

**FACTOR INFLUENCING THAI PEOPLE IN BANGKOK AREA  
TO PURCHASE CHILI PASTE**



**A THEMATIC PAPER SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR  
THE DEGREE OF MASTER OF MANAGEMENT  
COLLEGE OF MANAGEMENT  
MAHIDOL UNIVERSITY  
2017**

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Thematic paper  
entitled  
**FACTOR INFLUENCING THAI PEOPLE IN BANGKOK AREA  
TO PURCHASE CHILI PASTE**

was submitted to the College of Management, Mahidol University  
for the degree of Master of Management

on  
January 7, 2017



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## ACKNOWLEDGEMENTS

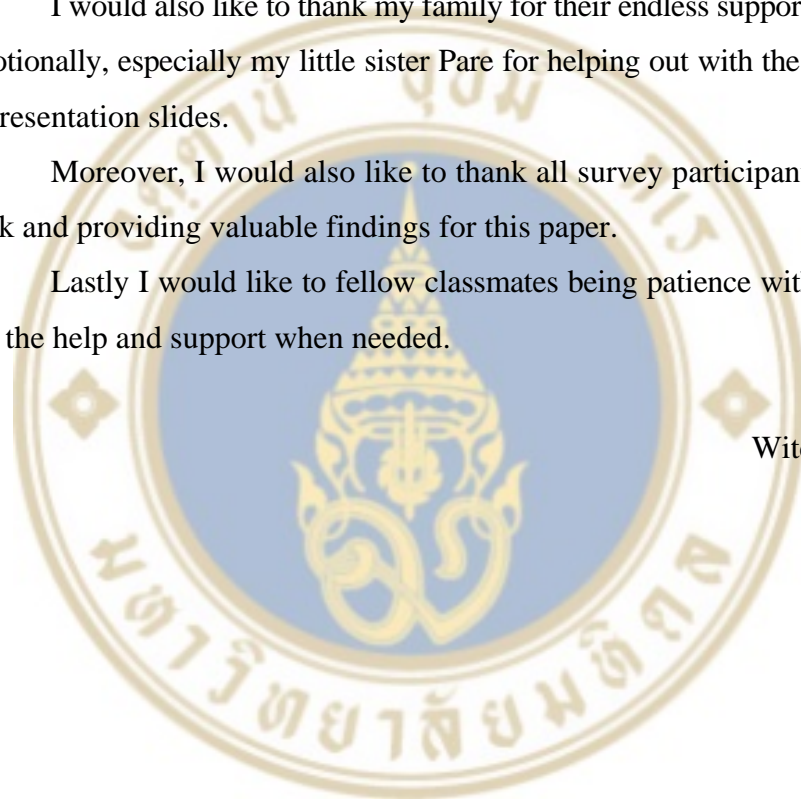
First of all I would like to thank my advisor, Prof. Dr. Vichita Ractham for valuable advises for this thematic paper. This paper wouldn't be completed without her support.

I would also like to thank my family for their endless support, both physically and emotionally, especially my little sister Pare for helping out with the aesthetic aspects of my presentation slides.

Moreover, I would also like to thank all survey participants for supporting my work and providing valuable findings for this paper.

Lastly I would like to fellow classmates being patience with me and always provide the help and support when needed.

Witchaya Wongwai



## **FACTOR INFLUENCING THAI PEOPLE IN BANGKOK AREA TO PURCHASE CHILI PASTE**

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### **ABSTRACT**

This paper focuses on factors influencing people in Bangkok area to purchase chilli paste. In turn the findings would help to drive chilli paste market to be more positive and lucrative direction in both local and global markets. The research uses quantitative method which collects primary data from questionnaire and SPSS tools to conclude the findings.

The research suggested that 3 main factors that influences people to purchase chili paste, which are product, price and promotion. All of which plays important roles in correlation to stimulate the intention to purchase of chilli paste.

