

**PRODUCT AND PRICE STRATEGIES FOR ACNE WHITENING
REPOSITION TO BE A MASSTIGE PRODUCT
FOR COMPANY P, THAILAND**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
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Thematic paper
entitled
**PRODUCT AND PRICE STRATEGIES FOR ACNE WHITENING
REPOSITION TO BE A MASSTIGE PRODUCT
FOR COMPANY P, THAILAND**

was submitted to the College of Management, Mahidol University
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ABSTRACT

In this thematic paper was investigated significant attributes that effect on marketing product and price strategies of the new masstige product reposition. Based on the successful strategies in the masstige global skincare industry, from the study identify 4 components in marketing strategy types with difference characteristics (product attributes, price/packaging, the source of information and technological advances). With qualitative method, the focus group discussion perceived high values and the availability of differentiate alternatives, Furthermore, we found that the recommendations of awareness and trustworthy aspects into marketing strategies also depends on the new market segment in which the company target on after the analysis of the study and conclusion section in product development and pricing issues also include in this papers.

KEY WORDS: Product and price strategies, masstige product, skincare product
reposition

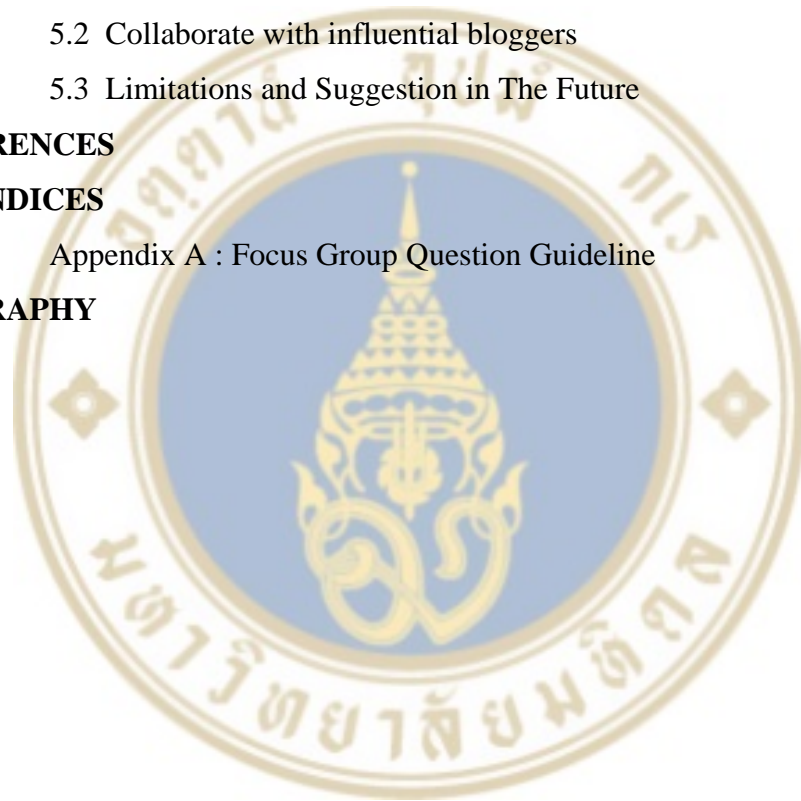
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CHAPTER I

INTRODUCTION

Nowadays, the middle and high income customer is increasing in Bangkok and suburban area in Thailand.

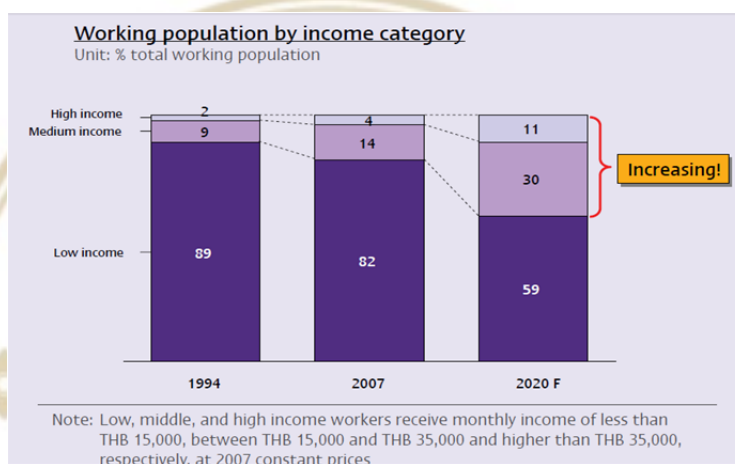


Figure 1.1 The middle-income percentage between 15,000-35,000 Baht is the highest growth rate compared to the year 1994, 2007 and forecasting in 2020

Source: SCB, EIC analysis

Customer trend of using masstige products which come from different factors such as income, family, friends, and workplace status, these factors lead to many global skincare brands such as Ponds (Unilever), ZA (Shiseido) and Olay (L'oreal) already developed successful masstige products to serve this target customer in South East Asia. Company P is the one of Thai company which has a long reputation in domestic mass skincare brands itself in P-RC group umbrella.

