

Marketing and Strategy Analysis: A case study of PANA coffee  
company



An Independent Study Submitted in Partial Fulfillment of the  
Requirements  
for the Degree of Master of Arts in Business and Managerial Economics  
Field of Study of Business and Managerial Economics  
FACULTY OF ECONOMICS  
Chulalongkorn University  
Academic Year 2020  
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การวิเคราะห์การตลาดและกลยุทธ์องค์กร: กรณีศึกษาบริษัท พานาคอฟฟ์ จำกัด



สารนิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต  
สาขาวิชาเศรษฐศาสตร์ธุรกิจและการจัดการ สาขาวิชาเศรษฐศาสตร์ธุรกิจและการจัดการ

คณะเศรษฐศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2563

ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

Independent Study Title	Marketing and Strategy Analysis: A case study of PANA coffee company
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ศุติญา อินทรวชิษฐ์ : การวิเคราะห์การตลาดและกลยุทธ์องค์กร: กรณีศึกษาบริษัท พานาคอฟฟี่ จำกัด. ( Marketing and Strategy Analysis: A case study of PANA coffee company) อ.ที่ปรึกษาหลัก : รศ. ดร.ชลัษฏพร อมรวัฒนา

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สาขาวิชา  
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2563

ลายมือชื่อนิสิต .....  
ลายมือชื่อ อ.ที่ปรึกษาหลัก .....

# # 6284127529 : MAJOR BUSINESS AND MANAGERIAL ECONOMICS

KEYWORD: Marketing, organic coffee, SWOT analysis, Marketing Mix

Sulida Intarawichien : Marketing and Strategy Analysis: A case study of PANA coffee company. Advisor: Assoc. Prof. Chalaiporn Amonvatana, Ph.D.

Coffee business is extremely growth in last few years. Pana coffee company is a brand-new coffee business company. The company has been established for 4 years. There are lots of organization management that company needed to solid and make the strength on to go further in several years. One of the important managements in organization is marketing management which effect on brand and positioning of brand in market. So, the marketing strategies of company needed the improvement to compete and survive in the global growth business. This study aims to analyze organization resources by using SWOT analysis and 5P's Marketing mix and suggest how to improve the organization in case of brand acknowledgement or brand profit gaining.

To examine the organization marketing strategy, two well-known marketing model which are SWOT analysis and 5P's Marketing Mix is used. By using SWOT analysis, it shows the strength and weakness to be internal factors of the company. Threats and Opportunities are considered external factor of the company. With 5P's Marketing Mix to estimate parts of company and find the implement to develop marketing strategies with product, price, place, promotion, and people of company. The results showed every information needed to determine marketing strategies and how to achieve it for the company, for example, the best strength of business would be organic certified, etc.

In conclusion, the concept of marketing model should be analyzed in any organizations. To improving marketing strategies, social network marketing is the important key to be considered and implement in this current world business.



Field of Study: Business and Managerial  
Economics

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Academic Year: 2020

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## ACKNOWLEDGEMENTS

I would like to express my special thanks of gratitude to my advisor, Associate Professor Chalaiporn Amonvatana, Ph.D. who dedicate herself to initial the case study field trip and overwhelm opportunities for topics. Also, I would like to thank Mr. Sakol Deeprasert and Miss Siripatt Pilandanadilok, MABE's administrative staffs for managing through this event.

Second, I would like to express my appreciate thank to Mr. Vorachat Choochom, Head of The board of Investment of Thailand, Chiang Mai branch and team for cooperating with the company, Mr. Peera Panasupon, the founder of Pana coffee company for visiting allowance and Miss Jiratchaya Suasagoon, lead sales specialist of Pana coffee company for depth information. And also, Mr. Weeranop Wattanakorn, accounting and finance director of Sunsweet Public Co., Ltd.

Third, I would like to thank my friends, Miss Nattawadee Wangcharoenpaisan, Miss Nuttakritta Neamaum, Miss Paninee Jongwutiwes and Mr. Panupong Senapitak for being part of this journey and get through together.

Finally, I would like to thank my family, Miss Pattanun Kingkarnjanawong and Miss Pichaya Intarawichien, for supporting me throughout my life.

Thank you.

Sulida Intarawichien

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## **I. Introduction**

Having a cup of coffee in the morning is surely how to start the day for most people. The sense receiving from coffee make your brain fresh, awake, and ready to be productive so that, coffee is one of the most widely consume beverages in the world. Overview, Global coffee market is growth constantly. People in the Netherlands will drink the most coffee. The consumption per capita is 8.3 kilograms. For second is Finland with 7.8 kilograms. Sweden and Norway are grouped together behind the Netherlands with 7.6 kilograms and 6.6 kilograms, respectively. For Thailand, consumption of coffee per capita is 1.2. In past few years, coffee shop businesses raise exponentially in Thai and the coffee drinker community growth too, but Thailand's coffee market is relatively small proportion compare with globe's coffee market, only 20% produced in Thailand sell in domestic market and 80% sell in international market. Even Thai's consumption in coffee is below world's standard, but the trend of consumption increases annually by 7.4% between 2019 and 2023. In 2015, Market values of the global roast coffee market equal 223.43 billion USD. Meanwhile, Market values of the Thai roast coffee market only 18.20 million USD. Until 2025, the globe and Thai coffee market is forecast to reach 395.91 billion USD and 79.93 million USD, respectively. (Business Wire, 2020). In addition, the most revenue will be generated in the United States.