**KEY WORDS:** Chili Paste/ Chili Sauce/ Bangkok/ Intention to Buy/ Food, Dietary

36 pages

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# CHAPTER I

## INTRODUCTION

### 1.1 Background

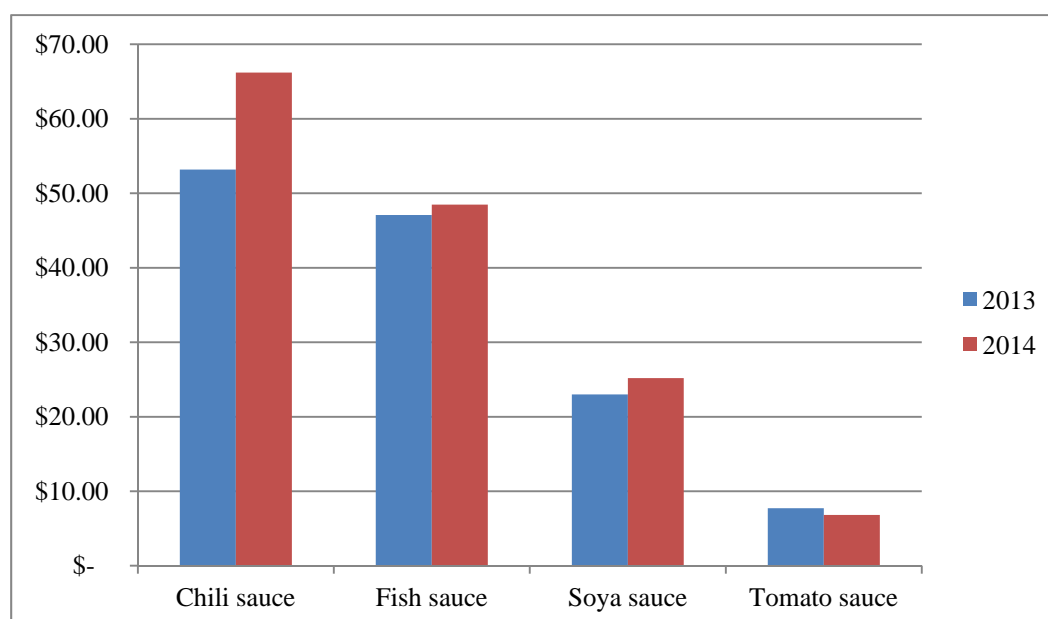
Whenever foreigners talk or mention about Thailand, food related topic is one of unavoidable subjects which people have to bring up. The reason is quite simple. Thai food is very well known throughout the world. Thai government along with various enterprises is assisting each others to promote Thai food and Thailand to become the kitchen of the world. With abundant natural resources, combining with know-how, and long history of food and recipes, Thailand and its food got accepted by foreigners as one of the best dishes. On top of that low labor costs also increase Thailand's competitiveness in the food processing area. According to statistic from BOI or Board of Investment (2014), Thailand exports approximately 30 million metric tons of food, worth around \$28,405 million, throughout the world in 2014. Another statistic from University of the Thai Chamber of Commerce (2014), food sector alone represented 3.9% of Thailand total GDP. The biggest destination for Thai food is Japan, taking up approximately 14%, following by US, 11%, China, 7.6%, and etc (BOI, 2014). So it can be stated that Thai food is accepted not only in Asia, but throughout the world.

Not only foreigners, Thai people who live aboard also prefer to have or to cook Thai dishes. Without proper ingredients, no chef can prepare the dish they wished. Due to this point, condiments' category and other ingredients related category also occupied big chunk of export throughout the world. Chiarakul, Panomlertmongkol, and Pomsuwan (2016) defined condiment as something which is used to enhance the taste of the food, can be in both liquid or hard form, and use in small amount to make the food taste and smell better; salt, sugar, pepper, fish sauce, soy sauce, chili sauce, monosodium glutamate, shrimp paste, and etc.

According to BOI, Thailand exports \$479 million worth of food ingredients. This figure is set to rise at least 13% a year between 2013 and 2014. From the food ingredients category, chili sauce or paste is one of the best selling products. Jeasakul

and Suwonsichon (n.a.), described chili sauce as a product which made from fresh chili mix with garlic, vinegar, sugar, and salt proportionately.

In 2014 alone, Thailand exports at least \$66.21 million worth of chili sauce to the rest of the world, growing 24.48% year on year (BOI, 2014). Thus, chili sauce represents 13% in this food ingredients category. For other type of sauces and seasoning will be presented in below graph:



**Figure 1.1 Exporting of Seasoning and Other Type of Sauces (Million US\$)**

Source: BOI (2014)

Major importers of chili paste and sauce are German, US, Netherland, and Korea, importing 1,036.79 million baht in 2012 (Chairakul, Panomlertmongkol, and Pomsuwan, 2016). As for domestic market, Prachachart (2016) estimates that the total market value for chili sauce should exceed one billion baht. From above figures, values of both domestic and international markets are too big for many food manufacturers to pass up. So both big and small players have joined the race to introduce their own chili paste, producing from their secret recipes and unique production methods.

As lifestyle of Thai people have been evolved and changed over time, the way we consume chili paste also changed along. Currently, ready to eat chili paste is available everywhere in three different packages or forms. The first one is chili paste

in the glass bottle which is well decorated. Small plastic bottle is the second form which producers prefer to package chili paste. The last one is filling up in the plastic bag and charge according to the weight, taken place in the wet market mostly (Prachachart, 2016).

In term of producer, Mae Pranorm is the biggest producer in Thailand, capacity up to 1.5 million kg annually, following by Phantai Nor Ra Singh, 850,000 kg annually, Sriracha chili paste, 561,600 kg per year, and Sriracha Panich chili paste, another 518,000 kg per year. According to top chili sauce producer, the peak selling period for chili paste is during November and December, selling around 150,000 bottles per month. On the other hand, the low season is October, selling around 4,000 bottles per month, because of the J festival. From Jeasakul and Suwonsichon (n.a.) research, they suggested that there are five factors which can influence Thai people when they want to purchase chili paste. Those factors are quality, taste, appearance and advertisement, price and size, and lastly promotion. Will those factors influence Thai people as pervious literatures suggested? Or there are other factors which can influence when those people want to purchase chili paste.

## **1.2 The Research Question of This Study**

What are factors which can influence Thai people's purchase intention toward chili sauce? How important of those factors toward purchase intention?

## **1.3 Study Purpose**

To understand the perception of those Thai people who decide to purchase and consume chili sauce and magnitude of each factors toward their judgments.

## **1.4 Scope of the Study and Framework**

This research focuses on factors which influence Thai consumers to consume chili sauce and magnitude of each factor toward purchase intention.

The population of this study is defined as those who have experiences in purchasing chili sauce in the previous month and living in metropolitan area and also have access to internet to be able to conduct survey online.

Data collection includes data from primary data. Primary data include data collected from questionnaire. Statistic tools in SPSS will be utilized for data analysis.



## **CHAPTER II**

### **LITERATURE REVIEW**

Various researchers have conducted research on how people make their decision or judgment when they need to purchase food or other things. In the minds of consumers, all steps begin quite similar to each others. It always start from recognize what one needs at that moment. Once he/she knows what he/she needs, they start to look for or to search for information about that product or food. For chili paste, it is also the same. According to Kotler and Keller (2009), buyer or consumer always passes through five stages; problem recognition, information search, evaluation of alternatives, purchase decision, and post purchase behavior.

