# Empowering the Women's Cooperative of Ban Pang Ung Mhai through the Competitive Marketing of Crafts



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# Empowering the Women's Cooperative of Ban Pang Ung Mhai through the Competitive Marketing of Crafts

An Interactive Qualifying Project and Science and Social Project Submitted to Faculty of Chulalongkorn University and Worcester Polytechnic Institute

In Partial Fulfillment of the Requirements for the Degree of Bachelor of Science by:

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This report represents the work of four WPI and three Chulalongkorn University undergraduate students submitted to the faculty as evidence of completion of a degree requirement. WPI routinely publishes these reports on its website without editorial or peer review. For more information about the projects program at WPI, please see <a href="http://www.wpi.edu/Academics/Project">http://www.wpi.edu/Academics/Project</a>



#### **ABSTRACT**

The Raks Thai Foundation aims to empower women and promote sustainability in developing communities in Thailand. Our goal was to assist a Hmong women's craft cooperative in the village of Pang Ung Mhai in Northern Thailand to establish a more profitable business. With a focus on empowerment, we utilized methods of *participatory action research* to help the women develop business skills and promotional tools, including knowledge about marketing strategies and evaluation methods, information and product tags, a photo book displaying their village and work, and a product portfolio. The findings developed through our methods led us to propose recommendations aimed at allowing the women to maintain success on their own in the future and enabling the Raks Thai Foundation to support other communities.

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#### **EXECUTIVE SUMMARY**

The seventy percent of the world's population that resides in rural areas depends on agriculture as their main source of income and employment. These communities face challenges in their efforts to maintain a sustainable living, and farmers often view inconsistent earnings as a threat to their livelihood. Inconsistencies in income from farming can result from harvesting crops only once a year due to short growing seasons, as well as variable harvests caused by poor weather or soil conditions or pests, which affect the rate of output and profit. In order to supplement their income members of these communities, especially women, have been taking advantage of the increasing amounts of tourism by selling their handicraft products in their villages and popular shops. Efforts to earn additional income from selling handicrafts are often hindered by various problems, such as a lack of marketing knowledge, skills, and resources.

One such group working to overcome these challenges by selling handicrafts for supplemental income is a women's cooperative in the Hmong community in Ban Pang Ung Mhai. Located in the Mae Chaem district of Northern Thailand, Ban Pang Ung Mhai depends on income from agriculture to support the 40-50 families that reside there. The women of the cooperative have been attempting to benefit from an increase in tourism, as their village is a popular stopping point for people traveling around the Doi Inthanon Mountain and national park; however, many factors, including their lack of marketing knowledge and skills, have influenced their ability to maintain a profitable business.

Our team worked with the Raks Thai Foundation, a non-profit organization whose mission is to "strengthen the capacity of the poor and disadvantaged communities to analyze root causes of problems, determine suitable solutions and participate in development activities." We aimed to put their vision into effect by helping to empower the cooperative in Ban Pang Ung Mhai by improving their sales and revenues. Specifically, **the goal of the project was to empower the women's cooperative in Ban Pang Ung Mhai by promoting skills for improving a marketing strategy in order to establish a more profitable craft business.** By working with the women using *participatory action* methods, we intended to equip them with the skills and techniques necessary to achieve and maintain success on their own in the future. We shared our methods with the Raks Thai Foundation with the hope that they could be applied with other hill tribe communities.

#### Methodology

We developed the following objectives in order to achieve our goal:

- 1. Understand the current social context in which the Cooperative exists
- 2. Identify components of the Cooperative's marketing strategy that need improvement
- 3. Gain insight from other venues about successful marketing strategies
- 4. Assist the Hmong women in applying the components of an improved marketing strategy to promote sustainable business skills
- 5. Suggest a means to evaluate the effectiveness of the implemented strategy

It was important to understand the goals and desires of both the Raks Thai Foundation and the women of the Cooperative in order to establish the scope of our project. These were also taken into consideration when developing marketing strategy techniques and analyzing the pros and cons of various market options, in order to present the most feasible solutions. Through the use of *participatory action research*, the women were involved throughout the project to assure that the outcome was desirable and feasible for the Cooperative.

The following are the methods that were used to accomplish our objectives:

- 1. We gained insights from the Raks Thai Foundation and the women of the Cooperative through conversations to determine the goals and expectations of each group, define the scope of our project, and identify any positive or negative implications that could result from our work.
- 2. We analyzed the current state of the women's business and their strategy using *SWOT* analysis, to identify the Cooperative's *strengths, weaknesses, opportunities, and threats*. We also analyzed the *marketing mix*, or the *4Ps (product, price, place, promotion)*, in order to understand which aspects could be improved or altered to produce greater success in terms of higher profits.
- 3. We interviewed craft merchants in shops and markets in other locations to identify the various marketing aspects these merchants consider when selling their products, such as who their main consumers are, what products are most popular, how they determine the prices of their products, and how they choose specific locations for selling them.
- 4. We visited shops selling handicraft items to determine the potential for partnering the Cooperative with these shops.
- 5. We observed and interviewed consumers of handicraft products to gain insight into their purchasing behavior and product preferences.
- 6. We visited other villages and cooperatives selling handicrafts in the Chiang Mai region to see if they have problems similar to those faced by the Cooperative, and how they might have dealt with them.
- 7. We analyzed the data collected from interviews by compiling the data into charts and graphs based on the *4P's*.
- 8. We presented the data collected through the *4P's* to the women of the Cooperative and received feedback from them on our ideas. We then evaluated the various options with the women for them to determine which options were most suitable for the Cooperative.
- 9. We researched ways to evaluate the effectiveness of marketing strategies and were then able to suggest a way for the women to evaluate the success of their business in the future, as well as a way for the Raks Thai Foundation to analyze our work and determine if it could be applied in other communities.

#### **Findings**

The analysis of our various data sources led to several findings:

1. The handicraft business serves as a source of pride and empowerment for the women of the Cooperative while supplemental income is a secondary concern.

We found that the income from their craft business is not vital to their survival. The women stated that their families earn anywhere from 50,000-300,000 Baht from farming each year. Even when they earn the minimum, they are still able to obtain the essentials of food and shelter; however, the additional income from embroidery allows some families to live more comfortably and can help send more children to school. While the women expressed a wish to establish a more profitable business to

supplement their income, they stated that they are more interested in becoming empowered through the success of their business. The formation of the Cooperative has given the women a chance to come together and speak amongst themselves, as the men typically dominate the conversation in village meetings.

#### 2. The women value knowledge over profits.

We found that the women were excited to learn about the *4P's* of a marketing strategy and skills to improve their business. We found a store in Bangkok, called the Lofty Bamboo, which is associated with the World Fair Trade Organization (WFTO) and sells handicrafts made by developing communities in order to help increase their standard of living. The Lofty Bamboo expressed interest in selling the products made by the Cooperative, and offered to enter into a trial period with them to see if their products would sell well in the store. The women of the Cooperative agreed to this, but expressed less excitement than when they were learning about marketing strategies. This showed that the women were more concerned about their own knowledge and empowerment than with increasing their profits.

# 3. Success of the Cooperative will not negatively impact the social fabric of Ban Pang Ung Mhai.

Since the potential of a disruption of the village's social fabric as a result of the women's business success was a concern, we interviewed several men in the village and found that they are supportive of the women and their business if it means making more money for their family.

# 4. The Cooperative members lack marketing mix knowledge that could make their business more successful.

We found that the women had little knowledge of marketing strategy components, particularly the *4P's* of a *marketing mix*. After analyzing the women's current marketing approaches, we determined that they were underpricing their products, lacked variety in their products, and were not using any promotional tactics to advertise for their business. In response to this finding, we created a presentation about marketing strategy components in order to build the women's marketing knowledge and skills. We also created a marketing strategy booklet for them to refer to in the future. The booklet included methods outlining the steps for evaluating and improving their business in the future.

# 5. Consumers are attracted to smaller handicraft products and are more interested in product design than functionality.

After compiling information and data gathered from interviews with craft merchants and consumers, we found that consumers purchase mostly smaller items such as key chains, small bags, and scarves. We also found that the aspects of a product that are most attractive to consumers are style, followed by cultural significance and current product trends, with functionality as the least important aspect. The marketing strategy booklet we created highlighted the importance of understanding and identifying consumer product preferences.

# 6. Conservation and promotion of culture are important to maintain consumer attraction.

Based on interviews of merchants, the team found that the main consumers of handicraft products are tourists. Once they were identified as the target consumer, information was gathered from them to determine their product preferences. It was determined that the cultural significance of a product is an attractive feature. The team also observed that merchants who used some form of product promotion had little difficulty selling their products. In response to this finding, we worked with the women to create advertisement tools to promote their village and their work. These tools

included an information card, product tag, product portfolio, and a photo book highlighting the history of the Cooperative, village, and their work.

7. Location of product distribution is a key determinant in the amount and frequency of handicraft sales.

After conducting interviews of craft merchants in villages located within an hour of Chiang Mai, we found that location is a key factor in determining the number of products sold. Merchants living closer to tourist attractions did not share the problem of limited consumers that the women's cooperative in Ban Pang Ung Mhai faces due to their remote location. In response to this finding, the team worked to help the women connect with other distribution locations to increase their product sales.

#### Recommendations

After conducting background research, completing our objectives, and analyzing our findings, the team developed recommendations to assist the women's cooperative of Ban Pang Ung Mhai in establishing and maintaining a more profitable craft business. The team also proposed recommendations for the Raks Thai Foundation to evaluate the implemented strategy and its potential use in communities similar to Ban Pang Ung Mhai. Finally, the team suggested possible future projects to be completed by future WPI and Chulalongkorn students.

#### RECOMMENDATIONS FOR THE COOPERATIVE

- 1. We recommend that the women be mindful of consumer product preferences.
  - Our findings showed that consumers typically purchase smaller items such as bags and key chains, but they also indicated interest in other products. Therefore, we recommend that the women pay attention to consumer preferences and consider expanding their products to more than just different types of bags, such as scarves, clothing, or home décor. Since one of the women's products is a laptop case, we suggested that they keep in mind the dimensions of popular electronic devices. Finally, we suggested tips for utilizing appealing color combinations.
- 2. We recommend that the women continue to use their traditional embroidery patterns to conserve their culture and maintain consumer attraction.
  - Based on our research conducted in other Hmong villages and our conversations with the women of the Cooperative, we recommend that the women preserve their traditional embroidery designs, the flower and elephant patterns, in order to keep the cultural identity in their products.
- 3. We recommend that the women distribute their products in frequented locations. Based on our findings from interviews with merchants and tourists, we concluded that location of product distribution is a strong factor in determining product sales. Therefore, the team recommends that the women seek alternative distribution channels to increase the sales of their products.
- 4. We recommend that the women promote their products and village by using information cards, tags, and photo books.
  - Our findings indicate that tourists are the main consumers of craft products, and that they are more inclined to buy products with cultural significance. This indication is further supported by evidence from case studies found through our background research. Therefore, we suggest that the women advertise their culture and village through the use of information cards portraying their story and production methods, picture books showing their village and products, and tags with a logo for their business. In collaboration with the women, we designed and created these items and

provided the women with copies of each. The women were enthusiastic about the ideas and suggestions and said they would like to use them. These promotional tools will inform consumers of the cultural significance of the products, which may positively influence their decision to purchase the product.

# 5. We recommend that the women analyze the marketing strategies of other merchants.

Through conversations with the women of the Cooperative, there was strong evidence that the women had little knowledge of markets outside of their village. Based on this evidence, we recommend that the women of the Cooperative use the same techniques we used in our own analysis to gain insights from other merchants in order to get ideas for their business. We discussed with the women the methods we used when collecting our data from merchants, so they will be able to use these techniques to be aware of outside markets and improve their own business in the future. The team concluded that the women would benefit from talking with and observing other craft merchants.

# 6. We recommend that the women routinely evaluate their business for improvement.

Information found through background research and interviews of merchants led us to the conclusion that merchants should continually assess all aspects of their marketing strategy. Therefore, the team recommends that the women utilize the evaluation methods described in the marketing strategy booklet we created for them. The women will be empowered by being able to analyze and improve their business without any outside guidance.

#### RECOMMENDATIONS FOR THE RAKS THAI FOUNDATION

# 7. We recommend that the Raks Thai Foundation evaluate the effectiveness of the implemented strategy so that it can be utilized to benefit other communities.

Due to time constraints, the team was not able to perform an evaluation of whether or not our methods were effective in actually increasing sales or profits and developing new skills that could be applied by the women themselves. Since the Raks Thai Foundation will remain in contact with the Cooperative, we recommend an evaluation plan for them to use to determine if the goals of the project were met by analyzing the effects of the implemented strategy. We also suggest that the Raks Thai Foundation make any necessary adjustments to our strategy so it can be implemented in other communities similar to Ban Pang Ung Mhai. Our findings indicate that there are many villages in Thailand experiencing the same difficulties as the Cooperative of Ban Pang Ung Mhai. These developing communities that are in need of marketing strategy knowledge in order to make their businesses more profitable to increase their standard of living would benefit from our strategy and methods we utilized in working with the Cooperative of Ban Pang Ung Mhai.

#### RECOMMENDATIONS FOR FUTURE PROJECTS

# 8. We recommend that the Raks Thai Foundation sponsor a project to implement and assess the effectiveness of our marketing strategy in other villages in Thailand.

Since the improved marketing strategy was created with the intention of being applied to other villages in situations similar to the women's cooperative in Ban Pang Ung Mhai, the team recommends that the Raks Thai Foundation sponsor a future project to continue our work. The project would involve WPI and Chulalongkorn students implementing our marketing strategy and methods we used in other villages and evaluating the effects.

9. We recommend a project assessing the problem of the "slash-and-burn" technique used in agriculturally dependent communities.

During our site visits to Ban Pang Ung Mhai and other local villages, the team was informed of the "slash-and-burn" technique employed by agricultural communities in Northern Thailand. This technique involves the farmers burning leftover crops and plots of land that are unable to be consumed or utilized. This has proven to be a serious health hazard to residents in these areas. The team suggests a further project assessing these "slash-and-burn" techniques in agriculturally dependent villages in Northern Thailand, and to investigate safer ways of clearing land and disposing of excess crops.

#### Conclusion

This project empowers women by promoting skills to allow them to improve their marketing of crafts in order to provide additional income for their families, thereby increasing their standard of living. Working with the women of Ban Pang Ung Mhai was one step in achieving the Raks Thai Foundation's goal to create "a civil society with improved quality of life, rights and equality where people determine their own destinies and development is sustainable." Our methods of *participatory action* when working with the women of the Cooperative to improve their business and achieve greater success can also be used by the Raks Thai Foundation to assist other communities who are facing similar difficulties.

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#### INTRODUCTION

The seventy percent of the world's rural population depends on agriculture as their main source of income and employment. These agricultural communities face challenges in their efforts to maintain a sustainable living (World Bank Group, 2013). For example, in areas of high altitude, growing seasons are short and many crops are harvested only once a year. Additionally, variable harvests due to poor weather or soil conditions can affect crop output, causing inconsistent earnings, which farmers view as a threat to their livelihood (Phelan & Sharpley, 2012). On the other hand, there are also circumstances in which communities earn substantial income for their family, but find themselves heavily dependent on an external party to do so.

For instance, Monsato, a multinational agricultural biotechnology corporation, has allegedly monopolized many agricultural markets around the world (Anonymous, 2004). The company produces a genetically modified seed that requires specific farming techniques and chemicals only obtainable from them. Some communities are experiencing debt due to crop failures, but have few alternative options as they have become completely dependent on Monsato (Amelia, 2006). Similarly, after the banishment of opium, communities in Northern Thailand were left without a cash crop, until large companies provided them with the means to farm and sell new items. Since these companies controlled all components of the agriculture business, from seeds to sales, the farmers were forced to rely on them.¹ In response, communities have begun to seek alternative income through a variety of sustainable, self-reliant methods.

In addition to selling crops, some communities have begun taking advantage of the increasing amounts of tourism by selling items in their villages and in shops frequented by tourists. This approach to earning additional income is often hindered by various problems, such as a lack of marketing knowledge and resources. Furthermore, issues regarding gender roles may arise, especially since the women are the ones to craft and sell items to supplement their family's income (Long, 2008). In many of these communities, women are thought to have a secondary status to men and to also have specific roles or duties (Brandth & Haugen, 2010). Due to this view, disruption of the community's social fabric can occur if success of their business leads to greater production demand and causes the women's focus to stray from their norm (Millett, 2002). For instance, women of hill tribe groups in Northern Thailand such as the Akha, Lahu, Karen, and Hmong, specialize in different products and techniques, and are using their unique skills to produce and sell handicrafts. If these women choose to forego farming responsibilities and focus on their crafts, other members of the community may be required to take on extra work. Second, without understanding the skills needed to be successful in competitive craft markets, these groups may have trouble selling enough products to earn a substantial living. Hill tribe villages may even be faced with additional problems because of their remote location, which may force them to travel several hours to major cities to obtain materials or distribute products. Their location also hinders their ability to observe other markets and gain knowledge about successes and failures of marketing strategies being implemented elsewhere.

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<sup>&</sup>lt;sup>1</sup> See Appendix A for full transcript of information gained by Khun Visit, a local resident of Mae Chaem District in Chiang Mai Province.

In response to these communities' struggles, many organizations have offered guidance in order to assist them in developing their businesses to earn higher profits for their families and increase their quality of life. For instance, the mission of the World Fair Trade Organization is "to enable producers to improve their livelihoods and communities through Fair Trade" ("WFTO," 2013). Fair Trade is "a trading partnership...it contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers," especially artisans and farmers in developing companies (ibid.). There are also numerous organizations that follow the 10 Principles of Fair Trade<sup>2</sup> in their businesses in order to aid groups in selling their products. For example, Lofty Bamboo<sup>3</sup> and Thai Tribal Crafts<sup>4</sup> are two shops in Thailand that work with the Fair Trade Organization "to provide opportunities for improving the quality of life of the tribal people in Northern Thailand" ("Thai Tribal Crafts Fair Trade Co.,Ltd.," 2013). Similarly, the Raks Thai Foundation works directly with the artisans by promoting skill building, the empowerment of women, and business sustainability. Their goal is to "strengthen the capacity of poor and disadvantaged communities to analyze root causes of problems, determine suitable solutions, and participate in development activities" (Foundation, 2006).

As mentioned, the Raks Thai Foundation and similar organizations help communities foster skills that will allow them to develop solutions to their problems and to thrive on their own in the future. To best assist a community in obtaining supplemental income through the development of their business, the various aspects of a marketing strategy should be understood. Markets can be very competitive, and many groups in Thailand selling traditional merchandise are struggling to reach desired sales due to both internal and external influences (Kean, Niemeyer, & Miller). Internally, they may lack the knowledge of marketing strategies necessary to maximize profits; meanwhile externally, mass-produced products may be cheaper and more alluring to consumers (ibid.). Additionally, the desires of consumers in different venues vary, which is important to note in order to sell products. For example, many Thai locals care less about cultural significance and more about cheaper prices, while tourists may be more interested in the quality, cultural relevance, and emotional connection of a product.

The Raks Thai Foundation has many branches throughout Thailand, offering assistance to groups in all parts of the country. In Northern Thailand, the Raks Thai Foundation is assisting the Hmong community in Ban Pang Ung Mhai.<sup>5</sup> In this rural village, members are striving to increase their income in order to provide additional economic support for their families by selling their handicrafts. Working with the Raks Thai Foundation, the goal of our project was to empower the women's cooperative of Ban Pang Ung Mhai by promoting skills for improving a marketing strategy in order to establish a more profitable craft business. Information about the village and the Cooperative, as well as other markets and organizations, was needed to develop suggestions for the women. To do this, the team investigated the current social status among the villagers, as well as the overall goals and limitations of the women themselves. When gathering information, participatory action research was incorporated by working with the Hmong women to include them in the process, which supported the Raks Thai Foundation's goals of empowerment and capacity

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<sup>&</sup>lt;sup>2</sup> See Appendix D for full description of 10 Principles of Fair Trade.

<sup>&</sup>lt;sup>3</sup> See Appendix E for more information about Lofty Bamboo.

<sup>&</sup>lt;sup>4</sup> See Appendix F for more information about Thai Tribal Crafts.

<sup>&</sup>lt;sup>5</sup> *Ban* is the word for *village* in Thai, the two words will be used interchangeably throughout the paper.

building. After collecting information in the village, further analysis included observing markets in Thailand, specifically those around Chiang Mai and Bangkok. This was done in order to understand merchants' approaches in selling items in these venues and to determine the feasibility of integrating their marketing techniques into the Ban Pang Ung Mhai shop. Consumer insight on product preferences was also gained by interviewing both tourists and Thai locals in markets and shops in Chiang Mai and Bangkok.

Based on our findings, we were able to share useful information gained about the steps of a marketing strategy with the Cooperative and the Raks Thai Foundation. We also worked with the women on the advertising aspects of their business by helping them to develop promotional tools for their products, including information cards and tags, a photo book of their village and Cooperative, and a product portfolio. An informational booklet was provided to the Raks Thai Foundation and the Cooperative of Ban Pang Ung Mhai, outlining methods and findings related to developing a marketing strategy for a successful business. Through our work, the women became empowered by gaining the knowledge and skills necessary to continue to adjust and improve their business on their own in the future. Finally, we provided the Cooperative and the Foundation with a means to evaluate our methods so that they may improve them and utilize them to assist similar communities in Thailand that are also seeking independence and additional economic support.

#### BACKGROUND

This chapter presents information about the context of our project. It begins with an overview of the various problems facing agriculturally dependent communities, followed by an explanation of specific issues facing the rural Hmong village of Pang Ung Mhai. It further explains a women's craft cooperative's attempts to overcome these problems by selling their products in their village. Our sponsor, the Raks Thai Foundation, encouraged the empowerment of these women through business success and skill building, specifically through improving their current marketing strategy. The chapter concludes with an exploration of the steps to developing a marketing strategy as well as two methods for analyzing and improving marketing strategies implemented in our project.

# 2.1. Agriculturally Dependent Communities, the Problems they Face, and the Impacts of Tourism as a Solution

Communities that rely on farming as their main source of income encounter numerous difficulties that can largely affect the livelihood of the entire community. Many of these problems are caused by uncontrollable external factors, such as the environment and government regulations. Bad weather conditions, loss of an essential cash crop, and monopolized markets are all additional examples that have large social and economic impacts on these agriculturally dependent communities. As a result, many communities search for solutions by seeking alternative sources of income. The following sections explain the various hardships facing agriculturally dependent communities. In particular, the issues and causes of inconsistent earnings will be addressed, as well as the attempts to overcome these problems by taking advantage of tourism. Finally, the positive and negative effects of financially benefitting from tourism are discussed.

#### 2.1.1. Inconsistent Earnings Due to Crop Conditions

The most prominent external factor that can negatively affect a farmer's income is the environment. As uncontrollable weather and soil conditions vary year to year, so can the harvest and farmers' earnings. In terms of soil treatment, economic and geographic constraints force some communities to overuse soil by continually planting crops in the same location season after season, resulting in nutrient-poor soil insufficient for farming. Additionally, some communities have resorted to "slash-and-burn" methods, which severely deplete the soil of nutrients, leaving it essentially useless for crops. Even in the best of conditions, farming's seasonal trade causes earnings to vary depending on the time of year. For instance, in regions of high altitudes in Thailand where many of agricultural communities reside, the short growing seasons only allow for one annual harvest. This unreliable source of income places a burden on these agricultural communities since devastating effects last until the next harvesting season.

#### 2.1.1.1. Communities in Thailand Stripped of Essential Cash Crop

Opium farming provided significant income for many communities in Northern Thailand until the government banned the crop in 1959 (Costa, 2006). The loss of opium as a source of income resulted in harsh periods of financial struggle for many rural communities in the north (Crooker, 1988). The farmers were suddenly forced to start over completely and find a new cash crop that would grow as efficiently as opium in order to support their families. Khun Visit, a local of Mae Chaem, explained that in light of these difficulties facing the farmers, produce companies in the Mae Chaem Province sought to assist the communities by providing them with all of the materials necessary to grow and harvest new crops such as corn, cabbage, and potatoes. The companies then bought back the crops from the

farmers and sold in grocery stores and markets. The new source of income relieved some of the financial burdens of the community, but in some cases, it was still not enough for sustainable living. Since the communities were highly dependent on the produce companies in all aspects of growing and selling, the companies were able to buy the crops back at very low rates.

