

# **Marketing Orientation Strategy of New Product Development on Exporting Healthy Thai Vegetarian Frozen Food**

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*This research explores marketing orientation strategy on new product development of Thai vegetarian frozen food industry in Thailand. This study only makes a first attempt to understand the formation of exporting marketing success expectations. The survey research was conducted from June - July 2012 with the objective to identify the marketing orientation strategy associated with market success and to determine the relationship between the current and future target marketing direction for adaptation which influences market success on new product developments of exporting the Thai vegetarian frozen food industry. The research methodology was a quantitative research using questionnaires completed by 549 entrepreneurs from 25 companies in sectors relating to new product marketing processes. All respondents are active members of the Thai Food Processors' Association in the 2012 prepackaged food industry. Data analysis was conducted by using SPSS version 17.0 software to evaluate the stability and consistency for measured items. The findings showed that the technology direction adaptation and the new product developments direction adaptation were the most important factors with market success at a high level ( $\bar{X} = 4.44$ ). Secondly, the findings showed that from the direct adaptation of the market orientation strategy along with current and future adaptations which relationships between current and future target marketing directions influenced market success particularly on new product developments for exporting Thai vegetarian frozen food were statistically significant.*

## **JEL Codes:**

## **1. Introduction**

The world situation at the present time is changing fast. As a result, the world has adjusted to the new economy (New Economy). Thailand has advantages over other Asian countries in terms of geographical features, weather, races and cost of living so the opportunity to expand into the global market for Thailand is very positive. From these advantages Thailand can use some parts of the marketing channel and the best channel is participation in the world markets with countries such as Negara Brunei Darussalam, United States of America, Republic of Singapore and Australia.

Surprisingly, in today's health conscious society consumers have increased their consumption of non-toxic fruits and vegetables, consume less meat and are generally more interested in consuming vegetarian foods. Many consumers have limited time for cooking or preparing food for themselves and paying attention to their own health and for these reasons they are interested in consuming ready to eat vegetarian foods and that is why healthy Thai vegetarian frozen food will be popular and good for

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Thailand to export. Therefore, healthy Thai vegetarian frozen food is a lucrative niche market, not only among international tourists, but also among the larger communities of other countries.

Verhees (2005) noted that marketing orientation and a new product development, organization cannot succeed if they do not rely on other factors of organization, such as firm size and marketing channels. These factors will make the organization successful in the long run. Verhees model shows the relationship of those elements as shown in Figure 1 (please see in appendix). However, Augusto & Coelho (2007) argued that to make new products succeed in world marketing one should do market orientation by using marketing tools such as customer orientation, customer orientation and interfunctional coordination. Also Miles & Darroch, (2006) has stated that an entrepreneurial and market orientation are the key elements for entrepreneurial marketing. From Verhees, Augusto & Coelho and Miles & Darroch stated above, entrepreneurs should not only have knowledge and understanding of the relationship between firm size, marketing channels, marketing orientation and product innovation but also about the other marketing tools to make and sell new products successfully especially in new markets. Augusto & Coelho's model shows a conceptual framework of market orientation, firm-specific factors, environmental forces and new-to-the-world product innovation as shown in Figure 2 (please see in appendix). However, Augusto & Coelho (2007) also stated that competitive intensity enhances the positive effects of customer orientation and competitor orientation of new-to-the-world product innovation but weakens the positive effects of inter-functional coordination of new-to-the-world product innovation. Therefore market orientation with both customers and competitors and inter-functional coordination are important drivers of a firm's new-to-the-world product innovation and the components of market orientation are moderated differentially by a firm's innovativeness, competitive strength and also by environmental forces.

