MARKETING STRATEGIES TO DEVELOP CHOCOLATE INDUSTRY IN THAILAND

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MARKETING STRATEGIES TO DEVELOPMENT CHOCOLATE INDUSTRY IN THAILAND

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M.M. (MARKETING AND MANAGEMENT)

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ABSTRACT

The purpose of this research is able to answer the research question about what are the key factors that influence Thai's customer age between 18 to 60 years who live in Bangkok uncover their buying behavior to make decision to consume chocolate and what are the strategies to develop chocolate market in Bangkok. The researcher uses qualitative method with 8 respondents by using in-depth interview and quantitative with 133 respondents by using the online survey. The data was analyzed by using factor analysis, descriptive statistics, correlation analysis and multiple linear regression analysis in which five hypotheses are tested.

According to the result, it illustrates that reference is the key factors of that influence Thai's customer age between 18 to 60 years old. The result shows that the emotional of customer and reputation of brand are positive relationship to Thai consumer buying intention on chocolate products. From the findings, the researcher would be able to create marketing strategies which are marketing mix strategy, competitive strategy and conservation strategy to match with Thai customer behavior to improve chocolate market in Thailand.

KEY WORDS: Thai consumer behavior/ Chocolate/ Marketing Strategies

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CHAPTER I
INTRODUCTION

Chocolate is popular food types and flavors for a very long time. According to (Nielson, 2014) points out more than 64 percent of confectionery that people around the world consume chocolate that it was firstly originated in 1502 by Christopher Columbus and his son Ferdinand (Chow, 2014). It is now a very famous product which is sold all over the world. As the demand for chocolate increase every year, the number of chocolate consumption is increased to 98.3 billion dollars in 2016 (Anonymous, 2011).

Moreover, many studies have confirmed that eating chocolate is not only for sweet but also make people happy because of sugar and caffeine in chocolate boost endorphin and serotonin level in the brain and help people relax because high in magnesium, which calms nerves and helps relaxation and have tryptophan which causes drowsiness. When the two are combined, they help minimize stress and anxiety (Chow, 2014). According to (Merier, Noll, & Molokwu, 2017) said that it is clear to them that eating chocolate enhanced positive mood.

Currently, the chocolate market in Thailand values up to 184 million Dollar (6.44 billion Dollar) by growing up around 10 percent per year. However, Thai people consume chocolate an average of 0.1 kilograms per person per year, which is relatively low, compared to the most consumed chocolate country which is Switzerland that consumes chocolate 11.9 kilograms per person per year (Marketeer, 2016). Therefore, Thai chocolate manufacturers must be able to adapt to such changes.

This report aims to investigate the factors that influence consumer purchasing decisions, and by stating the importance of each factor will benefit those involved in the chocolate industries to suitably develop marketing strategies for consumers in Thailand as well as for consumers in foreign countries.

1.1 Problem Statement

Chocolate is a number one of confectionery around the world. And when Thai's people go aboard, chocolate would be the first choice that they decision to buy for gifts. However, in Thai market, chocolate is not success in term of sales volume. As a result, this research will start about the key factors that influence Thai customer decision to buy chocolate. In this research will help chocolate producer and retailer to understand more about Thai consumer behavior and then develop the marketing strategy to suit with Thai consumer.

1.2 Research Question

- What are the key factors that influence Thai consumer's decision to consume chocolate?
- What are the strategies to develop chocolate market in Bangkok?

1.3 Research Objective

The purpose of this research aims to study the key success factors that influence consumer purchasing decision in order to develop marketing strategies for chocolate industries in Thailand.

1.4 Research Scope

This research scope will be concentrated on the key factors that impact on working people's age 23 to 60 years who live in Bangkok, Thailand and consume chocolate.

1.5 Expected Benefit

Findings from this research should reveal the key factors that influence the attitude toward purchase intention of chocolate, in which would provide the marketing strategies to stakeholders in chocolate industry who are interest in setup or develop chocolate in the market to become top of customer mind.

CHAPTER II
LITERATURE REVIEW

2.1 History of chocolate

Chocolate has a long history in Central America discovered by Christopher Columbus and his son Ferdinand (Chow, 2014), people produced cocoa and consume drink base on it. After that Spanish arrival to America in fifteenth to sixteen centuries, cocoa became popular among Europe country and spread all over the world. Firstly, the country of product origin remained the only cocoa production. And later, African slave labor has immigrated into the country due to the war and imported diseases that were decimated to the local population. As chocolate is growing popularity in Europe and North, the production has spread to other parts of Latin America as well as to Asia Pacific countries for satisfying the increasing demand. However, West Africa has become the global leading cocoa producer by the end of 1960s. While the cocoa production spread to Asia and Africa, the cocoa consumption in Europe and North America also rising rapidly. The cocoa industry gives raise to the income of the poor, whereas its scientific innovation turned chocolate from a wealthy drink to a food energy drink for the masses. While chocolate is now a popular food in western countries and its consumption is sharply increasing in several emerging markets over the centuries different countries specialized in the different of chocolate production. European countries, for instance, established a traditional of high quality chocolate production. Among them, Switzerland and Belgium represent two interesting examples. (Squicciarini & Swinnen, 2016)

2.2 Overview of chocolate market in the world

According to (Anonymous, 2011) points out, the overall chocolate market is expected to rises up from 83.2 billion Dollar in 2010 to 98.3 billion Dollar in 2016. Expected Asia market to share market around 20 percent of the global market in 2016 and Asian market are expected to boost up sales about 30 percent from 2010.

Switzerland is the largest chocolate market in the world. Swiss Customer consume chocolate around 11 kilograms per person per year and followed by the UK (10 kilograms per person per year), Belgium (9.5 kilograms per person per year), Germany (9 kilograms per person per year) and Ireland (9 kilograms per person per year). The Western European have market share around 45 percent of global chocolate sales in volume sales. In addition, The Western Europe and North America tend to consume premium chocolate. A study done Thomas (2008) found that there is an increase purchase in premium chocolate for consumption rather than give them as a gift.