As for the case of chili paste, it all starts when one recognizes that he/she wants to consume chili paste with vegetable, need recognition. Then they start to look for it in supermarket or wet market. After they identify those brands they need, they begin to evaluate each alternative. After evaluating, they proceed to make a purchase decision. After consuming the chili paste, then they evaluate what they consumed and store it in their memory whether they like or dislike it, post purchase evaluation. In order to influence people to select the brand of one chili paste more than others, marketers need to do good works in order to understand customers' needs and wants in order to influence them.

#### **2.1 Chili Paste, Product Itself, and Purchase Intention**

Benjatumraksa (2011) indicates that factors which consumers concern the most is product or chili paste. As a result from Benjatumraksa's (2011) research, it explained that consumers always look for FDA approval mark, no preservation added, freshness, clear indication of production and expiry date, good smell of chili, and good appearance. From her research, good quality chili paste has a positive relationship with purchase intention.



Apart from Benjatumraksa's research, other researchers, Shaharudin, Manson, and Elias (2011) also agree with this point. In the food industry, freshness, appearance, and taste are most important factors which can influence purchase intention. They defined freshness as crispness, juiciness, and aroma of the food. To select any food to consume, customers are looking not only physical product but the value and expectation they formed from what market offers as well. Among those criteria demanded from customers are variety of food, quality, safety of food, reasonable cost, and nutritiousness.

Jeasakul and Suwonsichon's research (n.a.) also indicates similar results with previous researchers. Their finding confirms that factors which can affect purchase decision of chili sauce heavily are product safety, appearance, taste, viscosity, and odor of the product. If the chili sauce being sold in the market does not pass those requirements, consumers are very unlikely to purchase. To break down into detail, Jeasakul and Suwonsichon (n.a.) describe food safety as standard certification, shelf life, nutrition data and label, and nutrition adding. As for product, they break down it into odor, chili sauce taste, heat sensitivity of chili sauce, color, and viscosity.

Other researchers also added that people are currently more and more aware of this factor, because of the nutrition and quality of the food. If the food is not fresh, it is not healthy (Whitehall, Kerkhoven, Freeling, and Villarino, 2006). Not only those attributes stated above, taste is also very important as well. According to Kivela, Inbakaran, and Reece, (1999), taste is the most important factor which can influence consumers' purchase decision. It is like a message sending from food to customer about the quality of the ingredients and how careful they prepare the dish.

H1: Chili paste's attributes have positive relationship with purchase intention of chili paste

## **2.2 Price**

Price is what customers need to sacrifice in monetary terms in order to get what they want or need (Kotler and Armstrong, 2010). Some researchers link price with quality of the product or service that customers are about to receive. Rafiq and Ahmed (1995) elaborated on this point as price is used as a quality indicator, so what

customers perceived is what they will decide on the price. Once customers perceive that the product or service has high value, they are very willing to pay more for it (Wisest, 2011). In term of chili paste, Benjatumraksa (2011) pointed out that price is very important factor which can influence purchase decision of Thai people. The price range of chili paste is around 50 to 150 baht in the year 201 (Daoveerakul, 2013). If customers perceive that the chili paste has good quality, they are willing to pay a little bit more to get what they want.

H2: Chili paste's price has positive relationship with purchase intention of chili paste.

### **2.3 Distribution Channel**

Rafiq and Ahmed (1995) stated that place is where product or service that customers are looking is located or stored. No matter how good the product is, if customer cannot find it, they cannot make any purchase. So marketers need to understand characteristics of target group and know where they will shop for the product. They need to place the product or service in the right distribution channel which is similar to where those people are in order to increase convenience to be able to influence or to persuade those people to try the product (Daoveerakul, 2013). Without good distribution channel, business cannot allocate its product to the hand of customer; then unable to generate any sales or profit (Segetlija, Mesaric, and Dujak, n.a.).

Marshall (2008) also elaborated more on this as distribution channel is very important and crucial for business not only telling the level of convenience and the time saved for customers when they think about the product and where to purchase it but also include the experience in the place where they purchase it. In the case of chili paste, it can be said that people can purchase chili paste in supermarket, wet market, internet, and souvenir shops. In each channel, packagings of chili paste are also different from each others. For example, seller will fill the chili paste into plastic bag before weighting and selling it according to the weight. In other channels, chili paste is kept in the glass or plastic bottles.

H3: Chili paste's distribution channel or where the chili paste being sold has positive effect on purchase intention of chili paste.



