

Marketing Strategies and Brand Building for Agricultural Products: A Case of the Village Funds in Eastern Region of Thailand

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The primary objective of this research were to investigate the marketing strategies and brand building strategies for agricultural products used by the members of the village funds in eastern region of Thailand. It employed a qualitative research methodology. The study was undertaken between September 2017 and January 2018. The key informants consisted one leader and three members of the village funds from each of the ten village funds in the eastern region of Thailand, selected by purposive sampling. A combination of in-depth individual interviews and focus group discussions was used to collect the data. The data were then analyzed with content analysis. The findings revealed that all of the village funds being studied had the marketing plan with a goal of producing the products to meet with the needs and wants of their target markets. Their marketing strategies focused on processing the agricultural products into various forms and types of products, positioning their products to make them different from those from the village funds of other regions, studying and monitoring the customer behavior, developing the prototype products and conducting a pilot study to test the response of the customers and to gain the ideas to improve the real agricultural products. In terms of brand building, the findings indicated that members of all of the village funds still lacked of knowledge in brand building and brand story to make the customers remember and aware of the value of the products. They also did not have effective strategies in differentiating their agricultural products. This study suggested that the village funds should employ e-commerce as a distribution channel of their products and develop networks of product information and cooperation among the village funds in the region.

Keywords: marketing strategies; brand building; village funds; agricultural products.

Field of research: Marketing

Introduction

It is widely acknowledged that the fierce competition in the globalization era has become higher and higher and this has caused the abrupt crisis in society, economy and environment. There is no exception for Thai farmers who are attributed to the majority of Thailand's economy. Those people have relied their livings heavily on the abundance of natural resources. Therefore, in order to increase their income, it is essential for the government authorities to organize the trainings which allow those farmers or local people to expose themselves to the inventive knowledge and develop their agricultural products to cater the market demands. This will help generating income and improve their quality of livings.

One way to increase the income for those people is to establish the village funds for the locals who can access the financial and technological supports in order to improve the quality of production process to meet the proper standard with environmental friendly awareness. This village fund program has encouraged the locals to exercise their ideas and capabilities in agricultural manufacturing products. Thus, the locals will be able to generate more income through their product identity synchronizing with public sectors' and other village supports' funds around Thailand.

According to the national strategy for the next 20 years (2017-2037), it is aimed that Thailand will be a wealthy, sustainable and developed country based on sustainable economy. This national strategy has consisted of six major strategies. Especially, the strategy, enhancing the competitive capability of the people and developing value-added products, has been initiated to shift Thailand from middle income economy to high income economy. With this national strategy, Thailand will become the center of manufacturing and investment among Asian countries. High Technological businesses have been welcome. Meanwhile, National Economic and Social Development Board No. 12(2017-2021) has indicated that Thai entrepreneurs should be developed and elevated their capacity through marketing channel extending and brand building.

In the chaotic world of business, most entrepreneurs have to seek the appropriate strategies which assist their businesses to survive and remain endurance in the hectic situation (Thakhanon and Thubhirunrak, 2016). Hence, marketing strategies has to be utilized to lay out proper plans and satisfy the markets' demand. It is found that abrupt cultural, political, economical and technological shifts have affected to the consumers' behaviors, so the businesses have to adjust themselves by improving their service with lower cost (Kotler, 2001).

Brand building is essential for the entrepreneurs because the consumers will get used to the brand or symbols in their purchase. The well-acknowledged brand will help increase value added, sales revenue, and distribution channels. This will result in higher gross margin than not having brand building. Brand building has to be done with marketing communication in order to achieve the company goal.

Therefore, to raise the capability of village funds is necessary during the world of unpredictability. Brand building can be another method to drive the businesses to the well-set goal of both entrepreneurs and village funds. Hence, this research has focused on marketing strategy and brand building for agricultural products of village funds from Eastern region of Thailand in order to be another method to drive the village funds achieving their goals based on sustainable economy. This can be another solution for the locals to improve their quality livings during the change of Thailand 4.0. Moreover, this research can be adapted as a role model to improve another village funds in the future.

Objectives

1. To study marketing strategy for agricultural products of village funds from Eastern region of Thailand.
2. To study brand building for agricultural products of village funds from Eastern region of Thailand
3. To perform SWOT analysis of village funds.

Literature Review

To conduct this research, several theories have been combined in order to deliver the solution for the Agricultural Products of Village Fund from Eastern Region of Thailand.

