The Guideline Development for Civil State Community Market Model Driven through Thailand 4.0 Policy

Pramote Yotkaew[1], Supawan Apicharttraisorn[2], Waranyaphorn Srisawannl[3], Uthai Satiman[4]

[1,2,3,4]Suan Dusit University

[1]Pramote_yotkaew@yahoo.com

ABSTRACT

The purposes of this study are to 1) assess the current situation of operating the community market in accordance with the Pracharath (civil state) project driven through Thailand 4.0 policy, 2) examine problems and barriers of managing the Pracharath (civil state) community market, and 3) explore and introduce the model of the Pracharath (civil state) community market. Additionally, the mixed method, combining quantitative and qualitative techniques, were used questionnaire with 402 samples. Also, in-depth data were collected by interviewing persons involved. Besides, Data were analyzed by using descriptive statistics, confirmatory factor analysis (CFA), and interpretation. The result shows that 1) In terms of operating, the customers are quite impressed as they get what they want. The quality of the merchandise is the Pracharath (civil state) stores' top priority. The products have to be standard and reliable. In addition, the staffs of stores are honest. In terms of distribution channels, The stores are conveniently located and easy to access. In terms of marketing promotion, information is always provided to customers. In terms of price, the prices of products are reasonable comparing to other shops. The analysis of the model, after the static adjustment, shows that all values passed the criteria. 2) Moving to problems and barriers in managing and operating the store, there is a lack of electronic equipment for use in the store. Besides, there are customers' arrears. It was found that some products are about to expire. Also, the kinds of products are not varied. 3) The model of the Pracharath (civil state) community market should focus on customers' motivation, for instance, giving an average dividend, return the benefits. The pattern of developing all those involved in community stores, marketing communication, and an excellent administrative system should be also focused on.

Keywords

Model development, Marketing, Pracharath (Civil State), Thailand 4.0

Introduction

Human being in the society is to encounter with the nature to survive in different cultural beliefs and political economic system affecting to global society and Thai society in 4 aspects: 1) Inequality between the country and group of people in the society 2) Poverty of people 3) War and Violence and 4) Decedent ecosystem in local of system in worldwide countries.[1] These 4 mentioned aspects become a capitalist economy problem which emphasizes in seeking profits of capitalists and multination corporations. To illustrate, capitalism in China or Russia focus on increasing productivity and capital accumulation in economic growth to be able to compete with other capitalists which is different to Thailand Development Concept at the present. The government is boosting "Pracharat Concept" so that some government organizations can drive the economy of our country leading to peace, unity and the society towards Stability, Prosperity and Sustainability. It causes the exchange of needs of citizen improving the quality of life leading to Thai people's well-being. The state sector supports "Thailand 4.0" aiming to cope with poverty and inequality, to strengthen local economy in accordance with Pracharat concept to grant village fund and urban communities and to help farmers in developing their business into SMEs and community enterprises in order to balance the production and community economy. Nowadays, there are 19,720 community shops and 1,359 community markets under Pracharath Rak Samakkee (Thailand) Co., Ltd.'s marketing administration. [2]

Due to the competition, the community shops are facing market shares and incomes loss. Moreover, they are also inferior to convenient shops because of lacking knowledge of experience, technology, capital, personnel and shop management. Because of purchasing by cash, the products in community shops are limited. Besides, the shops are not clean, and products are placed on shelves randomly without sorting into categories as well as unprofessional products stocking. These weak points cause expired products, missing products and uncertain amounts of products. Eventually, the customers do not satisfy the shops and turn to buy products from other shops. In the end, the community shops are facing the loss and they need to be closed down. These issues become the failure because of lacking understanding in marketing contributing to worsen social well-being of people and country development. Investigators realized that it is very urgent case to study. If the issues still occur, development tardiness will be followed. Due to this reason, investigators created a plan in developing Pracharat concept to drive Thailand 4.0 policy aiming that Thai society owns Stability, Prosperity and Sustainability.

Research Objectives

1. To evaluate the operation of the community marketing in accordance with Pracharat concept which aims to drive Thailand 4.0 policy. 2. To study problems and obstacles in community marketing management in accordance with Pracharat concept which aims to drive Thailand 4.0 policy. 3. To suggest a community marketing model in accordance

with Pracharat concept which aim to drives Thailand 4.0 policy.

