

Marketing Mix and Business Success: A Perception from Entrepreneurs of Community Flea Market in Saraburi Province

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Abstract

Due to the importance of community flea market to the economy of Thailand, the purposes of this research are (1) to investigate the perception of community flea market entrepreneurs in Saraburi Province toward the marketing mix factors that promote the community flea market economy; and (2) to examine the relationship between the marketing mix factors that promote the community flea market economy and the community flea market's success perceived by community flea market entrepreneurs in Saraburi Province. The studied sample groups were 304 community flea market entrepreneurs in Saraburi Province. Data were collected by questionnaires. The statistics analysis was of frequency, percentage, mean, standard deviation, correlation coefficient analysis, and regression analysis. The result shows that product and place/distribution channels are the highest importance marketing mix factors that promote the community flea market economy. In addition, product and place/distribution channels are the only two predictors that have positive effects on the successful performance of the community flea market economy. Suggestions are provided for future research studies and those who are interested in studying these variables.

Keywords: Marketing Mix, Community Flea Market, Market's Success

INTRODUCTION

The community flea market is an unconventional and interesting business entity that operates uniquely compared to traditional retailers. The markets are unusual and fascinating outdoor markets that operate differently from the brick-and-mortar building retailers (Nabi & Kashif, 2016). It is considered an informal and sub-economic system that is a major contributor to a large economic system. Recent trends in consumerism have highlighted the proliferation of the community flea market economy, which contributes significantly to the growing economy of the country. Particularly, the community flea market is the major economic driver at the village level of the country. In many cases, it is a secondary source of income for those who have a permanent job. The society in the ruler area of developing countries like Thailand is more on a self-sustaining economy. Each family produces crops and raises animals for household consumption. The same is true for utensils, which are things that can be made by themselves because using natural ingredients. Each household produces grain crops and various appliances that exceed the needs, thus resulting in excess from consumption. People began to trade those products for food or things

that their families could not produce. This could be an exchange among the households in the village, between villages, or between distant cities. Therefore, the place for buying and selling those commodities has been established as a community flea market.

The fact that community flea markets are always located in a comfortable community for sellers and buyers to meet and exchange products. There is a specific fixed time and place to operate, which both sellers and buyers know. A flea market manager has to set up the system by allocating space and time for entrepreneurs to facilitate buyers and sellers. Therefore, there are a lot of community flea markets in almost every village and every district in the country.

Traditionally, community flea market entrepreneurs do not worry much about the marketing mix strategies. They brought any types of products that they had or could produce to the market, priced the products by their sense or placed them at the same price as the competitors, and did not worry about the place and promotion. However, consumer behavior has changed recently according to the rise of technology and the digital economy. Besides, the recent economic downturn in the country has caused many workers to lose their jobs and move them to begin their small businesses. Many of these entrepreneurs later have participated in the community flea market. With this situation, businesses have to continuously adjust themselves to the change and aim to grow sustainably in the future. Entrepreneurs need innovative marketing mix strategies to become competitive and survive in the current economic situation. However, previous studies before the changes showed that community flea market entrepreneurs do not worry much about the marketing mix strategy and the competition. Because of this rapid change in the economic situation and business technologies, therefore, it is necessary to study the perception of community flea market entrepreneurs toward the marketing mix strategy and its relationship to the business success.

Research Objectives

There are two main objectives for this research. First, this study aims to investigate the perception of community flea market entrepreneurs in Saraburi Province toward the marketing mix factors that promote the community flea market economy. Second, the study aims to examine the relationship between the marketing mix factors that promote the community flea market economy and the community flea market's success perceived by community flea market entrepreneurs in Saraburi Province.

LITERATURE REVIEW

Marketing Mix

According to Kotler and Armstrong (2004), marketing mix refers to a set of marketing tools that business firms use to produce the response it wants from their various target customers. The combination of these marketing tools or elements is also referred to and known as the Four P's (Khan, 2014). While satisfying the needs of customers, the business firm makes decisions related to the product, price, distribution/place, and promotion. For this study, the marketing mix consists of the following:

1. Products are things offered for sale by businesses to meet the needs of customers. The products studied from the community market in Saraburi are mainly consumer products which

consist of clothing products, fresh food products, fruit and vegetable products, ready-to-eat products, electronic products, household products, tree and plant products, and toys.

2. Price means the value of a product in money or other forms that is necessary to pay to obtain products from the community market in Saraburi.

3. Distribution channel or place refers to the process of moving products and services from producers to consumers at the community markets in Saraburi.

4. Promotion means a communication tool to stimulate the purchase, create an idea about the product, and satisfy consumers with the product, service, store, or operation. It is also used to induce demand to remind consumers about the product or store.