#### 2.1.2. Additional Economic and Social Burdens

A lack of independence and sufficient income can lead to other burdens for the community, particularly poor education. The United Nations Educational, Scientific and Cultural Organization (UNESCO) has found correlations between economic status, education, and health. In both developed and underdeveloped communities, families with insufficient income often have less educational background than those with more money ("UNESCO Institute for Statistics:Data to Make a Difference," 2013). In agricultural communities where families rely on farming for all of their needs, children may be kept home from school to help with these responsibilities or because low earnings make them unable to afford sending their children to school (Creates, 2010). It is suggested that in communities in which older generations have not attended school, these societal and economic factors often continue to hinder the education of younger generations (Baker, 2013). Even if community members are able to obtain the basic necessities of food and shelter, they become stuck in a cycle of low income and poor education, which can be linked to agricultural dependence, and prevents them from moving forward and increasing their quality of life. As an attempt to break the cycle, many groups began adopting new ways of earning money other than agriculture.

#### 2.1.3. Handicraft Production to Provide Supplemental Income

Some communities have been converting their leisure hobbies into sources of profit by taking advantage of tourism ("Visitors are good for you," 1989). In general, women often take on the role of producing handicraft items as a way to provide additional income for their families. For example, "Padong women are able to supplement the family income by weaving and making crafts" and "the people who come to visit the Padong villages provide a much needed source of income" (Kaeru, 2005). Despite additional income, there are concerns that this change in role could potentially disrupt the social fabric of the community. In many developing communities, the roles and duties of family members are clearly divided. Males serve as the leaders and decision-makers of the family, while the women are responsible for raising children, preparing meals, and performing agricultural labor. According to the Food and Agriculture Organization of the United Nations, "Women comprise, on average, forty-three percent of the agricultural labor force in developing countries" ("Women in Agriculture: Closing the gender gap for development," 2010). Unfortunately, there is a significant "gender gap" found between men and women in agriculture, limiting the women's resources and hindering their productivity (ibid.). Although women are seen as having a secondary status to men despite their importance to the family's livelihood, their role has begun to change to one of greater importance and power because of their craft production (Brandth & Haugen). As women take on a higher position in the household, it is possible that their focus may shift from their original duties towards the production of handicrafts, resulting in changes in responsibilities. For example, one case study suggests that when a "farm changes from production to tourism-based business, the women's role changes and she is seen as a partner" (ibid.). As women bring in more income for the family, their "enhanced earning capacity very often means that they will end up making a more significant contribution to the household" (Miller & Razavi, 1995). Therefore, producing and selling handicrafts not only provides more money for the family, but it also gives the women a feeling of pride and empowerment. The acceptance or rejection of these changes will depend on the community.

#### 2.1.4. Tourism as a Means of Economic Stability

The success of a handicraft business in many developing countries is dependent on tourism. The main benefit that tourism provides to communities is "the revenue that the tourism industry can generate" (Rönning & Ericson, 2008). According to the latest United World Tourism Organization (UNWTO) Barometer, international tourism grew by 4% in 2012 ("Tourism Trends and Marketing Strategies UNWTO," 2013), which has been beneficial to low-income communities since tourism "can directly benefit the poorer groups through employment of local people in tourism enterprises, goods and services provided to tourists...having positive impacts on reducing poverty levels" (ibid.). For example, a study on relieving poverty in South Africa exemplifies the positive effect tourism can have on a developing community's economic state (Binns & Nel, 2002). Promoting tourism in South Africa has increased the amount of people traveling to this poverty-stricken region, helping to create jobs and providing substantial income for the communities (ibid.). When people obtain more money, they begin to spend money and spread the economic benefit; so the profits from these sales not only benefit the sellers' families directly, but also assist the community as a whole to grow economically (Long, 2008). Unfortunately, there are also negative aspects of tourism that may affect and outweigh its benefits in terms of economic stability.

#### 2.1.4.1. Negative Impacts of Tourism

While many communities in popular attractions have benefitted economically from increasing tourism, many also experience negative effects as a result. The UNWTO highlights the main drawbacks of using tourism as a basis for alleviating poverty, including: unpredictable and fluctuating demand, the seasonal nature of demand, the impact on lifesupporting resources, and weak linkages to the poor. There are also many factors that may deter people from traveling to various areas, such as social unrest. Additionally, since tourism demand is seasonal, some countries are frequented by tourists only two to three months of the year. As a result, tourism does not provide a definitive solution to a lack of income, despite its role in increasing the consumer population. In some cases, increasing tourism may actually cause damage to the tourist attraction itself. A study on the positives and negatives of international tourism refers to the temples of Angkor in Cambodia, whose degeneration and decay has been expedited by the behavior of tourists (Rönning & Ericson, 2008). According to the study, other negative social consequences can include "a faded culture, environmental pollution, littering, exploitation of the country and its people, and abuse and jealousy" (ibid.). Many communities have been trying to enjoy the benefits of tourism, while minimizing such negatives.

#### 2.2. Ban Pang Ung Mhai

The issues facing agriculturally dependent communities relating to dependence on agriculture, lack of widely available education, and the desire for supplemental income to increase standard of living, are exemplified in the village of Pang Ung Mhai, located in the Mae Chaem District of Chiang Mai Province in Northern Thailand, as shown in Figure 1. The community consists of 40-50 Hmong families growing a variety of crops to be sold to markets as their main source of income. Five hours from downtown Chiang Mai, Ban Pang Ung Mhai is a popular stopping point for backpackers traveling around Doi Inthanon Mountain en route to Bua Tong Garden, a famous sightseeing location. Similar to other

communities, the village has been attempting to benefit from tourism by forming a craft cooperative.

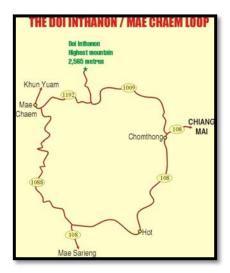


Figure 1: Map of the Doi Inthanon Loop

#### 2. 2.1. The Cooperative of Ban Pang Ung Mhai

In 2003, the women of Ban Pang Ung Mhai decided to turn their hobby of embroidery into a business. As discussed in Section 2.1.3, women in many developing and agricultural communities are considered to have a lower status than men. Seventeen women in the village decided to use their embroidery skills to contribute more to family earnings and play a greater role in the household. They hoped that a successful business would not only supplement their income from farming, but also give them a sense of empowerment. The women began selling their products to tourists passing through Ban Pang Ung Mhai.

The main items they produce are key chains and small bags, each encompassing the traditional Hmong designs and pattern as shown in Figures 2 and 3. In addition to traditional embroidery, the women specialize in batik<sup>6</sup>, which can be seen in Figure 4.



Figure 2: Key Chain with Traditional Flower Design



Figure 3: Wristlet with Elephant Pattern

<sup>&</sup>lt;sup>6</sup> Batik is a fabric dyeing method that uses melted wax to create designs and patterns on fabric. The wax designs are drawn onto white fabric, which is then dyed and dried. Once dry, the fabric is boiled to remove the wax, revealing a beautifully designed cloth.



**Figure 4: Cooperative Member Performing Batik** 

Unfortunately, the Cooperative has not been very successful due to inconsistent sales. While the women produce their crafts all year, the main tourist season is during October and November. This poses a problem for the women since this is also peak farming season and they do not have sufficient free time to sell their products in their village market. The village shop can be seen in Figure 5. Even when tourists do stop in Ban Pang Ung Mhai, sales are not always made. The women hope to gain a better understanding of how to sell their products effectively and develop a successful and sustainable business. The Raks Thai Foundation, a non-profit organization, is working with the women to accomplish their goals.



Figure 5: The Women's Shop in the Village

#### 2.3. The Raks Thai Foundation

Globally, there are numerous non-profit organizations whose aim is to support rural communities in obtaining economic stability and social wellbeing. The Raks Thai Foundation is one such organization that has provided assistance to communities throughout Thailand. The symbol of the Raks Thai Foundation is show in Figure 6, emphasizing their goal for empowering communities. The team worked closely with the

Raks Thai Foundation in Chiang Mai to successfully achieve the Foundation's goals and provide assistance to the women's Cooperative of Ban Pang Ung Mhai.



Figure 6: Raks Thai Foundation Symbol

#### 2.3.1. Goals and Mission of the Foundation

Dr. Krasae Chanawongse founded the Raks Thai Foundation in August 1979 with the intention of relieving Thailand's social problems and further developing a strong societal structure. Since then, the mission of the Raks Thai Foundation has been to "strengthen the capacity of poor and disadvantaged communities to analyze root causes of problems, determine suitable solutions and participate in development activities" (Foundation). Their hope is to create gender equality through the empowerment of women in vulnerable communities of Thailand, while building a foundation that produces a strong quality of life. The Raks Thai Foundation has worked vigorously to aid those in need to create "a civil society with improved quality of life, rights and equality," and a place "where people determine their own destinies, and development is sustainable" (ibid.).

#### 2.3.2. The Raks Thai Foundation in Chiang Mai

The Raks Thai Foundation has several branches throughout Thailand. For our project, we collaborated with the office based in Chiang Mai. Our main contacts for the duration of the project were K. Direk (Director of Chiang Mai Branch) and K. Nat (Village Liaison). They, as well as other members of Raks Thai Foundation, provided the team with information regarding their goals for the Cooperative of Ban Pang Ung Mhai. The Raks Thai Foundation emphasized the concepts of skill and capacity-building<sup>7</sup>, and felt it was important to not just provide the women with a solution to their problems, but to provide them with a means to develop solutions on their own. In order to accomplish this, they supported the use of participatory action research<sup>8</sup> (Foundation). Members of the Foundation expressed their belief that, although the women want a successful and sustainable business, their main aim is to have something to be proud of and to be empowered through their success. The Foundation also explained several problems the women face in achieving business success

<sup>&</sup>lt;sup>7</sup> At the individual level, capacity building "allows individuals in a community to build and enhance existing knowledge and skills, and engage in the process of learning and adapting to change" (Administration, 2006).

<sup>&</sup>lt;sup>8</sup> See Appendix H for more information on participatory action research

and pointed out the need for an improved marketing strategy. Information regarding the needs of the Cooperative, as well as the Foundation's goals, provided the team with guidelines for our project<sup>9</sup>.

#### 2.4. Marketing Strategy

A marketing strategy is broadly defined as a process that allows an organization to concentrate its resources on the greatest opportunities available in order to increase sales and achieve a sustainable, competitive edge in the marketplace (Paley & Ebrary Academic, 2008). It is the process through which a business creates value for customers and builds strong relationships by delivering the highest possible satisfaction through its products and services. A marketing strategy is a key part of a business plan that is vital to the success of a business. In general, "strategic marketing planning sets in motion actions that can impact the economy in which you operate and the long-term prosperity of your organization." (ibid.) It builds off of the objectives of the business and specifies the target market for the product or service, the key features and benefits of the product or service, and how the business will gain a competitive edge. Although marketing strategies must be tailored to meet the specific needs of the business, they each follow the same general steps outlined in the following section.

#### 2.4.1. Steps to Develop a Strategic Marketing Plan

A marketing strategy "searches the past and measures performance. It examines the culture of an organization and probes the strengths and weaknesses of people, equipment, and systems" (Paley & Ebrary Academic, 2008). The Marketing Strategy Desktop Guide describes the steps of a strategic marketing plan shown in Figure 7.

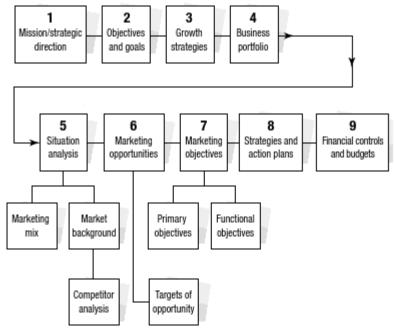


Figure 7: Strategic Marketing Plan

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<sup>&</sup>lt;sup>9</sup> See Appendix B for Summary of Initial Visit with the Raks Thai Foundation

Our marketing strategy will include steps 5-9 of the marketing plan shown in Figure 7. The following section provides a brief description of each of the strategic marketing plan steps we used during our project. The components are numbered to correspond to the numbers in the figure.

#### **Strategic Marketing Plan Steps**

**5. Situation Analysis**: The first step consists of three parts:

**Marketing Mix:** the process of analyzing sales, pricing, and distribution **Market Background:** the analysis of current buyer behavior, the company's image, and what customers think about the products

**Competitor Analysis:** an analysis of the strategies, products, distribution, pricing, and promotional tactics used by competitors in the same market.

- **6. Marketing Opportunities**: The previous step should lead to opportunities, or "gaps in a product, market, or a service that can be filled to satisfy customer needs and wants," (Paley & Ebrary Academic, 2008). This step involves research and product development.
- **7. Marketing Objectives:** This step is where primary and functional marketing objectives are developed. Primary objectives are quantitative and include sales and profits. Functional objectives include packaging, pricing, and product promotion and distribution.
- **8. Strategies and Action Plans:** Develop a strategy and action plan for each objective established in the previous step. Indicate the steps that will be taken, the time frame for each step, and who is responsible for the specific actions.
- **9. Financial Controls and Budgets:** This step allows the company to track its progress toward achieving its objectives by comparing current sales to previous sales, evaluating customer satisfaction, and evaluation sales representatives.

In this project, these general steps to a marketing strategy will be applied by performing *SWOT analysis*, defining the *4P's* of a *marketing mix*, and developing a method for the business to evaluate itself and track its progress.

#### 2.4.2. SWOT Analysis

*SWOT analysis* is a technique that a business or organization can use to analyze its strengths and weaknesses, as well as identify the opportunities open to it and the threats it faces. Strengths and weaknesses are typically internal within the business, whereas opportunities and threats are related to external factors (Manktelow & Carlson, 1996). *SWOT analysis* is performed by asking a variety of questions related to the current state of the business. Examples of questions to ask and aspects to consider include:

**Strengths:** What advantages does the business have? What does the business do better than anyone else? It is useful for a business to relate its strengths to its competitors to determine whether or not a characteristic is truly a strength or a necessity in the given market.

**Weaknesses:** What could be improved? What factors cause loss of sales?

**Opportunities:** What new opportunities are available? A business can look at its strengths and see if any opportunities can arise from them. Similarly, it can look at its weaknesses and determine if opportunities could open up if they are eliminated.

**Threats:** What obstacles are facing the business? What are competitors doing?

This analysis has been widely utilized by companies, large and small, to evaluate their business and identify where they could improve in order to achieve success (ibid.), and was

used to analyze the initial state of the marketing strategy being used by the women's cooperative in Ban Pang Ung Mhai.

#### 2.4.3. The 4P's of the Marketing Mix

When evaluating a current marketing strategy or developing a new one, it is important for a business to define the *marketing mix* that will bring them success. The term "marketing mix" describes the decisions a business has to make in the process of bringing a product to the market (Manktelow & Carlson, 1996). One of the most popular models for defining the marketing mix is the *Four P's*, shown in Figure 8 ("Developing Marketing Strategies," 2012):

**Product:** quality and features that satisfy consumer desires

**Price:** the set price of the product or service based on production costs, expected revenue, and value of the product to the buyer<sup>10</sup>

**Promotion:** the advertisement of the product or service

**Place:** where the product or service will be sold and how it will reach the customer *SWOT analysis* and analyzing the *4P's* may occur simultaneously. Each component of the *4P's* can be categorized as a *strength*, *weakness*, *opportunity*, *or threat* for the business.



Figure 8: The 4P's of a Marketing Mix

The 4P's marketing mix model can be used when first developing a strategy, and again to evaluate it from the customer's perspective to see if the business has optimized the marketing mix (The Marketing Mix and 4 Ps, 1996). Owners may ask consumers questions related to each component of the marketing mix, for example:

**Product:** Does it meet their needs?

**Price:** Do they consider the price favorably?

**Promotion:** Do the marketing communications reach them?

**Place:** Is the product easily accessed?

Both applications of the *4P's* were incorporated in our project. The first was used to make improvements to the original strategy used by the women. The second was included in an evaluation plan for the women to analyze their business and strategy to see if the alterations made were successful.

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<sup>&</sup>lt;sup>10</sup> See Appendix I for more information about pricing methods

#### 2.5. Summary

From our background research, we became aware of the various problems facing agriculturally dependent communities, particularly unreliable income. We were able to get a better understanding of why these communities seek additional forms of income and what they have found as possible solutions. The Raks Thai Foundation aims to help developing communities become more independent and sustainable, and has been working to help the Cooperative of Ban Pang Ung Mhai become empowered through their success. The success of a business is dependent on a solid marketing strategy. Through our research, we were able to learn and understand the steps of developing a marketing strategy to assist the women in improving their own, and facilitate their empowerment.

#### **METHODOLOGY**

The goal of this project was to empower the Hmong women's cooperative in Ban Pang Ung Mhai by promoting skills for improving a marketing strategy in order to establish a more profitable craft business. By working with the women using a participatory action research approach, we aimed to equip them with the marketing skills and techniques necessary to achieve and maintain a sustainable business on their own in the future. In addition, it was anticipated that achieving business success through increased profits would give the women a sense of pride in themselves and their work.

In order to achieve our goal, we completed the following objectives:

- 1. Understand the current social context in which the Cooperative exists
- 2. Identify components of the Cooperative's marketing strategy that need improvement
- 3. Gain insight from other venues about successful marketing strategies
- 4. Assist the Hmong women in applying the components of an improved marketing strategy to promote sustainable business skills
- 5. Suggest a means to evaluate the effectiveness of the implemented strategy

The team's data collection and research plan included both qualitative and quantitative techniques in order to obtain information necessary to achieve the stated goal. The following sections describe the methods that were implemented to accomplish each of the objectives mentioned above. It is important to note that visiting and conducting fieldwork in Ban Pang Ung Mhai over five days during the course of two months accomplished these methods.

#### 3.1. Understand the Current Social Context in which the Cooperative Exists

The team gathered information for the following two approaches through participatory action research (PAR) methods. The goal of PAR is to include the subjects in the research process to promote the development of new skills and empowerment. Rather than conduct formal interviews, the team encouraged the use of focus groups and open conversations in order to build working relationships with the women in the cooperative. More insights were gained about the project through collaborations with Raks Thai Foundation and the villagers. A set of prepared questions guided the conversation and was used as a checklist of knowledge to be gained as data.

The team would like to note a limitation in the research and interviewing process with the cooperative. The members of the Raks Thai Foundation and the villagers of Ban Pang Ung Mhai cannot speak or read English; therefore, the conversation was continuously translated from Thai to allow for active participation of the entire team with limited interruption. Translations and note-taking were done verbatim in order to prevent the translator's preconceived notions from skewing the qualitative data.

#### Approach #1: Interview the Raks Thai Foundation

Discussion with the Raks Thai Foundation about the social context of the project assisted the team in defining the societal aspects of our goal statement. During a visit to Chiang Mhai, the team met with K. Direk (Director of the Chiang Mai Branch), K. Nat (Village Liason), and four other members of the Raks Thai Foundation to discuss their goals and expectations of the project in terms of empowerment. The purpose of this discussion was to educate the

team on the importance of creating a marketing strategy, independent of the type of business, so it could be utilized by other cooperatives and promote empowerment throughout other villages.

Samples of questions we asked were: What is your current understanding of the cultural aspects of the project? What do you believe are the women's needs? Why are they selling embroidery? How else do they make money? Are there specific deliverables you would like to see from this project?

In order to develop marketing strategy options of minimal adverse repercussions, the team also asked: *Can anyone think of any negative implications the women's empowerment may have on the social and cultural structure of the village?* Furthermore, in order to promote skills that would empower the Hmong women and other cooperatives by improving their business, we had to understand what skills were feasible to avoid clashing with the culture and social structure.

Based upon the Raks Thai Foundation's previous communication with members of the cooperative in Ban Pang Ung Mhai, they provided the team with information about gender inequality and their hopes of change for the women. They also shared additional information necessary for identifying how the team should approach the project to better assist the women in improving their business.

#### Approach #2: Interview Members of Ban Pang Ung Mhai

The team spoke to members of the village, as shown in Figure 9, to obtain personal perceptions on the social context of Ban Pang Ung Mhai. The villagers were asked questions about how they believed a successful project could change their community, including both positive and negative implications. For instance, changing their marketing strategy could result in the women dedicating more time to embroidery and less time to farming, leaving the men with more work. Therefore, the team inquired if the village members foresaw any repercussions this change of role could have. Information gathered from the community as a whole was very important; however, conversations with the women in the Cooperative were the main priority. In order to gain firsthand knowledge, the questions for the women were similar to those posed to the Raks Thai Foundation.

Questions we asked the women of the Cooperative included: Why did you start an embroidery business? Why have you continued? What aspects of your life would you like to change; why? What do you hope to gain from change? Do you have ideas on how to make this happen?



Figure 9: First Interview with members of the Cooperative of Ban Pang Ung Mhai

The team was only able to directly speak to the leader of the Cooperative, Ae<sup>11</sup>, seen in Figure 10, as she was the only member available that spoke both Hmong and Thai. In order to not only gather information from one person, the team posed questions towards the other women in Thai, and asked Ae to translate for us. Not all members of the Cooperative were able to attend all meetings with the team due to other responsibilities, but the team visited the village five times during the course of the project in order to talk to as many of them as possible.



Figure 10: Cooperative Leader, Ae

The team discussed the information collected from Chiang Mai and the village after each visit in order to collaborate and discuss any discrepancies between team members' understandings. The team was then able to develop follow up questions for the women to clarify information.

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<sup>11</sup> Ae was the leader of the Cooperative of Ban Pang Ung Mhai and was our main contact in the village

# 3.2. Identify Components of the Hmong Marketing Strategy that Need Improvement

The team observed the Hmong women's shop and products to identify their current marketing methods in order to understand which aspects could be improved or altered to be more successful. Two steps were taken to achieve this objective.

#### Approach #1: Compile Information with the Help of Hmong Women

During our initial visit to Ban Pang Ung Mhai, we organized a focus group with the Hmong women in order to obtain information on their current marketing strategy. We met with six of the Hmong women in the Cooperative, which included the leader, the treasurer, and four other members. The questions that guided discussions were associated with the  $4P's^{12}$  of a marketing strategy.

Questions we asked the women concerning the four components included:

**Product:** What types of products do you sell? How do you come up with your designs? Do the designs have any specific meaning? Which products seem to sell the most; least? Do you consider changing your products and designs? On what basis do you make these changes?

**Price:** How do you determine the price of your products? Is there a formula you are using?

**Place:** Where are you currently selling your products? Would you be willing to sell your products in different markets or shops? Do you have any ideas of organizations you would like to work with or shops where you would like to sell your products? Do you get different profits for your products if you sell them directly to tourists in your village vs. to middlemen like Royal Projects? If so, how large a difference?

**Promotion:** How are you currently promoting your products? Would you be interested in establishing a brand/logo that represents your cooperative, a photo book showing pictures of the embroidery process and your village, or an information card with the story of your village or the embroidered craft production process?

The team organized the women's answers into the four components and used the information to gain a better understanding of the women's current production and sales methods. <sup>13</sup> Using content analysis we determined what information should be considered when improving the women's marketing strategy. We then analyzed and compared the current status of the Cooperative's marketing strategy to that of other craft merchants in Thailand by using *SWOT analysis*.

#### Approach #2: Applying SWOT Analysis14

The team used information gathered from the Hmong women and analyzed their business using the *SWOT analysis* method. In order to establish and manage a business one must "complete [an] analysis of the company's situation" (Armstrong & Kotler, 2011). Establishing a market requires preliminary steps necessary for maintaining that market. Using the *SWOT analysis* we were able to identify each internal and external factor necessary for improving and establishing a business. The first step to using the *SWOT analysis* was to identify the *strengths* and *weakness* affecting the business. Then, *opportunities* and *threats* were analyzed based on which ones were most beneficial to the business and which ones could damage the business. Through *SWOT analysis*, the team was

<sup>&</sup>lt;sup>12</sup> See Background Section 2.4.3. for a detailed explanation of the 4P's

<sup>&</sup>lt;sup>13</sup> See Appendix I for compiled data of the *4P's* of the women's cooperative.

<sup>&</sup>lt;sup>14</sup> See Background Section 2.4.2. for a detailed explanation of *SWOT analysis* 

able to understand the internal factors (*strengths, weaknesses*), and external factors (*opportunities, threats*) of the cooperative. Details of these factors are represented in Table 1 (ibid.).

