

Development of Marketing Strategies for Food Products Trading through the Digital Commerce

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Abstract

The research project seeks to: 1) study online marketing mix factors; 2) study behavior of purchasing decisions of food products through digital channels; and 3) find-the relationship between online marketing mix factors and behavior of purchasing decisions of food products through digital channels. It is a quantitative research project conducted using questionnaires to collect data from 450 samples. The information from the survey was analyzed using software statistics including percentage, mean and standard deviation. Pearson's correlation (Pearson Product Moment Correlation) was used to test the hypotheses proposed by the researcher.

The results showed that the online marketing mix factors were important which were moderately average. Moreover, the online marketing mix factors in six aspects of price, place, promotion, privacy and personalization were related to the consumers' buying decision.

Keywords: Development of Marketing Strategies, Food Products, Digital Commerce

Introduction

From the results of the research on consumer's behaviors in the digital age towards purchasing products, it was found that the purchasing style was different from the original belief, such as women who understand less technology than men had old behaviors such as finding most of the information from inquiries, from salespeople, viewing product demonstrations, asking friends, reading from magazines while consumers in this era are open to both online media and offline in making purchase decisions. Nowadays, we found that the age group 15-24 years old will use online media to help make purchase decisions. Most of them are online reviews, 41% online searches, 40% online videos, 37% brand websites, 35% mobile search, 35% retail websites. While consumers aged 25-34 years old will use online media to help make purchasing decisions. In addition, age group 35 years old and more than that use online media to find information for the final purchase decision (Bangkok Biz Online, 2013).

According to research, digital media is having a huge influence on how we think in terms of our attitude and action. More consumers' lives are in an interesting phenomenon which is a digital multi-platform (MultiScreen). It means consumers can receive online media through multiple channels at the same time. While watching TV, they use Table or Smart Phone to chat and update Social Network at the same time. This is caused by digital media.

More roles are considered an important factor affecting the purchasing decisions of consumers in this era. Because of the present consumers tend to search for information of products and services from the Internet before making a purchase. There is statistical data indicating that social networks have an influence on consumers' buying decision making.

It can be seen that the influence of digital media is undeniable and in 2014 media access online will spread to more people. As a result of the development of telecommunication systems, the use of mobile phones becomes more efficient. When this happens, business organizations turned their attention and focused more on marketing through digital media, especially online media via the Internet, which has a growth trend that leaps every year. It has already become a trend of this era because it can reach consumers very easily. This trend can spread more rapidly than any media in the world and it is estimated that in the next three-four years, digital media will influence decision-making (Nuttaputch, 2013).

Therefore, the researcher is interested in studying the trend of marketing of food products through digital commerce channels, and the behavior of consumers including analyzing various factors that has an impact on food product marketing through digital channel.

Objectives

1. To study online marketing mix factors.
2. To study behavior of purchasing decisions of food products through digital channels.
3. To find the relationship between online marketing mix factors and behavior on purchasing decisions of food products through digital channels.

Research Framework

According to Wongnichakhun (2007: 13-16), online Marketing Mix is a new marketing component which consists of 6 P's, namely Product, Price, Place, Promotion, Privacy, and Personal service (Personalization). All factors of online marketing mix are related and have The importance of online marketing

Sareerat, et al. (1998: 124 – 125), based on Kotler (1999), suggested that consumer behavior was the action of any person directly related to procurement of the use of goods and services. This includes decision-making processes and actions of persons relating to the purchase and use of goods. The study of consumer behavior is a method of study in which an individual makes decisions about how to use resources, in relation to the consumption of a product. Consumer behavior is a process that takes time and effort.

