THE FACTORS INFLUENCING ONLINE MARKETING OF SMEs: LEATHER MANUFACTURING IN THAILAND

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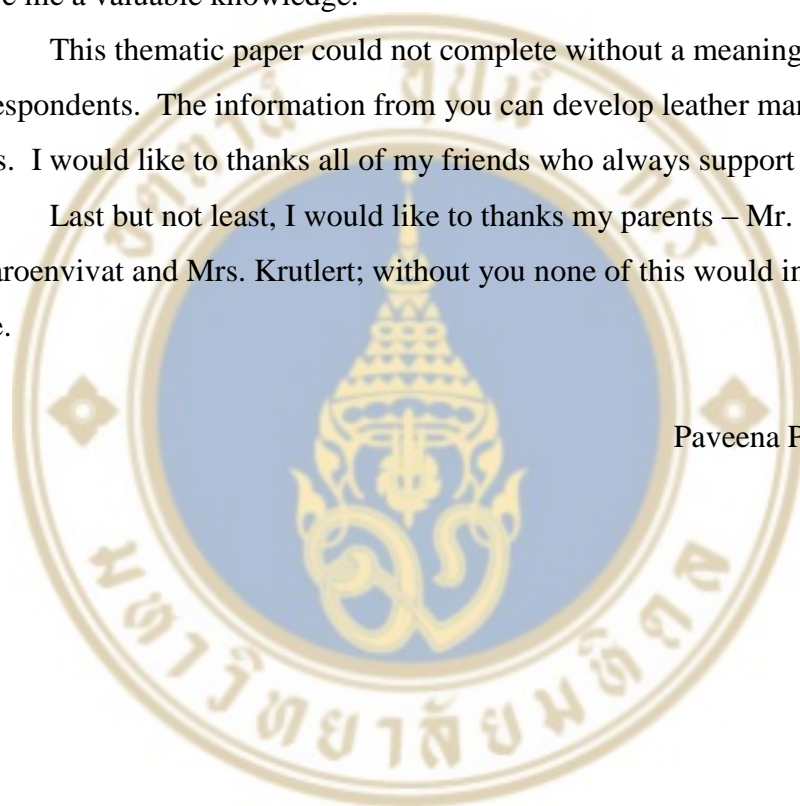Acting Dean
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ABSTRACT

This research will explore the factors that encourage the long term success of leather manufacturers industry to help the manufacturers gain more channels to reach to the market group in order to increase awareness, gain more customers and gain more sales volume, and be able to create the effective digital marketing strategy. Qualitative research methodology was applied in this research by collecting data via interview with the owner of leather shop. The respondents are those who use internet and experienced with online channels.

The results revealed that the respondents access internet for business purpose. All of the respondents agreed that online marketing can be one of the effective media that can create awareness to them. The factors of concern to influencing the decision to make the order for leather goods from manufacturers are credibility, design, quality, price and Production lead time. The Most Importance Factors is credibility, the second is quality factor, the third factor is price, production lead time and design are the environmental factors.

KEYWORDS: Leather manufacturer / SME / Leather product / Digital Marketing / Channel Marketing Strategy

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CHAPTER I
INTRODUCTION

Using digital marketing is one of the most significant phenomena having taken place in SMEs during the last decade. For SMEs, they have limited budget for advertising and distribution channels but they have to create awareness and gain more sales volume, similar to big firms. How to do that? Digital marketing is the answer. Digital technology has opened new channels for selling products. It provides the consumer with a previously unimaginable quantity and quality of information in an easily accessible form (Digital Marketing, 2002).

This thematic paper will focus on SMEs in the leather manufacturing industry, where mass customization has drastically changed manufacturing. Mass customization is a marketing and manufacturing technique that combines the flexibility and personalization of custom-made products with the low unit costs associated with mass production. Its extension to the sense-and-respond concept is based on electronically sensing customers' needs in real time and responding to them with the electronic connection and shared infrastructures. Customization is taking this concept further by combining the operationally driven mass customization with customized marketing and empowering consumers to design the products and service offerings of their choice. In contrast to mass customization and personalization, customization does not require a lot of prior information about the customer, nor does it require the firm to have its own manufacturing functions. In effect, customization redefines the relationship between the firm and its customers: The customer designs the product and service while the firm "rents" out to the customer its manufacturing logistics and other resources. The difference between mass customization and customization is outlined in Figure 1.1 (Digital Marketing, 2002)
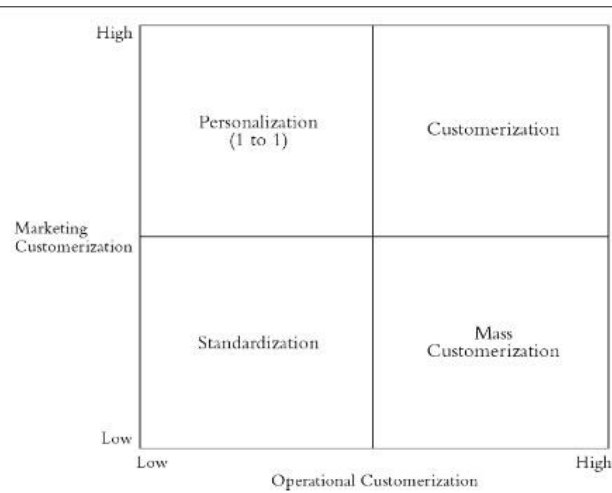
Figure 1.1 Customization Options

Mass customization can be as a new way for mass production yet it has more variety of the product or service which is concerning in lower cost. Mass customization share the goal or developing, producing, marketing, and delivering affordable goods and services with enough variety and customization that nearly everyone finds exactly what they want (Mass Customization; the new frontier in business competition, 1993).