Japan is known as the biggest chocolate market in Asia. In 2008, Japanese chocolate market size will take a larger share than 6 percent of the global chocolate market value. In Japan, they classified chocolate confectionery into six main segments: solid chocolate bars, chocolate-covered bars, boxed chocolate assortments, bagged chocolate snack, seasonal chocolate and other chocolate. Solid chocolate is the most popular type in Japan counted as 34 percent (1.9 billion Dollar) of the total global chocolate market. (The government of canada, 2010)

2.3 Trend of Chocolate in the World

Chocolate is one of the most popular confectioneries in the world. Many big companies in the market are trying to create market differentiation in their products to appeal customers. By add innovations, take up a level of social responsibility and improve in environment as following: (Small changes drive consumer chocolate trends, 2011);

Innovation: A big company like Hershey created Hershey's air delights by added gas bubbles into the chocolate. A foam texture makes chocolate melts rapidly in your mouth creating chocolate experience. While the US biggest company, Mar, added new ingredients, peanut butter and coconut, to their products. In the first place, the product is seasonal, but later it becomes permanent product in the market. Moreover, the world favorite flavor which is coconut flavor is the fastest-growing in the chocolate segment more than 9.5 percent which proves that the innovation could help boost sale volume (Small changes drive consumer chocolate trends, 2011)

Social responsibility: Nowadays, people around the world tend to be more health conscious. They concern about product ingredients in order to calculate the amount of nutrition that consumer can consume each day such as sugar should not be more than 10 percent of their total calories. Many chocolate companies understand what consumers' needs; thus, they provide this specific information to customers by creating new label to show clear details include nutrition, calories per pack and benefit of product such as reduce LDL cholesterol. (Soley, 2015)

Environment: In 2015, Mars found an interesting way to engage with consumers by to go green. After the company continued to improve environmental performance and consider what best for the environment, Mar is able to reduce waste from the product itself for more than 40 percent and from the packages around 16 million pounds including develop packaging to eco-friendly. In addition, the company attempted to reduce greenhouse gas emissions, logistic and water consumption. (Soley, 2015)

2.4 Overview of Chocolate Market in Thailand

The Thai chocolate confectionery market reached the value of 47.21 million dollars in 2003. In that time this growth shown that Thai stronger than Asia Pacific market (Datamonitor, 2004). In 2016, Thai chocolate market values up to 184 million Dollar (6.44 billion Dollar) by growing up around 10 percent per year. However, Thai people consume chocolate an average of 0.1 kilograms per person per year, which is relatively low compared to the most consumed chocolate country which is Switzerland that consumes chocolate 11.9 kilograms per person per years. (Marketeer, 2016)

Currently, Thailand have chocolate more than 200 brands (ASTVผู้จัดการออนไลน์, 2015) and the most popular brand in Thailand is KitKat, accounted to 14.7 percent of market share, 10.5 percent of market share is Ferrero Rocher, while Hershey's and M&M are 7.4 percent of market share and Milo is only 6 percent of market share (Marketeer, 2016). As Figure 2.1 shows the market share of chocolate in Thailand
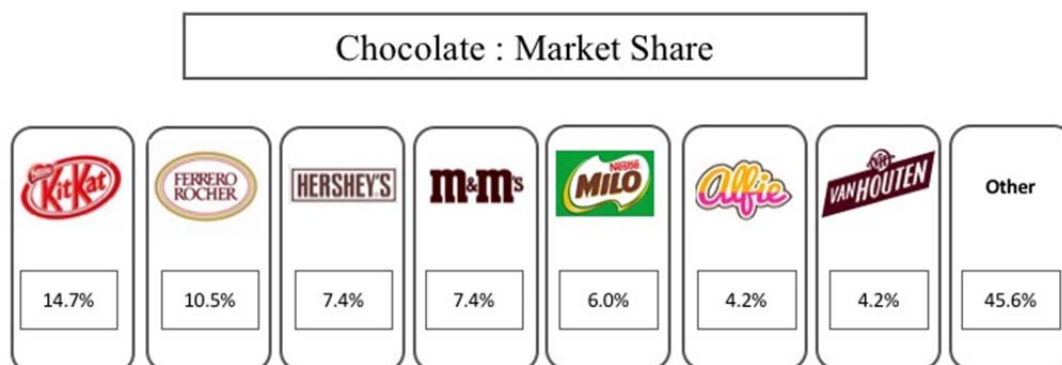
Figure 2.1 **Chocolate Market Share in Thailand**

Source: Marketeer (2016)

The most popular categories of chocolate that Thai customer consume is a Molded Bars around 48.80 percent of the market and the least popular is novelties product around 6.20 percent (Datamonitor, 2004) and the most channels of distribution take place at the convenient stores (60 percent), department store (33 percent) and grocery shops (7 percent). (ASTVผู้จัดการออนไลน์, 2015)

2.5 Chocolate Consumption Behavior

People around the world usually choose chocolate base on several factors. The most important factor is a 'quality'. The quality of chocolate is strongly related to location, bean variety, growing conditions, harvesting method, fermentation procedure and storage and transport conditions. (Squicciarini & Swinnen, 2016)

Second factor is a 'preference' because different people have a different taste so that what is preferred by one customer can be considered low quality by another such as good characteristic of Swiss chocolate is smoothness but good characteristic of British chocolate is milkiness. (Squicciarini & Swinnen, 2016)

Third factor, Advertising and Branding very important for chocolate consumption. customer usually have higher preference for the reputation of brand and country of origin that the research (Squicciarini & Swinnen, 2016) mentioned *'Chinese customer have higher preferences for import chocolate brand than for the domestic or foreign brand product in China'*.

Last factor is a 'store design' because of the store can make impact in a short period of the time. Therefore, store design should to have signature elements that can creating the brand experience and memorable. (Havich, 2016)

CHAPTER III
RESEARCH METHODOLOGY

This research aimed to study about key factors that influence to intention to buy chocolate for understand which factors can influence customer who are working age people that live in Bangkok, Thailand and create marketing strategies for chocolate industry in Thailand.