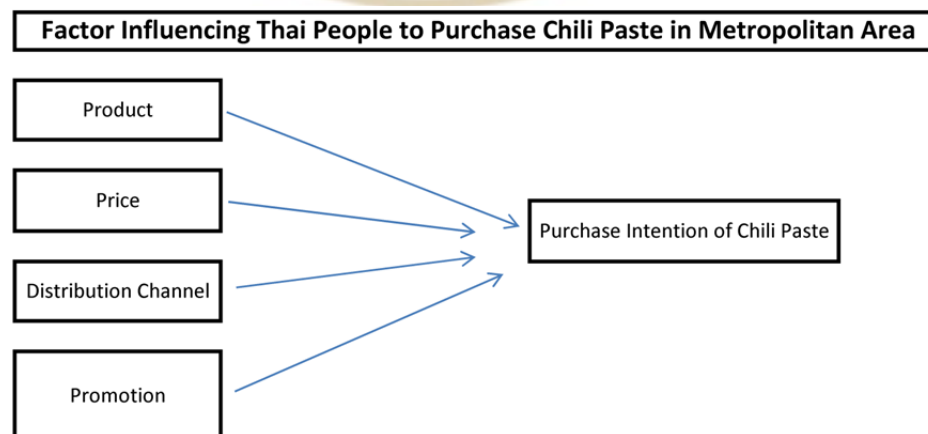
## 2.4 Promotion

Yoo et al (2000) described that promotion can come in numerous ways such as discount, free gifts, stamps, refunds and rebates. This marketing tool is used to increase sales or increase awareness of the product or service by inviting customers to try. The reason behind this is simple. Marketers believe that by having good experience with the product or service, it might lead to continuous usage or purchase of the product or service (Marshall, 2008). Kim et al. (2008) also confirmed this point. By having good experience first hand, not having it from third party; social media or advertising, will positively influence people to trust in that brand or product. Apart from that, familiarity of the brand or product will continue to grow stronger once the time passed by. Thus, they will become more comfortable to purchase and to use.

Most of the promotion which chili sauce sellers are using are discounting, sampling, bundle, or provide another set, buy one get one free. All kind of promotion activities can take place at the point of purchase to encourage people to try and to purchase the product. Once, people get used to the brand and the product, they will get accustom to purchase and to eat from that brand.

H4: Chili paste's promotion has positive effect on purchase intention of chili paste.

## 2.5 Framework of This Research



**Figure 2.1 Conceptual framework**

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

This research was conducted for the sole purpose of providing a better understanding of how Thai people make their decision to purchase chili paste. Chili paste is selected to be the case study, because it is something that everyone accustomed to and have been with Thai people for a long time. Almost every province of Thailand has its own unique chili paste and. Both big and small enterprises are trying to edge up their market share both local and internationally. Due to this point, this topic is well worth to study to understand what is the trigger point or factor which can influence Thai people to purchase it.

To understand the magnitude of each factor toward purchase intention, casual study will be implemented as a method to conduct this research. Gates (2013) explained that casual study will be used when researchers would like to understand the relation between two factors or whether altering the value of one factor, independent factor, has an impact toward value of other variable or not, dependent factor. In order to apply this method, researcher has to collect a data thru questionnaire. Questionnaire will be used as a tool to collect data. Questionnaire was defined as a set of questions design to gather information to provide answer or to accomplish research objective Mcdaniel and Gates (2013).

#### **3.1 Population and Sample Selection**

Mcdaniel and Gates (2013) explained population as entire population which has information which is needed or important to researcher to answer the research objective. In order to define the population of interest, screening question will be used to screen out those who are not qualified or match with questionnaire. If the population of interest is incorrect, it can lead to ineffective or misleading result during data analysis process. After that, sampling method needs to be implemented, because it will take

long time and big amount of resources in order to collect information from a total population, unless the number of total population is small enough.

As for this research, the population of interest is all Thai people living in Bangkok area and have experience purchasing chili paste in the previous month. The sample size, population subset for survey, for this group of population is 30 people.

### **3.2 Research Instrument**

In order to capture the level of importance and attitude of respondents, questionnaire method will be implemented. Mcdaniel and Gates (2013) described questionnaire as a set of questions used to gather information which is important to answer and to accomplish the goal or objective of the research. This questionnaire was designed and distributed through internet with total sample size of 30 respondents.

### **3.3 Data Collection Methods**

Primary data collection method was implemented and carried out to support this research thoroughly.

#### **Primary Data**

Primary data is defined as a new data, either by survey, observation, and/or experiment, gather and collect to solve the problem or research objective (Mcdaniel and Gates, 2013). As for this research, data is collected by conducting non-probability sampling through a survey via google doc, 50 sets altogether. 50 set of data were collected from Thai people who used to purchase chili paste in the past month. After collecting all data, it will be assigned a code and transcribe to SPSS program for further statically analysis.

### **3.4 Statistic Analysis and Presentation**

Various technique and statistic calculation will be used to analyze collected data. Those statistic tools are as followed:

#### **3.4.1 Descriptive Statistic**

It is the most efficient way to summarizing the characteristics of the data or understand the big picture of the data. It can reveal something about some certain characteristic of sample in board. It can measure central tendency, means, median, or mode, measure of dispersion, and provide or compare percentage and statistical tests as well (Mcdaniel and Gates, 2013). As for this study, it has been used to compute and to provide frequency, percentage, mean or average, and standard deviation to give an idea to researcher a broadly view of characteristic of the sample.

#### **3.4.2 Quantitative Analysis**

Gathered data will be coded and key into SPSS to conduct a quantitative analysis in order to test the hypothesis and find relationship between two variables or factors. T test and F test at significant level of 95% and above will be adopted to conduct this research to compare the means between each groups. Not only that, Pearson Correlation test, 95% and above significant level, also be used to find correlation as well.

### **3.5 Measurement Values**

In order to understand the level of agreement and disagreement from respondents' opinions, Likert scales is one of appropriate tools and will be used in the questionnaire. It is a non-comparative scaling technique which only measures a single statement one at a time. This type of tool will allow respondents to express their attitude toward the concept or statement under study (Mcdaniel and Gates, 2013).

