

**THE POTENTIAL MARKET FOR PANCAKES IN  
RETAIL STORES**



**A THEMATIC PAPER SUBMITTED IN PARTIAL  
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on  
December 13, 2015



.....  
Mr. Prin Thongpussa  
Candidate

.....  
Asst. Prof. Parisa Rungruang,  
Ph.D.  
Advisor

.....  
Asst. Prof. Pornkasem Kantamara,  
Ed.D.  
Chairperson

.....  
Assoc. Prof. Annop Tanlamai,  
Ph.D.  
Dean  
College of Management  
Mahidol University

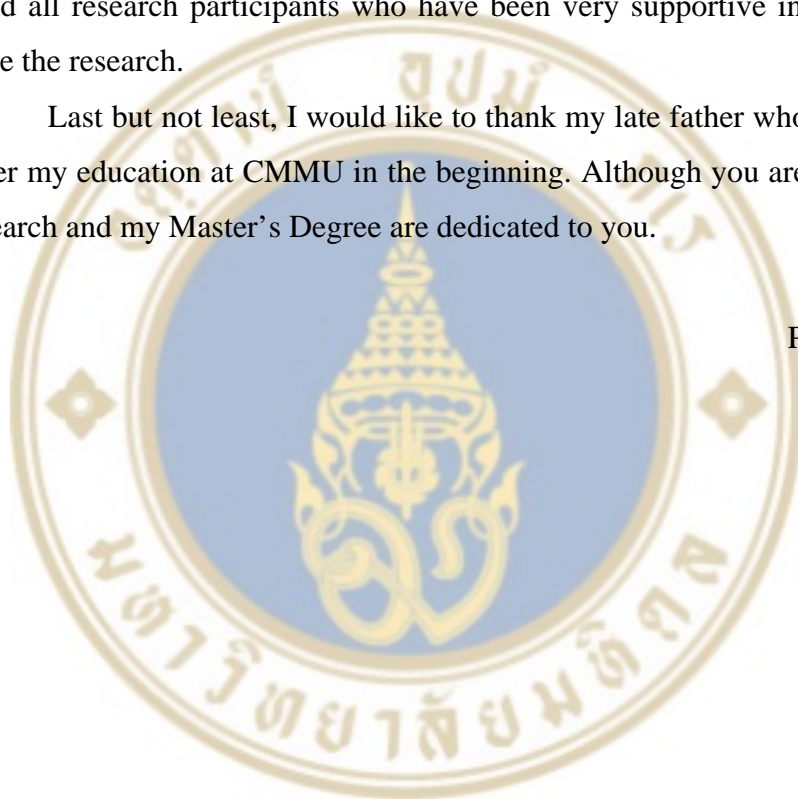
.....  
Asst. Prof. Nareerat Taechapiroontong,  
Ph.D.  
Committee member

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Prin Thongpussa



## **THE POTENTIAL MARKET FOR PANCAKES IN RETAIL STORES**

PRIN THONGPUSSA 5649310

M.M. (ENTREPRENEURSHIP MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASST. PROF. PARISA RUNGRUANG, Ph.D., ASST. PROF. PORNKASEM KANTAMARA, Ed.D., ASST. PROF. NAREERAT TAECHAPIROONTONG, Ph.D.

### **ABSTRACT**

The purpose of this research is to identify the potential market for pancakes in retail stores in Thailand and its key success factors. The past research only focused on the sale of pancakes in the restaurants and/or dessert parlors. Thus, this study mainly gathers primary data using both quantitative and qualitative approaches. The quantitative and qualitative data research obtained relevant data from 252 and 16 respondents respectively by means of questionnaires and focus group interviews. Lastly, the researcher analyzed data using content analysis technique.

In terms of marketing 4Ps, the study has found that the product should have two flavors: original and chocolate. The place or distribution channel is modern trade retail stores with Tops and 7-Eleven being the two most-visited retail chains. The packaged pancake should be priced at 35-40 Baht per unit; and interestingly, promotions are of no significance to the target consumers at all.

In terms of motivations to buy, the study has revealed that the three most important factors that motivate consumers to buy the product rank from “Product Quality”, “Price”, and “Brand”, respectively. “Promotion”, in this regard, has the least importance for potential consumers, and thus should be minimized.

This study has identified and explained all the key factors influencing consumer behavior when buying pancakes or snacks in the market. Although promotions are not so important in this matter, building product and brand awareness is very essential in making people aware and buy the product off the shelf for trial during the introductory stage.

**KEY WORDS:** Pancakes / Modern Trade / Retail Stores / 4Ps

33 pages

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## **CHAPTER I**

### **INTRODUCTION**

Food and beverages is a very huge market in Thailand. A large number of food and beverage producers and manufacturers sell their products through retail stores in both traditional trade and modern trade. Modern trade retailers include Tesco Lotus, Big C, Tops, Villa Markets, Foodland, 7-Eleven, and FamilyMart. Traditional trade retailers are mom and pop's shops and small family-run shops. In 2014 grocery products particularly food and beverages continued to record higher value sales than other consumer products (Retailing in Thailand, 2015). Therefore, there is a great potential for success in this industry, although competing in this business requires special knowledge and understanding of the market and consumer behavior. Currently, ready-to-eat pancakes are only available in restaurants and dessert parlors in Thailand. No pancakes are available in chain retailers yet. This project is considered launching a new product in a new market, so a thorough study and analysis of the product development is very crucial. The problem of this study is the limited secondary data relevant to the topic as all information about pancakes only focuses on restaurants and storefronts and not on the retail channel. The pancakes in question are ready-to-eat pancakes, and not pancake mix.

The research objectives are to identify a potential market for pancakes in retail stores and its key success factors. The scope of the research will cover food and beverage products in retail business. A retail store or retailer is defined as a place that sells goods to individual consumers, usually in small quantities (Random House Dictionary, 2015). Retailers usually consist of hypermarkets, supermarkets and convenience stores. A hypermarket is typically a huge store combining a supermarket and a department store in one place. This type of retailer carries a wide range of products under one roof including complete grocery lines and general merchandise (Wikipedia, 2016). Examples of hypermarkets in Thailand are Tesco Lotus and Big C. A supermarket is a large form of grocery store offering a wide range of food and household products that are placed



into aisles. A supermarket is larger than a traditional grocery store but is smaller and has limited range of products when compared to a hypermarket. Supermarkets usually carry meat, fresh produce, dairy and bakery products (Wikipedia, 2016). Examples of supermarkets in Thailand are Tops, The Mall, Foodland, Villa Markets, MaxValu, etc. lastly, a convenience store is a small store that carries a range of products of daily use and consumption. These products typically include groceries, snacks, toiletries, soft drinks, alcohol and tobacco, newspaper and magazines, etc. (Wikipedia, 2016). Examples of convenience stores in Thailand are 7-Eleven, FamilyMart, Lawson, Jiffy, etc.

Considering the popularity and awareness of the brand is important, the pancakes will be made by Pancake Café using a brand Pancake Café and logo, a famous pancake and dessert restaurant chain in Bangkok. Currently the chain has 7 stores in leading department stores and community malls located in Greater Bangkok, for example, Centralworld, Siam Square, Siam Paragon, The Walk, etc.

This research will cover in details literature review, research methodology, findings and discussion, and recommendations/conclusions at the end. Upon completion of this research it will clearly identify the potential market for pancakes in retail stores and its key success factors for the business.