1.1 Problem Statement

Due to the increasing competition in the leather manufacturing industry in the past five years, it makes the business situation highly competitive and as every company tries to keep and gain customers from each other. This is not only in Thailand, but also China can steal the customer from Thailand with its lower production costs and price.

For this situation as a RED OCEAN market, they cannot be motionless about the customer because their competitors can stole the customer easily because of many factors such as lower price, short time to produce and higher quality. The manufacturing should gain more channels to reach to the market group in order to increase awareness, gain more customers and gain more sales volume.

Leather manufacturing in SMEs business nowadays, they are not concerned much about digital marketing and this market is quite small because there is low awareness among customers to know. Mostly, customer are aware of the manufacturing because of some personal connection. Nevertheless, a problem of decrease in sales volume is not only lost customer but also lack of awareness and less of distribution channels.

1.2 Research Question

This study investigates how SME's in the leather manufacturing sector can increase awareness by directly communicating with their target customers.

- What are the factors that influence customers to pay attention to digital marketing?
- Can digital marketing be used as a new marketing channel for leather
- manufacturing?
- Can digital marketing be used to expand the customer base?
- Is digital marketing useful for customization products as a leather goods?

1.3 Research Objective

The purpose of this paper is to provide insights into the utilization and goals of digital marketing, and examines factors that influence the adoption and use of digital marketing channels in leather manufacturing. The research will explore the customer behavior among digital marketing and leather manufacturing. The research results can ideally be used as a digital marketing guide line to increase channels and gain more sales, and as well as create awareness for leather manufacturing.

CHAPTER II
LITERATURE REVIEW

In terms of SMEs business, they are concerning more in online marketing in order to gain more awareness, increase volume, increase customer base and increase in intention rate. Basically, leather manufacturing business is a small market in Thailand. Therefore, there are need to improve awareness level to comply with the increasing of leather goods shop in Thailand nowadays.

2.1 How to influence?

You've likely been influenced by a technique called A.I.D.A, which stands for "attention, interest, desire, action." (Chris Joseph, 2016).

Priyanka (2013) has studied that marketer use AIDA to develop the advertising with a marketing communication strategy and all those 4 stages can create a purchasing. The advertisement can motivate target audience to take an action by convey the effective message.

2.1.1 Attention

The attention is the first thing that the advertising needs to do in order to catch the target audience's attention. The brand can be promoted by appeal the advertising with the attractive way for achievement. The advertising should start with offering a clear benefit to catch the target audience's attention immediately rather than start with your logos and name which are no one care. Marketer should start to develop an advertising by identifying the target audience and main reason of their purchase the product and service.

2.1.2 Interest

Once you can catch the attention from the target audience, you need to build up for the interest to them and try to maintain and gain their interest in the product or service. The interest step should add up the emotional also and try to make them think about the benefit of your product or service if they use it.

2.1.3 Desire

When the target audience have got a strong interest then it will be desire. You need to convert their interest into desire by motivate and create the need of the product and service with the benefit offering. In the same time, you have to make sure that you use the right appeal in the advertisement.

2.1.4 Action

The action step will be happened once you can create desire, the target audience have got strong desire later than that they will make a purchase. On the other hands, the advertising should demonstrate product benefit clearly in order to being the first brand in their mind. This is to ensure that they will strongly purchase our product or service.

Interest

- unexpected content, situation, animation,
- surprise
- attractive graphics or titles

- relevant message
- promise of reward or satisfaction
- raising tence or mystery

- special offer, urgency, feeling of special situation
- communicating unique benefits
- building unique brand-image and must-to-have effect

Action

- Purchase
- Order
- Subscription
- Conversion of call or sending message through online contact form

Attention

Desire

Figure 2.1 AIDA Framework

Source: The Marketing Framework by Britton Troth, Kate Schumacher, Polly Carbonell, & Mark Woerner

2.2 How to increases awareness level?

Otakar Ungerman (2014) studies that internet marketing tools be developed by social media because internet users connect through social media more and more every day. This is the reason why that company should approach them in order to represent their information. Incidentally, the important thing is they should understand clearly about those media function then you can get more business opportunity among competitors. This media can apply when building a brand, product awareness and increase a revenue.

The marketing activities of the SMEs are constrained by many factors such as limited financial resources, inadequate marketing expertise, limited human resources, customer issues etc. (Rusăneanu A. E., 2014). Cristina Bălteanu & Mihaela Marcu (2015) mentioned that the business can success in their market by using online promotional tools which are low cost and best results among traditional tools:

2.2.1 Online banners

Online banners can be as a link on the website which can link to the company site to represent the brand or any feature and as well as collecting the data for whom interested in the product or service. This is some kind of the traditional instrument adaptation to the virtual environment. All those online banners link could be animation, poster ad, buttons or any kind of design which can grab attention and interest from the internet user.