Thailand has a potential to grow coffee tree due to geography, weather in cooler dynamic climates, and land. In Thailand, Arabica and Robusta are two species of coffee raised. Arabica growth perfectly in Northern Thailand such as Chiang Mai, Chiang Rai, and Mae Hong Son provinces. Under the supporting government's policy, forest preservation, and the many sponsoring sustainable innovation on the industry, Arabica coffee is considered one of the most important exported products of Thailand. Robusta coffee is grown in southern Thailand and has an exported rate less than Arabica for Thailand. Ministry of Agriculture Aim to make Thailand a center of coffee trade in ASEAN. Effectively increase the coffee production in the country to reduce production costs and not destroy the environment Build and develop networks between farmers and entrepreneurs Including enhancing the quality and image of Thai coffee to international standards.

Along with popping up coffee shops throughout the country, there are some of the large chain coffee shops around country—in malls and gas stations in every major road in Thailand. Some of the key players operating in the business of coffee market are Starbucks, Amazon Café, and Black Canyon, etc. In 2014, Amazon Café has the highest market share in Thailand by 53% following by Black Canyon with 10.57% and Starbucks with 8.65%. (Insider, 2019) The key to success in this market share is being chain coffee shop in gas stations with approachable price. The significant growth of the coffee shop business in the gas station reflects the broader Thai lifestyle of drinking coffee. Now, Pana coffee company is alliance with Shell gas station whose develop deli café by supporting roasted coffee to Shell. Shell all over the world have deli cafes, but It is difference in Thailand because It is the first in the world to introduce the concept of Breathing Space to Recharge where customers can relax, drink coffee, and have a unique dessert. There are plans to open at least 30 deli cafes a year, out of now 55 stores. In the past year, Shell invested in expanding 26 new deli cafes from which it received more recognition. Also, Shell forms a team to take care of the coffee business and aim to "build a brand" to be more recognizable. In addition, Deli café has added a Drive-True model.

Healthy lifestyle is trending worldwide nowadays. Social media has an important role to raising awareness about organic food and beverages and helping in gathering knowledge regarding the advantage of organic foods, including coffee. Not only organic coffee is best for healthy lifestyle but also free from chemicals and pesticides and is considered safer. Apart from healthy lifestyle concerning around the world, a preferment of consumers' environmental and ethical consciousness has been focused. Organic certified coffee is the best choice for healthy lifestyle and environment concerning, particularly on the European market. The organic coffee market has been reported that the market size value was 6.8 billion USD in 2018 and expected to reach 12.6 billion USD in 2026. The roasted coffee generated the most revenue within the coffee segment. (Expense Reduction Analysts, 2017). Pana coffee captivate this healthy lifestyle trend and the ethical consciousness - supporting local farmers to set up the business plan resulting in certified organic coffee. Pana coffee foresee the market potential in organic coffee and drive the business through these worldwide trends.

As brand-new company for the industry, Pana coffee has a particular market and high price product. So that, they must consider in every aspect to drive their business on point and successful. In this case, marketing analysis become important keys. It will help the company to decide the direction for the business and think of what the strengths and weaknesses of the brand is. The marketing analysis chooses for developed direction of business in this study will be two methods. One, the 5P's marketing mix defines the strategies and tactics that a company uses to reach target customers, in terms of products, price, place, promotion, people and support selling growth and find its position in the coffee industry. Two, SWOT analysis is a tool using for deciding the direction for the business and think of what the strengths and weaknesses of the brand is.

The objective of this study is to analyze the organization's strategy by using SWOT analysis. To find and explain Strengths, Weaknesses, Threats, and Opportunities of the company for organization developing. Furthermore, this study is to identify the brand's position in market by applying 5P's Marketing Mix and determine the possibility of company's becoming the leader in market.

Composition of the study will be Introduction to overview the objective of the study, Company overview for introducing all information of Pana Coffee and acknowledge food safety management standard, Marketing analysis covering SWOT analysis and 5P's Marketing Mix. The last part of the study will be Conclusion for this study and Recommendation for the company to improve their company.

## **II. Company Overview**

Pana coffee is one of the famous firms in Chiang Mai province, Thailand. Mr. Peera Panasupon the former executive director of MAC Education is founder of Pana coffee company. As he is from an education-related background, the firm's goal is to be improving the coffee business from seed to cup, providing education and experience to all the industry stakeholders to sustainably develop Thai coffee business and delivering the food safety guarantee of products. Therefore, the firm provided a learning center called The Coffeenery which covers every step-in processing coffee from seed to cup. Pana coffee company is established in 2017. The company own

three coffee farms which is Tonkla Nursery, Doi Mek Farm at Chiang Dao, and Saked Dao Farm at Doi Saket. At Chiang Mai province, the company invest in imported coffee processing equipment and technology from growing the right coffee to creating the package that ends up on shelf. Also, having their own laboratory for checking the quality of coffee both internally and as a third party for clients.