## **CHAPTER II**

### **LITERATURE REVIEW**

The pancakes in question will be made by Pancake Café, a famous pancake and dessert restaurant chain in Bangkok. Currently the chain has 7 stores in leading department stores and community malls located in Greater Bangkok, for example, Centralworld, Siam Square, Siam Paragon, The Walk, etc. The plan is to launch packaged pancakes in modern trade channel under the brand name of Pancake Café which is already well aware by a large target group of customers. Therefore, it is essential to conduct an applied research to identify a potential market for pancakes in retail stores and its key success factors. In this literature review, it will outline the potential issues/problems, past research and detailed descriptions of the topic that can answer the research questions. The thematic paper report will discuss in greater details of the topic.

The focus of the research will be on commercial field which includes sales and marketing. The context of the research will be emphasized on business-to-consumers as this is a consumer product, however some aspects of business-to-business will also be discussed because the company will also be dealing with chain retailers for product distribution. For the time being, the geographic area to be studied will be Thailand with a focus on Bangkok and major cities such as Pattaya, Samui, Phuket and Chiang Mai where tourists are.

The research questions are as follows:

1. Is there a potential market for pancakes in retail stores?
2. What are the key success factors for pancake business?

The objectives of this research are to identify a potential market for pancakes in retail stores and its key success factors, and the distribution channel will be in modern trade retailers.

The modern trade channel or retailers can be classified into three main groups which consist of hypermarkets, supermarkets and convenience stores.

## **2.1 Hypermarkets**

A hypermarket is typically a huge store combining a supermarket and a department store in one place. This type of retailer carries a wide range of products under one roof including complete grocery lines and general merchandise. With the big-sized stores, hypermarkets focus on high volume and low margin sales (Wikipedia, 2016). Examples of hypermarkets in Thailand are Tesco Lotus and Big C.

## **2.2 Supermarkets**

A supermarket is a large form of grocery store offering a wide range of food and household products that are placed into aisles. A supermarket is larger than a traditional grocery store but is smaller and has limited range of products when compared to a hypermarket. Supermarkets usually carry meat, fresh produce, dairy and bakery products. They also offer household products such as kitchenware, pharmacy products and pet supplies (Wikipedia, 2016). Examples of supermarkets in Thailand are Tops, The Mall, Foodland, Villa Markets, MaxValu, etc.

## **2.3 Convenience Stores**

A convenience store is a small store that carries a range of products of daily use and consumption. These products typically include groceries, snacks, toiletries, soft drinks, alcohol and tobacco, newspaper and magazines, etc. These convenience stores are often conveniently located in the neighborhood, office areas, or gas stations. People shop at convenience stores out of their convenience (Wikipedia, 2016). Examples of convenience stores in Thailand are 7-Eleven, FamilyMart, Lawson, Jiffy, etc.

## **2.4 Potential Issues:**

According to the researcher's general knowledge and experience in the field, there are a number of potential issues that may arise out of starting the pancake business. These issues are listed as follows.

1. First mover of pancakes in the retail stores (there can be both pros and cons of this)
2. Limited shelf life
3. High bargaining power of big retail chains
4. Threats from established competitors in the market
5. Cost of production (using high quality ingredients compared to competitors products with lower quality i.e. Dorayaki in 7-Eleven, Jiffy and MaxValu)

These potential issues are likely to occur when entering food industry, or specifically dessert business, in modern trade channel. The research questions mentioned earlier are aimed to provide answers and solutions to these problems at the onset.

Two previous studies on the pancake business have been conducted by two different authors (Inlueamsai, 2015; Songsripipat, 2014). The first one is Flapjacks Homemade Pancake Project (Inlueamsai, 2015) and the second one is Pancake Décor Business Plan (Songsripipat, 2014), but these two studies only refer to pancakes selling in restaurants and cafés in Thailand and not focus on modern trade channel or retail stores in Thailand. However, there is one past relevant research that suggests different approaches of new product development (NPD) process in Thailand's food and beverage industry. This study suggests new ways of developing a new product with a perception that customers have become increasingly demanding with higher expectations. Thus, developing a product that fails to satisfy or create their needs will become a flop in the market (Tocharoen, 2014). As a result, searching for the past research might expand into broader topic areas such as food & beverages industry and retail business, etc.

According to Inlueamsai (2015), not much research has been recently conducted on the pancake business during 2014 to 2015. Also, having searched so far, there is no research about pancakes selling in retail stores. Most of the existing studies found are focused on the sale of pancakes in restaurants or storefronts (Inlueamsai, 2015; Songsripipat, 2014). A substitute product for pancakes that is already available in retail stores include dorayaki which is currently selling at 7-Eleven, Jiffy and MaxValu by two suppliers. In the research paper, it is essential to link the pancake sale to the retail business. Therefore, there is still a large gap of research to be conducted on the topic.



## 2.5 Marketing Research

When examining the feasibility of the pancake business in retail stores, the core concept of 4Ps and other marketing aspects will also be important. This is when the marketing research will come in useful. Marketing research should include consumer behavior, target groups, motivations and reasons to buy, consumer insights and sensitivity to prices as well as the nature of retail industry. These are broader topics that should be able to obtain information more easily from general sources of information. Such information can be obtained through either qualitative or quantitative research, or both. The research methodology may include questionnaires, focus groups, interviews and observations which will be chosen later on in the process.

## 2.6 4Ps

When considering launching a new product, it is necessary to analyze the marketing 4Ps for the project. Firstly, product, it is already known that the product to be launched is the ready-to-eat pancakes under the well-known Pancake Café brand. Secondly, the place or channel of distribution will be chain retail stores in the modern trade channel i.e. Tops, Villa markets, Foodland, Gourmet Markets, Lawson 108, Family Mart, etc. For price and promotion, the researcher has conducted survey questionnaires and focus groups to determine the most suitable price and promotions for the product. Results and findings will be discussed later in the paper.

## 2.7 Consumer Behavior

In terms of consumer behavior in the hypermarket which is one type of retailers, the top five factors influencing consumer behavior to shop at Tesco Lotus include location convenience, economical purchases, product variety, dependable quality, and securing exact fulfillment of specifications, respectively (Wannapong, 2014). However, the factors influencing consumer behavior in supermarkets and convenience stores may vary due to demographical and geographical factors. According to the focus group interviews conducted (November 2015), it is found that the majority of “Segment A” regularly shop at supermarkets rather than convenience stores. Furthermore, a number

of Segment A people specifically say they shop at Tops which is one of the premium supermarkets. Majority of “Segment B” say they regularly shop at convenience stores, 7-Eleven in particular, rather than supermarkets. This will be discussed in greater details in the findings chapter.

Apart from consumer behavior, in-store visual merchandising also plays a very significant role in attracting customers and motivating them while shopping in the stores. The study has proven that there is a relationship between customers buying decision and visual merchandising techniques, in-store communication, shelf decorations and on-shelf promotions (Benjamapornkul, 2014). This is why every retail chain has a category management team to conduct category management analysis to develop techniques to induce their customers to spend longer time and buy more of their products. Likewise, in order for the pancakes to be selling successfully in these retail stores, visual merchandising techniques and point-of-sales promotions should be done properly to grab customers attention to see and buy the product.