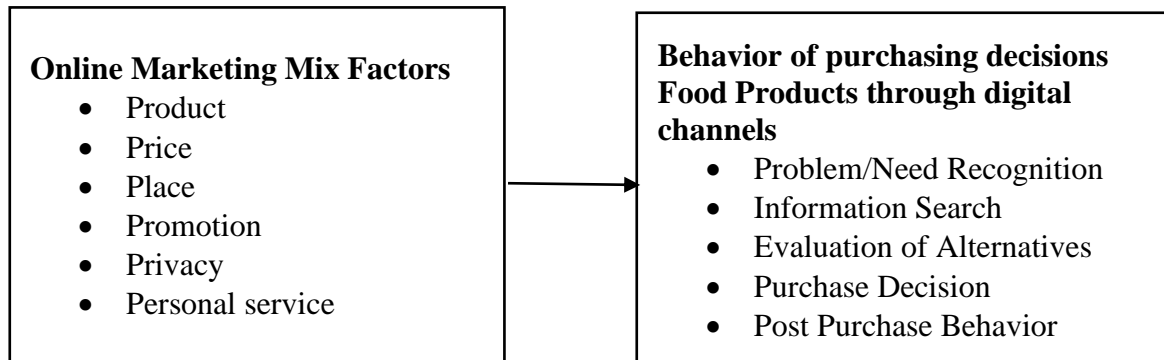


Figure 1: Conceptual Framework

Research Methodology

Population

The population used in this research was Internet users in Thailand.

Sample

The sample group used in this research was internet users in Thailand but the number is unknown. Therefore, the sample size was determined by using the formula for calculating (Sareerat, et al. 2006:177). The computed sample size is 385 samples. In case of the loss and incompleteness of the questionnaires, the data, therefore, were collected from 450 samples.

Sampling

In this research, the researcher used multistage sampling as the following steps:

1. The provinces in Thailand were divided into groups, classified into 6 regional groups as follows:

- 1.1 Group of provinces in the Northern region of 17 provinces
- 1.2 Groups of provinces in the Northeast region of 20 provinces
- 1.3 Groups of provinces in the Central region of 8 provinces
- 1.4 Groups of provinces in the Eastern region of 9 provinces
- 1.5 Groups of provinces in the Western region of 8 provinces
- 1.6 Groups of provinces in the Southern region of 14 provinces

2. Conducting grouping of provinces in each region by cluster sampling, 5 provinces were classified from each regional group (30 provinces around Thailand)

3. Data were collected from a simple random sampling of 450 people, 15 people in each province were collected.

The tool

The tool for data collection for this research was a questionnaire on factors affecting the buying behavior of food products through online stores.

Variable measurement operation

1. Validity test

In order to construct a questionnaire for the measurement that was directly related to the issue, the researcher brought the questionnaire to measure the customers' interests and attitudes affecting the purchase of food products through digital channels, including the attitude of purchasing food products through digital channels from people who have bought the product and services through digital channels.

2. Reliability test

In the study 30 sets of questionnaires were tested on the population who did the pre-test by those who did not take the test. This pre-study trial was using the reliability test formula to test the reliability of questionnaire using Cronbach's reliability test formula or estimation, Alpha Coefficient. As a result, the result of reliability measurement of the meter was 0.89.

Statistics used in the Research

The researcher used statistics in the analysis to match the nature of the data and answer the objective as follows

1. General information of the respondents by analyzing the statistical data with the percentage statistic and frequency distribution.
2. Information on online marketing mix and purchasing behavior of food products through digital channel. The data were analyzed by finding Mean and standard deviation.
3. Finding the relationship between online marketing factors and product purchasing behavior through digital channels by analyzing Pearson's correlation coefficient

Research Finding

1. In this research, the samples consisted of people using the Internet in Thailand. The general information of the respondents were gender, age, status and average monthly income, all of which were analyzed by frequency distribution and percentage.