	Positive	Negative
Internal	Strengths Capabilities that may help a company reach its objectives (i.e. techniques, income, products, strategies)	Weaknesses Limitations that may interfere with a company's ability to achieve its objectives (i.e. bankruptcy, little to no income, distribution channels of products, etc.)
External	Opportunities Factors that the company may be able to exploit to its advantage (i.e. grants, marketing options, new product designs, new marketing techniques, etc.)	Threats Current and emerging external factors that may challenge the company's performance

Table 1: Overview of SWOT Analysis

Using the information gathered about how to apply the *SWOT analysis*, the team was able to compile information necessary for understanding how to analyze the Cooperative's business. The information gathered about the Cooperative is shown in Table 2.

	Positive	Negative
Internal	Strengths	<ul><li>Weaknesses</li><li>Distribution channel</li><li>Marketing skills</li><li>Lack of embroiderers</li><li>Location</li></ul>
External	Opportunities     Growing market     Niche market     New knowledge	<ul> <li>Threats</li> <li>Mass-produced products</li> <li>Too much changes might damage social fabric</li> </ul>

Table 2: Information Collected from the Cooperative using SWOT Analysis

Organizing the information shown in Table 2 allowed the team to understand how our suggestions and assistance could affect the Cooperative. The team was able to refer back to these internal and external factors faced by the women in order to assess the feasibility of new opportunities for their business, and to assess what would be most useful for the women and what could potentially threaten their business and social fabric.

#### 3.3. Gain Insights from Other Venues about Successful Marketing Strategies

In order to assist the Hmong women in developing an improved marketing strategy, the team gained insights regarding the 4P's from other merchants and venues. We investigated how different product designs and aspects attract certain consumers (product); how

merchants determine the pricing of products (*price*); and how the location (*place*) of a business and its promotional techniques (*promotion*) can affect the income it obtains. Four approaches were taken to achieve this objective.

## Approach #1: Interview Cooperative Members Selling Products in Villages and Markets

The team visited other villages selling handicraft items in order to compare their marketing strategies to those of the women of Ban Pang Ung Mhai, as well as obtain information about successes or failures these other cooperatives have encountered. Two villages outside of Chiang Mai were visited: Doi Pui and Doi Khun Chang Kien.

We interviewed two female merchants in Doi Pui<sup>15</sup> and one in Doi Khun Chang Kien,<sup>16</sup> asking them questions similar to those posed to the members of the Ban Pang Ung Mhai cooperative. Specifically, we asked these women questions about whether or not they had faced difficulties selling their crafts, and if so, what have they changed or improved to resolve any issues. Discussions with the merchants provided the team with insights of potential challenges the Cooperative could face, as well as new possibilities to efficiently sell products. Pictures of the women working and examples of their products can be seen in Figure 11.





Figure 11: Workspace of the Women in Doi Pui and Embroidered Clothing

#### **Approach #2: Interview Crafts Merchants and Organization Representatives**

From background research, the team was aware of multiple shops in Bangkok and Chiang Mhai that specialized in selling hill-tribe products. The team visited some of these venues in order to determine if they would be advantageous venues for the women to sell their products. Also, the team believed that, in order to better understand how the *4P's* should be used when establishing a market, it would be useful to interview merchants and representatives that were familiar with these strategies.

The team was able to find seven different craft shops located in the areas of Chiang Mai and Bangkok. Table 3 shows the name of these shops and their locations.<sup>17</sup>

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<sup>&</sup>lt;sup>15</sup> See Appendix K for interview transcripts from Doi Pui

<sup>&</sup>lt;sup>16</sup> See Appendix L for interview transcripts from Doi Khun Chang Kien

<sup>&</sup>lt;sup>17</sup> See Appendix N for data collected from shop visits

Shops	City	Specific Location
Lofty Bamboo	Bangkok	Maaboonkrong (MBK) Center
Nuntakwang Shop	Bangkok	Siam Discover Center
Royal Project Shops	Bangkok	Central World Department Store
Minal Malistix	Bangkok	Asiatique Community Mall
BIG UP CO., LTD	Bangkok	Asiatique Community Mall
Thai Tribal Crafts Fair Trade (Main Branch)	Chiang Mai	Near Weekend Market
Fair Trade Shop (Sub Branch of TTCF)	Chiang Mai	Near Weekend Market

Table 3: List of Established Markets that were Visited and Interviewed

During the interviews, the questions asked were focused on identifying the different aspects of a market establishment. Topics included main consumers, product preference, purpose of location, and pricing and promotion methods. The questions were used to guide the analysis of determining how merchants in established markets used the 4P's and how they affected their success. The information gathered was compiled into charts to offer a visual representation to educate the Hmong women about other merchants' strategies and insights, and to provide them with ideas for their business. With the women's assistance, we compared this information with the Cooperative's current marketing strategy to determine what aspects needed improvement.

#### Approach #3: Interview Tourists and Thai Local Consumers in Markets

To supplement information gathered from shop merchants, the team interviewed tourists and Thai locals in various venues. The team developed a list of topics to be used as a guideline of information to be gathered. This information included *product attraction*, reason of purchase, price vs. design preference, and set price vs. bargaining preference.<sup>19</sup> In order to obtain more detailed responses that would be useful for data analysis and justification, the team organized the interview to follow the structure shown in Figure 12.

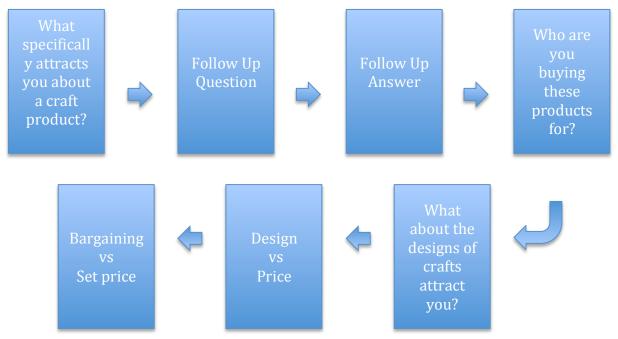
One limitation noted by the team in this process was that the chaotic nature at most of the venues restricted the number of interviews that team was able to conduct. Tourists and local consumers were chosen at random, and the team spoke with as many people as possible that were willing to answer the questions. These interviews took place during a course of a week. During that week, the team divided into two groups; one group went to Chiang Mai and the other stayed in Bangkok. In order for both tourist and local consumers to be equally represented, the team gathered information from twenty members of each consumer type (tourists<sup>20</sup> and Thai locals<sup>21</sup>).

<sup>&</sup>lt;sup>18</sup> See Appendix M for merchant survey checklist

<sup>&</sup>lt;sup>19</sup> See Appendix O for customer survey checklist.

<sup>&</sup>lt;sup>20</sup> See Appendix P for results of tourist surveys

<sup>&</sup>lt;sup>21</sup> See Appendix R for results of Thai locals surveys



**Figure 12: Interview Question Series** 

The data collected from these interviews were organized using the *4P's*, and charts were created to visually represent these data. These charts were also later used in our presentation to the women concerning how to attract their consumers.

# 3.4. Assist the Hmong Women in Applying the Components of an Improved Marketing Strategy to Promote Sustainable Business Skills

The team assisted the Cooperative of Ban Pang Ung Mhai in building a foundation for a sustainable business by suggesting improvements to their marketing strategy based on all of the data collected in previous objectives. The purpose was for members of the cooperative to be able to use this knowledge to achieve and maintain a more profitable business on their own. This was accomplished with the following approach.

# Approach #1: Assist the Hmong Women to Create Possible Marketing Strategy Options for their Embroidery Cooperative

During the second trip to Ban Pang Ung Mhai, the team worked with the women to create possible marketing strategy options consisting of the *4P's* by using picture slides of the different results. This promoted skill building in the forms of marketing research and analysis, and adaptation to changing market trends. Through the use of the *4P's* we were able to give them a structure that could help the Hmong women improve their marketing skills.

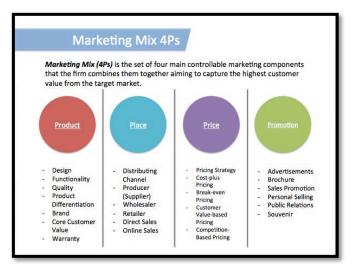


Figure 13: Marketing Information Slide Presented to the Cooperative

Figure 13 is an example of the slides we used to present the information about the 4P's. Figure 14 shows team members explaining the 4P's and providing examples of what each "P" was associated with and what different markets are doing to implement them into their businesses.



Figure 14: Team Members Educating Ae on the 4P's



**Product:** After completing the previous objective and background research, we discussed with the women product design ideas in terms of functionality and visual aspects. The purpose was to give the women some insight on possible alterations or improvements for their products to make them more appealing to consumers. We also shared with them the insights collected from interviewing craft consumers and merchants. The team explained to the Cooperative the interviewee's perception about craft products and what styles they felt were most popular, and also what attracts them most to the products. From those insights, the team and the Cooperative members discussed ways in which the women could vary their product designs, while keeping their same embroidery and batik techniques and maintaining their culture.



**Price:** The team spoke with women about pricing methods and the influence of various factors. For instance, the women expressed that when wanting to bargain with customers, they struggled stating an initial price of a product. If it were too high, the customers would not consider it; and if it were too low, they would lose money when customers bargained price. The women also had questions about pricing items that would be sold to other vendors. Some venues buy finished items at wholesale price, while others buy just the fabrics. The team and the women discussed considerations for pricing their products and how they gather the necessary data to do so. For each situation, the women should consider the following: costs related to production, such as material costs and time; desired profit; location of sales and consumer behavior; and prices competitors are charging for similar products. Using these data, the team explained pricing techniques to the women in order to equip them with the skills necessary to set reasonable product prices in the future.<sup>22</sup>



**Place:** The team realized that women have only distributed their products in two ways 1) their own village, and 2) the Royal Project Foundation in Pang Ung District. The main consumers were the tourists who travel through the village during October and November. Therefore, our team looked for alternative distributing channels that would suit the new marketing strategy model and introduce them to the markets that would be frequented by consumers. The team contacted various venues and asked them about the requirement of entering the shops, and if they were taking any new products. All contact with the venues was to gather information for the women, as they would be the ones to decide if they wanted to try to sell their products in other locations.



**Promotion:** Preliminary research made the team aware of the positive effects promotion can have on product sales.<sup>23</sup> We sent the Cooperative a "deliverables kit" with the intent of establishing a logo to differentiate the women's products from similar ones to increase their value. The kit contained examples of logos and information cards in order to encourage the women to design their own symbols to represent their culture and cooperative.<sup>24</sup> It is important to note that our plan for the women to receive the "deliverables kit" before our next visit didn't work out. There was some miscommunication between our sponsor representatives, and additionally, some items that were supposed to be delivered to the women were lost. However, on the second trip, we obtained their ideas about promoting their products in ways such as information cards, a picture book, and a product portfolio.

<sup>&</sup>lt;sup>22</sup>See Appendix S for the presentation to the women

<sup>&</sup>lt;sup>23</sup> See Appendix C for case studies

<sup>&</sup>lt;sup>24</sup> See Appendix U for a detailed description of the deliverables box

# 3.5. Suggest a Means to Evaluate the Effectiveness of the Implemented Strategy

Once the team assisted the women in establishing an improved marketing strategy, it was important to identify a way to analyze its effectiveness. Ideally, this would be performed together by the team, the Raks Thai Foundation, and the women's cooperative; however, the team would be unable to evaluate the long-term effects of the strategy implemented in the cooperative due to time constraints. Therefore, the team proposed a way for the Raks Thai Foundation and the women to do so. The team also stressed the importance for the Cooperative to continuously assess their marketing strategy for improvement in order to maintain a sustainable business. In addition, the team found through background research that there are many other communities in Northern Thailand in similar situations to Ban Pang Ung Mhai, so the team provided ways for Raks Thai Foundation to evaluate the strategy's possible application to benefit other villages.

## Approach #1: Analyze Marketing Strategy Evaluation Methods

The team first analyzed the information from literature sources on different methods to evaluate the effectiveness of marketing strategies.<sup>25</sup> Studying methods previously used provided a basis from which the team could create an evaluation plan. We were able to identify what to look for when analyzing the success of a marketing strategy, such as an increase in consumers and profits and its effect on the business.

### Approach #2: Create an Evaluation Plan

The team created a method for analyzing the effectiveness of the implementation of the improved marketing strategy. <sup>26</sup> The first part of the evaluation was geared towards all stakeholders (the team, Raks Thai Foundation, and the women's cooperative) to examine the initial results of the strategy, including whether or not the objectives and overall goal of the project were met. If our methods were successfully employed, and the women learned skills that would lead to empowerment and increased profits, we would hypothesize that the work done by the team could lead the women in the direction of long-lasting success. In addition, the Raks Thai Foundation would use these evaluation tools to analyze the feasibility of utilizing the strategy to benefit groups in similar situations to the Hmong women.

#### 3.6. Summary

The goal of this project was to empower the Hmong women's cooperative in Ban Pang Ung Mhai by promoting skills for improving a marketing strategy in order to establish a more profitable craft business. During our fieldwork in the village of Pang Ung Mhai and other venues, our main objectives were to understand the current social context of the Cooperative, identify components of the Cooperative's marketing strategy that need improvement, and gain insight from other venues about applying the *4P's*. We also assisted the Hmong women in applying the components of an improved marketing strategy to promote sustainable business skills, and suggested ways for them to evaluate these strategies. These objectives build off of each other so they were done sequentially using the findings from the previous objectives.

These relationships were established by conducting open-ended interviews with the women cooperative of Ban Pang Ung Mhai, the men of the village, merchants in markets in

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<sup>&</sup>lt;sup>25</sup> See Appendix V for examples of marketing evaluation plans

<sup>&</sup>lt;sup>26</sup> See Appendix W for Marketing Evaluation Chart

Bangkok and Chiang Mai, and tourists and Thai locals in these same areas. We also did this by researching the *4P's* of a *marketing mix* and how it can be applied to a market. The interviews that were conducted allowed us to obtain information about the Cooperative that was necessary for establishing their market using the *4P's*.

While completing these objectives, the team was able to establish findings for the Cooperative, and consumers and other merchants. The following section outlines and describes these findings.

# FINDINGS and DELIVERABLES

The two sections of this chapter discuss the findings we made through discussions with the Raks Thai Foundation, Cooperative, consumers, and other merchants. These findings are broken up into "Findings for the Women's Cooperative of Ban Pang Ung Mhai" and "Findings for Consumers and Other Merchants." The second part provides an overview of the deliverables produced based on these findings, including a marketing booklet, product portfolio, picture book, and information cards and tags.

### **Findings**

This section presents the findings of our work and discusses limitations we encountered. Through the analysis of the information gathered from our conversations with the Raks Thai Foundation and the women's cooperative in Ban Pang Ung Mhai, we were able to establish the scope of our project, including the women's goals for themselves and their business. We also identified potential barriers relating to the women's success, as well as components of their marketing strategy that could be improved. Through conducting interviews and surveys of merchants and consumers, we were able to determine consumer purchasing behavior and product preferences.

#### Findings for the Women's Cooperative of Ban Pang Ung Mhai

# 1. The handicraft business serves as a source of pride and empowerment for the women of the Cooperative while supplemental income is a secondary concern.

After speaking with the women of the Cooperative, we found that while they would like to earn more profits from their business, they do not necessarily need the extra money. Depending on the size of their harvests, families in Ban Pang Ung Mhai earn anywhere between 50,000-300,000 Baht from agriculture each year. The average family has four members and needs at least 5,000 Baht per month for living expenses, so even families earning the minimum can afford the necessities of food and shelter in small wooden homes. However, families who make greater profits have the ability to live more comfortably in more stable, concrete homes, and are able to send their children to school. Therefore, a more profitable craft business would allow more families to increase their standard of living and allow education to be available to more youth in the village.

Our reading of literature about agriculturally dependent communities led the team to assume that the Cooperative was established in order to supplement inconsistent income from farming. When the team asked why the embroidery business began, Ae, the Cooperative leader, clarified that although they would benefit from additional income, they were more interested in feeling a sense of pride by accomplishing something on their own. She explained that even though "women do all the hard work for farming," men are the breadwinners of the community and are therefore entitled to make major village decisions. Ae also stated that if the women established a profitable business they "can express [their] own ideas and give [themselves] a chance to speak up since normally guys always take leadership roles and order and command things." When the members of the Cooperative come together, they are able to enjoy each other's company as well as discuss issues in the village. The team was able to compare this data to other agricultural communities in Background Section 1.1.1, where more and more women are seeking alternative sources of income to empower themselves and gain more independence.

<sup>&</sup>lt;sup>27</sup> See Appendix T for feedback from the women about our presentation

A possible limitation of this finding was that most of the information gathered to support this came from the Cooperative leader, Ae, as she was one of only three Cooperative members who could speak Thai. During our conversations, other members were present and Ae often consulted with them in order to provide answers to the team's questions; however, we cannot be sure whether she translated the other women's responses fully or summarized them based on her own interpretation.

#### 2. The women value knowledge over profits.

After compiling the information gathered from the completion of our objectives, the team presented our findings to the Cooperative in Ban Pang Ung Mhai. We found that the women were excited and interested to learn about the *4P's* of a marketing strategy to improve their business. The leader of the Cooperative, Ae, said, "I think this is very beneficial for us because if someone teach this information to us, we can understand more about marketing and what is happening in the outside world." The team also presented them with the opportunity to work with the Lofty Bamboo shop to distribute their products in Bangkok. Through our fieldwork, the team set up a trial period for the women to place ninety of their products in this shop to test their ability to sell. The Lofty Bamboo manager said that if the products sold well, they would discuss further connection with the Cooperative.<sup>28</sup> When the team introduced this idea to the Cooperative members, they were happy, but less enthusiastic than they were when gaining marketing knowledge and skills. This showed that the women are more concerned with becoming empowered through gaining knowledge and skills than increasing their profits.

# 3. Success of the Cooperative will not negatively impact the social fabric of Ban Pang Ung Mhai.

Since the women value gaining knowledge, and ultimately higher household status, the team was initially concerned that empowering the women could cause a disruption in the social fabric of the community. Therefore, men in the village were interviewed to gain insights on their thoughts about the women's craft business. Conversations with the men suggest that they support the women's initiative if it means making more money for their family. A Cooperative member's husband said, "Farming and craft sales are very different, so I do not feel the women are crossing a line."<sup>29</sup>

Even though the team made this conclusion about the social fabric of Ban Pang Ung Mhai, we realize that changes in gender roles and responsibilities can be a very sensitive issue in many communities. Although the men and women of Ban Pang Ung Mhai appear to have positive feelings towards the Cooperative, the team acknowledges that things may change if a shift in the roles becomes a reality. It is possible that the men of the village are fine with the thought of the women's empowerment, but may struggle with it once the women have more power in decisions. It is also possible that the men only see embroidery as a means to make more money for the family, and do not realize the potential implications of the women's empowerment.

# 4. The Cooperative members lack marketing mix knowledge that could make their business more successful.

We found that the women had very little knowledge in terms of aspects of a marketing strategy, specifically relating to the 4P's of a marketing mix (product, price, place, and

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<sup>&</sup>lt;sup>28</sup> See Appendix E for more information about Lofty Bamboo

<sup>&</sup>lt;sup>29</sup> See Appendix J for conversation with husband of Cooperative member

promotion). First, through our interactions with the women, the team determined that their way of pricing products was not systematic or consistent. For example, the women informed us that to gain the desired profit, they simply determined the value of the product by identifying the price of the raw material and then adding 10-20 Baht based on the difficulty of the embroidery and the time for labor. When comparing the cost of a piece of their embroidered fabric to the amount of products that could be made from it, the team realized that their products were often underpriced, which negatively affected their profits. Second, we discovered that the women knew little about designing a product. Their products lacked variety, as they mostly produced certain types of bags as shown in Figure 15. They also had little understanding or reasoning to their color combinations, and, although not as important as other aspects of a product, they did not take into consideration the functionality, such as purpose of pockets or popular dimensions. We found that the Cooperative had no way to advertise or promote their products or business, such as a name, logo, information cards, or picture books. The women were excited when presented with the idea of providing consumers with background on their village and their handicrafts through these promotional means. Finally, the team found that the Cooperative was unaware of different distribution options for their products besides their current methods of selling products in their village and working with the Royal Projects Shops.



Figure 15: Two Types of Bags made by the Cooperative

#### **Findings for Consumers and Other Merchants**

# 5. Consumers are attracted to smaller handicraft products and are more interested in product design than functionality.

In compiling information from interviews with the craft merchants, the team found that the three most purchased products were key chains, small bags, and scarves, as opposed to other options such as clothing, dolls, or home décor. The Assistant Managing Director of Thai Tribal Crafts, Khun May, shown in Figure 16, supported this by saying, "The bestselling products are small bags."<sup>30</sup>

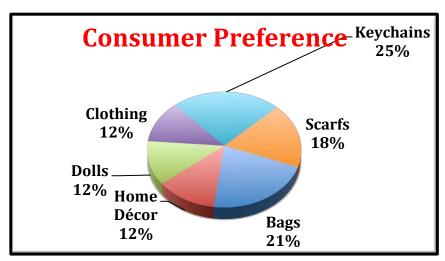
 $<sup>^{\</sup>rm 30}$  See Appendix G for visit summary with Thai Tribal Crafts Fair Trade Shop in Chiang Mhai



Figure 16: Interview with Khun May

Further confirmation for this finding came from interviews with tourists. One tourist interviewed in Doi Pui said, "I find the handcrafted products interesting, but when I am travelling, I want to get small items that don't take too much space in my luggage."<sup>31</sup>

A graphical representation of consumer product preferences based on tourist interviews is shown in Figure 17. The team justified the validity of the small sample size of interviewed tourists due to the triangulation of the collected data, meaning that the team was able to make conclusions with a small sample size since many of the interviewees from multiple locations shared similar responses.



**Figure 17: Interview Results of Consumer Product Preferences** 

After interviewing merchants, the team found that, in the merchants' opinion, the consumers were much more attracted to the style and trend of the product, than to the functionality, as shown in Figure 18. After the team discovered this, we researched ways to assist the Cooperative in the design aspect of their marketing strategy. Through this

<sup>&</sup>lt;sup>31</sup> See Appendix P for tourist interview scripts

research, the team sourced the Thailand Cultural Center to include their appealing color combination pallets in the marketing booklet provided to the women.<sup>32</sup>

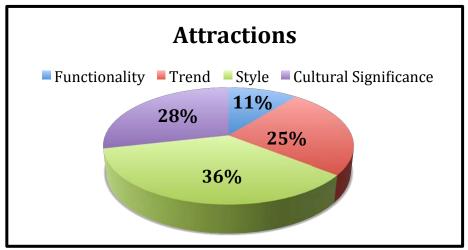


Figure 18: Merchant Perspective on Reasons for Consumer Attraction to Products

# 6. Conservation and promotion of culture are important to maintain consumer attraction.

From researching markets, the team learned that it is important to identify target consumers in order to effectively sell any product or service. This is consistent with our literature research on developing and evaluating marketing strategies, since each example mentioned the importance of establishing the consumer. The team interviewed ten different craft merchants in Bangkok and Chiang Mai in order to determine the main consumers of handicraft items. When posed the question, "Who is your main consumer?" seven of the ten merchants answered, "Tourists." Based on these results and our previous discussion with the women of the Cooperative, it was confirmed that the target consumers were tourists. The team focused on tourists, by interviewing them about their purchasing behavior in order to better understand what they look for in a product. As shown in Figure 19, tourists purchased handicraft products because of the "Cultural Significance" more so than any other reason. One tourist interviewed stated, "The reason I buy crafts, whether it may be handcrafted fabrics, glasses, or clothing, is because I want to share the culture I experience with my loved ones back home. I also want something that can help me remember where I once was."