Research Methodology

This research is an applied research which uses the research's methods from "Mixed Method Research" consisting of 3 steps of data collection as follows;
1) Step 1: Quantitative Research,
2) Step 2: Qualitative Research,
3) Step 3: The Participatory Community Shop Development
The main objective is to develop the participatory community shops to be as community shops' model which are
Ban Tam Naya, Na Pho Subdistrict, Mueang District, Roi Et Province
Ban Non Sawan, Pang Kwang Subdistrict, Mueang District, Sakon Nakhon Province
Ban Som Poi, Sompoi Subdistrict, Rasi Salai District, Sisaket Province
According to the selected sample areas, we have the research methods as follow;

Step 1: Quantitative Research

The target group is inhabitant who live in surrounding area in Roi Et, Sakon Nakhon and Si Sa Ket provinces. A sample size is 402 people by using Accidental sampling among 134 people in each province.
Questionnaire is used in data collection covering objectives. The result shows that the coefficient equals to 0.941.
Descriptive statistics are utilized to calculate Frequency, Percentage, Mean, S.D. (Standard deviation) and Confirmatory Factor Analysis (CFA) and examine an accuracy by considering Standardized factor loading. Confirmatory factor analysis consists of 5 aspects: Operation, Product, Cost, Venue and Marketing Promotion as well as content analysis, problems and recommendation.

Step 2: Qualitative Research

The main informers are committee groups of marketing demonstration center including community leaders, members and government organizations related to the areas.
In order to collect the data, we have an in-depth interview and discussions of focus groups. The process of collecting the data includes recording, taking pictures and observing.
1. To have the in-depth interview total 15 persons with the committee of marketing demonstration center, the community leaders and related persons who develop the community, salespersons of the community shops and members.
2. To have the discussions of focus groups such as the committee of marketing demonstration center, the community leaders, community development specialists and representatives of sub district administrative organizations by applying group discussion tools.
The data we received has been examined by triangulation methods consisting of a data triangulation, investigator triangulation and methodological triangulation. We analyze the qualitative data following to the marketing content and content analysis which are considered about context, environment as well as interpretation.

Step 3: The Participatory Community Shop Development

The development of evaluation and which can drive the community development by providing a training program as follow;
1. The selection the driving area which is the Ban Sompoi Market Demonstration Center from the overall with having highest score.
2. The workshop seminar drives the idea of community shop model with 35 persons.

Research Result

Part 1. From evaluating the community shops according to Pracharat concept to drive Thailand 4.0 policy, the results show that 53.24 percent of customers satisfy the community shops. 49.25 percent of customers are quite impressive. 55.97 percent of customers owns products they need from the community shops. Regarding key factors of Pracharat community shops, the results were shown in Table 1

Table 1: Mean, Standard deviation, the result of key factors of Pracharat community shop

Key factors of Pracharat community shops	$\overline{X}$	S.D.	Results
Operation			
Staffs are honest in charging and returning changes	4.35	0.89	Most
Staffs are helpful and friendly	4.34	0.87	Most
Staffs are knowledgeable about products and services	4.25	0.92	Most
Total	4.24	0.89	Most
Products			
Reliable Standard products (FDA label)	4.38	0.85	Most
Worth and beneficial products (trustable products)	4.32	0.91	Most
Be on sale in every festival such as Songkran	4.25	0.92	Most
Total	4.27	0.88	Most
Cost			
More worthwhile than other shops	4.31	0.87	Most
Special price for members (Getting discount)	4.11	0.99	More
The cost is cheaper than other shops	4.05	0.97	More
Total	4.01	1.06	More
Venues			
Good location and easy to access	4.34	0.94	Most
Attractive, clean and safe shops	4.26	0.97	Most
Shop layout is convenient to buy products	4.22	0.92	Most
Total	4.15	1.03	More
Marketing Promotion			
Provide news (News board and	4.00	1.06	More

Key factors of Pracharat community shops	$\overline{X}$	S.D.	Results
announcement)			
Hold marketing promotion event	3.99	1.02	More
in some festivals			
Set up the marketing promotion advertisement	3.74	1.19	More
Total	3.76	1.15	More
Grand Total	4.09	1.00	More

Table 1 states that the target group paid attention to 5 key factors in the "Most" level. Considered in each aspect, it shows that the mean of Operation aspect is in "Most" level on staff's honesty staffs are helpful and friendly and staffs are knowledgeable about products and services.

Regarding Product aspect, the mean is considered in "Most level". Reliable Standard products must be worthwhile and beneficial the product must be on shelves in special festivals.

Regarding to Cost aspect, the mean is in "Most" level focus on the worthwhile of product. They emphasize is the special price for members.

Regarding Venue aspect, the mean is also in "Most level". Locating in the good location and easy to reach spot is the most crucial item. The shops should be attractive, clean and safe and must have a good layout to make customers convenient in purchasing products.

