



The Impact of Marketing Strategies and Digital Marketing Tools on the Performance of the Small and Medium Enterprises of Ceramics Industry in Thailand

Chanikan Panomupatam¹

Jiraporn Chomsuan²

Songporn Hansanti³

Abstract

The studies revealed that the general characteristics of most complementary and accessory firms established for more than 11 years use their private capital/raise funds. The educational institutes promoted the involvement of the use of technology, and marketing strategies of the product focused on the product brand's price suggested that the price label must be given clearly. The place was focused on the direct channel by the salespersons of the company, while the promotion was focusing on the involvement of the person selling. Moreover, from the studies of the digital marketing using the social media market, it has revealed that the LINE, chatting application, was fast and convenient to access to the clients. Meanwhile, the emphasis of content marketing on the website is to give the useful information about the product. Also, the viral marketing, which affects directly the perception of the product, is focused on employing the celebrities to promote the product. Furthermore, the financial department performance emphasizes on the increasing of profits, and the marketing is concerned about the customers' satisfaction. From the influence of the general characteristics of the firm, marketing strategies, and digital marketing tools, it has revealed that the pair with the highest value is the key variable which was the marketing strategies in pricing and performance. The variables analysis result was 70.2%

Keywords: Marketing Strategies, Digital Marketing Tools, Performance

¹candidate, Doctor of Business Administration Program of Dhurakij Pundit University

9/212, Petchkasem 79 road, Nong Khang Ploo, Bangkok

E-mail: pchanikan@hotmail.com

² Lecturer, College of Innovative Business and Accountancy, Dhurakij Pundit University

9/212, Petchkasem 79 road, Nong Khang Ploo, Bangkok

E-mail: pchanikan@hotmail.com

³Asst.Prof.Dr, Faculty of Business Administration, Kasetsart University

9/212, Petchkasem 79 road, Nong Khang Ploo, Bangkok

E-mail: pchanikan@hotmail.com

Introduction

In many countries, Small and Medium Enterprises (SMEs) play an important role of driving domestic economy as well as adding values of products and generating export's revenue and effectively producing domestic products to replace imported goods. As a result, they can save a lot of foreign currency and be a source of enhancing the experience and service for the entrepreneurs (Boone and Kurtz, 2010). In Thailand, SMEs play an important role in domestic economy including employment and income distribution, to be a driving force behind the best economic cyclicity. Especially, SMEs are business units that add maximum values to the country when comparing with large-scale manufacturing industries that require the production cost in terms of machinery and technology as well as import of raw materials from abroad. SMEs also induce the development in communities and regions across the country. It could be said that SMEs facilitate and distribute prosperity into communities across the

country (Office of Small and Medium Enterprises Promotion, 2016)

Ceramic Industry is one important business and plays an essential role in employment, income distribution, and value adding, making money from foreign currency and being the oldest and most classic industry of the country as well. Ceramic Industry contributes to value creation by using domestic materials for producing many products and employ domestic workers up to 75,000 persons per year. Additionally, this type of industry makes a lot of money for the country with exports goods and products worth up to 30,000 million baht (Ministry of industry, 2010). Many SMEs' entrepreneurs who operate ceramic industry have changed their ways of marketing by adapting the information technology for improving and changing their business and product trading, and on-line service providing (Digital Economy Promotion Agency, 2017). This is because the Digital Marketing is economic, requires low cost, can create novel and innovate things more easily as well. Nowadays, Digital Marketing is a promising way for today

and the future. It is widely used by the young generation. As a result, the number of customers would increase every year (Suthichai Punyaroj, 2015).

Objectives:

1.To examine the general characteristics, marketing strategies, Digital Marketing, and performance of Ceramic Industry in Thailand operated by SMEs.

2.To determine relationship among general characteristics, marketing strategies, Digital Marketing, and performance of Ceramic Industry in Thailand operated by SMEs.

3.To analyze general characteristics, marketing strategies, Digital Marketing, and performance of Ceramic Industry in Thailand operated by SMEs.

Scope of Study

1. Population and sample size

The population of this study is the 3 6 0 entrepreneurs of Ceramic Industry in Thailand operated by SMEs who produce and distribute Ceramic products and goods including cutleries and souvenirs or decorations (Office of

Small and Medium Enterprises Promotion, March 3rd, 2017). The sample size consists of 189 entrepreneurs.

2. Content

The contents are marketing strategies that are composed of product, price, place, and promotion; digital marketing tools that are composed of Social Media Marketing, Content Marketing, and Viral Marketing; and performances that are financial-related and marketing-related.

