

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND**

Thailand is the world leader in rice production. There are around 67 million rai of rice producing land which can produce 29 million tons of rice grain throughout the country. The rice production rate of Thailand, 465 kg/rai in 2006, was quite low compared to those in other countries such as China and Vietnam, which were 1,001 and 783 kg/rai respectively (Ministry of Agriculture and Cooperatives, Office of Agricultural Economics, 2007).

The main causes of the low rice production rate are low-quality rice seeds, inefficient management, and low production technology. Government organizations have a duty to solve this problem by promoting high-quality rice seeds, giving knowledge about good agricultural practices and adjusting the attitude of rice growers.

Ratchaburi Rice Seed Center is one of 23 governmental Rice Seed Centers in Thailand. It is under the Department of Rice, Ministry of Agriculture and Cooperatives. The 23 rice seed centers are in various provinces which are Chiangmai, Lumpang, Payao, Prae, Pitsanulok, Sukhothai, Kampanget, Nakhonsawan, Chainat, Lopburi, Surin, Udonthani, Ubonratchatani, Sakonnakorn, Khonkaen, Kalasin, Roi-ed, Nakhonratchasima, Chonburi, Suratthani, Satoon, Pattana, and Ratchaburi. The main objective of a rice seed center is to produce and sell the high-quality rice seeds to rice growers, which helps increase the production rate. However, the 23 Rice Seed Centers are not well known among rice growers. Many rice growers use their own seeds collected from the former season or buy them from local shops which are the source of low-quality seeds.

The obstacle to distributing high-quality rice seeds is that rice growers do not know anything about the Rice Seed Centers, so public relations or marketing communication is necessary. The Rice Seed Centers have used various types of media for marketing communication such as newsletter, radio, mobile clinic, and the Internet. However, the effectiveness of using these media has not been evaluated.

The factors influencing customers to buy rice seeds have not also been examined. So it is difficult to improve the distribution of rice seeds, to set the budget and to decide on a strategic plan for marketing communication in the future. So this study aims to investigate the factors which play an important role in customer buying decisions. The result of this study will be used to improve the work of Ratchaburi Rice Seed Center.

## **1.2 STATEMENT OF THE PROBLEM**

This study aims to answer the following questions:

### **1.2.1 Main problem**

What are the factors that make people buy rice seeds at the center?

### **1.2.2 Sub problems**

Which channel of communication can best reach rice seed customers?

## **1.3 OBJECTIVES OF THE STUDY**

The objectives of this study are the following:

### **1.3.1 Main Objective**

To find out the factors that make people buy rice seeds at the center.

### **1.3.2 Sub-Objectives**

To investigate the channels of communications which can best reach rice seed customers.

## **1.4 DEFINITIONS OF TERMS**

The operational definitions of terms in this study are as follows:

14.1 *Working experience* means the number of years that customers work on growing rice.

14.2 *Distance from home* varies from far (more than 100 km), medium (50-100 km), to near (less than 50 km).

14.3 *Access information* means the frequency that customers get the information from the center via each channel of communication.

14.4 *The center* refers to the Ratchaburi Rice Seed Center, Department of Rice, Ministry of Agriculture and Cooperatives.

14.5 *The channel of communication* refers to the channel to convey the marketing messages of the Ratchaburi Rice Seed Center to the customer. The channels are newsletter, radio, mobile clinic, and website.

14.5.1 Newsletter is an advertising message via a letter which is issued monthly.

14.5.2 Radio spot is the advertising message on the local radio in Ratchaburi (FM 101.30 MHz).

14.5.3 Mobile clinic booth is the place to give information or consultation about rice, to introduce the Rice Seed Center, and to advertise the product. The booth is at any event organized by any organization of the government, such as the Agricultural Land Reform Office, Local Council, in the area of Ratchaburi, Petchaburi, Kanchanaburi, Samut Songkhram, and Nakhon Pathom.

14.5.4 Website refers to the website of the Ratchaburi Rice Seed Center which is <http://rbr-rsc.ricethailand.go.th>

14.6 *The customers* are people who visit and buy rice seeds at the Ratchaburi Rice Seed Center, Department of Rice, Ministry of Agriculture and Cooperatives.

## **1.5 SCOPE OF THE STUDY**

This study was conducted only with a number of customers who bought the product at the Ratchaburi Rice Seed Center between December 2008 and January 2009.

## **1.6 SIGNIFICANCE OF THE STUDY**

The information obtained from this study will serve as a guideline for the 23 Rice Seed Centers to increase the efficiency of marketing the high-quality rice seeds of the center. Consequently, it will help improve the rice production of the country.

## **1.7 ORGANIZATION OF THE STUDY**

This research report is divided into five chapters as follows:

1.7.1 Chapter One (Introduction) consists of background, statement of the problem, objectives of the study, definitions of terms, scope of the study, significance of the study, and organization of the study.

1.7.2 Chapter Two (Review of literature) consists of marketing mix, marketing communication, consumer behavior, and related studies.

1.7.3 Chapter Three (Methodology) consists of subjects, materials, procedures, and data analysis.

1.7.4 Chapter Four (Results) consists of the demographic information of the respondents, channels to access the information, and factors influencing rice seed customers' buying decisions.

1.7.5 Chapter Five (Conclusions, Discussion and Recommendations) consists of summary of the study, summary of the findings, conclusions, discussion, and recommendations for further research.