Pana coffee company is established in 2017, located at Chiang Mai Province, Thailand. The company own three coffee farms which is Tonkla Nursery, Doi Mek Farm at Chiang Dao, and Saked Dao Farm at Doi Saket.

### Tonkla Nursery

Tonkla Nursery is located at Chiang Dao. It known as a kindergarten for every coffee tree produced by Pana coffee company. The coffee trees growth under controlled and monitored in planting processing, then, transfer to others farm when they ready. The greenhouse design of Tonkla Nursery farm is comfortable for coffee tree to growth with organic conditions such as free pesticide using, planting under shade grown, etc. There are approximately 40,000 coffee trees planted since Tonkla Nursery has begun operating. Pana coffee has corporate with Highland Research and Training Center of the Faculty of Agriculture, Chiang Mai University to initiative and certify four varieties of coffee types. (The Coffeenergy Co., Ltd., 2020).



*Figure 1 : Tonkla Nursery*

### Doi Mek Farm

Doi Mek Farm covers up 300 Rai (48 Hectares) at the height of 1,000 – 1,400 meters above sea level with an average 21° centigrade. The farm is the major planting

coffee tree crop. Doi Mek farm operate with tree shelter giving shade and pesticide-free soil. The farm is under organic growth conditions. The farm also is planted tea, avocado, banana, macadamia, and many more agricultural products besides coffee tree.



*Figure 2 : Doi Mek Farm*

#### Saked Dao Farm

Saked Dao Farm operate as shade-grown coffee farm by using natural soil and forest canopy. It only takes 45 minutes from Pana coffee company to destinate at Saked Dao farm. The farm covers 200 Rai locating at Doi Saket with 1,000 – 1,200 meters above sea level and an average temperature of 22° centigrade. As organic farm, Saked Dao Farm has conditions on coffee tree's planting system such as pesticide-free soil. From December to March is the coffee tree harvesting season on Saked Dao, and April to November is tea harvesting season.



*Figure 3 : Saked Dao Farm*

#### Product overview

One of the outstanding products of Pana coffee company is organic coffee under SOD and Cloudy hill brand. They serve 100% Thai Arabica grown in the mountains of Chiang Mai, around 1,000 to 1,400 meters above sea level. Starting with hand-picked ripe cherries and process them with quality control machine and equipment to become high-quality green coffee beans. Then, with highly trained professional roasters and advanced roasting systems the green coffee beans become SOD roasted coffee which is high-quality organic coffee. Same as SOD, Cloudy hill is organic coffee brand providing by Pana coffee company with higher graded material and more expensive. Beside organic coffee brand, Pana coffee company also do OEM coffee service for other brand and provide coffee education services such as coffee tour services, barista course services, CQI services and SCA services.

SOD coffee made from organic Arabica seed planted at the farms, after production line, the company got high-quality roasted coffee. SOD coffee has three types which are SOD light roasted coffee, SOD medium roasted and SOD medium to dark roasted coffee. Cloudy hill is organic-luxury brand for the Pana coffee company.



*Figure 4 : Pana Coffee's Products*

Beside organic coffee brand, Pana coffee company also do OEM coffee service for other brand and provide coffee education services such as tour services, barista course services, CQI services and SCA services. Pana coffee build the learning center called the coffeenerly which is the learning center for coffee. The coffeenerly provided knowledge for coffee since growing and processing to roasting and brewing. The coffeenerly establish for expanding product of the company. It provides the coffee tour services—from growing process to brewing process.

#### Global certified standard overview

Considering organic coffee is a main product of the company, the requirement for standard in processing is high. To lift the brand image, Pana coffee company try to develop their standard in processing to certified organic. As an organic producer, the equipment, and methods to operate the manufacturing adhere to additional standards of ISO 22000, FSSC 22000, HACCP, and HALAL. Not only, the manufacturing practice received, but Pana coffee also has been certified as coffee's professional training standard such as SCA and CQI standards which are focusing on processing, roasting, brewing, and barista skillsets, with all lessons led certified instructors. There are lots of global certified standard that the company receive. This study will describe all global standard briefly for more understanding how important they are.

#### USDA Standard

United States Department of Agriculture (2013) state that USDA is abbreviated from The United States Department of Agriculture also known as the Agricultural Department in the united states. USDA duties in developing and executing federal

laws according to agricultural, farming and forestry, and food. USDA's goal is to be response in farmers needed, protects natural resources, assure food safety and determinate hunger around the world. With USDA organic on label, consumer can be ensured that this is an organic food which are planted, grown, pest and weed control under USDA's organic regulations requirement.

