



CONSUMERS' PURCHASING BEHAVIOR ON THAI PRODUCTS AT BANTEAY MEANCHEY PROVINCE, KINGDOM OF CAMBODIA

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ABSTRACT

The ASEAN Economic Cooperation among Cambodians residing at Banteay Meanchey, Kingdom of Cambodia near Poipet Border Crossing Thailand, which makes trading between countries more convenience. Trade liberalization has allowed countries and opened up markets for Thai products. This research aimed to 1) study personal factors affecting behavior in purchasing Thai products as well as 2) which marketing mix factors influenced such behavior and 3) explore trade opportunity and channel of distribution for Thai SME at Banteay Meanchey, Kingdom of Cambodia. Data were collected through 400 sets of constructed questionnaire and subjected to data analysis which interpreted with Descriptive and Inferential Statistics.

The findings suggest that there were more female than male samples whose ages from 22-35 years. Majority of samples were married, completed lower secondary educational level, corporate employee with average monthly earning more than 1,000,000 Riels, or roughly 7,890 baht. Samples had chosen to buy life necessities for daily consumption on continuous basis. Most samples bought familiar products from regular store that had been used while working in Thailand apart from own preference and trust in quality of Thai products until deciding to repurchase such product. Because of Banteay Meanchey is located near Poipet Border Crossing Thailand, trading between both countries can be conveniently done.

Keywords: Consumers' purchasing behavior, Thai products, Banteay Meanchey Province

1. Introduction

Cambodia is one of Thailand neighboring countries with shares boundaries by having the north adjacent to four provinces of Thailand, namely, Ubon Ratchathani, Sisaket, Surin, and Buriram. The eastern region is connected to Sa Kaew, Chantaburi and Trat, and the south is next to Gulf of Thailand. The border trade in north eastern region between Thailand and Cambodia is at Ubon Ratchathani, Sisaket and Buriram, whereas the relief point in the eastern region is at Trat, Chantaburi, and Sa Kaew, having the main trading point at Rong Kluea Market located at Ban Klongluk permanent border crossing, Arrun Phi Pornprathet District, Sa Kaew Province with the highest trade value next to Banteay Meanchey. Cambodia adjacent to Thailand in the western region at Poipet, Banteay Meanchey, having Sisophon Province as the capitol located at the northeastern region of Cambodia and next to Sa Kaew Province of Thailand at Poipet Border Crossing. Poipet is the place where many tourists from Thailand and Cambodia frequently visiting apart from having most foreigners coming to renew the passports. Banteay Meanchey economy is at peak since many Thai and Cambodian visitors prefer to spend money shopping at the border market. Moreover, this is the passing point easily access to other Cambodia provinces, including the possibility of setting up Economic Zone along Thailand-Cambodia border to promote border trading between both countries which considered as increasing an opportunity and encouraging the prospect entrepreneurs to invest in business between Thailand and Cambodia.

Thailand border next to Cambodia is 803 kilometers long (adjacent to Laos 541 kilometers, Vietnam 1,228 kilometers, having the coastal area 443 kilometers) with six permanent checkpoints that can facilitate importing-exporting, making the border trade with high value over 70 % by average of total trading between two countries combined. This trend is likely to increase continuously with the population roughly 760,000 with 60% of working age. Total 80% of population make their livelihoods from agriculture and other 20% are the state officials, government employees and company workers. The total city laborer estimated 100,000 crossing the border to work in Thailand. Banteay Meanchey has occupied area roughly 6,679 square meters by dividing into agricultural area of 3,800 square kilometers in which over 2,400 square meters reserved for cultivating rice and the remained land for growing cassava, corn and soy beans. At present, Banteay Meanchey has 3 Special Economic Zone, namely O'Neang SEZ, Sisophon SEZ and SANCO SEZ in addition to the future plan to set up two more zones, having TOYOTA company expressed its interest in building a factory

to manufacture the automobile parts in Banteay Meanchey. Normally, Cambodian admire products and services from Thailand with full confidence in the standard production, including the product preferences even though products from Thailand sold with higher price than other import products from Japan, South Korea, Singapore, Malaysia, Australia and major trade competitors such as Vietnam and China. Thai products, whether being foods, beverages, medicine and herbs or health and beauty products are all in demand and preferred transporting through Sa Kaew to Poipet Crossing. From there, Thai products can be transported from and to Phnom Penh within 3 days and more economical.

