

BRAND AND MARKETING STRATEGIES OF ARABICA COFFEE PRODUCTS OF COMMUNITY ENTERPRISES IN MAE HONG SON PROVINCE: THE INSPIRATION OF HOMHOH BRAND

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Abstract - This qualitative research focused on brand development and marketing strategies for Arabica coffee products for community enterprises in Mae Hong Son Province for commercial benefits. The sample group was selected by the purposive sampling and the sample employed a group of 30 quality home-made coffee makers and processors, who operated the market under the Hom Hoh brand. Data were collected by exploring the community context, group discussions and in-depth interviews including content analysis. The study indicated that brand positioning used to create competitive advantage and differentiation is a special high-quality organic coffee from a source only on Doi Mae Hoh. The essence of the brand is organic coffee that cares about all steps of the production process combined with no imitation. This brand is reliable, charming and identity of the original tribal coffee from Mae Hong Son and the competitive marketing strategy is the strategy to make a difference only in special market segments together with fair trade practices for all parties.

Keywords - Brand, Marketing Strategy, Arabica Coffee Products

I. INTRODUCTION

Coffee is one of the most important economic crops in Thailand, apart from rice that can generate a big sum of income to growers or entrepreneurs in the coffee business. As the data on the demand for Arabica coffee beans of entrepreneurs in Thailand estimated by entrepreneurs found that the demand for Arabica coffee beans has increased steadily. In 2017, there was a demand for 8,000 tons and 2018 with 8,500 tons. As in 2019, the demand is 9,000 tons and the year 2020 has been increasing to 9,500 tons. Mae Hong Son province has 95% of the forest and mountainous terrain of the entire province, making it suitable for many types of economic crops. One of them is Arabica coffee. Also, the location is at a height of 1,100-1,700 meters above sea level and has suitable humidity to make coffee beans with good quality and taste. Currently, coffee growers have joined the group as 27 community enterprise groups. It seems that

Mae Sariang District tends to the planting area and harvesting area more than any district. In 2016, there were 734.63 rai and 2017, growing to 830.63 rai and harvesting area of 2016, 721.63 and 2017, increasing to 819.88 rai (Department of Agriculture, 2019)

However, the data from the Mae Hong Son Provincial Agricultural Office (2019) found that although Mae Sariang District has a tendency of households, cultivation area and harvest area higher than every district; there is also an advantage in the area of cultivation and the continual increase of demand for Arabica coffee beans, the growing, and marketing of coffee is mostly produced as a fresh result. Then, they are processed as the shell and monopolized the sale with the middleman with an average price of 75-80 baht per kilogram. Consequently, the group lacks bargaining power and cannot determine the price itself when calculating the cost of the return, still considered production losses. Besides, Chum-un (2017) analyzed the competitive potential of the community

enterprise group of Mae Sariang District, found that there was still lack of knowledge and inspiration to develop and create more value for coffee products through brand building. There was no concrete competitive strategy, like other successful coffee brands in the market. Therefore, it is a question for the research that if a community enterprise group has a brand position that can win the hearts of customers firmly, an identity reflecting the essence of the brand clearly, differently, and has the appropriate competitive strategy, will it be able to create additional value and generate revenue sufficient enough to become a stable and sustainable brand for coffee makers and processors or not?

II. RESEARCH OBJECTIVES

1. To develop the brand and marketing strategies for Arabica coffee products for community enterprises in Mae Hong Son Province for commercial benefits.

III. SCOPE OF THE RESEARCH

The scope of the content consisted of brand and marketing strategy for commercial use of Hom Hoh Arabica Coffee of Bann Mae Hoh Community Enterprise.

The research area was Mae Sariang District, Mae Hong Son Province, Thailand. The duration of research was from January 2017-January 2018.

