

## **Distribution Marketing Strategy of Goods from Manufacturers to the Consumer in the Auto Parts Industry in Thailand**

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**Abstract:** The purpose of this research was to study the marketing strategies for product distribution from manufacturers to consumers in the Thai auto parts industry to study general characteristics of the automotive parts distribution center in Thailand to study the readiness of the Thai auto parts distribution center. In the distribution of products in terms of employees marketing investment, marketing management. And marketing information to study the importance of marketing logistics in the distribution of Thai auto parts distribution centers such as order processing, warehouse inventory, moving goods outbound transportation and customer service to study the efficiency factors in product distribution of Thai auto parts industry to study the relationship between the efficiency factors in product distribution of Thai auto parts distribution centers and the importance of marketing logistics. This research is research of mixed weave pattern of this research is quantitative research a questionnaire was used in this study were collected from the involved manufacturers of automotive parts in 500 samples for. Can be obtained from the Taro Yamane sample size table got 202 sample sand 20 interviews The research found that respondents attach great importance to product features that match the expectations of customers. Most entrepreneurs have lower positions than managers. The availability of the distribution center as a whole is very ready for marketing information and importance of marketing logistics overall, it is very important to estimate the order and efficiency factors in product distribution. Overall, it is very important for customers to receive products on time. It also found that there is a relationship between efficiency factors of product distribution and importance of marketing logistics.

**Key words:** Marketing, strategy for product, distribution, manufacturers and consumers, auto parts industry, samples

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### **INTRODUCTION**

Product distribution is a plan for using tools and equipment to facilitate the delivery of goods or supplies from the source to the source of consumer or customer demand and profit at the end. The composition of the distribution is transportation which accounts for 46% of the total cost. Warehouse inventory storage product delivery packaging, administration and operations according to the order. Product distribution has played an important role in enhancing the needs of various businesses. The business attempts to manage the products to keep up with the needs of consumers as regard to the location that has demand. And also using effective distribution methods to help distribute products to consumers more efficiently by distributing products, starting at the product at the factory and searching for distribution methods. By using factors about tools and equipment in order for the product to be delivered to

consumers effectively, the business can profit as a reward. At present, the business has considered consumers by trying to deliver products to consumers to get the right products on time and at the least cost. To meet the objectives, essential business has a system of distribution management that requires the lowest amount of cost. The factors which have to be taken into account are how the business will handle with the purchase order where the product should be stored, how many products should be collected and how the product is delivered. The use of marketing logistics to assist in management has been of great importance in line with modern marketing that has seen customers or consumers most crucial. Therefore, the management process of the manufacturer and the consumer response process have changed the pattern in terms of benefits. The concept of logistics management and management is important part of the implementations in order to fully add value to the product which has a linkage system ranging from raw material management,

production to product distribution. Consumption of goods to help the management system to be accurate, able to move products or services to the right place in a timely manner (Yim, 2007).

Over the past six decades, the automotive industry including the production of car parts has been one of the industries that have developed continuously to become an important industry which drives the country's economy today. With an export ratio that is higher than 50% of the total production of all types of cars causing the overall export value of the automotive industry to be 8 billion baht per year. And the value added to the production of the automotive industry is 9% of gross domestic product originating from the country as well as creating many types of downstream industries. And with the use of parts in the country at a high and varied rate. The average pick-up truck is 80%. The average passenger car is 45% and 90% of motorcycles, therefore, helps strengthen the manufacturing and spare parts industry in the country. Including other related service industries causing employment of more than 500,000 people and also investing in research and development from both car operators and auto parts manufacturers which is an important factor in enhancing the competitiveness of being an important production base of the Asian region. The automotive industry also elevates Thailand from being a manufacturer. Go into production to replace imports and develop into an important export country in Asia. This is truly a result of the integration between the government and the private sector (ATQAP, 2007; TMTCL, 2018).

For this reason, many countries there are efforts to participate in the automotive industry including parts. Since, production assembling or manufacturing parts to enter the industry which aims to be the center for the production and export of motor vehicles and parts that will help to raise the country's economic status in Thailand. The government agencies have tried to promote Thailand to be the manufacturing and export hub of the automotive industry in Asia and the world. While countries around the world, especially in Asian countries, carry out similar policies. By trying to push for investment in the automotive industry in their country, resulting in severe competition in the automotive industry (TIF, 2015; Kunasap, 2015).

