

## Channel Studying for Silk Product Distribution in Nakhonchaiburin Zone

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**Abstract.** Commonly, most channels for silk distribution and silk product in Thailand based on middle merchant who can buy from directly producing sources through selling represent and goods exhibition. The objectives of this study consist of 1) to know channel for silk product distribution in Nakhonchaiburin zone to use for decision planning and 2) to use to be data for government and private agencies to support silk industries. This study selected sample size that include 400 sample inhabitants where locates in four provinces (Nakhonratchasima province, Chaiyaphum province, Surin province and Buriram province) and tourists. As a result, this study is found that can divided kind of markets and channel for silk product distribution into three levels as: 1) Mass market 2) Upper market and 3) Luxury market. Herein, it is found that exhibition place (20.78%) is the first-satisfied channel; buying of silk product from urban shop (17.13%) is the second-satisfied channel; and buying of silk product from souvenir shop (15.28%) is the third-satisfied channel. Similarly, research of Tatikul suggested exhibition place as only market channel for silk product. Additionally, this study has recommended to consider basic infrastructure for exhibition place based on suggestion of Agrifood Consulting International.

**Keyword:** Channel, Distribution, Silk product and NakhonChaiburin Zone.

### 1. Introduction

Actually, most channels for silk distribution and silk product in Thailand is based on middle merchant who directly buys to produce sources through sell represent and goods exhibition such as OTOP CITY and the related website (e.g. <http://www.chattonghaisilk.com/>). In addition, some produce sources have arrange goods on shelf in front of own shop to attract eyes of customers or interesting of seeing. Inside market of nation comprises of two characteristics: retail source and wholesale source. Retail source includes tourism for nationwide, department stores, Chatuchak market, and The Support Arts and Crafts International Centre of Thailand (SACICT). In while, wholesale source distributes into regions of Thailand (northeast, north, and central) that includes Nakhonratchasima province, Chaiyaphum province, Surin province, Buriram province, Chaingmai province, Lamphum province and Bangkok [1]

In part of silk export market and silk product, important markets include Japan, USA, and European Union. At the same time, new export markets include Australia, East Europe, and Asia. Report of Department of Business Economics (2010) shows exporting from 2008 to 2010 is rarely changed that in year 2008 export value is about 781.31 million Baht 896.76 million Baht and 975.94 million Baht in year 2010. In year 2011, the expectation of silk export market and silk product are highly extended. Additionally, The processing of silk export market and silk product has chance extension in future such as weave silk, ascot, scarf, handkerchief, tie, cloth, pillow slip, mat, bag, shoes etc.

As mentioned above, silk export market and silk product are interesting goods that has physical for developing further and Thailand can still produce them as full options from upstream to downstream including requirement of silk and its product is dramatically extended in both national and international. Therefore, this study intend to find out channel of silk distribution in Nakhonchaiburin zone.

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## 2. Concept and related Theories

This study finds out theories and concept including the related researches that is researching approach further. In this study, the aims are concept of channel of silk distribution to consumer market and concept of consumer behavior.

### 2.1. Concept of Channel of Silk Distribution to Consumer Market

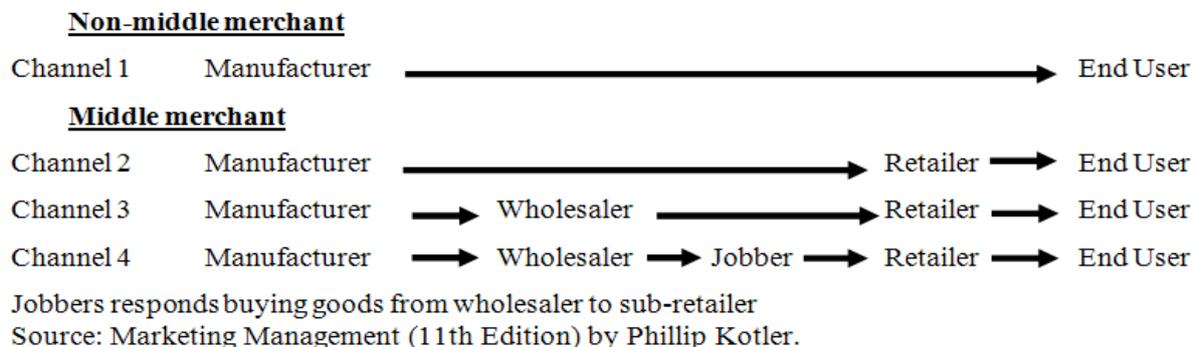


Fig. 1 : Channel distribution to consumer market.[2]

### 2.2. Concept of Consumer Behavior

Siriwan Sererat and colleagues [3]. defined that consumer behavior is searching or the related research buying behavior and goods use of consumer to know their requirements to solve and help to do marketing strategies. Herein, they can answer satisfying of consumer that is 6 Ws and 1H including Who What Why Whom When Where and How. This is to search answer 7 Os compose of Occupants Objects Objectives Organizations Occasions Outlets and Operations.