IV. LITERATURE REVIEW

The research applied the theories in the study and analysis as follows;

1. Brand Positioning: Ries&Throat (2003) view that brand positioning does not refer to one product, but it is something that was done to customers' minds with the great value and differentiating products from the others. The easy way to reach one's minds is to own the definition of "first". Like Keller (2013) sees that the brand positioning is the design of the offer and image of the company occupying the area in recognition

of differences and values in the minds of customers. It is in accordance with Barwise (2013) with the view that brand positioning is as an effort to manage the knowledge of target customers towards products. It is to make a difference for the product and Iacobucci (2008) said that the starting point for determining the brand positioning is to identify the category membership involved showing what a brand must compete in.

2. Brand Identity: Aaker (1996) saw that brand identity is a specific characteristic of many elements that are related to one brand created. It is defined one brand as (1) a product that has an important influence on identity, (2) an organization representative that reflects the consumer perspectives on innovation and perceived quality, (3) a person who has different in personality and (4) a symbol that can represent the brand. Kapferer (2008) developed the Brand Identity Prism in which identity communicators and recipients in identity have the relationship and are related to each other since the brand positioning determines how the brand should have personality. When brand positioning is combined with the brand personality, they become brand identity.

3. Brand Personality: Jennifer (1997) divided 5 dimensions of brand personality, namely 1) sincerity, for example, down to earth and wholesome, 2) excitement such as spirited and imaginative, 3) competence such as reliable and successful, 4) sophistication such as upper class and charming and 5) ruggedness like outdoorsy and tough.

4. Competitive Advantage Strategy: Stonehouse & Snowdon (2007) proposed a competitive strategy, namely the cost leadership strategy, which is to be the manufacturer to produce products at a lower cost. However, it still maintains standards for business to have higher profits than average, the differentiation strategy is to show consumers that the product is superior to other companies in terms of brand and quality, which makes it

possible to set the price higher than the market. Additionally, the focus strategy is to create differences by focusing on a particular market segment.

V. THE MEHODOLOGY AND MODEL

This research is qualitative. A population is a group of community enterprise among Arabica coffee growers and processors in Mae Hong Son province. The sample group of the brand development and marketing strategy were used purposive sampling, and then there were 30 quality coffee makers and processing with high production and marketing potential. Data collection tools included community surveys, group discussion, and in-depth interviews. The data analysis was done by content analysis.

VI. THE RESULTS OF THE STUDY

1. The result of the development of Arabica coffee products under the Hom Hoh brand can be shown in figure 1;



Fig 1. The basic elements of Hom Hoh brand.

Source: Based on research development

From Figure 1, the development of Arabica coffee products under the Hom Hoh brand is as follows: (1) Brand Elements presents the brand under the name of Hom Hoh with the graphic symbol of Doi MaeHoh representing the origin of the aromatic Hom Hoh coffee brand. The slogan is Natural Organic Premium Coffee and the package is a brown tone classic bag type but hidden the contemporary. In

Terms of brand, benefits include the concentration of coffee, smell, safety combined with charm for collecting of meticulous coffee and the arrangement of coffee beans which are all made by hand. Brand Essence linking to the target group is a natural organic premium coffee that cares about every step of the production process. (2) Brand personality is to not imitate others, be trustworthy, have a charm that invites you to experience and create an impressive experience for your life. (3) Brand position from the basic elements, personality and brand identity above can be synthesized as brand position, namely 1) the real target are customers who really like the taste and quality of coffee, 2) the frame of reference is a high natural organic premium coffee caring about production details, 3) the difference is the 4) the reason for believing is that coffee is grown with quality coffee varieties in a suitable climate and standardized production.