In addition, different manufacturers or suppliers pay different rates of margin to retailers depending on their market share and product/brand awareness. Therefore, in order to be competitive in the market, primary research on the rates of margin paid by competitors is also a very good indicator to be studied. In general, major brands usually pay less margin to retailers because their brands can sell by themselves and that retailers usually request higher margins from suppliers whose products are new to the market or considered selling slower than those of competitors. Consequently, it is useful to study the margin payouts and benchmark with other suppliers with a comparable scale, otherwise the company might be operating at a lower competitiveness or even at loss in the market. Therefore, in this thematic paper report, the focus will be on both consumer behavior and commercial perspective.

Further in the research paper, as mentioned earlier, all factors contributing to the selling opportunities and key success factors for pancake business in retail stores will be examined in greater details to determine the feasibility of this business. This research is considered a new topic and has a large gap to be studied. The food and beverage industry is a very huge industry with massive sales value. Competing in this industry requires special knowledge and excellent understanding of the business. Therefore,

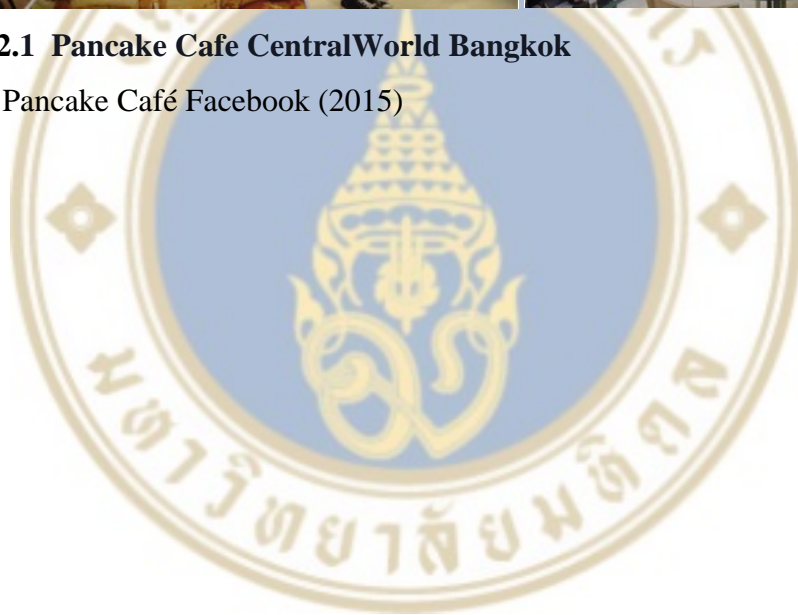


a thorough study of the topic is very crucial in examining whether the project will be successful or failure in the market.



**Figure 2.1 Pancake Cafe CentralWorld Bangkok**

Source: Pancake Café Facebook (2015)



## **CHAPTER III**

### **RESEARCH METHODOLOGY**

In this chapter, the research methodology that will be used to collect data for the pancake business will be described in details. This will include research design, population and sampling, data collection and data analysis. Since there is not much research on the pancake business that has previously been conducted (Inlueamsai, 2015; Songsripiat, 2014), the scope of data collection will be for primary data. The secondary data will only be reviewed for pancake business in general, whereas primary research will specifically focus on the feasibility of pancake business in retail stores according to the research topic.

#### **3.1 Research Design**

The current study employed both quantitative and qualitative approaches which included questionnaires and focus group interviews that were used to gather in-depth and insightful information from respondents. Quantitative research focused mainly on obtaining complete statistical analysis or other means of quantification. With quantitative method, each of the respondents was asked to respond to the same questions. For example, surveys and questionnaires are the most popular technique to collect quantitative data. Furthermore, as online survey tools are becoming more available and easier to use, more researchers are opting to use online surveys to collect quantitative data (Mersdorf, 2009).

On the other hand, qualitative research provides the answers to how and why. This research method is suitable when there are no fixed questions and the researchers want to explore on the discussion topics. These discussions will be determined by respondents' opinions and feelings of the topic (Mersdorf, 2009). Qualitative research questions are usually open-ended and encourage participants to talk and elaborate more on their answers. This is commonly done with focus groups of 6-8 people, and each of

the respondents may be asked with different questions based on their answers. This way researchers will be able to obtain in-depth information from respondents.

### **3.2 Population and Sampling**

The respondents were drawn from regular pancake or dessert consumers and retail shoppers who were likely to be the target consumers. The participants for each group were drawn from different backgrounds on education, income, age and social groups, but all groups were asked the same set of questions. Also, the researcher employed purposive sampling method when recruiting participants for the focus groups. Each of the participants was observed if they were target customers by buying snacks or desserts from the retail stores, then the research team approached them to recruit for the focus groups. The sample size of the focus group interviews was 16.

In this study, the convenience sampling method was also used in quantitative research to collect primary data specific to the research topic with the sample size of 252. Convenience sampling (also known as non-probability sampling), which is one type of sampling methods, is a technique where respondents are selected because of their convenient accessibility and proximity to the researcher. In other words, the participants are selected based on the researcher's convenience of finding and administering the respondents. This convenience sampling method has its drawback that it may not accurately represent the entire population. However, this approach was chosen because it was fast, inexpensive and easier to collect data than probability sampling (Explorable.com, 2009).

### **3.3 Data Collection**

For quantitative data collection, online survey questionnaires were used to obtain such data. The surveys were distributed to a variety group of respondents such as Pancake Café staff, potential pancake consumers and regular retail shoppers. The questionnaire questions consisted of general questions, specific questions, motivations to buy and demographic questions. The questionnaires were conducted in English and Thai versions using SurveyMonkey. The English questionnaire was completed by a

group of respondents who have been educated overseas or international institutions and have medium to high profile, which hereby will be referred to as “Segment A”. Thai questionnaire was completed by a group of low to medium profile respondents who have been educated in the country and have lower income range, which hereby will be referred to as “Segment B”. The purpose of separating these two groups was to identify the most suitable segmentation of the potential customers for pancakes in retail stores.

For qualitative data collection, focus group interviews were used to obtain more in-depth information from respondents in addition to the online survey questionnaires. A focus group interview is a data collection method, which is collected through a semi-structured group interview process. The focus groups are administered by a group leader and are used to obtain data on a specific purpose. Generally, focus groups are used to explore new research ideas, explore a complex or sensitive topic, or when the time of data collection is limited (Cohen & Crabtree, 2006). In this research, some of the questions for the focus groups were as follows:

1. How much should the pancake be priced?
2. What is the appropriate serving size?
3. What is the channel of distribution?
4. Who will be the direct/indirect competitors?
5. What are suitable promotions and advertising for the pancakes?
6. What are motivations to buy?

Although they seemed to be close-ended questions, the moderator had probed and asked respondents to give an explanation why they answered that way. Also, free product samples were given to respondents to taste the real product, so they were able to provide more information on the product attributes.

### **3.4 Data Analysis**

Data analysis is the process of evaluating data using analytical and logical thinking to examine the data obtained. Data received from various sources is gathered and analyzed to form significant findings or conclusions. With proper data analysis, it



allows researchers to obtain the right information or managers to make the right decisions ([www.businessdirectory.com](http://www.businessdirectory.com)).

For this study, the quantitative data obtained from questionnaires was analyzed using descriptive statistics, i.e. percentage, whereas the qualitative data from focus groups was analyzed using content analysis in order to provide a useful information for top management whether or not to proceed with the new product development project.