The company started from famous skincare service called RC Holistic clinic. This group continually launch skincare and cosmetic products under multi-sub unit brands (brand extension) in domestic. From the strength of acne product research and development. Company P launching acne whitening cream under P cosmetic brand for mass target market but sales revenue gradually decrease since they launched in 2008 until now, after that board committee policy suggest in product repositioning by continually developing the “masstige product” which is retailers call prestige skin care products focusing sell on drugstores and specialty stores at affordable prices. However, while masstige product is become more popular among woman, even if men skincare market. Consumers pay more on masstige product but their behaviour still highly sensitive to price which effect from economic downturn at the moment. This situation will be possibility difficult for expanding into the beauty market with many competitors tries to produce a variety of skincare product category and level, especially in mass skincare market. Market expansion depends on the state of the economy of consumers, good market penetration when the economic situation was good, but if economic felt the market was shrinkage. So the company tries to have product extension with the innovation and high efficacy to expand the market also. The combination in pricing factor model to create sale volumes by pricing decision based on target customers, competitors and value of products. Then the masstige product development and price strategies are critical for Thailand skincare market. Moreover, advertisement campaign by the involvement of innovative technology is more considerable in the competitive world. Gaining more brand awareness and recognition from the customers is the essential for a marketing strategy to influence the customer to buy a masstige product. People are influenced by a variety method of purchasing at the present. When the internet access is allowing the user to create their channel for sharing the experience. The marketer is turning the strategy to invest in users who have an amount of followers by sharing product review on blogger/ personal user is both of real experience and paid from the firm. Focus group interview the favorite blogger who impulses the skincare product buying.

There are many reasons of the customer on purchasing any skincare brands and products are also investigated in this paper as well. The following of successful story of masstige skincare brands and literature reviews attempt to demonstrate and support

this study. That's recommended in marketing mix strategy and use in the acne whitening product repositioning for achieve the sales revenue and compete with other competitors which this paper focus on product development enter into the new target with existing products, which company P already develop the product to meet specific needs and requirements of the new masstige target customers. In products and price aspects (Kotler and Keller, 2009)



CHAPTER II

LITERATURE REVIEW

Factors that impact masstige products in Thai customers as below;

2.1 Demographic, social and economic factor

2.1.1 Increasing of older population in the country

Increasing human in lifespans and shift of the population pyramid in older age because of the high medical science in treatment nowadays, result in the population structure rising in elderly too in many developing countries such as Thailand. Thailand is position in the third rank which very highly aging people in the world. (Anonymous, 2016)

From report data, the more elderly population in Thailand (>60years old) are increasing from 8 million to over than twelve million in the year 2007-2020. By 2020, the growing elderly with making the average age in Thailand between 40-49 years. Women lifespans more than men and there are numbers of women more than men about 1.5 million This group is more middle- income. They are a target in a massive consumption of beauty and skin care for rejuvenation therapy and anti- aging remedies.

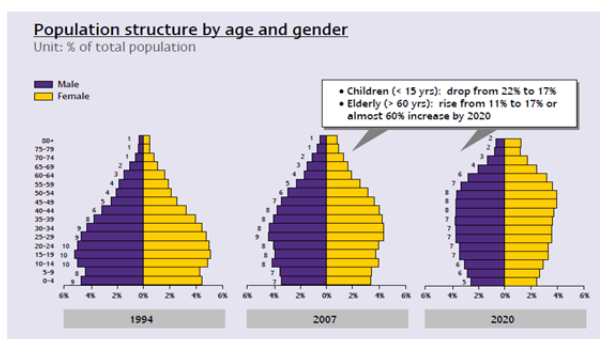


Figure 2.1 More elderly population in Thailand is rising from 11% to 17% compared to the year 1994, 2007 and almost 60% increase by 2020

Source: SCB EIC analysis

2.1.2 Increased upper-income target customers are focusing on masstige market.

Thailand is continuing development in social and economic society over 40 years. In a new generation, Thailand derives from a low-income country to an upper-income country. (World bank.org, 2016) Because of political and economic situation, Thailand's economy slightly expanded by only 0.9 percent in 2014 and is expected to a little bit increase in 2015-2017. But the middle class still growth because people are upgrading from the lower class society into the middle-class society which has the high purchasing power to choose the premium quality of masstige skin care products for increase their social status and to improve their look in reasonable price.

This focused segment is middle-aged and older women in Thailand who are age from 26 up to 55 years. This group prefer buying a positioned on "Masstige" brand. "Masstige" which means a mix of mass and prestige for increase their status value in reasonable price.

A "Masstige" brand is named as in the high perception of value position in the higher price that acceptable, up a level to the mass brand in the same category, but is less level compare to a premium or prestige brand which is lower in the price". Middle-class society behavior is much price oriented while they look for functionality and allow purchasing in extra values. (Lopacuiok, 2013)

2.2 Market Situation and Consumer Behavioral Factor

2.2.1 New product development for target market expansion

From the maturity stage of product life cycle on P acne cream which position as a mass product and sell in traditional trade more than 30 years, added with the market demand driven from outside-in that means the idea for sell this product comes from the company which attempts to solve customer on acne problems. This is more likely to succeed in the marketplace because the consumer demand already exists. However, because of product failures from major of demand risks, there was no research being conducted prior selling the products. The core product was designed according

to CEO's vision. The customers apparently do not prefer the combination between acne and whitening combination function.

More over the company lack of execution risk from unclear product position that make the customers were confused whether the product is for acne or whitening function. Lack of brand awareness because the marketing activities are not enough to get customer attention and educate the customer about product details and differentiation.

