

## Chapter 2

### Literature Review

This research study, “Development of Digital Marketing Strategies for Local Community Products of Pasakngam Village T. Luangneua A. Doi Saket Chiang Mai” consisted of the review of literature as follow:

#### 2.1 Marketing Strategies

##### 2.1.1 Definition

##### 2.1.2 Marketing Strategy Process

#### 2.2 Digital Marketing Strategies

##### 2.2.1 Definition

##### 2.2.2 Types of Digital Marketing

#### 2.3 Local product of Pasakngam Village

##### 2.3.1 Local product

##### 2.3.2 Local products of Pasakngam Village

#### 2.4 Related Research

### 2.1 Marketing Strategies

#### 2.1.1 Definition

Marketing strategy is widely accepted as the major concept in the field of strategic marketing which is vitally important for any kind and level of business including local community products business.

Morgan, Whitley, Feng, and Chari (2018) defined marketing strategy as a construct that lied at the conceptual heart of the field of strategic marketing and was central to the practice of marketing.

Finoti, Toaldo, Schwarzbach, and Marchetti (2019) stated that the marketing strategy referred to the important decisions of and organization regarding the creation, communication and delivery of valuable products to consumers.

Marketing strategy process is an implementation a form of a set of techniques and behaviors which companies need to develop to reach a competitive advantage.

### 2.1.2 Marketing Strategy Process

Marketing strategy is used by different companies to collaborate with their consumers. It is also employed to aware the customers about the features, specifications and benefits of company's products. It is basically focused on encouraging target population to buy those specific products and services. The marketing strategies might be totally innovative or they can be previously tried or tested strategies (Yodiz, 2016)

According to Saylor Academy, (2012) components of marketing strategy process should be considered and designed carefully: company vision, company mission, marketing objectives, and the marketing strategy itself.

Three Phases of Strategic Marketing Process:

#### 1. Planning Phase

The planning phase is the most important as it analyzes internal strengths and weaknesses, external competition, changes in technology, industry culture shifts and provides an overall picture of the state of the organization. This phase has four key components that will provide a clear diagram of where your company is and what it is doing.

SWOT Analysis – Defines the strengths, weaknesses, opportunities, and threats of your business and reveal your company's position in respect to the market. To maximizes strengths and minimize weaknesses an organization must perform the following:

- Analyze competitors
- Research company's current and prospective customers
- Assess company
- Identifying trends in the company's industry

Once this analysis is complete the results should be used as a basis for developing the company's marketing plan, which should be measurable and attainable.

Marketing program – Once the needs of the customers have been determined, and the decisions have been made about which products will satisfy those needs, a marketing program or mix must be developed. This marketing program is the how aspect of the planning phase, which focuses on the 4Ps and the budget needed for each element of the mix.

Set marketing and product goals

Once the customer needs are understood, goals can be set to meet them, thus increasing the chances of success with new products.

Find points of difference: like your company's unique selling point, each product should also have a certain set of traits or characteristics that makes it superior to the competitive substitute. For example, your product could be longer lasting, more accessible, more reliable or very user-friendly so the buyers will choose it over the competition each time.

Position the product: market so that in people's minds your product is the "go to" for their problem. Through emotional and mental marketing customers will associate your brand with their solution and eliminate choice. For example, many mothers use "Pampers," when referring to diapers, as this brand has been positioned as the go to in baby diapering needs.

Select target markets: based on the research and their commonalities, that way needs and goals are both met.

Market-Product focus and Goal Setting – Once the questions of where the company stands and what it wants to achieve are answered, the next step in the planning process is determining where the resources will be allocated, and how to turn plans into focused action. To do this, customers should be divided into segments to determine what specific marketing technique will reach each targeted group and what each group needs. Next measurable goals should be set to get the needed products to the various groups, thus fulfilling the marketing objectives. For example, if customers are divided into groups of common needs it's easier to market them and provide what they have proven to need at the time. And as well, if customers are grouped by their common response to marketing, then the cooperation will know the right decisions to make to reach that specific market segment.

*Price strategy:* focuses on the list price, price allowances (reductions), discounts, payment periods, and credit contracts.

*Place (Distribution) Strategy:* the final 'P' in the marketing mix should focus on distribution channels, outlets and transportation to get the product to the customer when they need it.

*Promotion Strategy:* this element of the program should focus on direct marketing, advertising, public relations and sales promotions that create brand awareness.

*Product Strategy:* this element focuses on the features, packaging, branding and warranty of the product.

## **2. Implementation Phase**

The implementation phase is the action portion of the process. If the firm cannot carry out the plan that was determined in the early stages, then the hours spent planning were wasted. However, if the planning was adequately and competently structured, then the program can be put into effect through a sales forecast and a budget, using the following four components.