## CHAPTER IV

### FINDINGS AND DISCUSSION

The researcher has conducted both quantitative and qualitative data research in order to obtain insightful and in-depth analysis of the data. As anticipated, the results between both segments vary to some extent. Firstly, it will give a clearer picture of the study by discussing and comparing responses between both segments starting from A to B:

#### 4.1 Consumer Social Groups

These questions ask respondents about their backgrounds on education, income, age and social groups to identify the potential target consumers for the new product. The only most significant difference is the income range between the two groups of respondents.

##### 1. Segment A demographics

Please specify your gender (A)

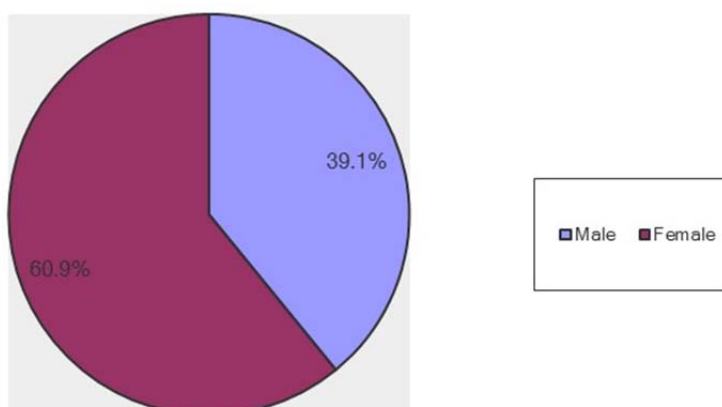
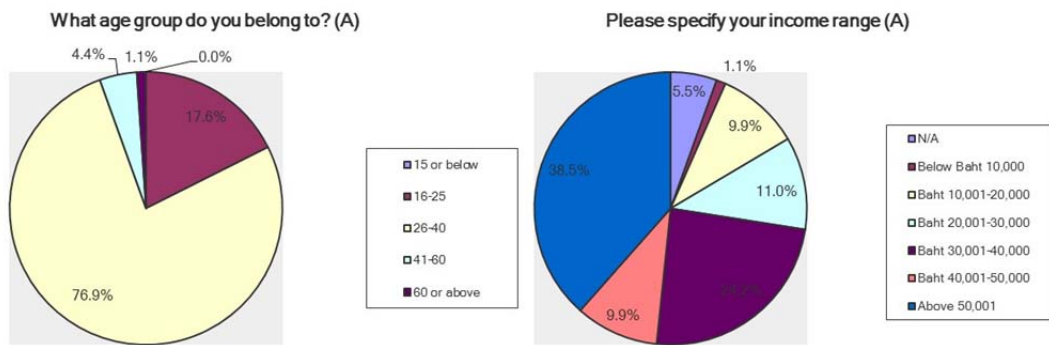


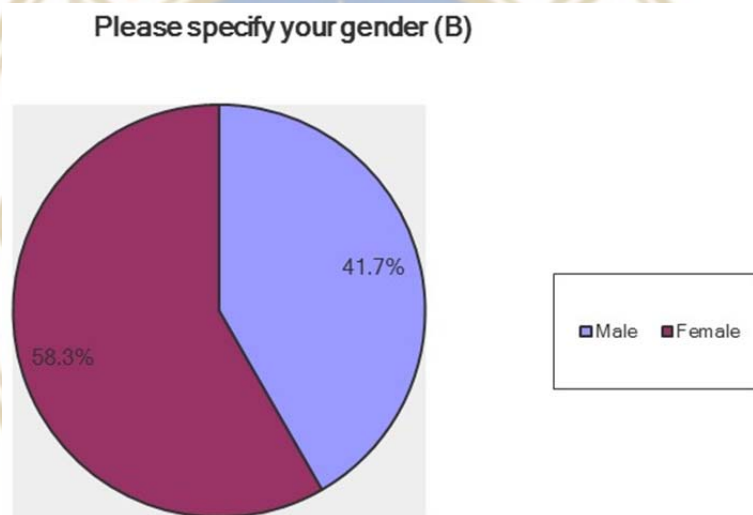
Figure 4.1 Gender Segment A



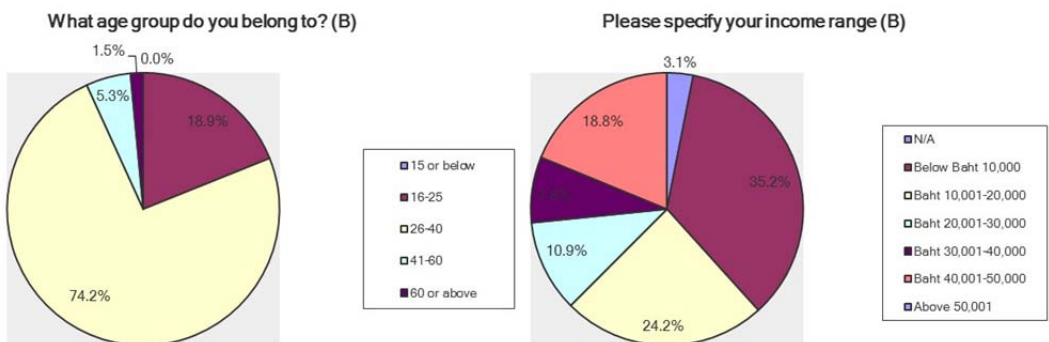


**Figure 4.2 Demographics Segment A**

2. Segment B demographics



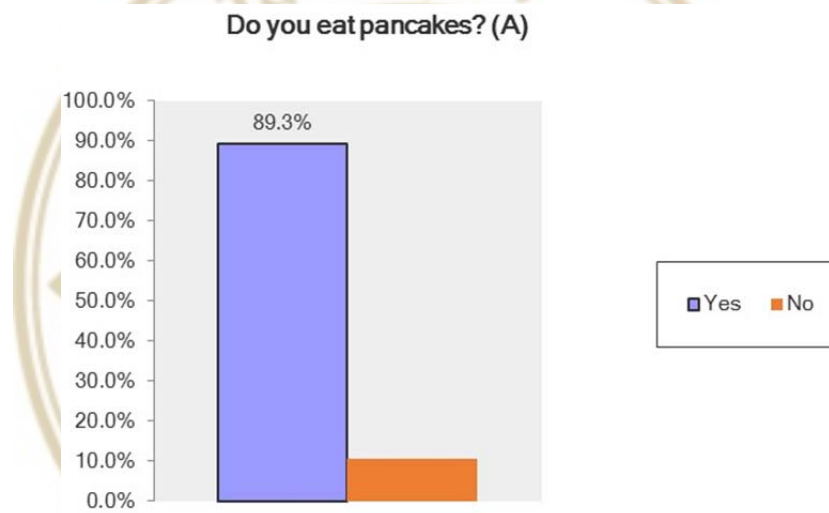
**Figure 4.3 Gender Segment B**



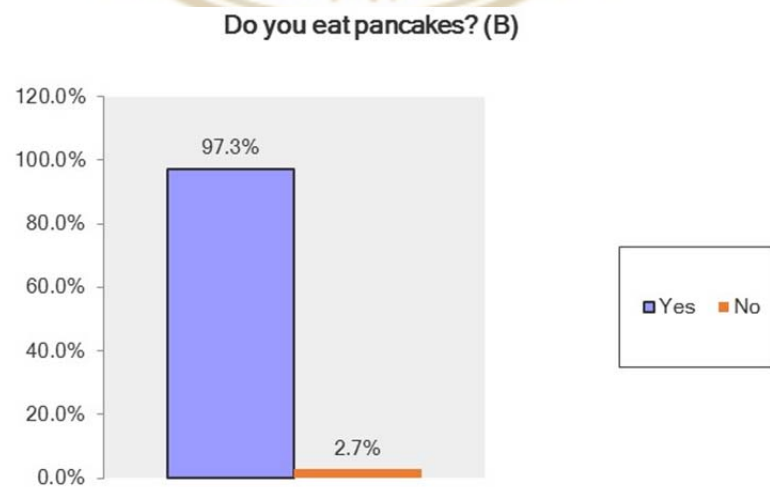
**Figure 4.4 Demographics Segment B**

According to the demographics data, it is shown that the only key difference is that the majority of Segment A has more than Baht 50,000 monthly income (38 percent), while the majority of Segment B has Baht 10,001 to 20,000 monthly income (35 percent). However, it is believed that Segment B is representative of the mass market segment in Thailand. Therefore, if the product is to be launched in mass distribution, the purchasing power of Segment B should be taken into consideration.