Therefore, it is possible to analyze the brand name of Hom Hoh coffee that is used to create a difference in the market. It is a premium quality organic coffee and (4) brand identity through brand positioning and personality can show the analysis as Brand identity Prism as shown in Figure 2

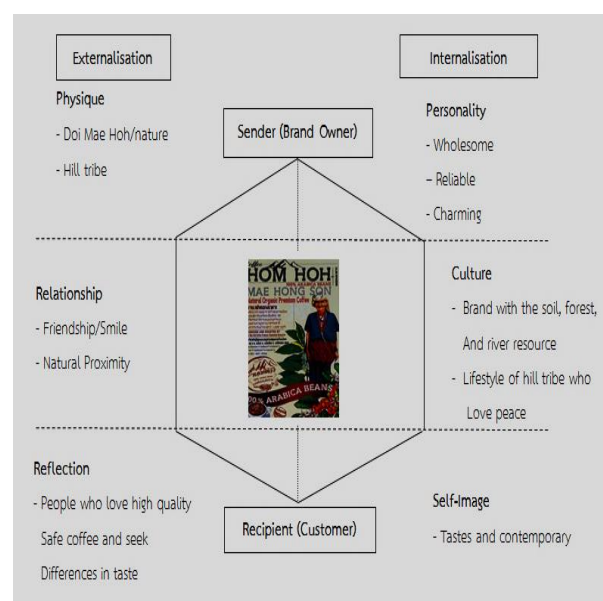


Fig 2. The Hom Hoh Brand Identity Prism

Source: Based on the concept analysis "Kapferer Brand Identity Prism"

From the picture 2, brand identity through brand positioning and personality is 1) brand as Hom Hoh with a high quality coffee from Chiang Mai quality, varieties as 80 and Catimor 2) Brand as an organization representative which is the Hom Hoh brand representing the brand from Mae Hoh Village as the source of quality organic coffee plantations in the province loving peace, sincere and simple life and 4) brand as a symbol which the Hom Hoh brand is a representation of happiness and impression, so it can be analyzed as a brand identity Is a high quality original organic coffee from Mae Hong Son province.

2. The results of the marketing strategy analysis found that the marketing strategy that will be commercially exploited to be an important mechanism in driving Hom Hoh coffee to become a specialty coffee as shown in Figure 3

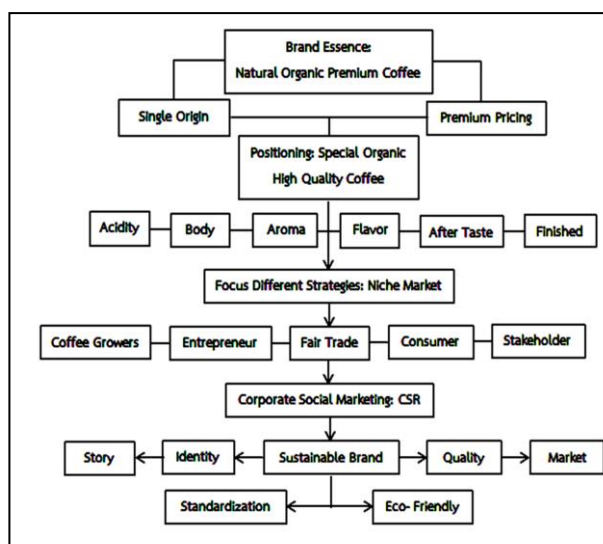


Fig 3. The competitive marketing strategy of Hom Hoh coffee for commercial use
Source: Based on the analysis

From the Figure 3, the competitive strategy of Hom Hoh coffee products is being a high-quality organic coffee product and a high price to a special niche market (niche market) that is desirable, taste, smell and coffee quality as importance. Emphasizing as being coffee from the single-origin at Doi Mae Hoh can create confidence for consumers that the Hom Hoh brand is the

first natural organic high-quality Arabica coffee in Mae Hong Son province as well as must have a brand communication plan through stories on social media to reach that customer group. The brand communication plan has to be done together with corporate social responsibility (CSR) and with such a strategy will help to make the Hom Hoh brand becoming a sustainable brand under the story, identity, quality, standards, and environmental friendliness. It is in line with fair trade practices for growers, distributors, and consumers.