Previous Research on Flea Markets

Recent trends in consumerism have highlighted the incrementation of the flea market economy, which contributes significantly to the growing informal economy of the country (Venter de Villiers, Visnena & Phiri 2018). However, consumer research on flea markets is limited (Hansson & Brembeck, 2015). Few studies have addressed the factors that influence consumers' decision to purchase at the flea market (e.g., Alam, 2014; Amornpinyo, 2021; Petrescu & Bhatli, 2013; Siriot, 2015; Venter de Villiers et al., 2018). These factors include the attitude of the customers, product, market location, branding, pricing, and associated risk. Several studies have found challenges for entrepreneurs at flea markets. For example, consumers have ethical concerns related to the product sold at the flea markets in terms of quality, genuine, as well as stolen products (Rupolia et al., 2015). There are some complaints from the communities living near the flea market for noise, litter, and traffic volumes (Riveira, 2013). Furthermore, the small size of business and capability of the entrepreneurs limit the marketing strategies (Resnick et al., 2016). The normal marketing strategies and practices that are always employed by large businesses are not suitable for the businesses at the community flea market. Thus, these small businesses practice unique marketing strategies as dictated by the degree of activities and level of rivalry the small businesses are facing (Resnick et al., 2016). These marketing initiatives are often informal, reactive, depend on intuition, and are usually organized by the entrepreneur (Resnick et al., 2016; Rupolia et al., 2015). Thus, marketing strategies for entrepreneurs at community flea markets are largely a secondary activity (Shazi & Chetty, 2021). Thus, the question has remained whether the marketing mix is the key business success of the community flea market. The majority of flea market studies (e.g., Alam, 2014; Amornpinyo, 2021; Petrescu & Bhatli, 2013; Resnick et al., 2016; Rupolia et al., 2015; Siriot, 2015; Shazi & Chetty, 2021; Venter de Villiers et al., 2018) examine the factors that influence consumer's decision to purchase at the flea market from the consumers' perceptions. This study investigated the perception of community flea market entrepreneurs in Saraburi Province toward the marketing mix strategy and the relationship between the marketing mix and the community flea market's success.

METHODOLOGY

Population and Sample

Population statistics according to the Civil Registration year 2017 for Saraburi Province, there was a population of 642,040 people. This study used a purposive sampling technic and the Taro Yamane at 95% confidence level to select samples from a population of 5 districts of Saraburi

Province with a total of 330,540 people; Sao Hai District 33,841 people, a purposive sample of 110 people; Phra Phutthabat District 64,272 people, a purposive sample of 105 people; Wang Muang district 20,107 people, a purposive sample of 90 people; Muak Lek District population 56,549 people, a purposive sample of 105 people; Nong Saeng District 15,792 people, a purposive sample of 75 people. The sample of community flea market entrepreneurs covers various types of entrepreneurs such as clothing sellers, fresh food vendors, fruit and vegetable sellers, ready-to-eat food sellers, electronic device sellers, and various toy sellers. In total, the sample size is 485 samples. The questionnaires were distributed to 500 community flea market entrepreneurs in Saraburi Province. However, there were 304 responses and usable questionnaires for the study.

Research Variables

The dependent variable was the success of the community flea market performance perceived by community flea market entrepreneurs in Saraburi Province. The independent variable was the marketing mix, which comprised product, price, distribution/place, and promotion.

Research Instrument

The researchers studied documents and related literature, particularly from the research at the community market in Songkhla by Pengnu (2010). The questionnaire was developed to test the relationship between the marketing mix and community flea market's success perceived by community flea market entrepreneurs in Saraburi Province. The questionnaire used in the data collection was divided into two parts as follows:

Part 1: The personal data questions were the demographic characteristics of the respondents, including gender, age, education level, primary occupation, primary occupation income, income from operations in the community flea market, number of days selling at the flea market per week, length of time in selling per time, product type, and product origin.

Part 2: Questions on the opinions of entrepreneurs on the marketing mix factors that promote the community market economy in Saraburi Province in terms of products, prices, distribution, and promotion, and the opinions of entrepreneurs on the success of community market performance in Saraburi Province. The scoring of the questionnaire was analyzed by using five – points Likert scales related to the importance of the marketing mix factors for promoting the community market economy at the highest, high, medium, less, and least level.

The questionnaire was reviewed for content validity by three experts and with an analysis of the index of item objective congruence (IOC). The questions with IOC less than 0.5 were revised. Then, the questionnaires were tried out on 30 non-sample populations to determine the precision or the reliability of the questionnaire. Measurement items that score Cronbach's alpha coefficient greater than 0.90, which is considered a reliable questionnaire, were used to collect data.

Data Analysis

The statistical program was used to analyze the data. The followings are the statistics used to analyze the data according to the nature of the data and the research objectives.

