



MARKETING PLANNING TO INCREASE LPG SALES VOLUME OF JAI DEE GREEN (2010) CO., LTD., MUANG DISTRICT, KHON KAEN PROVINCE

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Abstract

The objectives of this research were 1) to study behavior and marketing mix factors that influenced the decision of the consumers in choosing services of liquid petroleum gas (LPG) station, 2) the business operational environment of LPG station, and 3) to prepare marketing strategies to increase LPG sales volume of Jaidee Green (2010) Co., Ltd. at 11.80% with 2014. Sampling group used in this research were 400 people who used LPG station. Questionnaires were used as research tools. Study results showed that: 61.25% of the respondents owned the car, and 48.25% of the respondents used the service at LPG station more than 1 time a week. For the marketing mix factors influencing the decision to choose the services from LPG station, it showed that all aspects were at high level. The study results were analyzed together with the general environment, business competition, SWOT Analysis, and TOWS Matrix used to prepare marketing planning to increase sales volume of liquid petroleum gas (LPG) for Jaidee Green (2010) Co., Ltd. in Muang district, Khon Kaen Province with 6 Projects: Project 1 Jaidee – Cool Drinking Water ; Project 2 Jaidee - New Big Sign; Project 3 Jaidee - Great; Project 4 Jaidee – Going All Out; Project 5 Jaidee – Super Save, and Project 6 Jaidee – Saiping with the budget of 292,100 baht. After the projects implementation, the sales volume of LPG station for Jaidee Green (2010) Co., Ltd. should be at least 3,000,000 baht per month.

Keywords: Marketing planning, LPG station, Jaidee Green (2010) Co., Ltd.

Introduction

Nowadays, LPG as fuel is important and it is widely used in cars. Since the fuel is cheap, and the soot after combustion is less than other fuels. In 2013, a number of cars using LPG fuel gas were 855,285 units. [1] Expected number of cars that use gas accumulated until the end of 2557 will increase to more than 1 million vehicles and will continue to rise in 2558, which was popular in the installation of LPG. Installation expense is affordable, convenient and fast way to get service in gas stations. Distance of Cars using LPG is more than cars using NGV and LPG price is cheaper than other fuels.

Jaidee Green (2010) Co.,Ltd. was opened in 2010 with registered capital of 3.5 million baht, located at 333 Moo 4, Khon Kaen – Yangtalad Rd., Tambon Buengniam, Muang District, Khon Kaen Province. “LPG Gas” is selected to LPG station. Sales volume in first year was an average of about 2.4 million baht and goal set in each year is expected to increase.

The result of business operation in 2014 showed that sales volume did not meet the target set at 36 million baht which actual sales volume was only 32,198,974 baht. Therefore, it is needed to study the behavior in choosing LPG station to adopt new strategy in line with changing trends which impacts on the business. Competition has also intensified. Sales volume is expected to meet the target of 3 million baht per month.

Objectives

To study behavior and Marketing mix factors influencing the decision of the consumers in choosing services of liquid petroleum gas (LPG) station

To study the business operational environment of Jaidee Green (2010) Co.,Ltd.

To set up the marketing planning to increase LPG sales volume of Jaidee Green (2010) Co., Ltd.

Methodology

1. Behavior and Marketing mix factors influencing the decision of the consumers in choosing services of liquid petroleum gas (LPG) station

The population in this study included the population in Muang District, Khon Kaen Province with a number of cars registered with Bureau of Transportation, Khon Kaen Province [2] amounted 287,716 units. The sample used in this study was calculated using the formula of Yamane. [3] The data was collected with a number of 400 respondents by questionnaires. The instrumentation used in this study concluded questionnaire divided to 3 parts; 1) General information of respondents 2) behavior in choosing LPG station with “who are the buyers (Who)”, “What to buy (What)”, “ Why to buy (Why)”, “Who is involved in buying decision (Whom)”, Where to buy (Where)” and “How to buy (How)” [4] and 3) Marketing mix factors influencing the decision of the consumer in choosing services of LPG station in all 7 aspects; Product, Price, Place, Promotion, People, Process and Physical Evidence [5].



2. Business operational environment of Jaidee Green (2010) Co.,Ltd.

PEST Analysis was used in this study in aspect of Legal and Politics, Economics, Social and Culture, Technology and Physical Environment [6]. Competitive Analysis was used in aspect of industry rivals, threat of entry, threat of substitutes, bargaining power of buyers and bargaining power of suppliers [7]. Finally, SWOT Analysis was used in aspect of Strength, Weakness, Opportunities and Threats.

3. Marketing planning to increase LPG sales volume of Jaidee Green (2010) Co., Ltd.

The results of behavior, Marketing mix factors influencing the decision in choosing LPG station, Business operational environment, SWOT Analysis including TOWS Matrix were brought to prepare the marketing planning to increase sales volume of Jaidee Green (2010) Co.,Ltd.

Results

1. Behavior and Marketing mix factors influencing the decision of the consumers in choosing services of liquid petroleum gas (LPG) station

The study found that the majority of respondents were male, aged 20-30 years, and 31-40 years, undergraduate, high vocational certificate or Diploma, General Contractors, Employee and student / freshman, monthly income 10,000 - 20,000 baht and 20, 001-30,000 baht, vehicles are sedans and frequency of LPG gas filled is 1 time per week.

Marketing mix factors influencing the decision in choosing LPG station found that the customer give the precedence in all aspects at high level. Product; well-known brand, Price; obvious price sign, Place; 24-hour service, Promotion; ongoing service such as free bottle of water, Reward points and glass wiping, People; service with regard to safety, Process; safety operation procedures and Physical Evidence; sufficient equipment.

