

# The Investigation of Customer Purchasing Decision of Herbal OTOP Products

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## Abstracts

At present, to support OTOP products, especially herbal products, many factors affect the decision of purchasing herbal OTOP products should be considered. The study aimed to study the factors affecting the purchasing decision of herbal OTOP products of customers in Maha Sarakham Province. The participants were 176 customers living in Maha Sarakham Province. The research instrument used in this study was the questionnaire adapted from Pranee and Papapankaid (2017 : 79-83) The validity and reliability of the questionnaire were also checked. The data were statistically analyzed into the percentage, the mean, and the standard deviation. The result of the study revealed the factors towards the purchasing decision of herbal OTOP products. In addition, the results related to product, price, distribution channel, and promotion were presented.

**Keywords:** Purchasing decision; OTOP; herbal product; Maha Sarakham

## Introduction

One Tambon One Product (OTOP) was launched by Thai government and has been in operation since 2001. It is operated concretely across all regions of the country with government support in knowledge, technology, capital, and management linking products from communities to communities in both domestic and international markets. It aims to promote local development processes and build strong communities allowing people to participate in job creation, income generation, and local wisdom promotion. OTOP can be classified into 5 main categories including food, beverage, clothes, decorative items, and non-food herbal products (Srisuan and Kang (2020 : 79-89)).

A non-food herbal product, which is one type of OTOP, is in demand due to the global trend. (Kitipadung & Jaiborisudhi, 2020 : 166-178). claimed Thai herbs are raw materials that are considered vital components to maximize product quality. Herbal products such as cosmetics and medicine are produced by including different herbs as they provide different effects to match individual needs and diversities.

Despite the fact that the Thai National Master Plan on Herbal Product Development aimed to export high-quality medical raw materials and herbal products to ASEAN, there have been some product development issues (Kitipadung & Jaiborisudhi, 2020 : 166-178). Kitipadung and Jaiborisudhi (2020 : 166-178) discovered a difficulty with product information because the products were designed by OTOP entrepreneurs without focusing on customer' decisions. According to the analysis of community product development by the Institute for the Research and Promotion of Arts and Culture at Phetchaburi Rajabhat University (2017 :

online), it is necessary to survey the customer needs and demands to develop and introduce a product to the market.

Many studies investigated customer' purchasing decisions of OTOP products (Nimnuan (2020 : 27-34); Ploysri et al., (2018 : 111-118); Pranee and Papapankaid (2017 : 79-83) ; Srisuan and Kang (2020 : 79-89) ; Besides, Suwunniponth (2021 : online)). Pranee and Papapankaid (2017 : 79-83) investigated the purchasing decision of OTOP products and found that the important factor in purchasing decisions was certified community products while Ploysri et al., (2018 : 111-118) explored the customer decision towards packaging design of a food OTOP product and found the uniqueness and attractiveness of shelf packaging as a key of decision. Additionally, Karnreungsity and Praditsuwan (2017 : 76-84), Nimnuan (2020 : 27-34), and Srisuan and Kang (2020 : 79-89) claimed the factors affecting purchasing behavior of OTOP products that the highest factor of purchasing decisions is purchasing for personal use. Besides, Suwunniponth (2021 : online) indicated that brand awareness was the highest factor to purchase OTOP products among Thai people.

The customer' purchasing decision is one of the important aspects that the entrepreneurs need to be considered. However, most studies seemed to investigate the customer' purchasing decisions by focusing on a specific type of OTOP product, which was food, or pointing at overall OTOP products. To serve herbal OTOP products to the market, the customer' decision or opinion towards purchasing herbal OTOP products should be investigated since the herbal products also increase the communities' income and promote the communities.

## **Research Objective**

The purpose of the study was to explore the factors and opinions affecting the purchasing decisions of the customers toward herbal OTOP products.

## **Research Methodology**

### **Participants**

There were 176 people living in Maha Sarakham province who participated in the present study. They were the customers who consumed goods and services at the department store, coffee shops, and restaurants in Maha Sarakham province. Among this number of participants, there were 129 females and 47 males. 115 of them were single and 61 were married. Furthermore, they were classified into different ages. There were 23 of them who were under 21 years old, 74 people were between 21-30 years old, 29 people were between 31-40 years old, 31 people were between 41-50 years old, and 19 people were over 50 years old.

### **Instrument**

The questionnaire was developed to examine the factors affecting the purchasing decision of herbal OTOP products in Maha Sarakham Province. It was designed into a closed-ended questionnaire format. The questionnaire was adopted from Pranee and Papapankaid (2017 : 79-83)

There were three main parts. The first part was the general information. This part covered age, gender, and status. The second part concerned the factor of the purchase decision of herbal OTOP products in Mahasarakham Province. It consisted of seven factors including the place of product recognition, the influencers of product purchasing, the purpose of product purchasing, the place of product purchasing, the reason for product purchasing, the standard of

product purchasing, and the types of product packaging. The last part was the opinions related to the purchasing decision of herbal OTOP products which consisted of four purchasing dimensions: products, price, distribution channel (place), and promotion dimensions.