## 4.2 Consumer Experience



**Figure 4.5 Percentage of pancake eaters VS non-eaters (Segment A)**

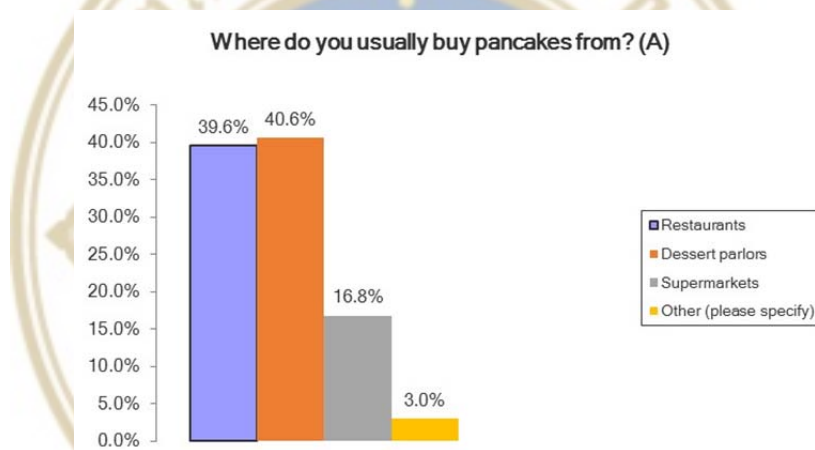


**Figure 4.6 Percentage of pancake eaters VS non-eaters (Segment B)**

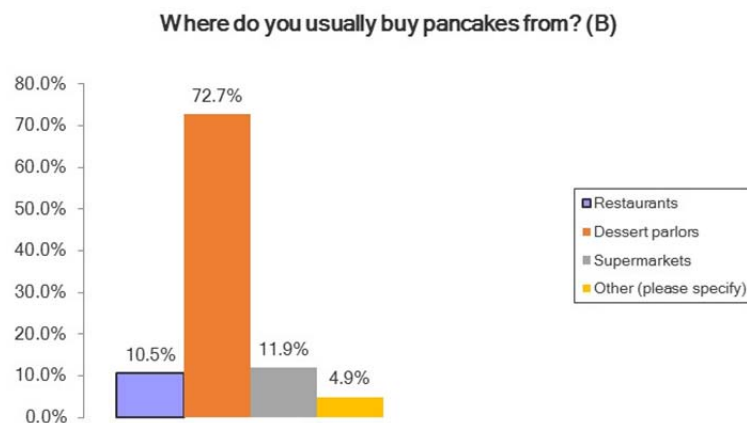
The results of this question are very similar and in unison for both segments. Respondents who eat pancakes clearly outnumber non-eaters by about 89 percent for Segment A and 97 percent for Segment B. Therefore, the vast majority of these questionnaire respondents are qualified to continue with the questionnaires.

### 4.3 Consumer Behaviors and Preferences

There are four questions in this section which ask for general information from respondents in terms of consumer behaviors and preferences toward pancakes. Of these four questions, two of which have significantly different results.

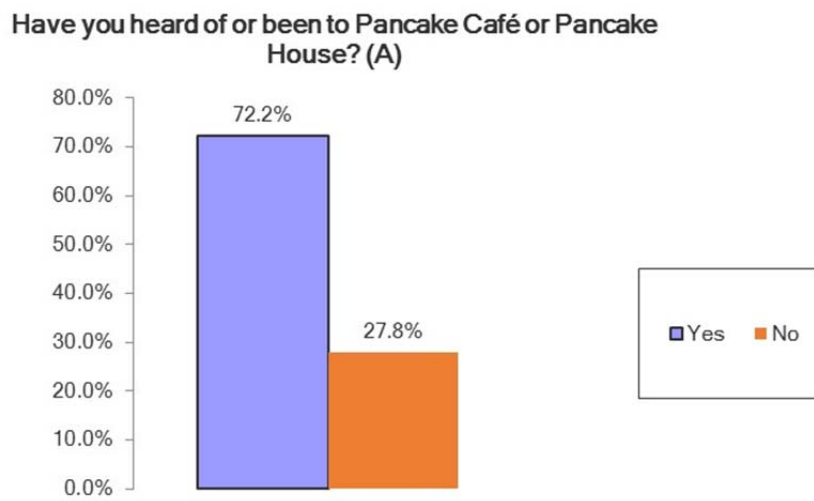


**Figure 4.7 Places Segment A buys pancakes from**

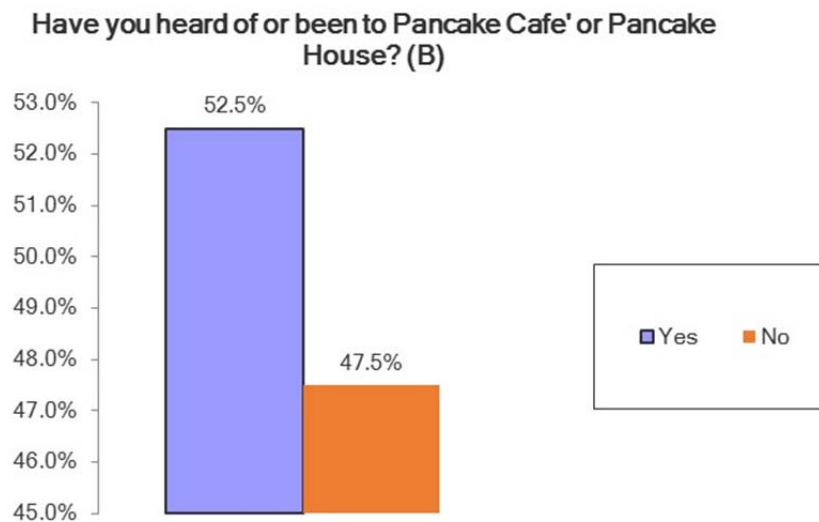


**Figure 4.8 Places Segment B buys pancakes from**

For Segment A, about 80 percent of respondents answered “restaurants” and “dessert parlors”, whereas over 70 percent of Segment B answered “dessert parlors” and only about 10 percent for “restaurants”. This can be inferred that the vast majority of Segment B think of dessert parlors as a destination for purchasing or consuming pancakes, while Segment A equally sees both restaurants and dessert parlors as their pancake destination.