The aforementioned reason has captured the author interest to further explore Cambodian consumers' behavior at Banteay Meanchaey due to its location next to Thai border with major business contribution to Thai economy. The study focused on the demand and personal favor towards certain item, making the business able to serve consumer demand appropriately by reaching true needs of Cambodian consumers and in turn benefiting the entrepreneurs in both countries.

Objectives of the Study

1. To explore Cambodian consumers' behavior on buying consumption goods from Thailand at Banteay Meanchaey.
2. To observe how the marketing mix affected consumers' behavior.
3. To study trade possibility and trade channel at Banteay Meanchaey border market.

Literature Review

Kotler (1997) had analyzed consumers' behavior that focused on their needs, purchasing and consuming products so that the outcomes can be set up appropriate marketing strategies to satisfy consumers' demand. Earlier studies had attempted to clarify the meaning of consumers with few scholars mentioned that consumers comprised of a group of individual with different needs, but displayed similar needs of products and services (Bruwer & Li, 2007; Kotler, & Keller, 2009; Ogbeide, 2014). In other context, consumers are not only referred to individual, but also represented agencies or organizations. In the same token, household is another type of consumer, individual, agency, household or association that conducted trading, including those intended to buy, rent or

borrow money to buy, rent or provide services (Lancaster & Massingham, 2011). From consumers' definition on consumption, consumers must then face the steps in purchasing decision (1) Realized own need (2) selecting products and making comparison (3) negotiating process (4) perceiving risk and (5) buying products and services (Kotler, 2011). In the decision-making process, the consumers are constantly exposed to the surrounding information, not only advertising, salesperson, but also the acquaintances. Previous studies suggest that these information derived from own decision-making and outside information which comprised of Motivation and involvement, Knowledge, Attitude, Perceived risk, Risk reduction strategy, and Social demographics (Ogbeide, 2015). As for the marketing mix concept for servicing, most academics mentioned that other businesses management involved organizing marketing mix to propose sale, leading to actual products buying and selling or exchanging services between consumers. Four marketing mix--4Ps are product by manufacturing products according to consumers' demand, price for lucrative business and place for product distribution so that consumers can easily and quickly buying products with promotion to enhance consumers' demand.

The findings from E-Saan Center for Business and Economic Research (ECBER), Khon Kaen University suggest that a group of Cambodian samples who bought household consumer goods such as detergent, soap, shampoo, toothpaste and tissues, over half usually bought products from the regular market store, while they preferred buying products such as lotion, moisturizer, and deodorant at the supermarket once or twice monthly. As for other electronic equipment, they would buy from regular department stores. Other products such as automobile and motorcycle, they would buy from specific place selling only automobile or motorcycle and only once in a while. Factor effecting decisions to buy fashion goods among Cambodians are necessities 38%, product quality 21%, own taste or preference 11%, product popularity among friends 9%, display status 9%, promotion 7% , price 4% and others 1%.

2. Methodology

Quantitative research method via survey was used for this research. Survey questionnaires of cambodian language were distributed to sample groups. The variables used in this paper personal values, social, recognition, intention to buy products, and

demographics. Both primary and secondary type of data collection were used for this research.

Population and sample

The population is Cambodian Consumer at Bantey Mianchey Provinces.

The sample was a group of customers who buy Thai Products at Bantey Mianchey Provinces area. The researcher did not know the true number of the population. Therefore, the researcher used the method of calculating the sample size using the W.G. Cochran formula. The researcher defined the proportion of the population by 50%. The sample size was not less than 385. The sample size was 400 samples.

Sampling method

The number and exact list of the population can not be determined.

Researchers have chosen to use non-probability sampling. The researcher used a quota sampling technique from the Cambodian Consumer at Bantey Mianchey Provinces. The total number of questionnaires was 400 samples, which was higher than the minimum sample size calculated from W.G. Cochran formula. We collected information from questionnaire during December 2017 to January 2018.

3. Data Collection

The tool used to collect data is Questionnaire for Cambodian Consumer at Bantey Mianchey Provinces. It has been developed to cover the objectives of the research. The details are as follows:

Part 1: Demographics and Behavioral Sciences. It is closed ended form.