The research problem that the researcher is interested in is that when using the distribution system through marketing logistics to use then how much is the consumer satisfied with the purpose of implementing the system? or not personnel involved are well equipped in terms of knowledge. Understanding about the distribution system through marketing logistics or not does the company have an appropriate system for adjusting to be able to be used in conjunction with the distribution system through marketing logistics? How does the management of the

organization give priority to the use of a distribution system through marketing logistics for the benefit of the organization? What are the technologies that relate to the distribution system through marketing logistics and how much personnel have understood the technology, the impact of the distribution system through marketing logistics that may occur to customers that customers will accept or not does the company have to adjust marketing strategies? When using the distribution system through marketing logistics in the organization the cost of the distribution system through marketing logistics, resulting in reduced product distribution or not, how? The nature of the operation of the product distribution system through logistics marketing will be like? In order to properly respond to the needs of consumers, the distribution system through the company's marketing logistics implementing the distribution system through marketing logistics will affect the information system. Does the company have appropriate support policies? The benefits that the company will receive when implementing the distribution system through marketing logistics problems and obstacles that may arise when using the distribution system when using the distribution system through marketing logistics. So that, (TSC, 2007) the company will have a set of guidelines for solving problems that may occur in advance which the problem is therefore, the researcher chose to study and select to study the automotive parts industry by studying the marketing strategies in distributing products from manufacturers to consumers in the Thai auto parts industry. Which brought the marketing logistics to be a part of the marketing strategy in distributing Thai auto parts (Boonla, 2006).

**Research questions:** Marketing strategy for product distribution from manufacturers to consumers in the auto parts industry What factors are included? What are the general characteristics of car parts manufacturers in Thailand?

Availability of auto parts manufacturers in Thailand in terms of staff, marketing investment marketing management and the level of marketing information?

Importance of marketing logistics in the distribution of products for automotive parts manufacturers in Thailand such as order processing, warehouse inventory, product movement outbound transportation and the level of customer service? What are the efficiency factors of the distribution of auto parts manufacturers in Thailand?

Car parts manufacturers that are ready is there any relationship between the importance of marketing logistics and car parts manufacturers? Is there any relationship between the efficiency of product distribution of auto parts manufacturers in Thailand and importance of marketing logistics?

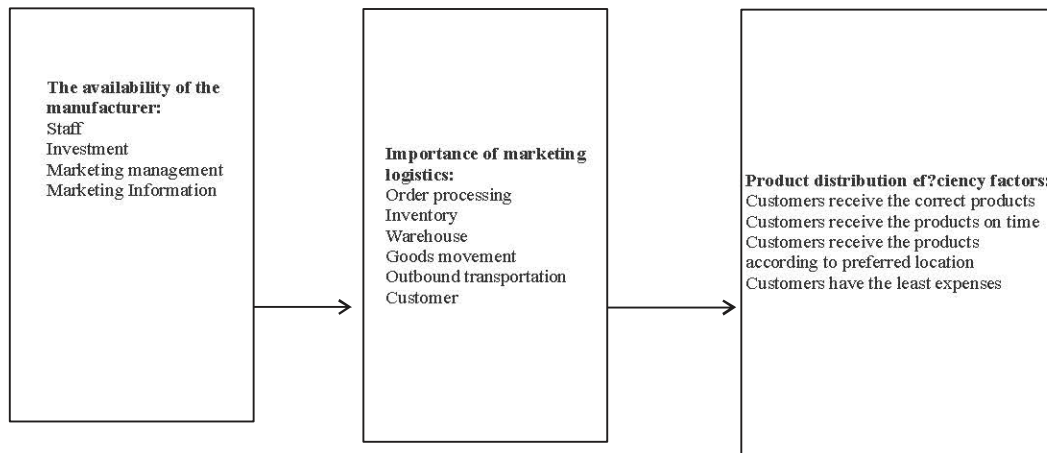


Fig. 1: Research concept framework

**Research objectives:**

- To study marketing strategies for distributing products from manufacturers to consumers in the Thai auto parts industry
- To study the general characteristics of the automotive parts distribution center in Thailand
- To study the readiness of the Thai auto parts distribution center in distributing products in terms of employees, marketing investment, marketing management and marketing information
- To study the importance of marketing logistics in the distribution of Thai auto parts distribution centers, such as order processing ware house inventory, moving good, outbound transportation and customer service
- To study the efficiency factors in product distribution of Thai auto parts industry
- To study the relationship between the efficiency factors in product distribution of Thai auto parts distribution centers and importance of marketing logistics

**Expected benefits:** There are expected benefits such as academic, economic/commercial policy, social and community aspects including publishing in journals, patents and agencies that use research results in Thailand marketing department, shipping department and other departments including executives of auto parts manufacturers bring the information that has been developed and manage the distribution of products of the automobile parts manufacturer appropriately and with performance.