Then reposition of this product by comparing with existing products in term of competitors to be product newness. The differentiation creates by inserting an additional function that can solve other problems more than acne treatment. The idea of product improvement comes from existing product to generate more revenue from the existing customers, and make it easier to get to new segment of customer for being a masstige product and sell in modern trade or specialty stores instead. (Crawford and Benedetto, 2011)

2.2.2 Technological Factor result in Quality Product

Technological advances in skincare cosmetic and induce many consumers increase purchasing in pharmaceutical brands which are masstige brands (mostly named as cosmeceutical products) s such as the giant skincare global brand : Vichy, La Roche-Posay, and Eucerin, All of these have cosmeceutical (functional/medical) look, and are sold in pharmacies where pharmacists can provide dermatological advice. Masstige (combination in mass and prestige words mixing) products offer the high quality similar to the premium product but less expensive. Most masstige products are high quality items that offer an excellent consumer experience, but nowadays there are several modern techniques related to mass production, storage, and distribution logistics to make the prices of these products lower down but often still as luxury items in customer perception. Women consumer with middle-income segment prefer high quality of the product they can afford in the lower economic state, then for minimizing cost and maximize benefits makes retailers and manufacturer concern about price. They mostly use a high value of packaging and quality information for an affordable premium of experience that deliver to customer expectation . So containers need to be exclusive and precious. Materials of choice for masstige products seem to be glass and wood or wood derivatives, though weighty acrylics are often used for increasing product values.

2.2.3 Skincare market continually growth

The demand for skincare and cosmetics continual growth, mainly from the emerging markets of Asia and Latin America, creation of new products are created by create new spending patterns and perhaps even establish new beauty trend and knowhow. Even though the economic downturn but people still want to use skincare and for their good looking. The succession in this market was indicating by mass skincare cosmetic products sale revenues can forecast the sales all over the market, and the sales direction of premium skincare cosmetics will support the masstige brand also. From research information was found that 80% Asian customer at preferred at whitening skincare cosmetic products more than another product line. (Lopacuiok, 2013)

2.2.4 Successful of Masstige Brands in Asia

The expanding of masstige skin care market in Asian countries especially in China is very huge. The economic growth result in rapidly increase market shares in a skincare differentiate brand named 'Aupres' and 'Urara' brands under Shiseido group. By the key differentiation is "a global skincare brands that representing Asian mystique from Japanese sources". After the succession of prestige brand Shiseido still penetrating into masstige market. The middle-income segment is the major target in China with high growth potential target that the company focused on, which is indicated as a large increasing number in Asian markets.

More over other masstige brands in Asia which Shiseido is expanding the market to middle-income customers. On creation new brand name such as developed 'Za' brand which exclusively distribution for Asian market coverage and 'Majolica Majorca' Japanese cosmetic brand create brand awareness under Shiseido in the source of origin from Japan which now are well-known brand in Thailand country. The current sales contribution in Thailand of the 'Shiseido' brand is 75% of the company's total Thai revenue. Shiseido is outstanding concept, which are eastern aesthetics and western science combination provides. The main point that Shiseido has built a strong brand based on creating and innovative products by blending unique concept of Asian origins and with western arts together. (Leelapanyalert et al., 2015) Moreover Shiseido always based on clinically tested formulae, Shiseido declared after a long time of research period to introduce innovative products. The last one the company have

products customization into different markets by constantly market trends analysis. (Roll, 2005)

L'Oreal is one of the most famous and top sale company in beauty which present in worldwide. Their products have been developed with a combination of quality, effectiveness, and safety. L'Oreal can be the alternative brand that appropriate for studying because it is very famous and distributed in several countries which is the global main competitor of Shiseido also widespread target group by brand extension, they are also provides several cosmeceutical masstige product lines sold in healthcare outlet that popular in Thailand such as Vichy and La Roche Posay that strong in skinceutical treatment which recommended by dermatologists and skin specialists.

2.2.5 Consumer Behavior

Schiffman and his colleagues define consumer behavior about the activities and process to serve their needs and wants that make customer search, selection, purchase, use, evaluate, repurchase or discard process in products and services (Schiffman et al., 2010). Consumer behavior emphasizes in the way each customer, their households and family decide to use their time, money and effort to get the product items or services for their desire.

The difference in each participant may lead to behavioral differentiation of skincare product purchasing. Many studies show that there are unpredictable in the consumer decision after they choose the skincare products or services, they are very selective with various factors that impact their consumer motive behavior. Example their demographic information(age, income or education) connected with the brand name they buy, the place they want to buy, a reason to buy, the expense to buy and packaging they like.

From the consumer motivation study (Duncan, 2005), which is “a response type when began to stimulate that brought internal impulses” one of the inner impulses is consumer motive for satisfying consumer desire. Price, place, promotion, and product have a direct effect on consumer motives to response their desire (Peter and Donnelly, 2007).Then using the right marketing mix strategy will be the main point to attract customer motivation and serve their needs and wants. More study report on facial skin care items is about using the traditional marketing mix as a tool for increasing on

internal variables such as customer attitudes, motivations, perceptions, experiences, learning and beliefs on the products (Stanton et. al. (1991). There are exogenous factors that variables the consumers decision: demographic, environmental concern, social class, culture, time pressure and social status of the consumers such as in modern consumers, they don't decide only at low prices but also compare with quality of products.

2.2.6 Price

Many consumers of all products concern about price when they are making a decision on purchasing. When the company enters a new product into the market by intensive distribution. Penetration Pricing Strategy is mostly the first strategy to concern about set a lowest starting price to get rapid sales and market shares. The penetration strategy is used when there are very elastic markets because it generates fewer profits and hardly to increase the price. These strategies use in early stages of product life cycle for draw customer attention. High price elasticity of demand is probably the most important reason for adopting a penetration strategy. There are not more competitor in the market, and the production size must have the economy of scale more than production cost reduction will match this strategy also because can cut other competitors enter into this market by a price war. The use penetration strategy must fit the customer type in the mass market, but the main concerning about this price is that target customers will not perceive that low price means low quality of the product then the value of the product will decrease and make customers low repurchase.

