



**CONSUMER PURCHASING DECISION FACTORS OF
READY TO DRINK BIRD'S NEST IN THAILAND**

BY

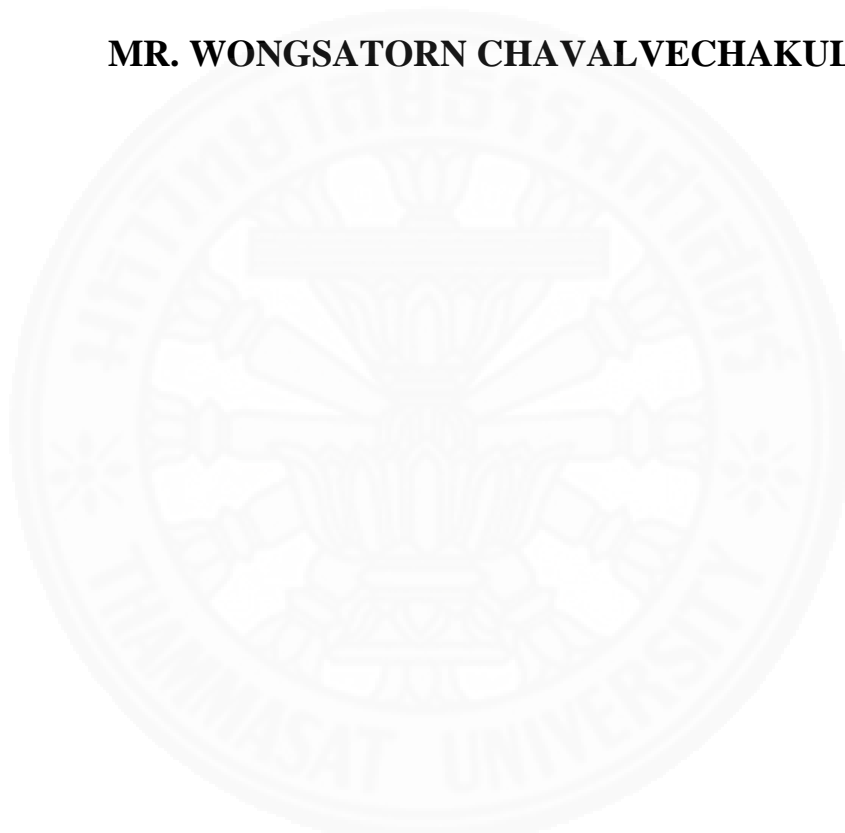
MR. WONGSATORN CHAVALVECHAKUL

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL
FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF SCIENCE PROGRAM IN MARKETING
(INTERNATIONAL PROGRAM)
FACULTY OF COMMERCE AND ACCOUNTANCY
THAMMASAT UNIVERSITY
ACADEMIC YEAR 2016
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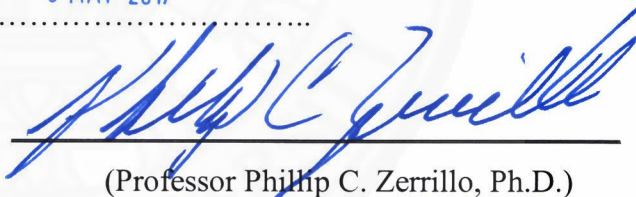
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was approved as partial fulfillment of the requirements for
the degree of Master of Science Program in Marketing (International Program)

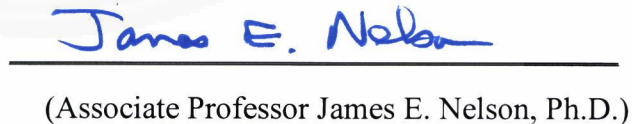
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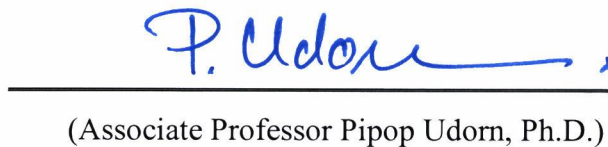
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Independent Study Title	CONSUMER PURCHASING DECISION FACTORS OF READY TO DRINK BIRD'S NEST
Author	MR. WONGSATORN CHAVALVECHAKUL
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Major Field/Faculty/University	Faculty of Commerce and Accountancy Thammasat University
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ABSTRACT

This study aims to focus to study on health topic of consumers in Thailand. As the overall health awareness trend become more significant during the past few years, the impact of health supplement products became more important over times. The objectives of the research are to understand ready to drink bird's nest, as a representative of health supplements, consumer awareness level, buying motivations and frequency, identify, and determine the weight of purchasing decision factors. The result of the study can provide more understanding of health supplement shoppers and able to generate insights that can be implemented as a marketing strategies.

Respondents were classified using purchasing frequency. 53% of respondents were classified as low purchasing frequency with only 18% and 9% of respondents were classified as medium and high purchasing frequency respectively. 20% of respondents also shared that they did not purchase any of ready to drink bird's nest during the past year.

Focusing on the purposes of buying ready to drink bird's nest, the difference has been noticed with cross tabulation across purchasing frequency groups. Majority of the low purchasing frequency respondents focus on buying for someone else at 79.7%. Meanwhile, medium purchasing saw huge incremental on improving health from 23.5% to 55.6%. Lastly, high purchasing frequency saw a majority reduction in

buying for someone else from 77.8% to 48.0% while improve frequency in other purposes.

On factors involving ready to drink bird's nest purchasing decision. There are 11 factors listed in survey. Correlation is used as a statistic to identify relationship with each factor. Few relatively high correlation has been observed among factors. Factor analysis is applied in order to reduce dimension of the data. Four factors were identified are image, quality of product, value for money, and nutrition.

Brand's and Scotch is closely investigated and compare to each other. Same set of questions has been asked to each consumer to understand their perception towards each brand. Paired sample t-test is a statistic method used to identify whether there is statistically significant difference between the mean of these two brands or not. Only 7 factors have been identified as significant which are product packaging, affordable price, reputation of brand, taste good, luxury brand image, good ingredient quality, and packaging of gift basket. Brand's have higher mean for all factors but affordable price.