1. The statistic used to analysis of the respondents' personal data (gender, age, education level, primary occupation, primary occupation income, income from operations in the community flea market, number of days selling at the flea market per week, length of time in selling per time, product type, and product origin) were descriptive statistics (i.e., frequency and percentage).

2. The statistics used to analyze the opinions of entrepreneurs on marketing mix factors that promote the community market economy and the success of community market performance in Saraburi Province were descriptive statistics (i.e., mean and standard deviation). The results were interpreted using Srisaad (1992) 's method, as shown in Table 1.

Table 1: Level of Promoting the Community Flea Market Economy

Score Range	Meaning
4.21 – 5.00	Highest level
3.41 - 4.20	High level
2.61 – 3.40	Moderate level
1.81 – 2.60	Low level
1.00 – 1.80	Lowest level

3. Inferential statistics were used to test the relationship between marketing mix factors that promote the community flea market economy and the success of community flea market performance in Saraburi Province. The statistics were Pearson Product Moment Correlation and multiple regression analysis.

RESULTS

Analysis of Respondents' Personal Data

Analysis of personal factors of community flea market entrepreneurs in Saraburi Province classified by demographic factors, it was found that most of the community flea market entrepreneurs were female (65.8%), over 40 years old (56.6%), had completed secondary education / vocational certificate / vocational certificate (55.3%), do not have main occupation (36.8%) and do not run any other personal business (28.6%), respectively. Most of the entrepreneurs who have a main professional career earn less than or equal to 15,000 baht per month (66.7%) from their main job. Most of them have income from operating businesses in the community flea market less than or equal to 3,000 baht per day (70.4%). Most of them pay the rental at a price of less than or equal to 200 baht per day (87.5%), sell products 5-6 days a week, and sell every day (62.5%), with a period of 3-5 hours per time (61.2%), mostly selling toys (23.4%) and ready-to-eat food (22.0%), respectively, and the majority of goods received from middlemen (68.4%).

Analysis of Marketing Mix Factors that Promote the Economy of Community Flea Market

The results of the analysis, as shown in Table 2, revealed the mean level and standard deviation of the marketing mix factors promoting the community flea market economy in Saraburi province.

Table 2: Marketing Mix Factors Promoting the Community Flea Market Economy

Factors	X	SD	Importance Level
Product	4.23	0.65	Highest level
Price	3.94	0.84	High level
Place/Distribution channel	4.21	0.73	Highest level
Promotion	3.09	0.98	Moderate level
Overall Marketing Mix	3.86	0.56	High level

The perception of community flea market entrepreneurs in Saraburi Province toward the marketing mix factors that promote the community market economy in Saraburi Province, the overall marketing mix was at a high level ($X = 3.86$). When considering each of the marketing mix items, it was found that product and place/distribution channel has the highest importance ($X = 4.23$ and $X = 4.21$, respectively), followed by price ($X = 3.94$) with a high level and promotion ($X = 3.09$) with a moderate level of importance.

The Analysis of the Relationship between Marketing Mix Factors and Business Performance

There was an analysis to examine the multicollinearity of the relationship between independent variables and dependent variables and the relationship between independent variables, which is an important preliminary agreement in the analysis of multiple regression. The analysis from Pearson Product Moment Correlation, as shown in Table 3, show that the marketing mix factors that promote the community flea market economy - product, price, and distribution channels (place) have a relationship with each other and have a statistically significant correlation with the performance success at 0.01 level, but the distribution channel (place) factor was not related to the promotion factor. When considering the relationship among the four independent variables, there was a statistically significant positive correlation between 0.138-0.573. It means there is no multicollinearity, where independent variables should not be related to each other higher than 0.80, both positive and negative (Suchart Prasit Ratsin, 2001). In addition, the VIF value of all the four independent variables is between 1.154-1.588, where VIF should not exceed 5. In conclusion, the results show the essential preliminary agreement in multiple regression analysis.

Table 3: Pearson Product Moment Correlation and VIF Values of Marketing Mix Factors Promoting the Community Flea Market Economy

Factors	1	2	3	4	5
1. Success Performance	1	0.465**	0.211**	0.418**	0.138*
2. Product		1	0.307**	0.573**	0.224**
3. Price			1	0.260**	0.529**
4. Place/Distribution channel				1	0.084
5. Promotion					1
VIF		1.588	1.502	1.532	1.587

** statistical significance at 0.01

* statistical significance at 0.05

The Regression Analysis of the Relationship between the Marketing Mix Factors that Promote the Community Flea Market Economy and the Success Performance

The results of regression analysis, as shown in Table 4, found that the multiple correlation coefficient was 0.407 and was able to jointly predict success performance by 16.6%, with statistical significance at 0.01, and with standard error in forecasting equal to ± 0.746 . When considering the predictor regression coefficient, it was found that the overall marketing mix had a positive effect on the successful performance statistically significant at the 0.01 level.