As for this research, 5 points scale will be used to capture the feeling and attitude of respondents, instead of 4 or 7 points scale. The reason for not selecting 4 points scale, because there is no midpoint or neutral. There is a high chance that respondents will choose negative rating choices more than positive rating choices or sometimes respondents will try to answer positively because they try to help interviewer

(Garland, 1991). Apart from that Nunnally and Bernstein (1994) research suggested that 7 points scale only slightly better than 5 points scales, because it might also cause confusion to respondents as well. From this point, researcher will adopted 5 points scale to carry out this survey and research to capture attitude of 50 respondents. The measurement value of Likert scale will be calculated as followed:

$$\begin{aligned} \text{Class interval} &= \frac{\text{Highest data value} - \text{Lowest data value}}{\text{Number of classes}} \\ &= \frac{5 - 1}{5} \\ &= 0.80 \end{aligned}$$

To interpret above calculation:

Any score between 1.00 – 1.80 will be considered as least important

Any score between 1.81 – 2.61 will be considered as less important

Any score between 2.62 – 3.41 will be considered as moderate important

Any score between 3.41 – 4.22 will be considered as very important

Any score between 4.23 – 5.00 will be considered as most important



## CHAPTER IV

### RESEARCH FINDINGS AND DISCUSSION

After launching questionnaire through googledoc to target group of respondents, there were 54 sets of questionnaire returned. Answers from respondents will be input into SPSS to analyze statistically to make sense of how respondents feel toward certain factor or statement. Before summarizing the magnitude of each factor on purchase intention and how respondents view each factor, profile of respondents will be shown first in order to understand who our respondents are.

**Table 4.1 Respondents' Profile**

	<b>Demographic</b>	<b>Count</b>	<b>Column N %</b>
gender	male	21	38.9%
	female	33	61.1%
age	15 - 20 years	2	3.7%
	21 - 25 years	5	9.3%
	26 - 30 years	35	64.8%
	31 - 35 years	8	14.8%
	36 years old and above	4	7.4%
income	below 15000 baht	6	11.1%
	between 15,000 - 25,000 baht	8	14.8%
	25,001 - 35,000 baht	14	25.9%
	35,001 - 45,000 baht	6	11.1%
	45,001 baht and above	20	37.0%
education	high school	1	1.9%
	bachelors	21	38.9%
	master	30	55.6%
	PhD	2	3.7%

**Table 4.1 Respondents' Profile (cont.)**

Demographic		Count	Column N %
occupation	employees	32	59.3%
	business owner	12	22.2%
	government employee	1	1.9%
	students	9	16.7%

According to Table above, more than half or 61% of total respondents are women, and male represents only 39%. More than half of total respondents are at between 26 to 30 years old, 65%. Second biggest group of respondents are those who are 31 to 35 years old, representing another 15%. Those who are 21 to 25 years old represents another 9.3%. Those who earn at least 45,001 baht represent the biggest group, around 37%. While those who earn 25,001 to 35,000 baht represent another 26%. As for the third group are those who earn around 15,000 to 25,000 baht which represent another 16%. In term of education, respondents are very well educated. 98% of them are holding at least bachelor degrees. Only one person does not hold a degree. Majority of the respondents are holding master degrees, 55%.

As for employment, more than half of respondents are working in public and private sectors, representing 59.3%. While another 22% are running their own businesses. Only one person is working with government. And the rest are students, 16.7%.

**Table 4.2 Important Criteria to Select Chili Paste**

		gender	
		Male	female
		Count	Count
Criteria	price	2	0
	promotion	1	0
	product	18	32
	distribution channel	0	1

By asking respondents what is the most important factor or criteria for respondents when they need to decide to purchase chili paste, most of their answers are product or chili paste itself. It must have a good quality with good appearance in



order to attract consumer to purchase it. Only two persons decided to purchase chili paste based on price. As for promotion and distribution channel, only one person each who weight their decision on those two criteria. According to SPSS, there is no significant different between male and female. So it can be concluded that both male and female view product itself as an important criteria.

To understand the magnitude of each factor in detail, researcher decided to break down each factor in to two to three different questions each in order to understand respondents better. There are four criteria which researcher decided to study on; price, promotion, product, and distribution channel. Researcher will break down how respondents view each criteria as shown in below table.

**Table 4.3 Prefer Specific Brand of Chili Paste over Price**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.9	1.9	1.9
	disagree	5	9.3	9.3	11.1
	neutral	13	24.1	24.1	35.2
	agree	22	40.7	40.7	75.9
	strongly agree	13	24.1	24.1	100.0
	Total	54	100.0	100.0	

Note: I prefer to purchase chili paste from specific brand, even though it is more expensive than others

According to Table 4.3, it seems like price is not a major issue for respondents when they want to purchase chili paste. Because 64% of respondents expressed that they are willing to pay more for specific brand of chili paste that they like. Only 11% of respondents do not agree with the statement. While the other 24% does not express that they agree or disagree with the statement. This is different from what previous literatures have found. It seems like price does not have that much effect on purchase intention at all, because most of respondents prefer to purchase chili paste from specific brand even though the price of that brand is higher than others.

Price of chili sauce can influence my purchase decision

**Table 4.4 Price to Purchase Decision**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	strongly disagree	4	7.4	7.4	7.4
	disagree	5	9.3	9.3	16.7
	neutral	24	44.4	44.4	61.1
	agree	18	33.3	33.3	94.4
	strongly agree	3	5.6	5.6	100.0
	Total	54	100.0	100.0	
<b>Statistics</b>					
N	Valid		54		
	Missing		0		
Mean			3.2037		
Std. Deviation			.95916		

By asking this question to confirm whether price has any effect on purchase intention or not, the answer is quite clear. The mean of respondents' answers is 3.20. This number indicated that price is considered as moderate important factor which can influence purchase intention. So this result also reconfirms that price might not be the most important factor which can influence purchase intention for chili paste for Thai people, but it also has effect on purchase intention.