Price setting used in differentiate types of penetration strategies which are elimination prices, restrained prices, keep-out price, and promotional prices.

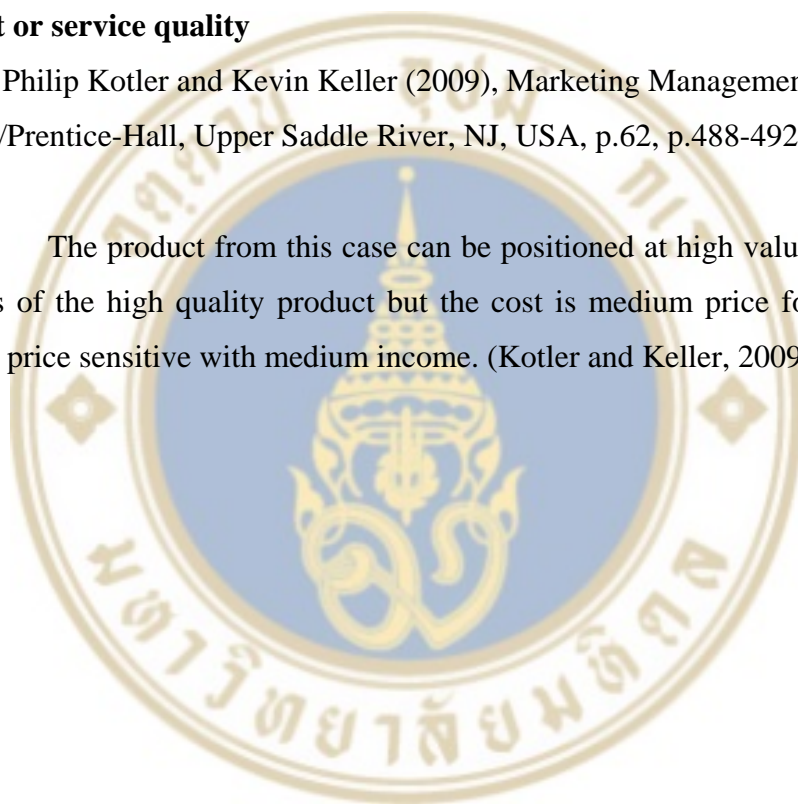
Elimination prices used for price compare between other competitors in the red ocean market. When a big company which has more categories of products that can decrease prices in the same target market at the cost range that cannot fight for the small company. Restraint prices strategy designed for fixed at a certain point during inflations time. The price level should depend on the environmental circumstances in that period. Keep out price for protecting the competitor enter in the market. Promotional prices almost use at factory outlets. However, all of this concern about the cost of production, the price of competitor and values of the product to set the price.

		Price		
		High	Medium	Low
Product or service quality	High	Premium	High value	Superb value
	Medium	Over charging	Average	Good value
	Low	Rip-off	False economy	Economy

Figure 2.2 Price strategy model with separate in 9 strategies depend on value of product or service quality

Source: Philip Kotler and Kevin Keller (2009), Marketing Management (15th Edition) Pearson/Prentice-Hall, Upper Saddle River, NJ, USA, p.62, p.488-492

The product from this case can be positioned at high value strategy which in terms of the high quality product but the cost is medium price for the customers who are price sensitive with medium income. (Kotler and Keller, 2009)



CHAPTER III

RESEARCH METHODOLOGY

To find out in-depth information is of research methodology for this study. This research uses the quantitative data analysis. This section presents the research methodology towards focus group interview, the population questionnaire will create, the research design, and data collection and analysis part.

3.1 Research Selection and Design

Focus group is the most convenience technique to create the one individual topic to be a publish issues and popular qualitative method for product development. (Zeller, 1993). For many reasons, it provides a superb researchers investigation in and a time-efficient way the specific topic issue and the experience of the specific product category in the open-minded atmosphere (Lindlof, 1995). Focus groups are more comfortable too many research participants; it is fit for creative and sharing idea and also helpful for respondents to declare their comments, thoughts, perceptions and learning, (Krueger & Casey, 2000). Moreover, the interaction generated among group members easily to conduct that may provide specific and descriptive information on the topic investigated from the participants' point of views.

Focus group mostly use on cosmetic and skincare market focusing on new product development. Because the company usually provide innovative technology aspect or customize the product, so for testing and get perception from the user in direct field to make a relationship and get their special feeling by using focus group discussion.

Focus groups allow participants share their thoughts, ideas, comments, and suggestions about new product concept and details, by individual content. The moderator can detect in product development testing by clear observation their mood between participants who suggest for approving product suitable customer desire before product launch.

As a product manager, the author chooses beta testing of new product for acne concept by selecting the heavy users. Focus on masstige skincare products. Recruit participants of a focus group that is lower and high middle-income targeted, totally 24 customers which separate into three groups, each group consisting of 8 lead users who used masstige products and mirrored the real target customer. Before getting the exact information, recruiter must develop a “screener” by recruit participants who use that particular product and willing to spend a large money on that product. (lead users)

The voice of customers provides the truthful of product concept for the best reposition issues of masstige product from this group of consumers in a short period. Moreover, this approach is the most rapid solution to hearing customers opinions reply for the best improvement. After recruit customers, within one month of preparation, the colleagues must have an objective setting, timing, schedule, scripting of the moderator, note taking, evaluating and analysis information for approving strategically and improve the new product.

