



# Marketing Strategies for Maintaining Instant Noodle Market Leadership

by

Ms. Sophida Wareewiboon

A Final Report of the Three-Credit Course  
CE 6998 Project

Submitted in Partial Fulfillment  
of the Requirements for the Degree of  
Master of Science  
in Computer and Engineering Management  
Assumption University

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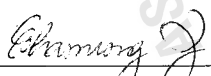
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The Graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.

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## ABSTRACT

Instant noodle industry has witnessed a constant growing situation with growth rates of 3% and MAMA brand is still the most admirable brand in the instant noodle market that has the market share of 53.60% from the total value of 9,000 million baht. However, MAMA's market share has decreased because its competitors have employed countless marketing techniques so MAMA brand has to counteract with more constant and comprehensive marketing strategies to maintain consumer's brand loyalty.

MAMA uses many strategies that emphasize on marketing strategy in order to maintain its market share and loyalty from consumers. Now, MAMA is in the position of "Cash Cow" that have high market shares with more investments so it has tried to adjust its position to be in the between "Star" and "Cash Cow" in order to generate the sales like "Star" but generate profit like "Cash Cow".

For marketing mix, product strategies are the most important for MAMA because the taste is the most important so it must try to have the deviation of taste in each production in order to maintain the loyalty of consumer. MAMA is not much concerned about price because its price is quite stable but it uses promotion strategies in order to compete with competitors by emphasizing brand awareness among children by fostering social activities. For distribution channel, MAMA has the coverage rate of 99% that means MAMA can reach through the consumers from its every outlet.

The future trend is favorable to a continuous expansion of the instant noodle industry with a higher competition so MAMA should try to adjust its marketing mix according the situation of the market and customer needs in order to maintain the leadership in the instant noodle market.

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## **I. INTRODUCTION**

### **1.1 General Point of View**

Nowadays, consumer products are one of many important things that people use regularly in their life. Instant noodle is the one kind of consumer products that people like to consume because this product's outstanding feature is cooking convenience and low price, which is helpful to today lifestyle.

Instant noodle industry has witnessed a constant growing situation with growth rates of 3% in 2002. Due to higher competition, the manufacturers use more budgets for aggressive marketing activities and launch new tastes all the time.

Thus, it stimulates higher consumer demand. For the market, the most saleable product type is bagged noodle, which accounts for 98% of all exported noodle and the other types distributed are cup and bowl types.

The prime market for the company's instant noodles goods is domestic market, which accounts for considerably 85-90% and the remainder is exported. The market range targets middle to low ends, both male and female, ages range from 18 to 35 years which comprise workers, school and university students and housewives. Now Mama is still the most admirable brand in the instant noodle market.

### **1.2 Contributions of the Study**

The contributions of the study are as follows:

- (1) This study provides useful information such as how Thai President Foods Public Company Limited is successful in instant noodle's market.
- (2) Other companies can also use this research to improve their performance and to be more competitive in the market.

### **1.3 Scope of the Study**

The main purpose of this study is to study the marketing strategy of Thai President Foods Public Company Limited, which is the leader in instant noodle market in Thailand.

### **1.4 Objectives of the Study**

- (1) To study and realize instant noodle product's situation in Thailand
- (2) To examine how Thai President Foods is successful in instant noodle product in Thailand
- (3) To study successful adjusting strategies of Thai President Foods in extremely competitive environment
- (4) To analyze marketing situation of instant noodle product

### **1.5 Benefit and Expectation from the Study**

- (1) To learn more about the situation of instant noodle's market in Thailand.
- (2) To learn more about marketing strategy of a leading firm.
- (3) To learn more about the strategy that the competitors must use to improve their business.
- (4) To learn more about successful methods to become a leader.

## **II. LITERATURE REVIEW**

The purpose of this research is to analyze the marketing strategy of the leading company in instant noodle market in Thailand. The critical and basic concept development is based on market research in instant noodle business.

### **2.1 Strategic Planning**

Companies usually prepare annual plans, long-range plans, and strategic plans. The annual and long-range plans deal with current businesses of the companies and how to keep them going. In contrast, the strategic plan involves adapting the firm to take advantage of opportunities in its constantly changing environment. We define strategic planning as the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities.

Strategic planning sets the stage for the rest of the planning in the firm. It relies on defining a clear company mission, setting supporting company objectives, designing a sound business portfolio, and coordinating functional strategies (See Figure 2.1) At the corporate level, the company first defines its overall purpose and mission. This mission then is turned into detailed supporting objectives that guide the whole company. Next, headquarters decides what portfolio of businesses and products is best for the company and how much support to give each one. In turn, each business and product unit must develop detailed marketing and other departmental plans that support the company wide plan. Thus, marketing planning occurs at the business unit, product, and market levels. It supports company strategic planning with more detailed planning for specific marketing opportunities.

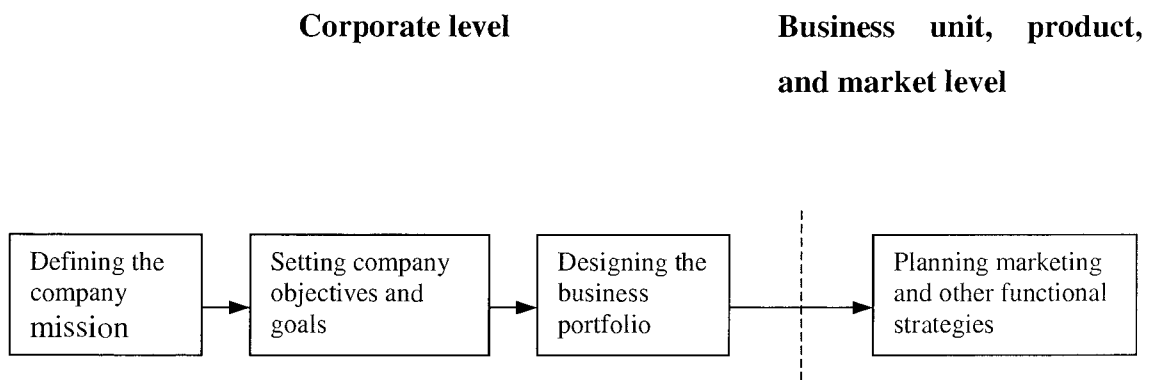


Figure 2.1. Steps in Strategic Planning (Philip Kotler 1989).

## 2.2 Business Portfolio

The major activity in strategic planning is business portfolio analysis, whereby management evaluates the business making up the company. The company will want to put strong resources into its more profitable businesses and phase down or drop its weaker ones.

Management's first step is to identify the key businesses making up the company. These can be called the strategic business units. A strategic business unit (SBU) is a unit of the company that has a separate mission and objectives and that can be planned independently from other company businesses. An SBU can be a company division, a product line within a division, or sometimes a single product or brand.

The next step in business portfolio analysis calls for management to assess the attractiveness of its various SBUs and decide how much support each deserves. In some companies, this is done informally. Management looks at the company's collection of businesses or products and uses judgment to decide how much each SBU should contribute and receive. Other companies use formal portfolio-planning methods.

The purpose of strategic planning is to find ways in which the company can best use its strengths to take advantage of attractive opportunities in the environment. So most standard portfolio-analysis methods evaluate SBUs on two important dimensions – the attractiveness of the SBU's market or industry and the strength of the SBU's position in that market or industry. The best-known portfolio-planning method was developed by the Boston Consulting Group, a leading management consulting firm.

### 2.2.1 The Boston Consulting Group Approach

Using the Boston Consulting Group (BCG) approach, a company classifies all its SBUs according to the growth-share matrix shown in Figure 2.2

On the vertical axis, market growth rate provides a measure of market attractiveness. On the horizontal axis, relative market share serves as a measure of company strength in the market. By dividing the growth-share matrix as indicated, four types of SBUs can be distinguished

**Stars** are high-growth, high-share businesses or products. They often need heavy investment to finance their rapid growth. Eventually their growth will slow down, and they will turn into cash cows.

**Cash cows** are low-growth, high-share businesses or products. These established profits and success, and SBUs need less investment to hold its market share. Thus, they produce a lot of cash that the company uses to pay its bills and to support other SBUs that need investment.

**Question marks** are low-share business units in high-growth markets. They require a lot of cash to hold their share, let alone increase it. Management has to think hard about which question marks it should try to build into stars and which should be phased out.