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<sup>32</sup> See Appendix X for Marketing Booklet

<sup>33</sup> See Appendix N for results of merchant surveys



Figure 19: Tourists' Attraction to Products

Other tourists expressed similar appreciation about the cultural background of a product. They said that oftentimes they were uncertain of where a product was made and were unaware of the labor and techniques required to produce them. The team found that these consumers valued information cards and tags that informed them of the handmade products. Having this information made the tourists more inclined to buy the products. One couple interviewed at Chatuchak Market stated, "If we saw two bags in a market and one bag had information about who made the product and the methods that were used to produce it, we would choose the bag with the information."<sup>34</sup>

This finding is also supported through our observations of other merchants. The team found that merchants whom had some form of product promotion did not express difficulty selling their products like those who did not promote their products. This is relevant since the target consumers are tourists who are more attracted to cultural significance, as stated previously in our findings. Figure 21 shows the different advertising and promotional tools used by merchants to increase the appeal of their products by creating an emotional connection with the consumer.

<sup>&</sup>lt;sup>34</sup> See Appendix Q for full script of interview



Figure 20: Advertising Tools Used by Merchants

The Cooperative members of Ban Pang Ung Mhai and a merchant in Doi Pui further confirmed this finding by providing the team with personal insights about the importance of tradition. When the team spoke to Ae about product design, she mentioned that the Cooperative members have continued to use the same embroidery patterns because they have noticed that consumers found the simple flower design to be authentic and traditional for Hmong culture. She said that consumers expressed interest in their flower and elephant patterns, which are unique from other cooperatives. Examples of these two embroidery patters are shown in Figure 21 and Figure 22.



Figure 21: Flower Pattern



Figure 22: Elephant Pattern

A craft merchant in Doi Pui explained to the team how her village had been struggling financially after turning away from tradition. The village of Doi Pui had been viewed as a tourist attraction that provided a means for tourists to experience tribal culture. The merchant in Doi Pui stated, "Tradition is the main factor that attracted tourists to visit here and take a picture." However, in order to keep up with demands from increased amounts of tourism, they modernized their village and marketing methods, losing what tourists saw as the community's cultural identity in the process. When Doi Pui modernized, its craft merchants stopped producing traditional handicraft items and began assembling products from cloth purchased in Chiang Mai. The village experienced a significant decrease in sales because tourists were no longer interested in visiting the village. The craft merchant followed up by stating, "Today numbers of tourists decrease because the village has changed so much." 35

Although the team has found that cultural significance and emotional background are appealing to consumers, we would like to note that a limitation to this finding is that mass-production may still affect the sales of traditional handicraft products. Since our fieldwork showed that forty percent of tourist consumers said "Cultural Significance" was their main attraction to the product, the team realizes that conserving this one factor will not guarantee customer attraction. For example, two tourists we interviewed said that the low prices and convenience of finding mass-produced items has led them to buy those over products in which they knew the history.

# 7. Location of product distribution is a key determinant in the amount and frequency of handicraft sales.

Through background research and visits to the villages Doi Pui and Doi Khun Chang Kien, we found that location is a major factor in selling products. Since both villages are located about an hour outside of Chiang Mai, as shown in Figure 27, craft merchants in these villages do not experience the problem of limited consumers that the women's cooperative in Ban Pang Ung Mhai faces. A woman selling crafts in Doi Khun Chang Kien has encountered very few problems in the five years that she has relied on embroidery income. Due to the short distance, she and other village members are able to travel to Chiang Mai to sell items in the popular weekend markets; which is a luxury that the women of Ban Pang Ung Mhai do not have since they are five hours away from Chiang Mai. The merchant believes, "Sunday Market at Chiang Mai really helps increasing the sales." Members of both villages suggest that even if merchants are unable to go to Chiang Mai, tourists pass through the village often enough to produce sufficient sales. Not only are there tourist attractions close by, but these hill-tribe villages are also stops for many Chiang Mai day tours.

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<sup>35</sup> See Appendix K for full script of interview



Figure 23: Map of Area Outside of Chaing Mai

Our findings led us to the development of physical deliverables to assist the Cooperative in Ban Pang Ung Mhai in improving their business.

#### **Deliverables**

Based on the above findings, the team realized the importance of empowering the Cooperative with marketing knowledge, as well as promoting their business in ways that would attract consumers. This section explains the physical deliverables produced in collaboration with the Cooperative of Ban Pang Ung Mhai to assist them in establishing a more sustainable craft business. The four deliverables that resulted at the end of this project were:

- 1. marketing strategy booklet
- 2. information cards and tags
- 3. picture book
- 4. product portfolio

Each of these deliverables is explained in detail in the following sections.

#### 1. Marketing Strategy Booklet

The team produced an informational booklet after assessing the weaknesses in marketing strategy knowledge in the Cooperative. The purpose of this booklet was to educate the women about the *4P's* of a marketing strategy, including *product*, *price*, *place*, *and promotion*. It provided them with the tools necessary to create a more sustainable craft business. As stated in Finding 2, the women were excited when presented with components of this booklet to make them aware of ways to improve their marketing strategy. Some examples of its components are:

- a Return on Marketing Investment chart to assess business inputs and outputs
- a guide to attractive color combinations for products
- a guide for pricing methods
- a *Self-Evaluation Chart* consisting of questions to be used to evaluate the goals of the business and reflect on any positive or negative effects to promote continuous improvement

The team would like to note that this deliverable is one that can be utilized to benefit cooperatives in other villages in similar situations to Ban Pang Ung Mhai.<sup>36</sup>

<sup>&</sup>lt;sup>36</sup> See Appendix X for complete Marketing Strategy Booklet

#### 2. Information Cards and Tags

In order to promote the Cooperative and their products in different shops and venues to display their culture and attract consumers, as shown to be beneficial for sales in Finding 6, we worked with the women to produce product information cards and tags. These items contain the Cooperative's name and symbol, information about the village and their business, and pictures to represent their work and products. The cards can be displayed beside the products to provide the consumer with an emotional connection to the women and their products, and the tags can be attached to the products for the same effect. Figure 24 shows both sides of the information card<sup>37</sup> and Figure 25 shows the tags.<sup>38</sup>

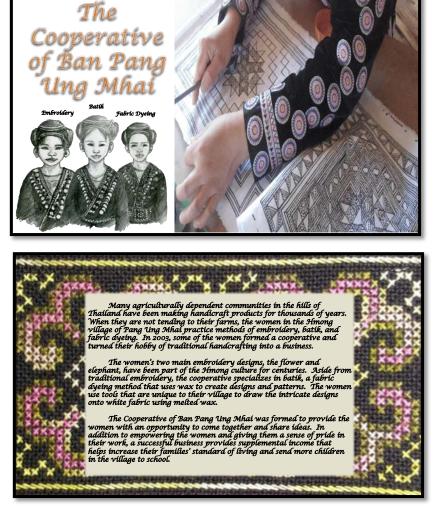


Figure 24: Front and Back Views of Information Card

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<sup>&</sup>lt;sup>37</sup> See Appendix Z for closer view of information card

<sup>&</sup>lt;sup>38</sup> See Appendix AA for closer view product tag

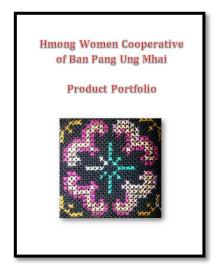




Figure 25: Front and Back of Tag

#### 3. Product Portfolio

We created a product portfolio to allow the women to keep track of the history of their products, as well as give them a means to display their products to consumers and merchants in an organized fashion. The portfolio consists of photos of the cooperative's products, as well as the name, description, and features of each. Since we found that businesses typically wanted to see examples of the women's products, the women can bring this portfolio along with product samples to various shops and venues when looking for different distribution channels for their products in order to highlight their business to merchants. The women can also add to this portfolio as they create new products. Figure 26 shows the cover of the portfolio.<sup>39</sup>



**Figure 26: Cover of Product Portfolio** 

#### 4. Picture Book

The purpose of creating a picture book was to display the village of Pang Ung Mhai, the Hmong culture, and the work of the women's cooperative. It contained pictures of the

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<sup>&</sup>lt;sup>39</sup> See Appendix Y for complete portfolio

village, as well as action photos of the women in the Cooperative producing their handicrafts in order to promote their business, like those in Figure 27. This album could be placed in venues next to the Cooperative's products to advertise to consumers where the products came from and their cultural significance. As stated in Finding 6, merchants who had the most promotional tools did not express difficulty in the sales of their products. This picture book will give the Cooperative another way to publicize their work.<sup>40</sup>





Figure 27: Members of Ban Pang Ung Mhai

We presented initial ideas for these deliverables to the Cooperative in the second visit to Ban Pang Ung Mhai and used *participatory action research* to discuss what the women wanted for the final creations. This allowed us to revise the ideas and finalize them. We then presented all of the items to the Cooperative and provided them with recommendations on utilizing them. Additional recommendations were also made to the Cooperative and the Raks Thai Foundation. All of these recommendations are discussed in the following chapter.

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<sup>&</sup>lt;sup>40</sup> See Appendix AB for more examples of pictures in photo book

# CONCLUSIONS AND RECOMMENDATIONS

#### Recommendations

After completing our objectives and analyzing our data to produce findings and deliverables, the team developed recommendations for the Cooperative of Ban Pang Ung Mhai and the Raks Thai Foundation, as well as recommendations for future projects. The team made suggestions to the Cooperative to assist them in developing and maintaining a more profitable craft business. First, the team suggested ways to improve the women's marketing strategy after analyzing the findings related to the 4P's (product, price, place, and promotion). Second, the team made recommendations to the Raks Thai Foundation for evaluating the initial improved marketing strategy and its potential use in communities similar to Ban Pang Ung Mhai, as well as recommendations for the women to evaluate their embroidery business to promote continuous improvement on their own. Finally, the team provided possible ideas for the continuation of this project or future projects related to issues facing agriculturally dependent communities in Thailand.

#### **RECOMMENDATIONS FOR THE COOPERATIVE**

### We recommend that the women be mindful of consumer product preferences.

Although Finding 5 indicates that the most popular products purchased by the main consumers were smaller items, consumers also showed interest in other products besides small bags and key chains. Based on this finding, we recommend that the women pay attention to consumer interest and consider expanding their products to more than just different types of bags; such as scarfs, home décor, clothing, or dolls.

Since one of the women's products is a laptop case, we suggest that the women keep in mind the dimensions of popular electronic devices in order to accommodate a variety of products. Most electronic devices fall under six main dimensional categories: smartphones, small tablets, large tablets, netbooks, small laptops, and large laptops.

For visual design, the team suggests utilizing fabric and yarn colors that complement each other. To do this, the women should refer to the marketing booklet we developed, where we give examples of appealing color combinations and trends based on information gathered from the Thailand Cultural Design Center (TCDC).<sup>41</sup>

# We recommend that the women continue to use their traditional embroidery patterns to conserve their culture and maintain consumer attraction.

Our conversations with the Cooperative strongly suggest that they felt that portraying their culture in their products was important to the unique identity of their business, and maintaining consumer attraction. As revealed in Finding 6, consumers appreciate and value the tradition and culture of products. The women's cooperative in Ban Pang Ung Mhai felt customers preferred the traditional look of the flower and elephant patterns, as it distinguishes them from other cooperatives' work. Also, we found that merchants in other villages experienced decreased sales and tourist attraction after modernizing their products. Based on this, we recommend that the women continue using their two main handcrafted designs in order to conserve their cultural identity through their products to maintain customer attraction and increase product sales.

<sup>&</sup>lt;sup>41</sup> See Appendix X for Marketing Booklet

#### We recommend that the women distribute their products in main tourist attractions.

Based on Finding 7, developed from interviews with merchants and tourists, it was concluded that consumers initially visit markets and venues because of their popular location. The remote location of Ban Pang Ung Mhai attracts a limited number of consumers, which hinders the ability of the Cooperative to maintain a profitable business. In addition, the women lack the time necessary to sell their products on their own due to agricultural duties. Based on this, the team recommends that the women seek alternative distribution channels to increase the sales of their products. We suggest starting out small to ensure that they are able to keep up with the production demand.

Also, information collected from visiting different stores and markets showed that methods and policies for selling products differ, so the women should assess the feasibility of the different options before committing. For example, the cooperative is currently under a trial period with the Lofty Bamboo in Bangkok. Through our visits to the shop, there is strong suggestion that the women's products will sell based on the shop's current products and their means of promotion. The team recommends that the women complete the trial period and decide if they would like to continue providing products to this venue. In making this decision, the women should consider how well their products sell, as well as the feasibility of fulfilling orders. This trial will allow them to have a possible option for future product distribution if the Lofty Bamboo feels the partnership would be successful.

# We recommend that the women promote their products and village by using the information cards, tags, and photo books.

Based on our interviews with craft merchants, those who advertised their business and products had less difficulty with sales. In order to establish a more profitable business, it is suggested that the women advertise their business to add value to their products. Finding 6 indicates that tourists are the main consumers of craft products, and that they are more inclined to buy products with cultural significance. Therefore, we recommend that the women advertise their culture and village with information cards, picture books, and tags with a logo for their business. Other promotional means that could enhance cultural significance and attract more consumers towards their products could be discussed amongst the women of the cooperative and established later. The team also recommends that the women continue developing the product portfolio we started for them, by adding pictures of products and their dimensions. Through our own experience with visiting shops in Bangkok and Chiang Mai to find the feasibility of further product distribution for the cooperative, we concluded that venues want to see multiple item examples to assess the type and quality of the products. Therefore, this portfolio could be brought along with product samples to merchants and venues when seeking other means of distributing their products.

#### We recommend that the women analyze the marketing strategies of other merchants.

Through conversations with the women of the Cooperative, there was strong evidence that the women had little understanding of markets outside of their village. They were excited to gain such knowledge when the team talked with the women about the *4P's* of a marketing strategy and shared the results of our consumer and merchant interviews. As stated in Finding 2, Ae, the cooperative leader said, "This is very beneficial for us because if someone teaches this information to us, we can understand more about marketing and what is happening in the outside world."

The techniques used by the team to gather the information presented to the women are ones that can also be used by the women themselves in the future. Therefore, we recommend that the women of the Cooperative use the same techniques on their own to gain insight from other merchants in order to get ideas for their own business. These techniques can be found in the Marketing Booklet provided for the cooperative.<sup>42</sup> With the knowledge that the team gathered through simply talking to people throughout these venues, the team concludes that the women would benefit from collaborating with other craft merchants.

#### We recommend that the women routinely evaluate their business for improvement.

Through the methods of this project, the women were educated on the purpose and benefits of evaluating their market. Our research from marketing literature and analysis of techniques used by other merchants showed that in order to improve a business, merchants should continually assess all aspects of their marketing strategy. The team suggests that the women utilize the tools provided to them in the marketing strategy booklet we created, which includes specific routine self-assessment methods, specifically relating to sales and distribution, customer satisfaction, and effects on their family and community. Being able to effectively analyze their work and make improvements to their business will empower the women by allowing them to maintain success on their own in the future.

From initial conversations with women in the Cooperative and insight from the Raks Thai Foundation, the team found that the women have little time off from their agricultural and family duties. Therefore, we concluded that it is important for the women to take their embroidery business only as far as they feel necessary without affecting their normal lifestyle. Since Finding 1 shows that the village does not need the extra income to survive and the embroidery business is an enjoyable pastime used to create a better quality of life, we suggest the women continuously assess the positive and negatives affects that their business has on their lives. If the women feel the business is too taxing on themselves and their families and disrupting their culture and daily lives, we suggest that they stop and examine the cause of the stress, and how it can be changed to become pleasant again.

#### RECOMMENDATIONS FOR RAKS THAI FOUNDATION

# We recommend that the Raks Thai Foundation evaluate the effectiveness of the implemented strategy so that it can be utilized to benefit other communities.

Due to time constraints, our team was not able to perform a complete evaluation of whether or not our methods would be beneficial in enabling the Cooperative to continue using the gained knowledge and tools to improve their business and maintain success in the future. Since the Raks Thai Foundation will remain in contact with the Cooperative, the team recommends the Raks Thai Foundation periodically interview the women to analyze the effects of our methods and the implemented strategy to determine if the goals of the project were met. We suggest that the Raks Thai Foundation assess the strengths and weaknesses of the strategy based on the answers to the women's Self Evaluation Chart in order to alter it and increase its effectiveness.<sup>43</sup>

Our findings indicate that there are many villages in Northern Thailand in situations similar to the Cooperative of Ban Pang Ung Mhai. Therefore, the team created this strategy and the deliverables with the intention of it being utilized by other communities, regardless of the

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<sup>&</sup>lt;sup>42</sup> See Appendix X for the Marketing Booklet

<sup>&</sup>lt;sup>43</sup> See Appendix W for the Marketing Evaluation Chart

type of business. However, because of time constraints, we do not know how well our methods will work in other communities. We recommend that the Raks Thai Foundation improve the marketing strategy based on the results from Ban Pang Ung Mhai, and use it to benefit similar communities in Thailand.

#### RECOMMENDATIONS FOR FUTURE PROJECTS

# We recommend that the Raks Thai Foundation sponsor a project to implement and assess the effectiveness of our marketing strategy in other villages in Thailand.

Since the improved marketing strategy was created with the intention of being applied to other villages in similar situations to the Hmong women's cooperative in Ban Pang Ung Mhai, the team recommends a future project with the Raks Thai Foundation to assess the effectiveness of our marketing strategy and methods in other villages. The project would involve following the methods we used with the Cooperative to implement our marketing strategy in other villages and evaluating its effects.

# We recommend a project assessing the problem of "slash-and-burn" techniques in agriculturally dependent communities.

During our site visits to Ban Pang Ung Mhai and other local villages, we were informed about the agricultural technique of "slash-and-burn" employed in Northern Thailand, as mentioned in Background Section 2.1.1. This technique consists of the farmers burning leftover crops and plots of land that are unable to be consumed or utilized. This has proven to be a serious health hazard to residents in these areas, as community members expressed there are often warnings to avoid visiting because of the risk of high smoke inhalation. We suggest a further project could be to assess these "slash-and-burn" techniques in agriculturally dependent villages in Northern Thailand and to investigate safer ways of clearing land and disposing of excess crops.

Finding 2 may be relevant to this project, as the team can assume that educating these community members will empower them towards a healthier lifestyle.

#### **Conclusions**

The goal of this project was to empower the women's cooperative in Ban Pang Ung Mhai by promoting skills for improving a marketing strategy in order to establish a more profitable craft business. The focus of this project was on empowerment, an important component of the Raks Thai Foundation's mission to create "a civil society with improved quality of life, rights and equality where people determine their own destinies and development is sustainable." Women in many rural and traditional communities are typically viewed as having a secondary status to the men. Through the use of *participatory action research*, we enabled these women to gain the skills and knowledge necessary to improve their business on their own in the future. Through the success of their business and the ability to provide additional income for their families to improve their quality of life, the women will find pride in their work and in themselves.

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# **APPENDIX**

# **Appendix A: Summary of Conversation with Khun Visit**

We asked Khun Visit about any significant agricultural challenges communities face in the North. He went on to tell us a story about opium farming and the impacts of its banishment. He told the team that for a long time, opium crops provided farming communities in the North with substantial income. It seemed as if all farmers in Northern Thailand grew and harvested opium until the government banned opium crops. He continued on to say that this left farmers in a really poor situation financially. Their whole lives had been spent depending on this craft crop, and it was pulled out from under them. Farmers were forced to seek alternative crops for income, but this took some time as their fields were prepared for opium. Some large produce companies came in to help the farmers start over with other produce. The companies supplied the seeds and tools necessary to begin harvesting tomatoes, corn, cabbage, potatoes, and more. Groups from all over the north received help including the Hmong, Akha, and other hill tribes. Khun Visit said things were fine for a while since communities were happy to have found an alternative to opium crops. However, the companies controlled everything. Farmers were able to sell some of the harvested crops in the local markets, but the majority of sales were dedicated to the company buying back their produce. According to Khun Visit, the companies took advantage of the farmers and bought their crops at very low prices since the famers could not depend on market sales for income and therefore had no other options. Most communities were able to still make a stable living, but some experienced some hardships. He continued suggesting that being a farmer in Thailand can be very difficult to begin with there are many problems.

One other problem facing farmers in Northern Thailand that Khun Visit discussed concerned the disposal and clearing of crops. In Thailand, much like many other places globally, it is illegal to cut down and burn trees in order to create an area for farming; this method is commonly known as "slash-and-burn." Reasons for its illegality is due to the harm the fire does to the soil, as well as the negative impacts the smoke and clearing of trees has on the environment. Khun Visit says that farmers do not utilize these techniques, but similar methods are used to get rid of excess crops that are just as harmful. Farmers in the area are quite unaware of composting methods. Khun Visit seemed to understand the basics of what composting does, but is very unsure of how to implement compositing strategies; he says most famers have a similar lack of knowledge. So, in order to get rid of harvest waste, large piles extra plants, stalks, and weeds are set on fire. Sometimes, this strategy leads to trees and surrounding land catching on fire, resulting in an accidental slash-and-burn situation. The real problem with burning potential compost piles is the dangerous air conditions it produces. After harvest, so many farming communities are setting fires that the air becomes toxic to breathe. According to Khun Visit, warning signs are put up in the north discouraging people from travelling there unless completely necessary.

### Appendix B: Summary of Initial Visit with the Raks Thai Foundation

During our first meeting with the team sponsor, the Raks Thai Foundation, the Thai students presented our initial proposal. Then discussion took place to clarify the project goals. Conversations took place in Thai and were then translated into English. The following passages are summaries of the first meeting's main topics.

### **About the Village Members**

Good news! There are some women in the cooperative that speak Thai! All of the women speak Hmong, and there are only about three that are fluent in Thai. Some of the women understand Thai, but will have to respond in Hmong to be translated by the leader of the cooperative, Ae. The village runs like most Thai homes in terms of culture. We should be respectful to the elders and the men, and take our shoes off before we enter their homes. The village members do not practice Buddhism; they are Christian so they will attend church on Sundays. Every other day most members are farming. The women take on the most responsibilities when it comes to the hard labor of farming, and the men sell the crops in markets. The village members are very close, and all operate like a family. Members help each other out and offer support to one another. Most of the families are big; this is especially due to the fact that some of the men have more than one wife.

## **Cooperative of Ban Pang Ung Mhai**

Currently there are 17 women (max) participating in the cooperative. The actual number varies depending on time of year because farming and other responsibilities get in the way. The Raks Thai Foundation believes the women have a problem selling their products due to high prices and poor product designs. Other problems facing the village are linked to their location. They have two options for selling their products: in their village and in the Royal Project Shops. The Royal Project Shops give the women orders and then pick up the merchandise to sell in their stores; the women get paid half up front and half when the last of the products are sold. The only other option they have right now is Bua Tong Garden, a popular tourist attraction, but it is 30 km from the village. Their isolated location and low variety of products make it so the women cannot continually sell their products. Income is very inconsistent and sales have been decreasing over the years.

The reason the women began the cooperative was to empower themselves. They have a lower status than the men in the village and would like more equality. They work very hard during the farming season, but the men have more respect because they are the ones to actually bring money to the families. The Foundation members were really happy to hear that our proposal included skill-building and *participatory action research* methods. They believe that if the women can learn skills, they would become sustainable and not need support from the Raks Thai Foundation anymore. For *SWOT Analysis*, from discussion the team could tell that they knew what the method of analysis was but not how to implement it. After a brief explanation, they thought that it was a good idea. The Foundation members stressed that all methods we use should be shared with the members of the cooperative so they can learn how to analyze their own business in the future. For the end of the product, the Foundation members would like the cooperative to be successful and have increased profits. More importantly, they would like our methods to be documented in such a way that the Raks Thai Foundation can help other communities in Thailand struggling with consistent income.

# **Logistics about Visiting Bang Pang Ung Mhai**

We can go to the village as often as we want; the main hindrances are our time constraints and the availability of the women to talk with the team. The best times to visit the women would be early morning and in the afternoon on weekdays because they farm every day and attend church on Sunday. The team may go to the village without a representative from the Raks Thai Foundation, but they would like to know when we are going and how long we will be there. Khun Nat will be our contact person with the village and arrange any trips for the team. For the trips, it will take 3 hours to get from here (Chiang Mai) to Mae Chaem, and then another 2 hours to get to the village so dress comfortably!

# **Appendix C: Case Studies of Consumer Purchasing Behavior and Cultural Significance**

Several case studies have been performed over the years related to rural communities and the marketing of their handicrafts. The following studies have been analyzed in order for us to determine aspects of marketing strategies that may prove to be helpful to the women of Baan Pang Ung Mhai.