Since the acquisition of the framework which was to be processed in the form of Verhees and Augusto & Coelho as mentioned above, evidence also shows that the discovery of new knowledge should be more researched and studied regarding the processes required to succeed in developing new products for the world markets. From these study requirements with associates or rationing to Rindfleisch & Moorman (2003) which conducted the research that to create new products in the magazine of the Federal Register with samples of 380 enterprises and to determine their relationship to the success of the enterprise market. Their main objectives were testing unsuccessful customer orientations before and after the research regarding the enterprise market; therefore the result found that there was no relationship.

Although, Verhees and Augusto & Coelho believed that to understand the discovery of new knowledge there should be more research and study on the processes to make new development products succeed in world markets and not just only have the knowledge and understanding of the relationship between firm size, marketing channels, marketing orientation and product innovation. Of course to make new development products succeed we need to study more on the processes involved, however the author would strongly agree if simple marketing orientation strategy was to be seriously studied on the current and future target market. This is because to focus on current and future target marketing will help an organization to identify emerging substitutes, the speed with which substitute technologies will disseminate, and the timing of technological shifts. Also, the author believes that the future

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customer and competitor orientation can be involved and understand the future needs of customers and evolve an understanding of how the organization can satisfy them. From all these reasons conforming with Zhou, Yim & David (2005) stating that making the organisation a success also requires a focus on a firm's strategic orientation and market forces, through organisational learning, to breakthrough innovations, firm performance and to start the learning process of organisations to develop new products they should rely on proper marketing technology and this will make launching new products for exporting more successful.

From all of the reasons stated above, the author would like to study the marketing orientation strategy of new product developments on exporting healthy Thai vegetarian frozen food. This is because no past research distinctly clarified the relationship between market orientation and achieving marketing success so we can conclude it as an empirical relationship. However, the results of this study will be useful for the vegetarian frozen foods entrepreneurs/companies. Also for those who are interested in an exporting business for healthy vegetarian frozen food. They can get information to guide the planning of new products to meet the needs of consumers and to be used as a concept in the development of new products in the market. (To be noted that this study only makes a first attempt to understand the formation of exporting marketing success expectations).

### **Objectives**

Identify the marketing orientation strategy associated with market success and determine the relationship between the current and future target marketing direction for adaptation which influences market success on new product developments of exporting the Thai vegetarian frozen food industry.

### **Research Questions**

1. What are the marketing orientation strategies associated with market success?
2. What are the relationships between the current and future target marketing direction for adaptation which influences market success on new product developments of exporting the Thai vegetarian frozen food industry.

The rest of the paper is organized as follows: Section 2 presents the literature review. Section 3 presents the model and methodology. Finally, the author reviews the findings in Section 4 and draws a summary and conclusions in Section 5.

## **2. Literature Review**

Thailand is one of the major food exporters in the S.E Asian region and has the capacity to produce far more than its population consumes. Thai food exports exceed imports by a broad margin. At the present time, Thailand is the world's top exporter of rice, canned pineapples, pineapple juice and concentrate, and is among the top ten exporters of seafood, frozen shrimp and frozen chicken, with agricultural exports accounting for roughly 15% of total exports (Murray 2007). Thailand has many manufactures producing healthy Thai vegetarian frozen food for the market that compete with each other. Since food is one of the major components of the hospitality industry catering both for local residents and tourists, Thai healthy food is popular among international tourists and specifically those who are health conscious. For

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example, during Thailand's food festivals many tourists from ASEAN countries travelled to Thailand to sample Thai food and many of them also purchased frozen healthy foods as souvenirs to take home. Regarding to the tourism sector in ASEAN and the World Tourism Organization it is predicted that tourists in ASEAN countries will increased from 70 million today to 120 million in the next three years and predicts that this will be another factor in the increasing demand for food from Thailand. This is because many hotels and restaurants, especially in the ASEAN countries have high quality foods which are internationally recognized, especially fresh and readymade food products. Although many countries are able to grow fruits and vegetables, many types of fruits imported from Thailand were regarded as superior (Export-Import Bank of Thailand 2012).