Obtaining Resources – sums of cash to develop and market new products.

Designing marketing organization – there should be put in place a marketing hierarchy to properly see the plans to fruition.

Developing planning schedules – time needs to be allocated to specific tasks so they can be accomplished.

Executing the marketing plan – effectively executing the marketing plan will take attention to detail, and focus on the strategy and tactics defined in your marketing plan.

### **3. Evaluation or Control Phase**

The evaluation phase is the checking phase. This process involves ensuring that the results of the program are in line with the goals set. The marketing team, especially the manager will need to observe any deviations in the plan and quickly correct negative deviations to get back on course; for example, fluctuations of the dollar creates a lesser need for the product than in the past, then the production of said product should be repurposed for a new more desired item. And they should exploit the positive divergences as well, for example if sales are better than predicted for certain products then there could be more resources allocated to greater production or distribution of the same item.

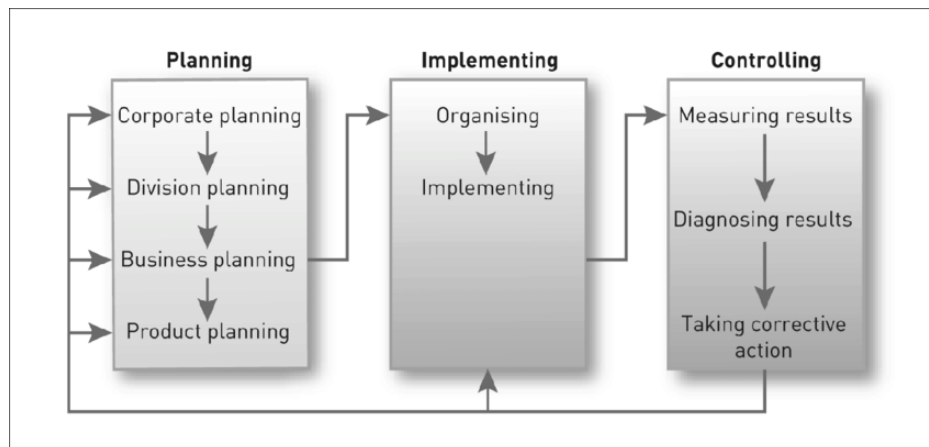
A few ways to evaluate the effectiveness of your marketing strategy include paying attention to:

Strategy versus tactic – strategy defines goals and tactic defines actions to achieve goals.

Measurable versus vague – have milestones that define when you've achieved your goals.

Actionable versus Contingent – According to Inc.com: “A strategic goal should be achievable through the tactics that support it, rather than dependent upon uncontrollable outside forces.”

Marketing strategy should be backed by a business plan with tactical moves to accomplish goals, or it is useless.



Picture 2.1: Phillip Kotler and Keller (2017)

Marketing strategy includes following phases:

Analysis phase - it includes the market research, market segmentation, targeting, positioning, analyzes implementation (Five Forces, BCG, PESTLE, SWOT, etc.)

Synthesis phase - the creation of the marketing mix and its components, setting sales objectives (sales volume), price setting, identifying ways of promotion and distribution, etc.

Realization phase - production and sale of the goods or service

Control and correction phase - evaluating the sales results, marketing strategy correction

## 2.2 Digital Marketing Strategies

### 2.2.1 Definition

#### Digital Marketing Strategies (Southern New Hampshire University, 2020)

Digital marketing are all marketing activities that use an electronic device or the Internet. Digital marketing certainly encompasses all online marketing activities. However, it might include some offline activities. (Converful, 2020)

Kannan & Li (2016) stated that digital marketing could be explained as “an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders”

### 2.2.2 Types of Digital Marketing

Fierro, Arbelaez,& Gavilanez (2017) concluded four main aspects of digital marketing strategies that were found on business platforms consisting of web/mobile

marketing, search engine optimization (SEO), social networks, and customer relationship management (CRM).

Schwarzl & Grabowska (2015) stated different types of online marketing strategies including: affiliate marketing, e-mail marketing, keyword-advertising, and online advertising.

### **Content Marketing**

Content marketing is a type of digital marketing that focuses on creating and distributing content for a target audience. The content aims at being valuable, relevant, and (ideally) consistent. Its ultimate goal is to drive a profitable customer action.

The crucial part here is “valuable” and “relevant”. This is what tells content marketing apart from traditional spammy advertising. The target audience should want to seek the content out and consume it.

### **Search Engine Optimization (SEO)**

SEO, or Search Engine Optimization, is the process of getting quality traffic from free, or organic, search results on the search engines (like Google and Bing).