#### Consumer Product Preferences in Two Ethnic Handicraft Shops in San Diego, California

In 2006, another case study was performed which compared the different marketing strategies used by two stores in San Diego to sell Latin American crafts (Becvar). The first strategy, employed by Bazaar del Mundo, presents information about the products in an aesthetic way that introduces the buyer to the culture of the artisan. The second strategy presents the crafts as artwork in a museum -like setting in a store named the Expressions of Mexico Gallery. The comparison of these two niche markets demonstrates the importance of determining a target consumer. In Bazaar del Mundo, the main customers are tourists or locals of California who are not of Latin American descent and are therefore generally unfamiliar with the customs and traditions of the artisans shown in the shop. In order to educate consumers; each item in the Bazaar comes with a tag that tells a little story. The story may include where the product was made, how it was made, and a little bit about the history of the village or culture from which it came. The use of these tags implies that cultural background is an important part of selling ethnic crafts. The owner of the Bazaar suggests that the tags present craft knowledge, defined as "a sensory appreciation of a product's qualities, a modest understanding of different techniques, and the imagination to construct a products back story, or social narrative of the cultural traditions from which the product comes" (Becvar, p. 41). This strategy of the Bazaar integrates facts about the crafts with an intimate familiarity of what the buyer can bring home. The setup of the store acts in a similar way. Straying away from the conventional store layout, the Bazaar looks more like a home than a small shop. The shop owner explains, "we sell a lifestyle, not just individual items," (Becvar, p. 72) Vibrant colors splash the walls; a kitchen table is set up with embroidered table cloths and placemats; there is a small library section filled with books celebrating the crafts and cultures represented in the store. This allows the customers to educate themselves on which crafts are worth collecting, how they can be used or displayed in the home, and the importance of these ethnic crafts in producing a cultural history of Latin American peoples. The ethnic identity of the crafts adds a weight to the authenticity of the products.

The Expressions of Mexico Gallery takes on a more formal approach to informing customers of their merchandise. The descriptors used in this store follow what one might expect from a gallery. The information given includes the title of the piece, the name of the artist, the price, and a general description of what the piece is. These tags developed by the gallery distinguish "craft" from "folk art" from "fine art" through the use of the artist's name. Craft artisans are rarely identified, unless they have become particularly famous with their work, so displaying the artisan's name next to each piece elevates the relative status of the artisan. As opposed to the Bazaar's mainly American customers, the Gallery's popular consumers include Mexicans and Mexican-Americans that presumably know a little about the ethnic culture already; therefore the ethnic crafts can be presented independently rather than depend on cultural information to be desirable to consumers (Becvar, pp. 67-69).

As shown through this case study, the representation of products in a retail space is very important in terms of the kind of customer the store is trying to attract. In markets where customers know little about the Hmong culture and the Cooperative of Ban Pang Ung Mhai, a strategy similar to that used in the Bazaar del Mundo may be an efficient one; whereas we may implement a strategy like the one used in Expressions of Mexico Gallery in markets where the history of hilltribes is common knowledge. It will be important to decide whether people will be prompted to buy the Cooperative's embroidery due to the appeal of ethnic history, or because of personal ties to the products.

# **Consumer Purchasing Behavior of Cultural Items in Korea**

In 2008, Korean researchers studied the purchase behaviors of American, Korean, and Chinese female consumers towards Korean textiles and apparel-related cultural products. The researchers studied and investigated consumer purchase behaviors related to novelty-seeking tendency, world-mindedness, and familiarity with Northeast Asian culture. The research shows that the most important factors influencing the buyers' purchase decision are the color and design of the products. This indicates that with a good design and marketing plan, cultural products can be sold in villages to visiting tourists, as well as sold commercially in retail stores.

### **Appendix D: 10 Principles of Fair Trade**

WFTO prescribes 10 Principles that Fair Trade Organizations must follow in their day-to-day work and carries out monitoring to ensure these principles are upheld:

### Principle One: Creating Opportunities for Economically Disadvantaged Producers

Poverty reduction through trade forms a key part of the organization's aims. The organization supports marginalized small producers, whether these are independent family businesses, or grouped in associations or co-operatives. It seeks to enable them to move from income insecurity and poverty to economic self-sufficiency and ownership. The organization has a plan of action to carry this out.

### **Principle Two: Transparency and Accountability**

The organization is transparent in its management and commercial relations. It is accountable to all its stakeholders and respects the sensitivity and confidentiality of commercial information supplied. The organization finds appropriate, participatory ways to involve employees, members and producers in its decision-making processes. It ensures that relevant information is provided to all its trading partners. The communication channels are good and open at all levels of the supply chain.

# **Principle Three: Fair Trading Practices**

The organization trades with concern for the social, economic and environmental well-being of marginalized small producers and does not maximize profit at their expense. It is responsible and professional in meeting its commitments in a timely manner.

Suppliers respect contracts and deliver products on time and to the desired quality and specifications. Fair Trade buyers, recognizing the financial disadvantages producers and suppliers face, ensure orders are paid on receipt of documents and according to the attached guidelines. An interest free pre-payment of at least 50% is made if requested.

Where southern Fair Trade suppliers receive a pre-payment from buyers, they ensure that this payment is passed on to the producers or farmers who make or grow their Fair Trade products.

Buyers consult with suppliers before canceling or rejecting orders. Where orders are cancelled through no fault of producers or suppliers, adequate compensation is guaranteed for work already done. Suppliers and producers consult with buyers if there is a problem with delivery, and ensure compensation is provided when delivered quantities and qualities do not match those invoiced.

The organization maintains long term relationships based on solidarity, trust and mutual respect that contribute to the promotion and growth of Fair Trade. It maintains effective communication with its trading partners. Parties involved in a trading relationship seek to increase the volume of the trade between them and the value and diversity of their product offer as a means of growing Fair Trade for the producers in order to increase their incomes. The organization works cooperatively with the other Fair Trade Organizations in country and avoids unfair competition. It avoids duplicating the designs of patterns of other organizations without permission.

Fair Trade recognizes, promotes and protects the cultural identity and traditional skills of small producers as reflected in their craft designs, food products and other related services.

# Principle Four: Payment of a Fair Price

A fair price is one that has been mutually agreed by all through dialogue and participation, which provides fair pay to the producers and can also be sustained by the market. Where Fair Trade pricing structures exist, these are used as a minimum. Fair pay means provision of socially acceptable remuneration (in the local context) considered by producers themselves to be fair and which takes into account the principle of equal pay for equal work by women and men. Fair Trade marketing and importing organizations support capacity building as required to producers, to enable them to set a fair price.

# Principle Five: Ensuring no Child Labor and Forced Labor

The organization adheres to the UN Convention on the Rights of the Child, and national / local law on the employment of children. The organization ensures that there is no forced labor in its workforce and / or members or homeworkers.

Organizations who buy Fair Trade products from producer groups either directly or through intermediaries ensure that no forced labor is used in production and the producer complies with the UN Convention on the Rights of the Child, and national / local law on the employment of children. Any involvement of children in the production of Fair Trade products (including learning a traditional art or craft) is always disclosed and monitored and does not adversely affect the children's well-being, security, educational requirements and need for play.

# Principle Six: Commitment to Non Discrimination, Gender Equity and Freedom of Association

The organization does not discriminate in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, HIV/Aids status or age. The organization provides opportunities for women and men to develop their skills and actively promotes applications from women for job vacancies and for leadership positions in the organization. The organization takes into account the special health and safety needs of pregnant women and breast-feeding mothers. Women fully participate in decisions concerning the use of benefits accruing from the production process.

The organization respects the right of all employees to form and join trade unions of their choice and to bargain collectively. Where the rights to join trade unions and bargain collectively are restricted by law and/or political environment, the organization will enable means of independent and free association and bargaining for employees. The organization ensures that representatives of employees are not subject to discrimination in the workplace.

Organizations working directly with producers ensure that women are always paid for their contribution to the production process, and when women do the same work as men they are paid at the same rates as men. Organizations also seek to ensure that in production situations where women's work is valued less highly than men's work, women's work is revalued to equalize pay rates and women are allowed to undertake work according to their capacities.

#### **Principle Seven: Ensuring Good Working Conditions**

The organization provides a safe and healthy working environment for employees and / or members. It complies, at a minimum, with national and local laws and ILO conventions on health and safety.

Working hours and conditions for employees and / or members (and any homeworkers) comply with conditions established by national and local laws and ILO conventions.

Fair Trade Organizations are aware of the health and safety conditions in the producer groups they buy from. They seek, on an ongoing basis, to raise awareness of health and safety issues and improve health and safety practices in producer groups.

# Principle Eight: Providing Capacity Building

The organization seeks to increase positive developmental impacts for small, marginalized producers through Fair Trade.

The organization develops the skills and capabilities of its own employees or members. Organizations working directly with small producers develop specific activities to help these producers improve their management skills, production capabilities and access to markets - local / regional / international / Fair Trade and mainstream as appropriate. Organizations which buy Fair Trade products through Fair Trade intermediaries in the South assist these organizations to develop their capacity to support the marginalized producer groups that they work with.

#### **Principle Nine: Promoting Fair Trade**

The organization raises awareness of the aim of Fair Trade and of the need for greater justice in world trade through Fair Trade. It advocates for the objectives and activities of Fair Trade according to the scope of the organization. The organization provides its customers with information about itself, the products it markets, and the producer organizations or members that make or harvest the products. Honest advertising and marketing techniques are always used.

# **Principle Ten: Respect for the Environment**

Organizations which produce Fair Trade products maximize the use of raw materials from sustainably managed sources in their ranges, buying locally when possible. They use production technologies that seek to reduce energy consumption and where possible use renewable energy technologies that minimize greenhouse gas emissions. They seek to minimize the impact of their waste stream on the environment. Fair Trade agricultural commodity producers minimize their environmental impacts, by using organic or low pesticide use production methods wherever possible.

Buyers and importers of Fair Trade products give priority to buying products made from raw materials that originate from sustainably managed sources, and have the least overall impact on the environment.

All organizations use recycled or easily biodegradable materials for packing to the extent possible, and goods are dispatched by sea wherever possible.

### **Appendix E: Lofty Bamboo**

The Lofty Bamboo is a shop selling Fair Trade Handicrafts in Bangkok committed to "preserve traditions and nature in villages under Fair Trade philosophy" and "support the self-reliance of villages" ("Lofty Bamboo," 2012). The Lofty Bamboo is associated with the World Fair Trade Organization, and follows the 10 Principles of Fair Trade as written by the WFTO. The company works with various villages by purchasing their products and selling them in their shop. By working with the Lofty Bamboo, developing villages are able to earn a reliable income and increase their standard of living. A goal of the shop is to help prevent villages from falling victim to modernization and losing their cultural identities. Inside the shop, products from various villages and communities are displayed for sale along with information about the villages and photo books showing the producers of the items.

The Lofty Bamboo expressed interest in working with the Cooperative of Ban Pang Ung Mhai, offering to enter into a trial period with them to see if their products would sell successfully in the shop. They requested thirty samples of three different products to sell. They agreed to display the photo book of the women's cooperative and the information card we created to promote the women's business and products to add to the cultural significance of their items.

# **Appendix F: Thai Tribal Crafts Fair Trade Company**

The Thai Tribal Crafts Fair Trade Company is a non-profit marketing agency sponsored by the Christian Service Foundation. Established in 1973 and based in Chiang Mai under the name of Thai Tribal Crafts (TTC), the objective of the company is "to provide opportunities for improving the quality of life of the tribal people in Northern Thailand." TTC became a member of the International Federation for Alternative Trade (IFAT) on May 17, 2002.

What started out as a small group of American Baptist women missionaries selling boxes of tribal handicrafts in hotels and guest houses has evolved into a full-fledged business that has helped to alleviate poverty for many hill tribes of Northern Thailand. TTC has been exporting products to commercial and fair trade organizations in the United States, Europe, Scandinavia, Australia, Japan, and other parts of Asia for over twenty-five years. They have worked with several international organizations that share the same goal, including World Vision, Ten Thousand Villages, and SERRV. These organizations purchase wholesale merchandise from TTC, as well as making suggestions in terms of new product ideas, color schemes, and marketing. As a fair trade organization, their goal is "to pay the producers the highest price as possible...any financial gain realized beyond the basic needs goes back to the tribal people in the form of benefits."

The seven hill tribes of Northern Thailand that TTC is currently involved with are the Akha, Hmong, Karen, Lahu, Lawa, Lisu, and Mien. These groups are divided into three categories: producers of finished items, producers of raw materials, and final producers. The Hmong fit into the raw materials category, as they produce the embroidery and batik cloth that the final producers will later apply to finished products such as clothes and bags ("Thai Tribal Crafts Fair Trade Co.,Ltd.," 2013).

# Appendix G: Visit Summary with Thai Tribal Crafts Fair Trade (Main Branch), Chiang Mai

#### **Assisting Hill tribes**

- "We help villages that have a problem on their livings and now we have 7 different hill tribes: Ahka, Hmong, Karen, Lahu, Lawa, Lisu, and Mien."
- "This is a free trade shop meaning that it is fair to manufacturers, retailers, and villagers."

#### **Customers**

- Missionaries
- "Our customers are mostly foreigners especially Japanese. They buy lot of our products to resell it in their country. Moreover, the products are export to Europe, Canada, and United States".
- Appeal: cheaper prices and cultural significance (what hill tribe it is from)

#### **Products**

- export to Europe, Canada, United States
- "The first priority of our concern is the quality of products."
- need to stock products from villagers before intense farming seasons
- Some products TTCFT buy fabrics then let villagers embroidery the design that TTCFT gave = paid directly
- Some products villagers buy fabrics and embroider TTCFT's design = paid percentage of profits%
- have factory in Chiang Mai for putting fabrics and designs together and for Quality Control (QC)- have designers
- · Fair Trade policy means no bargaining
- Best sellers are small bags

#### **Production Line**

TTCFT design + villagers embroidery -> TTCFT QC at Chiang Mai -> Export

### Price

- Sales: 60% to villagers, 40% to TTCFT
- Determine price by average wages in Thailand and fabrics
  - o Needs to be fair for manufacturers, retailers, and villager
- Determine price of fabric by the designs on fabrics per length of cloth (eg. Each flower on each piece)
- "People who really love the original, traditional products will not bargain the prices."

#### **Cooperative of Ban Pang Ung Mhai Collaboration**

- TTCFT has helped Hmong before, but Hmong have low production rates because the designs are delicate
- Manager is willing to let the women sell in the store, but not online
  - Hmong generally have lower production rates because their designs are so delicate
  - o Right now the cooperative is too small: online orders can be very large and need to be done in timely manner

- "We have had problems with the Hmong villages on production rate since they have less number of population to produce many products according to customer demand. Hill tribes like the Ahka always have 70+ members working on handicrafts; it is the whole village."
- o If the cooperative becomes sustainable and grows in numbers, may take items to sell online

### **Appendix H: Participatory Action Research Methods**

When conducting research that involves human subjects, it is necessary to find ways to approach the research without disrupting the social fabric of those affected in order to validate the research. *Participatory action research (PAR)* is one way to do research without damaging the social fabric of a community or individual in a community. *PAR* is a technique that includes the subjects of the study throughout the research process in order to develop an understanding of a problem and to improve it (Crane 2011). In other words, *PAR* "is a way of working together to make things better" (Frazer, Gehan, Mills and Smart 2003).

Participatory action researchers seek behavioral change on individual, group, and national levels. They want to identify ways to develop solutions in collaboration with the subjects in the research. The goal of participatory action research is to include the subjects in the process so they are able to develop new skills and become empowered. Therefore the needs and desires of those involved are very important (Ozanne and Saatcioglu 2008). For anyone conducting research using the PAR approach, one should first identify the environment in which the method will be applied. Three types of PAR used depending on the characteristics of the target community are: action research, participatory rural appraisal, and community action research (ibid.).

#### **Action Research**

As defined by Ozanne and Saatcioglu, action research is "creating knowledge about an organization while trying to change it." Action Research focuses on the welfare of the subjects and its consumers on a large scale through the use of four components:

*Scientific Methods* that are guided by field experiments. This step allows for rigorous testing and analysis of the social problems being addressed.

*Cyclic Research* starts with joint problem analysis and diagnosis, which is later guided by hypotheses as shown in the Figure below.

*Collaboration* is done between researchers and clients throughout the cycle in which knowledge is shared between both parties.

*Organize* all collected data and forge a common understanding of the problem and its solution. This will allow for the implementation of change (Ozanne and Saatcioglu, 2008).

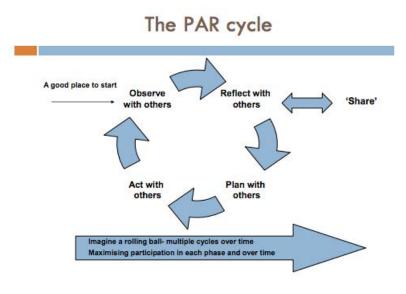


Figure: PAR Cycle

#### **Rural Appraisal**

Rapid rural appraisal (RRA) is another systematic approach of seeking knowledge for social action that focuses on data collection in a rural setting. Participatory rural appraisal (PRA) is a branch of RRA that emphasizes empowerment and is often referred to as participatory learning and action (PLA). The two methods have a lot in common but differ in terms of ownership of information, and the nature of the process (Ghorbani).

#### Rapid Rural Appraisal (RRA)

The basic goal of *RRA* is to quickly gather, analyze, and evaluate information on rural conditions and local knowledge in close cooperation with the local population. To distinguish itself from other approaches of *participatory action research*, *RRA*'s methods are adjusted to the conditions of the rural communities in terms of communication. For example, visual tools were used in illiterate communities to supplement the survey process using comprehensible symbols that had meaning to the community members. The development of these tools was largely influenced by the desire of researchers to avoid timely and costly procedures that often accompanied work done with underdeveloped areas. Two common data-gathering techniques are group interviews and informal conversations with the subjects structured by a checklist of topics to be addressed(Ghorbani). Using these methods, the target community is given a voice, as they become the experts about their daily lives and their knowledge of the problems they face.

Uncertainty in regards to the accuracy of information gathered is a drawback of this "story-telling" form of data extraction. Problems that can arise include: people being uncomfortable in complete divulgence of information; the length of time they may have to explain; subjects giving desirable answers as opposed to truthful ones; etc. However, the *RRA* method can overcome some of these problems better than other surveys due to the more personal nature of gathering data. Another criticism of *RRA* is the issue of limited follow-up. Often times, the data collection is done in the rural communities, but the analysis is done elsewhere by the outside organization. The lack of feedback often results in researchers developing conclusions and/or solutions to problems that are inefficient and unexpected by the community. Overall, critics of rapid rural appraisal have concluded that although *RRAs* are faster and less budget consuming than other survey methods, the quality of the results is not significantly better. *Participatory rural appraisal* was developed as a result of this negative critique.

#### Participatory Rural Appraisal (PRA)

Rural rapid appraisal and participatory rural appraisal are both quick, multidisciplinary, observation-based methods applied when working with a target community to gather information about a problem. The differences between the two are found in the methods employed, the behavior of the outside organization, and what is shared between the target community and the outside organization. Rather than dominate the research, the organization becomes a facilitator and aids the local people in developing a skillset to collect and analyze data themselves. Group oriented methods of communication are used in order to do this informally. A personal relationship is then formed between the organization and the local community that allows information and experiences to be shared (Emami, Bolandnazar, & Sadighi).

As the outside organization is offering aid and suggestions to the community, Kamla Bhasin suggests that they continuously ask themselves, "Am I increasing the confidence of the poor, their faith in themselves, and their self-reliance, or am I making them instruments of my

own plans of action, imposing my ideas on them and that of my organization?" (Ghorbani, 2011). Participation of communities in their own social and economic development is important, especially when trying to establish sustainable results.

#### **Community Action Research**

As researchers began to realize the efficiency of action research in supporting organizations, the same principles were applied in developing communities; however, researchers found that these methods were insufficient for situations involving relentless poverty and human suffering (Ozanne and Saatcioglu 2008). Many of the key qualities of action research could not be applied in communities where marginalized groups lacked assistance and resources for development. As a result, community action research (CAR) was created.

The alternative research method of utilizing communities as the basis of analysis distinguishes *Community action research* from previous *PARs*. Examples of where *CAR* can be used are when communities are facing problems that include lack of governmental organizations, education, income, and high standard of living. This process allows the researcher to facilitate methods on how to help a community critically analyze problems and access necessary economic, political, or social resources to solve them (Selener 1997). Facilitators of *CAR* hope that this method will allow people to realize their potential in addressing major problems to improve their community. In order to find aspects that could be useful in solving problems, *CAR* also assists people in looking deeper into their history and environment (Ozanne and Saatcioglu 2008).

#### **Appendix I: Overview of Pricing Methods**

*Price* is the value that consumers are willing to give up in exchange for owning or using a product or service (The Marketing Mix and 4 Ps, 1996). Since price is the only component that can generate revenue for a business, setting the proper price of a product or service is vital to a business's success.

When determining the price of a product or service, it is necessary to ask the following questions: What is the value of the product? What is the production cost? How much would the customers be willing to pay? What are competitors charging? The figure below shows the major factors that need to be considered when setting up the price for each product or service.



Three major pricing strategies are widely practiced by many firms around the globe: customer-value based pricing, cost-based pricing, and competition-based pricing (ibid.).

*Customer-Value Based Pricing:* A customer's perceptions of value are used as the primary key to price a product or service. The price of each product is usually considered along with other marketing mix components.

*Cost-Based Pricing:* The price of a product or service is set based on the cost to produce that product or service plus a standard amount of markup to the cost of a product or service in order to gain a profit.

**Competition-Based Pricing:** The price of a product or service is set based on competitor prices or other market offerings.

#### Appendix J: Information Gained from Initial Visits to Ban Pang Ung Mhai

NOTE: Information gathered was translated from Thai to English, and sometimes Hmong to Thai to English. Due to these translations, there are times in which "quotes" from the villagers will not be grammatically correct. Also, the text below does not reflect the open conversations with the members of Ban Pang Ung Mhai, but is organized into the list of questions the team wished to have answered during those conversations.

#### **Hmong village Background**

How many people live in Ban Pang Ung Mhai? "It is around 40-50 families or 200-300 people."

How many women are in the cooperative?

"There are only 17 women, but currently due to other responsibilities, there are fewer who is doing embroidery, about 3-5 people."

When do women start to embroider?

"Mostly we teach them to embroider at the age of 4, begins with easy pattern."

How do you define success, empowerment?

"The more sale, the more success."

What are the men's opinion about your cooperation?

"They are ok about this, they don't feel like we try to step over them because this can also help them as more income besides farming."

#### Conversation with men from village

The men stood in on the presentation we had with the women. Afterwards we asked them how they felt about the women's embroidery business and they said they were happy with it since the women were making more money for the families. They also suggested that since they sell crops in the markets, they were already knowledgeable of some marketing strategies. One cooperative member's husband stated: "Farming and craft sales are very different so I do not feel the women are crossing a line."

#### **Money matter**

How much do you spend each month?

"It depends, if we have kids it will be higher, but as I know we spend at least 5000 Baht per month."

So, you do embroidery and you got more income. What housewives do with the money? "If they make more, they can spend more. Maybe on household utility, or kid education fee."

#### **Farming versus Embroidery**

What is your main job?

"Our main job is farming."

What are the plants that you grow?

"Mostly we grow cabbage and corn for selling to company, and others are potatoes, tomatoes, and onions. Usually the man took the plants to sell in Chiang Mai or Mae Chaem."

How much do you make from farming? "Around 50,000 – 300,000 Baht per year."

Is it per family or village?

"It is per family, but also depends on how big their farm is."

Do you farm all year?

"Almost all year, but in winter there is no enough water for farming but if it's enough we can farm."

So in winter, the women can do embroidery more?

"Yes, because after we farm we weave, if we cannot farm because of seasonal condition we will have more time to weave."

Which one a better income between embroidery vs. farming?

"Farming....we can earn extra income by doing embroidery."

How about embroidery?

"Embroidery is what we usually do in the free time because it is our culture."

"The reason why we embroider is to gather together as housewives to do something in our free time rather than just only farming."

"Embroidery gives us the opportunity to express our own ideas and gives us a chance to speak up since normally men always take leadership roles and command things."

#### **Embroidery**

How much are these items?

"A key chain is 25 Baht, stationary care is 30 Baht, purse is 90 Baht, and notebook case is 350 Baht."

How you determine the price for example the stationary case?