VII. DISCUSSION

1. From the objective of analyzing the Hom Hoh brand, the research revealed that the proper brand position is a special high-quality organic coffee that reflects a brand personality without imitation. It is reliable, charming, combined with tribal identities with good and sincere beliefs will be able to create a difference and make consumers remember the brand in the heart stably. It will lead to being a sustainable brand. However, because of the competition in the current market is not competing for only the product itself but also the ability to make a difference in the perception that arises in the minds of customers. The difference is that having a clear and distinct brand position reflecting the identity and true character of the brand itself. This explanation corresponds to Malik, Bushan, Mohd & Rahman (2016) that brand positioning is a game that plays with the minds of consumers. The brand must be able to sit at that point and Sehwala (2015) said Brand positioning helps consumers choose products that can meet their needs and desires well. Moreover, Tammarak (2013) stated that entrepreneurs must explore, find different, stand out brand position, and use brand storytelling strategies to be fun and interesting. In addition, the research of Elizondoa, Bouchardb, & Favartc (2016) found that the brand identity will cover all values, meanings, and symbols the company is committed to in the product. Nevertheless,

due to the increasingly intense competition that causes the fair business concept fair, all parties come to replace the one-sided competition and one party loses (Zero Sum Game). It leads the coffee growers group to conduct fair trade in order to create mutual benefits among stakeholders. This is compatible with ideas of Subchokthanakun, Thanyaporn, Changsanoh & Siriwong (2014) that Doi Chang Coffee Company has a working style by relying on physical strength and volunteer spirit from the villagers focusing on building people to develop business and community to be strong until they can help themselves. Therefore, it is an important reason for acquiring the Fair Trade Brand that results in Doi Chang coffee-growing rates and community development in many aspects. In addition, Mbowa, Odokonyero, Muhumuza & Munyambonera (2017) found that households involved in coffee production are associated with poverty reduction and Vichitanun & Bibisiri (2018) who indicated that the guidelines for promoting fair trade of agricultural products. The government should promote farmers to understand the advantages of producing standard products which help consumers to accept them and build confidence in the products.

2. According to the objective of competitive strategy analysis, it found that the group should use strategies to differentiate in special market groups and define the product position above. Therefore, it will reflect that the target market selection must be a consumer with special needs in quality, taste, and source of coffee including willing to pay more than usual in exchange for what they wish. This finding conforms to Lingley's research (2009) that using differentiation strategies to emphasize niche markets is a strategy that Starbucks applies. This strategy will provide products or services that respond specifically to specific market segments which have been very successful. Furthermore, Jadesadalug & Chatwong (2018) found that differentiation strategies are considered to have a significant impact on business operations since it will make the

business stand out above the competition. Besides, the group should have a brand story through social media to support and influence customers. Finally, it will lead to the final purchase decision. Jadesadalug & Chatwong' finding is consistent with the study of Pinkhiao & Tantivejakul (2017) it indicated that the global brands will communicate branding through 3 factors, namely 1. Wording by using the name and slogan of advertising, 2. Aesthetic with the use of brand presenter and brand symbol, and 3. Subject matter. In consequence, with a strong relationship between product positioning and competitive strategy, it will make the Hom Hoh brand to become a well-known brand and can stand firmly and sustainably in the market.

CONCLUSION

According to the findings, it was found that the position of the Hom Hoh coffee brand that reflects the essence of being a premium quality organic natural coffee brand, identity of high quality original organic coffee from single origin of production source in Mae Hong Son province, the personality of non-imitating others with reliability and attractiveness inviting to experience and create impressive experiences, which are premium quality organic coffee. The competitive strategy focuses on creating a unique difference with the selling point of being a high-quality organic coffee, high prices to the special markets. This market is fond of and pay special attention to flavors, quality, safety and fair trade practices for all parties, both manufacturers, marketing intermediaries, and customers in an aspect of all being winners.

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