2.2.2 Text links

Text links always show in the websites. It's a kind of efficient strategy and friendly for the user who attend in those website. Text links will show as a text which bold, underline or use a different colour from normal text in order to grab attention from the user. The users can click and the link can direct to the company websites in order to get more details of the product or service.

2.2.3 Advertorials

Advertorials are one kind of advertising which is presenting in form of articles. There are two purpose of the advertorial, one is a journalistic and another one

is an advertising. The advertorials have become more and more popular as people recognized its potential in successful marketing and for driving more traffic to a Website (Brown B.C., 2006). Marketers use advertorial in order to give more information of the product or service with mood and tone and as well as the emotional, it can present all of its feature and benefit in order to create interest and desire from target audience.

2.2.4 Pop-ups

Pop-ups are similar with a banner but it will appear as a windows when visitor access to a website immediately. The internet users have 2 ways to do, one is close the window to access to the main page or another way is click at the window if they are interested in the ad. Yet this is can be a negative towards the company also, because this pop-up can interrupt the internet user if they are not interested in the ad.

2.2.5 Interstitials

Interstitials are ads that appear on a screen while the viewer is waiting for a Website's content to download (Chiagouris L., Mohr I., 2004). The insert will be a content of the product or service for two pages. The interstitials do not have any sound effects and animation which are considered less aggressive. It is not interrupt the user unlike pop-ups because it appear while the users are waiting for the page download. Users, however, have less control over interstitials because there is no "exit" option to stop or delete an interstitial, which is common among pop-ups. In other words, with interstitials, users have to wait until the entire ad has run (Shimp A., 2013).

2.2.6 Sponsorships

Sponsorships can improve the level of knowledge when you want a supporting for the message sending. The brand or company can provide a link to access through the website for showing a context of content. It can provide more in terms of a timing among the ads.

2.2.7 Blogs

Blogs are the webpage that contain the articles or forums which can interactive between the blogger and follower. This is a website that can give an information separately in terms of a personal topics which are continuously updated.

2.2.8 E-mail

The e-mail is a communication in business, yet it can be online marketing tools which are directly send a message to target audience as well. This tools can be used for SME's either B2B or B2C in terms of communicate among customers.

2.2.9 Social networking sites

Social networking sites is likely to community for those who have relate or same purpose. The site allow them to connect to each other. The access to such websites is free and the members can build profiles (which include data on name, age, hobbies or favorite books and movies) and share with others photos, music and videos (Soviany A., 2008).

2.2.10 Newsletters

Newsletters is likely to a direct mails which are sending to the target customer in order to create awareness or current customer in order to maintain a relationship among company. This is one of the most effective communication tools in terms of a business.

2.2.11 Online news sites

Basically online news sites are likely to a print ad in terms of standardize. This is convey a lot of function of benefits in terms of a message interactive. It could be linked to other sources of information in order to support the information delivered (Marin V., 2007).

2.3 Factors influencing adoption on online marketing

Sulaiman Ainin et al (2014) found that SMEs use online marketing and it is strongly impact to their financial performance in terms of marketing and customer service which are focusing on cost reduction. Online marketing also improved customer retention rate and information accessibility. The influencing factors of online marketing usage among SMEs would be compatibility, cost effectiveness and interactivity.

2.3.1 Compatibility

Compatibility refers to the degree to which innovation fits with the potential adopter's existing values, previous practices and current needs (Rogers, 1983). Compatibility has been considered as an essential factor for innovation adoption (Cooper and Zmud, 1990; Wang et al., 2010). In the business, they like to consider the adoption of new technology once those technology are recognized as compatible with their system. The positive and negative results have shown in many research for investigating the influence of compatibility which are focusing on technology adoption. (Low et al., 2011) found that compatibility have insignificant impact. Embedding social media in businesses would be a best-fit concept because it helps to niche the target customers effectively and businesses would be able to share the content of their products and services almost instantly (Derham et al., 2011).

2.3.2 Cost effectiveness

Cost in the adoption and utilization of technology is importance which shown in a research result (Ernst and Young, 2001). A relationship between cost and adoption of technology is significant (Alam and Noor, 2009). The adoption of new technologies have found that cost effectiveness is the important variable (Chong and Chan, 2012; Premkumar and Roberts, 1999). In terms of limited budget of advertising, SMEs should use online marketing because of its low cost, low barriers to participation and low requirement level of IT skills (Derham et al., 2011). Furthermore, online marketing is a cost effectiveness and a business can communicate towards customers directly but low cost (Kaplan and Haenlein, 2010), thus a company should use this for their business.

2.3.3 Trust

Trust is a complex structure. The researcher have verified different types of trust in their studies. Mcknight et al. (1998) described two types of institution-based trust – situational normality and structural assurance. Situational normality is referring to the belief which can success in normal situation. A side of structural assurances is referring to the belief that a decent results are probably because of contextual structures. Informational trust is defined as a users' belief about the reliability, credibility and accuracy of information obtained from Facebook and is an important factor that influence usage (Chai et al., 2011). The major success factor for the small business is a customer relationship which is provided by online marketing. In terms of SMEs strategy, the business can use online marketing to provide the company information, product, services, promotion and activities in order to create trust and company reliability.

