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The Marketing Mix Development of Thai Traditional Food Products: A Case Study of Chiang Mai Traditional Green Chili Paste

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Abstract

This research aimed to develop a marketing mix guideline of green chili paste for Chiang Mai entrepreneurs. The research scope covered respondents' opinions and demands on the marketing mix of green chili paste products which consisting of four aspects, namely, product, price, place and promotion. In all, 400 samples were studied of which 200 samples were Chiang Mai residents and another 200 samples were tourists. The result of the research showed that the respondents had an overall opinion at a degree of strong agreement towards the marketing mix of green chili paste products. When considered in detail of the four aspects, they rated each aspect at the degree of strong agreement.

Keywords : Marketing Mix, Thai Traditional Food, Green Chili Paste

Introduction

Thailand has an abundance of agricultural products. Thai people have learned to use

natural ingredients in preparing regional dishes. Their knowledge of cooking has been passed on from generation to generation over a hundred

years. Thai people in each of the four regions: Northern, North Eastern, Central and Southern produce distinct types of food depending on local geography, climate and available crops. Therefore, local food in each region is referred to as traditional food. It has been developed from the knowledge of local people and has been passed on from their grandparents, parents, relatives and the community. (Thai Junior Encyclopedia by the Whim of the King, 2008).

Northern food, is mostly composed of sticky rice and chili pastes. (Thai Junior Encyclopedia by the Whim of the King, 2007). Several kinds of well-known chili pastes are produced such as green, tomato, crab, ginger and red. Among these, green chili is the most popular.

Chili paste is easy to cook because it consists of a few ingredients. However, nowadays people lead a more hectic life. They don't have sufficient time for cooking by themselves, therefore, chili paste is available for sale by entrepreneurs (Uengarin Sajjai, 2008). Nevertheless, the arrival of western culture; fast food and ready to eat food, has caused a decline in consumption of chili paste. The new generation consumes less chili paste and just a few are able to prepare it. This has led to a negative effect on chili consumption. (Witoon Lianchumroon, 2009: online)

Due to the effect mentioned above, the author was interested in conducting research on "The Marketing Mix Development of Thai Traditional Food Products: A Case Study of Chiang Mai Traditional Green Chili Paste", with the hope that the research will serve as a guideline for entrepreneurs in developing their products in line with their respondents' needs. This will bring about the sustainability in preservation of Thai traditional food knowledge and develop community business and economy in the future.

Research Methodology

The research concentrated on general information of Chiang Mai residents and tourists. It also included respondents' opinions toward the marketing mix of green chili paste products consisting of four aspects, namely, product, price, place and promotion. Additionally, the demand of respondents on these aspects of green chili paste was studied in the research.

As the population of the study was unknown, the samples were determined at 95% confidence level resulting in 400 samples (Cochran,1953). Quota sampling was used to collect data by which 200 samples were Chiang Mai residents and another 200 samples were tourists. In addition, convenience sampling was used in regard to main and famous location of customers such as Varoros and Thonphayom Markets, Central and Robinson Department Stores, Lotus and Carrefour, the Night Bazaar, zoos and temples, etc. The research tool used was the self administered questionnaire. The data was analyzed using several statistical techniques including frequency, percentage, t-test, F-test and Chi-Square test by using SPSS.

Research Results

Part I: General Information of Respondents

Most of the respondents were male tourists visited Chiang Mai. Their ages were between 30-40 years old and their incomes were approximately between 10,001-20,000 baht.

Part II: Respondents' Opinions toward the Marketing Mix of Green Chili Paste Products

The opinions of respondents toward marketing mix of green chili paste product are shown in the following table:

Marketing Mix of the Product	\bar{X}	SD	Degree of Agreement
Product Aspect			
1) Well known brand name	3.09	1.076	moderate
2) Variety in size of packaging	3.60	0.776	strong
3) Quality ingredients and freshness	3.93	0.772	strong
4) Good taste and proper spiciness	3.74	0.688	strong
5) Quality of chili paste appearance	3.73	0.725	strong
6) Long shelf life	3.60	0.896	strong
7) Packing details: ingredients, place of production, certification	3.35	1.191	strong
8) Variety in types of packaging: banana leaf, plastic bag and container, jar, etc.	3.88	0.765	strong
9) Quality and appearance of packaging	3.61	0.721	strong
Total Product Aspect	3.61	0.593	strong
Price Aspect			strong
10) Worth the price in terms of quality and taste	3.82	0.659	strong
11) Worth the price in term of feeling towards traditional food products	3.90	0.704	strong
12) Competitive price compared to other traditional food products	3.97	0.671	strong
13) Quantity discount	3.83	0.662	strong
Total Price Aspect	3.88	0.528	strong
Place Aspect			
14) Many selling places to purchase	4.02	0.762	strong
15) Accessibility of selling places	4.04	0.722	strong
16) Overall attractiveness of shops	3.73	0.922	strong
17) Good layout or display of the products	3.76	0.740	strong
Total Place Aspect	3.89	0.650	strong
Promotion Aspect			strong
18) Seller is knowledgeable about the products	3.66	0.952	strong
19) Seller is courteous and friendly	3.68	0.735	strong
20) Seller provides samples	3.58	0.920	strong
21) Seller has promotion for quantity and repeat orders	3.52	0.849	strong
22) Seller advertises products through local newspapers, tourism and food magazines, etc.	3.20	1.215	moderate
23) Seller participates in traditional food fairs and competition	3.27	1.036	moderate
Total Promotion Aspect	3.48	0.706	strong
Total	3.72	0.502	strong