**Dogs** are low-growth, low-share businesses and products. They may generate enough cash to maintain themselves but do not promise to be large sources of cash.

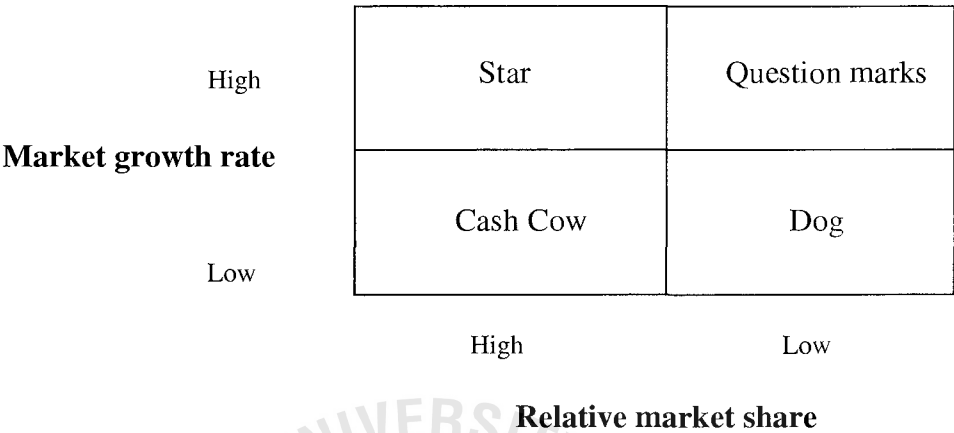


Figure 2.2. The BCG Growth-Share Matrix (Philip Kotler 1989).

2.2.2 Problems with Matrix Approaches

The BGC and other formal methods revolutionized strategic planning. However, such approaches have limitations. They can be difficult, time-consuming, and costly to implement. Management may find it difficult to defines SBUs and measure market share and growth. In addition, these approaches focus on classifying current businesses but provide little advice for future planning. Management must still rely on its own judgment to set the business objectives for each SBU, to determine what resources each will be given, and to figure out which new businesses should be added.

2.3 The Marketing Process

The strategic plan defines the company’s overall mission and objectives. Within each business unit, marketing plays a role in helping to accomplish the overall strategic objectives. Marketing process is the process of analyzing marketing opportunities, selecting target markets, developing the marketing mix and managing the marketing effort.

To succeed in today's competitive marketplace, companies must be customer centered, winning customers from competitors, then keeping and growing them by delivering greater value. But before it can satisfy consumers, a company must first understand their needs and wants. Companies know that they cannot connect profitably with all consumers in a given market- at least not all consumers in the same way. There are too many different kinds of consumers with too many different kinds of needs. And some companies are in a better position to serve certain segments of the market. Thus, each company must divide up the total market, choose the best segments, and design strategies for profitably serving chosen segments better than its competitors do. This process involves three steps: market segmentation; market targeting, and market positioning.



Figure 2.3. Steps in Market Segmentation, Targeting, and Positioning (Michael and Susan 1988).

### 2.3.1 Market Segmentation

The market consists of many types of customers, products, and needs, and the marketer has to determine which segments offer the best opportunity for achieving company objectives. Consumers can be grouped and served in various ways based on geographic, demographic, psychographic; and behavioral factors. The process of dividing a market into distinct groups of buyers with different needs, characteristics, or

behavior who might require separate products or marketing mixes is called market segmentation.

Every market has segments, but not all ways of segmenting a market are equally useful. A market segment consists of consumers who respond in a similar way to a given set of marketing efforts.

### 2.3.2 Market Targeting

After a company has defined market segments, it can enter one or many segments of a given market. Market targeting involves evaluating each market segment's attractiveness and selecting one or more segments to enter. A company should target segment in which it can profitably generate the greatest customer value and sustain it over time. A company with limited resources might decide to serve only one or a few special segments or "market inches". This strategy limits sales but can be very profitable. Or a company might choose to serve several related segments – perhaps those with different kinds of customers but with the same basic want. Or a large company might decide to offer a complete range of products to serve all market segments.

### 2.3.3 Product Positioning

After a company has decided which market segments to enter, it must decide what positions it wants to occupy in those segments. A product's position is the place the product occupies relative to competitors in consumers' minds. If a product is perceived to be exactly like another product on the market, consumers would have no reason to buy it. Market positioning is arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. Thus, marketers plan positions that distinguish their products from competing brands and give them the greatest strategic advantage in their target markets. In positioning its product,

the company first identifies possible competitive advantages on which to build the position. To gain competitive advantage, the company must offer greater value to chosen target segments, either by charging lower prices than competitors do or by offering more benefits to justify higher prices. But if the company positions the product as offering greater value, it must then deliver that greater value. Thus, effective positioning begins with actually differentiating the company's marketing offer so that it gives consumers more value than they are offered by the competition. Once the company has chosen a desired position, it must take strong steps to deliver and communicate that position to target consumers. The company's entire marketing program should support the chosen positioning strategy.

**2.4 Market Segmentation**

Markets consist of buyers, and buyers differ in one or more ways. They may differ in their wants, resources, locations, buying attitudes, and buying practices. Through market segmentation, companies divide large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with products and services that match their unique needs as shown in Figure 2.4. This section, discusses five important segmentation topics: levels of market segmentation, segmenting consumer markets, segmenting business markets, segmenting international markets, and requirements for effective segmentation.

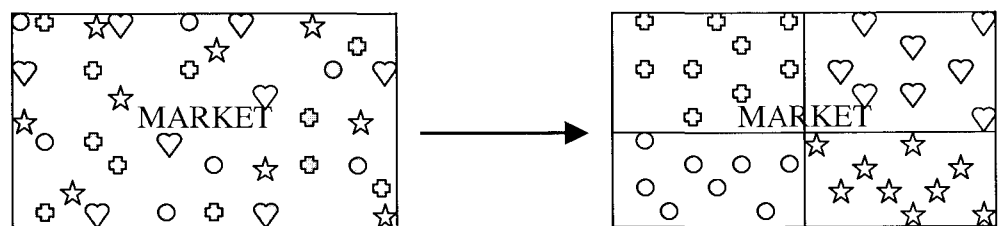


Figure 2.4. Marketing Segmentation.

2.4.1 Levels of Market Segmentation

Because buyers have unique needs and wants, each buyer is potentially a separate market. Ideally, then, a seller might design a separate marketing program for each buyer. However, although some companies attempt to serve buyers individually, many others face larger numbers of smaller buyers and do not find complete segmentation worthwhile. Instead, they look for broader classes of buyers who differ in their product needs or buying responses. Thus, market segmentation can be carried out at several different levels. Figure 2.5 shows that companies can practice no segmentation (mass marketing), complete segmentation (micromarketing), or something in between (segment marketing or niche marketing)

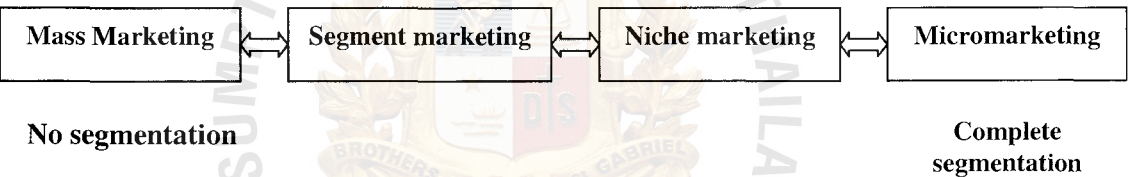


Figure 2.5. Levels of Marketing Segmentation (Eli Segev 1992).

**Mass Marketing:** Companies have not always practiced target marketing. For most of the past century, major consumer products companies held fast to mass marketing - mass producing, mass distributing, and mass promoting about the same product in about the same way to all consumers. The traditional argument for mass marketing is that it creates the largest potential market, which leads to the lowest costs, which in turn can translate into either lower prices or higher margins. However, many factors now make mass marketing more difficult. Today’s marketers find it very hard to create a single product or program that appeals to all of these diverse groups. The proliferation of distribution channels and advertising media has also made it difficult to practice “one-size-fits-all” marketing. Today’s consumers can shop at megamalls,

superstores, or specially shops; through mail catalogs or virtual stores on the Internet. They are bombarded with messages delivered via media ranging from old standards such as television, radio, magazines, newspapers, and telephone to newcomers such as Web banners, fax, and e-mail. No wonder some have claimed that mass marketing is dying. Not surprisingly, many companies are retreating from mass marketing and turning to segment marketing.