The author wants to analyze the information from the voice of consumers who are the most importance of the product. When participants heard about product function and benefit for the first time, the colleagues can observed from feeling and emotion detection on their real expression. Their perception on product positioning and suggestion on the packaging that reflects their purchasing behavior also.

For observation of focus group expression that team can saw through the other side of filmed mirror, I can see how the participants interact with my product compare with others product. Moderator conduct between the participants discussed the same question of all tree section to control the consistency of contents is received. Because the data to analyze in qualitative from 3 groups. The data collection from note taker or video recorder and all the information variable from the homogenous group was separated for various opinions such as the differentiate perceptions from women participants who are the membership of brand or products, and the others who have not seen or used this product category previously. The various opinion from different experiences between the women participants shown the significant results for improving product concepts which never seen or use the product for the real opinion after trying the new one compare with the modify concepts that deliver to the members who are a brand or product loyalty to match their mind.

Focus groups are deeply opening insight customer minds to share their wording into the reveal of the information from the focus group discussion. It does not only answer the questions. But also transform to conversational and descriptive details. The moderator should read a concept procedure and question guidance before the focus group begins. Participants should create their desire and prefer to share their perception of product concept and benefit. Find out a new idea that is the best solution for improving their product needs. The important information idea after analysis is the productive, cheerful and ingenious way with combining each opinion with warm and incitement response between each other. The open-end question that makes participants confident to recommend new product positioning statement and differentiation. When to declare the newness of product from demand risk to create trial and awareness, so this is important for the moderator should find out various components for creating appropriate message and proposition as well control on the task of discussion direction. This study used focus group discussion to clarify about Acne Whitening product attribute, brand awareness, price range, package design, and new technology concepts for reposition acne whitening cream.

3.2 Population and Sampling

The respondents of this study are adults who age over 15 years old. Typically, a group of 6-8 members, from recruitment of similar characteristic such as economic, social, career and background that expected from criteria identification relate to discussion problem. Participants discuss on a specific topic within 1-2 hours. With the explanation, the moderator may offer sample prototype and let share about factor concern for idea generation (Patton, 2002). There is not a specific number of participants, in general, 6-12 persons are appropriate (Krueger, 1994). And the number is not less than three groups separately are suitable. This research relies on papers which conducted through 3 focus groups. The target population will be the person who experienced with acne skin care products. The purpose of selecting the experienced people is they used to or currently use a particular cosmeceutical skincare, so they can recall the reason for buying this kind of product easily.

Through a purposive sampling approach, consumers separated in 3 groups, aged 15-20, 20-25 and 25-30 years in Bangkok area. All of them ever had experience of acne skin problems. These participants were recruited by age, education, range of income and social background differences. Participants that were selected by concerning the experiences in acne masstige skin cares more than three months ago.

The question guideline created with coverage the focus topics and problems with lead to the explanatory concept and descriptive ideation of participants and all accepted by the team (Krueger and Casey 2009).The main idea was combined several section. At first, we gather their information of the sharing experience about acne problems and cause of acne . Then we asked for products that use ,describing their opinions about the price and packaging design of acne masstige value proposition that already in customer mind and extra that should be; after that the moderator asks for the best efficacy that customers expected in masstige acne skincare and their concern, in addition, declare their attitude and perception about masstige acne skincare when comparing between domestic product and imported product, and finally how they seek the information, source data and reason to believe in the product they never use, or they want to try, packaging and pricing .

Three groups should separately similar conduct in the guideline sequence by a moderator who gave a free flowing of participants idea without leading and let them share their experiences with each other to generate the best environment within interview guideline. The comfortable to the group by modifying the familiar language and make in a friendly way and encourage good atmosphere among the participants

Moreover for the synergistic effect of discussion, each of customers can revise their suggested idea after share opinion with each other in personally with freestyle of themselves; they could change or improve their information that they already interviewed again (Schindler, 1992).

Time for each section of focus group discussion is at least one and a half hour. Therefore, the data collection from tape and VDO recorder after all participants acceptance will transform to the word by word notes in MS Word document. The analyze of key factors with related their conclusions to get the final output of product development focusing on product and pricing issues.

3.3 Focus Group Discussion Data Collection

For this topic accomplishment, a focus group interview data from 24 participants in October 2015 by focus groups interview. A question is designed to collect data on demographic, consumer behavior, and the powerful of each kind of product they use.

The primary method used in collecting data for this qualitative research. Each research topic of this study was included in focus group discussion guideline with following questions. The moderator used the semi-structured approach to collect qualitative data about each topic through open-ended interviews. (Patton, 2002) calls this particular approach “the general interview guide approach.” According to Patton, the moderator typically prepare the interview guide before entering interview settings to confirm that each participant was a similar way of discussion. The question guidelines indicate issues or scope of the study. Participants can open their feeling in the survey, examine, and prove their suspicious in a particular topic which they raise. The sequence of subjects must have priority for exploration from the researchers focus. (Patton, 2002) The review claims that the advantage of an interview guide is that it helps a researcher to ensure that he has already conducted the interview in a small period by taking easier way to make the direction of the discussion. To keep the collection data that participants share their idea and keep the privacy confident. Then a guideline is prepared before asking questions to discuss in the most efficient ways; the moderator remains free to build conversations within a particular subject that have been predetermined. Generally, in designing the questions for the semi-structured interview, the researcher needs to realize that her prepared questions need to be sufficiently open for the possible subsequent questions that have not been pre-planned. Since most of the respondents’ answers cannot be predicted in advance, the modulator has to improvise probably half, or maybe more, of their responses to what the respondents say in regards to the interviewers’ initial prepared questions. The interviewer used tape recorder for interview.

