

MARKETING STRATEGIES OF MILK TABLET AMONG CHINESE CONSUMER

กลยุทธ์ทางการตลาดของผลิตภัณฑ์นมอัดเม็ดไทยในกลุ่มผู้บริโภคชาวจีน

WEIZHE YAN¹

Wanlapa Hattakitpanitchakul²

ABSTRACT

As the Chinese market for imported dairy products expands, understanding consumer purchase behavior has become crucial for effective marketing. This study explores the factors influencing Chinese consumers' purchase intentions toward Thai milk tablets using the 4Ps marketing mix framework—product, price, place, and promotion. Based on a structured survey of 400 respondents, this research employs statistical analyses, including correlation and regression, to identify key drivers of purchase intention. The results reveal that price and promotion are the most significant factors, followed by product attributes and place of purchase. Demographic variables, such as income and occupation, moderately influence purchasing decisions, while gender and age show limited significance. The findings underscore the importance of tailored marketing strategies, such as segmenting the market by income levels and leveraging targeted promotional activities. Businesses can enhance their competitive edge by offering diverse product tiers to cater to different consumer demographics. Future research should adopt qualitative methods to uncover deeper consumer motivations and investigate the role of external factors, such as economic policies, in shaping purchasing behavior. This study provides actionable insights for businesses seeking to strengthen their presence in China's competitive dairy market.

Keyword: milk tablets marketing, purchase intention, 4Ps framework, consumer behavior, Chinese market

INTRODUCTION

According to statistics, the trade volume between China and Thailand in 2022 was 135 billion US dollars, as reported by the Ministry of Commerce of the People's Republic of China in 2022. In the first half of 2023, China imported dairy products worth a total of \$7.039 billion, covering an

¹ Business Administration (Management) Master of Business Administration Program Srinakharinwirot University

² Lecturer Faculty of Business Administration for Society Srinakharinwirot university

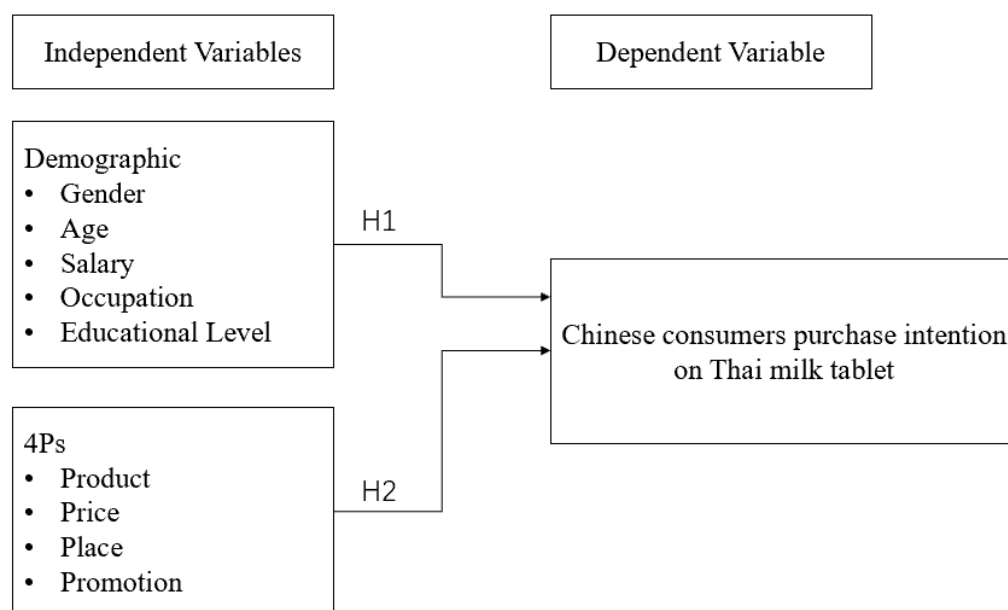
import quantity of 1.5754 million tons, (the Dairy Association of China,2023). This presents an excellent opportunity for Thai milk tablets to enter the Chinese market.