The questionnaire was translated into Thai to avoid ambiguity. The validity was checked by experts and the reliability of the questionnaire was 0.913.

#### **Data collection and analysis**

The questionnaire was distributed to the participants who were in crowded places such as department stores, coffee shops, and restaurants. They were asked their preference to complete the questionnaire via online-based or paper-based questionnaires. After that, the data was analyzed into the mean, the percentage, and the standard deviation.

### **Results**

The result of the questionnaire shows the factors affecting the purchasing decision of customers who wanted to buy herbal OTOP products in Maha Sarakham Province (Table 1). Firstly, the customers recognized the herbal products from social media (n = 118, 67.05%), friends (n = 63, 35.80%), coincidence (n = 44, 25.00%), radio (n = 32, 18.18%), leaflet (n = 26, 14.77%), and newspaper (n = 10, 5.68%) respectively. Secondly, influential person towards purchasing decision were myself (n = 107, 60.80%), influencers (n = 77, 43.75%), friends (n = 46, 26.14%), neighbor (n = 24, 13.64%), and family (n = 20, 11.36%) respectively. Thirdly, the customers bought herbal products for themselves (n = 146, 82.95%) and souvenirs (n = 54, 30.68%). Fourthly, the customers bought herbal products from OTOP center (n = 82, 46.59%), online shopping (n = 77, 43.75%), OTOP fairs (n = 67, 38.07%), and department stores (n = 59, 33.52%) respectively. Fifthly, the customers bought herbal products because of the use of natural resources and raw materials (n = 86, 48.86%), the support of the villagers' careers (n = 83, 47.16%), the reasonable price (n = 63, 35.80%), and the standard of the product (n = 57, 32.39%) respectively. Sixthly, the customer considered the certified products (n = 149, 84.66%) and their own needs (n = 26, 14.77%) when buying the products. Lastly, the customers preferred the products which were packaged from nature (n = 149, 84.09%) and synthetic (n = 53, 30.11%).

**Table 1 Customer Purchasing Decision of Herbal OTOP Product**

<b>Customer Purchasing Decision of Herbal OTOP Product</b>	<b>Quantity</b>	<b>Percentage</b>
<b>1. Where did you recognize herbal products from?</b>		
Friends	63	35.80
Leaflet	26	14.77
Newspapers	10	5.68
Radio	32	18.18
Coincidence	44	25.00
Social media such as Instagram, Facebook, Twitter	118	67.05

<b>Customer Purchasing Decision of Herbal OTOP Product</b>	<b>Quantity</b>	<b>Percentage</b>
<b>2. Who was the most influential person towards your purchasing decision?</b>		
Friends	46	26.14
Family	20	11.36
Neighbor	24	13.64
Influencer	77	43.75
Myself	107	60.80
<b>3. Who do you buy herbal products for?</b>		
Used by myself	146	82.95
Souvenirs	54	30.68
<b>4. Where do you buy herbal products from?</b>		
OTOP fairs	67	38.07
OTOP center	82	46.59
Department stores	59	33.52
Online shopping	77	43.75
<b>5. Why did you purchase herbal products?</b>		
Support careers of villagers	83	47.16
Usages of natural resources and raw materials.	86	48.86
Reasonable price	63	35.80
The product is standard	57	32.39
<b>6. Did you choose to purchase only standardized products?</b>		
Yes, I purchase only a certified product	149	84.66
No, I purchase herbal products according to my own needs.	26	14.77
<b>7. What kind of packaging do you purchase for herbal products?</b>		
Natural, such as wood, paper, cotton	148	84.09
Synthetic, such as plastic, foam, glass	53	30.11

Table 2 shows the opinions towards the four purchasing dimensions of herbal products purchasing involved: products, price, distribution channel (place), and promotion. The survey found that the product dimension ( $\bar{x} = 4.13$ ,  $S.D. = 0.83$ ) had the highest influence on the purchasing decision of herbal products followed by the distribution channel ( $\bar{x} = 4.01$ ,  $S.D. = 0.86$ ), price ( $\bar{x} = 3.89$ ,  $S.D. = 0.90$ ), and promotion ( $\bar{x} = 3.86$ ,  $S.D. = 0.93$ ) respectively.