#### OneCert Standard

OneCert label show the product as organic. OneCert is an organization who certified by USDA and investigate in National Organic Program (NOP) such as crops, wild crops, livestock, and handling operations. OneCert operate in the U.S., India, Macau, Mexico, Thailand, Uganda, and Vietnam on the NOP. (OneCert, Inc., 2013). As a standard holding, OneCert organization must accept the evaluation both onsite auditing and report auditing to determine OneCert, Inc.'s ability from The National Organic Program (NOP) to continue considering as a USDA standard certifier.

#### HACCP standard

Food and Drug Administration (2018) named HACCP, one of food safety management standard and certify international. It is perceived as an effective control in food safety. HACCP compose of seven principles and notice to customers that the products are safe in producing and manufacturing. HACCP has certain steps to follow and evidence-basis to approach. Even, HACCP has many requirements for the industry, but It notice to be basis for high safety management manufacturing.

ISO 22000 is the requirement for food safety management developed by the International Organization for Standardization. (International Organization for Standardization, 2005). The industry needed to be certified as a high quality in handling system. ISO 22000 is a global standard which combine all food safety management system, for examples, the ISO9001 approach, HACCP and GMP standard. It indicates what company must operate to control food safety and demonstrate to ISO to ensure that food is safe. Considering in the size of industry and the position, every organization can use ISO 22000 as their standard.



According to Registrar Corp (2020), FSSC 22000 is another one of the Food Safety Management Certification Scheme handling by government with many sectors of food industry and Foundation FSSC 22000 with many independent representatives from broad of stakeholders in food industry. For controlling food safety risks and providing safe products to company users in food industry, FSSC 22000 is implemented. To receiving FSSC 22000, the company must provide a strong system to deal with food safety risks and present safe products to other company in the industry.

### **III. Marketing Analysis**

According to this objective of this study, the tools for helping Pana Coffee in this study to improve and expand business are SWOT and 5P's Marketing Mix. Both are well-known and practical marketing analyzer for brand-new company in business.

#### **SWOT**

SWOT is a strategic marketing tool using for digest internal compositions of the company such as strengths, and weaknesses and external factors which can be either opportunities or threats for company. (Boyd-Byrnes, 2020). SWOT is an abbreviation of Strengths, Weaknesses, Threats and Opportunities formed from the initial letters of other words. Strengths and Weaknesses are the evaluation for internal of company's operation. The internal factors are used to state company positioning itself and used to find improving of the company. Opportunities and Threats are the factors to examine company's external surrounding. The external factors explore industry future and the issues that company should be warned or concerned.

#### **Strengths**

##### **High Quality Control Coffee Tree**

Pana coffee company own three farms to control their quality in an agricultural process. One of the most important in agricultural process is shade-grown process. The coffee cherries mature slowly and having ample time to growth under shade-grown process and suitable environment. So that, they ensure to get the high-quality coffee tree. Also, the company encourage and support partner-farmer to grow organic tree. Hence, they can control the quality of coffee tree.

This growing process is the requirement to receive organic certify. Not only, Pana coffee plant high quality coffee tree to provide high quality products but also, they improve their brand image for being organic certification brand. This is the benefit of the firms competing with others in business world.

### High Quality Product

There is a quote that “The best coffee starts with being planted in suitable environments”. Since the company own suitable land, covering 500 Rai with an elevation of 1,000 – 1,400 meters above sea level, for planting coffee tree. Therefore, the quality of the coffee tree is qualified. Going through the manufacturing process, Pana coffee company invest millions of baht in machine and technology to deliver products and services that exceed expectations at every stage along the way. Not only, the efficient of the machine is considered. But also, the eco-friendly issue. The company import Convection Roaster with a single-burner system called Loring Smart Roasters. The roasters are capable for reducing gas consumption and creating a smokeless coffee roasting system. Those machines contribute the high-quality roast coffee with harmless environment.

### A Diversity of The Product and Service

Because of “From seed to cup” business, Pana coffee deliver diversity of the products in both vertical and horizontal. For example, SOD coffee is organic coffee and has 3 types of roasted coffee sold at same price which are SOD light roasted coffee, SOD medium roasted and SOD medium to dark roasted coffee. Consumers can buy one type depend on their preferences. This option shows horizontal product differentiation. For vertical product differentiation, Pana coffee also has Cloudy hill brand, which is premium organic coffee, sold at higher price to be another option for the consumers.

Pana coffee develop training course for customer who interest in being barista. They are barista’s training center with certification from The Specialty Coffee Association (SCA). The training’s course has many level courses begin with Intermediate course until professional course. Pana coffee also serve activity services

for customer which called “Coffee Experience Activity” in Half Day Activities and Full Day Activities. They own laboratory which can investigate and improve qualities of customer’s coffee. In addition, they provide The Coffee Quality Institute (CQI) course for being coffee expertise.

#### New Technology Equipment

The firm is established only 4 years. They invest in all machines needed in coffee producing and coffee checking quality’s laboratory. The capacity per year is capacity 2800 tons. Since the firm just started, Board of Investment support non-tax incentive and Exemption of import duty for machinery.