Apart from price, promotion for chili paste was a factor which researcher focuses on to understand the magnitude toward purchase intention. Below table will displayed the result of how respondents view toward promotion on chili paste.

Promotion is very important to me when I need to purchase chili paste

**Table 4.5 Promotion and Chili Paste**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	strongly disagree	10	18.5	18.5	18.5
	disagree	18	33.3	33.3	51.9
	neutral	13	24.1	24.1	75.9
	agree	9	16.7	16.7	92.6
	strongly agree	4	7.4	7.4	100.0
	Total	54	100.0	100.0	

According to table above, promotion does not play much important on purchase intention toward chili paste. Only 13 person or 24% of total respondents stated that promotion play an important role on their purchase intention. While the rest or 76% do not think that promotion has any effect on their purchase intention.

By asking respondents whether they will purchase chili paste based on promotion or not, the answer from respondents are quite clear. Most of respondents do not care much about promotion. They will purchase chili paste, not because of promotion. According to table 4.6 below, only 5% of total respondents agree that they purchase chili paste because of promotion. While 74% of respondents do not care much about promotion when they need to purchase chili paste. Another 20% of respondents express that they do not agree or agree with the statement or neutral.

Without a good promotion, I will not purchase chili paste at all

**Table 4.6 Good Promotion Encourages Purchasing of Chili Paste**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	strongly disagree	22	40.7	40.7	40.7
	disagree	18	33.3	33.3	74.1
	neutral	11	20.4	20.4	94.4
	agree	1	1.9	1.9	96.3
	strongly agree	2	3.7	3.7	100.0
	Total	54	100.0	100.0	

However, by asking respondents whether buy one get one free or bundle will encourage respondents to purchase chili paste or not. Respondents' answers were different this time. By offering specific promotion, some of respondents prefer to purchase chili paste more. Those who express agree that by offering one get one free or bundle will encourage he/she to buy chili paste are 44% of total respondents. Only 26% of respondents disagree with the statement. The outcome of this question yields different result than previous 2 questions above. For this question, there is no significant different between the mean of male and female. So both genders prefer to get one get one free, free tasting, or bundle.

Buy one get one free, free tasting, or bundle can encourage me to buy the chili paste

**Table 4.7 Offering One Get One Free Encourages Purchasing of Chili Paste**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	11.1	11.1	11.1
	disagree	8	14.8	14.8	25.9
	neutral	16	29.6	29.6	55.6
	agree	17	31.5	31.5	87.0
	strongly agree	7	13.0	13.0	100.0
	Total		54	100.0	100.0

By averaging the mean of respondents' answers, it is very clear that promotion is not an important factor which can influence respondents to purchase chili paste at all. The mean of their answers is 2.59, which indicates less important. This is also contradicting with what other researchers have found in the past. It does not have positive effect on purchase intention.

**Table 4.8 Mean of Respondents' Answers for Promotion**

Statistics		
promotion		
N	Valid	54
	Missing	0
Mean		2.5864

Apart from price and promotion, researcher also took a look on how product or chili paste itself has any effect on purchase intention or not. In chili paste case, it can be divided into two factors; appearance and quality. Table 4.9 will displayed the result of how much effect appearance of chili paste has on purchase intention.

Appearance of chili paste is very important criteria when I need to purchase chili sauce

**Table 4.9 Appearance of Chili Paste on Purchase Intention**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.9	1.9	1.9
	Disagree	3	5.6	5.6	7.4
	Neutral	12	22.2	22.2	29.6
	Agree	23	42.6	42.6	72.2
	strongly agree	15	27.8	27.8	100.0
	Total		54	100.0	100.0

By asking respondents whether appearance of chili paste is an important criteria for them when they need to purchase it or not, respondents quite agree with the statement. There are 70% of respondents agree with the statement. Only 7% of respondents do not care about appearance of chili paste when they purchase it. So it is quite clear that appearance is important factor which can encourage people to buy chili paste.

Quality is very important to me when I need to consider to purchase chili paste



**Table 4.10 Quality to Purchase Intention of Chili Paste**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	neutral	5	9.3	9.3	9.3
	agree	7	13.0	13.0	22.2
	strongly agree	42	77.8	77.8	100.0
	Total	54	100.0	100.0	

By asking respondents, whether quality is important to them or not when they need to purchase chili paste. Their answers are very clear, 91% of respondents expressed that quality play an important role when they need to make a decision to purchase chili paste. There is no one disagree with the statement.

**Table 4.11 Mean of Product Itself to Purchase Intention**

Statistics		
product		
N	Valid	54
	Missing	0
Mean		4.2870

The mean of the product factor is very high, 4.29. This number indicated that product's attribute is very important factor which can influence purchase intention and encourage people to buy chili paste. This finding is similar to what other researchers have found in the past that product's attribute has positive relationship with purchase intention of chili paste.

Apart from above three factors, distribution channel also another factor which researcher has conducted a research on. According to table 4.12 below, researcher would like to know whether availability of chili paste has an effect on purchase intention which encouraging consumers to consume more or not. Approximately, 53% of respondents expressed that they do agree with the statement. Only few people or another 8% of respondents do not agree with the statement. However, another 39% of respondents do not agree or disagree with the statement.