**Figure 4.9 Pancake Café brand awareness (Segment A)**



**Figure 4.10 Pancake Café brand awareness (Segment B)**

According to the results, Segment A is aware of the brand Pancake Café or Pancake house at 72 percent while Segment B is aware at only 52 percent. Thus, it is obvious that Segment A is better aware of the brand because the dessert chain has a high pricing strategy, although it has recently opened more shops in lower segment areas.

#### 4.4 Willingness to Buy

There are three questions in this section which specifically ask respondents whether they would buy the product if it was available in the market today. One of the key findings is the different level of willingness to buy between the two segments.

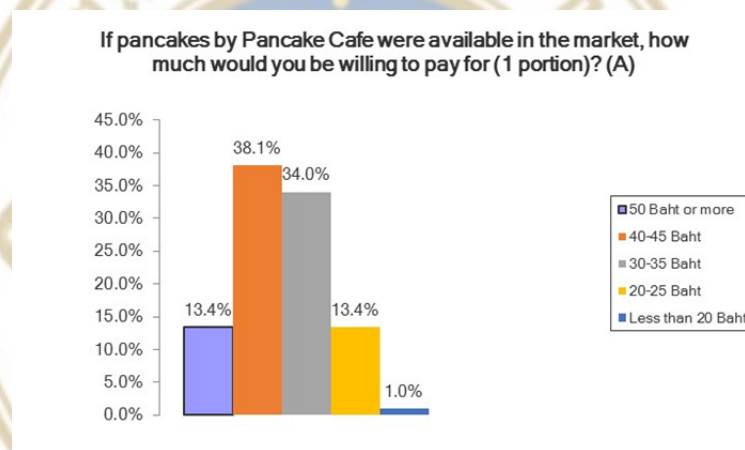


Figure 4.11 The likelihood that people would buy pancakes if available (Segment A)

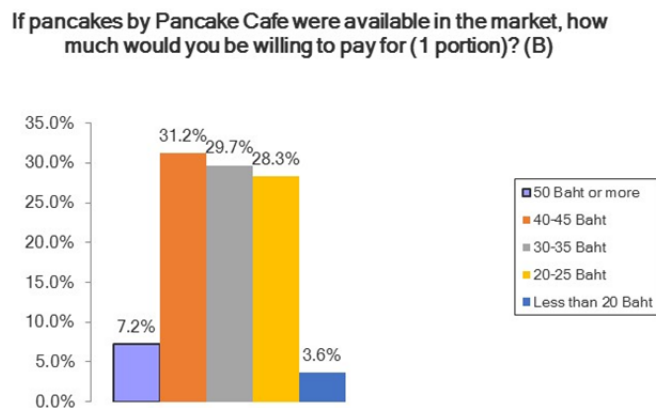
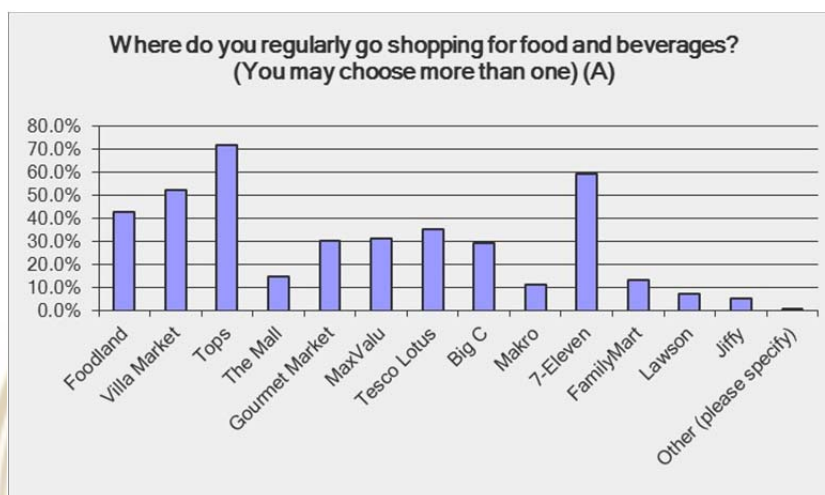
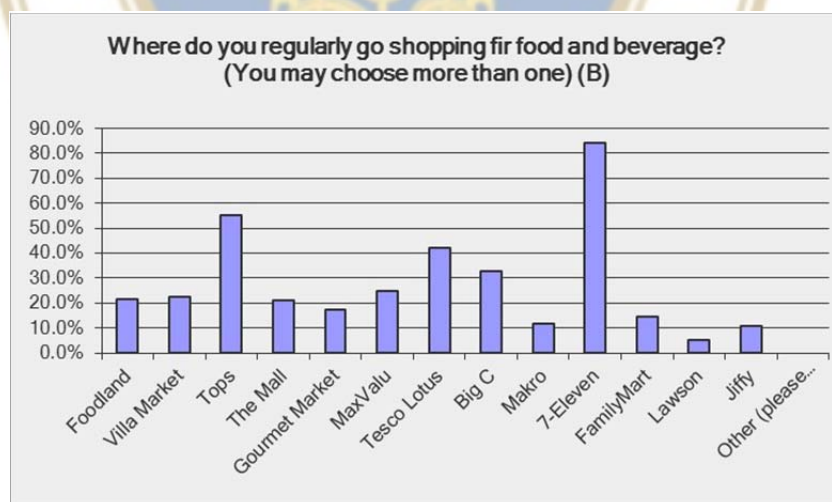


Figure 4.12 The likelihood that people would buy pancakes if available (Segment B)

Surprisingly, Segment B answered “Probably” more than “Maybe” at about 44 percent and 28 percent respectively, whereas Segment A answered “Probably” at a lower rate of 28 percent. This is considered a positive sign for the project because Segment B is representative of the mass market segment in Thailand. Since the product will be available in mass distribution, it is better that Segment B is more willing to buy it.



**Figure 4.13 Place or distribution channel (Segment A)**



**Figure 4.14 Place or distribution channel (Segment B)**

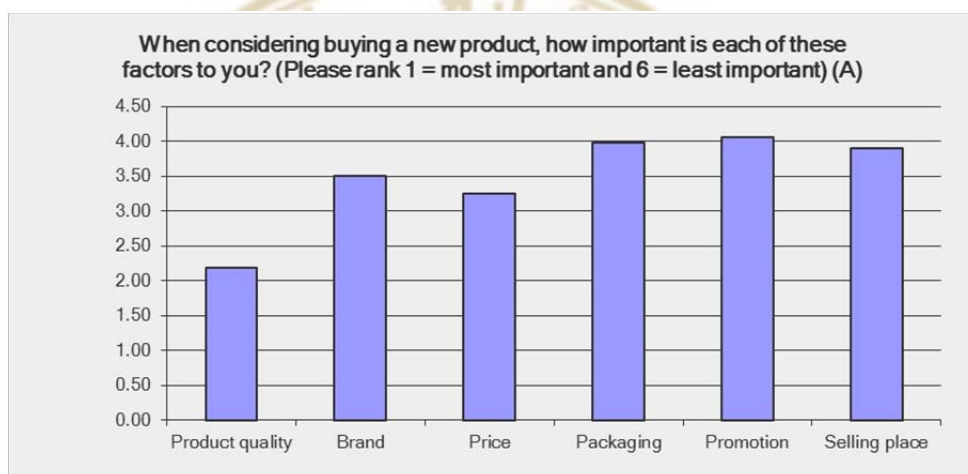
According to the results, the number one place of grocery shopping for Segment A is Tops at 72 percent followed by 7-Eleven at 59 percent, and the number one place of grocery shopping for Segment B is 7-Eleven at 84 percent followed by



Tops at 55 percent. Therefore, it can be inferred that the place or channel of distribution will be in modern trade retailers but the focus should be on Tops and 7-Eleven which are the most visited retailers.