#### OEM Services

Not only they can produce under SOD and cloudy hill brand, but also, they can produce for special orders and open for coffee beans checking. The main business Pana coffee doing is being an OEM services for those companies. Pana coffee also create organic coffee for Deli café which is the coffee shop at shell station because of their organic certification.

#### Organic Certification and Food Safety Management

Because of the high-quality control in planting coffee tree and excellent quality product, SOD brand has been certified for being organic by The United States Department of Agriculture (USDA). These certify that SOD roasted coffee are safety and healthy with protects natural resources in agriculture. USDA is the most important label to claim the product being organic and has global standard measured, being certified by USDA is the strengths for SOD brand.

For food industry, the management standard for production, manufacturing, consumption of the finished product is considered crucial. To ensure the people’s safety and standardize food industry, Food and Drug Administration set Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) to be food safety standard for those who in food business. In addition, The International Organization for Standardization dealing with food safety develop ISO 22000 for Food Safety Management Systems to control any organization in food industry.

Pana coffee company has been certified for Food safety management. The standard for food safety management such as GMP is the basis for food safety practices for factory, However, Pana coffee company delivered more for their customer. They got HACCP to declare safe food, good management system in industry and ISO 22000 to show upper-level business standard. Certified food safety management affects brand image be luxury and high-quality.

#### Weakness

##### Lack of Distribution Channels

As brand-new organic coffee, SOD coffee is not known for the market and be sold at limited distribution channel in Chiang Mai Province, at Pana Coffee company, and at Chula Market event. According to the company information, SOD coffee is only sold at 3 coffee shops which all place at Chiang Mai province. Lacking Distribution Channels is one of the weakness of the company that the firms should be increase the channels for distribution more. Retail Distribution Channels is a best option for SOD coffee brand because retailer straightly reach customer and These paths are short. Not only retail distribution in Chiang Mai province but also others. So that, organic coffee can easily find and purchase in supermarket.

##### Limitation of Raw Material

There are 500 Rai of Doi Mek farm and Saked Dao farm for planting cherries coffee. Total product from 500 Rai cherries coffee is no longer than 100 tons. Furthermore, harvesting season of cherries coffee is very short during December to March. Even, Pana coffee support partner-farmer to grow cherries coffee, it is not enough. Limitation of Raw Material is the weakness for the company and effect to price of the product.

##### Weak Marketing Management

According to the interview with Miss Jiratchaya Suasagoon: Lead Sales Specialist of Pana coffee company, the business has just been established, it is not yet known. Also, the company does not have strongly marketing management plan and the action plan for product marketing management. At this moment, the company do

not have a strategy to using online marketing as a channel to promote the brand. Those are the weakness that the company needed to defeat to receive more attention and to be sale more.

#### Not Fully Utilize Manufacturing

Lacking raw materials is the main reason for using the manufacturing process ineffectively. Even, Pana coffee company has complete production machine to produce the roasted coffee, the company cannot find raw materials to fulfill the capability of the machine which is the rationale behind losing profit and opportunities.

#### High Cost

Consequently, The Limitation of Raw Material cause high price for the product. With complex shade-grown processing, few pesticides using, special environment conditions and extra payment for people in process, all drive organic food price getting higher. An organic coffee price in market is normally high, because of the agricultural process, the ingredients, the manufacturing processes.

#### Threats

##### Massive Importation

According to Company Field Trip, Pana Coffee's competitor in Thailand produce as same volume production as them. However, the frighten competitor is Lao. The huge amount of imported organic coffee come from Lao since Lao has lands which perfectly grow organic product.

Furthermore, The United Nations Conference on Trade and Development (UNCTAD) report that with supporting by NGOs and by private sector enterprises, Laos organic agriculture has been developed to access to premium markets. Until late 2000s that organic farming with market linkage became an important agenda among the Lao agriculture authorities. (Panyakul, 2012). So, two organizations--Helvetas and the DOA--work together to continuously launch a project for supporting Organic Farming and Marketing in Lao in 2004. As a result, from all those supports, organic products have become one of the strongest export products of Laos. The certified

organic lands cover by 71.8% of coffee tree, 17.2 of rice and 7.2% of fruit & vegetables. Organic coffee has become the most important crop sold as massive green beans and little as roasted coffee. Most of Lao's certified organic products are exported to Europe, New Zealand, and countries within ASEAN. (Panyakul, 2012). Massive importation from Lao is an important threat of Thai organic coffee market in the raw material session.

#### Increased Competition with Nonregulated Labels

When customer go to the store, there are many products in shelf. Most of product claim, "I'm good for your health" and A Lot of Unregulated & Misleading Food Labels have been used. Customer can be miss understand about organic label and others type of mislead labels which claim and "seem to" be organic products. For example, one product label "Natural", so, many customers may be assuming "Natural" probably mean this product is 100% from nature and can be confuse that maybe It is an organic product. Or "Made with organic coffee tree" in coffee label, customer misunderstand that coffee is organic, in fact, this claimer contains at least 70% certified organic ingredients. Sometimes, Consumer may not know that USDA label must been show on organic product label, they just buy the product with the word "organic" on shelf. All these scenarios can be threats.