1. Marketing Strategy

Armstrong and Kotler (2007, p.73) have defined the meaning of marketing strategy as the value embedded to the products or service in order to satisfy the customers who will be able to repurchase those products or service in the future. This will result in the success

of the company. Sangsuwan (2002) also asserted that marketing strategy is the process resulted in the effective marketing accomplishment with four indicators from product, price, place, and promotion strategies.

2. Brand Building

Armstrong and Kotler (2007) and Jaturongkakul (2004) have given the definition of brand building as the mixture of terms, symbols, or design that differentiate the designated products from the other existing ones. Moreover, Jaturongkakul (2004) and Mongkolsiri (2004) have stated the importance to build the brand for five reasons.

2.1. It is believed that the good branding will enable the good sales of the products as the consumers believe that those products will be able to maintain the good quality.

2.2. The consumers believe that the branded products have higher quality than the unbranded ones. This results in price premium application on the branded products.

2.3. Brand building creates the meaning to the products. By applying those meaning, the consumers will be able to distinguish such products from the others.

2.4. Brand building can impress the consumers' feeling and this will be able to reduce the time consumption while shopping especially the infrequent purchased products on which the consumers are unlikely to seek for the product information.

2.5. The successful branding can increase financial value whose patent will be able to be sold. By selling the patent, the company will be able to maintain competitive advantages.

Serirat (2000, p. 93) stated that the consumers will positively be able to perceive value of the products through brand equity. Brand value can generate several advantages as followed:

a.) The company can reduce the marketing cost because the consumers get acquainted to the brand resulting in brand awareness and brand loyalty.

b.) The company will be able to sustain its trade liquidity and hold advantages over the bargain with the middlemen and retailers as the consumers expect that such products have to be ready at the retails for them.

c.) The company will be able to raise their product price higher than the competitors' due to the higher brand awareness.

d.) Branding can be extended owing to the higher credulity of the products than the others. This will help the company survive from the trading war.

Wongmontha (1997) has described the qualification of the branding as followed:

- Good branding has to be imprinted in the mind of the consumers who have done good research about that product and have been well aware of the value of the brand.
- Brand value can be taken place when the consumers coil their good feeling and positive thinking around the brand. Therefore, it is important to build the brand in order to raise those feeling and thinking leading to repurchase activity.
- Branding is a living memory in consumers' minds. However, branding is an intangible asset which can be forgot, so the marketers need to boost up their sales revenue by increasing the brand communication towards the consumers.
- Branding is a living thing that has to be continually encouraged by assorted of marketing tools to maintain living memory in consumers. Marketing communication can be constantly accelerated with brand knowledge in order to create growth memory of the brand.

- Branding is a generic program which can be designed according to the identity of the product.
- The company can increase branding communication through meaningful branding strategy and branding direction. This will strongly emphasize the branding identity.
- Branding is an invisible contact between the company and the promising consumers. Thus, the qualities of the products and branding communication have to be anticipated with the consumers' expectation.
- Marketing activities and product exhibition can affect directly to the consumers' branding knowledge. If the branding knowledge has been altered, the purchasing behavior can be changed.

In conclusion, brand building has been created to impress in the consumers' minds and activate the sense of differentiation until the repurchasing activity and brand loyalty take place.

3. Marketing Mix Factors Concept

Marketing Mix is a foundation model in marketing. The marketing mix has been defined as the set of marketing tools that the firm uses to pursue its marketing objectives in the target. Thus the marketing mix refers to four broad levels of marketing decision, namely: product, price, promotion, and place. Marketing practice has been occurring for millennia, but marketing theory emerged in the early twentieth century. The contemporary marketing mix, or the 4 Ps, which has become the dominant framework for marketing management decisions (WichudaTadsuphap, 2014).

1. Product is anything that can be offered to a market that might satisfy a want or need. In retailing, products are called *merchandise*. In manufacturing, products are bought as raw materials and sold as finished goods. A service is another common product type. Product should focus on 1) Product differently 2) Product component such as basic benefit, figure, package and brand 3) Product positioning is company design to shown the position and valuable of target group 4) Product development to improve a new product 5) Product mix and Product line.