According to the model of Verhees (2005) as shown in figure 1 (please see in appendix) that already mentioned in the Section 1 introduction that to understand that to make new products successfully entrepreneurs should have knowledge and understanding of the relationship between firm size, marketing channels, marketing orientation and product innovation. Also the conceptual framework of Augusto & Coelho (2007) as shown in Figure 2 (please see in appendix) that both customers and competitors orientation and inter-functional coordination of market orientation are important drivers of a firm's new-to-the-world product innovation. Furthermore, Augusto & Coelho (2007) stated from their research that firm innovativeness and competitive strength of firm-specific factors are also having a strong effect on new-to-the world product innovation. This is because a firm which is oriented towards innovation, values change and encourages risk-taking and creativity making employees feel less threatened when venturing into new areas especially with attitudes regarding change which is systematically related to the introduction of innovations. Additionally, highly competitive firms continuously scrutinize their environment and not only anticipate but also shape the evolution of the markets in which they play.

Not surprisingly, Doyle (2002) stated that the focus of the market (Marketing Orientation) is a condition that can be achieved when a business organisation meets the needs of current and future customers better than its competitors in order to gain long-term profits. However, Zhou Yim and David (2005) stated that the links or the relationship between marketing orientation and the degree of new product developments are far from being fully explained. This is because to start developing a new product, the entrepreneur would have to meet many requirements that need to be done correctly. This is especially for a new service and a new product development, a number of benefits may arise from customer involvement. Firstly, having first-hand information on the target market makes it possible to achieve higher quality services of new product developments, which fully meet customers' needs and is superior to the competitors' offers and providing extra-value. Though, from the other potential benefits which include shorter development periods and improved company image in the market and/or the discovery of new processes for providing services (Carbonell et al 2009 and Santos-Vijande et al 2009). Additionally, to undoubted advantages of customers taking an active role in the development of new services of a new product development, the process is not free from limitations and downsides. Some researchers point out that customers contribute ideas which while they may be original are not always viable. More especially, customers often only provide ideas incrementally about a new product, there are not always adequate linking mechanisms between the company and its customers and co-creation which may result in increased costs for the company without producing any additional benefits (Carbonell

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et al 2009 and Santos-Vijande et al 2009). Not surprisingly, at a later time Zheng, Gao, Yang & Zhou (2005) stated that the British economist John Maynard Keynes said that when the state or the environment of the organisation is changed then entrepreneurs must be decisive and make quick decisions. Therefore, if the organisation spends a lot of money on market research especially on the use of marketing orientation strategy then the organisation will often see avenues of success by a sequence of ascending order of importance and will reach their marketing performance easily.

### **3. The Methodology and Model**

The survey research was conducted from June - July 2012. The research methodology was a quantitative research using questionnaires completed by 549 entrepreneurs from 25 companies in sectors relating to new product marketing processes. All respondents are active members of the 2012 Thai Food Processors' Association. Data analysis was conducted by using SPSS version 17.0 software to evaluate the stability and consistency for measured items.

This paper puts forth the following five hypotheses: H1 -The marketing orientation strategy on the current target marketing associated with market success. H2 -The marketing orientation strategy on the future target marketing associated with market success. H3 - Technology adaptation and the new product developments direction adaptation are the most important factors with market success. H4 -The current target marketing which has a relationship with the future target marketing that is associated with market success.

The author will prove the first and the second hypothesis on the descriptive statistics related to current target marketing and future target marketing. The third and the fourth hypothesis will be proven by chi-square analysis to study the relationship variables. The conceptual framework of the research is from figure 3 (please see in appendix).

### **4. The Findings**

To be noted that from the research findings the questionnaires with 610 sample data sets, the solution shows that with the completion of the questionnaire responses were 549 sample data sets. Therefore, 549 queries were used in the statistical analysis in order to explain the nature of the data and the assumption of the data set.

Further, the opinions of respondents of ecology car products placements are illustrated in Table 1 and 2 respectively.