2.3.4 Interactivity

A researcher found that the successful interaction between human and technology as a key factor (Lee and Kozar, 2012). Thus, they should concerned in design and operation processing of information system. Among the various design characteristics, interactivity stands out as a key and distinguished factor that impacts users' response to new technologies including web sites (Agarwal and Venkatesh, 2002; Jiang and Benbasat, 2007).

CHAPTER III
RESEARCH METHODOLOGY

The research will study the insight of customers about the main factors that customers can select online marketing as one media or channel that they can contact or purchase goods or service from the firm. As online marketing is a low cost tools, thus this strategy is also suitable for SMEs. The result of the research would show potential factors that influence customer.

3.1 Research Design

This study aim to identify the attitude of leather shop towards online marketing. Furthermore, the research will study the shift in change of consumer behavior. The research will investigate about the factors that can lead the purchasing and re-purchasing and as well as the factors that can create awareness towards the manufacturing. The consumer is not only Thais but also foreigners within Thai's market. The research method is qualitative approach, it will be conducted the interview survey for 5 interviewees.

3.2 Data Collection Methodology

3.2.1 The population

According to a qualitative research, interview survey is conducted to study the insight of leather shops who use internet and experienced with online channels such as websites or social media.

3.2.2 Sampling

A purposive sampling method will be used to select the participants. Basically, the participants could be the owner of leather shops in any countries. The questions will be posted individually to the participant. The research is seeking for their online behavior and perception towards online marketing in order to know insight of its factors.

3.2.3 Data Collection

In terms of data collection, researcher will find out about interviewee's perception, behavioral, attitude, experience and feelings about online marketing. A researcher will question participants in order to get their insight. The participants is requested to answer accurately and come up with reason and example.

The researcher will records the conversation during the interview with participants. All participants are informed that a voice record for this interview is stored and analyzed for educational purposes. The interview method can identify online behavior in depth and attitudes that consumers have towards online marketing.

3.3 Instrument

The interview record is later analyzed for developing the interpretation of a research result. The question asked are divided into 4 phases - internet usage behavior and purpose, online marketing perceive, awareness of goods and services towards online marketing and the influencing factors that can make them purchase leather goods through the online.

The following questions can identify the result of this research:

3.3.1 Internet usage behavior and purpose:
- How often do you access the internet?
- What is the purpose of the internet access?
- How long for the internet access each time?

3.3.2 Online marketing perceive:

- Do you know about online marketing?

- What is online marketing in your opinion?

- Can you tell me the pros and cons of the online marketing?

3.3.3 Awareness of goods and services towards online marketing:

- Have you ever seen online ad?

- What is the online media that you normally seen the ads?

- What is your reaction to the online ads?

- Are you interested in the online ads?

- Do you think online marketing can be one of the media that you can get awareness?

3.3.4 The influencing factors that can make them adopt the purchasing leather goods from online marketing:

- What are main factors in your decision making to purchase leather goods?

- Have you ever bought leather goods or other product from online?

- In terms of leather goods, what are the factors that are important for you to make a decision to buy?

- In terms of leather goods, do you think online can be a channel in order to make the order or purchase the product?

CHAPTER IV
RESEARCH FINDINGS

In analyzing process, the data was collected with semi-structured interviews which is set up using a group of questions related to the topic of the research. The questions are used in conducting the interview in order to get the insights, behavior, perceptions and the influencing factor of using online marketing among interview participants.

The researcher would identify how online marketing is useful for leather shops in terms of getting awareness and selecting leather manufacturers. This analysis also study the impact of purchasing through online and as well as the reasons behind. The search result can be used in online marketing strategies and media planning.

In conducting this research was to interview five participants and they are leather shop owners.

1. Mr. Y, he is leather shop owner and his shop is located on Soi Nana (Sukhumvit Soi 3/1). His shop is selling leather shoes and bags. He is over-seas trading and focusing on Middle Eastern area such as U.A.E., Kuwait and Kata.

2. Mr. C, he is leather shop owner and his shop is located on Pathunam. His shop is selling leather shoes, belts, bags and as well as cloth. He has shop and as well as online shop on Facebook, Instagram and website.

3. Mr. B, he is leather shop owner and his shop is located on Pinklao. His shop is selling leather accessories and bags. He has shop and as well as online shop on Facebook and website.

4. Mr. J, he is leather shop owner and his shop is located on Thonburi. His shop is selling leather bags and belts. He has shop and as well as online shop on Facebook and Instagram.

5. Miss J, she is leather shop owner and her shop is located on Pattaya. Her shop is selling leather shoes and bags. She has shop and focusing on tourist and traveler.

4.1 Research Overview

Basically, all of the participants are using the internet in their daily lives. All of them have their own leather shop and are using online marketing for their shop. They are open minded for online marketing and have a good experience with it.

4.2 Internet usage behavior and purpose of respondents

Most of the respondents access the internet often in a day but only a few minutes per time. Two of the respondents access the internet only 1 or 2 times in a day, but they access at least 6 hours.

All of the respondents access the internet for business purpose such as update new things, looking for the material, communication to their customer, online banking and as well as looking for the inspiration. Some of the respondents also surf the internet for personal purpose such as connect through personal Facebook to post or update their friend's activities, shopping, communication to their friends of family and as well as searching the information for personal purpose.

