

# A Development of Marketing Strategies for Exporting; a Case of Face Skin Care Products Mixed with Virgin Coconut Oil

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## Abstract

The objectives of this research were 1) to study marketing strategies on Marketing Mix strategy, Competitive Advantage Strategy, Technology Strategy, and Technology and Innovation Strategy for exporting in case of facial skin care products containing virgin coconut oil as an ingredient and 2) to study problems and obstacles or suggestions on marketing strategies for exports. The sample consisted of 350 employees who served in a company that has a facial care product containing virgin coconut oil as an ingredient.

The research tool was a questionnaire. The statistics used to analyze the data were frequency, percentage, and standard deviation. The statistic used to test the research hypothesis was to find the correlation coefficient in order to analyze the correlation between exports of virgin coconut oil skin care products and marketing development strategies. Moreover, multiple regression analysis was used to create forecast equations for marketing strategies for the export of facial skin care products containing virgin coconut oil as an ingredient.

The results showed that marketing mixed strategy, competitive advantage strategy, and technology and innovation strategy were associated with exports with a statistically significant level at 0.05. The output has a forecast efficiency of ( $R^2=.385$ )38.5%.

Keywords: Marketing Strategy, Virgin Coconut Oil, Export

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## Introduction

For the beauty and cosmetics market in Thailand, it grows by 3% per year, is expected in 2017 to be worth more than 20 billion baht, so Thailand is ranked 17th. In the world's cosmetic production, the Thai cosmetic industry has continued to grow in the last 10 years. Last year, an average of 10-20 % per year, the value of cosmetics exports for make-up accounted for 1.28% of the world's export value, as well as technological developments and cosmetic ingredients in Asia after Japan and South Korea. Therefore, Thailand is an important market for business expansion and business expansion and is an important target market for beauty and health products. The trend of beauty business in 2015, in the first quarter, is thought to have an average market growth rate of 10%, so as a result, the value of Thai cosmetics exports to ASEAN has an average growth rate of 9.2% per year over the past 5 years, with Thailand exporting cosmetics to the ASEAN market accounted for 44% of the total export of cosmetics. With the value of the ASEAN market in 2015 at the Center for Economic Analysis,

it is expected to reach 6.1 hundred billion baht for making the potential ASEAN market in terms of market size and market value and continuous growth in the future. Export trends of cosmetics and medical products including natural cosmetics and Thai herbs after the opening of the ASEAN Economic Community (AEC) in 2015 directly affected Thailand (Manakitsomboon, 2022).

Furthermore, Thailand is one of the member countries in ASEAN including being a producer. As a production base, there is another exporter of cosmetic products, especially natural and herbal cosmetics in many countries that do business in the cosmetic industry. So when there are new markets, it is an opportunity to expand the market to increase. There are entrepreneurs in the product business. Entering new cosmetic market occurs continuously and the original cosmetic product business operator tries to branch out to escape from competitors which results in more intense competition in the health and beauty market and the market trend, the market will therefore increase. It is a good opportunity for Thailand to expand the Thai brand "Thailand Brand" to be famous all over the world and to do serious marketing (Manakitsomboon, 2022).

Today, it is known as the golden age of Thai herbs which herbs refer to coconut oil which is classified as a group of herbs in the group of anti-fatigue, tonic, nourishing elements with a scientific name: *Cocos nucifera* L.var.*nucifera*. The researcher will use it as a collective term to mention in this research with consumers turning to health in a natural way and treating various symptoms with medicinal plant. Especially natural cosmetics and Thai herbs including cosmeceutical products tend to grow rapidly, both in terms of entrepreneurs and the number of consumers, especially natural cosmeceutical products. Cosmeceuticals are products that do not contain synthetic ingredients such as fragrances, colors, additives, stabilizers, solvents, etc. Moreover, coconut oil is a medium molecule (Medium chain fatty acid) such as lauric acid, when eaten, it will be burned well. Therefore, being deposited in adipose tissue less long-molecular fatty acids than cold pressed coconut oil which is the oil extracted from coconut meat without heat and without chemical processing. Virgin coconut oil is clear, colorless, no sediment and can be eaten. Currently, cold pressed coconut oil has been widely publicized. to health benefits since the effectiveness of reducing cholesterol lower blood sugar and help lose weight to prevent Alzheimer's disease and slow down aging. This is because cold-pressed coconut oil differs from other vegetable oils based on their fatty acid structure, they are ranked according to their structural benefits, and the best is cold-pressed coconut oil.