**Table 2 Opinions towards Purchasing Herbal OTOP Product**

<b>Factors</b>	<b>X</b>	<b>S.D.</b>
<b>Dimension-Products</b>	4.13	0.83
Benefit of product	4.55	0.60
Quality of product	4.40	0.67
Durability of packaging	3.97	0.86
A clear description of the product label	4.39	0.76
Brand	3.80	1.08
Color and beauty of the product	3.69	1.02
<b>Dimension-Price</b>	3.89	0.90
Lower price	3.87	0.87
Reasonable price	4.19	0.80
Negotiable price	3.57	0.95
Discountable from the regular price	3.56	0.97
Clear price label	4.28	0.92
<b>Dimension-Distribution channel (Place)</b>	4.01	0.86
Location of distribution channel	4.13	0.85
Hygiene of distribution channel	4.26	0.73
Convenience access	4.15	0.76
The pleasant atmosphere of the distribution channel	3.79	0.92
Adequate parking lot	3.71	1.04
<b>Dimension-Promotion</b>	3.86	0.93
Product trial	3.84	0.92
Promotional Activities (discount/redemption/giveaway/premium)	3.82	0.90
Advertising and Public relations	3.91	0.98

According to Table 2, the result of the product dimension shows that when the customers wanted to buy herbal products, they considered the benefit of the product ( $\bar{x} = 4.55$ ,  $S.D. = 0.60$ ), quality of product ( $\bar{x} = 4.40$ ,  $S.D. = 0.67$ ), clear description of product label ( $\bar{x} = 4.39$ ,  $S.D. = 0.76$ ), durability of packaging ( $\bar{x} = 3.97$ ,  $S.D. = 0.86$ ), brand ( $\bar{x} = 3.80$ ,  $S.D. = 1.08$ ), and color and beauty of product ( $\bar{x} = 3.69$ ,  $S.D. = 1.02$ ) respectively. Secondly, the influences affecting the purchasing decision of herbal products of customers in terms of price were clear price labels ( $\bar{x} = 4.28$ ,  $S.D. = 0.92$ ), reasonable price ( $\bar{x} = 4.19$ ,  $S.D. = 0.80$ ), lower price ( $\bar{x} = 3.87$ ,  $S.D. = 0.87$ ), negotiable price ( $\bar{x} = 3.57$ ,  $SD = 0.95$ ) respectively. Thirdly, the influences affecting the purchasing decision of herbal products of customers in terms of distribution channel (place) were hygiene of distribution channel ( $\bar{x} = 4.26$ ,  $S.D. = 0.73$ ), convenience access ( $\bar{x} = 4.15$ ,  $S.D. = 0.76$ ), location of distribution channel ( $\bar{x} = 4.13$ ,  $S.D. =$

0.85 ), pleasant atmosphere of distribution channel ( $\bar{x} = 3.79, S.D. = 0.92$ ), adequate parking lot ( $\bar{x} = 3.71, S.D. = 1.04$ ) respectively. Lastly, the influence affecting the purchasing decision of herbal products of customers in terms of promotion were advertising and public relations ( $\bar{x} = 3.91, S.D. = 0.98$ ), product trial ( $\bar{x} = 3.84, S.D. = 0.92$ ), promotional activities ( $\bar{x} = 3.82, S.D. = 0.90$ ) respectively.

## Discussion

The factors affecting customer purchasing decisions of herbal OTOP products in Maha Sarakham Province showed that the customers purchased the herbal OTOP products for their personal use. Additionally, the influential person that made them decide to buy the products were themselves. These results were consistent with Nimnuan (2020 : 27-34), and Pranee and Papapankaid (2017 : 79-83) who revealed that the person who was influencing the customer's purchasing was usually themselves. The personal factor, besides social and culture, is one of the customer's purchasing behaviors that influence on a product purchase (Kotler & Keller, 2012 : 977). Moreover, the result indicated the customer preference for standard products that they always purchased standardized products. This result was also in line with Nimnuan (2020: 27-34), Pranee and Papapankaid (2017 : 79-83) and Srisuan and Kang (2020 : 79-89) who investigated the purchasing decisions of OTOP products and found that the customers always focused on the standard of the OTOP products when they needed to buy the products.

Furthermore, the result revealed that customers bought products based on the benefits of the product and a clearly labeled price of products. Moreover, the hygiene of the shops and advertising and public relations were other important factors for the customer's purchasing decision. These results were in accordance with Pranee and Papapankaid (2017 : 79-83) and Srisuan and Kang (2020 : 79-89) who found that the benefit of the product, a clear price label, advertising products, and public relations in the product, price, and promotion dimensions respectively were the most important the opinions towards herbal products. Siriaumpai (2012 : online) also claimed that the label price could make the customers consider its appropriate to the product. Additionally, the distribution channel including the hygiene of the shops influenced the decision to repurchase the product due to its convenience and accessibility (Jindawong, 2015 : online).

## Conclusion

Many factors affect the purchasing decision of customer' herbal OTOP products in Maha Sarakham Province. When the customers need to buy an herbal OTOP product, they consider their personal use and make a decision by themselves without concerning many influencers. The customers also prefer a standard herbal OTOP product. In addition, the customers always focus on the benefit or the quality they utilize from the products. Besides, clear price labels are one important point that the customers pay attention to when purchasing the products. The customers also consider the hygiene of the place where they can buy the products as an aspect of purchasing. Finally, customers know the products through advertising and public relations, so these are the factors that can make the products become well-known and increase the purchasing rate of the customers.

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