"The long fabric with pattern around 1.5 meter long costs 90B which can make 3 of 1 side pattern of stationary cases, so 30 Baht for pattern and 10Baht for other raw material such as zipper 5 Baht, accessory 1 Baht, sponge and another container fabric. Therefore, the capital cost is 40 Baht and we add 20 Baht."

The additional 20 Baht is for the wage?

"Yes, actually it depends on the pattern, if a pattern is very hard to make the price will be higher. Like a purse which costs 90 Baht, the materials is 60 Baht but we add 30 Baht for the pattern."

How much can you earn from embroidery?

"We earned 70,000-80,000 Baht for 2 years."

How does payment work for your embroidery business?

"The income is separated in 80 and 20 percent; 80 percent is shared to the housewives who did weave for the latest lot, and 20 percent is for buying new raw material. At first, Raks Thai and Royal project give us 11,000 and 9,000 respectively to us for the raw material fee."

So for example if there are 4 women who doing the embroidery and let's say if the income is 10000 Baht, each woman will receive 2000 Baht each and the rest 2000 Baht is for buying new raw material?

"Yes."

Have you ever exported the product to overseas?

"Yes, it is USA but now there is no order anymore. At first, there is a girl who help us bring our product around 30 pieces to sell at USA but I can't remember where it is. Now, she marries and she never come back again."

What material that you use to dye?

"It is a *Baphicacanthus cusia* Brem, we boil it and add the basic water. Then add the chemical solvent that we bought from Chiang Mai. By adding that solvent it will make the color darker"

Do you know what the chemical solvent is? "No, I don't"

#### Appendix K: Merchant Interviews in Doi Pui, Chiang Mai

Two local shops were interviewed; information below is compiled from both of them. Their names are unknown.

NOTE: Information gathered was translated from Thai to English. Due to these translations, there are times in which "quotes" from the villagers will not be grammatically correct.

#### **Problems**

- The atmosphere in village has changed, that made the traditional environment decrease. Therefore, the tourists visit Doi Pui less often now.
- "Today numbers of tourists decrease because the village has changed so much".
- "The environment around here looks different from the past. At past the shops and products looked more traditional."
- "Tradition is the main factor that attracted tourists to visit here and take a picture."
- "When people here earned more income, we tried to modernize our shop to attract the tourist."

#### **Background**

- Good season Middle of November Early December
- They did not record the data or products which sold, they don't know what is the most popular product

#### **Product**

- Buy the fabric at Chiang Mai
- Villagers make the design, it is mass produced in Chiang Mhai
  - o Handmade items are more expensive
- "Before, the products here are originally handmade but now industrially."

#### **Place**

- Also sell at weekend market (if they have a money to travel)
- Sometimes (not often) people from town buy their products

#### Price

- Depends on fabric, design, time usage (transportation not included)
- Higher priced products are more difficult to sell
- The product which has the candle paint is 3-4 times more expensive than others
- Customers bargain
  - o Merchants set price higher than cost+profit to make up for bargaining

#### Customer

- Used to be tourists; now some Thai locals
- Tourists used to come a lot to see the village and buy the products, but after modernizing it was no longer a tourist attraction.

#### Appendix L: Merchant Interviews in Doi Khun Chang Kien, Chiang Mai

Two local shops were interviewed; information below is compiled from both of them.

NOTE: Information gathered was translated from Thai to English. Due to these translations, there are times in which "quotes" from the villagers will not be grammatically correct.

#### **Problems**

The merchants in Doi Khun Chang Kien have not faced problems selling their embroidery. Their village is a tourist hotspot, so it is frequented by consumers. Also, their location grants them the ability to travel to Chiang Mai markets to sell additional products.

#### Interviewee: Khun Nee

#### **Background**

- Has embroidered for 5-6 years
- Good season for selling is winter: "There are lots of tourists during the winter season."
- · Farm at summer

#### Customer

- Thai mostly buy Bag
- Tourists mostly buy pillow case
- Tourists every year comes to visit this Doi because of its beautiful scene

#### **Product**

- The owner makes by herself; has own designs
- Handmade products are more expensive

#### Price

• "Normally tourists bargain, but not much depending on the costs."

#### **Place**

- Also sell at Weekend market: "Sunday market at Chiang Mai really helps increasing the sales".
- "Another way people buy a lot of products is if they order at the Sunday Market...if there are a lot of orders, embroidery can make good money."
- Tourists buy the product to sell in their country

#### Interviewee: Khun Chanya

#### **Background**

- Started 2 years ago
- Best sell at winter, but she can get the income from farming more than sell embroidery product

#### Customer

• Thai + foreigner: "Mostly customers are tourists...they are interested in handmade products and crafts. Once they buy, they buy a lot."

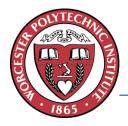
#### **Product**

• make her own design

#### Price

- Bargain
- Determined by quality

# Appendix M: Checklist of Information to be gathered in Interviews with Merchants



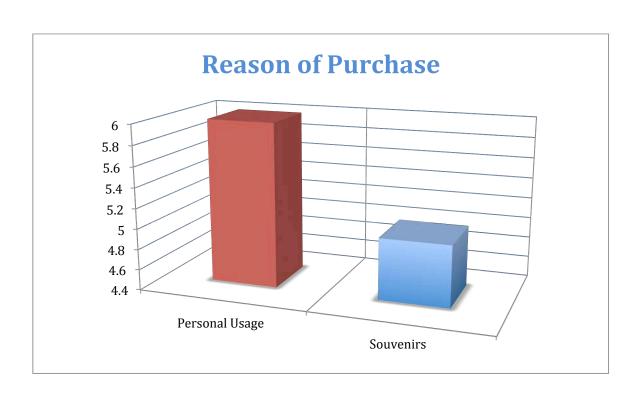
## Merchant Survey Checklist



Venu	e Name:	_
	Name/Title:	
WPI	Interviewer:	Date:
	Who is your target consumer?	
	Who buys your products?	
	What product types do consumers prefer?	
	How much do products sell for?	
	Is there bargaining involved?	
Additi	onal Questions for Potential Selling Locations:	
	How do you find artisans to work with?	
	What are the requirements to sell in your shop?	
	How many products do you need at a time?	
	How does the payment process work?	

## **Appendix N: Results from Merchants**

Interview #	Who is your main consumer?	What is the most sold product?	Do you know why they prefer that?	What is the main factor for purchasing a product?	What inspires the design of the products?	What is the price range of products?	How did you choose this location for shop?	How do you promote your products?	Any problems being faced in the business?	If yes how have you tried to overcome it?
Lofty Bamboo	Foreigner	Bags and keychains	Want for themselves; as a gift.	Cultural Significance; design	Functionality; color/pattern design; popularity	70-5000 baht	Tourist Attraction	Picture books; story tags; info cards; Tribal look; website; social	No	N/A
Nuntakwan g Shop	Domestic Thais; Japanese housewives; home decorator	Bags;dolls; modern designer pillow cases	Modern design and functionalit y	Functionality and design	Popularity	29-2450 baht, bargainable	Tourist Attraction	Modern look of store presentation ; well known for home décor; website	Main target have stopped buying	Modernize their products; helped improve sales
Royal Project Shops	Foreigner	smaller products and scarfs	souveniers	product present their own uniqueness	Inspiration from other products	20-8000 baht	Tourist Attraction	Info cards; website; brochure; product exhibition	Trouble selling products in the past.	Improve the quality of embroidery ; modernized design while conserving originality; change location
Minal Malistix	Foreigner	Shoes	Main product	Unique Fashion	Designed based on his likeness	350-650 baht Bargainable	Tourist Attraction	Social Network; Tribal presentation ; brochure; info card	Copyright infringement	Copyrighted his idea
BIG UP CO., LTD	Foreigner	Equal	N/A	Unique Fashion	Seasonal styles; world fashion	N/A	Tourist Attraction	Tribal Presentation	Copyright infringement	Predicted the style trends ahead
Thai Tribal Crafts Fair Trade (Main Branch)	Foreigner	smaller products	Cheap; souveniers; personal use	Originality; quality of craft; Cultural significance; fair trade	Popularity; variety; fair trade	32-10000 baht	Owned the land.	Info cards; background tags; modern store look and products	No; sustainable business	N/A
Fair Trade Shop (Sub Branch of TTCF)	Foreigner	smaller products	Cheap; souveniers; for personal use	Originality; quality of craft; Cultural significance; fair trade	Popularity; variety; fair trade	32-10000 baht	Tourist Attraction	Info cards; background tags; modern store look and products	No; sustainable business	N/A
Local Shop #1 (Doi Pui, Chiang Mai)	Foreigner	smaller products	Cheap; souveniers; for personal use	Originality	Popularity; style; Tradition	30-1000 baht; bargain	Tourist Attraction	Village look	Less Tourist due to modernizati on of Doi Pui	Haven't fixed
Local Shop #2 (Doi Pui, Chiang Mai)	Thai & Foreigner	Everything	N/A	Originality; cultural significance	Tradition	30-1000 baht; bargain	Tourist Attraction	Village look	Less Tourist due to modernizati on of Doi Pui	Haven't fixed
Doi Khun Chang Kien	Foreigner	Bag; pillow case	souveniers	Originality; cultural significance	Tradition	100-650 baht ; bargain	Lives There; Tourist Attraction	Village look	No	N/A



# Appendix O: Checklist of Information to be gathered in Interviews with Consumers

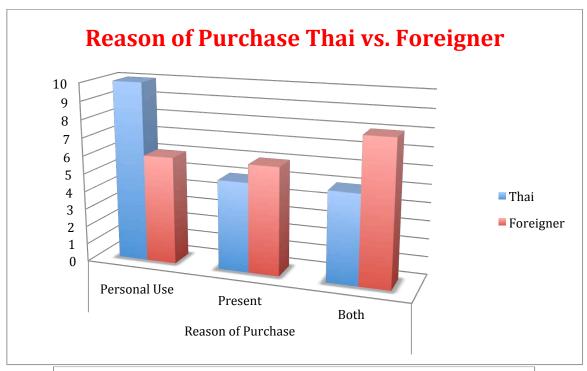


**Appendix P: Survey Results from Tourists** 

#	What specifically attracts you about the craft product?	Follow up Question	Follow up Answer	Who are you buying this for?	What about the design attracted you	Design vs. Price	Bargain or Set Price
1	Natural Chemicals	What about natural chemicals?	Cultural significance/t raditional	Family Member	Tells a story about the culture and the process	Realistic price but more about quality and work	Not of importance
2	Different color designs	What about the colors?	Difference in designs	Myself	Cultural background	Design because rare and harder to find	Set Price
3	The style of culture that product represents	Why would you buy this type of product?	Tells a story about the product.	Myself	Defines quality based on originality	Design is intricate and hard to find	Set price preferably.
4	The colors	What about the colors?	Cultural background and something you can't normally get in states.	Family Member	Originality	Reasonable price but design is of higher importance	Not of importance
5	Colors	What about the colors?	Shares an emotional background/ story	Family Member/ Present	The tribal design	Reasonable price over design	Loves to bargain
6	vibrant colors	What about the colors?	It gives it a vintage/ modern/ traditional look to it.	Family Member/ Present	Basic design with colors that stand out.	No necessary interest	likes to bargain but general value is always considered
7	The tribal baby outfits	Why is the tribal outfits stand out more over other products?	The color scheme was interesting and was a good present for family member	Present	The color coordination	Design because rare and harder to find	Not of importance
8	colorful; shows off products	What would make you buy this?	Cultural significance	Present	patterns; colors; expresses dignity	Design because it expresses the quality	Set Price

9	The cultural background that it represents.	What interested you so much about the cultural significanc e?	The background and cultural significance; tells a story	Present/ Herself	handwork of each product	design because it expresses the handwork of the product	Set price
10	Proportion of patterns are pleasing to the eyes	Why would you purchase this product?	Cultural significance; it has a soul of the culture that created it; functionality	Present/ Herself	It coincides with color gradience and gives it a modern look and not too traditional.	Design; background would help	Set price preferably.
11	Colors	What was unique about the product?	Original; cultural; rare to find	Present/ Herself	Handmade product	Design because rare and harder to find	Set Price
12	Colors	What about the colors?	The combination of color makes product look attractive	Present/ Herself	Different pattern with various color	Design more than price	Set Price
13	Variety of color	What would make you buy this product?	The background and cultural significance; tells a story	Personal use	Unique pattern	Design	Set Price
14	The patterns are pleasing to the eyes	What would make you buy this product?	Design and fuctionality	Present/ Herself	Handmade product	Design	Not of importance
15	Design	What would make you buy this product?	Design and fuctionality	Present/ Herself	Traditional look	Reasonable price but design is of higher importance	Not of importance
16	Different color designs	What about the colors?	Original; cultural; rare to find	Myself	Traditional look	Reasonable price over design	Set Price
17	Design	What would make you buy this product?	Design and fuctionality	Personal use	Cultural background	Design	Set Price
18	Unique pattern	What would make you buy this?	Design and fuctionality	Myself	Handmade product	handwork of the product	Not of importance

19	The style of culture that product represents	Why would you buy this type of product?	Cultural significance	Present/ Herself	Handmade product	Design more than price	Set Price
20	Colors	What about the colors?	Express the originality and the emotional background of the culture	Present/ Herself	Combination of color	Design more than price	Not of importance







# Appendix Q: Information Gained from Tourist Interview of a Couple at Chatuchak Market

The husband and wife we interviewed at Chatuchak Market in Bangkok provided us with insights into the importance of cultural significance, and being certain that profits are going back to the artisan.

#### Have you purchased handicraft products before?

"Yes, we've bought many." (woman shows us the embroidered bag she is carrying)

#### Would be more likely to purchase a product with more cultural significance?

"Yes, most people want a fair price, but knowing where the product came from would add value to the product and we would be willing to pay for that."

# Would you be more likely to purchase a product that was displayed with information about the people who made the product and what the profits would do for them and their village?

"If we saw two bags in a market and one bag had information about who made the product and the methods that were used to produce it, we would choose the bag with the information."

#### The couple expressed concern that profits may not go back to the artisan

"We would pay more for cultural value but would be concerned that the money wouldn't actually go to the women, we would want proof, a 'stamp' certifying that the money is going to the women, from the World Fair Trade Organization. We would be more inclined to buy a product like this in a shop where it would be more legitimate, rather than an open market."

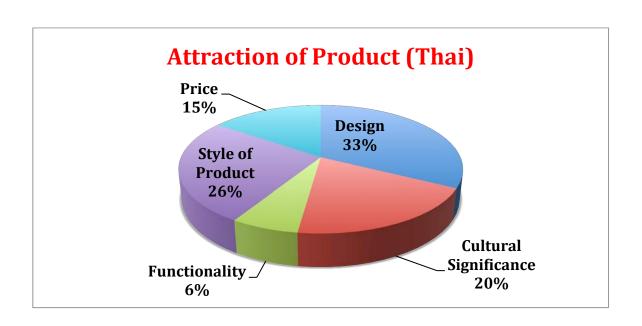
#### Do you typically bargain the price of products?

"Depends on who's selling it. If the merchants are friendly and nice then I will be friendly and nice and would pay what they're asking for."

**Appendix R: Survey Results from Thai Consumers** 

#	What specifically attracts you about the craft product?	Follow up Question	Follow up Answer	Who are you buying this for?	What about the design attracted you	Design vs. Price	Bargain or Set Price
1	The Uniqueness and functionality	What makes it so unique?	The cultural significance of the product.	Himself	It tells a story about the culture.	Design	Set price
2	The smaller items	What about the items was attractive?	The pricing is low	Himself	cultural significance	Design	Either
3	The design	What about the design that attracts him?	the style	Souvenir s	It is original	Price	Either
4	Functionality that went well with the price	Why is functionality important?	use is important	Both	Function	Design	Bargain
5	Uniqueness	What was unique about the product?	Original; rare to find	Both	The style of the product	Design	Set price
6	Originality	What makes it original?	It relates it to the place it comes from.	Herself	cultural significance	Price	Bargain
7	Uniqueness	What was unique about the product?	Original; cultural; rare to find	Souvenir s	cultural significance ; color	Design	Set price
8	Uniqueness	What was unique about the product?	Original; cultural; rare to find	Both	cultural significance	Price	Bargain
9	Originality	What makes it original?	It relates it to the place it comes from.	Both	cultural significance	either	Set price
10	The cool factor	Can you elaborate?	It's rare; not what everyone has	Himself	color; originality; patterns	Design	Set price
11	The cultural design of the product	Why does the cultural interest you?	It relates it to the place it comes from.	Himself	the tribal style of the product	Design	Bargain

12	The traditional look	What about the traditional look attracted you?	the design and its function	Personal Use	color combinatio n	Design because handwor k quality	Bargain
13	The cultural design of the product	What would make you buy this product?	The background and cultural significance ; tells a story	Personal Use	The color combinatio n it was different	Price	Bargain
14	The traditional look	Why would you purchase this product?	The design and pattern	Personal Use	Flower pattern	Design	Bargain
15	The cultural design of the product	Why would you purchase this product?	The design and pattern	Present	The color combinatio n	Design	Bargain
16	The cultural design of the product	What would make you buy this product?	The design and pattern	Personal Use	The color combinatio n	Price	Bargain
17	The smaller item designs attract me	What would make you buy this product?	If there were more colors and patterns to it.	Personal Use	The color combinatio n	Design	Bargain
18	Uniqueness	What makes it so unique?	The design and function	Present	The patterns; originality	Design	Bargain
19	The traditional look	What about the traditional look attracted you?	The design and color	Present	Originality	Design	Bargain
20	Uniqueness	What makes it so unique?	The design and color	Present/ Himself	It looks cool	Design	Bargain

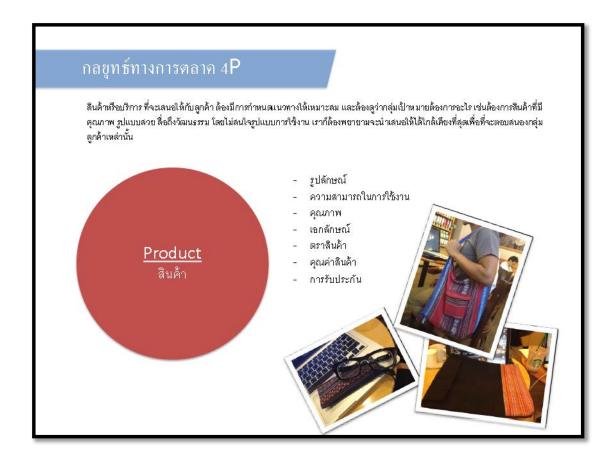


Appendix S: Presentation for the Cooperative of Ban Pang Ung Mhai (in English and Thai)













## Marketing Mix 4Ps

Price is the value that consumers willing to give up in exchanging for owning or using a product or service. It is a very important factor since it is the only component among the four marketing mix components that can generate revenue for a business.

It is very crucial to price the product in the way that it truly reflex its value and be able to capture customer value.



- Pricing Strategy
- Cost-plus Pricing
- Break-even Pricing
- Customer Value-based Pricing
- Competition-Based Pricing

#### Cost-plus Pricing:

Selling Price = Costs + Expected Profit

#### Break-even Pricing:

Break-even Point (Unit) = Fixed costs/ (Selling Price – Variable Costs)

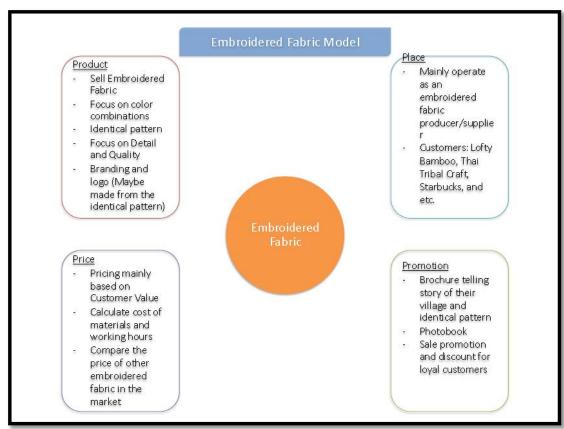
#### Customer Value-based Pricing:

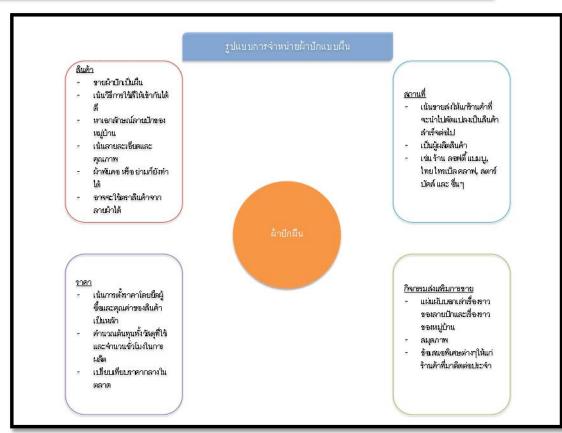
Price is set based on the value perception of the customer. Here, price is usually considered along with other marketing mix components, not after.

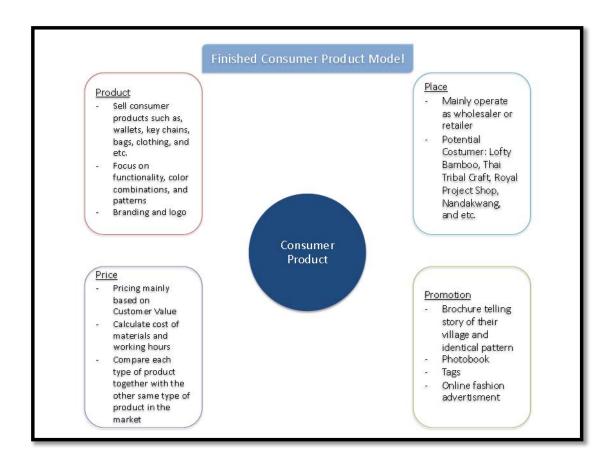
## กลยุทธ์ทางการตลาด 4**P** ราคา หมายถึง สิ่งที่บุคคลจ่ายชื้อเพื่อแลกลำหรับสิ่งที่ได้มา เช่น สินค้า หรือ บริการ เพื่อที่จะใช้ประโยชน์บางประการ การตั้งราคาในที่นี้จะเป็นการตั้งราคาให้เหมาะสมกับ ผลิตภัณฑ์และกลุ่มเป้าหมายของเรา กลยุทธิ์การตั้งราคาต่างๆ วิธีต้นทุนบวกเพิ่ม วิธีวิเคาระห์จุดคุ้มทุน กำหนดราคาโดยยึดผู้ซื้อเป็นหลัก Price กำหนดราคาโดยยึดต้นทุนเป็นหลัก: ราคา ราคาขาย = ต้นทุนต่อหน่วย + กำไรที่ต้องการ การวิเคราะห์จุดคุ้มทุน: จุดคุ้มทุน (หน่วย) = ต<mark>้นทุนคงที่</mark>/ (ราคาขาย-ต้นทุนแปรพันต่อหน่วย) กำหนดภาคาโดยยึดผู้ซื้อและคุณค่าของสินค้าเป็นหลัก: เป็นการตั้งราคาตามการรับรู้คุณค่าของลืนค้า หรือบริการของผู้ซื้อมากกว่า ต้นทุน

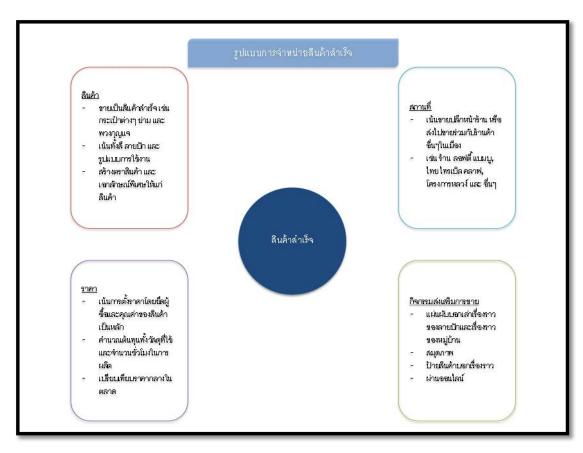
# Promotion mix, or marketing communications mix, is a set of promotion tools combined together by the firm with the hope to communicate customer value and build short and long-term customer relationships. - Advertisements - Brochure - Sales Promotion - Personal Selling - Public Relations - Souvenir











#### Appendix T: Feedback from Villagers after 4P Presentation

NOTE: The information was translated from Thai to English, and sometimes from Hmong to Thai to English. Due to these translations, the quotes used may not be grammatically correct. Also, the text below does not reflect the open conversations we had with the cooperative members, but is organized into the questions the team wanted answered during the conversations.