#### 4.5 Motivations to Buy

This question aims to determine the significant factors that motivate consumers to buy the product. The ranking scale is used to analyze the results.



**Figure 4.15 Factors influencing consumers buying behavior (Segment A)**



**Figure 4.16 Factors influencing consumers buying behavior (Segment B)**

The results from both segments show that the three most important factors that motivate consumers to buy the product rank from “Product Quality”, “Price”, and “Brand”, respectively. Therefore, when developing and marketing the product, the emphasis should be placed on these top three factors and less on others. “Promotion”, in this regard, has the least importance for potential consumers, and thus should be minimized in order to avoid unnecessary spending.

## 4.6 Interviews Question

### 4.6.1 Focus Group Interviews: Findings

In addition to the online questionnaires, the researcher has further conducted qualitative data research using focus group interviews to obtain more insightful, open-ended information. Three focus groups have been conducted with three different target groups consisting of high profile, medium profile and low profile shoppers totaling 16 respondents, which hereby will be referred to as Group 1, Group 2 and Group 3, respectively. However, there are similarities and differences among these three groups.

In order to analyze and interpret the results of focus groups, content analysis technique will be used to gather common and repeated answers from many respondents.

**Question 1:** When was the last time you bought or ate pancakes?

Group 1: Once a month and many respondents said they were not quite impressed with pancake shops in Thailand.

Group 2: Once in 2 months

Group 3: Once a month

**Question 2:** Do you see pancakes as a breakfast item or snack?

Groups 1, 2 and 3: Every respondent in every group answered “snack” when they think of pancakes.

**Question 3:** What do you think are the substitute products for pancakes?

Group 1: Waffles and crepes

Group 2: Dorayaki, sandwiches and cakes

Group 3: Pie and bread

**Question 4:** Are sales promotions important to you?

Group 1: Most respondents said promotions are important during the introductory stage of the product.

Group 2: Most said no.

Group 3: Most respondents said sales promotions are not important. Social media and online product reviews are more appealing.

**Question 5:** What would you be looking for from pancakes if you were going to buy one?

Group 1: Product awareness through sampling booths or other point-of-sales activities to induce trials.

Group 2: Taste and packaging

Group 3: Packaging, ingredient and freshness

**Question 6:** Where would you want to buy pancakes if they were available today?

Group 1: Tops, Foodland, Villa Markets, and 7-Eleven

Group 2: 7-Eleven and other convenience stores

Group 3: 7-Eleven, Lotus Express, FamilyMart, and Tops

**Question 7:** If pancakes by Pancake Café were available today in supermarkets and convenience stores, would you buy it?

Group 1: Most people said yes if only they had tried it first.

Group 2: Mostly said no.

Group 3: Mostly said yes.

#### **4.6.2 Focus Group Interviews: Discussion**

According to the focus group results, it is very interesting to see that Groups 1 and 3 are very similar in responses, whereas Group 2 responses differ significantly. Also, it is interesting to find that Group 1 (high profile) and Group 3 (low profile) have similar purchasing behaviors regardless of their income difference. Group 2 (medium profile), on the other hand, is more careful when considering buying something and is more concerned on saving.

Based on the results, it can be seen that when thinking of pancakes most people see it as a snack rather than breakfast. This is a positive answer because people

think that pancakes can be consumed anytime and many times in a day. In terms of sales promotions, the results suggest that promotions are not quite a significant factor motivating people to buy pancakes. So it is advised that sales promotions such as price reductions should not be done but rather focus on inducing consumers to try the products through sampling booths, social media and buy-2-get-1 free promotion. For distribution channel, the research suggests that the places to launch the product include Tops, Foodland, Villa Markets, 7-Eleven and other convenience stores, etc. Lastly, pricing, Groups 1 and 3 answered within the range of Baht 30-40, while Group 2 answered Baht 20-30. Therefore, it is recommended to set the pricing between 30-40 according to Groups 1 and 3 which represent a much larger segment than Group 2 alone. Below are some of the responses from selected respondents of the focus groups.

*“Promotions or price reductions are not important to me at all. If I were to buy it, I must be able to try it first”* – Male 35, entrepreneur, Group 1

*“For me, if I’m going to buy some new products, beautiful packaging helps a lot in convincing me that it will be good”* – Female 28, salesperson, Group 2

*“I go to 7-Eleven several times a day (4-8 times a day). Every time I go, I buy something even if I don’t know what to buy I top up my mobile phone credits!”* – Male 28, messenger, Group 3

## **CHAPTER V**

### **RECOMMENDATIONS AND LIMITATIONS OF THE STUDY**

#### **5.1 Practical Implications**

According to the findings from quantitative and qualitative data research, it enables the researcher to clearly identify the potential market for pancakes in retail stores including its key success factors. The research, which includes online questionnaires and focus groups, has also clearly identified the marketing 4Ps for the project. In terms of product, with results from multiple focus groups, it is concluded that only one product type can go into both Segments A and B, but it should have two flavors which are original flavor and chocolate flavor. In the initial stage, the questionnaires may have misled the information because the respondents did not get to taste the product. But when it came to focus groups where every respondent was given free samples to taste, the results came out differently that most people from different segments liked the same product. For place or channel of distribution, it is confirmed from the findings that the product will be launched in chain supermarkets and convenience stores namely Tops, Villa Markets, Fooland, MaxValu, Lawson and selected stores of 7-Eleven, Family Mart and Lotus Express. For pricing, the findings from both Segments have concluded that the product should be priced at Baht 30-40 per package. In terms of promotions, both quantitative and qualitative research has suggested that promotions are the least important to most respondents and thus should be minimized. However, product samples or trials at the point of sales is more likely to convince consumers to try and buy the product. In addition to the 4Ps, the top three factors that motivate potential consumers to buy the product include product quality, brand and price, respectively. Therefore, it is essential to place an emphasis on enhancing product quality and brand and setting an appropriate price in order for the new product to be successful in the retail market.

