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Factors Affecting Strategic Marketing Decisions in Agriculture: A Study of Fruit Farmers in Thailand

A thesis presented in partial fulfilment of the requirements for the degree of

Doctor of Philosophy

in

Agribusiness

at Massey University, Palmerston North, New Zealand.

Bhawat Chiamjinnawat

2017

DECLARATION

I, Bhawat Chiamjinnawat, declare that this thesis entitled *"Factors Affecting Strategic Marketing Decisions in Agriculture: A Study of Fruit Farmers in Thailand"* submitted to Massey University for the degree of Doctor of Philosophy is the outcome of my own research work. Acknowledgement is given where material from other resources was used. I also certify that the thesis has not been presented, in whole or partly, for any degrees or diplomas.

Signed.....

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ABSTRACT

The transformation of agri-food marketing systems worldwide has implications for small-scale fruit farmers in Thailand. Effective strategic marketing decisions (SMDs) of farmers are essential elements in response to market transformation. Based on the theory of strategic decision making, SMDs are made in regards to the availability of internal resources, the dynamics of the external environment and the goals that need to be accomplished. Previous literature mostly explains the SMDs of individual farmers in developed countries. Research work in developing countries generally concentrates on SMDs, in order to link small-scale farmers to markets. Characterised by small-scale operations farmers in Thailand were not considered as being leading actors in agri-food value chains. As a result, available research on SMDs, which reflect farmers' strategic capability, was scarce within a Thailand context.

This study employed a quantitative survey-based approach to determine key factors that affect the SMDs of fruit farmers in Chanthaburi province of Thailand. Qualitative data was also collected in a pilot study, in order to develop the conceptual model and the foundation of the questionnaire. The survey data was collected from 216 fruit farmers, through the use of face-to-face interviews with structured questionnaires. Descriptive statistics and chi-square tests were employed to describe and compare the fruit farmers who used traditional marketing channels (TM users) with those who used high-value marketing channels (HM users). Furthermore, factor analysis was employed to identify factors included in the conceptual model, and logistic regression was employed to test the hypotheses.

This study found that SMDs towards high-value market participation were positively related to business size, experience in fruit farming, perceived importance of market requirements, and farmers' goals in regards to effectiveness. The results suggest that small business sized farms need to improve their productivity and increase their business capacity, via collective actions that would allow them to benefit from collective learning with experienced farmers, which could lead to updated market information. It was also noted that some farmers aimed to achieve their production goals by focusing on efficiency, while others desired a simple lifestyle by focusing their lives on self-sufficiency. This implied that different types of farmers needed to be encouraged in different ways, in order to develop their strategic capabilities as important stakeholders in the fruit industry of Thailand.

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Bhawat Chiamjinnawat

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LIST OF ABBREVIATIONS

ACFS	Thailand National Bureau of Agricultural Commodity and Food Standards
ASEAN	the Association of Southeast Asian Nations
CIA	Central Intelligence Agency, United States of America
EFA	Exploratory Factor Analysis
EU	European Union
FAO	Food and Agriculture Organisation
FAOSTAT	Statistics Division, Food and Agriculture Organisation of the United Nations
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
HM	High-value Market
I/O	Industrial Organisation
KMO	Kaiser-Meyer-Olkin's measure of sampling adequacy
NESDP	Thailand National Economic and Social Development Plan
NZD	New Zealand Dollar
OAE	Office of Agricultural Economics, Thailand
PAEO	Provincial Agricultural Extension Office, Thailand
PCA	Principal Components Analysis
PCO	Provincial Cooperative Office, Thailand
Q-GAP	Thailand National Good Agricultural Practices
RBV	Resource-Based View
SEU	Subjective Expected Utility Theory
SMD	Strategic Marketing Decision
TDRI	Thailand Development Research Institute
TM	Traditional Market
UK	United Kingdom
US	United States of America