3.1 Framework of the research

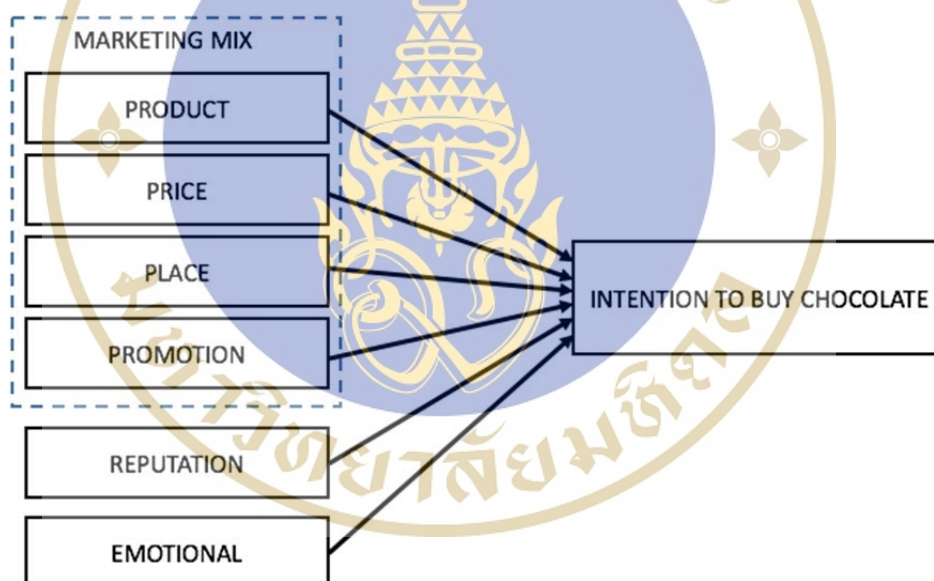**Figure 3.1   Framework of the study**

From the figure 3.1 is a framework of this study that researcher gather information from secondary data and qualitative method. In this framework consist of six constructs: product, price, place, promotion, reputation and emotion. In order to examine which constructs that affect intention to buy chocolate. Moreover, the attributes may be moderated by respondents' profile.

3.2 Research Design

To achieved the main purpose of this study, the key influence factors which are product, price, place, promotion, reputation and emotion are adapted into the questions and the data is collected by qualitative and quantitative.

Qualitative: In this research use in-depth interview and focus group methods to finding the constructs that affect intention to buy chocolate and the idea to create marketing strategies for chocolate industry.

Quantitative: In this research use questionnaire was designed to measure: customer characteristic, purchasing behavior and customer lifestyle of working age customers in Bangkok, Thailand. The questionnaire is consisting of four parts which are screening question, general questions, specific questions and demographic. The questionnaire comprised of multiple choice and five - point of important scales. The questionnaire was gathered base on qualitative data

3.3 Population and Sample Size

In this research population is mainly focused on Thai people ages between 18-60 years who lives in Bangkok, Thailand who consume chocolate in last month. The research divided into 2 part which are qualitative and quantitative.

Qualitative: For focus group and in-depth interview using the same questions that open-end questions and the sample size of focus group is 6 respondents and sample size of in-depth interview is 3 respondents.

Quantitative: The research approach was the online close-ended questionnaire because of the short data collection period and convenience for respondents to access the questionnaire and the sample size of questionnaire is 133 respondents.

3.4 Data Collection

The online questionnaire will be distributed through online channel to target respondents 133 people. The questionnaire is divided into 5 parts which are introduction, screening question, general questions, specific questions and demographics questions. The interpretation scales were given as following:

1 = The least important

2 = Somewhat important

3 = Moderately important

4 = Very important

5 = The most important

In this research analyze data by using Statistical Package for Social Sciences (SPSS) software. The methods are factor analysis, regression analysis descriptive analysis and ANOVA to study the hypothesized model and test the constructs that affect to the intention to buy chocolate.
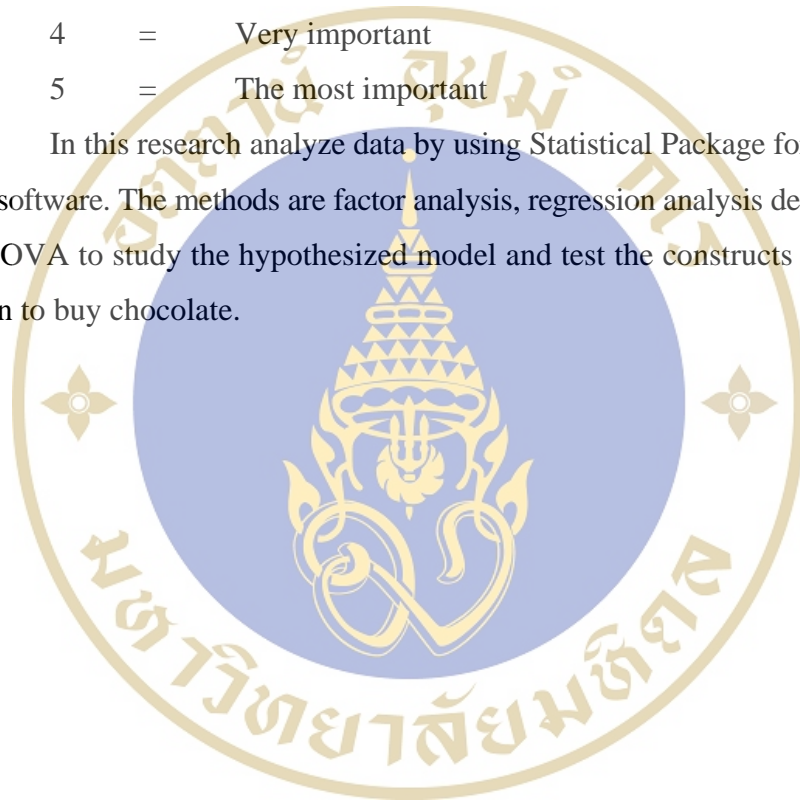
CHAPTER IV
RESEARCH FINDINGS AND DISCUSSION

4.1 Research Findings from Interview

In this research, the content will be analyzed at one level, where the interpretation and focus are on the similarities and differences from the interview to finding the factor that effect intention to buy chocolate. Additionally, the research further explores the customer perception and suggestion to develop marketing strategies to chocolate industry in the future.

