

MARKETING STRATEGIES TOWARDS “DOKJOK” THAI SNACK. CASE STUDY OF NONTAN 1-AVOCATION DEVELOPMENTCOMMUNITY GROUP UNDER THE KHON KAEN MUNICIPALITY FUND

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Abstract

This Independent study investigated the marketing strategies towards “DokJok” thai snack. A case study of Nontan 1-avocation development community group under the Khon Kaen municipality fund. This paper aimed to examine 1) the management environment, 2) employer and employee’s opinion on the marketing mixes, 3) demographic information and customers buying behavior of “DokJok” Thai snack, 4) customer feedback on the marketing mix factors that are important to the purchase decision, and 5) the marketing strategies of “DokJok” Thai snack. A case study of Nontan 1-avocation development community group under the Khon Kaen municipality fund. This was a survey research by documentary and used questionnaire for data collection. The data was taken into an applied research and to report by using descriptive-analytical method. The results revealed that customers bought “DokJok” thai snack product because of it quality of product and because it was cheap. According to customers’ importance on the marketing mix, the results showed that the customers’ had a high level of importance in terms of the price, place, product, promotion. Nevertheless, the results also revealed that differences of gender, age, and monthly income of customers had affect on levels of importance on the marketing mix of “DokJok” thai snack product, with the level of statistical significance at 0.05. The results of this study were used to plan marketing strategies of “DokJok” Thai snack. Case study of Nontan 1-avocation development community group under the Khon Kaen municipality fund. The strategies resulted in 4 projects which were 1) “New Flavor snack,” 2) “Dokjok Online,” 3) “Premium Product,” 4) “Packaging Communication” with a budget of 15,200 Thai Baht. After launching the projects, it was expected that “DokJok” thai snack will meet customers’ needs and may increase customers’ satisfaction with the store, too.

Keywords: Dokjok Thai snack, Municipality Fund, Marketing Strategy



1. Introduction

Dokjok, a bevel-like dessert, was very popular among Thai people in the past days. Buddhist monk ordination, wedding, and house warming ceremony have been celebrating with this kind of dessert. Dokjok is created thank to the local wisdom from observation on the shape of water. Nowadays, it is not popular due to the fact that the new generation of people are not interested because of its oiliness as a result of deep frying which may contain high cholesterol; they are concerned with the healthiness and food ingredients. [1] The policy of OTOP- One Tambon One Product has been applied by the authority of Khon Kaen province to promote the business and employment in the region. In addition, it encourages the locals to form career association and become a member to build oneself up. Dokjok is the product that can drive the community development for local people; they can earn more income and rely on themselves by using their existing natural resource to run the business. The municipality of Khon kaen also sponsors the fund for this mission; researching these dessert formula, branding, and packaging development. [2] The manufacturing facility of this product is located at Nonthan 1 community and the street address is 45 Group 2 Chimpee road, Naimueang Sub-district, Mueang, Khon Kaen. It is registered as the career group under the project of Khon Kaen municipality since 2002. Wallee Thanasen, the career group chairman, has been controlling the quality of every process; starting from mixing of rice flour, water, sugar, coconut milk, sesame, and salt and deep frying the batter until done and ready to be packed and distributed. This research is sponsored by Khonkaen municipality to study all aspects of product business under the projects of set-onself-up mission which is the cooperation between the Khon Kaen University MBA alumni association and Khon Kaen Municipality. The results of the study will be a guide to develop their business.

2. Purposes

- 2.1 To study the managerial environment in Dokjok business career group.
- 2.2 To study the opinion of business entrepreneur and staff towards the market mix.
- 2.3 To study the population data and customer behavior in buying decision process.
- 2.4 To study the opinion of customers towards market mix which influencing buying decision.
- 2.5 To create the marketing strategies for the development of the business involved in the study.

3. Research Methodology

This is a survey research by documentary study by collecting data for document, journals, books, thesis, and related research as well as the field study by using questionnaire. The data is taken into an applied research and to report by using descriptive-analytical method) [3] Descriptive Statistics were employed such as variability, frequency, means, and difference from other factors. Inferential Statistics) is used to explain the connection of data and hypothesis and to infer the representativeness of subject [4]

3.1 Conceptual Framework

The study emphasized the interview of business owner and staff about managerial environment and market mix. The consumer behavior were studied regarding with What, Why, When, Where and How aspects [5] and opinion towards buying decision by SWOT and TOWS Matrix analysis; Along with considering the consumer needs and the market mix (4Ps) in order to develop the marketing strategies of business.

3.2 Hypothesis

The difference in gender, age, education background, occupation, average income of customers has similarity in significance of the market mix.