Keywords: Ready to drink bird's nest, consumer purchasing decision factors, health supplement

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Mr. Wongsatorn Chavalvechakul

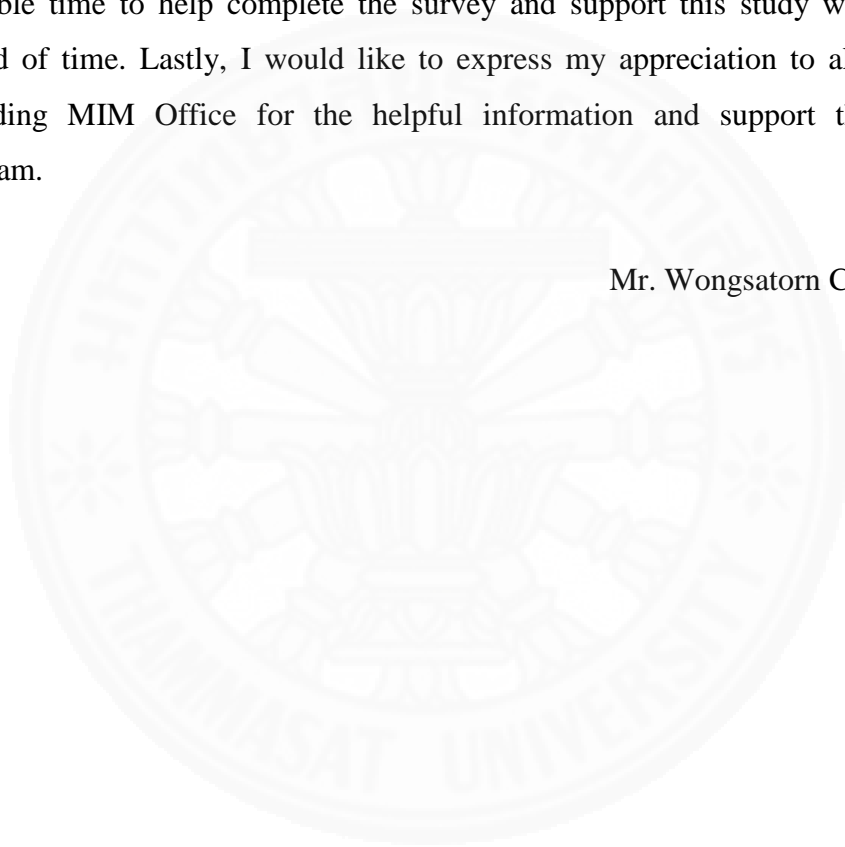


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CHAPTER 1

INTRODUCTION

1.1 Introduction to the study

This study is a contemporary topic in applied marketing which focus to study on consumer in Thailand. The objectives of the research are to understand ready to drink bird's nest consumer awareness level, buying motivations and frequency, identify, and determine the weight of purchasing decision factors. The result of the study can provide more understanding of health supplement shoppers and able to generate insights that can be implemented as a marketing strategies.

Bird's nest, a health supplement product, has been labelled as "Caviar of the East" (MF Marcone, 2005) due to a strong believe that it can improve health benefits in variety of ways. Such believe occurs since A.D. 618 (Jeanine MacKay, 1993) and migrated to Thailand. Bird's nest is now a product that helps driving Thailand economic due to both market size of 3.2 billion Baht and growth of 7% (Marketeer, 2016) mainly from two major players, Brand's and Scotch.

The result of this research will provide more understanding of customer perception toward buying decision process and know how bird's nest companies can improve marketing strategy to match with consumer behavior.

1.2 Objectives

To deliver results which met with study objectives, the study will be intentionally focus on these three following topics;

1.2.1 To measure awareness level for ready to drink bird's nest major brands in Thailand

The study will answer how many people acknowledge the existence of ready to drink bird's nest brands to identify the awareness penetration level. The result will provide more understanding of overall consumer decision journey since the beginning of their decision-making process which is very important insight to brand manager that can plays a key role

to support their strategic decision and improve marketing strategy efficiency & effectiveness.

1.2.2 To understand the motivation and purchasing frequency of ready to drink bird's nest

The study will answer the occasions of consuming ready to drink bird's nest. Different marketing strategies is required for different occasions. By understand the result, ready to drink bird's nest marketing managers can optimize their budget allocation only to focus on the most important occasions, i.e. to enhances brain functional. Brand positioning of ready to drink bird's nest can be reviewed and communicate according to the result of the study.

1.2.3 To identify and determine weight of factors effecting bird's nest purchasing

The study will answer which factors, along with their weight, are considered by shoppers during their decision-making process. By focusing on the right factors, ready to drink's bird nest marketing managers can design a marketing communication message more clearly and directly to their preferred target segments and improve communication effectiveness.

CHAPTER 2

REVIEW OF LITERATURE

Literature review aims to understand an overall perception towards purchasing factors and perception of supplements. Then focus more on bird's nest general characteristics and effectiveness as a supplement. Moreover, a framework and theory will be studied to design a proper research. And lastly, more studies relating to consumer perception and purchasing decision of edible bird's nest will be explored.

2.1 Review of alternative medicine usage behavior

Foster et al. (2000) focused on understanding the behavioral usage of alternative medicine use in older Americans populations. By collecting data using a telephone survey using a random sampling technique, 311 respondents with an age more than 65 years old, classified as an older Americans, resulted in surprisingly low usage of alternative medicine usage comparing to respondents with lower age. Only 30% of older Americans admitted that they were used at least one alternative medicine within the past year. In contrast, 46% of non-older Americans used alternative medicine. Supplements-related methods used were herbal remedies (8%) and high dose or mega-vitamins (5%). So, the study may lead to the question of why older Americans did not use alternative medicine, especially on supplements-related method. A demographic and purpose of buying relationship interpretation will be a part of this study, as listed in questions three, eight, and D2 in questionnaire.

2.2 Review of preventive health behavior

Levy and Myers (2004) tried to explore which factors played a key role in preventive health behaviors as research indicated that elderly was the least likely to engage in preventive health behaviors. Demographic and health characteristics were a focus in this study. Sex, age, races, education were demographic related variables. Self-rated health and functional health were classified as a health characteristic variables. The result revealed that preventive health behaviors score was significantly higher among positive self-perception respondents. On the other hand, demographic did not significantly predict preventive health behavior. So, the study may lead to a study of different perception of preventive health behaviors, including consuming

health supplement such as edible bird's nest, among difference self-perception groups. A self-perception and purpose of buying relationship interpretation will be a part of this study, as listed in questions three, eight, and 30 in questionnaire.