If chili paste is available everywhere, it will encourage me to purchase and to consume more

**Table 4.12 Availability of Chili Paste Encourage Buying**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.9	1.9	1.9
	Disagree	3	5.6	5.6	7.4
	Neutral	21	38.9	38.9	46.3
	Agree	20	37.0	37.0	83.3
	strongly agree	9	16.7	16.7	100.0
	Total	54	100.0	100.0	

I do not purchase chili paste, because it is not available where I usually go

**Table 4.13 Not Purchasing because of Availability**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	9.3	9.3	9.3
	Disagree	11	20.4	20.4	29.6
	Neutral	20	37.0	37.0	66.7
	Agree	10	18.5	18.5	85.2
	strongly agree	8	14.8	14.8	100.0
	Total	54	100.0	100.0	
<b>Statistics</b>					
Distribution channel					
N	Valid			54	
	Missing			0	
Mean				3.3519	

By restating the question and confirm with respondents again, the availability also somewhat plays an important role in encouraging people to purchase chili paste. There are 33% of respondents who express that they do not consume chili paste, because it is not available where they dine or go. While another 29% do not agree with the statement. Those who remain neutral or do not agree or disagree with the statement are



37% of respondents. The overall mean for distribution channel is 3.35 which indicate that this factor is moderately important in the eyes of respondents.

Researcher adopted multiple regression method in SPSS in order to understand the relationship between four factors and purchase intention and to know the magnitude of each factor toward purchase intention as well. The result will be shown in below table.

**Table 4.14 Correlation between Factors and Purchase Intention: Descriptive Statistics**

	Mean	Std. Deviation	N
PI	2.7778	1.20794	54
Promotion	2.5864	.82907	54
Product	4.2870	.61890	54
distribution_channel	3.3519	.89879	54
Price	3.4815	.70015	54

**Table 4.15 Correlation between Factors and Purchase Intention: Correlations**

		PI	promotion	product	Distribution channel	price
Pearson Correlation	PI	1.000	.509	-.064	.325	.341
	promotion	.509	1.000	.132	.292	.360
	product	-.064	.132	1.000	.137	.426
	Distribution channel	.325	.292	.137	1.000	.183
	Price	.341	.360	.426	.183	1.000
Sig. (1-tailed)	PI	.	.000	.322	.008	.006
	Promotion	.000	.	.172	.016	.004
	Product	.322	.172	.	.161	.001
	Distribution channel	.008	.016	.161	.	.093
	Price	.006	.004	.001	.093	.

**Table 4.15 Correlation between Factors and Purchase Intention: Correlations (cont.)**

		PI	promotion	product	Distribution channel	price
N	PI	54	54	54	54	54
	Promotion	54	54	54	54	54
	Product	54	54	54	54	54
	Distribution channel	54	54	54	54	54
	Price	54	54	54	54	54

**Table 4.16 Correlation between Factors and Purchase Intention: Variables Entered/ Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	price, distribution channel, promotion, product <sup>b</sup>	.	Enter
2	.	Distribution channel	Backward (criterion: Probability of F-to-remove $\geq$ .100).

a. Dependent Variable: PI

b. All requested variables entered.

**Table 4.17 Correlation between Factors and Purchase Intention: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.776	4	7.194	7.260	.000 <sup>b</sup>
	Residual	48.557	49	.991		
	Total	77.333	53			
2	Regression	26.045	3	8.682	8.464	.000 <sup>c</sup>
	Residual	51.288	50	1.026		
	Total	77.333	53			

a. Dependent Variable: PI

b. Predictors: (Constant), price, distribution channel, promotion, product

c. Predictors: (Constant), price, promotion, product

**Table 4.18 Correlation between Factors and Purchase Intention: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.949	1.070		.886	.380	-1.202	3.099
	promotion	.563	.183	.386	3.082	.003	.196	.930
	product	-.508	.245	.260	-2.073	.043	-1.000	-.016
	Distribution channel	.266	.160	.198	1.660	.103	-.056	.588
	Price	.477	.230	.276	2.075	.043	.015	.938
2	(Constant)	1.448	1.045		1.386	.172	-.650	3.546
	promotion	.638	.180	.438	3.547	.001	.277	1.000
	product	-.477	.249	.244	-1.920	.061	-.976	.022
	price	.495	.233	.287	2.122	.039	.026	.964

a. Dependent Variable: PI

**Table 4.19 Correlation between Factors and Purchase Intention: Model Summary<sup>c</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.610 <sup>a</sup>	.372	.321	.99547	.372	7.260	4	49	.000	
2	.580 <sup>b</sup>	.337	.297	1.01280	-.035	2.756	1	49	.103	2.346

a. Predictors: (Constant), price, distribution channel, promotion, product

b. Predictors: (Constant), price, promotion, product

c. Dependent Variable: PI

**Table 4.20 Correlation between Factors and Purchase Intention: Coefficient Correlations<sup>a</sup>**

Model			price	Distribution channel	promotion	product
1	Correlations	Price	1.000	-.049	-.316	-.404
		Distribution channel	-.049	1.000	-.249	-.075
		Promotion	-.316	-.249	1.000	.044
		Product	-.404	-.075	.044	1.000
	Covariances	Price	.053	-.002	-.013	-.023
		Distribution channel	-.002	.026	-.007	-.003
		promotion	-.013	-.007	.033	.002
		product	-.023	-.003	.002	.060
2	Correlations	price	1.000		-.339	-.410
		promotion	-.339		1.000	.026
		product	-.410		.026	1.000
	Covariances	price	.055		-.014	-.024
		promotion	-.014		.032	.001
		product	-.024		.001	.062

a. Dependent Variable: PI

After performing multiple regression, it can be stated that only three factors, product, price, and promotion, can predict up to 29.7% of purchase intention for chili paste. The factor which can influence purchase intention the most is promotion. It has a correlation at 0.438. The next one is product, 0.287. The last factor is price, 0.244. By choosing backward method, SPSS decided to leave distribution channel out, because it does not have much correlation with purchase intention.