3.4 Ethical Guideline

Ethical about participants rights with transparency procedures, before the focus group interview begins. The moderator must explain only about the objectives in the broader scope of research with declaring the organizations that included.

The moderator must better not to answer the questions about the details of research or the topic of discussion for protecting influence information during the focus group session.

For confidentiality issue and identity protection, the author should not use participants' real names during the session; using pseudonyms (nicknames) instead. Informed consent for focus groups is in oral form by ensuring that participants understood that they have their right to talk about the issue that they want to share. If they don't want to share any opinion or they don't have any experience to discuss they can pass that topic without any suspicious.

Another technique may be tape recorded. Participants' identities and the data protect must be taken in extraordinary precautions. The modulator should follow the procedures outlined in the study protocol for protecting participants' confidential and explain those steps precisely if during the focus group discussion the participants express concern about their privacy.

CHAPTER IV

FINDINGS AND DISCUSSION

By conducting the focus group with 24 customers separate in 3 groups, the researcher found major topics that revealed. All four components being discovered will be reported in the first section of this chapter. The researcher will discuss each theme by making a comparison between 3 groups. The second section of this chapter will be the discussions of the discovered themes in relation to the concept of consumers' decision making process and the factors and determinants being involved.

4.1 Key Components

There are four major themes revealed from the focus group interview data:, Product and attribute, Brand perception and information searching, price and packaging, and Advance Technology concern .The detailed discussions are as followed:

4.1.1 Component1: Product and Attribute

Product efficacy was indicated by most of participants as the major reason that they make decision to buy acne product. Younger group will use mass product repertoire brands (Smooth E, Garnier, Ponds Olay) but older participants from the 26 to 30 years said that they used cosmeceutical brands (Vichy, Bioderma, Laroche Eucerin) because they realized that efficacy is better and advanced technology .Most participants from all groups concern about their efficacy after use the best in 1-2 days, but if late for 3-4 days will be acceptable. However, they concern about a product that can be used for sensitive skin, scars, red and dark spots after their acne treatment which they do not want the other observer on their face because the red or black spots occurred after acne problem make them less confidence.

“I used cosmeceutical products for my acne treatment ...After many brands, Garnier brands is the most effective from the special container in roll-on for easy to use ... 3-4 day my inflame acne reduce which I think it’s OK....Using sensitive skin products will be important for protect the acne .”

(Earn, 18-year-old participant)

For product attribute of whitening participants from most of 3 groups realized the key factors of acne is oily skin with large pore sizes then they prefer more active for sebum control plus pore tightening attributes in formulation is better than the old whitening attribute. Most of them though the whitening effect should be separate to another product because they want right to the target therapy is better than all in one eg. Garnier claims it effect 6 problems but it’s not effective at all.

“I like Acne oil control, I think it’s better than acne whitening cream but I prefer acne product that have anti redness property, I will definitely use to reduce my red spot after acne.”

(Kartoon, 23-year-old participant)

For dosage form most of participants didn’t like the previous cream formula, they preferred gel or serum which rapidly absorb with no or less fragrance from natural source.

4.1.2 Component2: Brand perception and favourite source of information

The interview data indicated that the participants from all 3 groups were more concerned about their brand and information searching. For the brand perception, the participant though it’s so important, If they already use that brand before it’s easy for them to use other products in the same brand. For acne therapy they mostly use professional brand and they prefer international cosmeceutical brands. Celebrity cannot convince them to use. They rely on source of trustworthy (their friends, Google search). Every participants seach the information mostly on most favorite website. Firstly search on Pantip website, Google website and direct website from the brand. They don’t believe in any clinic website or celebrity advertisement. 22 from 24 participants already have experiences in the bloggers review and tendency to trust especially in the younger age group, but in the older age group they will compare between various bloggers before buying. Professional consultants or product specialist will be the second source

of their information especially they buy in specialty store (22 persons at Watson: 8 persons at Eve and Boy) that need a person who are specialized in the high technology products to inform and consult their skin problem.

They want to know mechanism of action from the product that trustworthy for their purchasing behaviour and reliable they suggest the company should provide a professional consultant for answer their questions; they often go to Watson and ask the pharmacist or look at review product.

This group don't like to use acne product from clinic because the doctor give drug that cause a dry side effect and they think they cannot cure from acne (doctor still make them to be acne again for their money)

Earn, a 18-year-old participant, who was changed from the advertisement then she has steroid acne and turn use other brand from Pantip review pointed out:

“I have seen clean and clear I believed that advertising before ... they convinced me at Watson again , to use then after that I found I have steroid acne then I searched review from Pantip and the same brand clean and clear and Garnier then finally I think search the mechanism of action is the best.”

(Earn, 18-year-old participant)

4.1.3 Component3: Price and packaging component

Most Participants, in every group, chose the masstige cosmeceutical product; the price they suggested over 600 Bath but not more than 1000 Bath. Only one person prefer mass brand price less than 100 Baht because they used to buy 'Clinda' brand which is an anti-acne drug. The age 21-25 years group who have salaries per month 20000-30,000 baht, they prefers to spend 1,500-2,000 Baht for acne product. The age 26-30 years group who have salaries per month 18,000-40,000 bath ,but they prefers to spend 199-2,500 Baht for acne product .Some of them also mentioned they could spend the tester for the lowest price 399-500 Baht for trying and save their money but if the product match their skin type or sensitive skin they can easily spend more.

If the company set the price of product at 850 Baht and ask participants to choose in the company P brand ,there are only 2 persons from 24 persons who accept this price while the other suggested this price should cheaper than an international brands.