Use the information from research to increase the ability to distribute products from manufacturers to consumers. In order to reduce the cost of product distribution create satisfaction for customers who receive products as customer’s want.

Auto parts manufacturers, America, Europe, Korea, Japan can apply the distribution strategy to be suitable for consumers. This is because in the production process, the producer group has an effective operation system that can produce products that meet the needs of the customers. To the maximum customer in order to make the customer loyal and return to buy the product repeatedly and tell. The organization will achieve sustainable success.

**The variable component consists of:** The first variable is the availability of auto parts manufacturers in Thailand. In product distribution. Consisting of staff readiness marketing investment marketing management and marketing information. The dependent variable is the efficiency of product distribution of the automotive parts manufacturers in Thailand which consists of consumers receiving the correct products. Customers receive products on time. Customers receive products according to the location that customers want. And customers pay the least cost. Common variables include marketing logistics including processing orders, inventory, warehousing, moving goods. Outbound transportation and customer service.

**Conceptual framework for research:** From the study of theoretical concepts and related research papers research on marketing strategies for product distribution in car manufacturers in Thailand can define the concept of research as follows. Variable variables based on common variables (Fig. 1).

**MATERIALS AND METHODS**

This research employs integrated research methodology that is quantitative research. The researcher uses questionnaires and collected 222 samples from the sample group. The researcher conducted in-depth interviews with 20 Thai auto parts manufacturers.

The population used in the research consisted of entrepreneurs and those involved in the Thai auto parts industry, people involved in the automotive parts manufacturing business Thai auto parts manufacturers association and Thai automobile parts association. In case of unknown numbers. By selecting the population by opening the Taro Yamane table A sample of 222 people.

**Research tools:** In this study, the researcher will process and analyze data from the questionnaires to find statistical values. By using statistical packages, the process of analyzing data is illustrated as followed:

- Interview form for interviewing parts manufacturers in order to use the information obtained as a guideline to create a questionnaire
- Questionnaire used for car parts manufacturers in Thailand
- The process of creating a quantitative analytical research tool

Marketing strategy for product distribution from manufacturers to consumers in Thai auto parts manufacturers will multiple regression analysis to predict marketing strategies in product distribution.

General data analysis about Thai auto parts manufacturers the type of question asked is a check list by frequency and is summarized as a percentage.

Analysis of information about the availability of Thai auto parts manufacturers and the opinions of the executives that are ready for the company. The questionnaire is a scale estimation. Use the average method and standard deviation.

Analysis of information about the importance of marketing logistics of Thai auto parts manufacturers. The company's opinion on the importance of marketing logistics. The questionnaire is a scale estimation. Use to find the mean and standard deviation.

Analysis of information about the efficiency of product distribution and the opinions of the company that affect the efficiency of product distribution. The questionnaire is a scale estimation. Using the average and standard deviation methods. Interpretation of mean values of data analysis, set the criteria as follows (Prasitrathasit, 2003):

- About 4.50-5.00, meaning that there is an average at the highest level
- The 3.50-4.49 meaning that there is an average at a high level
- The 2.50-3.49 meaning that there is an average at a moderate level
- The 1.50-2.49 meaning that there is an average at a low level
- The 1.00-1.49 meaning that there is an average at the lowest level

- Interpretation of mean values of the manager of the center
- (Prasitrathasin, 2003)
- 4.50-5.00, meaning that there are comments agree
- 3.50-4.49 meaning that opinions are agreed
- 2.50-3.49 meaning that there are comments and comments
- 1.50-2.49 meaning that there are opinions, disagreements
- 1.00-1.49 meaning that there are comments strongly disagree

Analysis of data, problems and suggestions query style is closed. Use content analysis methods is the frequency and then find the value as a percentage.

Analysis of Thai auto parts manufacturers with different readiness, important logistics, marketing differences from the questionnaire which is an estimate scale including order processing, inventory, product movement, outbound transportation and customer service using one-way analysis of variance. To analyze differences of group variables by using test statistics using F-test.