2.3 Review of consumption willingness

O'Connor and White (2010) is to understand the willingness of non-users of health products to accept free trial of vitamins supplements and functional food. 162 Australian non-users of vitamin supplements respondents were studied. Attitude and subjective norms were founded with the highest correlation that is very likely to be underlying predictions of willingness to consume supplements. This may lead to another study of how effectively supplement products communicated the benefits to potential users and generate product trial behavior. Question 11 in the questionnaire will quantify how respondent perceived the communicated benefits from each brand.

2.4 Review of research framework

To explain the complexities of consumer behavior, the theory of planned behavior (Ajzen, 1991) is the framework of analysis in this study. The theory extracted the underlying factors of consumer behavior to three main topics which are attitudes, subjective norms and perceived behavioral control. These three factors will influence purchasing intention that can lead to actual purchasing behavior. By controlling at least one of these factors, marketing manager can influence consumer behavior and predict the result. Questionnaire design also include all three factors in question 10 (attitudes) and 30 (subjective norms and perceived behavioral control) to measures these factors.

2.5 Review of bird's nest genera knowledge

Marcone (2005) classified general characteristic of edible bird's nest into two types from their color which are white and red. The red edible bird's nest, due to its scarcity, five times more expensive than white according to Koon and Cranbrook (2002). The known effect for edible bird's nest is its action against the influenza with the test result of bird's nest extracts published by Howe, Lee, and Rose (1960). Protein and Carbohydrate represent the highest percentage of ingredients at almost 90% of overall composition. The result from this study lead to another question of how can bird's nest perceived at health supplement? This translate to question 3 and 8 in the questionnaire to validate linkage between ready to drink bird's nest and health.

2.6 Review of bird's nest effectiveness

To test the effectiveness for edible bird's nest against influenza, a study from Mehrbod and Aini (2015) used edible bird's nest extracts to test its effectiveness against influenza. The result from the study confirmed that influenza A viruses significantly reduced after the treatments. Thus, the effectiveness of edible bird's nest against influenza might not be only a myth but rather than a fact that it can be operate as an antiviral agent that involve autophagy pathway in antiviral activity against this type of disease. This may lead to a question that whether people acknowledge bird's nest effect toward health improvement or not as asked in question three and eight in questionnaire.

2.7 Review of bird's nest nutrition value

However, different source of edible bird's nest can result in different composition and might lead to a case that consumer perceived a different perception. A study of nutritional analysis of commercialized Malaysian edible bird's nest from Stalin (2015) reveals that different composition were found comparing Malaysian and Thailand edible bird's nest. Malaysian edible bird's nest had crude amino acid contribution than Thailand's at 77.49% and 6.18% respectively. The assumption of difference are the location and time of harvesting as it might affect the food sources of birds. As the composition of nutrition are different geographically, the key question might be if the consumer perception different geographically too? The result from this study may be use as a reference to compare with similar studies in other countries in the future.

2.8 Review of research methodology

Malaysian also known as one of the largest edible bird's nest producer in the world. But relied so much on exporting edible bird's nest to other countries such as China due to the believe of the edible bird's nest of improving a good health. Malaysia tried to create a market for domestic consumption for edible bird's nest to reduce the risk to other countries since 2011. The study from Sharifuddin, Ramalingam, Mohamed, and Rezai (2014) aims to understand what are the factors involving Malaysian consumers to decide what kind of bird's nest purchasing intentions. Three groups of factors are classified as attitude, subjective norm and perceived behavioral control. The framework of the theory of planned behavior was

used in this study. The study took place in 2012 during July to November. A set of questionnaires were published to collect the consumer data with a total of 1,361 respondents overall. The result reveals that all three group of factors are significantly affects the purchase intention of Malaysian consumers towards edible bird's nest. However, the highest score was perceived behavioral control at beta of .534, followed by subjective norms with beta of .312 and attitude with a beta of .075. All three factors can be used to determine and predict the purchase intention of Malaysian consumers accurately as it can explain 67.1% of the variance (or 67% adjusted score). This may lead to another question with a different geographical between Malaysia and Thailand that whether the consumers are having a different set of factors or not? What will be the weight of each factors for consumer in Thailand? And whether marketing managers are required to adopt the different marketing strategy to correctly communicate and implement marketing program between these two countries or not?

Overall, literature review provides the information for this study in three major groups which are

1. Overall consumer behavior on health supplement-related products
2. General characteristics and effects of edible bird's nest
3. Differences between Malaysia and Thailand edible bird's nest in terms of products and consumer decision factors

By capturing this information from literature review as stated above, this study can aim towards understanding Thailand consumers' behavior and their purchasing decision factors. The result from this study might be able to compare with previous study to understand the difference between each market. And provide more overview, regional level of understanding for marketing managers to ensure the effectiveness and efficiency development and implementation of marketing strategies in the future.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research design

Overall data collection procedures were divided per the research methodology. Two major research methodologies will be used in exploratory research and descriptive research.

3.2 Exploratory research methodology

3.2.1 Literature review

Existing previous studies were studied prior proceeding further in data collection. Google Scholar is internet-based tool that can be used to access to large database of existing studies around the world. Keywords used in the queries were related to health supplements, edible bird's nest, and consumer purchasing decision factors.

Another source of literature review was Thammasat university library. By accessing the existing study in Thailand, this study able to expand the boundaries of understand consumer purchasing decision factors even more, even though the result might not be able to apply to the other products or categories as ready to drink bird's nest might be a niche product within a specialist category of health supplements. But at least it can provide more broad understanding.

3.2.2 Depth interview

To initial understand consumer perception and their concerning factors, a depth interview sessions were arranged to interview with the existing consumers of ready to drink bird's nest in Thailand. The expected result aims to capture general purpose of the purchase factors, channels, and the awareness. The result will be used as an initial information to develop further research process, specifically on developing questionnaire during the next descriptive research phase.

Without depth interview sessions, the questionnaire might be using irrelevant questions that might not be able to understand the root cause of consumer purchasing decision factors. Depth interview can provide the researcher to understand and predict the result initially prior proceeding in the research process.

3.3 Descriptive research methodology

Based from information available during exploratory research, a questionnaire has been developed based from customer insight. The questionnaire has maximum of 20 questions available, depending on the respondent's answer early in the questionnaire.

Seven major category of questions has been asked in the questionnaire including purchasing behavior, purchasing factor, brand awareness, brand perception, purchasing destination, personal perception, and demographic.

3.4 Sampling procedure

Convenience sampling technique has been applied to ensure the result will be equally distributed while receiving enough sample size for the data processing process. Ready to drink bird's nest in Thailand is one of the most unique character product in Thailand as consumer mostly purchase during the festive season that it might be challenging to engage with respondents during the non-festive period.