Part 2: Attitude Scale for Consumer Behavior.

Part 3: Facts about Influencing factor to decision on buying Thai Consumer Products.

4. Result and Discussion

Customers Demographic Profile (Age-wise sample participant) All age's people ranging from less than 18 years to 48 years or over were purchased commodities from retail shop where maximum no. of respondents (51.8%) are 22 to 35 years.

Customers Demographic Profile (Gender, Education and Income per months) 50.8% of the total respondents are male and rest of female. Again high school person visibility is 67.3% and 83.3% of total respondents have income more than 1,000,000 riel per month. Occupation are 43.3% of own business

Frequency to buy Thai Commercial products monthly (69.8%) Factors affecting consumers to shop Thai Consumer goods The very first reason of sample customers to purchase Thai Consumer products is quality products, lower , convenience to buy and sale promotion respectively.

The Influencing factor to decision buying of Thai Products.

Table 1 Average Mean and Standard Deviation of influence factor to decision buying of Thai Products. in Banteay Meanchey Province.The Kingdom of Cambodia.

Influence factor to decision buying of Thai Products	Average Mean	Standard deviation	Level
Product Quality.	4.80	.597	high
Product Variety	4.79	.607	high
Product Features	4.73	.751	high
Product Design	4.70	.591	high
Product Package	4.68	.571	high

Note: This research uses 5-point scale, with score 1 = lowest score and 5 = highest score

Table 2. Average Mean and Standard Deviation of Reason to buy of Thai Products. in Banteay Meanchey Province.The Kingdom of Cambodia.

Reason to buy of Thai Products	Average Mean	Standard deviation	Level
Thai Souvenir	3.31	1.647	medium
Thai Electrical	3.15	1.566	medium
Thai Clothing	2.21	1.08	low
Thai Consumer Goods	2.21	1.08	low
Thai Cosmetics	2.92	1.586	low

Note: This research uses 5-point scale, with score 1 = lowest score and 5 = highest score

Table 3. shows the correlation coefficients that Influence factor to decision buying Thai Products.

Coefficients^a

Key Factors	Unstandardized Coefficients		Standardized Coefficients	t	Sig. ($\alpha=0.05$)	
	B	Std. Error	Beta			
(Constant)	1.579	.561		2.817	.005	
1	Buying of Product variety	.715	.127	.586	5.617	.000
	Buying of product quality	.477	.135	.385	3.541	.000
	Buying low price	.374	.119	.363	3.144	.002
	Near home	-.277	.088	-.313	-3.153	.002
	TV advertising	-.295	.096	-.326	-3.075	.002
	Billboard advertising.	.058	.101	-.076	.574	.566

Dependent Variable: Confidence in Influence factor to decision buying Thai Products
(at significant level = 0.05).

From Table 1, the correlation coefficient of the significant factors affecting the Influence of decision buying Thai Products found that

The Influence of decision buying product was correlated with the reliability of product variety. Sig value = 0.000 < significant at 0.05.

The Influence of decision buying product was correlated with the reliability of product quality. Sig value = 0.000 < significant value at 0.05.

The Influence of decision buying product – was correlated with the reliability of low price. Sig. = 0.002 < significant value at 0.05.

The Influence of decision buying product was correlated with the reliability of near home. Sig. = 0.002 < significant value at 0.05.

The Influence of decision buying product was correlated with the reliability of buying of TV advertising. Sig. = 0.002 < significant value at 0.05.

The concerns about the possibility of data malfunction. Relationship with The Influence of decision buying product. Sig. = .005 < significant at 0.05.

6. Conclusion

Cambodian consumers also have a penchant for trendy products, particularly in Clothing, Food as well as Consumer Electronics and Appliances. Most goods transfer between Thailand and Cambodia over land via trucks to Banteay Maenchey Province, Cambodia via Poi Pet Checkpoint, Sa Kraew Province. Cambodian consumers are newly excited about shopping. The economy is growing and there are more products available for sale. Cambodians are interested in Thai Product brands. Most samples bought familiar Thai products from regular store that had been used while working in Thailand apart from own preference and trust in quality of Thai products until deciding to repurchase such product. Because of Banteay Maenchey is located near Poipet Border Crossing Thailand, trading between both countries can be conveniently done.

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