Analyze the relationship between the efficiency factors in product distribution of Thai auto parts manufacturers. With the importance of marketing logistics from the questionnaire which is an estimate scale including order processing, warehouse inventory, product movement outbound transportation and customer service. Use the correlation coefficient R-test statistic to analyze the relationship of variables and ETA values for analysis of variables. Where the numbers represent the size of the relationship as the decimal point, the highest value means that there is a perfect relationship. The minimum value is 0, meaning there is no relationship to obtain a questionnaire that is used as a quality gauge. The researcher conducted the synthesis of 2 steps.

Specialized expert examination in order to test the accuracy of the content. By experts who carry out synthesis.

There is 1 expert in corporate leadership, namely Dr. Sunanta Sathienm as former director of the 9 textile business groups, business financial services manager small and Medium Business Credit Department Standard Chartered Bank Public Company Limited Education Master's Degree in Management Innovation at present, SMEs 6 academics, project monitoring and evaluation department. The office of small and medium enterprises promotion is responsible for advising SMEs for starting a business. And solving business problems.

There is 1 human capital specialist, Assoc. Prof. Suchitra Chantana is an expert. And experts in academic examination human resource management and a professor at the MBA program, Ramkhamhaeng University.

**Qualitative research tools:** The researcher conducted an in-depth interview with the owner. Meet the objectives of this research as many researchers have used in-depth interviews in research such as Pipe *et al.* (2005) and during the interview. The researcher recorded the sound. To be used as evidence.

## RESULTS AND DISCUSSION

Characteristics of car parts manufacturers in Thailand characteristics of car parts manufacturers in Thailand found that most of them have lower positions than managers, 33.2% and the least are high-level executives. Most establishments are in the central region. Followed in the East the size of most establishments has a registered capital of more than 5-50 million baht, followed by a registered capital of more than 50-200 million baht and the least registered capital is <5 million baht.

Marketing strategy in product distribution overall, the level of importance, overall process strategy is at a high level. The level of importance, overall marketing communication strategy is at a high level. Level of importance, price strategy. The overall picture is at a high level. By giving great importance to the competition in creating satisfaction for customers and give less importance to the competition in the delivery of products on time and quickly.

The level of availability of auto parts manufacturers in Thailand. The overall picture is at a very high level with great emphasis on information that is up-to-date at all times. And knowledge and understanding of product distribution among employees.

The level of importance of marketing logistics found that overall was at a high level. By giving great importance to the preparation of products that meet the needs of customers followed by tools and equipment for moving goods and give less importance to damage in the warehouse.

Efficiency factors in product distribution the overall picture is at a high level. Which gives great importance to the cost of distribution of products less than competing companies. Due to efficient product distribution followed by customers receiving products that are accurate to the needs of customers and according to the time specified by the customer. And giving less importance to the company with lower total expenses. Due to efficient product distribution.

New findings from the research are presented in 2 parts: academic benefits and in the workshop. From this research found that most respondents were employees which cannot present a new academic concept due to not being in administration, therefore, new knowledge, new solutions new operations, new academics, therefore, cannot be presented to modern operations and may not find success. As for the need to define a marketing

strategy that will find success successfully most employees want manufacturers to use marketing communication strategies and create sustainable strategies. Because the marketing communication strategy is a modern strategy and is an operational model and is an academic benefit from the product distribution process, respondents emphasized the importance of the process instead of focusing on production. Which is the heart of income generation but respondents are interested in the process which is the production process that has been done. Therefore, is a weakness in management should allow employees to add new knowledge that is the business heart will have modern technology and is the product that customer's want.

## CONCLUSION

The research found that respondents attach great importance to product features that match the expectations of customers. Most entrepreneurs have lower positions than managers. The availability of the distribution center as a whole is very ready for marketing information and importance of marketing logistics overall, it is very important to estimate the order and efficiency factors in product distribution. Overall, it is very important for customers to receive products on time. It also found that there is a relationship between efficiency factors of product distribution and importance of marketing logistics.

## SUGGESTIONS

Should have the executives take part in answering the questionnaire in order to know the concepts of the respondents and to build relationships with the organization. In order to maintain the necessary information and be reliable.

**Suggestions for further research:** Should distribute auto parts production to all provinces because the factory is only sold to users in Thailand and should use customer relationship management methods for spare parts users to be reliable and trustworthy.

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