Overall data collection collected 289 respondents for ready to drink bird's nest shoppers to provide enough data set for data processing phase.

3.5 Data collection

Online survey was the major channel of collecting the data of consumers since most consumers might not provide an opportunity to engage during festive season. Questionnaire was developed and distributed during March to reflect the latest consumer behavior.

3.6 Data analysis

3.6.1 Exploratory research

According to Miller (2016), there are five key principles of qualitative analysis

Table 1: Five key principles of qualitative analysis

A	B	C	D	E
<ul style="list-style-type: none"> •Qualitative analysis is always subjective 	<ul style="list-style-type: none"> •Start inferring during fieldwork •Analysis finishes when you finish the report 	<ul style="list-style-type: none"> •We need to describe first 	<ul style="list-style-type: none"> •Then look for patterns 	<ul style="list-style-type: none"> •Then we can interpret •Tell your findings as a story to make them more memorable

Result will be categorized to each of the category per following: purpose of buying, perception towards bird's nest, purchasing channels, attitude, subjective norms, and consumer behavioral.

3.6.2 Descriptive research

The online survey was consolidated using Microsoft Excel program for reviewing purpose. Incomplete responses were ignored. Then, the responses were imported to IBM SPSS software for frequency, mean, standard deviation analysis. Correlation, regression, and clustering techniques are also used as methodology to identify statistical result from the study.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Result from exploratory research

Two in-depth interview sessions were conducted in order to gain consumer insight before proceeding with descriptive research. All respondents were all ready to drink bird's nest shoppers and made their purchase at least once within the past 12 months. Below are the details and result from each session.

The first session of in-depth interview was conducted on October 15. The respondent is female, age 33. Her occupation was translator at one of Thailand's leading cable television provider. She was a ready to drink bird's nest consumer with purchasing frequency of 4 times per year. Respondent was asked to describe the benefit of ready to drink bird's nest but struggle to answer specifically. For example, she could not specific the benefit when regularly consume ready to drink bird's nest but could only tell that it will generally improve overall health. She did aware of two major brands available in market in Brand's and Scotch but did not recognize other brands available. Most of the time, she admitted that the purchases were made as a gift for others. Respondent explained that, due to her perception, ready to drink bird's nest is suited for a gift especially for health-related occasions. The first session lasted for one hour.

The second session of in-depth interview was conducted on October 15, the same day as first session. The respondent is female, age in mid-thirties. The session was conducted at point of purchase of ready to drink bird's nest at Tesco Lotus Sukhumvit 50, the biggest hypermarket retailer chain in Thailand. Respondent can provide in-depth details of ready to drink bird's nest, for example, she did believe that ready to drink bird's nest suits with diabetes patient as it will improve the condition of patient. Most of the purchase was made for her own consumption as she had major health issue in the past. But occasionally, some purchases were made for others too.

She claimed that she studied wide range of ready to drink bird's nest products and able to provide five names of available brands in Thailand. Other brands mentioned during the depth interview sessions including Tesco, a major player of

modern trade retailer in Thailand, Twin Lotus, a local manufacturing company specialized in toothpaste product, and Juice Nest, relatively new player in the market comparing to other brands. With all of the result on brand awareness, all brands mentioned during the sessions have been recorded and will be adopted as a multiple choice answer during the descriptive research in survey method. This second session of in-depth interview lasted for approximately 90 minutes.

After both respondents share about their own purchasing behavior, the results provide more in-depth knowledge to researcher. According to five key principles of qualitative analysis, the third step is to let respondents describe. So both respondents have been asked to share the behavior of other ready to drink bird's nest consumers they have known. The fourth step is to look for patterns from all consumers. The results have been interpret in the last steps of five key principles of qualitative analysis consists of four major points per below which transferred to quantitative analysis in the next procedure.

Firstly, consumption frequency was asked. Both respondents provide varies range of purchasing behavior per their knowledge. Some of their friends rarely made the purchases so the result was positive skew, meaning that low consumption has more frequency that high consumption, as majority of respondents were purchasing ready to drink bird's nest occasionally rather than everyday consumption. This insight transferred to a multiple choice of one to nine or more purchasing frequency per year to identify the range of purchasing behavior.

Next, purchasing occasions has been asked to respondents. Main question was to identify whether their purchase was made for themselves or others. For the first answer, more questions will be asked to identify which occasion of consumption did respondents were looking for to resulted in three major consumption of health, beauty, and brain as a motivation. Few of respondents can't explained the purchasing motivation other than they wanted to buy it. This insight translated to multiple choice answers of five main purchasing occasion in descriptive research.

Thirdly, factors involving purchasing behavior have been asked to respondents. The answers were fragmented and hardly identified as a pattern. Each consumer tends to have different decision criteria sets. All mentioned criteria has been

including in the survey and will be filtered by dimension reduction technique in SPSS later on.

Lastly, the channel of purchasing questions was asked to respondents. Most of customers had at least one purchase made in modern trade retailers, such as Tesco Lotus and Tops Supermarket. So, the questionnaire multiple choice answers were focus mainly on this channel.

4.2 Result from descriptive research

IBM SPSS software is used as an analysis tool. Using data collected from survey as an input, the profile of respondents was 60% female, 59% age between 26 to 31 years old, 66% were employee, 51% had education level of master degree, 40% claimed to have 20,001 to 50,000 of personal income.

Table 2: Demographic of respondents

Respondents' demographic (n=289)		n	%
Sex	Male	108	37%
	Female	173	60%
	Not specific	8	3%
Age	25 or below	27	9%
	26-28	112	39%
	29-31	59	20%
	32-34	41	14%
	35-37	17	6%
	38-40	20	7%
	41 or above	13	4%
Occupation	Student	24	8%
	Employee	192	66%
	Business owner	38	13%
	Government officer	22	8%
	Freelance	13	4%
Education level	Below bachelor degree	4	1%
	Bachelor degree	135	47%

Respondents' demographic (n=289)		n	%
Education level	Master degree	147	51%
	Above master degree	3	1%
Personal income	20,000 or below	29	10%
	20,001-50,000	117	40%
	50,001-80,000	71	25%
	80,001-110,000	30	10%
	110,001-140,000	25	9%
	140,001 or above	17	6%

In terms of ready to drink bird's nest purchasing frequency, respondents were asked to input the number of their annual purchasing frequency. Purchasing of one to two times per year were classified as low purchasing frequency, purchasing 3-4 times per year were classified as medium, and purchasing five times or above per year were classified as high purchasing frequency. 53% of respondents were classified as low purchasing frequency with only 9% of respondents were classified as high purchasing frequency. 20% of respondents also shared that they did not purchase any of ready to drink bird's nest during the past year.

