

A STUDY OF THE MARKETING MIX OF THAI LEATHER HANDBAG BRANDS AGAINST IMPORTED BRANDS

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ABSTRACT

This research looks into the competitive factors in marketing mix 4Ps for Thai leather handbag brands to compete against imported international brands. The objectives of this research are (1) to investigate how Thai people look at Thai brands and (2) To identify the marketing mix of Thai local brand handbags to compete against imported brands. The research methodology used was both qualitative and quantitative. In the collection of qualitative data, the author interviewed local Thai brand leather bag owners and 20 interviewees. For quantitative data, the author distributed questionnaires to 100 respondents. The findings showed that Thai brands can compete against imported international brands. In terms of products, Thai brands have to have the uniqueness of Thai design. Regarding pricing, Thai brands have to be worth the money. Concerning place, Thai brands should have counters inside department stores. Regarding promotion, Thai brands have to use traditional advertisement.

Keywords: Marketing mix 4Ps (Product, Price, Place, and Promotion), Leather handbag, Thai brand, Imported brand, Thai customers.

INTRODUCTION

A handbag is not only a small bag used by a woman to carry everyday personal items. A handbag is important for women today and it is a must-have accessory to indicate the fashionable, social status, personal pleasure, and self-expression.

The history of bags started with the development in the 19th century with the reticule. A reticule was a small handbag that could be hung from the waist to be used in much the same manner as today's handbag. Reticule was the history of the handbag in the 18th century when women had different bags on different occasions. By the 1920s, a revolution in fashion had taken place and where once bags were always expected to match the costume, handbags became a symbol of independence. With the 1950s came the rise of important established designer houses such as Chanel, Louis Vuitton, and Hermes. The colorful 1960s saw a breakdown of the old notions of classical forms and tradition, and the subsequent

rise of youth culture has given our modern world a variety of designs, materials, and decorations, bringing extraordinary beauty and high status to this ever-important fashion accessory (Paol,2020).

Statement of the Problem

There are many local leather handbag brands but most of them do not promote themselves as Thai local brand. Those local brand owners found it difficult to promote their brands as local brands. Mr. Thawat Chew who is the owner of Alberdo brand, a consultant of Thai Leathergoods Association, and the former President of Thai Leathergoods Association said that “it was very difficult to build up local brand to complete imported brand even though the government are trying to encourage Thai people to use Thai brand as OTOP exhibition to promote local Thai brands. Despite the encouragement of the government stores tended to assign their space to imported brands rather than to local brands (personal communication on March 12, 2020)”. Mrs. Naovarat Songswaddichai who is the owner of Eleganza brand is also a consultant of Thai Leathergoods Association and the former President of Thai Leathergoods Association said that “even though Thai brands have the good quality and lower price than that of imported brands, it is difficult to gain their popularity among Thai people. To make the situation worse, the leaders of the country do not use local brands so how can we convince Thai people to buy local brands (personal communication, March 12, 2020).

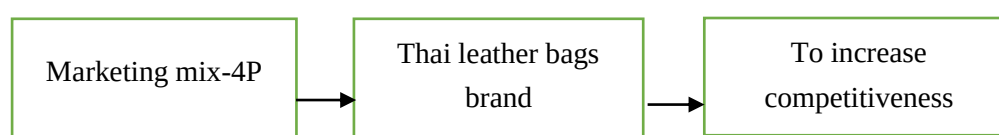
Research Objectives

This research is to look into those competitive factors in terms of the marketing mix for Thai leather bag brands to compete against imported brands. The objectives of the research are as follows:

1. To investigate how leather bag brands’ owners and Thai people perceive Thai brands
2. To know the marketing mix of Thai local brand handbags used to compete against imported brands.

Theoretical Framework

The theory of this study is based on the marketing mix that focuses on 4P- Product, Price, Place, and Promotion to support local leather bag brands to increase competitiveness.



RESEARCH METHODOLOGY

Description of Research Design

This study integrates the primary data which include the in-depth interview and survey, as well as the secondary data for the marketing mix 4Ps literature and the case study of Ben Sherman which means using both qualitative method and quantitative methods for comparison and improvement the competitiveness factor for Thai leather handbag against imported brand.