This study investigates the marketing strategy of Thai milk flakes among Chinese consumers using the 4Ps framework (product, price, location, promotion), which helps Thai companies better understand the needs and characteristics of the Chinese market and develop more precise and effective marketing strategies. In addition, understanding the role of demographic changes and brand perception in purchasing decisions will help Thai companies develop targeted marketing strategies and effectively penetrate the Chinese market.

We hope that through this study, Thai milk chip manufacturers can better promote their products to Chinese consumers.

RESEARCH OBJECTIVES

This study explores the impact of 4Ps and demographic factors on the willingness of Chinese consumers to purchase Thai milk powder tablets.



To study the motivations or influencing factors that drive Chinese consumers to purchase Thai milk tablets from a marketing mix perspective, including an in-depth analysis of how each feature of the 4Ps—Product, Price, Place, and Promotion—encourages Chinese consumers to purchase Thai milk tablets.

To understand the role of demographic factors, including age, gender, income, occupation, and education level, in influencing the purchasing behavior of Chinese consumers towards Thai milk tablets.

RESEARCH HYPOTHESES

Hypothesis 1 (Demographics): There is a significant impact of the demographic profile of Chinese consumers, including age, gender, income, occupation, and education level, on their purchase intention of Thai milk tablets.

Hypothesis 2 (Marketing Mix): The marketing mix of Thai milk tablets have a significant impact on the purchase intention among Chinese consumers.

Hypothesis 2a (Product): The product attributes of Thai milk tablets have a significant impact on the purchase intention among Chinese consumers.

Hypothesis 2b (Price): The pricing strategy of Thai milk tablets has a significant impact on the purchase intention of Chinese consumers.

Hypothesis 2c (Place): The availability of Thai milk tablets through various distribution channels has a significant impact on the purchase intention of Chinese consumers.

Hypothesis 2d (Promotion): Promotional activities for Thai milk tablets have a significant impact on the purchase intention of Chinese consumers.

LITERATURE REVIEW

Empirical studies on demographic segmentation reveal substantial variation in consumer behavior and preferences. Factors such as age and income are pivotal in dictating dietary choices and purchasing capabilities. Younger consumers are often more receptive to new products, including dairy offerings from abroad, correlating with higher income levels that generally translate into an increased propensity for the consumption of non-traditional foods, bolstered by enhanced purchasing power and global exposure (Fuller et al., 2007), (Cheng et al., 2022).

The concept of the marketing mix, initially introduced by Borden in 1964 and later refined to the 4Ps by McCarthy, constitutes the cornerstone of product and service marketing strategies. It encompasses Product, Price, Place, and Promotion, all of which are critical for the successful marketing of Thai milk tablets in the Chinese marketplace.

Products are the primary and key element of a marketing mix. The definition of a product is "anything that can be provided to the market for attention, acquisition, use, or consumption to meet demand or needs" (Kotler & Armstrong, 2014).

Price is the amount that a buyer must pay to purchase a product or service (Kotler & Armstrong, 2014). In short, price represents the monetary cost that a buyer must pay to purchase a product or service.

Marketing place are defined as a group of interdependent organizations that help provide products or services to users or are consumed by consumers or business users (Kotler & Armstrong,

2014).

The last tool of the 4P marketing mix is promotion. A series of activities in which an enterprise effectively communicates and disseminates with its target market through various communication methods and information carriers, in order to convey product value, enhance brand image, stimulate consumer purchasing desire, and ultimately promote sales. (Kotler & Armstrong, 2014).

Related research: Marketing strategies for dairy products

Karbasi and Aghasafari (2017) revealed how dairy brands have significantly increased the consumption of their products. Their observations underscore the potential of brand strategies and marketing campaigns in enhancing consumer demand. In the case of Thai milk tablets, this research indicates that through effective branding and promotion, it's possible to stimulate interest and consumption within the Chinese market.