Table 3: Annual purchasing frequency

Annual purchasing frequency (n=289)	n	%
Never	57	20%
1-2 times (low)	153	53%
3-4 times (medium)	54	19%
5 times or above (high)	25	9%

When closer examine by age group, each age group had different average annual purchasing frequency. Respondents with age 41 or above is likely to purchase more than other groups at 2.60 times per year. On the other hand, respondents with age between 35-37 is likely to purchase less than other group at 1.62 times per year. However, standard deviation for each age group was also difference from each other

and should be accounted as one of the factor to determine purchasing frequency among age group.

Table 4: Annual purchasing frequency comparison

Annual purchasing frequency comparison (n=232)	Mean	n	Std. deviation
25 or below	2.35	20	1.348
26-28	2.36	92	1.855
29-31	2.34	44	2.079
32-34	2.32	37	1.415
35-37	1.62	13	0.650
38-40	2.56	16	1.459
41 or above	2.60	10	2.591
Total	2.33	232	1.755

Analysis of variance (ANOVA) was a method used to determine whether there were a significant differences of average annual purchasing frequency among age group or not. The result of ANOVA revealed a significant value of 0.849 which translate to not significant. So we could assume that there were no difference of annual purchasing frequency behavior between these seven age groups.

Table 5: ANOVA analysis of purchasing frequency across age group

ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.32	6	1.387	0.444	0.849
Within Groups	703.12	225	3.125		
Total	711.44	231			

With cross tabulation statistics, the frequency distribution of brand awareness across purchasing behavior groups resulted in more than 90% awareness for both Brand's and Scotch from 289 respondents. Twin lotus has the highest brand awareness from high purchasing frequency respondents at 20% while Tesco highest brand awareness came from low purchasing frequency respondents at 6.5%. Only one

respondent, from low purchasing frequency group, acknowledge Juice Nest's existence.

Table 6: Frequency cross tabulation by brand

Frequency cross tabulation (n=289)	Brand's	Scotch	Twin Lotus	Tesco	Juice Nest
Never	100.0%	96.5%	1.8%	0.0%	0.0%
1-2 times (low)	99.3%	99.3%	5.2%	6.5%	0.7%
3-4 times (medium)	94.4%	96.3%	1.9%	5.6%	0.0%
5 times or above (high)	92.0%	88.0%	20.0%	4.0%	0.0%
Total	97.9%	97.2%	5.2%	4.8%	0.3%

Focusing on the purposes of buying ready to drink bird's nest, the difference has been noticed with cross tabulation across purchasing frequency groups. Table seven, see below, presents the result collected from questionnaire in terms of purchasing purposes of each purchasing frequency groups. The low purchasing frequency group mainly have the purpose of to buy it for someone else, with 79.7% of total respondents. The rest four purposes, which related to buying for own consumption, have lower number of respondents. The own consumption purposes for low purchasing frequency group ranging between 2.6% (to beautifying skin) to 36.6% (just feel like it) which less than half of percentage of to buy it for someone else.

Table 7: Frequency cross tabulation by occasion

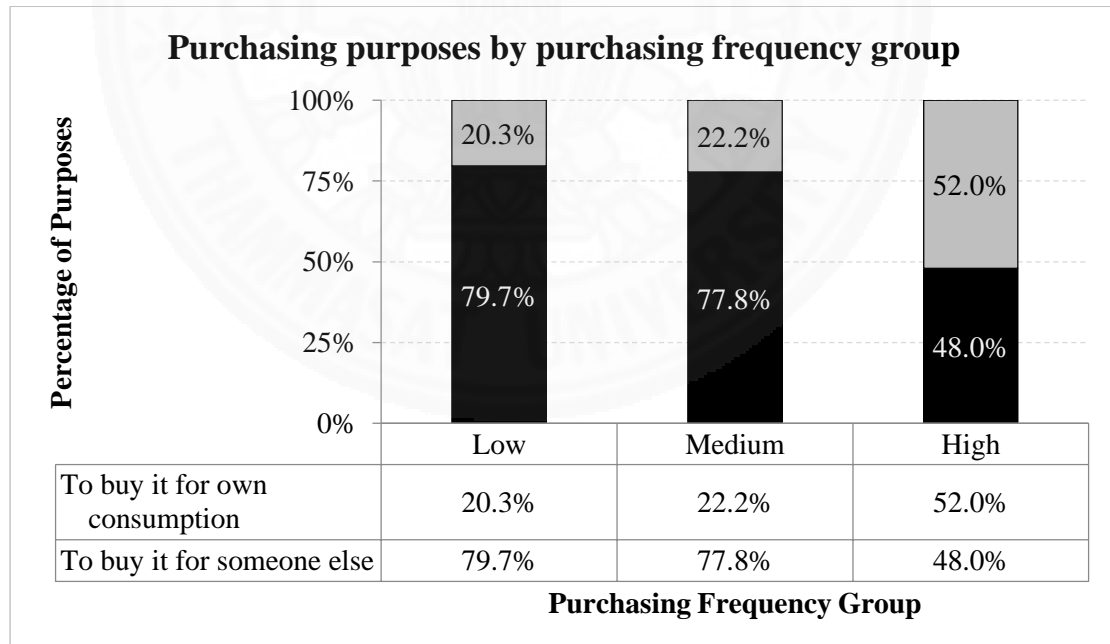
Frequency cross tabulation (n=232)	To improve health	To beautifying skin	To improve brain	Just feel like it	To buy it for someone else
1-2 times (low)	23.5%	2.6%	5.2%	36.6%	79.7%
3-4 times (medium)	55.6%	11.1%	11.1%	38.9%	77.8%
5 times or above (high)	64.0%	20.0%	12.0%	32.0%	48.0%
Total	35.3%	6.5%	7.3%	36.6%	75.9%

By combining purchasing purposes together, the result will be simplified and able to generate clearer result. New purpose of purchasing has been created by combining to improve health, to beautifying skin, to improve brain, and just feel like

it altogether. The new purpose of purchasing will represent to buy it for own consumption. Table eight below compare the percentage between the two purchasing purposes in terms of purchasing frequency group. The result revealed that to purchase it for someone else percentage of purpose declined as the frequency increased from low to medium to high, starting from 79.7% to 77.8% to 48.0% respectively.