3. Sample selection

Multi-stage sampling method is used for this study.

Theoretical Frameworks

1.Marketing Mix is a series of controllable marketing tools used by organizations for achieving goals of target market. Their components will be combined in order to meet target consumers' needs and satisfactions. Marketing Mix is composed of 4 aspects including Product, Price, Place, and Promotion (Armstrong & Kotler, 2015)

2.Digital Marketing refers to a tool used by marketers for communicating

with target group in order to build product awareness, perform public relation, create brand, and stimulate sales via one or more forms of electronic media such as smartphone, tablet, computer, and laptop (Nattapon Yaipairoj, 2016). Therefore, marketing communication has to change and modify its marketing pattern to be more different and select the suitable communication channels for consumers' lifestyle. Digital marketing is a marketing principle that is easy for customers to understand and well accessible. This uses social media as a tool for operating marketing communication such as branding on Facebook, products promoting on YouTube, etc. It also applies other concepts for communication such as Viral Marketing, Content Marketing, and Real-Time Marketing (Worramon Boonsast, 2015).

3. Performance refers to output and outcome of production processes and customers. These are able to assess and compare between actual and expected performances, previously performances, goals, and performance of other businesses. The performance may

be expressed as financial form and non-financial form (National Quality Award, 2013).

Methodology

The author decides to use mixed methodology for conducting research that involves qualitative and quantitative research as follows:

1. Qualitative Research - In-depth Interview is used for collecting data that involves conducting intensive individual interviews with the entrepreneurs of Ceramic Industry in Thailand operated by SMEs.

2. Quantitative Research – this uses questionnaires to obtain information from entrepreneurs of Ceramic Industry in Thailand operated by SMEs.

Statistics and Data Analysis

1. Descriptive Statistics include Frequency Distribution, Percentage, Mean (\bar{x}), Standard Deviation (SD), and Coefficient of Variation (CV).

2. Inferential Statistics include Hierarchical Stepwise Regression Analysis.

Results

Part I: Analysis of general characteristics of the businesses reveals that the majority of them produce souvenir and decoration-related products, have duration of operation more than 11 years and over, use their private money/fund raising as a source of investment fund and technology operation supported by educational institutions.

Part II: Analysis of information about marketing strategies reveals that Product gives priority to brand-name product/recognized brand at high level ($\bar{x} = 4.28$), Price gives priority to transparent pricing at high level ($\bar{x} = 4.32$), Place gives priority to the business with its own distributors at high level ($\bar{x} = 4.85$), and Promotion gives priority to sales person at high level ($\bar{x} = 4.17$).

Part III: Analysis of information about digital marketing shows that Social Media Marketing places importance on Line application at high

level ($\bar{x} = 4.43$), Content Marketing places importance on educational website and benefit of product usage at medium level ($\bar{x} = 2.90$), and Viral Marketing places importance on building recognition of product brand by using famous person at medium level ($\bar{x} = 2.97$).

Part IV: Analysis of information about performance indicates that financial performance is expressed as increased profits at higher level ($\bar{x} = 3.83$) and marketing performance is expressed as satisfied customers at higher level ($\bar{x} = 4.04$).

Part V: Analysis of influence of general characteristics, marketing strategies, and digital marketing on performance.

5.1 Analysis of correlation among variables of general characteristics, marketing strategies, and digital marketing on performance by using Pearson's Correlation Coefficient.

Table 1 Correlation among variables of general characteristics, marketing strategies, digital marketing and performance.

Variable: Pearson	typ1	typ2	time1	time2	fin1	fin2	sup1	sup2	pro	pri	pla	prom	soc	con	vir	Perf
typ1	1.00															
typ2	.309**	1.00														
time1	.085	.092	1.00													
time2	.164*	.085	.211**	1.00												
fin1	.126	.010	.083	.059	1.00											
fin2	.033	.063	.048	.143	.716**	1.00										
sup1	.117	.076	.181**	.034	.141	.100	1.00									
sup2	.096	.037	.018	.114	.100	.230**	.697**	1.00								
Pro	.019	.088	.124	.264**	.126	.048	.083	.116	1.00							
Pri	.064	.001	.038	.273**	.111	.058	.086	.146*	.742**	1.00						
Pla	.016	.033	.123	.245**	.101	.047	.056	.043	.717**	.642**	1.00					
Prom	.002	.070	.217**	.228**	.079	.072	.211**	.138	.626**	.550**	.631**	1.00				
Soc	.149*	.104	.080	.269**	.036	.060	.039	.187**	.561**	.573**	.516**	.445**	1.00			
Con	.016	.077	.087	.140	.001	.031	.026	.199**	.441**	.502**	.418**	.320**	.516**	1.00		
Vir	.011	.056	.170*	.134	.019	.023	.042	.252**	.410**	.462**	.374**	.299**	.422**	.563**	1.00	
Perf	.069	.064	.051	.250**	.045	.065	.089	.187**	.767**	.792**	.692**	.614**	.639**	.575**	.534**	1.00
VIF	1.318	1.233	1.329	1.293	2.381	2.476	2.554	2.703	3.257	2.732	2.521	2.164	1.984	1.884	1.708	