In addition to being useful in health, it is also useful in beauty, whether it is beautiful skin, younger looking skin, and silky skin. It prevents and treats melasma which use coconut oil as a vegetable oil that has properties as a moisturizer. It also contains antibiotics and antioxidants from tocopherol in vitamin E. All of the above points, the information that sparked the researcher and the team's interest in studying based on the development of marketing strategies for exporting case studies. Facial skin care products with cold pressed coconut oil as an ingredient under the integrated plan. Moreover, development of spa and cosmetic products from local resources for small and medium-sized industrial applications would emphasize in the study. The objective is to solve the problems that arise by improving the quality of cold pressed coconut oil to have appropriate properties and develop a variety of cold-pressed coconut oil products add distribution channels and develop packaging design to meet the market demand in order to solve the problems of people in the community to have a better and sustainable cost of living and living. Therefore, the competitive strategy of

entrepreneurs should be used to be an aggressive strategy to open the market for transmission. Cosmetics made from natural herbs should be developed marketing to improve production methods (Jinachai, et al.2016)

Packaging style and quality to meet international standards should be found in a strategy for business operations and exports. The strategy of each operator in the industry will focus on the competitiveness and performance of the business in the industry (Wiyada Chaivech, 2016). The most important thing which export business must be considered is the business innovation which is important in creating a competitive advantage for the export business.

Moreover, Rattikarn Ngao-ngern (2016) advocated that technologically competent export businesses, especially advanced technology, will also benefit exports. Therefore, Thai export businesses must consider competitive marketing strategies while taking into account innovations. Technology can reduce the problems arising from competition marketing for the right competition which is the development of marketing strategies that meets the lifestyle of the new generation to create the survival of cosmetic business entrepreneurs which may face challenges in consumer purchasing power and fierce competition in today's market. But looking for new marketing opportunities should help entrepreneurs to increase sales over competitors. Therefore, developing marketing strategies which includes marketing mixed strategies, competitive advantage strategy technology and innovation strategies for export would focus on the international market.

### **Research Objectives**

1) To study the development of marketing strategies namely; Marketing Mix Strategy Competitive Advantage Strategy Technology and Innovation Strategy for export; a case study of facial skin care products with cold pressed coconut oil as an ingredient.

2) To study problems and obstacles or suggestions on ways to develop marketing strategies for exports; a case study of facial skin care products with cold pressed coconut oil as an ingredient.

### **Benefits of Research**

1) Know how to develop marketing strategies for export. Case study of facial skin care products with cold pressed coconut oil as an ingredient.

2) Get a guideline for the company or entrepreneur to use marketing strategy development guidelines to develop facial skin care products with cold-pressed coconut oil as an ingredient for exports to enable trading businesses to operate and compete for export vigorously and efficiently

### **Research Hypothesis**

Marketing strategies are Marketing Mix Strategies, Competitive Advantage Strategy Technology and Innovation Strategy affects the export of facial skin care products that contain cold-pressed coconut oil as an ingredient.

### **Scope of Research**

1. Population group was 2,790 people involved in personnel in company with facial skin care products with cold pressed coconut oil as an ingredient.

2. The sample group derived from the exact unknown population number. Therefore, the sample size can be calculated from the formula of Taro Yamane (Yamne 1973), which determines the 95% confidence level.

$$n = \frac{N}{1 + Ne^2} \quad n = \frac{2,790}{1 + 2,790 \times 0.05^2} = 349.84 \approx 350$$

3. Variables used in the study

3.1) The independent variable is Marketing strategies include marketing mix strategy, competitive advantage strategy, technology and innovation strategy for export; a case study of facial skin care products with cold pressed coconut oil as an ingredient.