On the other hand, the purpose of to buy it for own consumption is increased as the purchasing frequency improved. Low purchasing frequency group only answered with 20.3% of to buy it for own consumption comparing to 22.2% and 52.0% of medium and high purchasing frequency groups respectively. So the result from this study provide the information that the more frequency of purchase, the more likely purchasing purpose will be for own consumption. On the other hand, the result from this observation demonstrate an inverse relationship between improving health purpose and buying for someone else purpose as the frequency of purchasing increase.

Table 8: Purchasing purposes by purchasing frequency group



Next, the study moved to factors involving ready to drink bird's nest purchasing decision. There are 11 factors listed in survey. Correlation is used as a statistic to identify relationship with each factor. Few relatively high correlations have been observed among factors. One issue, a multicollinearity issue, is concerned prior moving forward in the study. Multicollinearity can occurs when two factors has high

correlation toward each other. The high correlation value could be interpreted that respondents perceived two factors are overlapping. Without eliminating this issue, the result from the study could be biased toward the overlapped factors.

To prevent multicollinearity issue, factor analysis technique is applied in order to reduce dimension of the overlapped factors. Four factors have been set as the number of factors to extract with a cumulative percent of variance at 68% explained. Same result can also be founded with five factors set as number of factors to extract.

Table 9: Factor analysis result with four factors as a result

Total Variance Explained (Extraction Method: Principal Axis Factoring)		
Factor	Initial Eigenvalues	
	% of Variance	Cumulative %
1	33.989	33.989
2	16.493	50.482
3	9.904	60.386
4	7.871	68.256

Out of 11 factors studied, nine factors which has factor score more than 0.500 were included in rotated factors. The rest two factors which are flavor varieties and no sugar was eliminated. Each of rotated factor characteristic and details can be generally describe as:

1. Image (from product packaging, luxury brand image, and packaging of gift basket)
2. Quality of product (from reputation of brand, taste good, and good ingredient quality)
3. Value for money (from value for money and affordable price)
4. Nutrition (from nutrition value)

Table 10: Rotated factor matrix

Rotated Factor Matrix	Factor			
	1	2	3	4
Flavor varieties				
Value for money			0.709	
Product packaging	0.723			
Affordable price			0.794	
Reputation of brand		0.611		
Nutrition value				0.661
Taste good		0.568		
Luxury brand image	0.868			
Good ingredient quality		0.702		
Packaging of gift basket	0.667			
No sugar				
	Image	Quality of product	Value for money	Nutrition

After purchasing decision factors has been grouped together, brand perception data for Brand's and Scotch is closely investigate and compare to each other. Same set of questions has been asked to each consumer to understand their perception towards each brand. Paired sample t-test is a statistic method used to identify whether there is statistically significant difference between the mean of these two brands or not. Only seven factors have been identified as significant which are product packaging, affordable price, reputation of brand, taste good, luxury brand image, good ingredient quality, and packaging of gift basket. Brand's have higher mean for all factors but affordable price.

Table 11: Paired samples t-test result

Paired Samples Test		Mean of Brand's	Mean of Scotch	Sig. (2-tailed)
Pair 1	Flavor varieties (Brand's - Scotch)	2.96	2.98	0.731
Pair 2	Value for money (Brand's - Scotch)	3.24	3.31	0.121
Pair 3	Product packaging (Brand's - Scotch)	3.78	3.63	0.018
Pair 4	Affordable price (Brand's - Scotch)	2.87	3.14	0.000
Pair 5	Reputation of brand (Brand's - Scotch)	4.28	3.95	0.000
Pair 6	Nutrition value (Brand's - Scotch)	3.20	3.22	0.766
Pair 7	Taste good (Brand's - Scotch)	3.63	3.50	0.017
Pair 8	Luxury brand image (Brand's - Scotch)	3.82	3.66	0.009
Pair 9	Good ingredient quality (Brand's - Scotch)	3.70	3.60	0.041
Pair 10	Packaging of gift basket (Brand's - Scotch)	3.55	3.45	0.024
Pair 11	No sugar (Brand's - Scotch)	3.00	3.02	0.615

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Majority of respondents equipped with the following profiles: female, age between 26 to 31 years old, education level of master degree, employee with 20,001 to 50,000 of personal income. 80% of all respondents has purchased ready to drink bird's nest once during the past 12 months. The frequency of purchase is varying across respondents. This study classified respondents into three groups which are low, medium, and high according to their purchasing frequency.

Out of listed five ready to drink bird's nest brands in market, awareness level for consumers is very high for Brand's and Scotch with more than 97% of consumer aware of them. While the rest brands observed has very low awareness, with 5% or less of consumer awareness level. The industry could be categorized as an oligopoly industry with only two major players in the market.

Purchasing factor was found difference across purchasing frequency group. Low frequency group tends to buy for others. Higher frequency group will have more intentions to improve health, skin, and brain more while reduce the proportion of buying for others. The key success factor for this industry is to convert low frequency group to higher frequency by highlight personal benefits on health improvement.

The factors involving purchasing decision for ready to drink bird's nest can be categorized into four major factors which are image, quality of product, value for money, and nutrition. To ensure the growth of ready to drink bird's nest, the industry should focus on building image of the product utilizing the best ingredient available. As more than half of the consumers intended to purchase for others, image and quality are the top factors concerned.

Comparing the top two brands in terms of consumer perceptions, seven factors saw statistically significant difference from each other. Brand's has higher mean for all factors comparing to Scotch but affordable price. The result of this study confirms different brand positioning between Brand's, who mainly focus on building good image and quality, and Scotch, who mainly focus on affordable pricing strategy, in

consumer perspective. The result from this study can be used as a guideline for ready to drink bird's nest executives or brand managers to adjust their strategy according to the findings.

5.2 Recommendations

5.2.1 Focus on “buying it for someone else” occasion has the biggest size of prize

With the highest proportion in terms of number of customers, capturing buying it for someone else occasion can be a quick win for ready to drink bird's nest. In order to do so, ready to drink bird's nest need to focus on low purchasing frequency group as they have the highest contribution of this occasion. Focusing on giving seasonal should be prioritizing as a strategy.