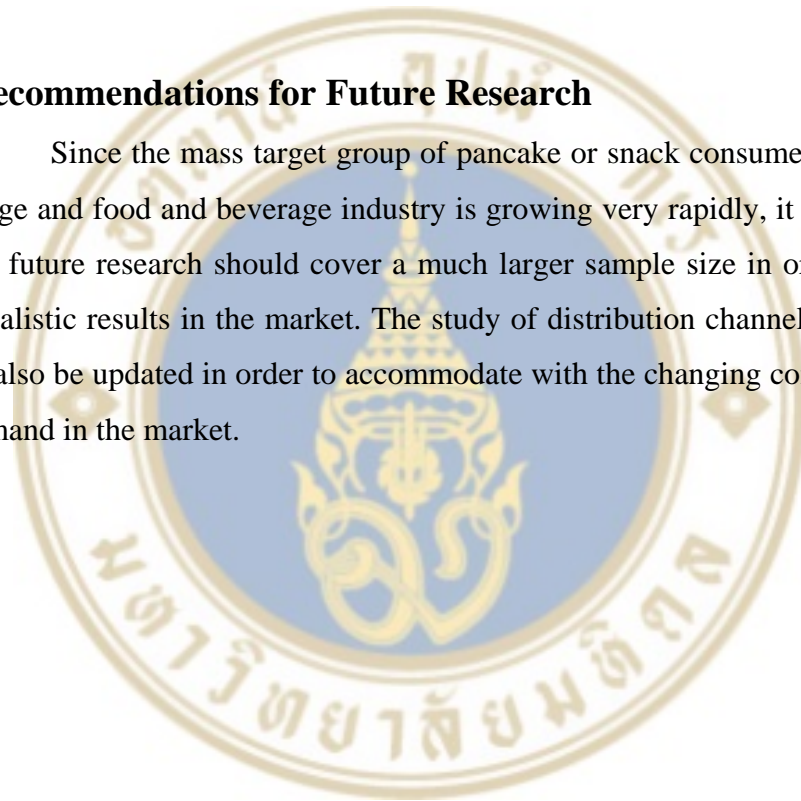


## **5.2 Limitations of the Study**

Although there were a sufficient number of respondents who completed the online questionnaires at 252 people, the sample size of focus groups was only 16 people (N=16) in total. The 16 participants were divided into three different groups according to their segments and demographical factors. However, it is believed that 16 participants cannot be representative of the mass target group of consumers who consume or buy snacks in the modern trade retail stores.

## **5.3 Recommendations for Future Research**

Since the mass target group of pancake or snack consumers in Thailand is very huge and food and beverage industry is growing very rapidly, it is recommended that the future research should cover a much larger sample size in order to represent more realistic results in the market. The study of distribution channel or selling place should also be updated in order to accommodate with the changing consumer behavior and demand in the market.





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## Appendix A: Questionnaire

### QUESTIONNAIRE – Pancake Café

This questionnaire is part of thematic paper report conducted by a College of Management Mahidol University student in his final term. This survey is for educational purposes and your information provided will be treated with strict confidentiality. The survey will take less than 10 minutes of your time. Your participation is highly appreciated. Thank you!

1. Do you eat pancakes?

- Yes
- No

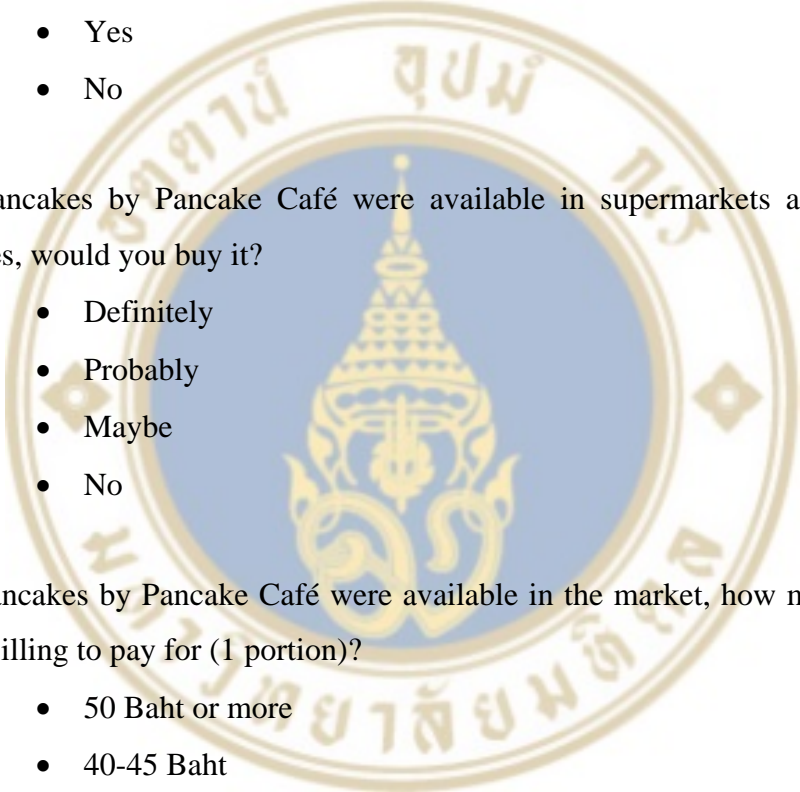
**If you answered “No” to Question 1, you may kindly skip this questionnaire. Thank you for your participation. ☺**

2. Where do you usually buy pancakes from?

- Restaurants
- Dessert parlors
- Supermarkets
- Other, please specify.....

3. How often do you eat pancakes?

- More than once a week
- Once a week
- Once a month
- Once in 6 months or less

4. What is your most favorite flavor of pancakes?
- Buttermilk (original flavor)
  - Chocolate
  - Banana
  - Strawberry
  - Other, please specify.....
5. Have you heard of or been to Pancake Café or Pancake House?
- Yes
  - No
6. If pancakes by Pancake Café were available in supermarkets and convenience stores, would you buy it?
- Definitely
  - Probably
  - Maybe
  - No
7. If pancakes by Pancake Café were available in the market, how much would you be willing to pay for (1 portion)?
- 50 Baht or more
  - 40-45 Baht
  - 30-35 Baht
  - 20-25 Baht
  - Less than 20 Baht
- 

8. Where do you regularly go shopping for food and beverages? (**You may choose more than one**)

- Foodland
- Villa Market
- Tops
- The Mall
- MaxValu
- Tesco Lotus
- Big C
- 7-Eleven
- FamilyMart
- Lawson
- Jiffy
- Other, please specify.....

9. When considering buying a new product, how important is each of these factors to you? (Please rank 1 = most important and 6 = least important)

- \_\_\_ Product quality
- \_\_\_ Brand
- \_\_\_ Price
- \_\_\_ Packaging
- \_\_\_ Promotion
- \_\_\_ Selling place

10. Please specify your gender

- Male
- Female



11. What age group do you belong to?

- 15 or below
- 16-25
- 26-40
- 41-60
- 60 or above

12. Please specify your income range

- N/A
- Baht 0-10,000
- Baht 10,001-20,000
- Baht 20,001-30,000
- Baht 30,001-40,000
- Baht 40,001-50,000
- Above Baht 50,001

13. Where do you live?

- Bangkok
- North
- Northeast
- South
- Central

**THANK YOU ☺**

## Focus Group Questions

In addition to the questionnaire survey, the researcher also conducts focus group interview sessions in order to collect qualitative data from participants. Most of the questions to be asked in the focus groups will be open-ended which allow the moderator to probe more on the questions and also allow participants to elaborate their answers in details. Questions to be asked in the focus groups are as follows:

1. When was the last time you bought or ate pancakes? Where?
2. Do you see pancakes as a breakfast item or snack? Why?
3. What do you think are the substitute products for pancakes?
4. Are sales promotions important to you? If so, what kind of promotions?  
i.e. price reductions, buy-2-get-1 free, etc.
5. What would you be looking for from pancakes if you were going to buy one?
6. Where would you want to buy pancakes if they were available today?  
Why?
7. If pancakes by Pancake Café were available today in supermarkets and convenience stores, would you buy it? If not, why?

Now the moderator will show the product samples to all participants and ask each of them how much they would buy it. Next, they will get to taste the product and will be asked how much they would buy it again. This is to find out whether the answer will be different after tasting. At this point, the moderator will initiate discussions with all focus group participants on product taste, packaging, price, motivations to buy, etc.

There will be four focus groups of 5-6 participants per each group. The participants for each group will be drawn from different backgrounds on education, income, age and social groups, but all groups will be asked the same set of questions. The focus group is expected to take approximately one hour per session.