2. Price is the quantity of payment or compensation given by one party to another in return for one unit of goods or services. In modern economies, prices are generally expressed in units of some form of currency. Although prices could be quoted as quantities of other goods or services, this sort of barter exchange is rarely seen. Prices are sometimes quoted in terms of vouchers such as trading stamps and air miles. In some circumstances, cigarettes have been used as currency, for example in prisons, in times of hyperinflation, and in some places during World War II. In a black market economy, barter is also relatively common.

3. Place is the channel structure consist of institute and activities for product movement and service to the market for there are 2 channel which are

3.1 Distribution channel is a chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. It can include wholesalers, retailers, distributors and even the internet itself

3.2 Physical distribution is defined as the group of activities that deals with the supply of finished product from the finished product to the end consumers.

4. Promotions refer to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others consist of

4.1 Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them consist of 1) Create strategy 2) Media strategy

4.2 Personal selling Personal selling is also known as face-to-face selling in which one person who is the salesman tries to convince the customer in buying a product consist of 1) Personal selling strategy 2) Sales force management.

4.3 Sales promotion is one level or type of marketing aimed either at the consumer or at the distribution channel (in the form of sales-incentives). It is used to introduce new product, clear out inventories, attract traffic, and to lift sales temporarily consist of 3 types which are 1) Consumer promotion 2) trade oriented promotion 3) Sales force promotion.

4.4 Publicity and public relation is infotainment, i.e. which tends to inform and entertain the general public at the same time. It provides some interesting, juicy, controversial news to the general public that has the capability of changing their opinion or outlook, about the product or company.

4.5 Direct marketing is promotional method that involves presenting information about your company, product, or service to your target customer without the use of an advertising middleman. It is a targeted form of marketing that presents information of potential interest to a consumer that has been determined to be a likely buyer (PoonyapaNaksin, 2016: 23-26)

3. SWOT Analysis of Village Fund

Serirat (2000) has defined the SWOT analysis as followed:

3.1. Strength analysis assists the company to learn about the advantages of the product based on marketing mix analysis anticipating internal environment in order to deploy the proper marketing strategy.

3.2. Weakness analysis assists the company to be aware of the problems derived from marketing mix correlating to internal environment in order to adjust the weaknesses to be the strength of the company and products.

3.3. Opportunity analysis assists the company seek the appropriate marketing strategy with the opportune time anticipating the external environment.

3.4. Threat analysis assists the company to learn about its limitation form the external environment. Then, the company will be able to create the effective marketing strategy to overcome the difficulties.

Methodology

Samples

The samples were selected through purposive sampling method. The total number includes a head of village fund or a shop manager, three members of village fund or local people, ten local people or consumers who bought the products from each village.

Research Methodology and Tools

This research has been conducted as qualitative research through in-dept interviews. Limitations and problems of running village funds have been gathered through focused group discussion. Moreover, operational conference had been hold to establish the effective strategy to develop the village fund management and to perform SWOT analysis of ten village funds in Eastern region of Thailand.

Findings

According to marketing strategy, it is found that those villages have planned their own marketing development strategy which meets the markets' demands. Furthermore, they have applied positioning strategy that helped them to differentiate their products from the rivals including studying and monitoring consumers' behaviors. Moreover, they also created the prototypes of their products in order to test the markets' demand and improve their own products by integrating knowledge obtained from village fund training. Finally, the village funds will be able to increase the variety of their product lines which can satisfy the consumers' demands.

On the other hand, the ten village funds lack of knowledge of brand building. This can cause the low level of brand awareness among the consumers who cannot perceive the uniqueness and the quality of the products. As well as this, there is no brand story imprinted in the products whose marketing channel has not been developed consistently.

It is found that 1) the positioning strategy has been applied to differentiate their agricultural products from the others. 2) The village funds lack the knowledge of product differentiation, proper producing/manufacturing process, brand story creativity, and brand building. 3) According to the result of SWOT analysis, the strength is the solid intention of the village fund members to adjust themselves to the chaotic world while the lack of continuance for marketing channel development has been posed as the weakness. Although the government has strongly supported the revenue which was the opportunity, the threats for the village funds are the lack of technological knowledge and modern manufacturing process.

Conclusion

1. Marketing Strategy

It is found that those village funds have applied the positioning strategy which helps them to differentiate their products from the others together with consistent consumers' behavior study that helps improve prototypes and sales revenue. This finding has correlated to Kuljiraththa (2014) who studied the method of branding strategy development in niche market of furniture business: case study of Kenkoon Furniture. He found that the differentiated strategy, creativity together with family value will help increase sales revenue

in furniture business. Chaiyasri (2009) who studied Development tactics of community enterprise of agricultural group of Phakong Village, Huaysom SUB-DISTRICT, Phukradueng District, Loei Province. The result of the study revealed that, The development tactics of the group provided the group organization that concerned with clear group structure. There was an election of its committee. The group regulations were proposed collaboratively from the group's communication and learning from meeting, training, and field trips.