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**Table 1: Mean and standard deviation of the market orientation strategy by distinguish**

<b>The Market Orientation Strategy</b>	$\bar{x}$	<b>S.D.</b>	<b>Level</b>
1. Current target marketing	4.26	0.59	High
2. Future target marketing	4.35	0.61	High
3. Technology adaptation	4.44	0.63	High
4. New product development	4.44	0.63	High
<b>Total average</b>	<b>4.37</b>	<b>0.77</b>	<b>High</b>

**H1:** These are the marketing orientation strategy on the current target market associated with marketing success.

From table 1 shows an overall of the market orientation strategy at the high level ( $\bar{x} = 4.37$ ). Technology adaptation and new product development at the high level ( $\bar{x} = 4.44$ ) was the first rank. The second rank was the future target marketing at the high level ( $\bar{x} = 4.35$ ) and the third rank was the current target marketing at the high level ( $\bar{x} = 4.26$ ) respectively.

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**Table 2: Shows mean and standard deviation of the market orientation strategy on the current target marketing**

Current target marketing	Level					$\bar{x}$	S.D.	Level
	Lowest	Low	Medium	High	Highest			
	n (549)							
1. Do research and collecting data of the requirement on vegetarian frozen food from current customer orientation	0 (0.00)	1 (0.02)	56 (10.20)	410 (74.68)	82 (14.94)	4.04	0.51	High
2. Using data in management strategy	0 (0.00)	2 (0.36)	64 (11.66)	362 (65.94)	121 (22.04)	4.10	0.59	High
3. Keeping track of the competition from the competitors.	0 (0.00)	0 (0.00)	67 (12.20)	314 (57.19)	168 (30.60)	4.18	0.63	High
4. Using data on the movement of competitors to adjusting the marketing strategy.	0 (0.00)	0 (0.00)	45 (8.20)	167 (30.42)	337 (61.38)	4.53	0.64	Highest
5. The present customers can see the different strategies.	0 (0.00)	2 (0.36)	59 (10.75)	323 (58.83)	165 (30.05)	4.19	0.62	High
6. Focusing on strategic management with current customer orientation more than its competitors.	0 (0.00)	1 (0.18)	62 (11.29)	292 (53.19)	194 (35.34)	4.24	0.65	High
7. Focusing on management strategy to compete with its rivals in the market today.	0 (0.00)	1 (0.18)	31 (5.65)	200 (36.43)	317 (57.74)	4.52	0.61	Highest
<b>Total average</b>						<b>4.26</b>	<b>0.60</b>	<b>High</b>

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Table 2 from the above shows an overall focus of the mean and standard deviation of the market orientation strategy with the current target marketing at a high level ( $\bar{x} = 4.26$ ). Using data on the movement of the competitors to adjusting the marketing strategy was on the first rank at the highest level ( $\bar{x} = 4.53$ ). The second rank was focusing on management strategy to compete with its rivals in the market today at the highest level ( $\bar{x} = 4.52$ ). The third rank was focusing on strategic management with current customer orientation more than its competitors at the high level ( $\bar{x} = 4.24$ ) respectively.

**Table 3: Shows mean and standard deviation of the market orientation strategy on the future target marketing**

Future target marketing	Level					$\bar{x}$	S.D.	Level
	Lowest	Low	Medium	High	Highest			
	n (549)							
1. Finding new customers in the markets.	0 (0.00)	1 (0.18)	37 (6.74)	308 (56.10)	203 (36.98)	4.30	0.60	High
2. Collecting customer information in the new community.	0 (0.00)	2 (0.36)	51 (9.29)	378 (68.85)	118 (21.49)	4.11	0.56	High
3. Responding to the needs of the customer.	0 (0.00)	0 (0.00)	44 (8.01)	130 (23.68)	375 (68.31)	4.60	0.63	Highest
4. Analyzing the management strategies of competitors in the future.	0 (0.00)	2 (0.36)	84 (15.30)	328 (59.74)	135 (24.59)	4.09	0.64	High
5. Using strategic management to establish a market advantage with the competitors in the future.	0 (0.00)	1 (0.18)	36 (6.56)	123 (22.40)	389 (70.86)	4.64	0.61	Highest
<b>Total average</b>						<b>4.35</b>	<b>0.61</b>	<b>High</b>