#### Economic downturn

An economic downturn will affect consumer capacity to buy organic coffee. Normally, the price of organic coffee is higher than the price of instant coffee. If an economic is in recession and effect customer's income, consumer cannot afford the organic coffee. So, the instant coffee will be chosen instead.

#### Opportunities

##### Niche Market

In Thailand, Organic coffee consumer is not the mainstream coffee consumer also organic coffee producer. There are not many competitors in this business. An advantage for being niche market is the price of the product will not be decreased to gain customer. Return on Investment (ROI) is high in pleasure level and Market

Segmentation can be increase. The brand gains lot of loyalty customer and gains more by word-of-mouth marketing. After that, the brand growth more to big market and reach more customer. To have specific group of customers, the firm can use corporate resources effectively. For responding to what customer needed in only one market, the firm can use whole energy to do so.

### Sustainability Concerning

In last 10 years, sustainability is an important social issue to be focus on the business field. This reason has become to be one of the firm's achieve in the business plan. Investor and producer get a lot of pressure to cutting the production cost and having eco-friendly image. The pressure is getting higher when the product is becoming organic foods because of people's expectation. As a result of sustainability issues, the production cost is considered higher than usual. However, Environmental conscious consumers are willing to pay a much higher price for sustainable products such as organic and locally produced foods. (Hamzaoui-Essoussi & Zahaf, 2012). Recently, considering in ethical issues are important on decision-making procedure of people. Hence, the organizations can set up on the reasonable price and be encouraged to operate with social responsibility.

### Healthy Trend

We can see that people are more consider healthy lifestyle lately. They are a fitness enthusiast, a health lover, a normal people who eat healthier, so, they try to find the way to continue the healthy lifestyle. Good food is one of the components of healthy lifestyle. The consumers willing to pay more for their health. If people are coffee lover and consider to be organic, the organic coffee is good choice for consume.

### 5P's Marketing mix

The marketing mix – product, price, place, and promotion – are the controllable and practical set of marketing tools. It leads the firms to create and react for what they want to achieve the goal and meet the target market.

One of the most popular marketing tools used is the marketing mix. The marketing mix is the tactical or operational part of a marketing plan. (Friesner, 2016). On the other hand, the marketing mix is called the 4Ps and the 7Ps. The 4Ps consist of price, place, product, and promotion. The 7Ps is included the 4Ps with process, people, and physical evidence. The 7Ps is the service marketing mix. This study focused on 5P's Marketing mix which are price, place, product, promotion, and people.

#### Price

Pana coffee set price for SOD Light Roasted coffee, and SOD Medium Roasted coffee at 250 baht per 200 grams. For 500 grams, SOD Roasted coffee sold at 625 baht. The company set up price of product base on cost of product. After searching in price of roasted coffee in market, SOD coffee price set in average level price for roasted coffee.

For price strategy, Pana coffee decide to be the producer for deli café which is the franchise coffee shop at Shell gas station. With that the product of Pana coffee can approach to consumer more. According to the deli café, the highest price of one cup of iced coffee is 70 baht. Meanwhile, at SOD coffee café, the highest price of one cup of iced coffee is 95 baht. So, the firms sell in more portion to deli café to earn more money and set up higher price at their own shop.

Consumer's perception for organic coffee price is surely high compare with instant coffee, but consumer is willing pay for healthier way. However, the price of coffee at coffee shop around Chiang Mai such as Doi Chaang coffee is sold around 70-100 baht. According to previous information, the set-up prices of Pana Coffee is reasonable and sellable. The company can approach to customer by set their product at market price and gain more attention for being organic coffee. For increasing the market share, the company should build more coffee shop and creating brand awareness as organic coffee brand with luxury brand image and approachable price. so that, the company can compete this market.

Regarding to the business field trip, the firm does not have the setting price based on location of café, even if the firm own 3 coffee shops in different location. For the easily accessible branch which located in city area or near the business areas, the firm might be set high price for all products.



For coffee half day tour services, the company set price at 800-1,000 baht per person. Full-day activities tour cost 3,500 baht per person and the price is decrease if there are more participants for one group.

Pana coffee provide Barista's skills learning course as their services. Price of the services is cheaper than others in the market around 50% because of the location. Since this particular service is very niche in Thailand, so, the number of competitors is low. Most of the competitors place at Bangkok, so, Pana coffee have more benefit considering the cheaper price and geography. People who live in Northern area in Thailand must taking Pana coffee's Barista course rather than others. Also, people who live in Bangkok, can travel to Chiang Mai for taking the courses and sightsee the farms.