It's important that the traffic you drive to your website is relevant to your industry. If you manage to attract a high volume of visitors searching for Macintosh computers while what you actually do is selling raincoats, the traffic will do you no good.

SEO is one of the most important types of digital marketing. By optimizing your content for search engines, you can increase a steady stream of relevant traffic that will only grow over time. Without search engine optimization, people simply won't be able to find you on the Internet.

Some optimization techniques include: researching relevant keywords and including them into your website copy, optimizing your website titles, description and loading speed, building relevant backlinks.

### **Affiliate Marketing**

Affiliate marketing is one of the popular ways people make money online these days. If your affiliate program is successful, you might earn quite a decent passive income.

Basically, affiliate marketing is a type of digital marketing where a person partners up with other businesses in order to receive a commission for the traffic s/he generates for this business. Imagine this: you put a link to an external website on your own blog or website. Every time a user proceeds to this external website and makes a purchase, you receive a commission.

### **Search Engine Marketing (SEM)**

Initially, the term “search engine marketing” was used as an umbrella term for the process of gaining both paid and free search traffic. Over time, the industry switched to using the term “SEM”, or Search Engine Marketing, solely for paid activities.

### **Social Media Marketing (SMM)**

Simply put, social media marketing refers to the process of using social media platforms to attract traffic and attention. By using social media, you can increase exposure and build meaningful relationships with your customers.

While everybody can benefit from SMM as a type of digital marketing, B2C and SaaS companies tend to get the most out of it. Social media marketing is all about listening to what your customers have to say, engaging in the conversation, and sharing valuable content.

Search engine marketing refers to a form of digital marketing that aims at increasing the visibility of a website in search engines by using paid methods. In other words, it’s the ads you put out there on Google AdWords and Bing Ads.

### **Instant Messaging Marketing**

Instant messengers are the latest communication trend. There are 1.5 billion people globally using WhatsApp on a monthly basis, followed by Facebook Messenger and WeChat. If you want to be where your audience is, enter instant messaging marketing.

### **Pay-per-Click (PPC)**

A laptop screen showing the analytics behind a pay-per-click digital marketing campaign. Pay-per-click refers to paid advertisements and promoted search engine results. This is a short-term form of digital marketing, meaning that once you are no longer paying, the ad no longer exists. Like SEO, PPC is a way to increase search traffic to a business online.

Pay-per-click can refer to the advertisements you see at the top and sides of a page of search results, the ads you see while browsing the web, ads before YouTube videos and in ads in mobile apps.

## **2.3 Local Product**

Local resources and wisdom had been applied to develop the quality of goods and services with community’s benefits and as well as maintaining the original way of people lives. (Chuleeporn Lakhanapipat, Ian Smith, Chalongs Tubsree 2016)

According to the presentation of Boonchangpuak (2011) in Pacific Neighborhood Consortium (2018), Pasakngam is the location where is the example of many project case studies such as self-reliance occupation group, community water resource management, and the capacity development for community water resource management. From the Self-Reliance Occupation Group project, the Occupation Revolving Fund of the village was established along with that, the Pasakngam villagers started to create their occupation groups such as Orchid group, Bee Farming, Integrated Agriculture group, and Handicraft group in order to extend benefit to Pasakngam community. Therefore, the village can produce many kinds of local products such as honey from bee farming, handicraft products such as bamboo cups, bottle holders, blooms, etc. (Loung Nuae, 2018).