Exploring the potential impact of pricing on consumer preferences from another angle, the studies conducted by Bhanu et al. (2017), Kaguru et al. (2017), and Bousbia et al. (2017) emphasize the importance of pricing strategies in formulating effective market entry and expansion strategies.

Chimboza and Mutandwa (2007) highlighted the significant influence of promotions, price, availability, packaging, and product quality on the selection process for dairy products or brands. It suggests that to effectively attract Chinese consumers and increase market share, Thai milk tablets' marketing strategies need to thoroughly consider these key factors, enhancing product appeal through optimized packaging and quality, attractive pricing strategies, and effective promotional activities.

Azad and Mohammadi (2013) conducted a deep dive into the role of product packaging in shaping consumer purchasing behavior, finding that visual elements such as photos, illustrations, slogans, and symbols are crucial for making a positive first impression on consumers. For Thai milk tablets, this implies that packaging design needs meticulous planning to effectively communicate the product's value and captivate Chinese consumers' attention.

Further exploring consumer preferences for dairy products, particularly the importance of product quality and nutritional content, the studies by Parasuraman et al. (2021) and Ahmadi Kaliji et al. (2019) provide crucial guidance for the market positioning and promotional strategies of Thai milk tablets.

The study by Ardiansyah and Sarwoko (2020) unveiled the significant role of social media marketing in enhancing brand awareness within consumer purchase intention. Through storytelling and interactive marketing activities on social media platforms that convey the unique values and cultural background of Thai milk tablets, potential consumers' attention can be captured, sparking their curiosity and desire to purchase.

RESEARCH METHODOLOGY

This study adopts a quantitative research approach. Data is collected through a structured online questionnaire survey targeting 400 Chinese consumers who have previously purchased or expressed interest in imported dairy products. This survey gathers numerical data on consumer demographics, purchasing intentions, and preferences regarding Thai milk tablets.

The population used in this study refers to Chinese consumers who have previously purchased Thai milk tablets or expressed interest in Thai milk tablets. According to data from the National Bureau of Statistics of China, this consumer group is estimated to be around 300 million people in 2022. Use Yamane's (1967) formula to determine this number. The confidence level of the survey is set at 95%, with an allowed estimation error of no more than 5%, resulting in 400 samples.

And the data is collected through questionnaires and will be organized and analyzed in SPSS for quantitative analysis. Statistical analysis will be conducted using SPSS's comprehensive tools to compute frequencies (f), mean scores (\bar{x}), standard deviations (SD), percentages (%), as well as to perform Analysis of Variance (ANOVA) and t-tests to evaluate the data. This study will leverage the software's robust statistical capabilities to rigorously examine the effects of product understanding, price, promotion, and distribution place on the purchase intention for Thai milk tablets, ensuring precise and comprehensive insights into consumer behavior.

RESULTS OF THE STUDY

Descriptive Statistics:

Among the respondents, males accounted for 55.25% of the total and females accounted for 44.75%. In terms of age distribution, respondents aged 28-37 accounted for the largest 47%. The income distribution shows that the majority of respondents have an income below 5000 yuan (44.25%). Career analysis shows that enterprise employees are the largest group, accounting for 42%, followed by students, accounting for 38.5%. 82.5% of the respondents have a bachelor's degree in education.

The following conclusion can be drawn:

The main target consumers are working professionals and students aged 26-45.

2. Marketing strategies should focus on price sensitive consumers and utilize promotional strategies.

3. Products should emphasize health, nutrition, and quality to meet the needs of highly educated consumers.

These findings provide a solid foundation for the development of subsequent marketing strategies.

Correlation Analysis Between Marketing Mix Variables:

	Product	Price	Place	Promotion	Purchase Intention
Product	1				
	0.000				
Price	.269**	1			
	0.000				
Place	.372**	.211**	1		
	0.000	0.000			
Promotion	.251**	.240**	.367**	1	
	0.000	0.000	0.000		
Purchase Intention	.341**	.344**	.310**	.347**	1
	0.000	0.000	0.000	0.000	

In summary, the marketing mix factors are correlated to varying degrees, indicating that these variables are not independent when influencing consumer decisions but are interrelated. For example, product design and quality may affect price setting, and channel selection is influenced by both product and promotional activities. The combined effect of these factors ultimately influences consumer purchasing behavior.

