MARKETING MIX OF OTOP: FROM THAI LOCAL WISDOM TO GLOBAL THROUGH THAI AIRWAYS INTERNATIONAL

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ABSTRACT

This research is a case study aims to explore the problems and constraints on the promotion and marketing of the products of OTOP: One Tambol One Product through Thai Airways International. A number of Thai local wisdom handicrafts products under OTOP program have been selected as in-flight products for sale on board flights of Thai Airways International. There are 128 selected OTOP products in the in-flight shopping catalogue. The premium OTOP products on the catalogue are Sukhothai silverware, yanlipao wickerwork and Bencharong ceramic ware. The customers can make orders on board flight or via smartphones by scanning product's QR Code from the catalogue. The customers may receive the OTOP products on board Thai Airways International flights, or at Suvarnabhumi International Airport. The products may be sent to the customers to the address stated in the purchase order. In addition, the customers can order OTOP products online at thailandmall.net.

The components of marketing mix: 4Ps consisted of product, price, places and promotions, and SWOT analysis matrix strategies were employed to analyzed data. The research findings revealed that factors effecting on the successful of business of Thai OTOP products were based on their products, price, place and promotion. These findings show that in order to increase the business the local handicrafts entrepreneurs have to improve their products design, packaging, and marketing. OTOP entrepreneurs have to upgrade their products through the use of technology and innovation to enhance the image of OTOP as international products and add value to them. With the collaboration of the Ministry of Commerce Thailand, Ministry of Interior under OTOP Project and Thai Airways International Thai local wisdom handicrafts OTOP products are able to export their products to international markets. This is because the Government want to make OTOP products better known in the international market and to see OTOP entrepreneurs have wider channels to sell their products. Moreover, Thai Airways International operates many flights a day and Thai Airways International has customers from all over the world. These will help to expand OTOP markets. The research findings were in line with the main four elements: 4 Ps of marketing mix theory.

Keywords:Thai local wisdomhandicrafts, OTOP, Thai Airways International, marketing mix, SWOT analysis, and SWOT analysis matrix strategies.

INTRODUCTION

Handicraft refers to a craft that requires skillful hand-made products. Handicraft has its roots in the rural crafts. The handicraftsmen created work manually for using in their daily life. They invented products based on the knowledge transferred from their parents. In Thailand, the handicraftsmen created products according to their belief, and local materials. They used local wisdom to create variety of domestic designed tools. The local wisdom has been passed down from one generation to generation. The local wisdom handicrafts were hand-made products such as weaving, household items, decorative materials and consumer goods used in daily life.

In Thailand almost every village produced the local handicrafts. The handicrafts products were made during the villagers had free time after their farming or housework had been completed. These handicrafts were produced for their own used as a house ware or to be exchanged, bartered or sold to their neighbours. The knowledge of produce the local handicrafts have been transfer from their parent through

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generations. It is a local wisdom provide to descendants. The indigenous skills and craftsmanship combined with available natural sources and raw materials in the village. The hand- made old craft skills sometimes unique to that village or the area.

ONE TAMBON ONE PRODUCT (OTOP)

One Tambon One Product or OTOP was a special project of Thai Government. OTOP is one of the policy of the government had lounged since 2001 until present. The OTOP project was designed in order to generate incomes for the villagers to improve their life standard and to increase economics in Thailand. The idea of OTOP project is to let each village has a major product one type of product and available resources local quality products. The OTOP policy of Thai Government is looking to promote and support the local developer community to build a strong, self-reliant and develop value-added products to meet the needs of the market. Based on OTOP Product Statistics Report (2015, March 25) there are about 127,063 OTOP products from 31,740 entrepreneurs throughout Thailand and there are 3,254 five-star OTOP products. However, some of the OTOP products needed improvement on the designs, quality control on the production, packing and marketing.

Many Thai Government agencies have been provided the OTOP entrepreneurs support. For instance, Ministry of Commerce, and the Department of International Trade Promotion, Ministry of Commerce (DITP), DITP has support the OTOP entrepreneurs by conducting courses in marketing and management, as well as product design and development. Where as the Ministry of Commerce has a policy to promote and support small and medium enterprises (SME) by training to educate OTOP entrepreneurs in many provinces under the strategy of bringing local products to the international community together with the Local to Global.