4.1.1 Demographic profile of respondents

All of the 8 participants are 4 males and 4 females based on the convenience sampling method that they agreed to participate in the interview. The age of participants between 21 to 27 years old and various occupations. All of them usually consume chocolate as Table 4.1

Table 4.1 Participant's Biography

No. of Participants	Gender	Age	Occupation
1	Female	27	Company Employee
2	Female	27	Master degree student
3	Female	26	Business Owner
4	Female	26	Company Employee
5	Male	26	Company Employee
6	Male	21	Bachelor degree student
7	Male	23	Freelance
8	Male	24	Business Owner

4.1.2 Consumption and buying behavior

According to the interview, all participants said that they buy chocolate as a gift. They the participants said stated that they purchase chocolate approximately 300THB per each spending and around 3-5 boxes per month. They choose from their favorite flavor, mostly dark chocolate. Moreover, most of the female participants prefer chocolate with small packaging as it is easier to eat, while men like chocolate bars since it is easy and convenient for them to grab and eat. As mentioned, the participants have chocolate during break time and late-night because it is a relax and peaceful time to enjoy their favorite food. In addition, regarding to the above, the majority of the participants purchase chocolate as a gift. They spend around 2000 THB per each spending. And, by giving chocolate as a gift, they would consider the packaging and reputation of the brand.

The reason of intention buying behavior can be broken down into following reasons:

- Products have good taste or good quality: This the most important factor for the consumer when buying chocolate since chocolate is considered to be a traditional dessert for the customers. If they would like something sweet, they eat chocolate. Moreover, the consumer hardly change the brand if they found their preferred chocolate.

- Reasonable Price: Most of the chocolate lovers do not care about price because they found that valuable for money is more important to them.

- Conveniences and well decorate place: Most of the male respondents buy chocolate from the convenience stores. They will purchase more often if the product catch their eyes. On the other hand, the female respondents will buy chocolate from luxury chocolate shops and they are willing to travel to shop no matter how far they are.

- Promotion: Promotion increases spending. They would buy more on each spending if promotion is available.

- Reputation of brand: They are more likely to buy the product from the brand that is well-known or they familiar with.

- Emotional: Most of participants choose chocolate when they need positive mood and some of them would like to eat chocolate when they see other people having one.

4.1.3 Suggestion strategies

According to the interview, all of the participants suggested that the chocolate industries in Thailand should focus on five major issues: packaging, quality of the products, creating brand awareness, create uniqueness and creating a destination experience.

Packaging: The package should be modern and unique in order to make the product outstanding. Moreover, it would be better if the package is designed to be reuse. Apart from the reusable packaging, the package should be easy to unwrap and that the consumer would not have to waste their time to remove the package and that the package and the chocolate itself will remain in the nice form in case customers have to work hard on the unwrapping process. One of participants mentioned *"Packaging should be easy to unwrap. because I always have bad mood when I cannot unwrap chocolate"* (Male, 24, Business Owner)

Quality of the product: The taste, texture, cocoa content and other ingredients in chocolate should have high quality. However, it depends on each customer's preference and perception. Two of participants explained *"Dark chocolate from Malaysia is sweeter than dark chocolate from Japan but I prefer Japanese chocolate because I think dark chocolate should provide bitter taste"* (Female, 27, Company Employee)

"I used to buy chocolate from Thai brand but I feel that chocolate coating on my tongue and it makes me feel bad then I changed to global brand like KitKat and Ferero Rocher, but if Thai chocolate is developed in part of quality such as eliminate aftertaste feeling, I think chocolate market in Thailand will growth. (Female, 26, Business Owner)

Creating brand awareness: Chocolate is a type of food that customers pay close attention to its quality, taste, and brand, when buying one customer care much about the brand reputation and the country of origin. So, apart from developing the product itself, creating well-known brand is important as well as mentioned by some of the interviewees *""I think the company or manufacturer should introduce and promote chocolate or the brand via social media. And when people are familiar with both the product and the brand, it is easier to buy the product"* (Male, 21, Bachelor degree student)

"My opinion is to create a story for product such as the origin of the cocoa" (Female, 27, Master degree student)

Creating uniqueness: Since Thailand is not the leading manufacturers of chocolate and Thai people prefer diversity of chocolate brands, flavors (chocolate with tropical fruit), and functional benefit, Thai chocolate industries should develop variety of chocolate with its own unique range of flavors. As three of participants give their opinion *"Thai customer prefer variety of product. So, I think it would be a great idea to add tropical fruit to the product and sale only in Thailand"* (Male, 26, Company Employee)

"Create a Thai's signature into chocolate such as chocolate with dried banana" (Female, 26, Business Owner)

"Invite customers to develop new chocolate through social media. Not only engage with customer, but also get some idea for new product" (Male, 23, Freelance)

Creating a destination experience: The customers would like to experience more about chocolate, for instance, process of making chocolate, like creating a chocolate factory tour. Moreover, the chocolate shop or store should include cafe, souvenir, and workshop where the customers can make their own chocolate and make the chocolate more desirable. One of participants talked about idea that they met from chocolate industry in foreign country as *"I used to visit chocolate industry in the United States in last 2 years. It was very amazing because many activities that I joined make me love chocolate such as workshop, factory tour and I think chocolate industry in Thailand can do like this."* (Female, 26, Company employee)

4.2 Research Findings from Questionnaire

During the research data collection process, we conducted a survey by handing question-naire over a period of 4weeks trough online channel. The research subjects of this study were the working-aged people in Bangkok, Thailand who consume chocolate in last month. The SPSS software is used as a tool to analyze the data that lead to result.