Regression Analysis Results:

	(b)	SE	t	Sig.
Constant	3.240	0.153	21.128	0.000
Product	0.112	0.029	3.869	0.000
Price	0.106	0.022	4.749	0.000
Place	0.079	0.033	2.406	0.017
Promotio	0.103	0.024	4.240	0.000

R=0.497

Adjusted $R^2=0.239$

$$R^2=0.247$$

$$SE=0.211$$

The regression analysis results reveal that product, price, and promotion have a more substantial impact on purchase intention, while the effect of place is relatively smaller. This suggests that while consumers value convenience in purchasing, the characteristics of the product itself, pricing strategy, and promotional activities are the more critical factors. Marketing efforts should focus on improving product quality and promotional strategies while ensuring reasonable pricing to maximize consumer purchase intention.

CONCLUSION AND DISCUSSION

This study conducted an in-depth investigation into the motivations and factors influencing Chinese consumers' purchase of Thai dairy tablets, with a focus on demographic analysis and four main marketing mix factors: product, price, location, and promotion.

Gender and age in demographic statistics do not have a significant impact on purchase intention, but income and occupation do play a role in shaping consumer behavior. Each marketing mix factor has a positive impact on consumers' purchasing decisions, with price and promotional activities being particularly prominent. This indicates that the success of Thai milk flakes in the Chinese market depends not only on product quality and innovation, but also on flexible pricing strategies and diversified promotional activities to attract more consumers.

RESEARCH LIMITATIONS AND FUTURE DIRECTIONS

Limitations of This Study:

While this study provides detailed insights into the marketing strategies for Thai milk tablets in the Chinese market and offers valuable conclusions, it is not without limitations.

1.The research primarily relies on quantitative analysis. Although the sample size is considerable, it lacks qualitative insights into deeper consumer motivations and behaviors, which could have been supported by qualitative research methods.

2.The data collection relied on surveys, which might have been influenced by subjective responses, introducing potential bias. Respondents' self-reported answers may not fully represent their actual purchase intentions or behaviors.

3.The study found that demographic variables such as gender and age do not significantly influence purchase intention. This could be attributed to the product's current positioning as an affordable option, making it universally appealing across different groups. However, this lack of differentiation limits insights into whether varying price points or product variations might attract specific demographic segments.

4.The study's data was collected within a specific time frame, limiting its ability to capture long-term market dynamics and changes. Seasonal or external factors that could influence consumer behavior were not accounted for in this analysis.

5.Finally, the online survey format may have excluded certain demographic groups, such as older consumers or those with limited internet access, potentially affecting the representativeness of the sample. This limitation may influence the generalizability of the findings to the broader Chinese market.

Suggestions for Future Research

1.Future research could benefit from incorporating qualitative methods such as in-depth interviews or focus groups to explore the underlying motivations and behaviors of consumers more thoroughly. These methods can complement the quantitative findings by providing richer, contextual insights.

2.Extending the time frame of data collection to conduct longitudinal studies would provide insights into the changes in consumer behavior over time in different market conditions. This would allow researchers to account for seasonal variations or the impact of external factors on purchase intentions.

3.Future studies should consider segmenting the product into high-end, mid-range, and low-end tiers to explore whether price differentiation can better target specific demographic groups. For example, premium versions with enhanced features could appeal to higher-income consumers, while budget-friendly options might attract cost-conscious buyers.

4.Introducing premium versions with enhanced features for higher-income consumers and more affordable options for budget-conscious consumers may reveal differences in purchase intentions across demographics, offering a more tailored approach to marketing strategies.