3.3 Scope of the study, population, and subject

The representativeness of 119,792 of population in Khon Kaen municipal area was calculated by the Taro Yamane formula to estimate the mean at 95% of reliability and 5% standard error, then the result is the subjects of 399 people. There is a spare of questionnaire in case of loss so the total number of questionnaire is 400.

3.4 Research instruments and Validity

The research instrument was questionnaire by applying from the model of consumer behavior and market mix theory.

The instrument was tested, reviewed, and edited the content validity by experts in management and marketing fields in March 2015. Index of Consistency is 0.9 to meet the expected quality standard. Reliability is calculated to find stability of instrument with 400 of subjects by Cronbach's for measuring the opinion on Likert's Scale. The result was 0.99 which means it is applicable to use in data collection. [6]

3.5 Data Collection

The sampling method employed in study is considered convenience sampling because it is not based on the probability. The questionnaires were distributed to the 400 customers at Green market and OTOP fair. The data was analyzed by using SPSS for Windows Version 19.0 regarding with percentage, mean, standard deviation, T-Test, and ANOVA.

3.6 Condition in Study Decision

There is condition in Study Decision towards hypothesis according to difference comparison whether to accept or deny the Null Hypothesis (H_0)

By comparing Significance, accept the Null Hypothesis (H_0) when computed significance is more than or equal to 0.05 and deny the hypothesis when ccomputed significant is less than 0.05

4. The Results

4.1 Managerial Environment

Considering the internal environment of the organization, there is only one chairman of career group which contributes to flexibility in administration and finance management. There are 5 staffs doing research and plan on every step of producing from selecting quality ingredients, packaging, and so on.



In regarding to the working, housewives who have free time are gathering 1-2 times a week to work together. They work cooperatively and focus on every step of producing.

According to the general environment, the economic, social and cultural, and technology factors influence positively on business operation while politics, government, law, and environment have negative influence on the business.

The competition in the industry indicates that the bargaining power of customer and invasion of new opponents influence very high to the business operation while the bargaining power of supplier has moderate influence.

4.2 Opinions of Business Entrepreneur and Staff

The product of Dokjok is sold for both retail and wholesale purposes. There are many sizes available depending on the package used; in addition, the package is seasonal change according with the festival or celebration. Considering the price, there are discount offered such as a dozen pack will be a wholesale price. In the channel of distribution, there is an shopfront at Green market-located near Kaennakhon lake park which is easily accessible. The products are organized and allocated which is convenient for the bustomers. Moreover, the marketing strategy is introduced in the annual fairs such as OTOP.

4.3 Subject Data according to Customer behavior in Dokjok product.

The report shows that the subjects involved in the study are 59.80%female with 26%the age of 40-60 years old. They are 45.80% bachelor-degree educated and 19.80% work as mechant or businessman.. 29.50% Their average income is 9,000 -15,000 Baht. The customer behavior is 95% that they made buying decision by themselves. 42.50%They bought it for themselves from the market and agency. 70.80%The purchase frequency and time is uncertain which is depending on the season and special cerebration. 72.30% Each time 1-5 packages have been sold and 47.30% their age lasts 4-6 days. 46.50% The customers tend to spend 50-100 Baht at a time. 91.50%The channel of purchase is the shopfront. There are a number of reasons for decision making; 99.25%reasonable price, 88.25%accessibility, more flavors such as 59%greentea and 53.25%chocolate with 46.30% almond as topping. 89.30% The shape of it is like flower. 60.80% The recognition of product is by visiting.

4.4 The Opinion of Customers towards Market Mix that Influencing the Buying Decision.

The level of significance to market mix of Dokjok customer indicated that it is general market mix is highly important considering from high to low; price, channel of distribution, and marketing promotion respectively.

In term of product, it has significane of market mix in the highest level; for example, clear label package, multipurpose packaging, environmental-friendly container, colorful and modern package.

The importance to the market mix in the highest level are also certain taste and varieties of flavor with natural colors. The ingredients should have good quality and clearly informed on the label; containing nutritive value and fact. Besides, Manufacturing and Expiry should be stated. The Quality assurance marks such as Food and Drug Association, Star rating of

Top Quality OTOP are suggested to attach on the package; along with QR CODE and return warranty (1 day of broken package and 3 days of unsatisfied smell)

The price factor is important in high level toward the marketing mix as reasonable price and clear price tag, and options of price according to the quantity.

In the channel of distribution, the importance toward marketing mix is highest such as well-organized shop, cleanliness of the shop, mobility of shop in numerous areas such as annual fairs, availability of products in local grocery shops. Factors influence the marketing mix in the high level are fronshop in community, ordering by phone, online ordering, and delivery service.

The marketing promotion factor shows that the importance to marketing mix is the highest such as free tasting and reward program. The importance to the marketing mix in the high level is the radio advertisement, TV channel commercial, and flyer. There is a free tasting of the new products, free extra items for minimum purchase, and so on.