#### Place

Pana coffee company located at Chiang Mai Province, Thailand. The Coffee Farms were established at mountainous areas of Chiang Mai and Chiang Dao, where the weather is cooler and more suitable for growing coffee tree. so that, the quality of cherries coffee is high. Saked Dao farm is just a mere 45 minutes further into the mountains from Production center of Pana Coffee. The company has 3 SOD coffee shop in Chiang Mai which place at Chiang Dao and city area of Chiang Mai. The advantage for placing the farm nearby is the management of coffee experience services that Pana Coffee provide. So that, the customer can sightsee Saked Dao farm and buy more product after experience trip. Furthermore, the coffeenery which is the education center is located at Pana coffee company, so, it is convenient to customer to receive all experience thought every products and services the company has. Another distribution channel of Pana coffee is the market event which managed by Chulalongkorn University. The purpose of Chula Market Fest is to display online shops to customers and the owner can meet directly to customers. According to the firm's interview, they try to distribute fluently on this channel more than once a year.

For the retail distribution channel, Pana coffee attempt to sell SOD roasted coffee at supermarket in Chiang Mai province for being approachable to their customers. However, this channel is limited because of the quantity of the finished

product. According to company's interview, SOD roasted coffee only sells in supermarket at Chiang Mai.

The online channel is crucial for the company. Customers can purchase all products and reserve the coffee experience course and learning course through the coffeener's website. The luxury product is sold only via online channel with pre-ordering method. For example, Cloudy hill brand which represents their exclusively processed specialty line of coffees and teas exclusively grown on Doi Mek Farm in Chiang Dao is available pre-ordering only.

## Product

As a result of the firm's goal is to be improving the coffee business from seed to cup, providing education and experience to all the industry stakeholders to sustainably develop Thai coffee business and delivering the food safety guarantee of products. Hence, customers can experience branches of products and services cover all the including in coffee's processing. Pana coffee has product and service's variety. There are 3 types of the products.

### 1. SOD and Cloudy hill coffee

SOD coffee and Cloudy hill coffee are roasted organic coffees coming in differences weight and level of roasting process. SOD coffees have lighted roast level, medium roasted level and medium to dark roast level in 200 and 500 grams, respectively. SOD drip bag coffee is an alternative product for more convenient used. Cloudy hill coffee is a premium roasted organic coffee with 4 types: Chom View Blend Coffee, Washed Process Coffee, Honey Process Coffee and Natural Process Coffee. Beside coffee, Pana coffee company sell many types of tea such as Silver Needle White Tea, Black Tea, Coffee Cherry Tea.

### 2. Coffee tour services and Coffee courses

Because the firm own farms, they can provide coffee tour services to customers. Coffee tour services have 2 types which are full-day activities service and half-day activities service. The tours provide acknowledgement about coffee through all process. As firms' goal is to be education center about coffee, Pana coffee offers coffee courses called SCA Courses to teach customer who interest to own coffee shop

or being barista. SCA Courses have 3 different level courses: SCA Barista Skills-Intermediate course, SCA Barista Skills-Professional course and SCA Roasting course.

### 3. OEM services

Services that generate the most income to the company are OEM services. According to the company's interview, Pana coffee company produce organic coffee for more than 100 branches Deli café which is the franchise coffee shop at Shell gas stations. An OEM product is made according to the buyer's product specification. For example, any product with a customized design, material, dimensions, functions or even colors can be classified as OEM. (Gronkvist, 2017). For Pana coffee's services, they have 2 options: no-label option and private-label option. They provide the same high-quality coffee but have a specific brand identity. The company offers a variety of product that customer can choose and categorize their own products in terms of Bag color, Bag size, Roast level, and Grind process. Beside OEM services, Pana Coffee offers to be sourcing center for finding coffee tree field from all over the North of Thailand and be helping the customer to analyze market and develop the product using the company's laboratory.

### Promotion

The promotional strategies of coffee depend on the season conditions. They have limited time to grown coffee and must change to planting tree instead. So, the period of having coffee is not whole year. That strategies relate to the promotion launch of Pana coffee company; the company need to more active in their promotion's strategies when the season of coffee coming.

There are many various ways to promote the business. Pana coffee use different marketing channels and strategies to boost brand awareness. Also, creating online channel to approach more customer. Nowadays, we accept internet and social media as a part of daily life. Pana coffee has own YouTube channel for exploring the brand and demonstrate the production to viewers so that people can reach and interest to buy more organic coffee. With all these contents, Pana coffee can express the products, increase sales, receive higher brand reputation from both local and

international consumers. Pana Coffee has e-commerce channel at their own website. They occasionally decrease the product's price on the website.

#### People

Pana coffee has 50 staffs covering in manufacturing part and administration part. The company focus on developing the quality of life for those who live in Chiang Mai so, the requirement for hiring is to be local people. Most of cost expense is staff's salary. Due to, the limitation of raw material, Pana coffee encourage farmer to plant coffee tree. The company educate farmer growing organic tree to ensure that they got certified cherries coffee. As a buyer, Pana coffee improve their ability to help their partner-farmer to be standardized to grow organic coffee tree. Hence, the received cherries coffee is monitor from start to finish. As a result, being the partner with local farmer, working together can build sustainable food system.

For initial high-quality seedlings, Pana coffee collaborate with Faculty of Agriculture, Chiang Mai University to invent high quality coffee seedlings which healthy, resistant to climate change, and giving a good taste.