**Segment Marketing:** A company that practices segment marketing isolates board segments that make up a market and adapts its offers to more closely match the needs of one or more segments. Segment marketing offers several benefits over mass marketing. The company can market more efficiently, targeting its products or services, channels, and communications programs toward only consumers that it can serve best and most profitably. The company can also market more effectively by fine-tuning its products, prices, and programs to the needs of carefully defined segments. And the company may face fewer competitors if fewer competitors are focusing on this market segment.

**Niche Marketing:** Market segments are normally large, identifiable groups within a market. Niche marketing focuses on subgroups within these segments. A niche is a more narrowly defined group, usually identified by dividing a segment into subsegments or by defining a group with a distinctive set of traits that may seek a special combination of benefits. Whereas segments are fairly large and normally attract several competitors, niches are smaller and normally attract only one or a few competitors. Niche marketers presumably understand their niches' needs so well that their customers willingly pay a price premium.

Niching offers are smaller companies an opportunity to compete by focusing their limited resources on serving niches that may be unimportant to or overlooked by larger competitors. Large companies also serve niche markets. In many markets today, niches

are the norm. As an advertising agency executive observed, “There will be no market for products that everybody likes a little, only for products that somebody likes a lot” Other experts assert that companies will have to “niche or be niched”.

Micromarketing: Segment and niche marketers tailor their offers and marketing programs to meet the needs of various market segments. At the same time; however, they do not customize their offers to each individual customer. Thus, segment marketing and niche marketing fall between the extremes of mass marketing and micromarketing. Micromarketing is the practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations. Micromarketing includes local marketing and individual marketing.

(a) Local marketing involves tailoring brands and promotions to the needs and wants of local customer groups - cities, neighborhoods, and even specific stores. Local marketing has some drawbacks. It can drive up manufacturing and marketing costs by reducing economies of scale. It can also create logistics problems as companies try to meet the varied requirements of different regional and local markets. Further, a brand's overall image might be diluted if the product and message vary too much in different localities. Local marketing helps a company to market more effectively in the face of pronounced regional and local differences in demographics and lifestyles.

(b) Individual Marketing in the extreme, micromarketing becomes individual marketing – tailoring products and marketing programs to the needs and preferences of individual customers. Individual marketing has also been labeled one-to-one marketing, customized marketing, and markets-of-one marketing. The widespread use of mass marketing has obscured the fact that for centuries consumers were served as individuals. Today, however, new technologies are permitting many companies to return to customized marketing. More powerful computers, detailed databases, robotic

production and flexible manufacturing, and immediate and interactive communication media such as e-mail, fax, and the Internet – all have combined to foster “mass customization”. Mass customization is the process through which firms interact one-to-one with masses of customers to create customer-unique value by designing products and services tailor-made to individual needs.

#### 2.4.2 Segmenting Consumer Markets

There is no single way to segment a market. A marketer has to try different segmentation variables, alone and in combination, to find the best way to view the market structure. Here we look at the major geographic, demographic, psychographic, and behavioral variables.

**Geographic Segmentation:** This calls for dividing the market into different geographical units such as nations, regions, states, counties, cities, or neighborhoods. A company may decide to operate in one or a few geographical areas, or to operate in all areas but pay attention to geographical differences in needs and wants.

**Demographic Segmentation:** This divides the market into groups based on variables such as age, gender, family, size, family life-cycle, income, occupation, education, religion, race, generation, and nationality.

**Age and Life Cycle stage:** Customer needs and wants change with age. Some companies use age and life cycle segmentation, offering different products or using different marketing approaches for different age and life cycle groups.

**Gender Segmentation:** It is dividing a market into different groups based on sex.

**Income Segmentation:** It is dividing a market into different income groups.

**Psychographic Segmentation:** This divides buyers into different groups based on social class, lifestyle, or personality characteristics. People in the same demographic group can have very different psychographic makeup.

Occasions: These divide the market into groups according to occasions when buyers get the idea to buy, actually make their purchase, or use the purchased item.

## **2.5 Target Market Strategies**

Type of target market strategies

- (1) Single Target Market Approach: It is segmenting the market and picking one of the homogenous segments as the firm's target market.
- (2) Multiple Target Market Approach: This is segmenting the market and choosing two or more segment then treating each as a separate target market needing a different marketing mix.
- (3) Combined Target Market Approach: This is combining two or more submarkets into one large target market as a basis for one strategy.

## **2.6 Marketing Mix**

Once the company has decided on its overall competitive marketing strategy, it is ready to begin planning the details of the marketing mix, one of the major concepts in modern marketing. We define marketing mix as the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. The many possibilities can be collected into four groups of variables known as the "four Ps": product, price, place, and promotion. Figure 2.6 shows the particular marketing tools under each P.

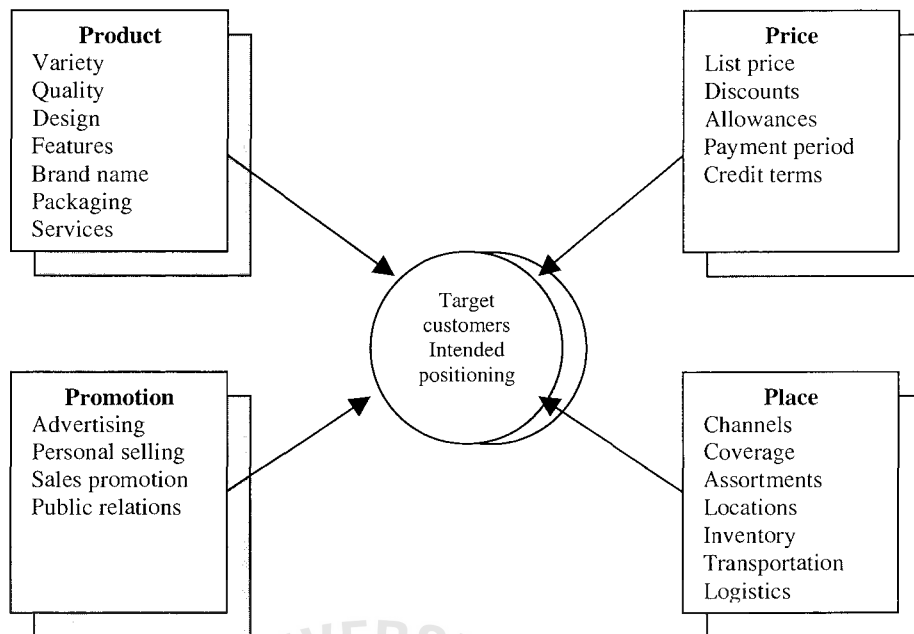


Figure 2.6. The Four Ps of the Marketing Mix.

Product means the goods-and-services combination the company offers to the target market.

Price is the amounts of money customers have to pay to obtain the product.

Place includes company activities that make the product available to target consumers.

Promotion means activities that communicate the merits of the product and persuade target customers to buy it.

#### 2.6.1 Product Strategy

Product is the bundle of physical, service, and symbolic attributes designed to satisfy consumer wants/ a collection of satisfaction. We can classify consumer products as followings:

- (1) Convenience goods: items that consumers seek to purchase frequently, immediately, and with little effort such as instant noodle, beer, bread, or milk.

- (2) Shopping goods: consumers purchase only after comparing competing products in competing stores on bases such as price, quality, style, and color.
- (3) Specialty goods: purchasers are willing to make special efforts.

### Product Life Cycle

Product life cycle is the four stages a really new product idea goes through from beginning to end as shown in Figure 2.7. Marketing mix usually must change during the product life cycle.

