and Thailand's average 5-year growth rate is 8.74%, Khon Kaen Province's average 5-year growth rate is 10.41% and Phon District's average 5-year growth rate is average 5-year growth rate is 10.41%. It is clear that the growth rate of new registered cars, including both passenger and commercial cars, is high [1].

In Phon District, Khon Kaen Province, there are currently a number of car service centers, car insurance garages and car repair garages. The number tends to increase according to the increasing number of new cars. As auto parts business is continuously growing, the number of auto parts buyers is also increasing, resulting in fierce competition in the market. Therefore, the researcher is interested in drawing up guidelines for marketing mix decisions which will be directly in line with customer behavior and customer needs. As a result, this study will be useful for operating of auto parts stores in the future.

Research Objective

This study aims to explore the general information, regarding their genders, age groups, education levels, careers and average monthly income levels, and customer behavior as well as their levels of opinion on the marketing mix of Muang Phon Auto Parts in order to develop the marketing strategies of Muang Phon Auto Parts.

Methodology

Marketing mix is an essential basic marketing tool used by marketing men to improve the satisfaction of target customers [2]. The four marketing mix factors are as follows:

1. Product refers to products or services offered to customers in order to fulfill the customer needs and achieve the company's objectives.
2. Price refers to the amount of money that customers spend on products or services. Customers may compare the product's price with their feelings towards the product. Once they find the product worth buying, they will make a purchase. Therefore, to price each product, it is important to consider whether the customers will accept the quoted price as well as how much the company has invested along with other expenses.
3. Place or channel of distribution refers to the different methods of transferring products from manufacturers or suppliers to customers.
4. Promotion refers to the communication about the products between the company and buyer, aiming to form customer attitudes and purchasing behavior. Some examples of promotional activities are advertisement, the use of salespersons and discounts and premiums which help attract customers to purchase more products.

This applied research used descriptive social science research methodology to interpret, analyze and assess the data and used descriptive analytical method to present the research [3]. In addition, descriptive statistics were adopted to explain dispersion of the data, frequency, mean value and differences of variables. Inferential descriptive statistics were used to explain relations between the data and hypotheses and the method of inference is used to reach conclusions about the population [4]. This study of customers' general information, their behavior and opinions on the marketing mix of Phon Muang Auto Parts led to the creation of the store's marketing strategies.

Conceptual framework

This study has examined the inputs of two groups of people. The first group is a group of business owners who were interviewed about the environment of management and the second group is a group of old and new customers of Muang Phon Auto Parts. The customers were divided according to whether they were first time or non-first time customers and whether they were owners or non-owners, as well as other demographic information, including genders, age groups, education levels, business types/careers and budgets/income levels. At first, the researcher analyzed the business information and then used a questionnaire, constructed based on the customer behavior theory, the conception theory, the marketing mix theory and the generation theory, to collect the data. The findings from the two groups of people were later compared with the findings of other related studies. The information was taken into consideration during the brainstorming session to propose the marketing strategies that are appropriate to customer behavior and opinions.

Hypothesis

Regarding the general information of customers of Muang Phon Auto Parts, Phon District, Khon Kaen Province, customers who are first time customers and non-first time customers, owners and non-owners, of different genders, age groups, education levels, careers and average monthly income levels, have the same opinion on the marketing mix of Muang Phon Auto Parts.

Scope of the study, population and samples

Non-first time customers refer to those who have purchased auto parts within the past 12 months. As recorded in the notebook, there are 24 customers in this group.

First time customers refer to those who have registered their new cars under the 3 types of vehicles. According to the national new car registration statistics released on December 31, 2014, there are 11,721 records in Phon District, Khon Kaen Province. The research distributed 387 questionnaires to the first time customers [5] and later received a total of 411 questionnaires back from both groups of customers.

Research instruments and validation

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 the owner of Muang Phon Auto Parts, Arthid Liangchipwat, the owner of Chumphon Panich who is a customer of Muang Phon Auto Parts, Thawattchai Amornphisitthikul, and an expert in marketing and management, Assistant Professor Ruchirat Patanathabutr, Ph.D., criticize and revised the questionnaire as shown in Appendix C. The instrument was validated in March



2015 and, as a result, the IOC value was 0.99 which was well within between 0.5-1. The questionnaire was then used to collect the data in this study [6]. In addition, the Cronbach's alpha coefficient of the questionnaire was 0.93 and the correlation coefficient of each item was found between 0.7-0.9 which was considered a high validity coefficient. In conclusion, it means that the questionnaire was reliable enough to be used in this study [7].

Data collection

The information about the non-first time customers was recorded in list of customers who had purchased auto parts during the past 12 months. The researcher himself distributed the questionnaires to this group of customers. As for the first time customers, the questionnaires were given to those who came in to purchase auto parts at Muang Phon Auto Parts and other customers who had their new cars registered in Phon District, Khon Kaen Province. To collect the data, the researcher used a convenience sampling method and the data collection was completed in March 2015.

After the questionnaires were returned from the respondents, the researcher reviewed the questionnaires and analyzed the data using a microcomputer. The researcher has also used SPSS for Windows Version 17.0 to analyze statistical data, including percentage, mean value, standard deviation, t-test and ANOVA.

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

General information and Customer behavior of customers at Muang Phon Auto Parts, Phon District, Khon Kaen Province

Regarding the general information of the respondents, most of them are first time customers and they themselves are car owners. They are predominantly male, aged 21-60, with a diploma/vocational certificate and a bachelor degree, working as private company employees, house husband/housewife and farmers, with average monthly incomes of less than 9,000 baht and 9,000-15,000 baht respectively.