## 3. Objectives

This objective is to study channel of silk distribution in Nakhonchaiburin zone that benefits are 1) to know channel for silk product distribution in Nakhonchaiburin zone to use for decision planning and 2) to be data for government and private agencies to support silk industries.

## 4. Study area, Data and Methodology

The study area is Nakhonchiuin zone that includes four provinces (Nakhonratchasima province, Chaiyaphum province, Surin province and Burirum province). Herein, this study selects sample size that include 400 sample inhabitants in four mentioned provinces and tourists based on Convenience Selection. Then, consumers are selected as government, private, business, student, own enterprise through tourists who are traveled by rail, private car and tour. The site of this study is market center, hotel for silk seminar and exhibition. Additionally, periods of this research was surveyed on August - September 2011 with questionnaire.

## 5. Results and Discussion

According to questionnaire analyzing, these data are found that; the highest-satisfied channel from customer is place of silk buying, is accounted by exhibition place (20.78%); the second-satisfied channel is accounted by buying of silk product from urban shop (17.13%); and the third-satisfied channel is buying of silk product from souvenir shop (15.28%)[4]. Such results can shown in Figure 2.

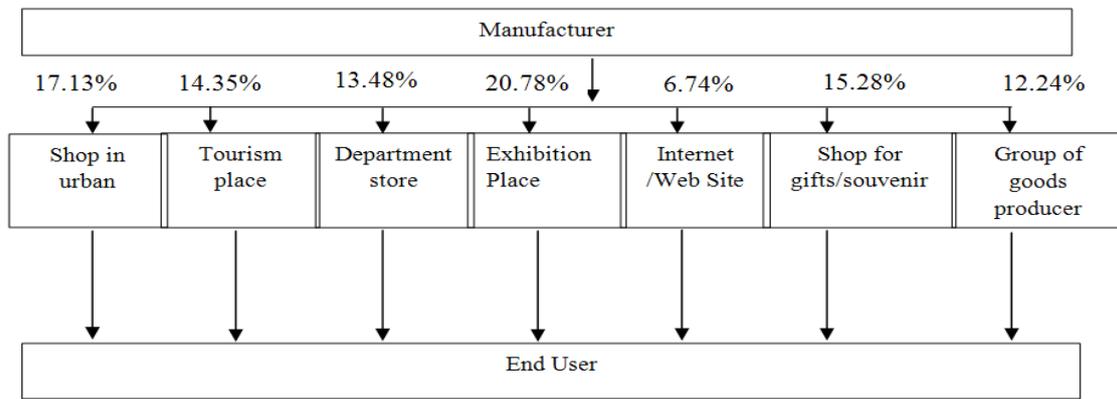


Fig. 2 : Channel of silk distribution and product in Nakhonchaiburin zone.

As mentioned Figure above, this research was analyzed based on distribution channel theory for consumer market as shown as Figure 3.