5.2.2 Converting low frequency group to high frequency group is a key in long term

Low frequency group have the highest number of customers at the moment. But once factoring the frequency of purchase, medium and high frequency group also seems promising in the future after captured low frequency group as suggested in previous recommendation. Medium frequency group can spend two to four times more than low frequency group while high frequency is spending more at least five times. Highlight more of health benefits is a key to convert consumer to higher frequency group.

5.2.3 Image and quality of product are things that matters the most to consumers

Rather than focusing on all aspects of the brands, executives and brand managers could prioritize the most important factors to consumers in image and quality of product. Improving product packaging, luxury brand image, and packaging of gift basket can translate to better image. And improving reputation of brand, taste good, and good ingredient quality, can result in better perceived quality of product. These two factors alone accounted for half of criteria set used by consumers during the purchasing process.

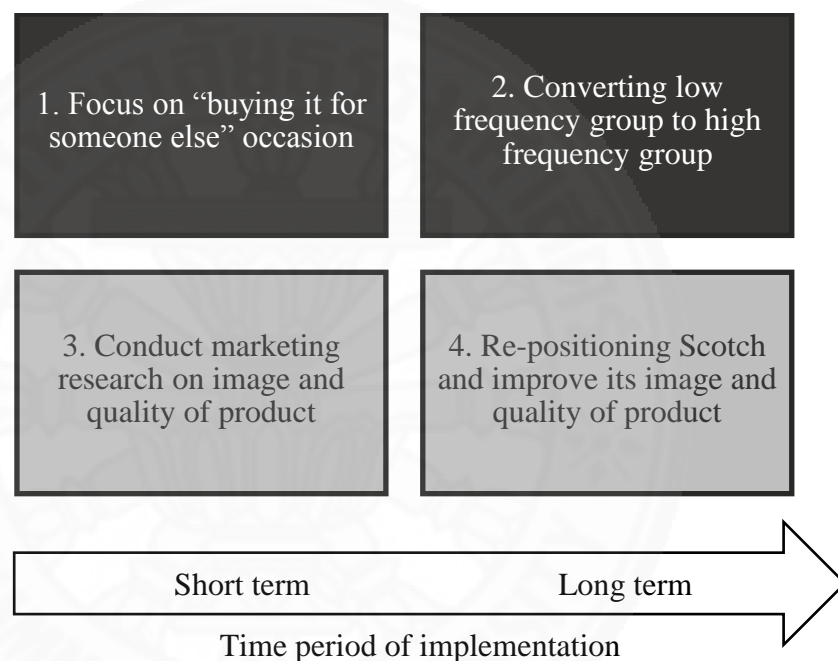
5.2.4 Scotch need to improve its image quality of product

While image and quality of product are the most important factors, Scotch's mean is statistically significant lower than Brand's. Focus on affordable

pricing strategy can benefit the brand but not as significant as focus on image and quality of product.

The implementation of the recommendations can be parallel. But if there are limitations of the resources available for marketing managers, the implementation can be split into two phases to maximize efficiency and ensure the best result. Table 12 provides example of implementation processes which split into two phases

Table 12: Example of implementation process



Marketing managers can implement 1. Focus on “buying it for someone else” occasion strategy in parallel with 3. Conduct marketing research on image and quality of product in the short term. By doing so, marketing managers will be able to understand consumer insight without losing short term profit maximization opportunity. For longer term, 2. Converting low frequency group to high frequency group and 4. Re-positioning Scotch and improve its image and quality of product will require much more resources that can be obtained from the first phase. But these two strategies cannot be ignored as they will fuel long term growth for marketing managers.

5.3 Key examples of activities for implementation process

5.3.1 Focus on “buying it for someone else” occasion

The first priority is in-store promotion such as price-off promotion will lower the price as barrier to entry for ready to drink bird's nest products. Strengthen activities during the festive season can expected to activate purchasing intention by empower giving season. Major holidays in Thailand will include New Year, mother's day, father's day, and Songkran days.

5.3.2 Converting low frequency group to high frequency group

To convert low frequency to higher level, some trade up in-store promotions can be implemented to drive consumer spending such as multi-buy or cross purchasing promotions. More incentive providing to consumer in exchange of higher basket spending can stimulate more purchasing and, hopefully, consumption behavior.

5.3.3 Conduct marketing research on image and quality of product

Marketing managers can conduct both qualitative and quantitative researches to understand more consumer insight. Main questions to be focused will be how consumer perceived image and quality of ready to drink bird's nest.

5.3.4 Re-positioning Scotch and improve its image and quality of product

To match consumer perception of Scotch to Brand's, the result from previous consumer researches will be used to implement to improve the brand perception and truly understanding consumers.

5.4 Limitation of the study

Convenience sampling method and small number of respondents are the key limitations as there was a time constraint throughout the period. The finding in this research will not represent the total size of ready to drink bird's nest population.

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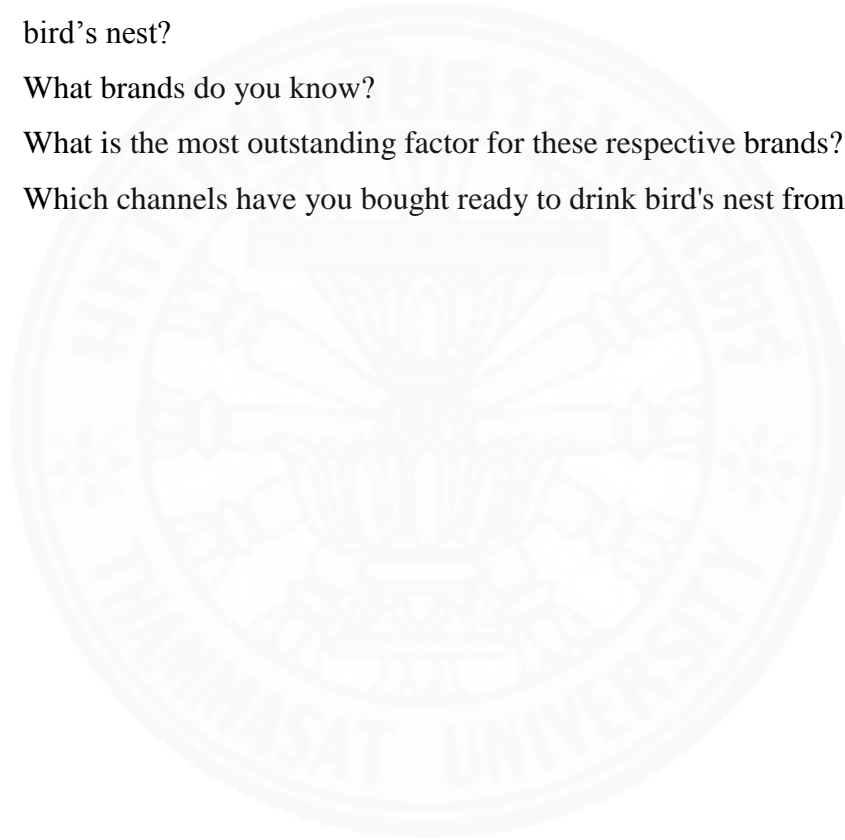