4.2.1 Demographic of respondents' information

In total, the demographic of 133 respondents it can be summarized that the most respondents are female, accounted to 74.4% (99 persons) and 25.6% (34 persons)

is male. For ages over 82.7% (110 persons) is 25-30 years old. 7.5% (10 persons) is aged less than 18 years old and aged between 31-45 years old follow by 1.5% (2 persons) and 0.8% (1 persons) is aged between 18-24 years and 45-60 years. For education background, over 69.93% (93 persons) completed Bachelor Degree, while 29.32% (39 persons) has a higher educational level than bachelor degree, and 0.75% (1 person) of high school level. Moreover, most of participants earn around 20,001-30,000 baht a month which is 33.08% (44 persons) of all respondent. 30.8% (40 persons) earn around 30,001-40,000 baht a month. While those who earn less than 20,000 baht per month and more than 50,000 baht per month are 15.03% (20 persons) and the remaining 6.78% (9 persons) belongs to respondents who earn 40,001-50,000 baht as Table 4.2

Table 4.2 Demographic of sample

Demographics			Response	Percentage
1.Gender	Male		34	25.6
	Female		99	74.4
		Total	133	100.0
2.Age	Less than 18 years		10	7.5
	18-24 years		2	1.5
	25-30 years		110	82.7
	31-45 years		10	7.5
	45-60 years		1	0.8
		Total	133	100
3. Education	High school		1	0.75
	Diploma		0	0
	Bachelor degree		93	69.93
	Postgraduate or higher		39	29.32
		Total	133	100.0
4. Monthly income	Less than 20,000 baht		20	15.03
	20,001-30,000 baht		44	33.08
	30,001-40,000 baht		40	30.08
	40,001-50,000 baht		9	6.78
	More than 50,000 baht		20	15.03
		Total	133	100.0

4.2.2 Factor analysis

According to the result from factor analysis, the important factor that influence customer to buy chocolate could be explained by five constructs, which have eigenvalues greater than 1. These five factors explain estimate 70 % of the variables as table 4.3

Table 4.3 Total Variance explained five factors influence intention to buy chocolate

Total Variance Explained						
Component	**Initial Eigenvalues**			**Rotation Sum of Squared Loadings**		
	Total	**% of Variance**	**Cumulative%**	**Total**	**% of Variance**	**Cumulative%**
1	3.116	25.971	25.971	2.514	20.946	20.946
2	1.821	15.179	41.149	1.876	15.635	36.581
3	1.413	11.771	52.921	1.494	12.452	49.033
4	1.237	10.310	63.231	1.452	12.099	61.132
5	1.106	9.218	72.449	1.358	11.317	72.449
6	.776	6.467	78.916			
7	.659	5.491	84.407			
8	.550	4.587	88.994			
9	.497	4.142	93.136			
10	.392	3.269	96.405			
11	.230	1.917	98.322			
12	.201	1.678	100.000			
Extraction Method: Principal Component Analysis.						

And Scree Plot is determined as a number of factor in order to show clear constructs in the plot as Figure 4.1
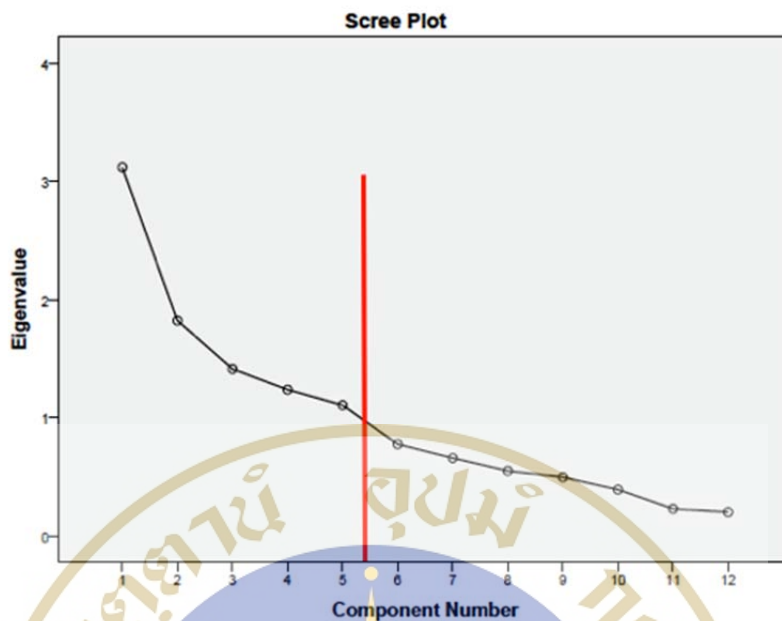
Figure 4.1 Scree Plot of five factors influence intention to buy chocolate

Regarding to figure 4.1 illustrated that five of significant factors which are important for intention to buy chocolate of Thai consumers who live in Bangkok.

The Rotated Component Matrix is the number of dimension shows the number construct. After dimension reduction founded the five important factors that influence the customer to buy chocolate could be described as follows. The first dimension (construct 1) is set to statements of 'Emotional': use emotional for a decision to buy chocolate such as when they need something sweet or when they need positive mood. Construct 2 could be named as 'Reputation': choose chocolate that customers trust in quality, they consideration from brand image and reputation of the brand. The third dimension (Construct 3) is 'Memorable': design that attracts customer to come to the shop and buy the product. Construct 4 is 'Reasonable price': chocolate product is the reasonable price when they compare with quality or quantity. For the last dimension (construct 5) is 'Additional': benefits that shop or chocolate provide to the customer as Table 4.4

Table 4.4 Rotated Component Matrix of five factors influence intention to buy chocolate

Rotated Component Matrix[a]					
	Component				
	1	**2**	**3**	**4**	**5**
When I am stress I eat chocolate	.816				
When I need some sweet I eat chocolate	.805				
Eat chocolate make me happy	.790				
When I see people eat chocolate I want to eat	.722				
Reputation of brand		.918			
Brand Image		.886			
Memorable advertising			.854		
Well decorate place			.781		
Reasonable price vs quantity				.858	
Reasonable price vs quality				.814	
Reduce LDL Cholesterol					.777
Provide sample before purchase					.757

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation coverged in 5 iterations.