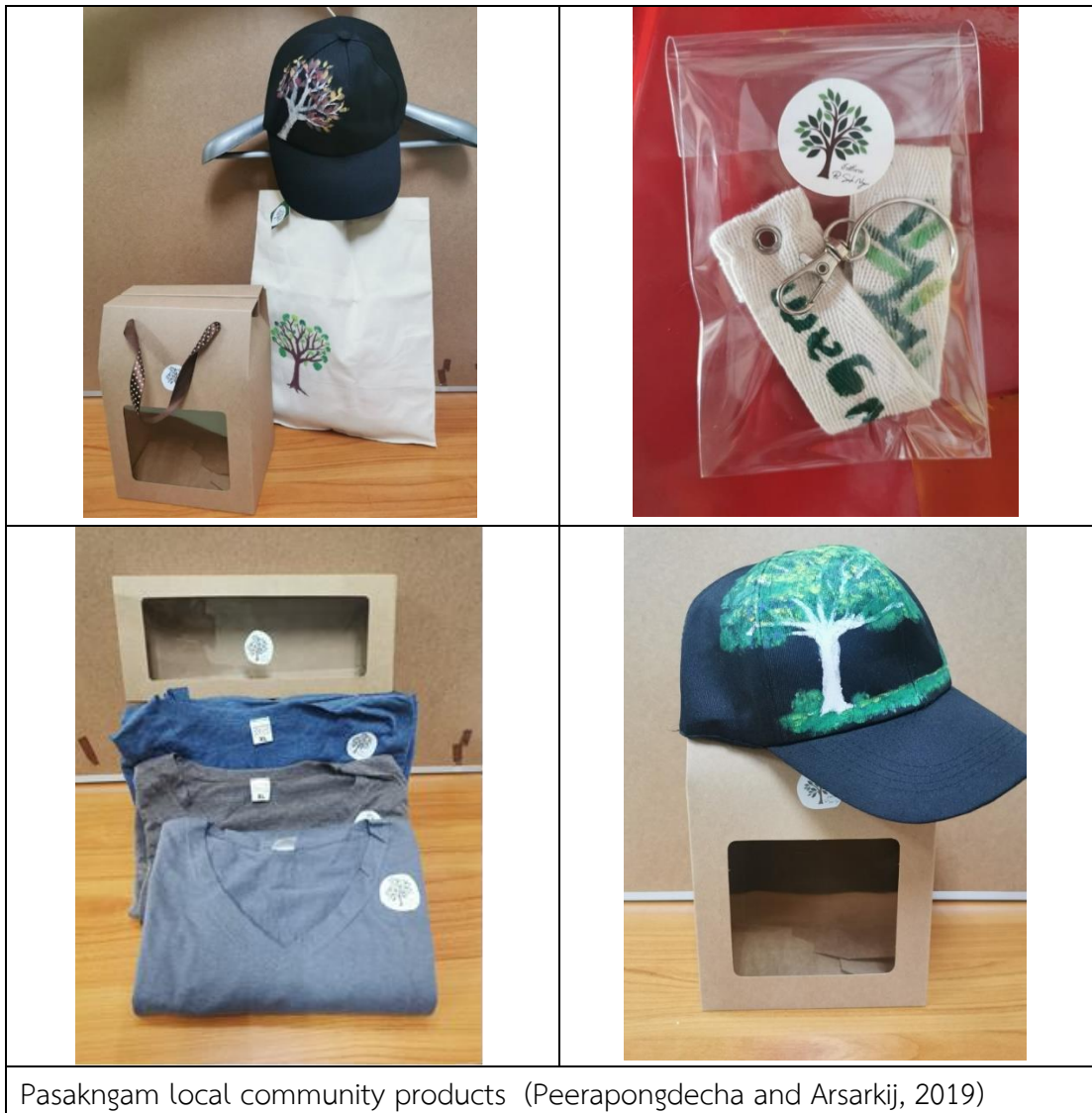


*Pictures 2.2 : Local Products of Pasakngam Village (Pictures 2-4 taken in the academic service project by the International College, Chiang Mai Rajabhat University, 2016)*

Moreover, according to a research project of Peerapongdecha and Arsarkij (2019), there were four types of products developed to be Pasakngam local



souvenirs consisting of global friendly bags, caps, shirts, and keychains. Pasakngam local products were evolved by the purpose of projecting these products as handcrafted souvenirs and aimed to symbolize the local identity of Pasakngam to enhance the image of the global friendly product and community.



*Pictures 2.3 : Local Products of Pasakngam Village (Pictures were taken in the academic service project by the International College, Chiang Mai Rajabhat University, 2016)*

## 2.4 Related Research

Kannan & Li (2016) conducted a research study to develop framework in marketing process highlighting digital marketing strategy process and outlining the related issues to integrate and examined the digital marketing issues.

Loredana (2017) studied the most important digital marketing strategy for inbound marketing which displayed the organic marketing form regardless of sector, size or country of origin. The study revealed that the companies were forced to exploit digital marketing that could essentially bring a lot of benefits at low costs.

Fierro, Arbelaez,& Gavilanez (2017) conducted a research to examine the causes and consequences of implementing digital marketing in the international education industry. The research finding indicated the digital marketing as the ultimate tool to proactively excel the company in the competitive business.

Li, Larimo and Leonidou (2019) validated the social media marketing strategy and suggested it as a fruitful directions for future research.

Dubbelink, Herrando, & Constantinides (2021) proposed framework that adopted the social media marketing through digital channels to create positive brand equity concluded that the basis for potential social marketing strategy included four components: 1) businesses needed to develop clear perspective on their social marketing activities; 2) to assess the current brand elements; 3) the marketing activities must be adapted to the needs of consumers; and 4) the messages sending to consumers should show the empathy and deliver relevant information.

### Research Conceptual Framework