** Significant at the level 0.01

It can be seen from Table 1, the results of correlation analysis among predicted variables include cutleries (typ1), souvenirs and decorations (typ2); operation duration of 1-5 years (time1), 6-10 years (time2), private money/fund raising (fin1), borrowing a formal loan (fin2); educational institution (sup1), public sector (sup2); product (pro), price (pri), place (pla), promotion (prom), Social Media Marketing (soc), Content Marketing (con), Viral Marketing(vir); as well as a dependent variable is performance (Perf) indicate that correlation coefficients among studied variables are within range of 0.002 -

0.792. The correlation coefficients between pairs of variables that are highly positively correlated at statistical significance at 0.01 in total 12 pairs; a pair of price (Pri) and performance (Perf) has highest value of 0.792, followed by a pair of product (Pro) and performance (Perf) has value of 0.767 and then a pair of product (Pro) and price (Pri) has value of 0.742.

5.2 Analysis of influence of predicted variables of general characteristics, marketing strategies, and digital marketing on performance by using Multiple Linear Regression, and Hierarchical Stepwise Regression Analysis.

Table 2 Analysis of variables of general characteristics, marketing strategies, and digital marketing on performance by using Hierarchical Stepwise Regression Analysis

	First Step				Second Step			
	b	β	t	p	b	β	t	p
const.	3.798		78.285	0.000	3.853		71.857	0.000
time2	0.280	0.250	3.537	0.001	0.259	0.232	3.292	0.001
sup2	-	-	-	-	0.184	0.160	2.277	0.024
R	0.250				0.297			
R ²	0.063				0.088			
Adj R ²	0.058				0.078			
F	12.510; p = 0.001				8.988; p = 0.001			
ΔR^2	-				0.025			
ΔF	-				5.185			
const.	0.576		3.378	0.001	0.446		2.831	0.005
time2	0.001	0.001	0.023	0.002	0.005	0.004	0.109	0.000
sup2	0.094	0.082	2.025	0.004	0.032	0.028	0.735	0.042
strg	0.817	0.824	19.535	0.000	0.649	0.655	13.785	0.000
tool	-	-	-	-	0.239	0.290	6.102	0.000
R	0.838				0.867			
R ²	0.702				0.752			
Adj R ²	0.697				0.747			
F	145.457; p = 0.001				139.766; p = 0.001			
ΔR^2	0.614				0.050			
ΔF	381.611				37.232			

It can be seen from Table 2 that the analysis of predicted variables effecting on performance by using 4 steps of hierarchical

stepwise regression method reveals the values of regression coefficient (R²) of following predicted variables; operation duration of 6-10 years (time2), public

sector (sup2), marketing strategies (strg), and digital marketing tool (tool) are combined and explain the variance of performance (perf) as follows: 6.3 %, 8.8 %, 70.2 % and 75.2%, respectively. The effect size of all predicted variables derives from 4th step of regression method are 0.005 , 0.032, 0.649 and 0.239, respectively. It can be summarized as;

$$\text{perf} = 0.446 + 0.005^{**}\text{time2} + 0.649^{**}\text{strg} + 0.239^{**}\text{tool}$$

This refers to the operation duration of 6-10 years, support of public sector, marketing strategies, and digital marketing tool all significantly predict performance at level of 0.01. It can be explained that if predicted variables is increased by 1 unit of each, it results in increased performance by 0.005, 0.032, 0.649 and 0.239, respectively.