Referring to the purchasing behavior of customers at Muang Phon Auto Parts, Phon District, Khon Kaen Province, most car owners themselves are decision makers. Both mechanics and owners have an influence on the auto parts purchase. They mostly purchase lubricating oil, such as engine oil, gear lubricant and brake fluid, as well as auto parts, such as engine belts, oil filters and fuel filters. They have chosen to purchase the products at Muang Phon Auto Parts because of reasonable prices, high quality products, complete range of products, lower prices compared to other stores, convenient location, clear and visible signs, complete packages of information and suggestions and discounts. It is convenient for them to visit the store on Monday during 10.00-12.00 and 12.00-13.00. They usually come to the store themselves and pay with cash. Most of them have come to purchase the auto parts for the first time and they do not

purchase low quality products or long-time used products. The customers also make purchases at Wiboonpanich 2 (Mittraphap) and the purchased products are lubricating oil, such as engine oil, gear lubricant and brake fluid, because the products are of high quality.

Levels of customer opinions on the marketing mix of Muang Phon Auto parts, Phon District, Khon Kaen Province

The overall customer opinion on the marketing mix of Muang Phon Auto parts, Phon District, Khon Kaen Province, is found at the agree level. Regarding the products, their opinions are rated at the strongly agree level regarding the high quality products and at the agree level respecting the complete set of auto parts and the genuine products. In terms of the price, their opinions are found at the strongly agree level with reference to the appropriate prices and the product quality. Their opinions are rated at the agree level on the subject of lower prices compared to other stores. As for the place or channels of distribution, the customer opinions are at the agree level in terms of the commercial location, the convenient location, the clear and visible signs, the convenient parking and the order service for products that cannot be found locally. Considering the promotion, the opinions are found at the strongly agree level due to the information and suggestions about the products and at the agree level for the discounts and advertisements in different media.

With respect to the general information, the research has found that customers of different backgrounds have agreed and disagreed on the marketing mix of Muang Phon Auto Parts, Phon District, Khon Kaen Province, with a significant statistical difference at 0.05. Customers who are first time customers and non-first time customers of different genders, age groups, education levels and average monthly income levels share the same level of opinion on the marketing mix, while those who are owners and non-owners of different careers possess different levels of opinion on the marketing mix. Regarding the marketing mix, in terms of products, the quality of auto parts has been found at the good level, and, regarding the price, the auto parts are cheap. In addition, with regard to the place or channel of distribution, it has been rated at the low level since the products are available at the store only. Finally, concerning the promotion, it has been found at the low level.

Marketing strategies of Muang Phon Auto Parts, Phon District, Khon Kaen Province

Considering the marketing strategies suitable for MuangPhon Auto Parts, Phon District, Khon Kaen Province, there are 2 strategies that can be implemented by launching these 3 projects. With reference to the S-T strategy, there should be a project on super save sets of auto parts for rainy season in which discounts for purchases of product sets and premiums are provided to attract customers, and, with regard to the W-O strategy, there may be a project on social network to increase the channels of distribution allowing convenient access for customers, and a project on 2016 New Year's promotion offering a 15% discount for the specified amounts of products. To run these projects, there is a budget of 79,000 baht. After the implementation of these projects, it is expected that the customer needs will be well satisfied and the store will be well known among customers.



Conclusion, Discussion and Recommendations

Conclusion

The findings are in line with the objectives as the customers are mostly first time customers and car owners, male, aged 21-60, with a diploma/vocational certificate and a bachelor degree, working as private company employees, house husband/housewife and farmers, with average monthly incomes of less than 9,000 baht and 9,000-15,000 baht respectively. Their opinion on the marketing mix is found at the agree level, ranking from high to low as follows: price, product, place and promotion.

Discussion

The study is in line with the objective and the findings can be discussed based on the marketing mix theory. In terms of the products, most customers pay attention to the quality of the auto parts and the completeness of the product set, respectively. This result conforms to the finding in the study of Nattha Thitiyouthin (2013) which has stated that the customers give precedence to the product quality [8]. Considering the price, the researcher has found that most customers are interested in purchasing auto parts at reasonable prices and the products at lower prices when compared to other stores. Similar result was also found in the work of Pongsak Damyot, Pong Horadal and Somdej Cheaysai (2011), which has stated that customers choose to purchase the products that worth the price [9]. In addition, Peerawan Pruekwattanachai (2011) has discovered in her study that one main factor affecting the purchasing decision of customers is the lower price compared to other similar stores [10]. Regarding the place or channels of distribution, most customers choose the stores with convenient locations and clearly visible signs. Similarly, in the study done by Thakoon Pimparat (2014), it has been found that location and honesty of the stores are the most important factors for customers [11]. With regard to the promotion, the researcher has found that most customers place importance on the information and suggestions about the products as well as the discounts, respectively. Likewise, Nattha Thitiyouthin (2013) and Peerawan Pruekwattanachai (2011) have also found in their studies that customers give priority to promotion and marketing.

Recommendations

Recommendations for entrepreneurs

After the implementation of these projects, there should be regular follow-ups and evaluations every year in order to improve the operation to meet the customer needs.

Recommendations for future studies

In the future, there should be a feasibility study on opening a new branch of Muang Phon Auto Parts.

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