According to the result of the factor analysis shown that some of variables were cut out because there were not significant. After, the new variable was regrouped from factor analysis. The hypothesis will show below;

H1: Emotional can influence Thai customers' intention to buy chocolate.

H2: Reputation can influence Thai customers' intention to buy chocolate.

H3: Memorable can influence Thai customers' intention to buy chocolate.

H4: Reasonable price can influence Thai customers' intention to buy chocolate.

H5: Additional can influence Thai customers' intention to buy chocolate.

The hypothesis of this research would be tested by using multiple regressions in order to see the key factors that influence Thai consumers' intention to buy chocolate.

4.2.3 Multiple regression analysis

Multiple regression is extremely powerful tool use to predict a wide variety of outcomes (Jim Higgin, 2005). The decision of accept or reject the hypothesis for this statistical that base on 95% confidential interval which P-value is less than 0.05 level of significant.

Table 4.5 The model summary of running Multiple of regression

					Change Statistics		
Model	R	R Square	Adjust R Square	Std. Error of the Estimate	R Square Change	F Change	df1
1	.527[a]	.278	.250	.89619	.278	9.788	5

According to Table 4.5, the model summary of five constructs of factors that influence Thai customers' intention to buy chocolate, the result showed that R square at 0.278 and adjusted R square at 0.250

Table 4.5 ANOVA show the result five construct of Thai customers' intention to buy chocolate

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	39.307	5	7.861	9.788	.000[b]
Residual	102.001	127	.803		
Total	141.308	132			

a. Dependent Variable: intention to buy

b. Predictors: (Constant), Emotional, Reputation, Memorable, Reasonable price, Additional

According to the table 4.6, ANOVA's result while running the multiple regression in order to measure the significant level of independents variables which are emotional, reputation, memorable, Reasonable price, Additional. while, the dependent variable which is intention to buy the chocolate with in next month. As a result of five

constructs toward Thai customers' intention to buy chocolate. Significant of R-Square value less than 0.05 which is considerate significant.

Table 4.6 Coefficients and Excluded Variables of five construct influence Thai customers' intention to buy chocolate

Coefficients[a]					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
1 (Constant)	4.113	.078		52.925	.000
Emotional	.485	.078	.468	6.214	.000
Reputation	.242	.078	.234	3.104	.002
Memorable	.051	.078	.049	.652	.516
Reasonable price	.027	.078	.026	.350	.727
Additional	-.030	.078	-.029	-.385	.701

According to Table 4.7, Coefficients and Excluded Variables of factors influence Thai customers' intention to buy chocolate. As a result, from table 4.7, there are 2 constructs have positive relationship with Thai customers' who live in Bangkok with intention to buy chocolate. Emotional and Reputation have 0.000 and 0.002 significant that less than 0.05 level of significant. Additionally, standardized coefficients (Bata) of Emotional is 0.468 and Reputation is 0.234. Therefore, Emotional and Reputation are 2 constructs that effect Thai customers' intention to buy chocolate.

4.2.4 Hypothesis summary

According to this research, from factor analysis and Multiple regression methods were used to test hypothesis in order to describe the relationship with all variables both dependent variables and independent variables. The summary of the research finding is shown in Table 4.8 and Figure 4.2 as follow;

Table 4.7 Hypothesis Summary

Hypothesis	Method Test	Result
H1: Emotional can influence Thai customers' intention to buy chocolate.	Multiple regression	Accepted
H2: Reputation can influence Thai customers' intention to buy chocolate.	Multiple regression	Accepted
H3: Memorable can influence Thai customers' intention to buy chocolate.	Multiple regression	Rejected
H4: Reasonable price can influence Thai customers' intention to buy chocolate.	Multiple regression	Rejected
H5: Additional can influence Thai customers' intention to buy chocolate.	Multiple regression	Rejected
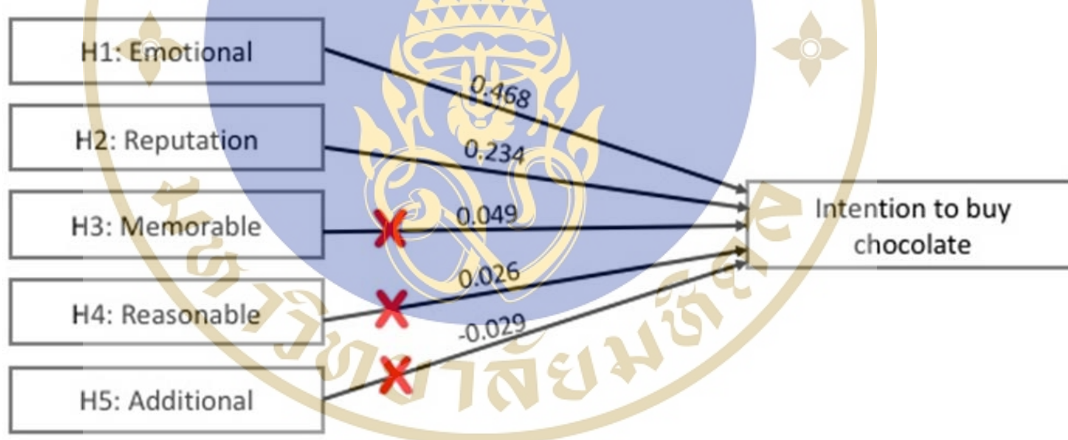
Figure 4.2 Hypothesis Summary

CHAPTER V
CONCLUSION

This research was conducted to finding the factors that affect intention to buy chocolate in Thailand where all participants are Thai and live in Bangkok and creating marketing strategy to develop chocolate industry in Thailand.