APPENDICES

APPENDIX A

EXAMPLE OF IN-DEPTH INTERVIEW QUESTIONS

1. Have you ever bought ready to drink bird's nest?
2. What is your purpose of buying?
3. How many times have you bought ready to drink bird's nest in the past 12 months?
4. What are the important factors that made you decide to buy ready to drink bird's nest?
5. What brands do you know?
6. What is the most outstanding factor for these respective brands?
7. Which channels have you bought ready to drink bird's nest from?



APPENDIX B

SURVEY

1. Have you ever bought ready to drink bird's nest?
 - a. Yes
 - b. No
2. What is your purpose of buying? (select all that apply)
 - a. To improve health
 - b. To beautifying skin
 - c. To improve brain
 - d. Just feel like it
 - e. To buy it for someone else
3. How many times have you bought ready to drink bird's nest in the past 12 months?
 - a. _____ times
4. Do you buy ready to drink bird's nest regularly or occasionally?
 - a. Occasionally
 - b. Regularly
5. How important is each factor that made you decide to buy ready to drink bird's nest? (1=not at all important, 5=very important)
 - a. Flavor varieties
 - b. Value for money
 - c. Product packaging
 - d. Affordable price
 - e. Reputation of brand
 - f. Nutrition value
 - g. Taste good
 - h. Luxury brand image
 - i. Good ingredient quality
 - j. Packaging of gift basket
 - k. No sugar

6. Do you know the following brands? (select all that apply)
- Brand's
 - Scotch
 - Twin Lotus
 - Tesco
 - Juice Nest
 - None of the above
7. For Brand's: what is your score for each of the following factor? (1=not at all important, 5=very important)
- Flavor varieties
 - Value for money
 - Product packaging
 - Affordable price
 - Reputation of brand
 - Nutrition value
 - Taste good
 - Luxury brand image
 - Good ingredient quality
 - Packaging of gift basket
 - No sugar
8. For Scotch: what is your score for each of the following factor? (1=not at all important, 5=very important)
- Flavor varieties
 - Value for money
 - Product packaging
 - Affordable price
 - Reputation of brand
 - Nutrition value
 - Taste good
 - Luxury brand image
 - Good ingredient quality
 - Packaging of gift basket

- k. No sugar
9. For Twin Lotus: what is your score for each of the following factor? (1=not at all important, 5=very important)
- a. Flavor varieties
 - b. Value for money
 - c. Product packaging
 - d. Affordable price
 - e. Reputation of brand
 - f. Nutrition value
 - g. Taste good
 - h. Luxury brand image
 - i. Good ingredient quality
 - j. Packaging of gift basket
 - k. No sugar
10. For Tesco: what is your score for each of the following factor? (1=not at all important, 5=very important)
- a. Flavor varieties
 - b. Value for money
 - c. Product packaging
 - d. Affordable price
 - e. Reputation of brand
 - f. Nutrition value
 - g. Taste good
 - h. Luxury brand image
 - i. Good ingredient quality
 - j. Packaging of gift basket
 - k. No sugar
11. For Juice Nest: what is your score for each of the following factor? (1=not at all important, 5=very important)
- a. Flavor varieties
 - b. Value for money
 - c. Product packaging

- d. Affordable price
- e. Reputation of brand
- f. Nutrition value
- g. Taste good
- h. Luxury brand image
- i. Good ingredient quality
- j. Packaging of gift basket
- k. No sugar

12. Which channels have you bought ready to drink bird's nest from? (select all that apply)

- a. Tesco Lotus
- b. Big C
- c. 7-Eleven
- d. Gourmet Market
- e. Tops Supermarket
- f. Local store
- g. Makro
- h. Lazada
- i. Other online channel
- j. Other (please specify _____)

13. Which channel is the most frequency place of buying ready to drink bird's nest?

- a. Tesco Lotus
- b. Big C
- c. 7-Eleven
- d. Gourmet Market
- e. Tops Supermarket
- f. Local store
- g. Makro
- h. Lazada
- i. Other online channel

14. What is the reason of buying ready to drink bird's nest from #12?

- a. Low price
- b. Easy to find products
- c. Clean
- d. Convenience

15. Do you agree with the following phases? (1=strongly disagree, 5=strongly agree)

- a. I often choose food/drink for yourself
- b. I often recommend food/drink to others
- c. I will try to get exercise when you have time
- d. I am willing to pay more for healthier product
- e. I am willing to pay more on food product with proven research
- f. I am willing to pay more for greater quality of product
- g. I think exercise is very important
- h. I do not need to exercise very often
- i. I am willing to consume less delicious product if it is for your health
- j. I like to try new things
- k. I like to buy gift for others during new year holiday
- l. I received many gifts from others during new year holiday
- m. I think seniority is important in Thai culture
- n. I think online shopping is safe
- o. I think online shopping is convenience

16. Do you recognize Scotch ready to drink bird's nest from which media? (select all that apply)

- a. TVC
- b. Radio
- c. Printed media
- d. YouTube
- e. Facebook Official Page
- f. Facebook other page
- g. Friend in Facebook
- h. Other social media
- i. Other internet media

- j. Modern trade retailer
- k. Local store
- l. Friend/colleague

17. Sex

- a. Male
- b. Female
- c. Other

18. Age

- a. _____ years old

19. Occupation

- a. Student
- b. Employee
- c. Business owner
- d. Government officer
- e. Freelance
- f. Other (please specify _____)

20. Education level

- a. Below bachelor degree
- b. Bachelor degree
- c. Master degree
- d. Above master degree

21. Personal income

- a. <20,000 Baht per month
- b. 20,001-50,000 Baht per month
- c. 50,001-80,000 Baht per month
- d. 80,001-110,000 Baht per month
- e. 110,001-140,000 Baht per month
- f. >140,001 Baht per month

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