One of them usually transfer or collect the money through online banking because he is over-seas trading. He mention that internet is very important for the business nowadays. He also said that he can earn a lot of money through the internet.

4.3 How the respondents perceive in online marketing

All of them are well known and familiar with online marketing. They always use online marketing in their business.

For the opinion, most of them said online marketing is very helpful in their business and it is very convenient. One of participants said his shop get the customer from provincial areas by using online marketing. Two of them said online marketing is the must for the business because of new generation starting from Gen Y onwards are heavy internet users, so then online marketing is the most powerful tool in terms of media and channel.

One of them mention that he try to use website as a channel for his online marketing but he found that it's not effective as social media like Facebook. He decided to close his website and use only social media as his main channel and he believe that social media is the most powerful for online marketing. In terms of website, he mention that it is hard to manage and he cannot find a good supplier who has a good design and technique for his website.

Two of the participant mention that as they are leather goods traders, they use social media for communication to their customers. For social media, there should use both Facebook and Instragram, they also mention that Instragram is the channel that can be used to show all of your products and Instragram can deliver your brand image to customers as well.

One of them mention that online marketing is good for low involvement product because she cannot see and touch the real product so it's better to buy only cheap goods not for the expensive goods. This is because she cannot identify and check its quality, which is an important factor for expensive goods.

The participants also identify Pros and Cons of the online marketing, the data was collected and describe separately for each participant as show in table 4.2

Table 4.1 Participants identify Pros and Cons of online marketing

Online Marketing		
Participant	Pros	Cons
Mr. Y	- Convenience	- Risk
Mr. C	- Reach to many group of customer easily	- Customer can complain and share to other very fast
Mr. B	- Convenience	- Products are untouchable through online marketing so it's hard to identify its quality

Table 4.1 Participants identify Pros and Cons of online marketing (Cont.)

Online Marketing		
Participant	**Pros**	**Cons**
Mr. J	- Reach to many group of customer easily - Low cost channel - Convenience	- Products are untouchable through online marketing so it's hard to identify its quality - Customer slow in make the decision to purchase - A lot of competitors to share the market
Miss J	- Reach to many group of customer easily - Low cost channel - Convenience	- Products easily to copy - Products are untouchable through online marketing so it's hard to identify its quality

According to table 4.1 Participants identify Pros and Cons of online marketing, four of participant said online marketing is convenient for leather goods shop and three of them said they can reach to many group of customer easily by using online marketing. Low cost is also mentioned as a benefit.

In terms of Cons of online marketing, three of the participants said the products are untouchable through online marketing so it's hard to identify its quality.

Mr. Y said online marketing is risk for him because he is oversea trading and he cannot trust anyone who never see each other before. He also mention that event he have communicated with his customer or the manufacturing through online, then he has to face to face with them before purchase and sales stage also.

Mr. C mention that the complaint can share very fast from the customer to other people. This is because of a power of social media and internet, when customers have a comment or complaint about the shop or the brand then they can share easily and one of their message can reach to a lot of people in the same time. He said he always

communicate with customers carefully and avoid misunderstanding towards his shop and brand.

Mr. J has high price products, he said customers have slow decision to purchase his product, the customers always ask to visit his shop before making the decision. According to the high price product, online marketing also easily to compare the price with competitors and the customers have many alternative for choosing the product by using online marketing.

Miss J has own brand and she designs product by herself. She said she was copied by other shops. Because she use social media to present her product and communicate with customers, thus it's easily to copy.

4.4 Online marketing can create awareness towards respondents

All of the respondents use internet for their business and they have seen online ad everyday through the internet and social media. Normally the ad that they have seen are the ads that relates to their lifestyle, interests and business.

Three of the respondent said they are interested only in the ads that are related to their life style and business. They will click through those ad links to the main page that provide more information. They also said that the design of the ad is not as important as the interest in the product.

One of them said he always click through every ad that he found on the internet. The reason is he like to update new thing all time and he can get new idea from those ad also. He like advertising and is interested in marketing, thus he is always observing and updating new information every day. He also mention that he can gain more opportunity by getting more information. "Know more, win more" he said.

One of the respondents said he will click through the ad when the ad is interesting enough for him, not only related product but also other things that have nice design with powerful message and content. For him, ad can get his attention and action when it good enough in attention stage which is high level of attractive.

All of the respondents agreed that online marketing can be one of the effective media that can create awareness to them. In this case, awareness is creating between manufacturing and shop. One of them said, if that online ad is not interesting

for him, it will be only a junk on those page. Event those ad can be only a junk ad for him yet he can get awareness for those product as well, thus "every online ad can create awareness" he said.

4.5 Factors influencing the decision to make the order for leather goods from manufacturers

In terms of factors influencing the decision to purchase leather goods, most of them said the most important factor is quality yet one of them said the design is the most important rather than quality.

All of the respondent have experience in purchasing goods from online marketing. They always shop normal goods from online because it's very convenience for them. One of them mention that he always purchases goods online, yet only cheap price product that he can accept to purchase through online.

When talk about online marketing, all of respondent said the most important is a reliable and credibility of the manufacturing rather than quality. One of them mention that he cannot trust if he never visit their manufacturing and talk face to face with the factory owner. Most of them said he can trust with two factors, first factor is the manufacturing should be establish for more than 10 years and second factor are reference from big or well-known company.