Table 1: General information

	Number	Percentage
Gender		
Male	299	66.44
Female	151	33.55
Total	450	100
Age		
under 14 years old	10	2.22
14 - 24 years old	63	14.00
25 - 35 years old	124	27.55
35+ years old	253	56.22
Total	450	100
Educational		
primary school	10	2.22
secondary education	68	15.11
diploma	18	4.00
Bachelor's degree	244	54.22
Master's degree	104	23.11
higher than a master's degree	6	11.33
Total	450	100
Occupation		
student student	64	14.22
government service	16	3.55
private company employees	250	55.55
Trading, gardening business	80	17.77
freelance	40	8.88
Total	450	100
Average income per month		
less than 10,000 baht	62	13.77
10,001 - 30,000 baht	151	33.55
30,001 - 50,000 baht	123	27.33
50,001 - 70,000 baht	32	7.11
70,000 baht to carry	82	18.22
Total	450	100

From Table 1, most of the respondents were males, aged 35 years old and above, studied at the bachelor's degree level, being employees of private companies, and with average monthly income of 10,001-30,000 baht.

2. An analysis of respondents' opinions about the entire online marketing mix. There were six aspects using mean and standard deviation as an analysis as shown below.

Table 2: Shows the Mean and the standard deviation of the online marketing mix

No.	Aspect	Mean	SD	degree of influence on decision making
Product				
1	variety of brands	3.76	0.895	more
2	The product has been certified by the FDA.	3.20	1.016	moderate
3	quality products	3.39	0.893	moderate
4	There is a guarantee return, exchange, return	3.21	1.074	moderate
	Total average	3.39	1.002	moderate
Price				
1	The price of the product is cheaper than buying it by other method	3.36	1.060	moderate
2	There are a variety of payment methods.	3.54	0.912	more
3	It is clear to show the price of the product.	3.64	0.823	more
4	There are several price levels to choose from.	3.77	0.849	more
	Total average	3.58	0.898	more
Place				
1	<i>The website is easy to use, quick and easy to search select and place an order</i>	4.09	0.819	<i>much more</i>
2	The website is kept up-to-date.	3.89	0.829	more
3	Beautiful and modern website design	3.82	0.821	more
4	Punctual in delivery time	3.68	0.839	more
	Total average	3.87	0.528	more
Promotion				
1	Attractive online advertising drives purchasing decisions.	3.65	0.892	more
2	A variety of promotions, such as collecting points, giving discounts, giving freebies, etc.	3.49	0.955	moderate
3	Frequent promotions	3.54	0.928	more
4	Communicating product information to customers, especially promotions	3.58	0.910	more
	Total average	3.57	0.901	more
Privacy				
1	Keeping personal information of customers confidential	3.46	1.017	more
2	Encryption of data in sending and receiving data	3.52	0.957	more
3	Requesting the customer's permission to send information to the customer's e-mail address	3.51	0.960	more
	Total average	3.50	0.978	more

Personal service				
1	The website has a system to record product information that customers have ordered or viewed product information.	3.67	0.914	more
2	The website recommends suitable products to customers.	3.36	0.948	moderate
3	giving advice about various inquiries to individual customers through the website	3.35	0.974	moderate
	Total average	3.46	0.9501	moderate

From Table 2, the respondents' opinions on the importance of overall product factors were at a moderate level (mean = 3.39), their opinions on the the overall price factor were at a high level (mean = 3.58), The respondents' opinions on the distribution channel as a whole were at a high level (mean = 3.87), the opinions on the marketing factors as a whole were at a high level (mean = 3.57), their opinions on the privacy factors overall were at a high level (mean = 3.50), and the respondents' opinions on the personal service treatment factors overall were at a moderate level (mean = 3.46).

If considered on a case-by-case basis, it can be seen that the respondents had their opinions on “The website is easy to use, quick and easy to search select and place an order” at a higher level (mean = 4.09).

3. The analysis of the respondents' opinions on the purchasing behaviors of beauty products via digital channels in all 5 aspects using mean and standard deviation revealed the results as in Table 3 below.

Table 3: The mean and standard deviation and the degree of the respondents' opinions toward purchasing behavior.