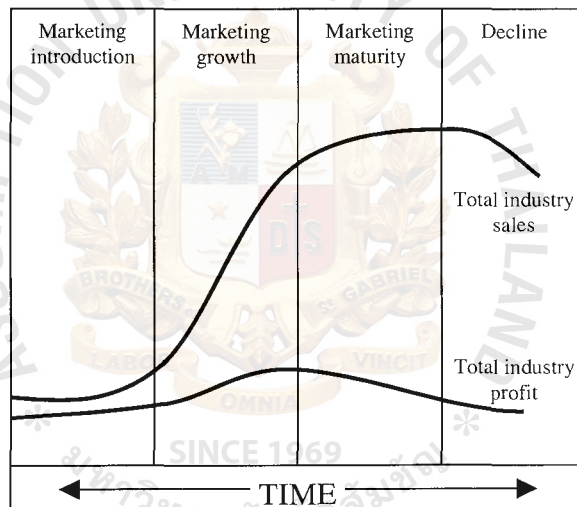


Figure 2.7. Product Life Cycle (Michael and Susan 1988).

Introduction: nobody knows about the product, promotional programs to inform the market, sales volumes are low, and there are no profit, no competitors.

Growth: sales increase quickly, begins to earn profits and later profits reach its highest level (peak), competitors enter the market, and there are different versions of products.

Maturity: sales increase slowly and reach a saturation (full) level, competition intensifies (serious), dropping price, less profit, and weaker competitors leave the market.

Decline: sales continue to fall, profits decline and become losses, product innovation or a shift in consumer preferences.

#### 2.6.2 Price strategy

Price is the amount of money that is charged for something of value. Almost every business transaction in our modern economy involves an exchange of money-the Price-for something. The marketing management should explain below price policies to be a guide in developing pricing objectives.

- (1) Price Flexibility
- (2) Price levels over product life cycle
- (3) Discounts and allowances – to whom and how
- (4) Geographic term – who pays transportation and how

Type of pricing strategies

- (1) Skimming pricing: sets the price of a product relatively “high”
- (2) Penetration pricing: involves pricing the product relatively “low”
- (3) Product line pricing: offers groups of merchandise at a limited number of prices instead of pricing each item individually.

#### 2.6.3 Place Strategy (Distribution)

Distribution channel is the path through which goods and services, and title (ownership) to them, flow from producer to consumer.

Type of distribution channels for consumer product

- (1) Producer >>> Consumer (service)
- (2) Producer >>> Retailer >>> Consumer (clothing, apparel)

- (3) Producer >>> Wholesaler >>> Retailer >>> Consumer (consumer goods)
- (4) Producer >>> Wholesaler >>> Wholesaler >>> Retailer >>> Consumer  
(agriculture, canned and frozen foods, petroleum products)

#### Market Coverage

Market coverage is how many stores (outlets) are used to sell the products.

- (1) Intensive distribution: tries to place a product in every available outlet.
- (2) Selective distribution: selects a limited number of retailers to distribute products.
- (3) Exclusive distribution: gives a retailer or wholesaler exclusive rights to sell products in a specific geographic area.

#### 2.6.4 Promotion Strategy

Promotion strategy is the function of informing, persuading, and influencing a consumer decision.

The objectives of promotional strategy are as follows:

- (1) Providing information
- (2) Differentiating a product
- (3) Increasing sales
- (4) Stabilizing sales
- (5) Accentuating the product's value

#### Promotion Mix

- (1) Personal selling: is the promotional presentation made person-to-person to a potential buyer, salesperson.
- (2) Non personal selling: advertising, sales promotion, and public relations.

#### Promotional Strategies

- (1) Pushing strategy: sales-oriented promotional strategy designed to motivate marketing intermediaries to push the product to their customer.
- (2) Pulling strategy: promotional strategy utilizing advertising and sales promotion appeals to generate consumer demand for a product.

An effective marketing program blends all of the marketing mix elements into a coordinated program designed to achieve the company's marketing objectives by delivering value to consumers. The marketing mix constitutes the company's tactical tool kit for establishing strong positioning in target markets.

There is another concern, however, that is valid. It holds that the four Ps concepts take the seller's view of the market, not the buyer's view. From the buyer's viewpoint, in this age of connectedness, the four Ps might be better described as the four Cs as shown in Table 2.1

Table2.1. The four Cs concepts (Philip Kotler 1989).

4Ps	4Cs
Product	Customer solution
Price	Customer cost
Place	Convenience
Promotion	Communication

Thus, while marketers see themselves as selling products, customers see themselves as buying value or solutions to their problems. And customers are interested in more than just the price; they are interested in the total costs of obtaining, using, and disposing of a product. Customers want the product and service to be as conveniently available as possible. Finally, they want two-way communication. Marketers would do well to first think through the four Cs and then build the four Ps on that platform.

## 2.7 Competitive Strategy Analysis

The profitability of a firm is influenced not only by its industry structure but also by the strategic choices it makes in positioning itself in the industry. While there are many ways to characterize a firm's business strategy, there are two generic competitive strategies: 1) cost leadership and 2) differentiation.

### 2.7.1 Cost Leadership

Cost leadership is often the clearest way to achieve competitive advantage. In industries where the basic product or service is a commodity, cost leadership might be the only way to achieve superior performance. There are many ways to achieve cost leadership, including economies of scale and scope, economies of learning, efficient product, similar product design, lower input costs, and efficient organizational processes. If a firm can achieve cost leadership, then it will be able to earn profitability by merely charging the same price as its rivals. Conversely, a cost leader can force its competitors to cut prices and accept lower returns, or to exit the industry. Firms that achieve cost leadership focus on tight cost controls.

### 2.7.2 Differentiation

A firm following the differentiation strategy seeks to be unique in its industry along some dimension that is highly valued by customers. For differentiation to be successful, the firm has to accomplish three things. First, it needs to identify one or more attributes of a product or service that customers value. Second, it has to position itself to meet the chosen customer needs in a unique manner. Finally, the firm has to achieve differentiation at a cost that is lower than the price the customer is willing to pay for the differentiated product or service.

### III. CASE STUDY

#### 3.1 Overview

Thirty years ago in the ancient consumer lifestyle, when consumers cooked, they had to spend a long time and they were very busy preparing a meal but it was not a problem for them. When instant noodles were first produced for fast and convenient meal, no one paid attention to it.

After 4-5 years, the consumer behaviors changed because the lifestyle of people changed. Everybody wants convenience so fast food has played an important role for the new lifestyle.

Nowadays, our society focuses on fast lifestyle so most people have less time to do activity. Most people would like to minimize time for any activity especially “eating”.

Noodles, the Thai-Chinese term for which is “guay tieu”, is one kind of Thai Fast Food that is the tasty and budget-wise category of food that provides delicious lunches, in between meal snacks, or tasty tidbit at any time of the day or night. For this reason, noodles has a more important role for consumers. Noodle shops are most often categorized by the sort of protein they offer with their noodles, beef, pork, chicken, duck, or fish, and some offer sorts of exotic noodle dishes. We can divide the kind of noodles in Thailand in 5 categories:

(1) Pork Noodles: Pork noodle shops can usually be identified from the slabs of red pork hanging from hooks in the glass case above the broth cauldron.

(2) Beef Noodles: Beef noodle shops will not have anything easily identifiable hanging in the glass case, like red pork, but may have a green crescent on the shop sign indicating to Moslem diners that the food served is appropriate according to Islamic dietary laws.

(3) Duck Noodles: Duck noodles shop offering duck is easy to distinguish by the whole cooked duck carcasses hung with their necks looped over a bar in the glass case. The type of duck offered can be noted from the color of the skin on the duck carcasses.

(4) Fish Noodles: Fish noodles shops offering fish noodles are not as common as the other sorts referred to here, but offer a tasty alternative in noodles to the adventuresome diner. Noodles with broth might be recommended here as the broth stock at fish noodle shops is often more flavorsome than the more bland broth stocks at other sorts of noodle shops. Many fish noodle shops sell their broth and fish meatballs in bulk as well as serving them to customers.

(5) Chicken Noodles: Chicken noodles shops are less common to find. The format is largely the same as the other types of noodle shops.

Thai President Foods Company Limited has developed the ordinary noodles to instant noodles in order to keep the longer shelf life and convenience to consumer. Therefore, instant noodle is the one of the best choice that meets the needs of present consumers.

This research focuses on the instant noodle market. It is interesting to study because the number of instant noodles makers is a few but the competition in the market has been truly tough.

The marketing strategies are the main strategies that every business applies to use. It is an effective strategy that can bring every business success if they use it in an appropriate way.