The data was collected from interview, there are five main factors which are the important factors when participants are making decision to buy goods from leather manufacturing ranking according to participant's opinion.

According to the five important factors, the factors can be classified as quality, credibility, price, production lead time and design. In term of leather manufacturing, the participants define all of the factors as the detailed below;

4.5.1 Quality

Basically, the participants mention that quality is included in all of the operating processes and as well as materials. For example, three of the participants said when they would like to purchase the leather shoes from manufacturing, the quality is the factor that they are concerned and quality is included in the quality of leather or PVC

(fake leather), sole, slip rubber, accessories, pattern, assembly method, packing and transportation.

4.5.2 Credibility

In terms of credibility, the participants said the leather manufacturing should be established longer than 10 years and one of them said the manufacturing that used to work with big company is advantage, this can increase credibility for those manufacturing because big company likely to reference that can be an influencer to him.

4.5.3 Price

Price is one of important factor for the participants as well. Some of them said they are weighting between price and quality, they can acceptable when price is high because of the high quality. Yet sometimes participants have limited budget then the price is concerned rather than quality, then the participants will select manufacturing who offer a reasonable price with acceptable quality level.

4.5.4 Production lead time

The participants said production lead time is the one of important factor for them. For example, one of the participant said he is concerned in production lead time because he always in urgent to deliver goods to customer as soon as possible then production lead time is the top rank to concern in time limited situation.

4.5.5 Design

For the leather goods, design is the important factor for participants as well. One of the participant said design is the most important factor to him because design is first impression towards goods, when the goods is attractive then it can sell easily.

The data is 0069dentified by ranking the important factors mentioned by each participant as shown in table 4.2

Table 4.2 Participants ranking for the importance factors when participants are making decision to buy goods from leather manufacturing

The Importance Factors					
Participant	1st Rank	2nd Rank	3rd Rank	4th Rank	5th Rank
Mr. Y	Credibility	Quality	Price	Production lead time	Design
Mr. C	Design	Quality	Credibility	Price	Production lead time
Mr. B	Credibility	Quality	Price	Production lead time	Design
Mr. J	Credibility	Quality	Price	Production lead time	Design
Miss J	Price	Quality	Credibility	Production lead time	Design

According to table 4.2, there are three participants who said credibility is the most important to them as the first rank when they are making decision to buy goods from leather manufacturing. For the factor in second rank, all of the participants said quality is the factor that they always concern as well. In third rank, three participants said price is the factor that they have to looking for when they would like to find out the best leather manufacturing. Production lead time factor being at the fourth rank in 4 participants opinion. For fifth rank, design is the factor that the participants have less concerned.

Mr. Y mention that credibility is very important to him. When he found the manufacturing from the internet, he have to visit each manufacturing before select the best one. Event those manufacturing have a good reference from their customer, he continue saying he cannot trust, if he have to visit and decided by himself.

Mr. C said the most important factor to him is design, design can impress him a lot lather than quality. Yet, he have to weight every factor together for the final decision.

Mr. B said credibility is the importance factor for him because of trust. He also said he can trust if those manufacturing used to work with big or well-known company before. In Mr. B's opinion, this is can create credibility to the manufacturing and he will select this manufacturing.

The most importance factor for Mr. J is credibility. He said he will select only the manufacturing that he know each other with the owner. He is supplier who sales the material to leather manufacturing also, then he have a good relation with those manufacturing so he can trust and select the manufacturing easily.

Price is the most importance factor to Miss J, Miss J's customer have limited budget so she have to select the good price from manufacturing lather than credibility and quality. Yet she also mention that good price is not cheap price but reasonable price.

In terms of the online marketing, all of the participants said online marketing can be one of the channel that they can get awareness and all of information also.

Four of the participants said they are not only gain awareness and information through online marketing but also make the order from those manufacturing also. Yet only one of the participant said he cannot trust online marketing, he have to visit and check the quality of real product at the manufacturing before make the order.

Furthermore, all of the participant also mention that online marketing is very powerful channel in the world nowadays. The manufacturing must use online marketing as one of channel to gain more customer and create more awareness to the leather goods market.

CHAPTER V
CONCLUSIONS

5.1 Conclusions

This research has studied and examined to understand how the leather shops perceive online marketing towards manufacturers and weather online marketing had effects on their purchase decisions, using qualitative research methodology. The purpose of this study is to provide insights into the utilization and goals of digital marketing, and to examine the factors that influence the adoption and use of digital marketing channels in leather manufacturing.

The research focuses only leather shops in Thailand. All of respondents are the owners of leather shops. Most of them have an online shop and all of them use internet for their business.

According to interview results, the respondents not only use internet for trading but also update market trend, the information about industry situation overview, economic, internet banking and communicate with friends.

For the behavior of respondents to spend time on the internet, some of respondents spend more than 6 hours continuously on the internet to update their online shop or update information about new products. And some of them spend less than 1 hour but all day to update information and to communicate with customer.

The interview results showed that online marketing can be a useful channels for leather manufacturers. The leather shops are using online information to run their business and as well as online trading.

Regarding the perception of leather shop owners, they have good perception of online marketing. They thought that online marketing is useful and convenient.