**Non-middle merchant**



**Middle merchant**

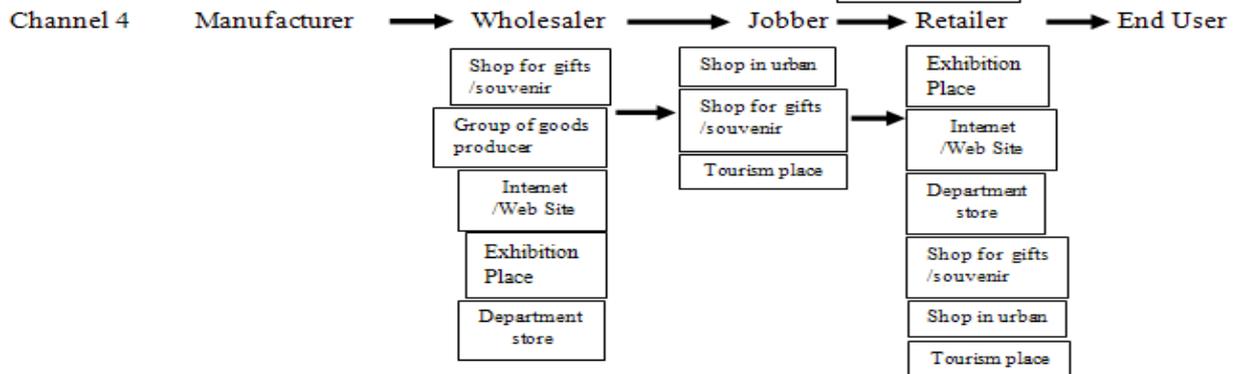
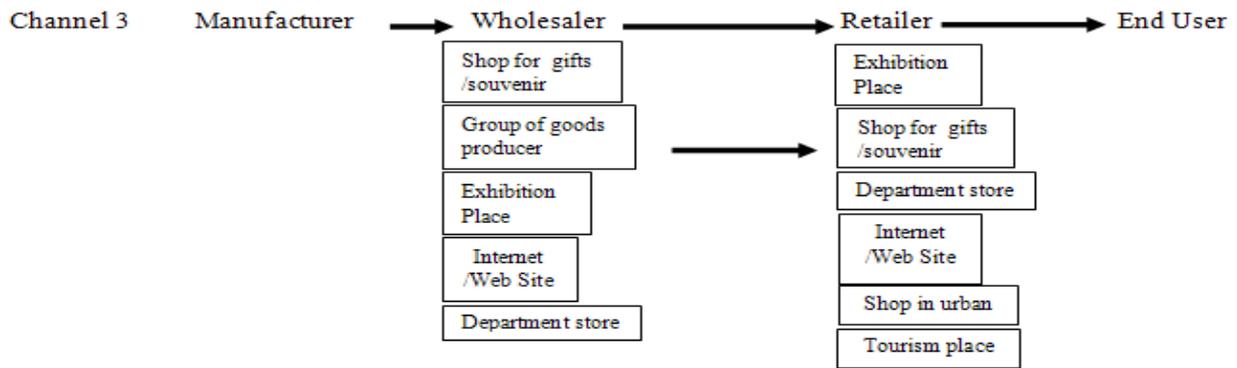


Fig. 3: Silk product distribution channel for consumer market in Nakhonchiburin zone based on concept of Phillip Kotler.

This research has studied the related research of distribution channel that example is research of [5]. Such research mentioned only exhibition channel for silk product because it is so convenience for accessibility of consumers. Moreover, accessibility should consider basic infrastructure including transportation networks, but advanced infrastructure and quality standard still need to be enhanced [6].

## 6. Recommendations

Silk product distribution channel in Nakhonchiburin zone was studied about distribution channel for application of market determination and silk product price. Furthermore, this research found that difference of each distribution channel is indicated by type of market and distribution channel of silk product as follows:

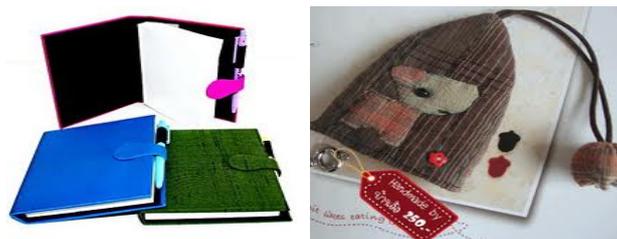
1) Mass market is no need machine that producer can saw by hand with half day per piece. In addition, producer is not has to have skill and expert for producing and have decorated goods to add value such as magnetic for cooler, product for animal, etc. This study should recommend price about 50-80 Baht based on channel distribution as follows:

- Middle merchant: Exhibition Place , Shop in urban, Tourism place, Internet /Web Site and Shop for gifts/souvenir.
- Non-middle merchant: Group of goods producer, Exhibition Place and Internet /Web Site.



2) Upper market is no need machine but have to skill and experience for sawing and have decorated goods to add value such as chain and button etc. with half day per piece or one day per piece, for example, key rings in animal form, diary cover, etc. This study should recommend price about 100-180 Baht based on channel distribution as follows:

- Middle merchant: Exhibition Place , Shop in urban, Tourism place, Department store, Internet /Web Site and Shop for gifts/souvenir.
- Non-middle merchant: Group of goods producer, Exhibition Place and Internet /Web Site.



3) Luxury Market is need machine (i.e. sawing machine) with high skill and experience and have decorated goods to add value such as a zipper etc. including producing time one day up per piece (up to decoration) and individual or luxury goods such as pillow suit etc. This study should recommend price about 400-500 Baht based on channel distribution as follows:

- Middle merchant: Shop in urban, Tourism place and Department store.
- Non-middle merchant: Group of goods producer and Internet /Web Site.



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