According to the DITP (2012) there are criteria in three areas: products and the strength of the community guidelines, guidelines possibilities in the market and guidelines of standard products are also a selection of the best OTOP products or OTOP Product Champion (OPC) with the aim to provide opportunities for local products at the root level have the opportunity to develop quality standards for export are the best products of the province and the country as well as the associated standards. From regional to international (Local Link Global Reach) product has a level 1 2 3 4 5 star by five stars are the highest. A good quality product beautiful patterns and the needs of the market, 4-star and 3-star level, the lower the level 2 and 1 star is still developing. The government's focus on developing standards by pushing OTOP products must be developed and community standard before entering into the selection of the top OTOP products as well as training entrepreneurs across the country under the "Smart OTOP" The concept is to create a model for community development.

In year 2012, Thai Government has launched the "OTOP Plus and Premium OTOP Project" to upgrade the standards of OTOP products . This project aims to boost OTOP products in the international market, add value to community products and promote the identity of Thai products, especially in the ASEAN region. The OTOP products do not refer to the product alone. It includes the conservation of natural resources and the environment local treatment tourism, culture and the local elite. in order to become a quality product feature their own unique (www.thaitambon.com.(2007), the government is ready to come to the aid of modern knowledge management of the community to link the product to the market with a store network and the internet. Encourage and support local development processes to build a strong, self-reliant communities. The people involved in bringing resources and local knowledge to develop more modern innovations into products and quality service are standard features that are unique and can add value to meet the needs of both domestic and foreign (Titisak, 2016)

OTOP PRODUCTS ON BOARD THAI AIRWAYS INTERNATIONAL

Based on the Thai Government Policy, Major General Sansern Kaewkamnerd (2016) said that Thai Government wants to make OTOP products better known in the international market and to see OTOP entrepreneurs have wider channels to sell their products. Since 2016, a number of OTOP products have been selected as in-flight products for sale on board flights of Thai Airways International. There were more than 128 selected OTOP products in 21 categories listed on the in-flight shopping catalogue. The premium OTOP products on the catalogue are Sukhothai silverware, necklaces, bracelets, rings, and earrings, Yan-lipao wickerwork from Nakorn Sri-Thammarat and Bencharong ceramic ware from Chieng Mai and Lampang Provinces. The customers can make orders on board flightor via smartphones by scanning product's QR Code from the catalogue. The customers may receive the OTOP products on board Thai Airways International flights, or at Suvarnabhumi International Airport. The products may be sent to the customers to the address stated in the purchase order. In addition, the customers can order OTOP products online at thailandmall.net. Today, OTOP products have become more popular among foreign customers. This is because Thai Airways International has customers from all over the world and operates many flights in one day, it should help expand OTOP markets even more.

In addition, OTOP shops will be opened at Suvarnbhumi International Airport, Bangkok Thailand. This OTOP program enhanced small enterprises in communities by encouraging the local people to manufacture local products using their handicraftsmen ship skills and expertise. The OTOP products had good potential to develop further to enable them to go international. The Major General Sansern Kaewkamnerd (2016) described that Thai Prime Minister Prayuth Chan-O-Cha intended to expand the sales channels of OTOP entrepreneurs, because the OTOP products are high demand from international customers and the Thai airways passengers are potential buyers. The Prime Minister has urged that the producers of OTOP products have to enrich their items with the Thai cultural identity and ensure that the products are in line with international standards (National News Bureau of Thailand, Government Public Relations Department, 2016).

MARKETING MIX AND SWOT ANALYSIS

Kotler & Armstrong (2006) described that marketing was define as a process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. Marketing definition is based on the concepts of needs, wants, demands, marketing offers exchange, transaction and relationship, value and satisfaction, products, services and experiences. The marketers learn as they start out in the market is putting the right product in the right place at the right price and at the right time. Kotler & Armstrong (2006) explained that the marketing mix is the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix variables can be grouped into four variables known as the "four Ps or 4Ps": product, price, place and promotion. They explained that Product means the goods and services combination the company offers to the target market. The Price is the amount of money charged for a product or service or the sum of the values that the consumers exchange for the benefits of having the product. The Place is the location where the service is actually going to be delivered. The product should be available from where your target consumer finds it easiest to shop. And the Promotion includes all of the activities marketers undertake to inform consumers about their products and to encourage potential customers to buy these products.