Do you understand what we just presented? It is about 4Ps and survey information from merchants and customers.

"Yes, I understand, I think this is very beneficial for us because if someone teaches this information to us, we can understand more about marketing and what is happening in the outside world."

Can you teach this to other housewives?

"Of course, I will teach them about it, I think they are willing to listen to this...This is information we did not know, we are happy to learn new things to help our business."

#### **Product**

Do you have any idea to design a new product recently?

"No, if we want to make a new one we need the sample of the product so that we can make it. But if let we thinks about designs, we cannot do it."

Do you have any idea different design (pattern)?

"No, because the customers prefer old pattern because it looks original. The applied pattern is ELEPHANT"

"This is a tradition, handmade things, that we need to keep on and on for the next generation because machines would take over."

#### **Promotion**

So, as you see the promotion can help your increase the sale. We propose your many options such as logo or trademark weaved on your product and the information card, brochure, and photo booklet.

"I think we don't want trademark on the product because we have to weave it again and it spends more time on that."

How about the tag?

"Tag is okay because it shows uniqueness of our products."

What about the brochure and information card?

"The brochure is too big, it is like an advertisement the places that want tourists to go, and the make some tourists do not want to pick that up, I want just the information card."

What do you want us to put in?

"The cartoon of three Hmong women with old traditional hair and the background of flower all over the card, and the name in information card is Cooperative of Ban Pang Ung Mhai. Also, put the picture one of us weaving."

What information do you want me to put in?

"Can you help us? We don't have knowledge about this"

What about tag what do you want us to put in? "Same as information card, but less for small tag."

#### Price

What is your opinion on selling raw material or finished products?

"We prefer finished products for here because no one will buy just fabric. For stores, we will have to decide later."

How much is it for the 1.5 meter fabric? "It costs 90 Baht."

Is it included the wage? "No."

So what is total cost of it?

"The long fabric with pattern, we use 2 days to make it, if calculating the wage it will be 200B per day = 400B total and the capital cost is 40, so to total of long fabric is 440B. We cannot sell it in this price; the tourists will not buy it. That why we prefer 40 Baht."

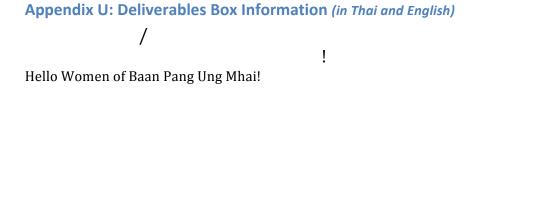
So it will be 145 Baht for only the pattern if include the other materials' fee it will be 155 Baht, but it cannot be sold because it is too much expensive? "Yes, even 60 Baht they still bargain."

Why cannot make it more than 60 Baht? "Because the other tribes sell in around 45-50 Baht."

So is it a problem for you that selling in this low price?

"No, because if the products are continuously sold there would not be a problem."

So, next time when they ask the price make it higher than 60 Baht, like 70 or 65 Baht. According to the survey result, the customer specially Thai always bargain if you make the price higher than 60 Baht you can get the expected profit. "Ok."



This package is from the Chulalongkorn University students working with the Raks Thai Foundation. We all enjoyed our trip to your village and hope you are just as excited about this project as we are. The last time we met, we proposed making a brand name for your business and a symbol or logo to go on the information cards about your village and embroidery. We wanted to send you some materials and items to start coming up with ideas on your own so we can collect and discuss them the next time we visit. We are planning to come soon!

Below is a list of the items in the box and instructions on how to use them:

/

#### Cameras

Use these cameras to capture what you want people to see about your village and your embroidery products. These can be pictures of your daily life, action shots while making the items, or the final products. We have provided a few cameras so please take a lot of pictures so you have a lot to choose from! These pictures will be used on your information cards and may be compiled into a photo book.

#### **Information Card Samples:**

This card is an example of ones used by similar groups to advertise their work to consumers. Look at this to get ideas for what you want on your cards. Draft a short story or paragraph about what you want people to know about your work. Some ideas are information about your village and culture, information about you as a women's cooperative, or how you produce your embroidery. These can be given out at the shops or markets selected to sell your items. Here is a translation of one of the included cards about baskets:

"

"

/

"Dear friends,

At our home in Uganda, every woman teaches their daughters how to weave palm baskets when their daughters have reached a young age. These palm baskets are made of local materials found in the area, and have been used to make gift baskets for our loved ones for centuries. In the making of these palm baskets, we first extract fibers o from the banana leaf and wrap them up together with palm leaf. Then, we use special needles to weave the baskets. Most of us are single-moms like me therefore the extra earnings are used to support our child's education and welfare. Thank you from our heart!"

### **Business Logo Examples**

Use these random examples to come up with your own business name with a symbol for your logo to identify you and set you apart from other craft groups. It should be something that you feel represents yourselves and your village. This symbol can represent your business on the information cards, as well as tags for the products. You can make rough sketches for now and a final design can be made once you know all the details for exactly what you want.























#### **Appendix V: Literature Examples of Evaluation Plans**

- 1. Clearly differentiate a company from the competition
- 2. Create a continuing flow of quality leads
- 3. Keep the company in the mind of customers and prospects
- 4. Give the company a stronghold on the marketplace
- 5. Communicate a company's expertise and knowledge
- 6. Give a company a long-term orientation
- 7. Be customer-oriented
- 8. Be a vital force in customer retention

Graham, John R. "Evaluating Marketing Programs." *National Underwriter* 96.44 (1992): 17-. *ABI/INFORM Complete.* Web. 23 Jan. 2013.

\_\_\_\_\_

#### **Evaluation:**

• For the improvement of the business.

• Make sure that the business is effective and efficient by identifying positive and negative aspects of its marketing strategy.

#### Evaluating the 4P's of a Marketing Strategy:

#### **Product:**

- What products are selling the most?
  - You may want to focus on producing more of a variety of colors and patterns in the products that are selling more.
  - o If certain products aren't selling, examine why.
- Who is buying the products?
  - o Tourists may look for smaller items to be able to bring back as souvenirs.

#### Price:

- Do people comment that the products are too expensive?
- Are people trying to bargain for them?
- If a certain item is being commented on a lot, consider re-evaluating the cost.

#### Place:

- Were you successful at putting materials and messages in the places you identified?
- Were those places the best ones to reach the target audience?
- Does the audience have easy and convenient access to any tangible products?
- How does the shop collect the products? Is it efficient?
- What percentage of the profit is returned to the producer? When is this money distributed?
- What is the turnover rate of the products in this store?
- Should we continue with the current vendor?
- Are we meeting their needs?
- Are we increasing our profits?
- Is it worth the time put in?

Are we achieving what we expected?

#### **Promotion:**

- What ways are you able to advertise your cooperative in the selected shop?
  - o Tags, photo books?
- Does the shop put your products under their brand?

Center of Disease Control and Prevention. Social Marketing: Phase 5: Evaluation <a href="http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p">http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p</a> df

#### 6 Steps to Evaluating a Marketing Strategy:

#### **Step 1: Engage Stakeholders**

Implementers, Partners (supporters), Participants (affected)

#### **Step 2: Describe the Program**

Illustrate the strategy components and expected outcomes (influential factors, inputs, activities, outputs, initial and long-term outcomes, goal)

#### **Step 3: Focus the Evaluation**

Purpose of evaluation, identify questions

#### **Step 4: Gather Credible Evidence**

Who's answering and how, data source, chart it

Decide what you will measure (ex. Minutes activity, amount consumes, number of volunteers)

[Evaluate 4P's]

#### **Step 5: Justify Conclusions**

Compare results to performance indicators

#### Step 6: Ensure Use and Share Lessons Learned

Share with stakeholders, make changes to improve and share success

Center of Disease Control and Prevention. Social Marketing: Phase 5: Evaluation <a href="http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p">http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p</a> <a href="http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p">http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p</a> <a href="http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p">http://www.cdc.gov/nccdphp/dnpa/socialmarketing/training/pdf/course/Evaluation\_5.p</a>

## **Appendix W: Marketing Strategy Evaluation Chart**

Goal/ Objective	Questions/ Indicators	Answer	Reflection (Good/Bad)
	Did you make more money than last year?		
Increase Sales	What was the turnover rate of products? (Did you have to produce more products to sell?)		
	Where were you able to sell your products?		
	How did you get the products from the village to the market?		
Distribute Products in Markets	How much of a percentage of the profit did you get and when were you paid?		
	Do you want/have the ability to get your products into other markets?		
Maintain Daily	Was the production demand too high?		
Life and Farming	Did crafting take away from family or farming?		
	What ways were you able to advertise your business?		
Advertise Business	Are you satisfied with the advertisements?		
	Are there any other forms of advertisement possible?		
	What products sold the most?		
Customer Satisfaction	Did customers make any complaints or suggestions about products?		
	Did customers comment on prices of products?		

# **Appendix X: Marketing Booklet Provided to Cooperative and Raks Thai Foundation**

(in English and Thai)











#### Key Steps to Assist in Establishing a Marketing Strategy

This booklet is composed of useful steps for creating a marketing strategy. It provides preparation steps that are key to creating an improved market, as well as examples of marketing strategies to give cooperatives ideas for their own business.

#### Acknowledgement

The authors would like to thank all those who contributed to the creation of this booklet. Our many thanks are extended to the Raks Thai Poundation for giving us the unique opportunity of assisting a cooperative in an effort to build a sustainable business. Additional gratitude goes to the residents of Ban Pang Ung Mhai in their help and collaboration, as well as to the project advisors (Rojrit Rojanathanes, Seth Tuler, and Stanley Selkow) for all their support. We hope that with this booklet will be utilized to aid cooperatives in gaining marketing skills to empower and motivate them towards a sustainable and profitable business.

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IQPSSP5(2013) Strategy Booklet: Establishing a Foundation for a Sustainable Market

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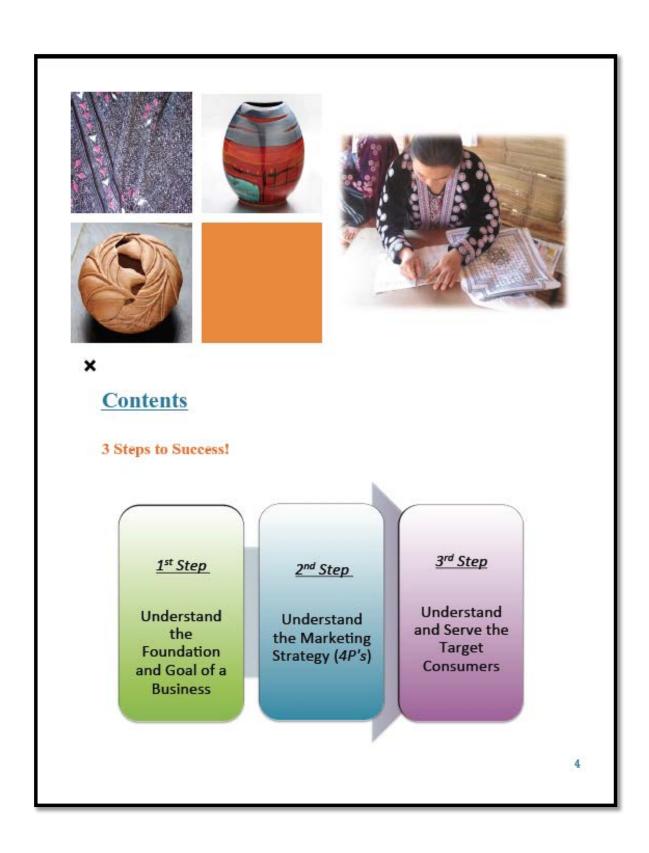
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#### Marketing Strategy: Marketing Mix (4P's)

2<sup>nd</sup> Step

These four main marketing components aim to capture the highest customer value from the target market.



#### Product

Goods/services the business offers to the market must directly respond to its target consumer's needs and desires. The business should know consumer expectations of each product to increase satisfaction.

(Design, Functionality, Quality, Product Differentiation, Brand, Core Customer Value, Warranty)



#### Place

Business distribution activities related to making products available for target consumers in the market, starting from purchasing production materials, to delivering the final finished product to the customer.

(Distributing Channels, Logistics, Inventory, Producer (Supplier), Wholesaler, Retailer, Direct Sales, Online Sales)



#### Price

The price of a product is based on productions costs, expected revenue, and value of the product to the buyer. It is a very important factor since it is the only component among the four marketing mix components that can generate revenue for a business.

(Pricing Strategy, Cost-plus Pricing, Break-even Pricing, Customer Valuebased Pricing, Competition-based Pricing)



#### Promotion

Marketing Communications Mix is a set of advertising tools combined by the business to portray customer value and build short and long-term customer relationships.

(Advertisements, Brochure, Sales Promotion, Personal Selling, Public Relations, Souvenir)



#### Identifying Target Consumers/ Product Positioning

Understanding the target consumer is vital to implement the marketing strategy in order to fulfill their needs and desires. Below is a list of questions to keep in mind while establishing a business. Each question is classified by the 4P's marketing strategy.



3<sup>ra</sup> Step





- What do your target consumer need the most out of your product/service? (Ex. Functionality over design or quality over all others factors)
- What is the current trend that could affect your consumer preference? (Ex. Styles, Colors, Patterns, etc.)
- What kind of product differentiation or branding strategy could help capture your target consumer value?



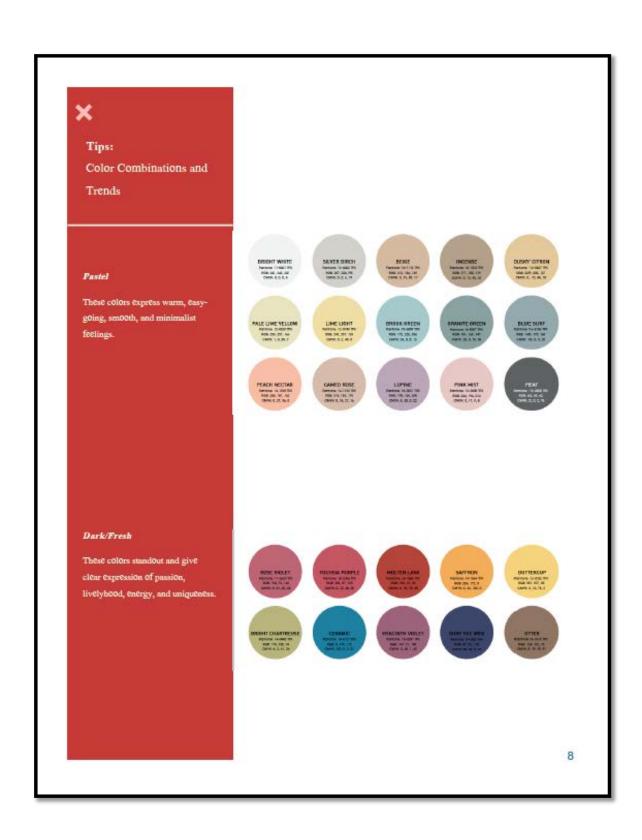
- Where do buyers look for your product or service? (Ex. Malls, Tourist attraction points, Weekend market, Night Markets, etc.)
- How can you access the right distribution channels?
- What do your competitors do, and how can you learn from that and differentiate?
- · Any special events to attend? (Ex. Local and national trade fairs)

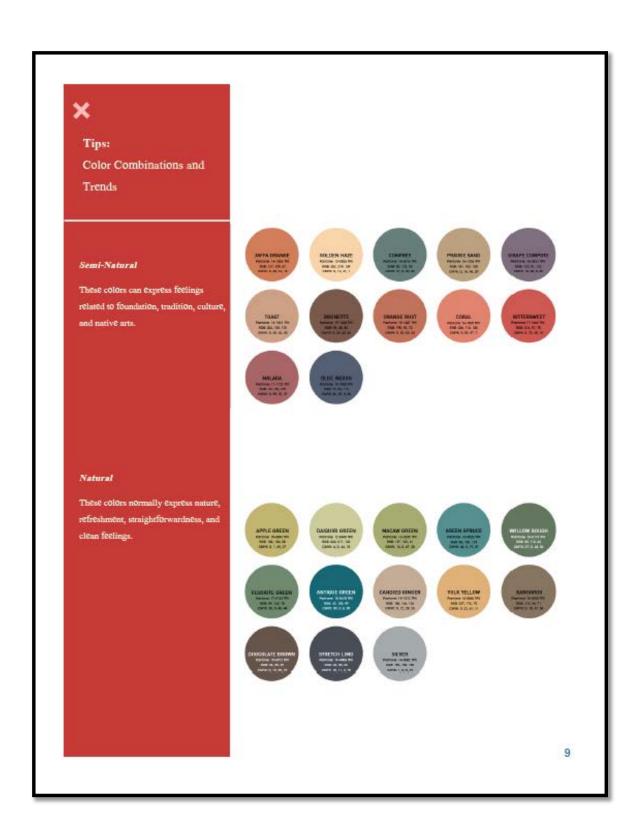


- What is the value of the product or service to the target consumers?
- Are there established price points for products or services in this area?
- · How will your price compare with your competitors?
- . What discounts should be offered to your target consumers?



- How, where and when can you deliver your marketing message to your target consumers?
- Who are your audiences (target consumers)? Their lifestyle?
- How can you reach your audiences (target consumer)?
   By using Billboard advertisements, TV advertisements, radio, magazines, photo books, information cards, or portfolios?







The expenses that are required to

this product. Profit can be determined by a percentage (30-60%) of the cost

Expected Profit



## Cost-plus Pricing:

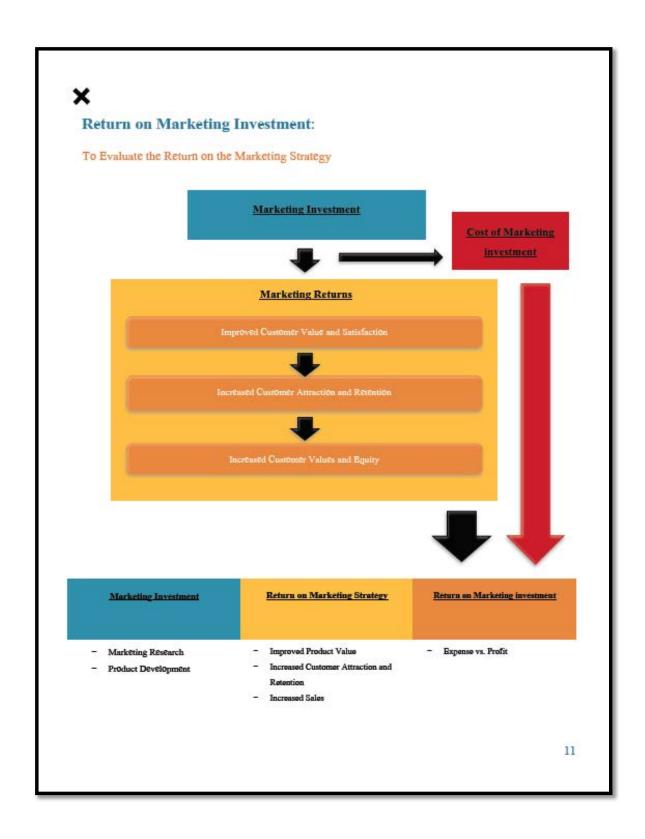
Selling Price = Costs + Expected Profit

#### Customer Value-Based Pricing:

Price is set based on the value perception of the consumer. Here, price is *not* the last step to the *Marketing Mix*, but rather it is considered in unison with applying the 4P's.

#### Bargaining

In cases where bargaining is the main strategy, the seller must understand what price they should place first in order to successfully obtain a profit through bargaining. It's necessary to establish a price higher than the selling price that is determined.





## **Return on Marketing Investment:**

Example Questions for Marketing Investment Evaluation

Criteria	Questions
Salës Volumë	What is the current sales volume per month; year?
	Compared to other sale volumes, has it improved?
Promotion and Advertisement	Do various advertisements succeasfully attract consumers?
	How do the product value and business affect customers?
Consumer Satisfaction	What are the most popular products?
	Is there any customer feedback?
	What is the overall satisfaction of customers for products/services?





## Self-Evaluation Chart

Goal/ Objective	Questions/ Indicators	Answer	Reflection (Good/Bad)
Increase Sales	Did you make more money than last year?		
	What was the turnover rate of products? (Did you have to produce more products to sell?)		
	Where were you able to sell your products?		
Distribute Products in Markets	How did you get the products from the village to the market?		
	How much of a percentage of the profit did you get and when were you paid?		
	Do you want/have the ability to get your products into other markets?		
Maintain Daily Life	Was the production demand too high?		
	Did the business take away from family or work?		
Advertise Business	What ways were you able to advertise your business?		
	Are you satisfied with the advertisements?		
	Are there any other forms of advertisement possible?		
Increase Customer Satisfaction	What products sold the most?		
	Did customers make any complaints or suggestions about products?		
	Did customers comment on prices of products?		