Conclusion and discussion

1. Analysis of general characteristics, marketing strategies, digital marketing and performance of Ceramic Industry in Thailand operated by SMEs

1.1 In regard to general characteristics of the businesses, it was found that the educational institution provides strongest support to the business in terms of technologies. This is consistent with findings of Faculty of Architecture and Design at King Mongkut's University of Technology North Bangkok and Department of Science Service (2017). King Mongkut's University of Technology North Bangkok has cooperated with Department of Science Service to provide new knowledge and innovative techniques of design method, production process and identity building of product for ceramic businesses. Recent study is also consistent with the findings of Metallurgy and Materials Science Research Institute (MMRI), Chulalongkorn University (2015) which reports that to offer education on raw materials and ceramic kiln for paving the way to establish technological foundation that can be applied to self-improve the entrepreneur lead to the generation of sustainable income and popularity of community.

1.2 In regard to marketing strategies, it was revealed that, overall,

product, price, place, and promotion give priority to performance at good level. It is consistent with the finding of Teoman Duman & Mersid Poturak (2010) who found that the high level of marketing mix in terms of product, place, price, and promotion enhance the businesses' performance such as sales and profits. This, in turn, results in improved performance and increased satisfaction toward performance. Present study is also consistent with the finding of Mamoun N.Akroush (2011) who reported that marketing-oriented strategy has significant and positive effect on customer's satisfaction. Additionally, they found that product and price are strongest factors that drive customer's satisfaction and have significant and positive effect on financial performance. Importantly, financial performance provides positive support toward shareholder value that measures increased marketing value and earning per share (EPS).

1.3 In regard to digital marketing tools, it was revealed that the digital marketing tools i.e. Social Media Marketing give priority to performance at medium

level because marketing communication has to change and modify its marketing pattern to be more different and select the suitable communication channels for consumers' lifestyle by applying Social media as a tool for implementing marketing communication such as branding on Facebook, products promoting on YouTube and Line applications (Worramon Boonsast, 2015). This is consistent with the findings of Anupong Awiroottha (2011) who reports that Social Media is a fundamental tool used for communication purpose and being a strongly influential social media. And it is also consistent with a research of Ruedee Lhimparoj (2011) who finds that Social Network is becoming popular among Internet users. It results in both of marketers and business men can't overlook it. Present study is also consistent with the findings of Kulnida Yamtim (2015) who reports that impression and image of product leading to customers' recognition and loyalty toward the product by applying Social Media as a tool. Moreover, this study is consistent with a study of Raluca Dania Todor (2016) who reveals that Social

Network plays important role in goods and services purchasing. Businesses have to change and adapt their marketing communication for supporting young customers who more likely to use Online more and more. This findings is also consistent with previously research of Don Longo (2016) who finds that digital marketing is a key that unlock the creativity such as Text Messages.

1.4 In regard to performance, this study reveals that, overall, financial and marketing aspects have good level of performance which is consistent with a findings of Papoppon Termteekit (2012) who reports that a factor directly affecting on performance of SMEs is financial aspect such as investment, profit, and liquidity to investment. On the other hand, marketing aspect reveals that customers' satisfaction is at relatively good level which results in increased sales. This is consistent with previous work of Boonthawan Wingwin (2013) who finds that the performance is at high level. This is also consistent with a research of Niti Rattana preechavetch (2010) who reports that organization's performance enhances and optimizes

financial aspect and increase productivity as well as customer's satisfaction.

Suggestions

1. Ceramic business should emphasize on various forms of technology access by asking for support and cooperation from education institutions such as universities that have missions of providing service to society. The business should learn and adopt new knowledge and innovative techniques about product design, production process, etc. that can be applied to self-improve the entrepreneur leading to the generation of sustainable income and popularity of business.

2. For marketing strategy of product, Ceramic business should pay attention to media advertising including Off Line and On Line, and perform public relation together with public sector or community of entrepreneurs in order to stimulating recognition and loyalty toward brand from customers. With regard to price, this business should give priority to specifying product price clearly. If there are many entrepreneurs who sell similar products, they should conduct price deal with each other in order to go in the same direction



and prevent price cut. In terms of place, it should emphasize on having its own distributors. If the business is a manufacturer and has its own distributors as well, its customers will trust and believe in purchasing process. For promotion, the business should highlight on recruitment of salespersons who have experience of sales in order to make customer's impression and show its professionalism of the sales staff.

3. For digital marketing tools, the entrepreneur should emphasize on Line application because it is easy to use, convenient, and quick. Sending images and stickers via Line application also reduces effort of text typing and access target group, especially specific group. If the business expands more channels to communicate with target group such as Facebook and Google, it will be able to access and reach more customers rapidly.

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