Packaging issues: look premium, may be gold colour for luxury, plastic pump container or roll on for acne spot. They concern about their convenience use.



Figure 4.1 Example of packaging for product reposition

4.1.4 Component 4: Advance technological concern

We showed the acne animation that present the cause and action of active for cell signaling technology in cartoon pattern and found out that all the younger group (age 15-20 years) are more reliable than others and if the product plus protection benefit will better than only anti-inflammatory effect. But in other group the mechanism are nice to know, the point they know is emphasize information about the product has a most effective for acne treatment without deep down to mechanism.

CHAPTER V

CONCLUSION AND RECOMMENDATION

Product repositioning is the existing products that are targeted to new market or market segment (Kotler and Armstrong, 2004)

5.1 New Market Segmentation In Masstige Product

Find the right target customers (Who are they and what are their lifestyle) for reduce demand risks on product development. Acne clear spot potential customers are customers who live in Bangkok and suburban area in Thailand. They are at the age from 15 to 30 years old. The members of these market segments usually have luxury money on hand and make the effort from internet searching to find money available to improve their look by using self-select predominantly at specialty stores on skincare products.

The target market segment strategy is then to classify the target customers into two groups, which are “Sophisticated Elite” and “Urban Youngster”

Acne spot clear essence: The primary target group are “Urban Youngster”, who are between 18 to 24 years old . They live suburban area . Their experiences the skin disorder such as acne for any period of time. They are health conscious who prefers non-medical skin care products that will effectively remove the sign of acne and reduce the apperance of acne red spots. This group of customers are socially and digital media influenced. For brands that popular in Thailand acne users, the competitor of this brand are Vichy and La Roche brand which the main target are urban youngster .The secondary target group are “Sophisticated Elite”, The white-collar workers in the city. Their age is between 25 to 30 years old. They are high involvement and sophisticated .They are interested in masstige brand, enjoy shopping and appreciate brand name without consult others, focusing on acne remedies also. Their income is upper than 35,000 Baht and

their life style are not socially influenced but rely on printed and digital media. The competitor of this brand is Eucerin brand which the main target are sophisticated.

5.1.1 Product new positioning;

Acne clear spot essence is a non-medical anti-acne product plus anti-red spot and reduces comedone effect after acne therapy with sustainable effect .This product is recommended by skin specialist. Eventually, the average price of this masstige product is 450 baht in small size (8ml) and 750 baht in the bigger size (15 ml). This product is in serum dosage form that can rapidly absorb with mild natural fragrance for pore minimizing effect (Witch Hazel extract).

Product reposition of acne clear spot is a product development process in order to reduce demand risks. After conducting research the product's benefits that the customer are looking for or what the market want in summarize, Acne clear spot's value proposition are quick response antiacne plus anti red -spot with protection effect. From focus group information that new positioning right to their needs more than the whitening effect, Hence if the products can better increase sebum control or pore minimizer attribute for their skin conditions as fast as they can.

Customers preferred budget in masstige product which is less than 850 Baht and launch with small tester size less than 500 baht.

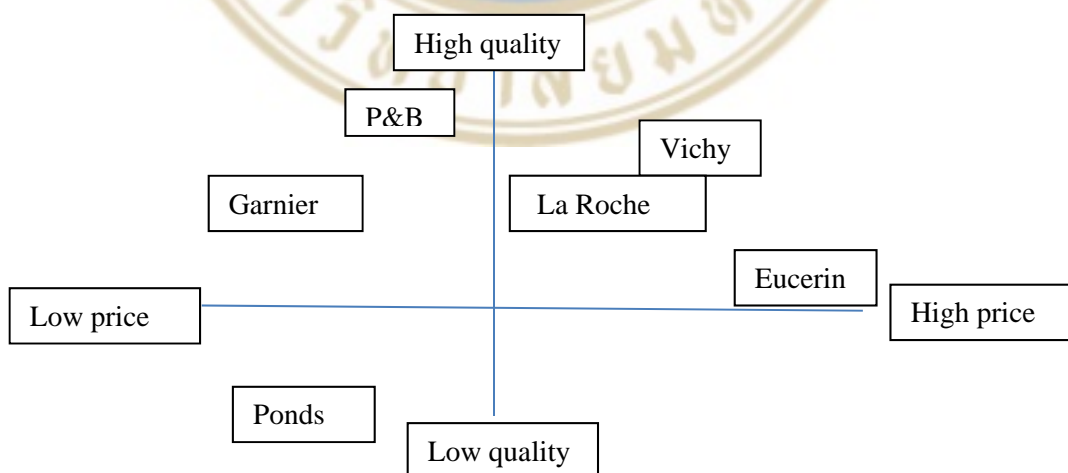


Figure 5.1 P&B Perceptual map, compare between others international brands

From pricing strategy, price of P& B acne clear spot is medium price with high quality but even cheaper than some international brands cosmetics which are the cosmeceutical products that offered at the specialty store such as Eucerin, another brand called La Roche and Vichy (skincare products from L'oreal group)

The suggested price of P& B acne clear spot essence is more expensive than Ganier and Ponds that position in mass market.

If compare between the quality of products, Acne clear spot is the most efficacy because we have core functional and extended benefits (anti-comedone effects and reduce red spot), following by La Roche and Vichy which focusing on anti-acne products, Ganier, and Eucerin subsequently.

Name for fit this attribute and clear functionality; In my opinion the product name must be change into "Acne clear spot essence" that emphasize the quality of product for acne clear treatment and add on the benefit of clear red and dark spot after inflammatory acne so the customers are not confuse about whitening effect anymore.