By using the qualitative method, the study conducts an in-depth interview for the exploratory research with the persons who are in charge of the management of the local brand and how the marketing

mix can support the Thai brand to increase its competitiveness against the imported brand for Thai customers.

Thai customers apply quantitative and qualitative methods; the study distributes structured questionnaires for descriptive research to Thai lady customers to investigate 1) demography: age, gender, income, and academics 2) how the marketing mix can increase the competitiveness of Thai leather handbags 3) investigate how Thai people look into Thai brands.

Population and Sample Size

They were separated into two types of sample sizes for this research.

The sample size of Thai brand owners is as below:

In the in-depth interview for qualitative research, there will be a professor who is a fashion lecturer for the Department of Textile Science at Kasetsart University and a consultant to BFS (Bangkok Fashion Seminar). Additionally, there will be another. A person who is the director of Champ Ace Co., Ltd and the manager of the SARINI brand as representative of a Thai brand owner. There were 10 people from Thai owners who planned to interview but there are only 2 people available.

The sample size of Thai consumers is as below:

The questionnaire for quantitative and qualitative research has been distributed to 100 respondents which is the end user (Thai lady) in quantitative research with 20 respondent's in-depth interviews in qualitative research. According to Walker (1985), data from a sample size of 20 to 40 interviewees was considered valid. The 100 respondents are represented by Thai consumers for their perception of Thai leather handbags. The National Statistical Office Thailand in December 2012 reported the total women population in Bangkok Province was last recorded as 2,982,806.

To calculate the sample size in quantitative research, the researcher used convenience random sampling based on Yamane's formula (EDIS, 2009), the formula to calculate sample sizes with a 90% confidence level and $e = 0.10$. When the researcher knew the size of the lady population in Bangkok, the sample sizes were determined based on the formula as follows.

$$n = \frac{N}{1 + N(e)^2}$$

n = sample size
 N = popular size
 e = level of precision

The specific values are set for the formula.

$$\begin{aligned}
 N &= 2,982,806 \\
 e &= 0.10
 \end{aligned}$$

$$n = \frac{2,982,806}{1 + 2,982,806(0.10)^2}$$

$$n = 99.99$$

Based on such a huge population, the sample size should be 400. Despite the sample size is 400, due to the requirement of thematic papers of the University, a sample size of 100 is considered acceptable.

Data Collection

For primary data, a letter describing the purpose and details of this study was sent to 10 people of Thai brand owners to acquire permission to conduct the research. If the permission was approved, primary data would be collected through in-depth interviews and surveys to obtain both qualitative and quantitative data. Also, audio recording and note-taking were used while interviewing if permission was voluntarily granted by participants. The subjects would be ensured that they were free to withdraw from participation at any time. Moreover, their privacy and confidentiality were protected throughout the data collection processes and afterward. The recorded data and questionnaire data would be terminated immediately after the researcher officially passed the final defense.

For secondary data, the investigator collected documents, article journals, e-journals, and other related information from the public regarding marketing mix 4Ps that could support building up the brand.

The timeframe of this research was three months in total, starting with distributing questionnaires and conducting interviews in May 2020, until the research paper in July 2020, the approximate period was presented as follows:

- Data collection 1 month
- Data analysis 1 month
- Writing complete report 1 month

Data Analysis

This study combines two methods of data analysis. First, qualitative data obtained from in-depth interviews were analyzed by content analysis technique to describe the competitiveness factor of handbags for local brands against imported brands for Thai customers. Second, quantitative data obtained from questionnaires were analyzed by using the computer program SPSS20. The customer perception of Thai brand and imported brand were evaluated by the 5-level of the Likert scale as follow:

Average score	Level
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

Result Data Analysis

Part 1: Demographic Characteristics

Analysis of demographic variable frequencies includes gender, age, marital status, education, occupation, and income by using frequency and percentage method.

Table 1: Frequency and percentage of demographic characteristics issues gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid female	100	100.0	100.0	100.0

The respondents in the research focused on 100 ladies they are the end user of the leather handbag.