5.Future studies could include external factors such as policies, the economic environment, or cultural differences in their models. This would enable a more comprehensive analysis of the various factors influencing purchase decisions and help contextualize findings within broader market trends.

ACKNOWLEDGEMENTS

Firstly, I sincerely thank my teacher Professor Wanlapa Hattakitpanichakul. I consider myself fortunate to have her as my mentor. My teacher always supports me and invests time in providing constructive advice, allowing me to gain some understanding of this research. Words cannot express my gratitude for her guidance over the years.

Secondly, I would like to thank the professors from the defense review team for providing valuable guidance and suggestions throughout the entire research process. In addition, I would like

to thank the professors at Srinakharinwirot University for their enthusiastic teaching.

Finally, I would like to thank my classmates for sharing valuable knowledge. They always actively solve the problems I encounter. In addition, I would like to express my special thanks to my family, whose endless support deeply inspires me.

REFERENCES

Ministry of Commerce of the People's Republic of China. (2022). Overview of China Thailand Economic and Trade Cooperation in 2022. https://yzs.mofcom.gov.cn/yzjmh/sbhzjk/art/2023/art_2f5a0bccf92e43c2a05afd4347511548.html

Dairy Association of China . (2023). Analysis of cumulative imports of Chinese dairy products in the first six months of 2023. <https://www.dac.org.cn/read/newfxbg-23082115031222610173.jhtm>

Fuller, F., Beghin, J., & Rozelle, S. (2007). Consumption of dairy products in urban China: Results from Beijing, Shanghai and Guangzhou. ERN: Urban Markets (Topic).

Cheng, R., Wang, Q., & Wei, L. (2022). Income growth, employment structure transition and the rise of modern markets: The impact of urbanization on residents' consumption of dairy products in China. PLoS ONE, 17.

Kotler, P., & Armstrong, G. (2014). Principles of Marketing (15th ed.). Pearson Education.

Karbasi, A., & Aghasafari, H. (2017). Investigation factor affecting on consumers' trend to branded dairy products. Journal of Iran Science and Technology, 14(11), 327-336.

Bhanu, B., Serma Saravana Pandian, P. V., Vinothini, P., & Mathanghi, S. K. (2017). Analysing the consumer preference for dairy products in Trivandrum city, India. International Journal of Science, Environment and Technology, 6(1), 650-654.

Kaguru, T., Mupangwa, J. F., Rust, J., Muchenje, V., Mkhungela, M., & Assan, N. (2017). Milk and milk products consumption pattern, preference and purchase behaviour in communal areas of the Eastern Cape Province in South Africa. Scientific Journal of Animal Science, 6(5), 407-427.

Bousbia, A., Boudalia, S., Chelia, S., Oudaifia, K., Amari, H., Benidir, M., ... & Hamzaoui, S. (2017). Analysis of factors affecting consumer behavior of dairy products in Algeria: A case study from the region of Guelma. International Journal of Agricultural Research, 12(2), 93-101.

Azad, N., & Mohammadi, M. (2013). An empirical survey on factors influencing on packaging dairy products. Management Science Letters, 3(7), 1901-1906.

Parasuraman, B. A. L. A. J. I., Singh, P. A. R. M. I. N. D. E. R., Nachimuthu, S. H. A. L. I. N. I., Arumugam, V. I. D. H. Y. A. V. A. T. H. I., & Kumar, A. J. A. Y. (2021). Consumers' choice and preferences of dairy based products. The Indian Journal of Animal Sciences, 91(11), 1-10.

Ahmadi Kaliji, S., Mojaverian, S. M., Amirnejad, H., & Canavari, M. (2019). Factors affecting consumers' dairy products preferences. AGRIS on-line Papers in Economics and Informatics, 11(665-

2019-4000), 3-11.

Ardiansyah, F., & Sarwoko, E. (2020). How social media marketing influences consumers' purchase decision? A mediation analysis of brand awareness. *Journal of Marketing and Consumer Research*, 17(2), 156-165.