### **3.2 Background of the Company**

In 1972, instant noodles that is Mama was first introduced to instant noodle market in Thailand but it was not successful because the consumers were not well

acquainted with making instant noodles and the price was quite high also when compared with the noodles from the noodle shops because there were many ingredients such as pork, beef or vegetables available from noodle shops but instant noodles contains only seasoning in the bag.

In 1973, there was a political problem in Thailand and this made the country suffer from economic problems such as high price of oil, raw materials shortage, and industrial problems especially food had the high price. For this reason, the consumer behaviors had changed. Products that can create convenience and rapidity would create the attention and acceptance from consumers so instant noodle has become the choice of customers.

Thai President Foods Public Company Limited was among the very first pioneers in the instant noodle market in Thailand. With as much contribution to the then new industry in Thailand for more than 30 years, now it can be said that Thailand has progressed beyond a firmly established market for instant noodles to one prime exporting country of this food product to the world.

Established in 1972, the company has grown to be the largest manufacturer of instant noodles in Thailand. Yet, the company still thrives on to export its instant noodles products and looks forward to making “MAMA” brand to be the global brand for instant noodles in the near future. More effort to achieve that status has been tremendous as in its research and product development as well as in its export faculty.

### **3.3 Main Business**

#### **Instant Noodle Product**

Manufacturing and distributing instant noodle products under the brand name MAMA has been well known and popular among consumers for almost 30 years. The products come with various packaging such as bags, cups and bowls and various flavors

such as chicken, pork, shrimp tom yum, yentafo, palo duck, pad kee mao, etc. In 2002 the company launched 2 new tastes, such as instant jade noodles roasted duck and shrimp creamy Tom Yum. /

### 3.4 Production Capacity

Table 3.1. Production Capacity (Thai President Food’s Annual Report2002).

Factory	Instant Noodles (tons/day)		
	Full	Actual	Percentage
<b>Sriracha</b>			
2002	169.00	129.05	73.36%
2001	169.00	162.79	96.33%
<b>Lumpoon</b>			
2002	80.00	80.00	100%
2001	80.00	48.29	60.36%
<b>Total</b>			
2002	249.00	209.05	83.96%
2001	249.00	211.08	84.77%

### 3.5 History of the Company

On 15th February 1972, Thai President Foods Public Company Limited was established with registered capital of 6 million baht. The Business was a joint venture between President Enterprise Co., Ltd. of Taiwan and Saha Pattanaphibul Public Co., Ltd. The company’s first Head Offices were located on New Petchburi Road, while a factory was constructed in Nong Khang Phlu, Nong Khaem District. It was here that full production capacity of chicken-soup flavoured instant noodles under the MAMA brand name began in 1973.

1977: The company increased registered capital to 10 million baht. Production capacity was boosted with the construction of a new factory in Sri Racha, Cholburi Province; this factory produced new varieties of instant noodles for the market.

1978:The company constructed biscuit factory in the Sri Racha instant noodle factory, aided by technological transfer from Nissin Confectionery Co., Ltd of Japan.

The expanded facility produced biscuits under the Nissin trademark. The company's shares gained listing on the Stock Exchange of Thailand (SET)

1986: The Company closed its inaugurated factory in Nong Khaem District, when production at the Sri-Racha factory could operate smoothly.

1987: Improving production, with a switch from the direct heat cooking method to the indirect heat method, which helped reduce energy consumption by up to 75 percent, and encouraged greater product quality consistency. These efforts were recognized with an energy conservation award from the Ministry of Science, Technology and Environment.

1992-93: The company has moved the new Head Offices and opened an official inauguration ceremony on Srinakarindh Road. In June 1992 and in March 1993, the company has operated and received BOI at Sri-Racha Factory.

1994: The firm unveiled its new status as a Public Company on May 16, 1994

1995: The company introduced a new line of biscuits under the Butterworth brand and constructed a new factory in Lumphun Province with BOI Privileges.

1998: The company received the Outstanding Industry Award of the Ministry of Industry, conferred by the Prime Minister on December 2, 1998. For food products, quality means nutritional value. Instant noodles have been fortified with additional Vitamin A, Iron and Iodine.

1999: The company changed its brand name from Nissin to Bissin in August. The company received the Certificate for ISO 14001 at Sri Racha Factory and Bangkok's head office from SGS Yarsley. The company improved the packaging system for condiment materials from individual package to twin package and also improved from the manual system of laying the package of condiment materials on the noodle cakes by laborers to the automatic feeding system.

2000: The Company has launched new taste Moo-Nam-Tok instant noodles and increased investment proportion in President Danish Foods Co., Ltd from 74 percent to 99.99 percent.

2001: The Company has increased instant noodle capacity in Lumphun Factory from 40 to 80 tons/day in July 2001 with BOI privileges. Moreover, the company has developed new taste for instant noodles such as Moo-Tom-Yam and Poh-Tak and new taste for biscuits such as Blueberry, Black Current and Lemon-Sherbet. Also the company has received Haccp certificate standard from SGS Thailand Limited on April 2, 2001 and EFSIS certificate standard from United Kingdom on October 8, 2001. For foreign investment, the company invested 30% in President Foods (Cambodia) for manufacturing instant noodles in Cambodia.

2002: The Company has launched new taste Instant Jade Noodles Roasted Duck flavor and Shrimp Creamy Tom Yam flavor Instant Noodles.

### **3.6 Competition**

The market in 2002 was overwhelmed by even tougher competition than the previous year. Each manufacturer employed countless of marketing tactics such as launching new products, sales promotion campaign, advertising, and price incentives. The company has to counteract with more constant and comprehensive marketing strategies to protect consumers' brand loyalty. In addition, the product specification have been developed to provide more features such as taste, nutrition, cleanness and safety for consumer, launching new tastes such as Roasted Duck, and Shrimp Creamy Tom Yam flavor, advertisements via all media to direct access consumers including promotion campaigns and distribution expansions both locally and overseas. Meanwhile, more concentration has been placed on the social responsibilities and keeping the position of market leader for this year. Furthermore, the company has joint

ventured with Grammy Entertainment PCL introducing a brand new instant noodle, 4ME, to the market. Its main target group is teenagers. This newcomer brand received overwhelming brand recognition from the market and was ranked in the fourth position of the overall market share.

### **3.7 Risk Factors**

#### **3.7.1 Selling Products to Major Shareholder**

As there are few local customers at present, the largest customer in the country is Sahapattanapibul Public Co., Ltd, which has the highest order value of 80% of the local sales turnover. Then, the company's major revenue is largely dependent on this customer. However, Sahapattanapibul PCL is the major shareholder of the company and has had a long-time relationship in business. So, the company is confident that Sahapattanapibul PCL will maintain their sale volume forever. In order to reduce the risk factor concerning dependency on the major customer in domestic market, the company has used its best attempt though to expand its export sales proportion so as to broaden its market base.

#### **3.7.2 Raw Material's Prices**

The raw materials for this industry are mainly agriculture produce. There is naturally seasonal price fluctuation depending on the conditions of the climate. The company is, however, able to reduce this risk factor through its favorable status as one biggest local buyer who has the upper hand in bargaining prices with local suppliers for raw materials. In addition, the company has provided a warehouse to store various raw materials bought at low prices during its low season, made forward buying to reduce the cost of raw materials and delivery volume from time to time, and transfigured agricultural products to keep long life for production.

### 3.7.3 Currency Exchange

Because the company does not have foreign loans from abroad and applies US currency in its dealings with foreign connections, there is much reduced risk in this area. Meanwhile, the incomes from exporting in US currency will be arranged in a squared position with the expenses from importing raw materials, machinery and equipment from abroad. Besides, some financial instruments such as forward exchange rate are commonly used as one way to reduce currency risk.

## 3.8 Management Structure

The Board of Directors of the company consists of 15 directors and, 1 corporate secretary. Among the 15 directors, there are 3 independent directors.

### Scope of Duties and Responsibilities

The Board of Directors of the company holds meetings on every third Monday of each month and holds special meetings when necessary. The Board also fixes the date and the agenda for the Board meeting in advance, which is to be considered according to the scope of power and responsibility.

- (1) Imposing policy, plan and strategy for the company.
- (2) Checking that all financial reports of the company are correct, complete and reliable as well as approving the financial reports that have been examined and/or reviewed by the Auditor.
- (3) Overseeing that the company has an appropriate and efficient internal control system.
- (4) Appointing and replacing the company's directors, and Audit Committee members.
- (5) Selecting and appointing the company's auditor.
- (6) Approving grants of loans and/or guarantee against credit lines of other companies including joint venture investment with other companies.