Adding the name must merge to international company from the focus group desired such as B company in USA. Because my company has already joint-venture with this company to create the eastern sources and western blending like Shiseido startegy. Moreover the acne technology reserch and developed by professional dermatologist from american board of dermalogists for trend such as Vichy, laroche strategy.

For brand name decision strategy, Suggestion idea to use the mixed company trade name and individual product name combination eg *.P & B Acne clear spot essence by professional dermatologist*. (Kotler and Keller 2009).

For the packaging aspect customers willing to pay a little more (consumer affluence) convenience and luxury. Plastic pump container or roll on for acne spot and the company and brand image well designed package to build the recognize of the brand with blue colour and the brand logo of the company must be on the label.

For the Price-Quality effect theory, the customer behaviors are less price sensitive when the product is assumed to have more prestige. In case of prestige or masstige products, the demand curve is positively slope when price is increasing, the sales volume are more, but if it's too high, the demand curve will be decrease then the price must not higher than 1000 baht is the maximum level of acceptance.

Advance technological concern; for the younger group who not concern about the mechanism of product. The company should provide an easy advertorial such as cartoon story.

However, in the older group, the recommendation is the company should create the Thai origin sourcing of active ingredient eg. Emblica extract for specific acne treatment with blending the western advanced technology such as the targeting approach, the polyphenol which is specific chemical acts to specific receptors on reducing the signal of inflammatory and protect signaling from the comedone formation. Moreover the nanotechnology that can specific dose of usage and reduce side effect. With this blending of technology as Shiseido key of success. It can guarantee to use this knowhow to the sophisticate customer for increase credibility and reputation of the brand.

5.2 Collaborate with influential bloggers

For minimize execution Risk the company must communicate the differentiated product characteristics with customers through advertising. From focus group interview, lead users are dealing with a lot of content online and do not always know whom they can trust. Therefore, to reach awareness of target customers, the official website and the SEO will increase our search visibility. Facebook, YouTube, and Bloggers will generate buzz and word of mouth effects for the business. Bloggers become the most trustworthy source of information on the internet. Because bloggers build product review, sponsored post and video as well as social media post during a long period of time and by producing interesting, quality images or articles, people begin to trust these sources. Inconsequently, this will be an option of our marketing strategy that helps us to create brand awareness, credibility and increase sales volume.

The content of the website will be strategically tagged according to the desired keywords and spread out in multiple pages in order to help maximizing SEO potential. Our key strategy for SEO is to choose general words or terms related to skin cares and skin problems that we think our target customers will use to search on the search engine. We also select keywords that have high average monthly searches in order to increase our chance to be seen by the target customers. The keywords' samples

are acne scars, best acne treatment, acne scar removal, and acne cream. Moreover the website will also serve as an online-store where the customers can purchase the acne clear spot product.

Finally further recommendation is the company can also penetrate product line extension on whitening cosmeceutical skincare also for customers who want brightening skin (but should not combine with anti-acne product) because the whitening segment is highest demand in Asian consumers from literature review .

5.3 Limitations and Suggestion in The Future

From this research topic, there are several constraints in the current study. Firstly, some ideas of the focus group have influence by dominant group members who used Acne Whitening product before and shared their positive or negative experiences. That may have the bias aspects occur afterword in the majority group result. Then the suggestion in the future research by using in-depth interview of each factor from individual that will not effect to another idea. Secondly, there is less time for management so the topics may not reach in the place and promotion strategies because in launch implementation, and A-T-A-R Hierarchy analysis in these topics are very necessary to research. However, my colleague decided to do separate the two missing parts in other thematic papers to complete 4P analysis. It can be a benefit for the company to create more potential strategies and develop the plan for the future success of masstige product. Finally, Beta testing:field testing by selected customers and end users in their environment should do afterward because the participant cannot try the real product , didn't see the real product and original packaging in a form prototype while focus group interview.

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Appendix A: Focus Group Question Guideline

Part1: General information

- 1.1 Gender Female
- 1.2 Name
- 1.3 Age () 15 -20 years old () 21-25 years old () 26-30 years old
- 1.4 Background Education
 () High School or below () Bachelor degree () Master degree
- 1.5 Occupation
 () Student
 () Housekeeper
 () Government Officer
 () Private Company Officer
 () Business owner/self employed
 () Others.....
- 1.6 Exactly personal income and household income (Per month)

Part 2: Factor of masstige product use.

- 2.1 What is your majority concern about your skin?
- 2.2 What masstige brand and product that daily uses?
- 2.3 Are the acne product is your own decision to buy the product?
- 2.4 What are the products you use for acne treatment? What is the expectation of the acne treatment (result or curative time)?
- 2.5 What is the action to protect of acne problem?
- 2.6 What are the other properties of the product that the participants want more?
- 2.7 How about the anti-comedone properties, anti- red spot and whitening properties within the product or separate to the other product?
- 2.8 What do you get the reliable information of the product from?
 How about the information from blogger review or skincare clinic website?
- 2.9 How about the price of anti-acne product?
- 2.10 What is your recommendation about dosage form of the product look like?

- 2.11 How about the packaging of acne product?
- 2.12 How about importance of the sales specialist who give information at purchasing point, samples, presenter, advertising and promotion?
- 2.13 How about the new technology or innovation for acne product concept?
- 2.14 How about the mechanism of action?
- 2.15 How about the international brand reputation on product?
- 2.16 How do you search the information before purchase?
- 2.17 Who are your favorite blogger or what are recommend youtube/review for your selection?
- 2.18 What are the recommend places to choose anti-acne product?