3.2) the dependent variable is the export of facial skin care products that contain cold-pressed coconut oil as an ingredient.

3.3) the tool used to collect data is a questionnaire.

### Research Method

The researcher collected the data in the following sequence:

1. A questionnaire was created with a qualifying sample and a purposive random sample was used.

2. The integrity of the questionnaire was verified and saved the data for further analysis.

### Data Analysis

The SPSS program was analyzed as the following steps.

Part 1 for general information, percentage used in case of multiple choice and case mean used as quantitative data or the level of danger or higher (Interval data)

Part 2 for information about the level of opinions about the marketing strategy development approach, which include; marketing mix strategy, competitive advantage strategy technology and innovation strategy relationship for the export of facial skin care products containing cold pressed coconut oil as an ingredient. Mathematical statistics used in this study consisted of percentage, mean, standard deviation

Part 3 Comments on the development of marketing strategies for skin care products containing cold-pressed coconut oil as an ingredient consisting of Competitive Advantage Strategy Technology and innovation strategies and other recommendations compiled and summarized by researchers from in-depth interviews.

Inferential statistics are used to test the research hypothesis that the marketing mix strategy Competitive Strategy Technology and innovation strategies are related to the export of cold-pressed coconut oil skin care products. A simple Pearson correlation coefficient is used in this stage. Moreover, to analyze the relationship between exports of facial care products containing cold-pressed coconut oil as a combination of marketing mix strategies, competitive advantage strategy technology and Innovation strategy and analysis of multiple regression to create forecasting equations for marketing strategies affecting the export of facial skin care products containing cold-pressed coconut oil as an ingredient.

Part 4, open-ended questions are qualitative data, the researcher uses synthetic content analysis on issues related to strategies.

**Research results**

Analysis of the relationship of dependent variables and independent variables by finding the Pearson correlation coefficients

Analysis of the relationship between independent variables Marketing mix strategy

Competitive Advantage Strategies (x1 ) Technology and Innovation Strategies (x2 )

Multiple were analyzed by Regression Analysis which made sure that the independent variables  $X_i$  and  $X_j$  must be independent of each other. In this case, it was found that no independent variable was used as a dependent variable which had a relationship with an independent greater than .80 or more than 80 percent. In addition, the variables will be analyzed in the regression equation. The independent variable must be related to the dependent variable (Y) as shown in Table 1.

Table 1 Correlation coefficient between independent variable and dependent variable

	$X_1$	$X_2$	$X_3$	Y
$X_1$	1	.352*	.352*	.319*
$X_2$		1	.640	.508*
$X_3$			1	.590 *
Y				1

\* statistically significance at 0.05

From Table 1, it is found that there was relationship between marketing mix strategy, competitive advantage strategy and technology and innovation strategy and the export of cold-pressed coconut oil skin care products ( Y) There are relationships in the following order; Technology and Innovation Strategy ( r = .590) Competitive Advantage Strategy (r=.508) Marketing Mix Strategy ( r = 319 ) in which the relationship is related together in the same direction

Marketing strategy factors affecting exports; a case study of facial skin care products containing cold pressed coconut oil as an ingredient was analyzed; a multiple regression method used the Enter method.

The independent variables including marketing mix strategy, competitive advantage strategy, technology and innovation strategy and the export of cold-pressed coconut oil facial skin care products (Y) were analyzed.

The results of the variance analysis are shown in Table 2.

Table 2 the variance found in the independent variables

Source of Variance	SS	df	MS	F	Sig .F
Regression	28.637	3	9.546	2.297*	.000
Residual	45.684	346	.132		
Total	74.321	349			

From Table 2, the results of the analysis of variance revealed that the independent variables, namely marketing mix strategy, competitive advantage strategy, technology and innovation strategy were related to facial skincare product export variables. There was cold pressed coconut oil as an ingredient (Y) with statistically significance at 0.05 level.