**H2:** These are the marketing orientation strategies on the future target market associated with marketing success.



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Table 3 shows an overall focus of the mean and standard deviation of the market orientation strategy with the future target marketing at the high level ( $\bar{x} = 4.35$ ). Using strategic management to establish a market advantage with the competitors in the future was on the first rank at the highest level ( $\bar{x} = 4.64$ ). The second rank was responding to the needs of the customer at the highest level ( $\bar{x} = 4.60$ ). The third rank was finding new customers in the markets at the high level ( $\bar{x} = 4.30$ ) respectively.

**Table 4: Shows mean and standard deviation of the market orientation strategy on the technology adaptation**

Technology adaptation	Level					$\bar{x}$	S.D.	Level
	Low est	Low	Medium	High	Highest			
	n (549)							
1. Developing / improving technology such as the ISO to get a new product with the addition of nutrients.	0 (0.00)	0 (0.00)	29 (5.28)	152 (27.69)	368 (67.03)	4.62	0.59	Highest
2. Developing / improving of network technology to link a business with customers and suppliers.	0 (0.00)	2 (0.36)	55 (10.02)	130 (23.68)	362 (65.94)	4.55	0.69	Highest
3. Improving packaging technology.	0 (0.00)	2 (0.36)	59 (10.75)	338 (61.57)	150 (27.32)	4.16	0.61	High
<b>Total average</b>						<b>4.44</b>	<b>0.63</b>	<b>High</b>

Table 4 shows an overall focus of the mean and standard deviation of the Technology adaptation at the high level ( $\bar{x} = 4.44$ ). Developing / improving of network technology to link a business with customers and suppliers was on the first rank at the highest level ( $\bar{x} = 4.62$ ). The second rank was the developing / improving of network technology to link a business with customers and suppliers at the highest level ( $\bar{x} = 4.55$ ). The third rank was improving packaging technology at the high level ( $\bar{x} = 4.16$ ) respectively.

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**Table 5: Shows mean and standard deviation of the market orientation strategy on the new product development**

New product development	Level					$\bar{x}$	S.D.	Level
	Lowest	Low	Medium	High	Highest			
	n (549)							
1. Focusing on the direction and the new product developments from time to time.	0 (0.00)	2 (0.19)	74 (13.50)	317 (57.70)	156 (28.40)	4.14	0.63	High
2. Adjusting on the direction in the development of new products to suit the needs of the customer.	0 (0.00)	0 (0.00)	31 (5.65)	79 (14.39)	439 (79.96)	4.74	0.54	Highest
<b>Total average</b>						<b>4.44</b>	<b>0.63</b>	<b>High</b>

**H3:** These are technology adaptation and the new product developments directional adaptation were the most important factors with market success.

Table 5 shows an overall focus of the mean and standard deviation of the new product development at the high level ( $\bar{x} = 4.44$ ). Adjusting on the direction in the development of new products to suit the needs of the customer was on the first rank and at the highest level ( $\bar{x} = 4.74$ ). The second rank was focusing on the direction and the new product developments from time to time at the high level ( $\bar{x} = 4.14$ ) respectively.

**Table 6: The current target marketing and the future target marketing that is associated with market success.**

The current target marketing and the future target marketing	Pearson Chi-Square		
	Value	df	Asymp. Sig. (2-sided)
	1393.05. <sup>a</sup>	1	0.00

**H4:** These were the current target marketing relationships with the future target market that is associated with marketing success.

Table 6 shows that the current target marketing analysis have significant differences to future target marketing.

