

MARKETING GUIDELINES TOWARDS COTTON AND SILK PRODUCTS CASE STUDY OF SARAN RATRI THAI SILK UNDER THE KHON KAEN MUNICIPALITY FUND

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Abstract

This independent study aimed to study the marketing guideline for Saran Ratri Thai Silk under Khon Kaen Municipality Fund which the objectives were to 1) study managerial environment of cotton and silk products of Saran Ratri Thai Silk under Khon Kaen Municipality Fund 2) study the opinions of the members toward marketing mix factors of cotton and silk products 3) study the demographics and customer behavior in buying products from cotton and silk 4) propose the marketing guideline for Saran Ratri Thai Silk. The interview questionnaires were used to collect the data from 4 entrepreneurs of cotton and silk products and a sample of 400 questionnaires were used to collect the data from consumers who have purchased cotton and silk products. The study found that the most influential people affecting the decision on buying are themselves, mostly buy from Phuk Sieo Tradition or OTOP, price between 200 – 300 baht. The consumers focus on quality of products, various types of product, clear tag at reasonable price, good physical evidence and easy to choose as well as brochure distribution for public relation. In overall, the consumers give the precedence toward marketing mix factors at high level. The result showed that the different education level and average monthly income affect the marketing mix factors at the significant level of 0.05. The different gender, age and education do not affect the marketing mix factors. Therefore, the collected data were brought to prepare the marketing guideline for Saran Ratri Thai Silk for 5 projects: 1) “Brand Building” 2) “Product Design” 3) “Distribution channel development” 4) Media Facebook” 5) “Direct marketing to employees”. After the implement, it is expected to meet the customer needs and satisfaction very well.

Keywords: Marketing guideline, Cotton and Silk products, Khon Kaen Municipality Fund



1. Introduction

One Tambon One Product concept is for the development of the community to establish the identity of each area to achieve market acceptance and the ability to make a sustainable business under the government policy and support to use local knowledge to develop products and link the product to the market from the community both locally and internationally with network stores and internet in order to develop the local community and create a strong self-reliance [1].

Saran Ratri Thai Silk is located at 115/34 Moo 6, Tambon Naimuang, Muang District, Khon Kaen Province. In 2007, Cotton and Silk were brought and applied to house appliances which the entrepreneurs are facing the problems in marketing management as not widely known.

As a result, the marketing guideline is necessary to push into a role in the development of marketing approach to the entrepreneurs in order to understand the needs of customers on cotton and silk products which the data from the study could be helpful in development the marketing mix to meet both customer needs and entrepreneurs' potential.

2. Objectives

The objectives aimed to study the managerial environment of Cotton and Silk products of Saran Ratri Thai Silk, opinions of the members toward marketing mix factors of cotton and silk products, demographics and customer behavior in buying products from cotton and silk and propose the marketing guideline for Saran Ratri Thai Silk in order to improve, develop and enhance the potential of Saran Ratri Thai Silk under Khon Kaen Municipality Fund.

3. Methodology

3.1 Managerial environment of cotton and silk products of Saran Ratri Thai Silk under Khon Kaen Municipality Fund

The interview was conducted to collect the data from entrepreneurs about administration structure, marketing and distribution, finance and human resource. Then, PESTE Analysis and Five Forces Model were used to study the external factors of business.

3.2 Opinions of the members toward marketing mix factors of cotton and silk products

The study was conducted by brainstorming between owners and employees against marketing mix factors in 4 aspects: product, price, place and promotion in order to be aware of strengths and weaknesses of business.

3.3 Demographics and customer behavior in buying products from cotton and silk

A sample of 400 questionnaires were used to collect the data. The independent variables were age, education level, occupation and average monthly income. The dependent variable was marketing mix factors divided into 4 aspects: product, price, place and promotion [2]. Customer behavior analysis (6W1H), Buying decision process and opinion level towards marketing mix factors (Marketing Mix: 4P's) were applied to determine the marketing guideline of cotton and silk products of Saran Ratri Thai Silk.

3.4 Marketing guideline for Saran Ratri Thai Silk

According to a study by objective 1- 4 made, Strengths, weaknesses, opportunities and threats were known. Then, STP Analysis and TOWS Matrix were determined by brainstorming with entrepreneurs to propose marketing guidelines for Saran Ratri Thai Silk.

4. Results

4.1 Managerial Environment of Sara Ratri Thai Silk under Khon Kaen Municipality Fund

Administrative structure has no pattern and there are very few promotional activities. There are also a lack of manpower, warehouse management and financial liquidity. Environment for Political, Social and Cultural and Technology factors are positive to business. On the other hand, Economic and environmental factors are negative to the business. The Competitive analysis showed that bargaining power of buyers, bargaining power of suppliers and substitutes effect the business at high level. Rivals and Threats of entry effect the business at medium level.

4.2 Opinions of members against Marketing mix factors

Saran Ratri Thai Silk is a group of handmade products with the transformation of cotton and silk through the selection from One Tambon One Product. The product can be designed upon the request from customers to meet their needs with a wide variety of products. Prices are wide range for sizes and quantities. There are clear price tag and the special discounts for large orders. The distribution channel has less problem, the exhibition is at marketing festivals. Promotional activities were advertised on the internet and special discounts.