5.1 Summary

The result from this research is able to answer part of the research question about what are the key factors that influence Thai customer intention to buy chocolate, from the in-depth interview with 8 respondents. Research finding there are six reasons that effect intention to buy chocolate are product, price, place, promotion, reputation and emotional. For the product, people would buy chocolate that has good taste with high content of cocoa powder. Price should be reasonable according to the quality. Male consumers prefer to buy where it is convenient accessibility whereas female consumers like to shop at the luxury chocolate shop. Promotion also has affect to the purchasing quantity. If consumers familiar with the brand reputation, they are likely to subconsciously purchase. Lastly, people will purchase the chocolate when they want to create a good mood.

By using questionnaire for gather quantitative data with 133 participants and after analyze, the result showed the two potential variables which are H1: Emotional can influence Thai customers' intention to buy chocolate and H2: Reputation can influence Thai customers' intention to buy chocolate.

Moreover, based on the in depth interview result, chocolate products in Thailand still have some weaknesses including unattractive packaging, low quality of chocolate product, unknown brand, and no differentiation between brand. Thus, the suggestions to these weaknesses are to develop the new packaging that is reusable, easy to unwrap as well as more modern. For the quality of the product, Thai chocolate industry

should develop the better taste, texture, cocoa content and other ingredients. The most important thing is they should create brand awareness to be one choice of customer's repertoire. Since Thailand is not the leading chocolate manufacturer, they find one distinctive uniqueness to differentiate and make people memorable. Also, they should create a destination experience for enhancing people to love eating chocolate more.

5.2 Recommendation

From this research, the researcher would be receiving a benefit to use this research to finding and setting marketing strategies to drive sale volume for chocolate industry in Thailand.

Due to different target group have different perception that effect global marketing strategy cannot match with Thai customer. For this research, researcher focus on working-aged people (age 18-60 years) in Thailand who live in Bangkok and has trendy lifestyle. As a result, chocolate industry should focus more on reputation of the brand and focus on more emotional.

Therefore, the researcher suggested marketing strategies for chocolate industry in Thailand for 3 major strategies which are 4's P Strategies, conservation strategies and competitive strategy as below;

4's P Strategies:

- Product: Thailand is one of the food and snack producer. We have the expertise in Research & Development of food industry with excellent consumer behavior research. Thus, we should differentiate product by adapting to Thai traditional food style.

- Price: Odd number. The price should range between 200-500 baht.

- Place: target to the hypermarket

- Promotion: give the trial to customers

Conservation Strategy is to use the natural resources efficiently and eliminating waste as much as possible by using eco-materials and recycling the packaging.

Competitive strategy divided into 3 parts;

- cost leadership: access to unique ingredients from local supplier and superior proprietary technology to lower costs

- Differentiate: create product uniqueness by doing a new thing that hasn't existed in the market yet. Bring Thai's famous fruit to be the signature souvenir when people travel to Thailand. For example, durian chips coated with chocolate.

5.3 Limitations and Suggestion for future research

The limitation of the research are time-constraints was barrier to receive sample result which is not enough to give a representative sample of the Thai consumers as a whole and researcher was used a convenience sample to conduct the survey and collected data over a short time period. Therefore, results might be high level of sampling error (Methodology, 2012).

For the future research, the researcher recommend that the research should:

- Increase number of participants and find out more insight and match with time constraints.

- Collect the sampling should cover all age range, gender to get wider perspective
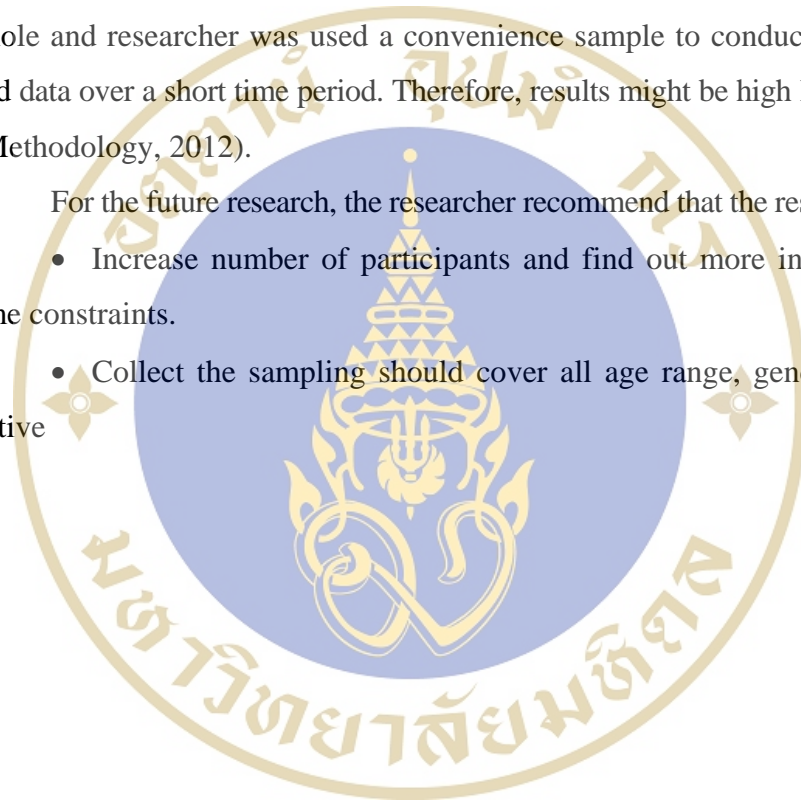
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APPENDICES

Appendix A: In-Depth Interview and Focus Group

Part 1: Demographics

        Q1: Gender?

        Q2: Age?

        Q3: Highest Education?

        Q4: Occupation?

Part 2: Consumption and buying behavior

        Q5: How often do you buy chocolate?