According to the subject characteristic-gender, age, education level, occupation, and monthly income, the subject with different characteristics has importance toward the marketing mix differently at 0.05 of significane level.

In term of gender, age, and income, the subject has no difference of importance toward marketing mix at 0.05 of significance level.

The suggestions and comments show that there should be more variety of flavors, discount when gross purchase, more allocation in the souvenir shop, and free tasting as the introduction of the new products.

4.5 The Marketing Strategy of Dokjok Career Group

There are four projects; “new flavor”, “online Dokjok”, “premium quality”, and “Communicaing through Packaging” which all funded 15,200 Baht to operate and develop the market to the nearby cities.

5. Conclusions, Discussions, and Recommendations

5.1 Conclusions

The study of managerial environment of Dokjok career group shows that there is only one director so it supports the flexibility in management. There are 5 staffs working on products. The group of housewife in the community are gathered to work together 1-2 times a week.

Environment in general displayed that the economic factors, social, and technology factors have positive influence on this business. On the other hand, politic, law, and environment have negative influence.

The competition in the industry indicate that the bargaining power of customers, the invasion of newcomer, and alternative products have high influence while the bargaining power of supplier does moderately.

The products should be sold for both retail and wholesale purposes. There are many sizes available depending on the package used; in addition, the package is seasonal change



according with the festival or celebration. Considering the price, there are discount offered such as a dozen pack will be a wholesale price. In the channel of distribution, there is an shopfront at Green market-located near Kaennakhon lake park which is easily accessible. The products are organized and allocated which is convenient for the bustomers. Moreover, the marketing strategy is introduced in the annual fairs such as OTOP. In order to introduce the wholesale availability, there is marketing promotion when purchase at least a dozen.

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In general, market mix is highly important considering from high to low; price, channel of distribution, and marketing promotion respectively. In term of product, it has significane of market mix in the highest level; for example, clear label package, multipurpose packaging, environmental-friendly container, colorful and modern package. The importance to the market mix in the higest level are also certain taste and varieties of flavor with natural colors. The ingredients should have good quality and clearly informed on the label; containing nutritive value and fact. Besides, Manufacturing and Expiry should be stated. The Quality assurance marks such as Food and Drug Association, Star rating of Top Quality OTOP are suggested to attach on the package; along with QR CODE and return warranty (1 day of broken package and 3 days of unsatisfied smell)

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There are four projects; “new flavor”, “online Dokjok”, “premium quality”, and “Communicaing through Packaging” which all funded 15,200 Baht to operate and develop the market to the nearby cities.

According to the subject characteristic-gender, age, education level, occupation, and monthly income, the subject with different characteristics has importance toward the marketing mix differently at 0.05 of significance level.

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The suggestions and comments show that there should be more variety of flavors, discount when gross purchase, more allocation in the souvenir shop, and free tasting as the introduction of the new products.

5.2 Discussions

In term of products, clear label of package, multipurpose packaging, environmental-friendly container, colorful and modern package should be emphasized.

They must maintain certain taste and varieties of flavor with natural colors. The ingredients should have good quality and clearly informed on the label; containing nutritive value and fact. Besides, Manufacturing and Expiry should be stated. The Quality assurance marks such as Food and Drug Association, Star rating of Top Quality OTOP are suggested to attach on the package. This is similar to the research of Pattarawong et al (2008) which indicated that the buying decision is made when the products are qualified and assured by trustable organization, the fresh ingredients are used, and the healthiness and cleanliness of the products are shown.

Price is the most important factor for customer; it should be reasonable and clearly stated which is similar to Pattarawong et al, 2008

According to the channel of distribution, the organization of products in the shop should be done and taken care for its cleanliness as well as brought it to the trade fair.

Considering the fact of marketing promotion, customers like the tasting of the products at the shop and reward programs.

According to the study of customer behavior of subject involved, they made buying decision by themselves. They bought it for themselves from the market and agency. The purchase frequency and time is uncertain which is depending on the season and special celebration. Each time 1-5 packages have been sold and their age lasts 4-6 days. The customers tend to spend 50-100 Baht at a time. The channel of purchase is the shopfront. There are a number of reasons for decision making; reasonable price, accessibility, more flavors such as greentea and chocolate with almond as topping. The shape of it is like flower. The recognition of product is by visiting. This is similar to the study of Pitakham (2011) and Korattana (2008).

5.3 Recommendations

5.3.1 Recommendations for Entrepreneur

After operating the projects, it should be evaluated every three months to improve and develop the business according to the comments from customers.

5.3.2 Recommendation for further study.

There should be a study of customer satisfaction towards the marketing mix in this career group.

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