2. Business operational environment of Jaidee Green (2010) Co.,Ltd.

Business operational environment affecting operation of Jaidee Green (2010) Co.,Ltd. found that Economics, Society and Culture, Technology and Physical Environment are positive to the operation because the economy in Khon Kaen province is expanding and people are confident in LPG vehicles with high safety standards. Moreover, oil price is higher because lower quantity. As a result, people are interested in LPG installation. In term of Legal and Politics, it was negative to operation because of political fluctuation, resulting high gas prices and higher cost of Jaidee Green (2010) Co.,Ltd.

For Competitive environment of business of Jaidee Green (2010) Co.,Ltd, it was found that the competition intensity of existing rivals is at high level with the number of 14 competitors. Threat of entry is less. Threat of substitutes is low because there is a lot of gas stations in Muang District, Khon Kaen Province. Bargaining power of suppliers is at high level due to price set from Petroleum Authority of Thailand (PTT) and Government. Bargaining power of buyers is at high level due to high number of LPG service providers in Khon Kaen.

For SWOT Analysis of Jaidee Green (2010) Co.,Ltd., Strengths are reputation and well-known brand, tools and equipment are standard and safety which licensed by Ministry of Energy, location of the station is convenient to access, procedures for filling gas is safe and fast and owners run the business on their own and solve the problem quickly. Weakness are less promotion, sometimes there is lack of staff to provide a better service, pleasant service and connection making with the customers, the staff did not promote customers or persuade customers to fill in greater quantities, no advertising boards for promotional activities and no warning signs before arriving the station. Opportunities are that location of stations as a route through the province to neighboring provinces, the number of cars equipped with LPG increased, oil prices are still more expensive than LPG, world's supply of crude oil fell, the expansion of the economy, people are able to buy, income per head of population is high and it is difficult for new entrepreneurs to come into the business. Threats are that the government increases the price of LPG, higher competitors in same business and bargaining power of suppliers is at high level.

3. Marketing planning to increase LPG sales volume of Jaidee Green (2010) Co., Ltd.

After an analytical combination of Business operational environment, customer behavior, Marketing mix factors influencing the decision in choosing service of LPG station, SWOT Analysis and TOWS Matrix (Table 1), the result showed that the marketing planning to increase sales volume of Jaidee Green (2010) Co., Ltd. are 6 projects; Project 1 Jaidee – Cool Drinking Water ; Project 2 Jaidee - New Big Sign; Project 3 Jaidee - Great; Project 4 Jaidee – Going All Out; Project 5 Jaidee – Super Save, and Project 6 Jaidee – Saiping with the budget of 292,100 baht (Table 2).

Conclusions

The result showed that the most respondents mostly own sedans (61.25%) and access LPG station more than 1 time per week (48.25%). Marketing mix factors influencing the decision in choosing LPG station found that the customer give the precedence in all aspects at a high level. After the results were analyzed with the business operational environment, SWOT analysis and TOWS Matrix, the marketing planning to increase sales volume to Jaidee Green (2010) Co.,Ltd. in Muang District, Khon Kaen Province were proposed for 6 projects; Project 1 Jaidee – Cool Drinking Water ; Project 2 Jaidee - New Big Sign; Project 3 Jaidee - Great; Project 4 Jaidee – Going All Out; Project 5 Jaidee – Super Save, and Project 6 Jaidee – Saiping with the budget of 292,100 baht. After the projects implementation, the sales volume of LPG for Jaidee Green (2010) Co., Ltd. should be at least 3,000,000 baht per month.

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Table 1 TOWS Matrix analysis to determine marketing planning

<p>Internal Factor</p>	<p>Strength</p> <ol style="list-style-type: none"> 1. Reputation and well-known brand 2. Standard and safety and equipment 3. License from Ministry of Energy 4. Location is convenient to access 5. Safety and fast procedures for filling gas 6. Owners manage on their own and solve problems quickly 	<p>Weakness</p> <ol style="list-style-type: none"> 1. Less promotion 2. Lack of service-minded and pleasant staffs 3. Less customer relation 4. Staffs do not persuade customers to fill in greater quantities 5. No signs for promotional activities 6. No signs before arriving the station
<p>External Factor</p> <p>Opportunities</p> <ol style="list-style-type: none"> 1. Location as a route through the neighboring provinces 2. Number of cars equipped with LPG increased 3. Oil prices are still more expensive than LPG 4. World's supply of crude oil fell 5. The expansion of the economy 6. People are able to buy and income per head of population is high 7. Difficult for new entrepreneurs to come into the business 	<p>(SO Strategy)</p> <p>Project 1: Jaidee – Cooling Drinking Water</p>	<p>(WO Strategy)</p> <p>Project 2: Jaidee – New Big Sign</p> <p>Project 3: Jaidee – Great</p>
<p>Threats</p> <ol style="list-style-type: none"> 1. Government increase the price of LPG 2. Higher competitors in same business 3. Bargaining power of suppliers is at high level 	<p>(ST Strategy)</p> <p>Project 4: Jaidee – Going All Out</p>	<p>(WT Strategy)</p> <p>Project 5: Jaidee – Super Save</p> <p>Project 6: Jaidee – Saiping</p>

Table 2 Marketing planning to increase sales volume of Jaidee Green (2010) Co.,Ltd.

Project	Period	Budget (Baht)
1. Jaidee – Cool Drinking Water	March – April	215,600
2. Jaidee – New Big Sign	March	20,000
3. Jaidee – Great	January onwards	-
4. Jaidee – Going All Out	April onwards	50,000
5. Jaidee – Super Save	April onwards	3,000
6. Jaidee – Saiping	April onwards	3,500
Total Budget		292,100