Table 3. Multiple regression analysis using Enter method

forecast variable	b	Sb	Beta	t	Sig.
constant	.676	.283		2.388*	.017
Marketing mix strategy( $X_1$ )	.143	.066	.099	2.154*	.032
Competitive Advantage Strategy( $X_2$ )	.187	.052	.198	3.560*	.000
Technology and Innovation Strategy( $X_3$ )	.440	.057	.429	7.694*	.000

\*statistically significance at 0.05

R = .621 S.E.est = .36336 R<sup>2</sup> = .385 Adjusted R<sup>2</sup> = .380

From Table 3, it was found that marketing mix strategy, competitive advantage strategy and technology and innovation strategy were related to exports at a statistically significant level of 0.05 which could be predicted that export with a forecasting efficiency of 38.5%.

Moreover, the marketing mix strategy competitive advantage strategy and technology and innovation strategy describe the variance in exports as 38.5%, and the marketing mix strategy score strategy, competitive advantage and technology and innovation strategies and exports can be estimated from the regression equations calculated using raw scores:

$$\hat{y}_i = .676 + .143X_1 + .187X_2 + .440X_3$$

There is an equation that can be calculated from the standard score

$$\hat{Z}_y = .099Z_1 + .198Z_2 + .429Z_3$$

## Discussion

The research on developing a marketing strategy for exports; a case study of facial skin care products with cold pressed coconut oil as an ingredient consisted of research objectives as follows; 1) to study the official strategy, which is the marketing mix strategy, competitive advantage strategy and technology and innovation strategies for exports; a case study of facial skin care products with cold pressed coconut oil as an ingredient and 2) to study problems and obstacles or suggestions on ways to develop marketing strategies for exports. Marketing mix strategy, competitive advantage strategy, and technology and innovation strategies are related to the export of facial skin care products that contain cold-pressed coconut oil as an ingredient. The results of the research were found to be in accordance with the assumptions. The details of each strategy will be discussed as follows;

1. It was found that the marketing mix strategy was significantly related to the export of cold-pressed coconut oil facial skin care products at the 0.05 level. It was predicted that multiple regression explaining the export variance was at 38.5% (R<sup>2</sup>=385). Furthermore, from

the analysis of ideas from the respondents, it was found that the overall opinions on the marketing mix strategy were at a high level when considered in each item. It was found that quality products which meet the requirements will contain safe ingredients and use natural materials. It should have been standardized by government agencies such as the FDA and GMP. It should have a price that is suitable for the quality of the product and the appearance of the product. There are various product distribution channels. Advertising media is used appropriately to promote and reach the target audience who uses the product. Opinions are at a high level consistent with theory and concepts (Jinachai, et al.2016).

Moreover, designing a marketing strategy that can be utilized in the export market, in accordance with Siriwan Sereerat (2007) described the meaning of marketing which mixed as a group of marketing tools and businesses use together to achieve marketing objectives in the target market, 4 marketing tools consisted of products, price, distribution and marketing promotion in line with the research of Bartels and Hoogendam (2011) who studied about factors affecting exports on product capability price capability. The ability of distribution channels and product distribution over competitors at the overall opinion level was at a high level.

2. It was found that the competitive advantage strategy had significantly correlation to exports of facial skin care products containing cold pressed coconut oil at the 0.05 level and predictable by multiple regression explaining on the variance of exports by 38.5% ( $R^2=385$ ).

The overall opinion was at a high level when considering in each item, it was found that the lower cost of production would promote the competition for facial skin care products that contain cold pressed coconut oil as an ingredient. There was a particular group of customers who used facial skin care products that contained cold-pressed coconut oil as their hair. It had the potential of the overseas market with high purchasing power. Research and develop products were different from competitors in building a good relationship with customers. For instance, in traveling to introduce products of customers or customers to visit production in the country, it was found that the opinions were at a high level which related to the notion of a theorist (Maoz and Tybout, 2002) who advocated that the official advantage competitiveness is different leadership or capturing a niche market affecting operations over competitors.