No.	Aspect	Mean	SD	degree of influence on decision making
Problem/Need Recognition				
1	I will buy the product when my regular product runs out.	3.29	1.126	moderate
2	I always buy products for myself.	3.47	1.059	moderate
3	I always buy products when I need to debug myself.	3.43	1.090	moderate
4	I always buy products when I'm told by friends, close relatives.	3.33	1.090	moderate
	Total average	3.38	1.085	moderate
Information Search				
1	I'm looking for product information from a friend or someone close to me.	3.39	1.019	moderate
2	Sometimes I search the Internet for information about products to buy.	3.52	1.071	more
3	I seek feedback through reviews before making a purchase.	3.67	1.032	more
4	I tend to trust people that have knowledge.	3.44	0.991	moderate

No.	Aspect	Mean	SD	degree of influence on decision making
	Total average	3.51	1.001	more
Evaluation of Alternatives				
1	I am always willing to spend time comparing prices between websites in order to get a lower priced product.	3.57	1.044	more
2	I love shopping for new products.	2.83	0.946	moderate
3	I always choose the website with special offers	3.39	0.990	moderate
4	I always attach great importance to the ease and convenience of returning merchandise.	3.39	0.997	moderate
	Total average	3.31	1.000	moderate
Purchase Decision				
1	I buy products from a regular website because there is a brand I want	3.14	1.117	moderate
2	I only buy products from quality sites.	3.49	1.149	moderate
3	I bought a product from a website that sells it for a cheaper price.	2.98	1.118	moderate
4	I bought the product from a promotional website.	3.10	1.103	moderate
	Total average	3.18	1.112	moderate
Post Purchase Behavior				
1	I chose to return to a website with a wide variety of products to choose from.	3.33	1.089	moderate
2	I chose to go back to using the website which is cheaper than other stores.	3.14	1.131	moderate
3	I am back to using a product distribution site or a website that organizes promotions	3.20	1.109	moderate
4	I chose to go back to using a website that offers good advice and answers questions quickly.	3.56	1.104	more
	Total average	3.31	1.112	moderate

From Table 3, the respondents rated their behaviors on how they made purchasing decisions as a whole at a moderate level (mean = 3.38). Moreover, they expressed their opinions on the importance of information-seeking purchasing decisions at a high level (mean = 3.51). Furthermore, they also commented on the importance of purchasing decisions in the evaluation of alternatives at a moderate (mean = 3.31). Not only that, the respondents also rated on the importance of purchasing decisions at a moderate (mean = 3.18). Finally, the respondents rated the importance of purchasing decisions in the aspect of behavior after purchase at a moderate (mean = 3.31).

4. Factors related to online marketing mix Buying behavior of beauty products through digital channels The results of the analysis are shown in the table 4

Table 4: Correlation between online marketing mix and Buying behavior

No.	online marketing mix	significant
1	Product	.000
2	Price	.000
3	Place	.000
4	Promotion	.000
5	Privacy	.000
6	Personal service	.000

From table 4, testing the relationship between 6 marketing factors and purchasing behavior of food products through digital channels, including awareness of information, seeking alternative, assessment purchase decision and behavior after purchase, it was found that the two variables were statistically related at the significance level 0.01 (Sig. = 0.00).

Discussion

Based on the study of marketing strategies for food products through digital channels, we are able to discuss the results of related research as follows

1. The online marketing mix factor found that respondents saw the importance at the highest level, namely sales channels. The sub-factors with the highest level of opinions. is a website that is easy to use, convenient, quick to search, select and order products, which is consistent with the results of the study by Jaimoon (2011) who studied the behaviors of working-age people in Chiang Mai in purchasing products via online, and it was found that the respondents paid attention to all the 6 aspects and at a high level. In addition, sales and privacy were more important when compared to the others (Product, price, personal service and marketing promotion).

2. According to the correlation between online marketing mix and buying behavior, it shows that online marketing is, an increasingly important marketing channel. Nowadays, most people prefer more convenience, being quickly, spend more and more time on computers, tablets, mobile phones besides communication activities. Not only that, people also turn to Google to find information on the Internet. In addition, marketing through traditional channels began to lose its importance. This makes the role and importance of online marketing grow by leaps and bounds, which is consistent with the results of a study by Adam (2002) who studied a model of Web use in direct and online marketing strategy.

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