When the owners of leather shops are making a decision to purchase leather goods on the internet, there are 5 factors that they concern about which are credibility, quality, price, production lead time and design. The first factor of concern is credibility of the manufacturer. The owners have to find more information such as factory

background, reference review of the factory and visit the factory. Furthermore, the other thing that can increase the credibility level is a recommendation from an influencer for example a big company or well-known person.

The second factor is quality and price is the third factor to concern. Production lead time and design are the environmental factors. Design is the factor that is relatively less important. The respondents usually use quality compared to the price in the purchase decision.

In terms of awareness, the leather shop owners agree that online marketing can create and increase the awareness toward manufacturers, and the manufacturer can reach to leather shop more. This is mean that the manufacturer can increase the number of opportunity to sales and as well as sales volume through online marketing.

5.2 Recommendations

In conclusion, in terms of online marketing the manufacturer should create and focus on credibility. In terms of credibility, the manufacturer should provide the company background as much as possible on the internet and as well as the reference work that have been done. Furthermore, it have to provide contact and location information of the company, and the factory, to confirm that they really exist. The company should have fast response for every enquiry and welcome all prospect to visit the company and factory.

Not only credibility that have to concern, but also quality of the leather goods. The company should produce goods with high quality even if commodity prices are high. In the competitive market, there are many competitors in the market so the company should differentiate itself and create a distinct market positioning in order to compete with others. The company can use the factors which are found in the research finding in order to differentiate or create a better positioning.

In terms of the leather shops, they use all 5 factors to compare when they would like to make a decision to select the factory. When the factory have passed the credibility stage then they will compare price with quality and surrounding factors like production lead time and design as well. In the comparison stage, it was depending on the purpose of leather shops to select the suitable factory. For example, if the purpose

is good quality with cheap price and it is not concern in timing and design then the leather shops will compare between price and quality only, yet if the purpose is good quality and short timing to produce with reasonable price and good design then the leather shops will compare between quality and production lead time and as well as price and design.

Basically, the factory cannot do the best in every 5 factors thus the factory have to focus on the factors that they can do the best among competitors. It is not only awareness that the company have to concern but also increasing the sales volume. The company have to maintain and improve their ability to produce leather goods in order to build a brand repertoire in the customer mind and this is can gain more in repurchasing rate as well.

Furthermore, in terms of leather goods manufacturers have small market size and lack of information providing in order to create awareness. Basically, the leather manufacturers gain awareness by using word of mouth and also recommend from person to person nowadays. Thus, in terms of internet eras the manufacturers should concern more in online marketing. Online marketing can create and increase the awareness, increase opportunity to sales, increase number of customer and as well as increase in sales volume and revenue.

5.3 Limitations and suggestions for future research

This research has limitations of time, sample size and research method. The future research should collect a larger sample size and use quantitative method in order to increase the accuracy of the result. This research only used qualitative method in terms of collecting data, so it the results should be confirmed by using a quantitative survey.

Furthermore, it could add more questions in the interview in order to get more information for customer insight to develop the best online marketing strategies for manufacturers. In terms of the respondents, future research should add more respondents to gain more information and to confirm the influential factors.

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APPENDICES

APPENDIX A: Interviews

Participant 1. Mr. Y, 45

How often do you access the internet?

Very often, approximately over 6 hours per day.

What is the purpose of the internet access?

I access to the internet for oversea trading, online banking, searching for new thing, post the product through Instagram and communication with customers.

How long for the internet access each time?

Approximately 1 – 2 hours per time.

Do you know about online marketing?

Yes, of course.

What is online marketing in your opinion?

I think online marketing is very important for oversea trading and I like to use internet banking.

Can you tell me the pros and cons of the online marketing?

I think online marketing is convenience. I can sales and buy products through online marketing. And I think it risk also.

Have you ever seen online ad?

Yes, of course.

What is the online media that you normally seen the ads?

Online banner, Blogs and E-mail

What is your reaction to the online ads?

Interested, if the content is relate to my interest I will click for more information.

Are you interested in the online ads?

Yes

Do you think online marketing can be one of the media that you can get awareness?

Yes, exactly.

What are main factors in your decision making to purchase leather goods?

First thing is credibility and follow by quality, price, production lead time and I don't concern much in design.

Have you ever bought leather goods or other product from online?

Yes, sometimes.

In terms of leather goods, what are the factors that are important for you to make a decision to buy?

The most important is credibility of the shop or manufacturer.

In terms of leather goods, do you think online can be a channel in order to make the order or purchase the product?

Yes, of course. Today, online is very important channel so you much concern more in online and social media to gain more customer and interactive with them also.

Participant 2. Mr. C, 27

How often do you access the internet?

Very often

What is the purpose of the internet access?

Business purpose and find information to create new opportunities for his business.

How long for the internet access each time?

Approximately 6 hours per time

Do you know about online marketing?

Yes, exactly

What is online marketing in your opinion?

It's main channel for do the business.

Can you tell me the pros and cons of the online marketing?

It reach many group of customer easily, in the others way customer can complain and share to other very fast

Have you ever seen online ad?

Yes

What is the online media that you normally seen the ads?

Online banners, Pop ups, E-mail and Facebook Ad

What is your reaction to the online ads?

Interested, I would like to learn about this tools.

Are you interested in the online ads?