Table 4: Regression analysis between the Overall Marketing Mix that Promotes the Community Flea Market Economy and the Successful Performance

Factors	b	Std. Error	Beta	t
Overall Marketing Mix	0.589**	0.076	0.407	7.746
Constant	1.695**	0.297		5.710

R = 0.407 R Square = 0.166 Adjusted R Square = 0.163 Standard Error = 0.746

F = 59.997

** statistical significance at 0.01

When considering the individual marketing mix factors, the results of a stepwise multiple regression analysis when adding individual factors that promote the community flea market economy and the successful performance, as shown in Table 5, found that the multiple correlation coefficient was 0.504 and was able to jointly predict success performance by 25.4%, with statistical significance at 0.01, and with standard error in forecasting equal to ± 0.709 . When considering the predictor regression coefficient, it was found that two predictors had a positive effect on the successful performance statistically significant at the 0.01 level, which was factors that promote the community market economy in terms of product and place/distribution channels. Other marketing mix factors were not statistically significant.

Table 5: Stepwise multiple regression analysis between the Marketing Mix Factors that Promote the Community Flea Market Economy and the Successful Performance

Factors	b	Std. Error	Beta	t
Product	0.403**	0.079	0.319	5.089
Place/Distribution channel	0.249**	0.069	0.222	3.595
Constant	0.999**	0.307		3.257

R = 0.504 R Square = 0.254 Adjusted R Square = 0.244 Standard Error = 0.709

F = 25.436

** statistical significance at 0.01

DISCUSSION

From the study of entrepreneurs' opinions on marketing mix factors promoting the community flea market economy in Saraburi Province, the followings are observations and discuss issues.

The results show the perception of community flea market entrepreneurs in Saraburi Province toward the marketing mix factors that promote the community market economy in Saraburi Province. The overall marketing mix factor was at a high level. It implies that marketing mix is an important strategy to reach customers perceived by community flea market entrepreneurs in Saraburi Province. As pointed out by Sirisom and Sangvatanachai (2018), marketing mix is an important contributing factor to the community flea market because the nature of the market is related to the way of life of the people in the community and answer the need of the community in terms of relevance product, affordable price, and the location of the market is within walking distance. When considering each of the marketing mix items, product and place/distribution channel score the highest importance, followed by price at the high level and promotion at a moderate level of importance. The perception of the entrepreneurs in the community flea market might be from their observation that consumers' behavior and purchasing decision depends on the product, place/distribution, and price (Sirisom and Sangvatanachai, 2018). These three marketing mix factors are perceived as highly important factors promoting the community market economy in Saraburi Province because the products are consumer products and are similar to each other. The freshness of the product, whether lower price or the same price but with good quantity and quality, received are greater than the competitors, and the convenience of the market location (Sirisom and Sangvatanachai, 2018). This is in line with the research results of Amornpinyo (2021); Lertphatcharacha and Leungalongkot (2015); Sakkomolpitak (2015), and Sirisom and Saengwattanachai (2018) that product, price, distribution, and location aspects are very important factors in the purchasing decision of consumers in the community flea market. However, the promotion aspect is of moderate importance. This may be because entrepreneurs still do not see the need to promote their products due to the small size of the business and the support of the convenience of location.

The results of a study on the relationship of factors promoting community market economy to succeed in community market performance in Saraburi province found that factors promoting community market economy in terms of product and places or distribution channel have a positive effect on the success of community flea market performance in Saraburi province, which is consistent with the research results of Cholasinthanakul and Thongjeen (2016), which found that factors of product and place of distribution influence the decision to shop at the community flea

market of consumers who live in the Rangsit community. This may be due to each purchase decision, and consumers take into account the choice of most beneficial products (Siriampai, 2012) and a market that is easy to travel, convenient, and has ample parking space (Sakkomolphithak, 2015).

Implications

The present study investigated the perception of community flea market entrepreneurs in Saraburi Province toward the marketing mix factors that promoted the community flea market economy and examined the relationship between the marketing mix factors that promote the community flea market economy and the community flea market's success. The results show the overall marketing mix factor was at a high level. Product and place/distribution channel score the highest importance, followed by price at the high level and promotion at a moderate level of importance. Besides, products and place or distribution channels have a positive effect on the success of community flea market performance in Saraburi province. This information is useful for community flea market entrepreneurs, as the product is the highest important factor to emphasize the relevant products that are in need from the consumers. The manager/organizer of the community flea market must also take the location factor as the main consideration when organizing the community flea market.

Limitation and Suggestions for Further Research

There should be more research on factors promoting the community flea market economy since it is the fundamental economic drive in the local community. Other variables such as physical factor, process factor, personnel factor should have been investigated if they are supporting factors for the community flea market success. In-depth research or a mixed-method study should be employed to obtain research results for the in-depth development of the community flea market economy.

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