Pana coffee also collaborate with SCA. The Specialty Coffee Association (SCA) is a non-profit member-based organization that represents thousands of coffee professionals, from producers to baristas all over the world. (The Specialty Coffee Association, 2017).

The SCA developed an internationally recognized Coffee Skills Diploma Program that certifies coffee professionals around the globe. Following this collaboration, Pana coffee organize SCA Barista Course with imported trainer from The Specialty Coffee Association (SCA) for strong brand image and intensive courses.

#### **IV. Conclusions & Recommendations**

Pana coffee needed to comply difference aspect in their point of view for running the business to one. For example, the company has many products produced and many services provided. Also, having an organic certification. But the company does not reach to consumer much. So, there is a lot of cost losing in those processes.

As a brand-new company in this business, first thing that pana coffee company should focusing on is to develop the marketing and business strategy by analysis about their consumer's behavior. The company has high-quality products as the strengths but how to express the brand's reputation to the social is the important thing to considered. For more action plans, the company should follow this step which is, one Pana coffee marketing's team should invest in developing digital marketing for boosting the brand's recognition in both Thai's and international's market. There are many ways for developing digital marketing since nowadays online society is a basis of everyday life -- advertising the coffee on facebook should be one way considered.

At first, the company should do in Northern Thailand and follow the result and then go advertising worldwide. Another digital marketing which newest and get more intention for consumer in this day is using KOL (Key opinion leader) or online influencers to being known in market, for example, Key opinion leader can present content in 'free coffee tour at Chiang mai' or promote pana coffee's shop at Chiang mai for the content. By doing online marketing, Pana coffee can persuade more customer. Brand's recognition will raise after free coffee tour, so that the company can sell more product in advance. Furthermore, the company should promote the coffee tour as 'Chiang mai specialty' which is Chiang mai's recommendation experience for foreign group's traveler to increasing sales and brand's recognition and cooperate with tourism industry to launch travel plan to attract tourists and coffee lovers to feel the cultural atmosphere, visits farms tour and local coffee shop, and acknowledge more about production and origin of brand.

Apart from online marketing and getting more brand's recognition, the company own website--being online channel--to sale their products. To increasing sales, the company should sales more in others online channel platform such as shopee, line store to reach more consumer. the company should increase more distribution channel to reach customer. For offline channel, supermarket and retail store are the distribution channels that company should consider. In addition, International market is the best option to be considered for promoting as an organic coffee. Pana coffee can export to local supermarket, retail store such as walmart, whole foods market etc. The brand has an advantage to be an organic coffee in the international market especially in Europe and The United States because people are

willing to pay more for being healthy and SOD brand present an organic coffee with USDA certification which is the global standard. Furthermore, SOD brand can present Thai's coffee image to international market to getting more interest, and also increase the reputation for coffee tour services. To be sales as an organic coffee, Brand should be alliance with various official healthy store such as iherb, etc. to be on shelf and be promoted more both online and offline.

Previous Recommendation is about marketing strategy. Now, focusing on weakness of company, to solve Limitation of Raw material, Firm need to find more land for planting coffee tree. In that case, the firm should offer the certain revenue for local farmer to attract more farmer to corporate in planting coffee trees. According to lacking distribution channel, the firm should consider to establish more coffee shops in Chiang Mai for being known. State that, coffee shop now presenting not as a coffee shop but a landmark for photographing, the design and represent for coffee shop is concerned.

The study report swot analysis, so that, the study present tows analysis. Tow's analysis is a variant of a SWOT analysis. This study focusing on 'maxi-maxi' strategies, which enables an organization to match its internal strengths, and external opportunities (SO). (Oxford: College of Marketing, 2016). In this case, the strength of company is 'high quality product' with qualified raw materials, efficient and harmless environment production and support local farmer well-being. Nowadays, people are more concern in eco-friendly issues and sustainable environment than before. So, people use this condition to examine what to purchase and support. Sustainable environment is global issue now, being eco-friendly product is an advantage for the brand. As mention before, people are more concerning in sustainable environment, so the brand should promote to customer more in this case. Another strategy regarding TOWS analysis on this study is 'maxi-mini' strategies (ST), using strengths to minimize threats. For Pana coffee company, one of the best strengths is the company received 'organic certification and food safety management'. There are threats on being organic which is 'Increased Competition with nonregulated labels'. However, the label shows the quality itself. The most important thing that company need to consider is to be maintain the high quality of the products and also developing the

management to receive more international standard safety and gain more trust from customer.

According to the COVID-19's situation, expanding the business to international level might be difficult and impossible task since the recommendations are mostly focus on the international market in this study. However, for Thai's market the company has planned for being partner with Amazon café which is the highest market share in Thailand by 53%. Also, one of the important recommendations is increasing brand's consideration this can affect both Thai and international market.

For further study, researchers can analyze on company's management or financial statement to understanding more in different perspectives so that the company can be developed in human resource management, profit gain and others important department for company.



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