4.3 Demographics and behavior affecting the decision on buying cotton and silk products from Saran Ratri Thai Silk

The most respondents in Khon Kaen Municipality were female, aged 31-40 years, bachelor degree, government officer/employee and average monthly income between 15,000 – 25,000 baht.

The behavior in choosing cotton and silk products showed that the most influential people are themselves, channels to buy are Phuk Sieo Tradition or OTOP, buying as a gift or souvenir. Before making a purchase, consumers are choosing products 2-3 shops. The products to buy are box of tissues, cosmetics bag and card holder.

The consumers prefer to buy cotton and silk products separately with price range at 200-300 baht, pay by cash, and period of purchase is uncertain. The consumers pick up the products by themselves. Lead-time for waiting is less than 7 days. The consumers give the opinion toward cotton and silk products that is useful to the living and they have product less than 5 pieces.

The most influential media in choosing cotton and silk products are the internet. The consumers buy it as a gift or souvenir. The convenient place to buy is the shops in OTOP festivals.

4.4 Opinions from consumers toward Marketing mix factors affecting the decision on buying cotton and silk products from Saran Ratri Thai Silk



Overall of opinions from consumers toward marketing mix factors affecting the decision on buying cotton and silk products from Saran Ratri Thai Silk is at high level sorted descending from price, product, promotion and place respectively.

Considering in each aspect found that: Product, the consumers give the precedence at high level such as the quality of product, repair service if damaged, warranty. Price, the consumers give the precedence at high level such as clear price tag, reasonable price, and wide range of price. Place, the consumers give the precedence at high level such as good physical evidence to buy, available at OTOP festivals. Promotion, the consumer give the precedence at high level such as brochure for public relation, after-sales service and special discounts.

The different education level and average monthly income affect the marketing mix factors at the significant level of 0.05. The different gender, age and education do not affect the marketing mix factors

4.5 Marketing guideline of Saran Ratri Thai Silk under Khon Kaen Municipality Fund

Marketing guideline for Saran Ratri Thai Silk have 5 projects: 1) “Brand Building” 2) “Product Design” 3) “Distribution channel development” 4) Media Facebook” 5) “Direct marketing to employees”. After the implement, it is expected to meet the customer needs and satisfaction very well.

5. Conclusion

5.1 Conclusion

The study found that the result is in line with the objectives which the opinions against Marketing mix factors are crucial to the decision on buying cotton and silk products of Saran Ratri Thai Silk which the overall is a high level. The consumers give the most precedence on price, product, promotion and place respectively. Data acquired and brainstormed with member of Saran Ratri Thai Silk can define the marketing guideline to develop and improve what is overlooked of Saran Ratri Thai Silk group.

5.2 Discussion

The study found that the opinions from consumers against Marketing mix factors are crucial to the decision on buying cotton and silk product of Saran Ratri Thai Silk at high level sorted descending from price, product, promotion and place respectively. Considering in each aspect found that: Product, the consumers give the precedence at high level such as the quality of product, repair service if damaged, warranty. Price, the consumers give the precedence at high level such as clear price tag, reasonable price, and wide range of price. Place, the consumers give the precedence at high level such as good physical evidence to buy, available at OTOP festivals. Promotion, the consumer give the precedence at high level such as brochure for public relation, after-sales service and special. As mentioned above, it is consistent with the study from Sirikul Moonroj (2008) [7] about the Marketing mix factors effecting the decision on buying cloths from cotton. Considering in each aspect: Product, quality of product, colorful and beautiful patterns. Price, clear price tag, reasonable price and fixed price. Place, interesting exhibition and convenient to buy. Promotion, after-sales service is provided, hospitality and manners of salesperson, suggestion from salesperson and word of mouth from the consumers.

The different education level and average monthly income affect the marketing mix factors at the significant level of 0.05. The different gender, age and education do not affect the marketing mix factors which is consistent with the study of Thanapon Klairak (2007) [8] on the issues that consumers with different education levels have the decision to buy the consumer silk differently at the significant level of 0.05 which is consistent with the study of Kriangkren.

5.3 Suggestion

5.3.1 Suggestion in this study

5.3.1.1 Product, entrepreneur should have a better understanding about consumer behavior including the development of new products to meet customer needs.

5.3.1.2 Price, pricing should be in the range 200 – 300 baht, should not be greater than 500 baht for easy consideration to buy of consumers.

5.3.1.3 Place, entrepreneurs should find a way to contact for OTOP exhibition with the interesting and attractive physical evidence.

5.3.1.4 Promotion, entrepreneurs should participate OTOP festivals in every year.

5.3.2 Suggestion for further study

5.3.2.1 Since the current consumer behavior is changing quite fast, there should be a random collection of information distributed throughout the year and expand the scope of study and sample size.

5.3.2.2 End-consumers should be studied.

5.3.2.3 The demand of cotton and silk product in should be studied in order to know the customer trends in the future.

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