The above table illustrates that the respondents had the overall opinion at a degree of strong agreement towards the marketing mix of green chili paste products. When considering details of the four aspects: product, price, place and promotion, they rated each aspect at the degree of strong agreement.

Part III: Demand of Respondents toward Green Chili Products

The respondents who completed the questionnaire preferred to buy green chili paste that was medium spicy and packed in a plastic bag. The purposes for purchase were both own consumption and as gifts. When buying for own consumption, they preferred 100 gram package size and expected to buy every two weeks. When buying as gifts, they preferred 300-400 gram package size and expected to buy every four to five months with a budget of 51-100 baht per time.

Most of the respondents wanted a package with specified production and expiry dates. They preferred a price of 10 baht for green chili paste wrapped in banana leaf, 15 baht in plastic container and 30 baht in jar. They demanded the products to be available at fresh markets. The main reasons that they bought were taste and reasonable price. They preferred to learn about the product's information from traditional food magazines. Most of them were likely to repurchase in the future.

Most respondents provided opinions that entrepreneurs should offer special or seasonal discounts during special occasions or festivals. Moreover, they should arrange a food demonstration at selling places or food fairs. Finally, they should advertise in newspapers.

Part IV: Problems of Respondents in Purchasing and Consumption

There were several problems that respondents faced in buying and consuming the products, such as stale and unclean products, different tastes in each brand, less quantity in a pack, unreasonable price, improper dress of seller and remote location.

Part V: Test of Hypothesis

In testing hypothesis, the research found that consumers with different genders had a significant difference in their opinions toward the marketing mix of green chili paste products at a significant statistical level of 0.05. In which, female consumers had higher degree of opinion than male.

It was also found that consumers in different age groups had a difference in their opinions toward the marketing mix of green chili paste products at a significant statistical level of 0.05. In which, 20-30 year old respondents had higher degree of opinion than any other age groups.

Furthermore, gender and age of consumers had a slight association with the demand on marketing mix of green chili paste products at a significant statistical level of 0.05.

Discussion

Referring to the results of the research, the author would like to discuss the following points;

- 1) The consumers who responded to the questionnaire had the overall opinion at a degree of strong agreement toward the marketing mix of green chili paste products. This indicated a positive acceptance of them and reflected that the entrepreneurs of green chili paste already recognized the importance of marketing mix

strategies and applied them at a particular implementation level in line with customers' demands. The strategies that they adopted were suggested by Sudaduang Reuangruijira (1997) who explained that marketing mix was the crucial element in marketing. It consists of product, price, place and promotion. These four aspects are interrelated and of equal importance. It depends on management of organization to decide and draw up appropriate strategies to match with the demand of target markets. They have to balance in adopting these four aspects to achieve the most effective output. Without proper balance of implementation, it could lead to an unexpected operational problems of organizations.

2) Most of the consumers wanted to buy green chili paste products for their own consumption and as gifts. This demand is probably caused by the need of being a part of traditional food preservation. Green chili paste products are traditional in nature and represent a culture that has passed on from past generations. According to the study of Mahachulalongkornrajavidyalaya University lecturers (2004), one tradition that men created was the needs for such things as accommodation, food, clothes, and medicine, etc., these needs were adapted and used by people in society over a period of time. This idea supports the need of consumers in buying green chili paste as a popular traditional food.

Nevertheless, the consumers preferred to buy green chili paste that was medium spicy. This was contrary to the study of Wimonphan Likitekarach (2002: referred by Chalardchay Ramitanon). She found that Northern chili paste had its distinct taste of being rather spicy and salty, not sweet and sour. The changing in taste of green chili paste can be linked to the explanation given by the National Knowledge Centre (2008)

regarding culture transformation from generation to generation. They came up with the idea that changes and adaptation could happen in a process of transformation, and new knowledge would be developed to match new cultures, traditions, societies and environments. This caused the taste of green chili paste to change accordingly.

As for the demand of consumers in buying green chili paste products for consumption or for gifts, a difference in quantity and frequency was observed. The variety of demands could be due to a change in modern living. This was consistent with the idea of Mahachulalongkornrajavidyalaya University lecturers (2004) that explained the tradition of living. They gave the idea that traditions people in society adopted had been developed and transformed from the past to present and will continuously develop in the future as long as there are human beings living in this world. Therefore, a transformation and collaboration of several cultures in the society have been developed from time to time in accordance with a change of modern living style and new environment.