- (7) Ensuring that the company conforms to the relevant regulation and law.

### **3.9 The Internal Control**

#### **3.9.1 Management Control Activities**

With clearly defined scopes of duties and power to approve budget of each level of management, the management will ask for approval from the Board of Directors for budgets greater than the scope of their power to approve or budgets pertaining to policy for investment, loan and guarantee. Clear separation of duties is implemented to prevent corruption along with closely monitoring the investment progress in the subsidiary and joint companies by means of keeping track of reports on monthly operational results from them and involving with policy planning via directors who are representatives from the company. Furthermore, operation that is strictly following the pertinent law is emphasized so as to cut risk, meanwhile, maintaining the good reputation of the company.

#### **3.9.2 Information and Communication System**

This is equipped with in detail, sufficient, corrective and up-to-date details for convenience of decision making and synchronizing with the generally acceptable accounting principles, in addition to, responding to the business facts.

#### **3.9.3 Risk Management**

The company evaluates, analyses, prevents and monitors the risk factors all the time. To reduce all risk such as business competition, product quality and safety for consumers, etc, the company has the policy to upgrade to the international standard such as ISO 9002, ISO 14001, HACCP, EFSIS, etc.

#### **3.9.4 Monitoring System**

There have been monthly meetings for the Board of Directors and weekly meetings for the Management in order to keep track of the operational result in order to

decide achievement of the corporate goal and analyze the cause in case of failure and find the best remedy to the cause. Yet, the company has set up the internal audit office that will report and give suggestion as to the best solution to the Audit Committee on quarterly basis prior to passing to the Board of Directors for final decision.

#### **3.9.5 Organization and Environment**

There is a clearly defined corporate goal and feasibility aware. The management has emphasized on ethics of business management by setting the internal audit for auditing management and preventing corruption.

#### **3.10 Good Corporate Governance Policy**

The Board of Directors has resolved to comply with the principles of good corporate governance as realized in its announcement on the guideline for employees' practices under good corporate governance for the acknowledgements and synchronization of performance of both the executives and employees. The policy has, thus, been contemplated on the good corporate governance, business ethics and employees' etiquette so as to serve as the pedestal for the rules of practice during business conduct and work operation.

#### **3.11 Leadership and Vision**

The Board of Directors has contemplated the corporate strategic planning whether it be marketing, production and financial affairs whereas it has set forth its vision as a pedestal for the derived strategy which is to be passed to the management for further implementations accordingly with the objectives being achieved as planned within the allocated budgets being expensed efficiently. The company has been equipped with highly efficient internal control and audit systems along with the follow-up schemes in each operational engagement.

### 3.12 Business Ethics

The company has set an outline for employees' practices so that employees will perform their duties with high moral and integrity and full responsibility for the organization. At the moment, the company is in the course of consideration of drawing a policy pertaining to business ethics, and executives and employees' etiquette which is to be relied upon in carrying each and everyone's duties so that the company's overall performance will be in sync with the principles of the good corporate governance.



#### IV. ANALYSIS OF THE STRATEGY

There were only a few instant noodle manufacturers before. Thai President Food launched the instant noodle for consumers under the brand name of “MAMA”, MAMA is not the first pioneer brand for instant noodle in Thailand but this brand has been the leader in instant noodle’s market for 30 years until now. There were only few flavors of instant noodles for the first time such as chicken flavor because it is the elementary taste of soup and noodles are packed in bags.

Nowadays, there are more consumers who pay attention to instant noodle so there are more instant noodles makers also. The market of instant noodles has been truly tough so each manufacturer employed countless marketing techniques. For this reason, MAMA brand has to counteract with more constant and comprehensive marketing strategies to protect consumer’s brand loyalty. The instant noodle’s market has the total value of 9,000 million baht.

##### 4.1 Marketing Situation

Because economy is growing and many traders hope to get more benefits from growth rate of 8%. They think that if economy is better, their business will grow also. In contrast, the survey results show that many businesses are growing inversely with economy because people have more money so they prefer to spend more on the assets that have more value such as car, house, or mobile phone and sometimes they spend more on luxury goods. Instant noodle production is one kind of business that has the effects from this situation. Economy situation of last year improved, but instant noodle market had a rate of growth only 0.5% – 1%. Because the total market value of instant noodle is 9,000 million baht that is a big volume, this market is interesting. The market leader is MAMA and the second is Wai Wai and the third is Yam Yam

Table 4.1. Market Share (Saim Turakij, date 11/1/2004).

Brand	Percentage
Mama	53.60%
Wai Wai	26.30%
Yam Yam	13.85%
Others	6.79%

MAMA has the highest market share of more than 60% but now the market share decreases in the range of 53% - 60%. The decreased market share of MAMA is due to Wai Wai brand that has been the second popular in instant noodle's market. Wai Wai tries to adjust the marketing strategy by launching the new flavor before MAMA launched new flavour especially Pork Tom Yam. Therefore, MAMA must counteract with competitors by developing new products for consumers according to consumer needs. MAMA will launch the new three flavors that are Bamee Yok, Duck, and emphasise Ruski brand, which is the instant noodle for Muslim. On the contrary, Wai Wai brand has the market share of 25% and it expects to increase the share to 30% in this year and after this, it will try to increase 5% every year. About 2 years ago, Wai Wai tried to study the instant noodle's market in order to become a leader and it has found that whichever company can launch the new products in the marketplace before, that brand will be the leader in the consumers' mind.

Wai Wai tried to adjust its marketing strategy in order to become the market leader by launching a new flavor before MAMA and launched sales promotion campaigns in order to cover all groups of customer. Last year Wai Wai could increase its market share from 17% to 25%. It would like to snatch the leadership from MAMA and if it can do, it may make the MAMA lose the generic brand name that most people like to call substitution instant noodles.

How can MAMA maintain the leadership?

Analysis of the strategy how MAMA can maintain the leadership

The marketing strategy of MAMA is emphasizes on marketing orientation that focuses on external situation. It tries to offer the products according to customers need.

4.2 Portfolio of MAMA

This BCG matrix is illustrated in Figure 4.1 MAMA is in the position of cash cow that has high earns of cash as it has have high market shares, while low growth means that it does not absorb cash. This is the main generator of cash for the company and provides a basis for future investment.

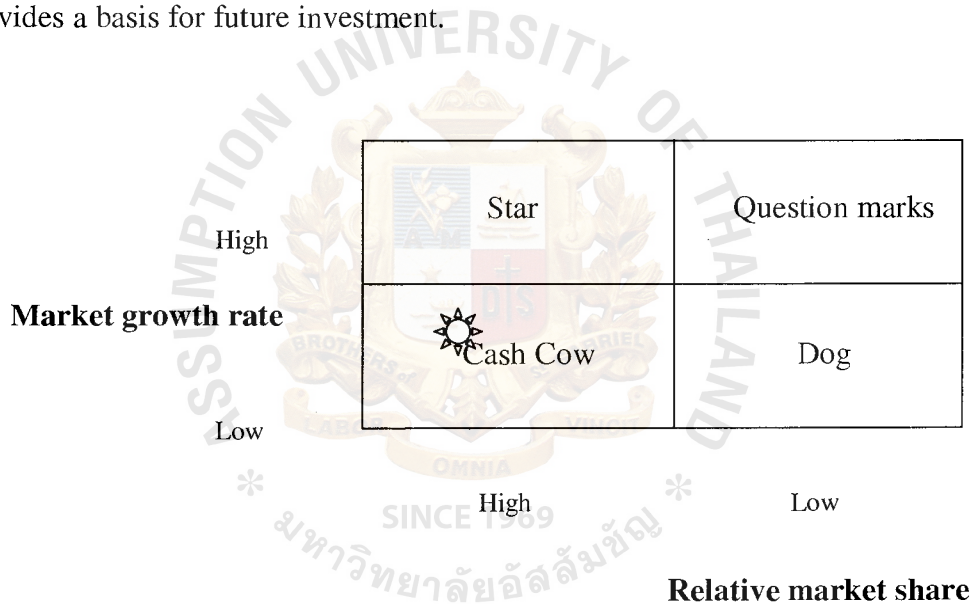


Figure 4.1. Positioning of MAMA 1.