Yes

Do you think online marketing can be one of the media that you can get awareness?

Yes, I always use online market to do business.

What are main factors in your decision making to purchase leather goods?

Design of product is the main reason that impact purchase intention and the others factor is quality, credibility, price and production lead time respectively

Have you ever bought leather goods or other product from online?

Yes, I always purchase leather goods and others product from online channel.

In terms of leather goods, what are the factors that are important for you to make a decision to buy?

Design

In terms of leather goods, do you think online can be a channel in order to make the order or purchase the product?

Yes, of course

Participant 3. Mr. B, 30

How often do you access the internet?

All day.

What is the purpose of the internet access?

I access to the internet for communicating with customer and find source of product. I also access to the internet for personal purpose such as Facebook, Instragram and Line.

How long for the internet access each time?

Approximately 15 - 20 mins per time.

Do you know about online marketing?

Yes, I use online for my business.

What is online marketing in your opinion?

It's a useful tool to interact with customer and gain more awareness.

Can you tell me the pros and cons of the online marketing?

I like online marketing because it's very convenience. But I think the products are untouchable through online marketing so it's hard to identify its quality.

Have you ever seen online ad?

Yes, of course.

What is the online media that you normally seen the ads?

Online banner, text links, pop-up, tutorial, blogs and E-mail

What is your reaction to the online ads?

Interested, if the content is relate to my interest I will click for more information.

Are you interested in the online ads?

Yes

Do you think online marketing can be one of the media that you can get awareness?

Yes, exactly.

What are main factors in your decision making to purchase leather goods?

First thing is credibility and following by quality, price, production lead time and design.

Have you ever bought leather goods or other product from online?

Yes, sometimes.

In terms of leather goods, what are the factors that are important for you to make a decision to buy?

I think credibility is the importance factor because of trust. I can trust if those manufacturing used to work with big or well-known company before. In my opinion, this is can create credibility to the manufacturing and he will select this manufacturing.

In terms of leather goods, do you think online can be a channel in order to make the order or purchase the product?

Yes, of course. Online marketing can be a channel for leather goods.

Participant 4. Mr. J, 27

How often do you access the internet?

Always

What is the purpose of the internet access?

Business purpose and entertainment.

How long for the internet access each time?

Approximately 30 - 60 minutes

Do you know about online marketing?

Yes, I used to learn about online marketing.

What is online marketing in your opinion?

I always do business in online channel.

Can you tell me the pros and cons of the online marketing?

The good thing of online marketing is reach many group of customer easily. Customers will find product easily and it's save cost. The bad thing from online marketing is products are untouchable through online marketing so it's hard to identify its quality and customer slow in make the decision to purchase. In addition there is a lot of competitors to share the market.

Have you ever seen online ad?

Yes

What is the online media that you normally seen the ads?

Facebook Ad, Online banners and Pop ups

What is your reaction to the online ads?

I think online ad is the one channel to do the business.

Are you interested in the online ads?

Yes, exactly.

Do you think online marketing can be one of the media that you can get awareness?

Yes, I believe that online marketing can create awareness to customers.

What are main factors in your decision making to purchase leather goods?

Credibility, Quality, Price, Production, lead time and Design

Have you ever bought leather goods or other product from online?

Yes.

In terms of leather goods, what are the factors that are important for you to make a decision to buy?

The most importance factor for Mr. J is credibility. He said he will select only the manufacturing that he know each other with the owner. He is supplier who sales the material to leather manufacturing also, then he have a good relation with those manufacturing so he can trust and select the manufacturing easily.

In terms of leather goods, do you think online can be a channel in order to make the order or purchase the product?

Yes, sure

Participant 5. Miss J, 34

How often do you access the internet?

Very often, I access the internet every time that I received the message or notification in every platform of internet.

What is the purpose of the internet access?

I access to the internet for communicating with customers, friends and family. And also trading the products.

How long for the internet access each time?

Approximately 30 - 60 mins per time.

Do you know about online marketing?

Yes, I have online shop on Facebook and Instragram.

What is online marketing in your opinion?

It's one of channel for trading the products and interactive with customer easily.

Can you tell me the pros and cons of the online marketing?

I love online marketing because it's easily to reach many group of customer, low cost channel and convenience. But the products easily to copy and sometimes the products are untouchable through online marketing so it's hard to identify its quality.

Have you ever seen online ad?

Yes, I always see the online ad.

What is the online media that you normally seen the ads?

Online banner, text links, tutorial, blogs and E-mail

What is your reaction to the online ads?

If the content is interesting, I will click for more information.

Are you interested in the online ads?

Yes. It's interesting sometimes.

Do you think online marketing can be one of the media that you can get awareness?

Yes, sure.

What are main factors in your decision making to purchase leather goods?

The first thing is price because I concern in low cost and following by quality, credibility, production lead time and design.

Have you ever bought leather goods or other product from online?

Yes, very often to buy thing from internet.

In terms of leather goods, what are the factors that are important for you to make a decision to buy?

Price is the most importance factor for me because my customers have limited budget so I have to select the good price from manufacturing lather more than credibility and quality. The good price is not cheap price but reasonable price.

In terms of leather goods, do you think online can be a channel in order to make the order or purchase the product?

Yes, exactly. Online marketing very important as a channel for shop and manufacturer.