### 5. Summary and Conclusions

The research titled “Marketing Orientation Strategy of New Product Development on Exporting Healthy Thai Vegetarian Frozen Food” objectives were to identify the marketing orientation strategies associated with market success and determine the relationship between the current and future target marketing direction for adaptation which influences market success on new product developments of exporting the Thai vegetarian frozen food industry. The research only makes a first attempt to understand the formation of exporting marketing success expectations. The research methodology was a quantitative research using questionnaires completed by 549 entrepreneurs from 25 companies in sectors relating to new product marketing processes.

According to the hypotheses, the marketing orientation strategy on the current and future target marketing associated with market success and the marketing orientation strategy on the current and future target marketing have relationships with the future target marketing that is associated with market success. Moreover, there were technology adaptations and new product development directions adaptation which were the most important factors with market success. Not surprisingly, there was also the evidence that current target marketing has a relationship with the future target market that is associated with marketing success. The results of this research have answered all the questions and therefore, the marketing orientation strategy will be used for new product development on exporting healthy Thai vegetarian frozen food.

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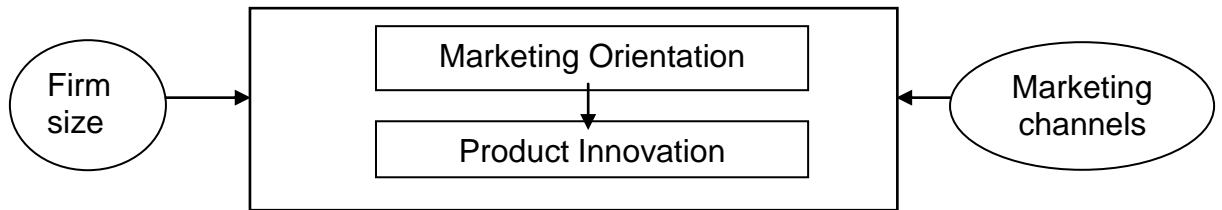
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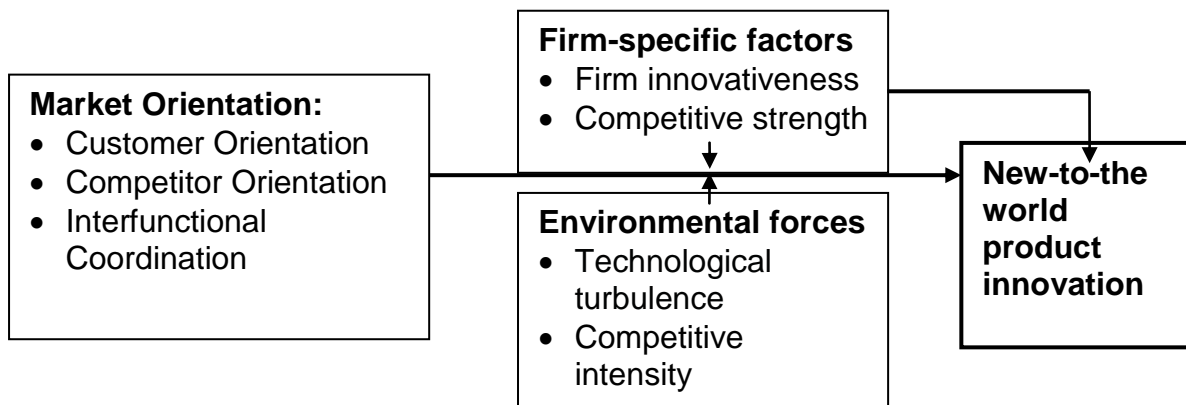
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Appendix

**Figure 1: The main relationships between market orientation, product innovation, firm size and marketing channels**  
(Verhees, 2005)



**Figure 2: A conceptual framework of market orientation, firm-specific factors, environmental forces, and new-to-the-world product innovation**  
(Augusto & Coelho, 2007)



**Figure 3: A conceptual framework of the marketing orientation strategy of new product development on exporting**