According to Figure 4.1, the company should try to adjust its position because if it still maintains the position in cash cow, it can generate more cash but on the other hand, it cannot keep its money. Therefore, it should manage the position between “Star” and “Cash Cow” that is illustrated in Figure 4.2. It must try to generate the profit like Cash Cow but generate sales volume like Star. If it can do this, it will keep more cash.

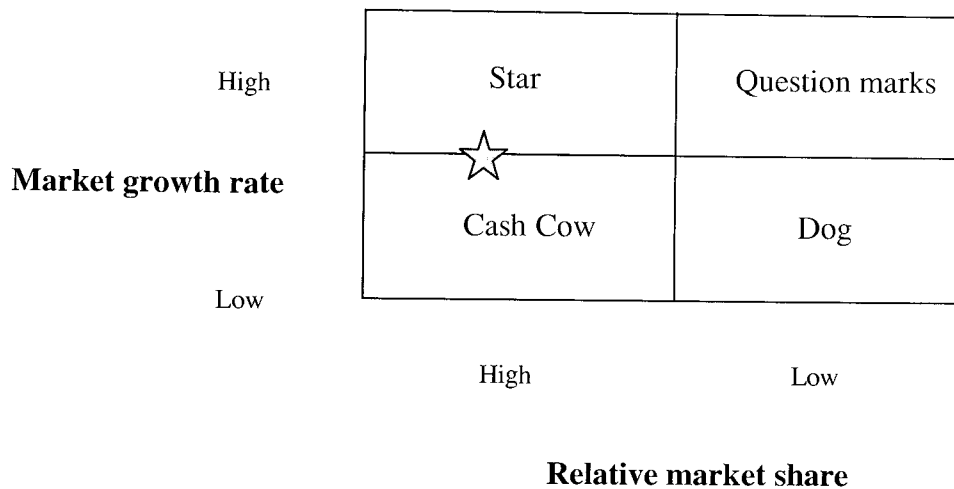


Figure 4.2. Positioning of MAMA 2.

### 4.3 Market Segmentation

The market of instant noodle is the generic market that is broadly similar needs and sellers offering various ways of satisfying those needs. Therefore, MAMA uses the mass marketing technique for segmenting its market. It sees the customers as homogenous needs as shown in Figure 4.3 so it has to manage mass production, mass distributing, mass promoting, of the same products in the same way to all customers. Mass marketing is the advantage of MAMA brand because this strategy leads to the lowest costs, which in turn can translate into either lower prices or higher margins.



Figure 4.3 Market Segmenting of MAMA brand

For target marketing strategy, MAMA should use the “combined target marketing approach” that is combining two or more sub-markets into one large target market as a basis for one strategy as shown in Figure 4.4. This means that it should use one strategy with many target markets.

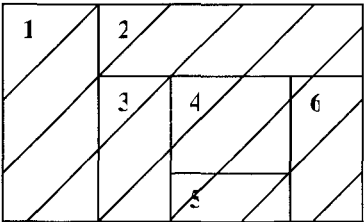


Figure 4.4. Target Market Approach of MAMA Brand.

#### 4.4 Marketing Mix

##### 4.4.1 Product

Product strategy is the most important to MAMA brand because it is a food product. It must emphase the quality and especially taste is the most important because the characteristic feature of MAMA is its taste. It must try to lessen the deviation of taste in each production in order to maintain the loyalty from customers. Now, MAMA has the assortment of tastes in order to serve customer needs but it launches only general tastes that are different from Wai Wai . Wai Wai tries to launch the new strange tastes like Jaw Hon, Lap, or Chicken Kapho. Because the general tastes can serve all of the needs and this is suitable for mass marketing of MAMA brand.

For packaging, there are several packaging such as bag, bowl or cup that serve the convenience of customer needs and now the trend of the cup-typed instant noodles accounting for the higher growth than the bag typed because the bag typed will meet the maturity era so it should be more concerned about the cup packaging. It should improve its product or develop an innovative new product for the same market. It should increase

the new taste with the cup in order to increase the sale volume because now the taste in cup package of MAMA is not the best choice for consumers. Moreover, MAMA should have more nutritional value by adding dried vegetables and meat pieces. Another thing it should emphasize is quality. Thai President Food has more investment in laboratory research and development of the product in order to maintain customer loyalty.

Because MAMA stays on the cash cow in the market positioning, the product life cycle will stay on the maturity stage as illustrated in Figure 4.5. This means that sale volume of this product slowly increases, gets less profit, then the price will drop. Therefore, MAMA should adjust its position to be in growth and maturity in order to quickly increase sales volume, earn more profit but it can keep more money.

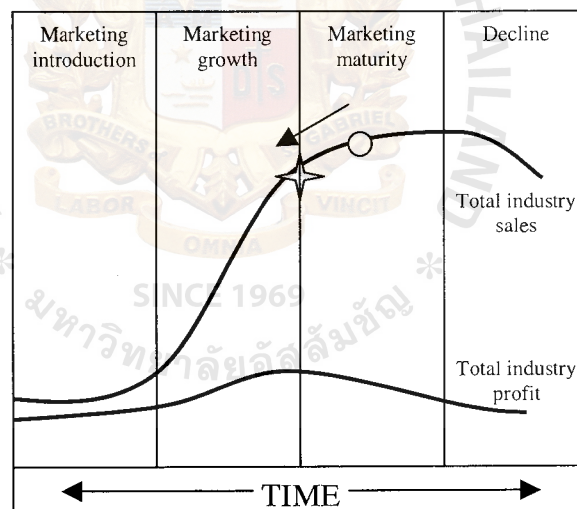


Figure 4.5. Product Life Cycle of MAMA brand.

#### 4.4.2 Price

MAMA does not much emphasise this strategy because its price is quite stable. MAMA is the leader in the market so it is the price leader. In mechanism market, the price per parcel of each brand is not quite different. MAMA sells at 740 baht per parcel,

680 baht for Wai Wai, and 690 baht for Yam Yam. The price of MAMA is highest but it is still the leader because most people still have the loyalty.

MAMA should fix the price stable because if it decreases the price to be equal with the competitors, the price war may happen and there will be a problem of marketing mechanism. They should use the other way to compete with the competitors not use the price strategy.

#### 4.4.3 Place (Distribution Channel)

MAMA uses an intensive distribution channel that sells its products through every available outlet in a market where a customer might reasonably look for it and it has the most of distribution channel when compared with the competitors. It has the coverage rate for channel at about 99%. This means that the MAMA can reach customers. Because MAMA is a convenience good, it must provide the availability of product in the market all the time when customer needs. If it is not available, the customer will change to buy from the competitor in order to serve their needs.

For distribution system, MAMA should try to minimize cost because its product is of low value. It may use “Efficiency Customer Response technique” that helps to minimize cost. This method is leading to more effective merchandise assortments and to a continuous replenishment of shelves based on what actually sells each day in order to create the rapidly and dependability a firm can deliver what customers want. Moreover, it can use “Mass Merchandising Concept” because instant noodles have the low margin but MAMA can get the faster turnover. Most distributors choose MAMA brand for selling in their stores because MAMA is a well-known brand and get the loyalty from customers so distributors can get faster turnover. Moreover, MAMA may increase distribution channel by exporting to other countries to increase sales volume. Besides, it may make the new distribution channel by opening kiosks, which sell only food made

from the MAMA products such as salad dressing in the public place in order to serve immediate needs of customers.