#### Reference

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#### Pictures:

Wood Carving Picture pg. 4 website: indesignartandcraft.com

Barbara Ray Purse Vase by Poole Pottery pg. 4 website: www.royalacademy.org.uk

Notes:	
	15





"As we look ahead into the next century, leaders will be those who empower others"

-Bill Gates







Interactive Qualifying Project (WPI) &

Interactive Science and Social Project (CU)





# คู่มือสร้างพื้นฐานแผน การตลาดอย่างยั่งยืน









# ข้อแนะนำในการเริ่มสร้างแผนการตลาดของคุณ

หนังสือคู่มือเล่มนี้ประกอบไปด้วยองค์ประกอบความรู้พื้นฐานเกี่ยว กับการริเริ่มวางแผนการตลาดและคำแนะนำซึ่งเกี่ยวกับการตลาด สมัยใหม่ เพื่อผู้อ่านจะสามารถนำไปประยุกต์ใช้กับธุรกิจหรือกิจการ ของท่านผู้อ่านได้

## กิตติกรรมประกาศ

ทางคณะผู้จัดทำขอกราบขอบพระคุณผู้มีอุปการะคุณทุกท่านที่ได้มีส่วนร่วมในการให้ความช่วย เหลือในการจัดทำหนังสือเล่มนี้และขอขอบพระคุณมูลนิธิรักษ์ไทยที่ได้ให้โอกาสคณะผู้จัดทำได้สร้างสื่อ และเครื่องมือในการช่วยเหลือ และสนับสนุนการพัฒนาสหกรณ์กลุ่มแม่บ้านชุมชนอย่างยั่งยืน ทั้งนี้ยังรวม ไปถึงกลุ่มแม่บ้านชาวมัง หมู่บ้านปางยุ้งใหม่ จังหวัดเชียงใหม่ ที่ได้ให้ความร่วมมือเป็นอย่างดีมาโดยตลอด

ขอกราบขอบพระคุณอาจารย์ที่ปรึกษาโครงการทุกท่าน ( ผส.คร. โรจน์ฤิทธิ์ โรจนธเนส, คร. เซ็ท ทูเถอร์, และ คร. สแดน เซลคอฟ ) สำหรับคำแนะนำและกำลังสนับสนุนในการจัดทำหนังสือเล่มนี้

#### คำขึ้นจงถิขสิทธิ์:

การนำไปใช้ต่อและการเผยแพร่ข้อมูลในหนังสือเล่มนี้ด้วยเหตุผลด้านการศึกษานั้นทางผู้ถือถึงสิทธ์ยินยอมให้นำ ไปเผยแพร่โดยไม่ต้องได้รับการอนุญาติจากผู้ถือถึงสิทธิ์แต่ประการใด

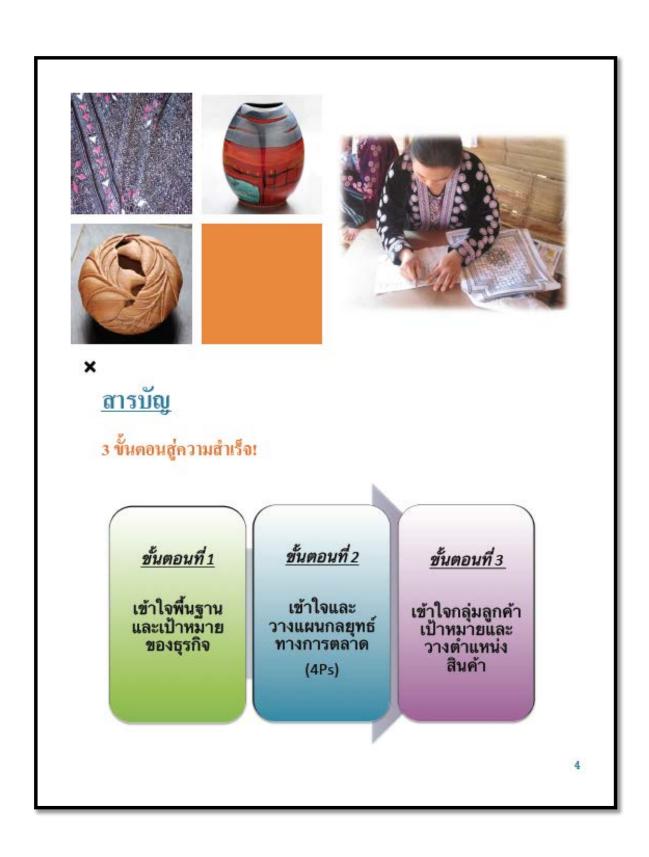
#### คู่มือสร้างพื้นฐานแผนการตลาดอย่างยั่งยืน

#### คณะผู้จัดทำ:

ใบรอันท์ แบริอาร์ค ศรัพย์พร ธนาสุวรรพคิธี คอร์ทนี่ย์ แลงดี่ย์ ชูชัย จิตรตวิไรจน์ แมรี่ ถองค์ สฐิพัจ สายวิวัฒน์ เอเครียน ใสย์เชน

#### ศิดต่อ:

bkk13-emb@wpi.edu







# กลยุทธ์ทางการตลาด (4Ps Marketing Mix)

คือการวางแผนให้ในแต่ละองค์ประกอบหลักของธุรกิจนั้นเข้ากันเพื่อมุ่ง เน้นการขายและเป็นที่ต้องการของกลุ่มเป้าหมายที่เราเลือกเอาไว้ให้มาก ที่สุด

## ขั้นตอนที่ 2

Product สินคำ

#### สินค้า

สินค้าหรือบริการที่จะเสนอให้กับถูกค้าต้องมีการกำหนดแนวทางให้เหมาะ สมและ ต้องดูว่ากลุ่มเป้าหมายต้องการอะไร เช่น ต้องการสินค้าที่มีคุณภาพ รูปแบบสวยงาม และสื่อถึงวัฒนธรรมโดยไม่สนใจรูปแบบการใช้งาน ซึ่งเราจะต้อง พยายามนำเสนอให้ได้ใกล้เคียงที่สุดเพื่อที่จะตอบสนองกลุ่ม ถูกค้าเหล่านั้นได้

(รูปลักษณ์, ความสามารถในการใช้งาน, คุณภาพ, เอกลักษณ์, ตราสินค้า, คุณค่าสินค้า, และ การรับประกัน)

#### ฮอานที่

ธถานที่หรือวิธีการนำดินค้าไปผู้มือของถูกค้าหลักของการเลือกวิธีกระจาย ธินค้า นั้นไม่ใช่ขายให้มากธถานที่ที่สุดเธมอไป เพราะมันขึ้นอยู่กับว่า ธินค้าของท่านคือ อะไร และกลุ่มเป้าหมายท่านคือใครค้วย (ช่องทางการจำหน่าย, รูปแบบการจำหน่าย, ชายปอีก, ชายส่ง, ชายครง, ออนไลน์)



Place

สถานที่

#### 218.

ราคา หมายถึง ซึ่งที่บุคคอจ่ายชื้อเพื่อแอกสำหรับซึ่งที่ได้มา เช่น สินค้า หรือ บริการ เพื่อที่จะใช้ประโยชน์บางประการการตั้งราคาในที่นี้จะเป็นการตั้ง ราคาให้เหมาะสมกับ ผลิตภัณฑ์ และกลุ่มเป้าหมาย ของเรา (กอยูทธ์การตั้งราคาต่างๆ, วิธีดันทุนบวกเพิ่ม, วิธีวิเคาระห์จูดกุ้มทุน, กำหนดราคา โดยยึดผู้ชื้อเป็นหลัก)

# Promotion กิจกรรมตั้งเตริม

#### กิจกรรมส่งเสริมการขาย

วัตถุประสงค์ก็เพื่อเป็นการกระคุ้นขอดขายของกิจการ และการแนะนำ
สินค้าสู่ถูกค้า ทั้งนี้ยังสืบเนื่องกับการสนับสนุนการสร้างมูลค่าตราสินค้า
การสร้างกลุ่มลูกค้าถาวร และภาพพจน์ที่ดีของกิจการเพื่อเพิ่มความพึงพอใจ
ที่ดีของลูกค้าในการบริไภคหรืออุปโภคสินค้าน้ำและสร้างเครือข่ายความ
เป็นไปได้ ในการเลือกบริไภคหรืออุปโภคสินค้านั้นๆ อย่างต่อเนื่อง
(สื่อโฆษณะ ข้อเสนอพิเสน, แม่นผับ, ของขวัณ, สิ่งที่กระตุ้นการซื้อขาย) 6

## × การเข้าใจกลุ่มลูกค้าเป้าหมาย และการวางตำแหน่งสินค้า

การแบ่งกลุ่มลูกด้าและเสือกกลุ่มลูกด้าเป้าหมายหลักเป็น ส่วนสำคัญอย่างยิ่งในการวางแผนการตลาด เพราะเราจำ เป็นต้องเข้าใจและรู้จักกลุ่มลูกด้าของเราเพื่อที่จะตอบ สนองและเดิมเต็มความต้องการของลูกด้าได้อย่างเต็มที่

ดารางคำถามข้างถ่างนี้ชามารถนำไปใช้ในการถามตัว ท่านเองเพื่อที่จะทำการเข้าใจถึงกลุ่มลูกล้าเป้าหมายและ วางศำแหน่งสินล้าของท่านได้



# ขั้นตอนที่ 3





- กลุ่มลูกค้าหลักของคุณมีความค้องการองไรมากสุดจากสินค้าและบริการของคุณ?
   เช่น สนใจการใช้งานมากความเนม หรือ สนใจคุณภาพมากความรั้งขึ้นใด
- ยะไรเป็นนิ้งที่กลุ่มลูกล้าหลักของคุณกำลังนิงมหรือตนไขอสู่? เช่น ทีไลล์ นิ้ รูปแบบ ของ
- ถืนค้าประเภทใหมหรือกะถุทธ์เครื่องหมายการค้าอะไรที่จะถามารณพิมพุณค่าจองถิ่นค้าต่อถูกค้าได้ร



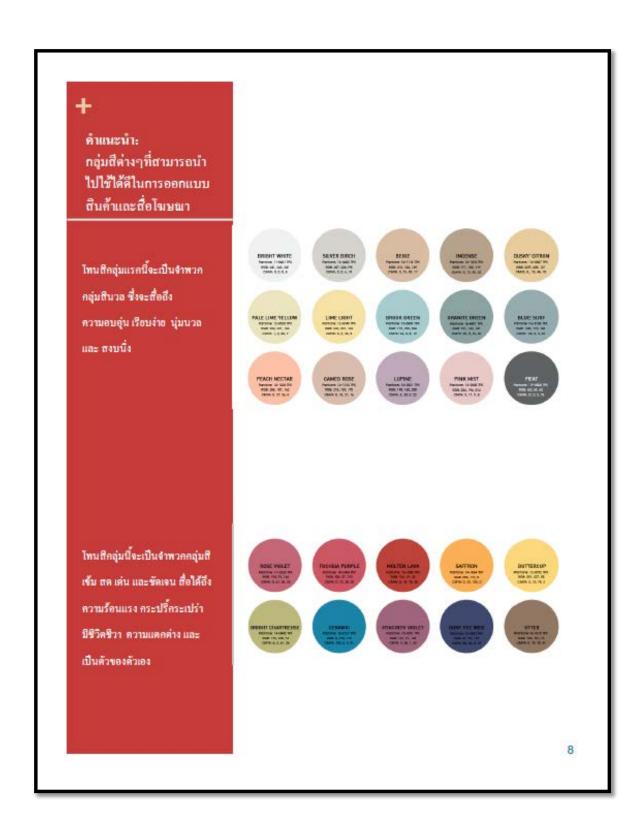
- ผู้ชื่อส่วนใหญ่สามารถทาสินค้าหรือบริการของคุณได้ที่ใหนา (เร่น ท้างสรรพสินค้า จุลที่นักเที่ยวขอนไป คลาคแบกาศิบ ของ)
- กุณสามารถเข้าซึ่งส่องทางการกระขายสินค้าที่เหมาะที่ถูดอย่างไร?
- ต่วนใหญ่บริษัทภู่แข่งทำอิย่างไร และภูณิตามารถเรื่อนรู้จากวิธิพวกเขา และแสกล่างจากพวกเขาอย่างไร?
- คุณจะร่วมจัดงานนี้ทระสการที่ไหนได้บ้าง (เช่น ในท้องถิ่นหรืองานการท้าหว่างประเทศ)

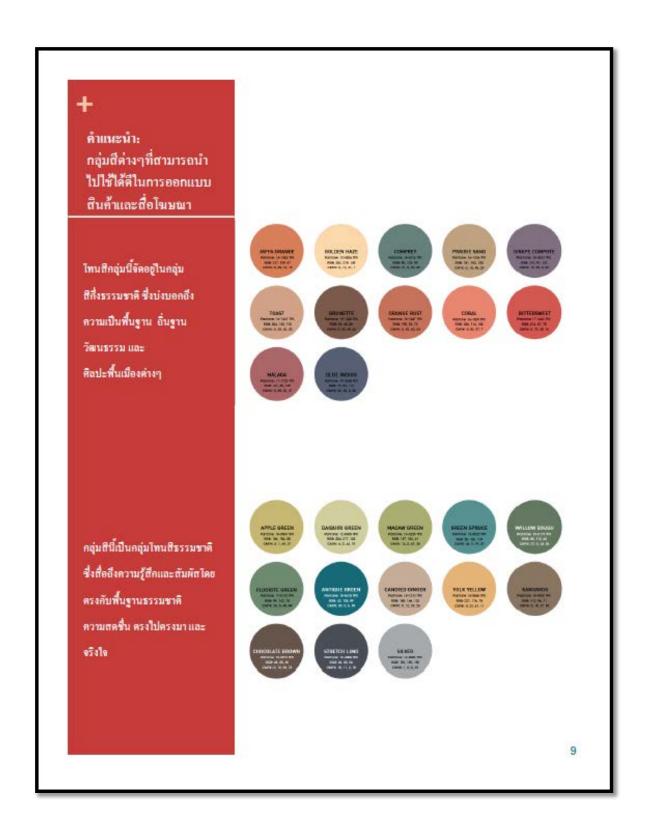


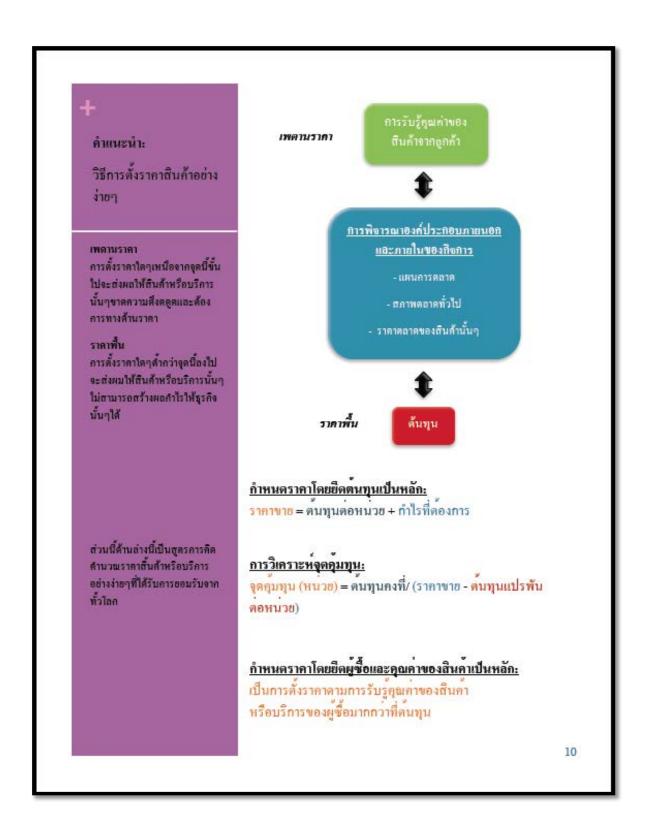
- ยะไรเป็นคุณค่าทางสินค้าหรือพริการที่มีค่อกลุ่มลูกค้าหลัก?
- นิเกณฑ์ในการตั้งราคาของถิ่นด้าหรือนริการในแต่ละที่นที่ใหม?
- ๆแปรือบเพียบราคาสืบค้าเสียงกับเลยบริการของกับคู่แข่งอย่างไร?
- กุณจะทำการอดิราคาถึนค้าออ่างไรให้กับกลุ่มลูกค้าหลักว

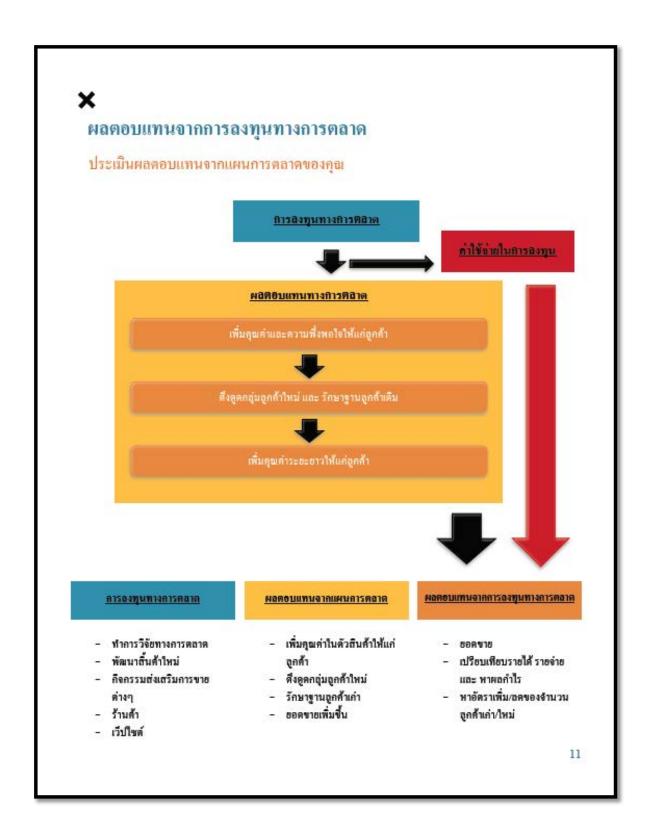


- ๆสเจะไปรโมทเป็นด้าและบริการของคุณให้กับคู่รื่ออย่างไร ที่ใหน และเมื่อใหร่?
- ใครคือผู้ชม (ผู้ชื่อหลัก) โมมนาของคุณ? วิธีทางการคำเนินชีวิตของพวกเขาเป็นอย่างไร?
- กุณจะเข้าถึงผู้รบ (ผู้รื่อหลัก) ด้วยโดนฉบายงกุณได้อย่างไร? โดยการใช้ ป้ายโดนนา โทรทัศน์ วิทยุ นิดยตาร สมุดรูป การ์ดข้อมูน หรือ สมุดสะสมพัชมุน)











## ผลตอบแทนจากการลงทุนทางการตลาด

# <u>ตัวอย่างคำถามที่ใช้ในการประเมินผลตอบแทนจากการลงทุนทางการตลาด</u>

ามวด	คำฉาม
ยอดขาย	ยอดขายต่อ เดือน ปี ในปัจจุบัน?
	เมื่อเปรียบเทียบยอดขายแล้ว ดีขึ้น หรือ น้อยลงอย่างไร?
กิจกรรมส่งเสริม การขาย/คุณคำ	สื้อโฆษฆาต่างๆเข้าถึงกลุ่มถูกค้าจริงหรือ ไม่?
	ศุณคำของสินค้าและกิจการต่อลูกค้าเป็น อย่างไร?
ความพึ่งพอใจ ของถูกค้า	สินค้าขึ้นใหนมีขอดขายสูงสุด?
	มีข้อดิชมจากถูกค้าอย่างไรบ้าง?
	ลูกค้ามีความพึงพอใจต่อบริการ/สินค้าโดยรวมอย่างไร?





#### การประเมิณผลดอบแทนการลงทุนจากการคลาดอย่างคร่าวๆ

เป้าหมาย	คำลาม	ศำคอบ	การคอบสนอง (ดี/ไม่ดี)
ยยดขาย / การจัดจำหน่ายสินด้ำใน คลาด	ขอดชายค่อ เดือน ปี ในปัจจุบัน?		
	เมื่อเปรียบเทียบขอดขายแล้ว ดีขึ้น หรือ น้อยลงอย่างไร?		
	สามารถนำสินค้าไปจำหน่ายที่ใดบ้าง?		
	นำถินค้าจากหมู่บ้านมาเข้า คลาดได้อย่างไร?		
	คำไรที่ได้คิดเป็นคี่เปอร์เซ็นด์? แล้วได้รับเมื่อไหร่?		
	อยากจะทำการขยายคลาด การจำหน่ายสินด้าของท่าน?		
การรักษาไว้ซึ่งวิถีชีวิต ประจำวัน	การผถิตในความต้องการสูง เกินไปหรือไม่?		*
	ระหว่างงานหัดตกรรมกับ การทำฟาร์ม ซึ่งใหนที่ท่านคิดว่าเป็นการ ใช้เวลามากกว่ากัน?		
คิจกรรมต่งเสริมการขาย⁄ โฆษพา	คุพมีคิจกรรมส่งเสริมการ ขายและสื่อโฆษณาหรือไม่?		
	สื่อโฆษณาค่างๆเข้าถึงกลุ่ม ลูกค้าหรือไม่?		
	คุณค่าของถิ่มค้าต่อถูกค้า เป็นเช่นไร?		
ความพึงพอใจของลูกด้า	สินค้าขึ้นไหนมียอดขาย สูงสุด?		
	มีข้อคิขมจากลูกด้าอย่างไรบ้าง?		
	อูกค้ามีความพึงพอใจต่อบริการ/สินค้า โดยรวม อย่างไร?		

#### การอ้างฮิง

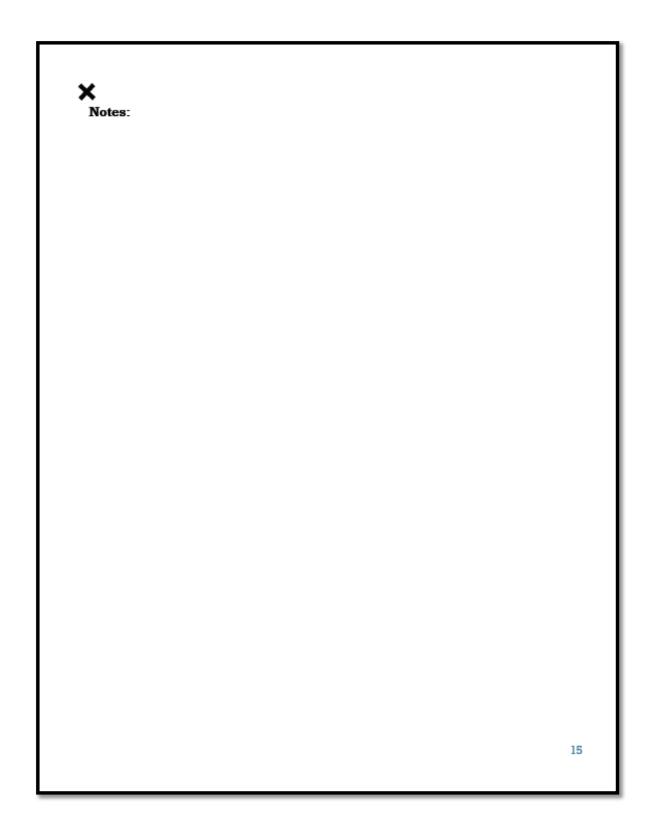
Armstrong, G., & Kotler, P. (2011) Marketing: an introduction (10th ed., global ed.). Boston, Mass.: Pearson.

TCDC, comp. Trend 2013. 1st ed. Vol. 1. Bangkok: TCDC, 2013. Print. Ser. 1.

Pictures:

Wood Carving Picture pg. 4 website: indesignartandcraft.com

Barbara Ray Purse Vase by Poole Pottery pg. 4 website: www.royalacademy.org.uk







"ในขณะที่เรากำลังมองไปในศตวรรษหน้านั้น ผู้นำคือผู้ที่สามารถให้พละกำลังแก่ผู้อื่นในการ ก้าวไปข้างหน้า"

-มือ เกิดส์







Interactive Qualifying Project (WPI) &

Interactive Science and Social Project (CU)



# Hmong Women Cooperative of Ban Pang Ung Mhai Product Portfolio





Name: Key Chain (Change Purse)		:	
Design Description:			
-Front Side: Embroidered Flower	(		)
-Zipper Side: Batik	•		:
Features:	-	:	
-Vertical Full Zip Pouch			
-Chain Ring	-	:	



Name: Wristlet

# **Design Description:**

-Front Side: Embroidery -Back Side: Solid Fabric

## **Features:**

-Zipper Closure

-Rope Wrist Strap

:

-

-





Name: Wallet		:
<b>Design Description:</b>		
-Outside: Embroidery		
-Inside: Batik		
Features:	_	
-Large Zipper Pocket		•
-Pockets for Cards		
		_
	-	:
		:





Name: Button Purse
Design Description:

-Flap: Embroidery

-Pouch: Plain Stitched Fabric

**Features:** 

-Zipper Closure

-Flap and Wooden Button Closure

-Long Rope Strap





**Name**: Button Wristlet **Design Description**:

-Flap: Embroidery

-Pouch: Solid Stitched Fabric

**Features:** 

-Zipper Closure

-Flap and Wooden Button Closure

-Fabric Wrist Strap

:

- :

- :



Name: Button Purse (with Batik)

**Design Description:** 

-Flap: Embroidery

-Pouch: Batik

**Features:** 

-Zipper Closure

-Flap with Wooden Button Closure

-Long Rope Strap

:

\_ .

- :

:





Name: Laptop Case **Design Description:** 

-Body: Plain Stitched Fabric

-Strip: Embroidery

**Features:** 

-Large Open Pocket

-Flap Closure

-Embroidered Flap Holder

**Dimensions:** Compatible with 11,"

13,"and 15" Laptops



**Name**: Stationary Case **Design Description**:

-Front: Embroidery -Back: Solid Fabric

**Features:** 

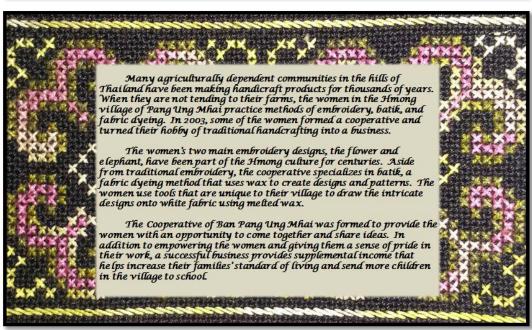
-Zipper Closure -

-Short Rope Strap

- :

Appendix Z: Information Card (front and back) to Promote Products (in English and Thai)

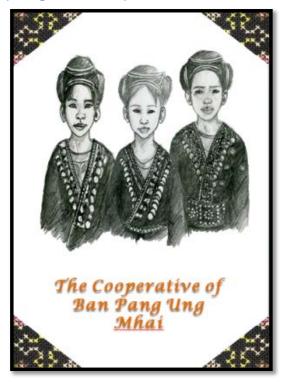


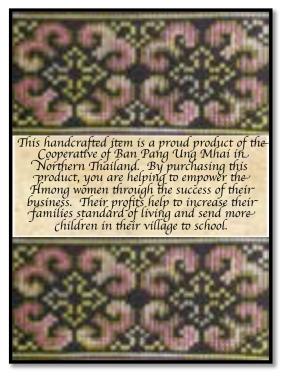






Appendix AA: Front and Back of Tag for Cooperative of Ban Pang Ung Products (in English and Thai)









Appendix AB: Photo Book for the Cooperative of Ban Pang Ung Mhai (Sample Pictures)