Table 2: Frequency and percentage of demographic characteristics issues age

	Frequency	Percent	Valid Percent	Cumulative Percent
20-30	58	58.0	58.0	58.0
31-40	41	41.0	41.0	99.0
41-50	1	1.0	1.0	100.0
Total	100	100.0	100.0	

The data revealed in Table 2 show the respondents are mostly in the age group 20-30 years old (58.0% or 58 people) and the second largest age group is 31-40 years old (41.0% or 41 people). The minority age groups are 41-50 years old (1.0% or 1 person).

Table 4.3 Frequency and percentage of demographic characteristics issues marital status.

Conclusion and Discussion

This research applied in mixed method approach which means using both qualitative method and quantitative methods.

The qualitative research is an in-depth interview with 2 people:

1. A fashion lecturer for the Department of Textile Science at Kasetsart University and a consultant to BFS (Bangkok Fashion Seminar)
2. A director of Champ Ace Co., Ltd and Manager of SARINI.

In the quantitative research, the researcher used a survey by questionnaire to collect primary data by Likert Scale. The survey took place in Bangkok with 100 female respondents that it is the end users. The results were analyzed by descriptive calculation by SPSS20 with the latest open-ended question for asking the decision between Thai leather handbags compared with imported brands which bag will be chosen.

In this research, part 1 for demographic characteristics is the general information that uses frequency and percentage methods in age, marital status, education, occupation, and income.

In the second part, the researcher focused on the marketing mix 4Ps factor to increase the competitiveness of Thai leather handbags against imported brands for Thai consumers.

In the third part, the research wants to find Thai consumers' perspectives on the same product but different brands which one will be chosen.

Regarding both quantitative research and qualitative research that focused on marketing mix 4ps, there are the differences gap for marketing mix 4Ps between Thai consumers and Thai brands as below:

Thai owners must change their perspective to look at what Thai customers want to create Thai brands to satisfy Thai customer's needs because there are different perspectives between Thai consumers and Thai owners as this research finding.

Product, both Thai brands and Thai consumers look into the identity of the product, but it is a different identity that they are looking for. Thai consumers are looking for Thai identity such as Thai fabric and Thai essence, but Thai owners are looking for uniqueness such as special material, exotic skin, and special print.

Price is important for customers' buying decisions and price and quality can come along together from the customers' perspective, high quality with high price, not the competitive price as Thai owners' perspective.

Promotion is the third important in the marketing mix from this research. The advertising is important for Thai brands, and it must be on the magazine not the actress, celebrity, internet, or collaboration.

Place, important for Thai consumers is good decoration it is affected to customers' buying decisions with the many stores in many locations.

Recommendation

The researcher has recommendations as details:

According to this research, the marketing mix factor 4Ps has a significant to improving Thai products and influencing Thai customers' buying decisions. In order to be competitive, Thai brand must understand Thai customer's need and want in Thai product and improve all the factors of product, price, promotion, and place to produce the products for customer satisfaction as below recommendation from the research finding:

To compete against international brands, Thai brands have to emphasize their products and pricing. However, to make Thai people aware of these brands, Thai brands have to have commercials in magazines. Up to points, Thai brands do not need to spend too much money on store displays and advertisements.

By the findings, despite respondents looking into the importance of elements of design, color, and fabric design details, Thai brand needs to instill Thai characters to have these elements. Thai brands should not copy international brands. Thai brand has to be aware of the latest trend to add Thai essence to their brand. Price for Thai brands can relate with the quality, high price with high quality. The good decoration in the shop or corner with the many stores in many locations can create the reliability of Thai brand. The most effective advertisement is a magazine for Thai customers.

The weakness of this research is only 100 respondents represent the end-users and the letter describing the purpose and details of this study was sent to 10 people of Thai brand owners but there are only 2 people can provide the interview that This is very weakness because the research result is very limited.

Further research recommendations

1. As the result of Thai consumers' perspective in the qualitative research and quantitative research the survey is only 100 ladies that represent for the end user that the researcher did not focus on the age, income, marital status, education qualification, and occupation. To get more specific details, further study should study the difference in the demographic variety to study the consumers' perception and buying decisions between Thai brands and imported brands to create competitiveness.

2. The future research interest may be to look into men's bag or party bag, etc.

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