        Q6: Which brand of chocolate that you consume?

        Q7: How many boxes that you buy per time?

        Q8: What is the reason to buy chocolate?

        Q9: Where do you often buy chocolate?

        Q10: Which factors that can influence you to buy chocolate? Why?

Part 3: Suggestion Strategies

        Q11: What kind of chocolate product that you want to have in the future?

        Q12: Do you have any suggests for improvement chocolate industry?

Appendix B: Questionnaire

No.................................

Date.............................

Interviewer...................

Questionnaire

This questionnaire aims to study the behaviors and attitudes of Thai consumers who worked in Bangkok toward chocolate in Thai market. The study is conducted by Marketing and Management Student, College of Management, Mahidol University, Thailand.

The survey should take less than 10 minutes to complete. The information will be used for academic research purpose only and personal information will not be publicly revealed.

Instruction

1. Please check ✓ in the box or fill in a blank space.

2. This questionnaire is divided into 4 parts

      Part 1 Screen Question

      Part 2 Consumption and buying behavior

      Part 3 Factors affecting decision to buy

      Part 4 Demographics

Part 1 Screen Question

Q1: Have you ever consumed chocolate during the past month?

❏ Yes

❏ No (If no, please end the questionnaire)

Part 2 Consumption and buying behavior

Q2: Have you ever consumed chocolate from the below countries? (**Maximum three answers**)

❑1. Thailand ❑2. Malaysia ❑3. England ❑4. China

❑5. Japan ❑6. Switzerland ❑7. Belgium ❑8. Other

Q3: Which brand of chocolates do you prefer? (**More than one answer is allowed**)

❑1. Hershey's ❑2. KitKat ❑3. Ferrero Rocher ❑4. Swiss

❑5. Sneaker ❑6. Royce ❑7. Godiva ❑8. Toblerone

❑9. Baci ❑10. Lindt ❑11. Melt me ❑12. Cadbury

❑13.Reeses ❑14.Guylian ❑15. Other …………

Q4: Which flavor of chocolates do you prefer?

❑1. Dark chocolate ❑2. Milk Chocolate ❑3. White Chocolate

❑4. Green Tea Chocolate ❑5. Cinnamon Chocolate ❑6. Chocolate with Fruits

❑7. Wine Chocolate ❑8. Other ………

Q5: How often do you buy Chocolate?

❑1. Once or more a day ❑2. 2-3 times a week ❑3. Once a week

❑4. 2-3 times a month ❑5. Once a month or less

Q6: How much do you spend for chocolate each time?

❑1. 1-400 Baht ❑2. 401-800 Baht ❑3. 801-1,200 Baht

❑4. 1,201- 1,600 Baht ❑5. More than 1600 Baht

Part 3 Factors affecting intention to buy.

Please rate the following statements in order of importance from 1 to 5 where:

5 = the most important, 1 = the least important

Factors	Level of Importance				
	1	2	3	4	5
Product					
Q7: I would prefer chocolate that match my taste					
Q8: I would prefer chocolate that don't have preservative					
Q9: I prefer to buy chocolate that have clear labeling					
Q10: I prefer to buy chocolate that can provide benefit such as reduce LDL cholesterol					
Q11: I would prefer chocolate that have a long history					
Q12: I would prefer chocolate that have a good shape such as shell, bear, bar					
Price					
Q13: I am concern about reasonable price versus quality					
Q14: I am concern about reasonable price versus quantity					
Q15: I am concern about price that is cheaper price than other brand					
Place					
Q16: I prefer a chocolate that is available near my place.					
Q17: I prefer to buy a chocolate at a place that provide variety of choices.					
Q18: I prefer to buy a chocolate at a hygiene place.					
Q19: I prefer to buy a chocolate from a well-decorated place.					
Q20: I prefer to buy a chocolate that offer online shopping channels.					
Promotion					
Q21: I prefer a chocolate that a provide a sample before purchase.					

Factors	Level of Importance				
	1	2	3	4	5
Q22: I prefer a chocolate that has product consultant (PC) to introduce the product.					
Q23: I prefer a chocolate with special discount.					
Q24: I prefer a chocolate with special gift offer.					
Q25: I prefer a chocolate with memorable advertising.					
Packaging					
Q26: I prefer a chocolate with convenience package.					
Q27: I prefer a chocolate with nice package.					
Q28: I prefer to choose chocolate that have eco-friendly package.					
Q29: I prefer chocolate that have small package (1 package/1 serve)					
Reliability					
Q30: I am concern about country of Origin					
Q31: I am concern about brand Image					
Q32: I am concern about the reputation of Brand					
Q33: I am concern about the reputation of chocolate manufacturer					
Q34: I prefer a chocolate that has assured by quality standard such as GMP, HACCP.					
Emotional					
Q35: When I am stressed, I eat chocolate.					
Q36: Eating chocolate will make me happy because the chocolate releases Endorphins.					
Q37: When I need something sweet, I eat chocolate.					
Q38: When I see people eating chocolate, I want to have one myself.					
Q39: When I could not sleep, I eat chocolate.					

Factors	Level of Importance				
	1	2	3	4	5
Intention to Buy					
Q40: I intend to consume chocolate within the next month					

Part 4 Demographics

Q41: Please indicate your gender

- ❏ Male
- ❏ Female

Q42: Please indicate your age

- ❏ Less than 18 years
- ❏ 18-24 years
- ❏ 25-30 years
- ❏ 31-45 years
- ❏ 46-60 years
- ❏ Above 60 years

Q43: Please indicate your education level

- ❏ Up to high school qualification
- ❏ Diploma/Certificate
- ❏ Bachelor degree
- ❏ Postgraduate or higher

Q44: Please indicate your monthly personal income

- ❏ Less than 20,000 baht
- ❏ 20,001-30,000 baht
- ❏ 30,001-40,000 baht
- ❏ 40,001-50,000 baht
- ❏ More than 50,000 baht

--------- *Thank you for taking time to participate in this questionnaire* ---------