To summarize what researcher has found up unto this point, it seems like promotion, price, and product are the only three factors which can influence purchase intention. There is no significant difference between both genders on any factors. So marketer can choose to create a campaign or promotion to attract both genders with the same ads or message. In order to encourage people to purchase or to consume chili

paste more, marketer should emphasize on promotion to attract consumers to come to try the product first. Then the product or chili paste itself should look good or attractive in order to persuade them to purchase. For pricing, consumers are willing to pay a little more for something that they prefer.





## **CHAPTER V**

### **RECOMMENDATION AND CONCLUSION**

Food and condiments are something which foreigners cannot forget or go unnoticed when they talk or discuss about Thailand. Thailand is very famous in term of its food. 30 metric tons of food was being exported to the rest of the world in previous year. As for condiment, Thailand exported nearly \$500 million to the rest of the world. To understand how important of Thai chili sauce or paste to the world, this figure, \$66.21 million, can very well explained. Due to its popularity, chili paste or sauce sector alone has another good year, growing around 25% year on year according to BOI. So not only Thai people, foreigners also enjoy the taste of Thai chili paste and mix it with the food that they eat.

According to various researches in the paste, it seems like product, price, promotion, and distribution channel play an important role which can encourage people to purchase and consume chili paste. According to Benjatumraksa's (2011) and Jeasakul and Suwonsichon's (n.a.) researches, people look for something that is fresh and good in quality and appearance and safety. With those criteria in mind, it cannot be denied that people do overlook this product's attribute when they want to purchase chili paste. Not only product's attribute, people are also looking for a good promotion, because it can encourage them to purchase. If marketers can prove to consumers that they are getting a good product with good promotion; buy one get one free, free tasting, or bundle with other products, it can encourage people to buy it even though their price is a little bit more expensive than others.

As for price, consumers do not mind that much about pricing of chili paste. They are willing to pay a bit more just to get what they want. So marketers should try to focus on product and promotion in the first place, since price does not have that much effect on purchase intention. For distribution channel, a place where product is being sold, is not that much important in the eyes of consumers. According to what researcher have found after conducting a survey, there are only price, promotion, and product

which can influence purchase intention of chili paste. There is no correlation between distribution channel and purchase intention at all.

The result of data analysis from SPSS indicates that product as stand alone factor is very important in the eyes of respondents. The mean of this factor is the highest, 4.28. So marketer should try to create a product which looks attractive in order to catch consumers' attention first. Then, they should try to invite consumer to try the product. If they like the product, they are willing to pay more for it. There is no point for marketer to try to distribute its chili paste or make it available everywhere. It will increase the overall cost of marketing without giving a better result to bottom line.





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## Appendix A: Questionnaire

### “Factors Influencing Thai People to Purchase Chili Paste in Metropolitan Area”

This questionnaire has been developed by Mahidol University’s International Student to be used for Thematic Study. All of the information given by respondents will be treated with high confidentiality and the given information will be used for education purpose only. Please complete all questions truthfully by selecting the answers you prefer or fit with your opinion.

#### Screening Question

Have you ever purchased chili paste?

- Yes, please continue doing questionnaire
- No, please stop doing questionnaire

#### Part 1 Demographic

1. What is your gender?

- a) Male
- b) Female

2. Age

- a) 15-20 Years
- b) 21-25 Years
- c) 26-30 Years
- d) 31-35 Years
- e) 36 years old and above

3. What is your monthly income in Baht?

- a) Below 15,000
- b) Between 15,000 – 25,000
- c) 25,001-35,000
- d) 35,001-45,000
- e) 45,001and above

4. What is your level of education?

- a) High School
- b) Bachelors
- c) Masters
- d) PhD

5. What is your occupation?

- a) Employees
- b) Business owners
- c) Government employees
- d) Students

6. When you purchase chili paste, what is the most important factor which influence your purchase decision?

- a) Price
- b) Promotion
- c) Product
- d) Distribution Channel

### Price

Please rate your opinion toward each statement. Choices range from 1, strongly disagree, to 5, strongly agree.

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
I prefer to purchase chili sauce from specific brand, even though it is more expensive than others					
Price of chili sauce can influence my purchase decision					



### Promotion

Please rate your opinion toward each statement about web design which influences you for purchasing cloth online. Choices range from 1, strongly disagree, to 5, strongly agree.

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Promotion is very important to me when I need to purchase chili sauce					
Without a good promotion, I will not purchase chili sauce at all					
Buy one get one free, free tasting, or bundle can encourage me to buy the chili sauce					

### Product

Please rate your opinion toward each statement about web design which influences you for purchasing cloth online. Choices range from 1, strongly disagree, to 5, strongly agree.

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Appearance of chili sauce is very important criteria when I need to purchase chili sauce					
Quality is very important to me when I need to consider to purchase chili sauce					

### Distribution Channel

Please rate your opinion toward each statement about web design which influences you for purchasing cloth online. Choices range from 1, strongly disagree, to 5, strongly agree.

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
If chili sauce is available everywhere, it will encourage me to purchase and to consume more					
I do not purchase chili sauce, because it is not available where I usually go					

### Purchase Intention

Please rate your opinion toward each statement about web design which influences you for purchasing cloth online. Choices range from 1, strongly disagree, to 5, strongly agree.

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
For my next shopping trip, I will definitely purchase chili sauce.					

Thank You