Albert Humphrey (2015) explained that SWOT stands for strengths, weaknesses, opportunities and threats. A strength and opportunity is a positive factor while a weakness and a threat is a negative factor. The researcher employs SWOT analysis as a tool to analyze the producing and marketing of Thai handicrafts. The results of SWOT analysis shall provide the information to turn the weaknesses into strength and threats into opportunities. The findings will give the important part of the planning and looking at the existing position to do the business in the future (Khairiree & Meenanun, 2105).

RESEARCH PROCESS

This research is a case study aims to explore the problems and constraints on the promotion and marketing of the products of OTOP: One Tambol One Product through Thai Airways International. The components of marketing mix: 4Ps consisted of product, price, places and promotions, and SWOT analysis matrix strategies were employed to analyze data. The research findings and results are displayed in Table 1 as follows.

Table 1
Marketing Mix and SWOT Analysis Matrix Strategies of OTOP Products through Thai Airways International

	Strength	Weakness	Opportunities	Threats
Product	1. The collection of OTOP products in the in-flight shopping catalogue are well designed and high standard. 2. The packaging of premium OTOP products are high quality products and beautiful patterns. 3. The handicrafts OTOP products are five-star OTOP products and well design.	1.The handicraftsman knowledge was verbally transferred and learned by doing. It is leading to loss in local wisdom. 2.It took longer time to weave the fabric patterns by handmade. 3. Able only to produce in a small volume because of handmade.	1.Thai Government supports the handicrafts OTOP products in order to increase the household income. 2.The handicrafts OTOP products were recognized as Government Project. 3. The handicrafts OTOP products can sell in Thailand and global market through Thai Airways International.	1. The sizes of handicrafts OTOP productsare variety. It is not suitable to load on board in every flight. 2Sometime the passengers are not able to receive the OTOP products on-board. They have to order and wait.
Price	The price of OTOP products listed in the catalogue are clear and reasonable when compare to the quality of the products.	Many handicrafts products can not make profits because the materials are expensive and it take long time to complete in one product.	The handicrafts entrepreneurs can have more income if they received the budget from the government.	1.Some premium OTOP product was very expensive. 2. The entrepreneurs have no budget for the investment specially the set of gold rings and earrings .
Place	The high quality of handicrafts products can be sold in Thai Airways International flight or at Suvarnbhumi International Airport, Bangkok Thailand	1.Some handicrafts products can not load on board and no proper place to exhibition. 2. Sale only in the local community or in province.	The premium OTOP products in the in-flight shopping catalog enhance the passengers to select and buy the products on Thai Airways International flight.	Many similar local handicrafts products and new products in the same place.
Promotion	Handicrafts OTOP products have been promoted to the public through internet and on Thai Airways International	Some handicrafts product did not have budget to promote their products.	Thai Government promote and support handicraft products to local and international	1.The handicrafts entrepreneurs did not have knowledge on the marketing online. 2. The cost of the

	flight.		marketing.	promotion is too high for the OTOP handicrafts.

CONCLUSION

The research findings revealed that the problems and constraints on the promotion and marketing of the products of OTOP: One Tambol One Product through Thai Airways Internationalwere based on their products, price, place and promotion. These findings show that in order to increase the business to domestic and export markets the local handicrafts entrepreneur have to improve their products design, packaging, and marketing. With the collaboration of the Ministry of Commerce Thailand under One Tambol One Product (OTOP) Thai local wisdom handicraft products are able to export their products to international markets. This is because Thai Government promote local arts and crafts products in terms of quality standards as well as the images, designs and their packaging.The OTOP products in the in-flight shopping catalog inThai Airways International are the key factors that play the importance role in helping generate extra income for the communities of the local handicrafts entrepreneur to international market. The research findings were in line with the main four elements: 4 Ps of marketing mix theory.

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