Regarding to marketing promotion, the mean is in "More" level to date with news via news board or announcement and should hold a marketing promotion in some special festivals and the last importance is setting an advertisement to promote the products. The result by using Confirmatory Factor Analysis (CFA), as show in Table 2

Table 2: Statistics of the consistency of a theoretical component model to the data

Index	Criteria	Pre-model modification		Post-model modification	
		Statistic	Result	Statistic	Result
χ^2 / df	<2	4.875	Not passed	1.378	Passed
GFI	>0.90	0.719	Not passed	0.939	Passed
AGFI	>0.90	0.669	Not passed	0.905	Passed
CFI	>0.95	0.895	Not passed	0.992	Passed
RMR	<0.05	0.085	Not passed	0.049	Passed
RMSEA	<0.05	0.098	Not passed	0.031	Passed

As show Table 2, It needs to be modified in order to be more concordant by adjusted the model from recommended unit from Model modification indices (MI) which means that model affects to Key factors of Pracharat community shops.

Table 3: The result of second order confirmatory factor influences to Pracharat community shop

Key factor influencing to Pracharat community shop	Standardized factor loading
1. Operation	0.77
2. Product	0.95
3. Cost	0.94
4. Venue	0.94
5. Marketing Promotion	0.94

As shown in Table 3, the result of second order confirmatory factor influencing to Pracharat community shops was found that attractive incentive equals to 0.95-0.77 of Factor loading. The most level is Product accounted for 0.95. Then, cost, venue and market promotion equal to 0.94. The least one is Operation equals to 0.77

The conclusion of the first order Confirmatory Factor Analysis in 5 keys factor as followings:

1) Product factor: The product must have its values and benefits. To illustrate, the products should be accepted by the customers and match to customers' need such as brands or sizes.

2) Cost factor: The product must be worthwhile when comparing to other shops.

3) Venue factor: The shops must have a good layout to be more convenient in purchasing and the products must be on shelves and clearly labeled with price tag.

4) Marketing Promotion factor: The marketing promotion events must be held in special festivals.

5) Operation factor: The staffs are honest in charging and returning the changes.

Part 2. The problems and obstacles

The operation process problems found that lack of electronic equipment to service the customers. Uncertain opening-closing time, the change is not enough for money management system of sale products in each day. There are too many committees rarely have time to take care of the shops and lack of trade understanding. A procurement of products from the outside vendors is not transparent for example, there is a list of products but the products are not shipped. Lack of techniques to improve sales potential. The community members who bought credit and had overdue or late repayment rarely enter the shops. Some members buy a lot of products and have late payment which can affect to the waiting time of other members. The members want to take the credit /the disruption of capital if the members do not pay the debts. The shops still have lost items and lost money. The product problems found that the products are not enough and going to be expired. The products are not various such as lack of construction equipment and safety of the products and services. The cost problems found that the members have an opinion that the products are expensive. So, they do not want to be charged with high interests. Product cost is not constant and the product procurement has high price. The members cannot receive a discount or giveaway. The distribution problems found that the shops are small/the weather in the shops is hot. The placement is not appropriate. So, it is hard for the customers to find the products and high shipping cost. The marketing promotion Inadequate communication with the customers. The operating problems found that lack of support and promotion from the government, lack of low-cost sources of

the products. There is a high competition of the community shops and accounting and tax understanding. The customers want to pay by cash which is from their state benefit card.

Part 3. The guidelines of driving community model by the workshop seminar have the results as follow;

1) To motivate the members and customers by focusing on the dividend and benefits and to promote marketing by drawing the month-end raffle and rewarding for the highest buyers.

2) To have marketing communication by using communication boards, informing about news or products, creating Line accounts for the community shops and applying shop management system for checking stocks of the products.

3) To applying the community shop system through mobile phones and applying POS systems which has the community credit system in order to generate high profits and reduce problems.

4) To promote the networks of community shops to have participated operations and disseminate knowledge, service understanding, news, and publicize community events.

Discussion

According to the research result,

1. From evaluating Pracharat community shops and markets, it found that target group is pleased with community shops. The result is identical to Thassana Hongma (2017) [3] explaining that the relationship between market management and marketing mix factor of customers own products they need and are impressive supporting Supanee Nawakul (2018) [4] stating that the evaluation found if the committee pay attention by encouraging the customers, community shops will be successful. The statement was same as Khawnkamon Donkhaw (2013)[5] statement that the important component of community business was moderateness, rationality, self-immunity, knowledge and moral which were the crucial component of Sufficiency Economy's philosophy.

The key factor of Pracharat community shops in operation aspect is the staffs are honest, helpful, and friendly. Likewise, Kovit Hunviset and Lumpang Manmak (2015)[6] explained that the factor causing the positive role is the leaders or owners must be an honest, longsighted, and intelligent. The goal of community shop management is the leader is knowledgeable and members help each other.