4.4.4 Promotion

This is the other strategy that MAMA emphasizes on because this strategy can help it to maintain the leadership in the market. MAMA uses the promotion mix as illustrated in Figure 4.6

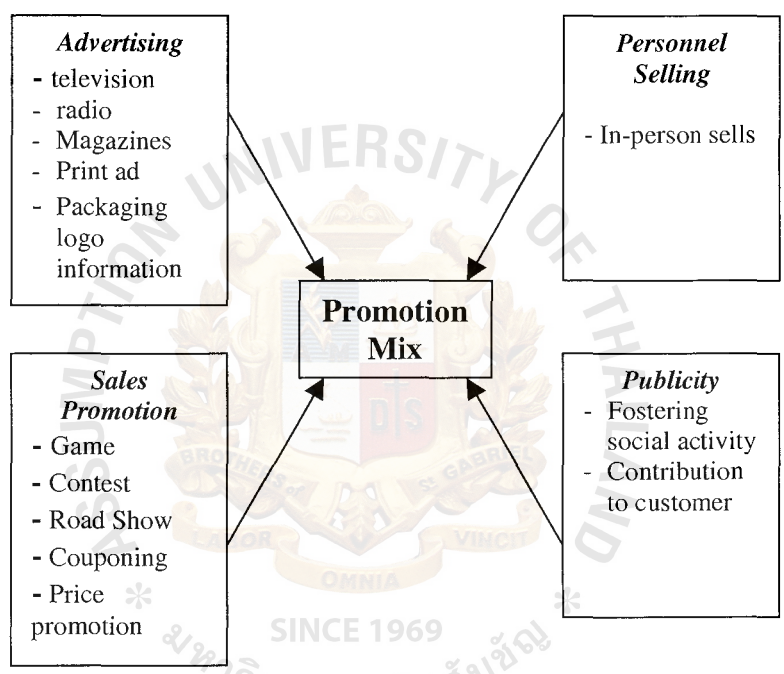


Figure 4.6. The Promotion Mix of MAMA Brand.

Now, MAMA is well-known brand so the main objective of promotion is to remind its brand to consumers. It should continue to do the promotion in order to increase the sales volume and maintain the loyalty from customers.

The promotion blend varies over the life cycle. MAMA stays in maturity so the objective of promotion should be more persuasive and reminder-type advertising. It should do the promotion that increases the popularity starting with the children. It

should make them know the brand of MAMA since they is a young in order to crate brand awareness among children. It may emphase fostering social activities about children till they become adults. In this way, MAMA can still maintain the leadership and brand loyalty from consumers. Moreover, it may offer the return on money to the vendors when they display the products, so it can continue to create a long-term relationship with the vendors.

#### **4.5 Competitive Strategy**

MAMA brand should use the different strategies because it has more reputation and it must make its product to be different from competitors by emphasizing it taste because people who usually consume instant noodles of MAMA, will be well acquainted with MAMA taste so its taste must be completely different from that of competitors. In addition, it should invest in research and development. It also needs to foster creativity and innovation for new tastes in order to be successful in both leadership and differentiation.

The above analysis is the geometrical theorem that MAMA is still the leader of instant noodle's market and it is to get the trustworthiness for consumers. As Table 4.2 – Table 4.3 show the results of research of instant noodles. The total number of people who answered the questionnaire about instant noodles is 1,976.

Table 4.2. Ranking of Popularity Brand (Brandage Research 2003)

Rank	Brand	Sex		Age (Years)				
		Male	Female	Below 20	20-29	30-39	40-49	Above49
1	MAMA	28.40	28.70	28.35	28.69	28.63	28.13	29.25
2	WAI WAI	21.59	20.91	22.14	20.57	20.83	21.21	22.36
3	YAM YAM	18.32	17.43	17.01	18.00	17.67	18.70	17.78
4	QUICK	11.18	11.19	11.75	10.91	11.15	11.76	9.89
5	MYOJO	4.39	5.06	3.35	5.19	5.27	4.66	5.23
6	NOODLE D	4.37	4.32	4.87	4.42	4.81	3.51	3.85
7	4 ME	3.73	4.33	5.49	4.91	3.15	3.17	2.85
8	KOKA	3.33	3.34	2.25	2.71	3.74	4.47	3.98
9	Goong Gink	1.96	2.55	2.21	1.85	2.56	2.27	2.93
10	Nissin Cup Noolde One	1.64	1.16	1.85	1.46	1.22	1.31	0.68

Table 4.3. The Most Influential Factors (Brandage Research 2003)

Rank	Brand	Sex		Age (Years)				
		Male	Female	Below 20	20-29	30-39	40-49	Above49
1	Good taste	8.47	8.78	9.06	8.85	8.60	8.21	8.22
2	Various flavors	8.35	8.39	8.55	8.35	8.62	8.25	7.63
3	Stickiness of noodle	8.02	8.23	8.43	7.91	8.32	8.04	7.96
4	Brand familiarity	7.32	7.42	7.46	7.41	7.25	7.29	6.84
5	Brand	7.05	7.24	7.29	7.13	7.45	7.00	6.45
6	Vitamin and Iodine added	6.73	7.33	7.43	6.61	7.24	7.07	7.24
7	Available in Supermarket	6.77	7.52	7.10	7.26	7.33	7.14	6.78
8	Avialable in Convenience store	6.67	7.33	6.89	6.98	7.26	7.32	6.32
9	Freeze dried meat or vegetable added	7.22	7.44	7.86	7.00	7.45	7.29	7.24
10	Sold in both cup and pack	7.03	7.25	7.25	6.97	7.17	7.57	6.71
11	Available in Traditional Store	6.42	6.77	6.79	6.65	6.79	6.50	5.92
12	TV advertising	6.66	7.22	7.17	7.13	7.02	6.79	6.32
13	Easily cook - no boiling needed	6.26	6.57	6.80	6.17	6.73	6.04	6.45
14	Available in Discount Store	5.75	6.17	6.04	6.11	6.03	5.89	5.53
15	Newly launched product	5.80	6.48	6.93	6.54	6.05	5.29	5.72
16	Sampling	5.86	6.39	6.43	5.96	6.12	6.11	6.38
17	Nice Packages	5.46	5.82	5.61	5.70	5.91	5.25	5.72
18	Discount	5.65	5.77	5.46	5.28	6.11	6.04	5.86
19	Printed advertising	5.46	5.74	5.57	5.72	5.74	5.54	5.20
20	Suggested by friend	5.23	5.60	6.25	5.13	5.12	5.29	5.99

## V. CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusion

In the past, cooking required a long time but it was not a problem for consumers but nowadays, the life style of people has changed. Most people have less time and cooking is a big problem for them so noodle is one kind of food that can serve people who have less time but it is still not convenient. Therefore, instant noodle has become popular and suitable to the changing lifestyle.

Instant noodle industry has witnessed a constant growing situation with a growth rate of 3% and the trend of tougher competition and the number of instant noodle makers is a few so each manufacturer employed countless marketing tactics. Thus, instant noodle market is an interesting investment for new comers.

Thai President Foods PLC is an instant noodle manufacturer to serve customer needs and it is an instant noodle market leader so it is interesting to study this company and its products and its marketing strategies and how it can make the products under MAMA brand to be well known and how it can maintain the leadership and consumer loyalty for 30 years.

There are many strategies that MAMA brand has used for its management such as competitive strategy, BGC metrics evaluation but the marketing mix is the most important strategy that MAMA brand emphasizes and continues to develop its strategy according to customer needs.

For marketing mix analysis, product, price, place, and promotion are fallen in somewhat important criteria. This part of analysis shows which factors of product, price, place, and promotion are preferred by most respondents.

The future trend is favorable for a continuous expansion of the instant noodles industry with higher competition. It is expected that with humble growth rate and with the cup typed instant noodles accounting for the higher growth than the bag type due to its higher nutritional value and its higher convenience in serving MAMA brand may change its ~~marketing mix~~ <sup>product portfolio</sup> in order to conform with the customer needs.

## 5.2 Recommendations

The market circumstances facing Thai President Foods PLC were static as compared to the overall market situation because the company does not focus much on advertising due to the cost setting scheme agreed upon by the company and its distributors have not been altered over 30 years wherein recent business data has not yet been updated to synchronize with the current changing market situation and has slashed their budget for advertising and public relation. The market share of flagship MAMA brand for the beginning was curtailed. However, there was a new deal made with the distributors since near end of year that has enabled the company to fare better that resulted in market share increase by 9% as evidenced in the higher turnover of the last 3 months of the year.

Thai President Foods PLC has entered the right path but it should have a more new aggressive policy for new products so that the goal shall be met. Furthermore, the tough competition in the market has prompted the company to cope with efficiency and effectiveness and a way to start with is to streamline the electronic data processing system in awareness that the rapid speed of data transferring is vital to business management of today.

Moreover, it should try to adjust its marketing mix according to the situation of the market and customer needs as mentioned in the analysis of the strategy.

### 5.3 Future Research

For the future plan, MAMA should do more research in the near future at least once a year in order to get updated information because the marketing situation will change according to the economy so if we can update the information promptly with the situation, we can set the specific marketing strategy suitable to each situation effectively.



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