3. There was a significant correlation on technology and innovation strategies to the exports of facial skin care products containing cold pressed coconut oil at 0.05 level and was predictable by multiple regression explaining on the variance of exports by 38.5% ( $R^2=385$ ). The overall opinion was at a high level. When considering the items, it was found that Modern technology was used in facial skin care products with cold pressed coconut oil as an ingredient. There was a new innovation in the packaging of facial skin care products with cold pressed coconut oil as an ingredient. There was a logistics system to deliver modern and efficient products. There also were modern and international distribution innovations such as distribution channels on E-commerce, facbook, youtube, and Line@ etc. Moreover, there was a reliable technology, and it was easy to pay for products. The customers' opinions are at a very high level which related to the concept of Davis & Olson (2008) who advocated that technological innovation is a very important component of the era of globalization and international competitiveness because it is becoming more intense. Technology has become central to the export performance of enterprises in the global market. The results showed that marketing innovations influence to buying behavior and brand loyalty which consist of five

key components: (1) Integrated Marketing Communications; (2) Product Diversity (3) Customer Focus (4) Niche Marketing and (5) personal value.

4. It was found that the overall opinion on the export of facial skin care products containing cold-pressed coconut oil as an ingredient was at a high level. When considering each item, it was found that there were more export volumes, more profitable results, more entrepreneurs and distributors imported. Moreover, it had expanded into new foreign markets and the customer's opinion is was at a high level which related to the empirical study of Boso, et al. (2013) who summarized that the export performance metrics published in the top 10 marketing journals from 1987 to 1997, categorizing export performance metrics into three categories: 1) financial measurement; 2) non-financial measurement, and 3) measurements.

An in-depth interview from a sample of 57 companies that agreed to disclose. The results showed that factors for improving product quality, factors in the development of production technology and support from government policies were affected the export of genuine Thai jewelry at statistically significant differences. Moreover, exports of Thai cosmetics were likely to increase in the world market.

## **Recommendations**

Recommendations for applying this research

1. There should be a group of Thai entrepreneurs in facial skin care products that contain cold-pressed coconut oil as an ingredient. The development and branding of products to be more international to foreign markets should be organized because in the present, most of the markets are in ASEAN.

2. Thai entrepreneurs must dare to invest on integrated marketing strategies so that overseas buyers can easily recognize the uniqueness of Thai brands.

3. According to the in-depth interviews, most of the entrepreneurs were small group and lacked of the knowledge and understanding of the actual product quality and they did not own the production plant; most of them hire the manufacturing company. The quality of the product depended on the instructions from the manufacturer. Most of the products had no distinction and lack of uniqueness and their high cost results in higher product prices compared to counter branded products.

4. From in-depth interviews with operators on important issues, buyers lacked knowledge and understanding of facial care products that contained cold-pressed coconut oil as an ingredient. As well as Thai products still lacked credibility in quality which was the heart of the product led to the cause of no repeat purchase and no word of mouth. As a result, exports were not growing as they should be.

5. From the interviews with entrepreneurs, it was also suggested that the government should push the Thai branded products to the international level and set up an agency that was directly responsible. The government should encourage Thai products to create their own brands by providing knowledge and understanding of branding and marketing to entrepreneurs who were ready to act as a mentor until the products could be exported to foreign countries not only for promoting, but it must support seriously.

6. it was requested for research proposal on effective long-term approach to international market entry. Entrepreneurs needed to have a clear target group in marketing to be useful in placing the image of the product to match the behavior of the target customers in terms of product quality, pricing, distribution channels and appropriate marketing strategies as

well as designing new formula products or Innovative products that could meet the needs of diverse consumers and different lifestyles such as teenagers, working people, ladies or even men.

### **Suggestions for the further research**

1. An experimental research should be done by dividing the experimental group of users of facial skin care products containing cold-pressed coconut oil as an ingredient into 2 groups, namely product users and non-user groups, in order to find the quality of products that meet the needs of those users buy or not.

2. The further researcher should do research on branding strategies for facial skin care products with cold pressed coconut oil as an ingredient to create recognition and have a global impact on exports to foreign markets.

3. The behavior and satisfaction of buyers who use facial skin care products containing cold-pressed coconut oil as an ingredient should be studied in both domestic and international markets for comparison in order to find results to develop existing products to match with the needs of both domestic and international markets.

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