2. Brand Building

It is found that those village funds did not have enough knowledge of brand building, proper product processing, brand story creativity to remember, and marketing channel development including product differentiation. Therefore, it is essential to introduce online marketing to distribute their products. As well as this, the information sharing between the public sectors and private organizations should be enhanced. This is supported by a research conducted by Prapasrisuk (2015) who studied Brand Building Strategies Lifestyle and Brand Awareness of Thailand's Brand Fashion of Consumer in Bangkok. Recently, brand building is crucial for fashion business as it is combined the art and strategies together with other elements: function and emotion. Character and identity of the products can be intensely emphasized through the brand building. Moreover, the fame, image and awareness of the brands can be counted as an asset for the future fortune and long term investment. In Thailand, brand building strategy has been applied differently depending on the types of the business. Interestingly, collaboration strategy has been utilized among brandings to contribute the new collection for the fashion business. Moreover, to arrange a fashion show and a public relation activity can increase the brand awareness and strong bond with the customers. Sriwiboon (2011), who conducted a research of brand building for products in Samut Songkhram province, also supported this claim. Product differentiation and unique point of sales can be obviously acknowledged among Thai consumers and can enhance the competitive advantage compatible with an international branding. It is important for Samut Songkhram entrepreneurs to learn and understand about brand building. Not every brand building strategy cost dearly expenditure. To achieve the success of brand building needs the long term process which can be worthwhile to invest. This is supported by a research conducted by Rukkachat (2016), who studied The Effects of OTOP Brand image and branding of spicy crispy shrimp chili paste product towards marketing factors of entrepreneurs in Chon Buri Province. The results were revealed as follows, OTOP brand image concerning the product's smell, popularity, reliability and unique shape positively affected the product's marketing factors of entrepreneurs in Chon Buri. There are recommendations for utilization of the research results in OTOP brand image strategy development by activating consumers' perception and purchasing decision. For example, it fills herbs in Spicy Crispy Shrimp Chili Paste for unique smell. Also, it includes outstanding packaging design, i.e. using a round bamboo basket with shrimp picture as the product's marketing strategy for consumers' impression motivation and product acknowledgement. This identity helps consumers to get an impression and makes it easy to remember the product. As a result, the product will be well-known and reliable for customers in purchasing decision easier by word of mouth. This finding has correlated to Sampatpong (2015) who studied The integrated marketing communications strategic to creative one one product (OTOP) brand equity of Thai Silk Products. The finding were An approach to promote OTOP silk consisted of : branding acceptance, certified community standard (the assistant), fashionable patterns and designs, and uniqueness to strengthen the brand. From the study, the researchers created a paradigm and integrated marketing communication strategy to build brand equity of One Tambon One Product (OTOP) of Thai Silk Products.

It is called The CHAMPION Paradigm so that every entrepreneur is able to apply it as a concept of their integrated marketing communication of Thai silk products in the future.

4. SWOT Analysis of Village Funds

- **Strength**

Every village fund has strong intention to adapt itself to the chaos in the future and each of them is likely to add value to its local intellectual in order to develop its own agricultural products with the assistance of heads of village funds. Through working corporately with the local, this shows the unity of the village funds and the local people.

- **Weakness**

The marketing channel and proper marketing support are still inconsistent. Product uniqueness has not been emphasized and public relation was not well operated.

- **Opportunity**

Government has subsidized the knowledge and revenue which can be utilized to develop the existing products.

- **Threat**

The ten village funds lack of the knowledge of technology, invention, and modern form of product processing.

Recommendation

After studying Marketing strategy and Branding for Agricultural Products of Village Fund from Eastern Region of Thailand, it can be recommended that

1. These agricultural products should be developed in packaging design and their own products by asserting own stories and maintaining the local intellectual uniqueness in order to raise brand awareness, product confidence and repurchasing from the consumers.

2. Government and village funds should continue financial support subsidy, and the knowledge of business strategy and brand building should be encouraged so as to develop the quality of lives and increase the income for the member of village funds.

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