In addition, regarding selling places, most of the consumers preferred to have green chili paste sold at a fresh market, due to convenience and traditional purchasing style. This was consistent with the idea of Aorachon Reuankhum (2004) who explained the culture of Chiang Mai people; they bought both fresh and ready-made food at local fresh markets. There were many local fresh markets in Chiang Mai such as Chiang Mai Gate Market, Sanphakhoi Market, etc.

In the future, the consumers will buy green chili paste because of good taste, availability and reasonable price. Moreover, some consumers stated their reason for preserving of traditional

food was that they recognized green chili paste was a crucial traditional knowledge of local people in the community. As referred to in the Thai Junior Encyclopedia by the Whim of the King (2007) that traditional knowledge of villagers has been accumulated and combined in the community to become a local lifestyle. This knowledge involves how to make a living, how to remain happy in family and society and how to create a friendly society through good deeds. Through local traditional knowledge, people have the opportunity to gain and share what has been passed down to them. They are proud of it. This knowledge could be shared with people in nearby communities or passed on to the next generation. Thus, local traditional knowledge is usually well-known and dispersed nation-wide. Nowadays, this is recognized as part of Thai traditional knowledge along with various other types of traditional knowledge such as Thai music, customs, foods and festivals, etc. Additionally, the importance of local traditional knowledge was referred to by the Education Outside School for Learning Friend (2008) which provided the idea that traditional knowledge should be preserved because people can study and apply it to their lives in line with present and future situations.

Ultimately, most of the consumers gave many suggestions in order to promote green chili paste products such as a discount on special occasions and festivals, a demonstration of traditional food cooking in food fairs or festivals and advertisements in newspapers. Their suggestions matched with the idea that offered in the research titled "Factors that Influence an Existence of Lanna Traditional Food" (Mum Kafae Website, 2008). In the research a main suggestion was proposed to relevant organizations that they

ought to encourage people in community to hold traditional or cultural events and motivate them to participate in those events consistently. Activities should focus on encouraging local people to recognize and be proud of the value of their own traditions and festivals. Therefore, they will be willing to contribute in educating people about the importance of history, value and activities involved in those traditions and festivals. It is very important for relevant organizations to support these local festivals or activities in order to sustain preservation in Thai traditions.

Recommendation

The author would like to suggest the following guidelines for entrepreneurs in developing the marketing mix of green chili paste products in line with customers' demands;

1) Product Aspect

1.1) They should create their own brand of green chili paste products and have brand labels fixed on both the products and packaging. They should also create their logo with an attractive, colorful and simple design that customers will easily recall and make repeat purchases.

1.2) They should keep a high standard of quality in producing green chili paste products. Good quality of ingredients should be used, this can extend shelf life and customers will trust its quality and purchase repetitively.

1.3) They should produce products with a variety of spiciness. However, main producing should be medium spicy. Additionally, their products should be offered in a variety of packaging sizes for instance, 1-2 grams, 3-4 grams, half kilogram and 1 kilogram, so that customers will be comfortable in making buying decision.

1.4) They should have a variety in types of packaging depended on packaging sizes; banana leaf, plastic bag or container and jar, etc. Their packaging should be in good quality and appearance. Moreover, necessary details like ingredients, place of production and certification should be printed on packages or labels as well.

2) Price Aspect

They should sell products in different prices based on packaging sizes. For example; A 1 gram of product in banana leaf or plastic bag should be 5 -15 baht, in container and jar 15-30 baht. In addition, they should offer quantity discount when customers buy at a certain amount in order to stimulate their purchase volume.

3) Place Aspect

They should locate their selling places in an accessible and convenient location; fresh markets, walking streets, convenience stores, supermarkets and hypermarkets such as Big C, Carrefour and Tesco Lotus, etc. They should also have many selling places and decorate them to attract more customers.

4) Promotion Aspect

4.1) They should be freindly, courteous and good relationship.

4.2) They should tell customers about ingredients, cooking and serving method by directly informing at the time of purchase or having a leaflet attached inside a package.

4.3) They should advertise their products' information through local newspapers, tourism and food magazines, etc. by distributing at the Promotion Office of One Tambon One Product (OTOP) or any other tourism offices.

4.4) They should persuade customers to sample free products which are offered at selling point so that customers will make buying decision easily.

4.5) They should offer free products for customers who buy regularly or buy at high quantity. They should also offer discount on special occasions. These will encourage them to be repeat customers.

4.6) They should participate in training or seminars that promote development in traditional food or chili paste so that they will have a chance to improve their products to meet higher quality, standard and customers' demand.

4.7) They should participate in traditional food activities that are held by state, private organizations or educational institutions such as traditional food fairs and contests, etc. This will provide them opportunities to access customers and promote their traditional products.

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