2. The problems in operation aspect is lack of electronic devices supporting the service and overdue payment of the members. Also, Kovit Kunviset and Lumpang Manmak (2015) stated that a drawback is a management of financial system without technology and placing the products on shelves unsystematically like Suchinda Jemsripong (2010) [7] explained about lack of systematical stocking, clear price tag as well as convenient devices.

Regarding Product aspect, the result found that the products are not various and not enough for the customer's needs. Likewise, Watjirachai Wetninnart (2014) [8] mentioned the community products were facing lack of product variety and safety of products and services. Suchinda Jemsripong (2010) stated that a major issue of traditional shop is the product categories are not various.

Regarding Venue aspect, the shop's appearance should be improved because the shop size is small and has less area. The atmosphere inside the shop is hot. Moreover, products are hard to find because of unsystematic stocking. The overview of shop is under standard. The result is identical to Ampan Sirisom and Dita Sengwattanachai (2018) [9] statement explaining the products should be placed into categories. Moreover, the shop should improve about cleanliness, have area for walking, and systematic parking lot.

3. To develop community shops, shops should provide a motive like dividend, welfare and marketing promotion activity such as draw lots in the end of the month and award the member who is the top spenders. Kovit Kunviset and Lumpang Manmak (2015) stated that the shop should boost marketing promotion by distributing discount or using the program like Suchada Jara (2018)[10] stated that technologies are very important in well-organized operation because the operation will be easy to take care and examine. Then, the shop should supply modern and high-quality devices to apply with operation. Likewise, Supanee Nawakun (2018) suggested the shops should improve payment method such as using QR Code.

Recommendations

1. According to the research, those who are responsible for promoting the community shops provide training for persons who are related to the community shops, have an integrity, marketing understanding, and make standardized, reliable, value products, distribution channels and promote marketing and inform the news.

The shops should develop a strategic plan to promote the development of community shops to be as a model community shop networks in the local area of the province and to promote cooperation with the community shop network across provinces.

2. There should be the development model of community shops to have clear understanding on customer motivation and marketing communication. Therefore, the committee of community shops and related persons have to organize the meeting on the development of dividend, benefits and marketing promotion by communication boards, products and services, Line accounts and community shop management program.

3. Recommendations for next project research.

1) There should be a research on driving the networks of community shop about learning development and building strong cooperation of the communities of provincial groups.

2) There should be a research and development of technology systems to support community shop to be stable.

3) There should be a research on the integration driving the networks of community shop by cooperative processes.

4) There should be a research on participated networks of community shop's management

References

[1] Chiangkhun, W. (2013). New economics for Life and Peaceful Ecosystem. Retrieved May 20, 2017, from http://www.bangkokbiznews.com/blog/detail/505908#sthash.j7tlpb2l.dpuf

[2] THAI QUOTE. (2017). Government Fosters the Model of 'Pracharath' Shops and Markets for Community. Retrieved May 20, 2017, from: http://www.thaiquote.org/content/10123

[3] Hongma, T. (2017). Relationship Between Marketing management and the Marketing Mix of Consumer Behavior of Klong Phadung Krung Kasem Bangkok. Bangkok: Rajapruek University.

[4] Navakul, S. (2018). The Evaluation of Effectiveness of Chainat Farmer Market Project. Journal of Politics, Administration and Law, Burapha University. 10(2) pp. 259-283.

[5] Donkwa, K. (2013). Community Business Management Based on the Sufficiency Economy Philosophy. Nakhon Ratchasima: Sunaree University of Technology.

[6] Kulveset, G. & Manmart, L. (2015). The Roles of Community Shops with the Economic Community Development: A Case Study of Hin Tang Sub – District, Ban Phai District, Khon Kaen Province. Paper presented at the 15th National and International Conference of the Network of Graduate Study at Northern Rajabhat Universities, Nakhon Sawan University.

[7] Chensripong. S., et al. (2010). Problems and Solving for the Future of Sustainable Retail trading and modern trade. Bangkok: The Secretariat of the Senate.

[8] Wetchaninnart, W. (2014). Development of Integrated Marketing Communications to Enhance the Performance in Operations of Community Products PhaSook, Kumpawapee, Udonthani, Thailand. Journal of Humanities and Social Sciences, Mahasarakham University. 34(4) (July – August), pp.126-139.

[9] Sirisom, A. & Sangvatanachai, D. (2018). Na Pho Sub-district Community Flea Market, Kud Rang District, Maha Sarakham Province. Journal of Humanities and Social Sciences, MahaSarakham University. 37(3) (May – June) pp. 207-221.

[10] Chara, S. (2018). Management Factors for Entrepreneurs of Blue Flag Stores in Nakhon Si Thammarat. Retrieved May 20, 2018, from http://www.ba-abstract.ru.ac.th/index.php/abstractData/viewIndex/378.ru