

ANALYSIS OF DIGITAL MARKETING STRATEGIES OF SME RESTAURANT BUSINESS IN MUENG SONGKHLA DISTRICT, SONGKHLA PROVINCE, THAILAND

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Abstract

This study examined the digital marketing strategies employed by small and medium-sized restaurant businesses in Mueang Songkhla District, Songkhla Province, Thailand. It involved 367 owners, staff members, and 400 customers. Data was collected using standardized tools to assess digital marketing communication tools, the 5A marketing 4.0 strategies model, and respondent profiles. Most owners and staff had at least a Bachelor's degree, with some holding a Master's degree. The results showed that both owners/staff and customers had a positive perception of digital marketing communication tools and the 5A marketing 4.0 strategies model. Significant relationships were found between owners/staff and the digital marketing communication tool, as well as between the digital marketing communication tool and the 5A marketing 4.0 strategies model. However, no significant relationship was found between the digital marketing communication tool and the 5A marketing 4.0 strategies model. These findings emphasize the importance of digital marketing strategies for SME restaurant businesses and offer insights into the perspectives and practices of stakeholders in the study area.

Keywords: Digital Marketing Strategies, SME Restaurants, Owners, Staff, Customers.

1. INTRODUCTION

The rationale outlines key considerations for SME restaurants, emphasizing the importance of understanding their target audience, the impact of the restaurant industry on the economy, and the challenges faced by SMEs. It also discusses the role of digital marketing and the influence of the internet on consumer behavior. Additionally, it highlights the need for SME restaurants to adapt to changing consumer behavior, especially in online shopping, and proposes effective marketing strategies.

The factors affecting consumer behavior for SME restaurants are identified as convenience, price, quality, trust, online reviews, user experience, customization, and delivery logistics. Crafting effective marketing strategies includes targeted digital marketing, engaging social media presence, influencer partnerships, online ordering incentives, seamless online experiences, customer relationship management, online reputation management, collaborations, email marketing, customer engagement, continuous improvement, and emphasizing unique selling points.

The research aims to investigate digital marketing for SME restaurant businesses in a specific district in Thailand, covering aspects like the profile of online businesses, the level of digital marketing communication tools, the 5A marketing 4.0 strategies model, and their relationship with SME restaurants.

2. REVIEW OF LITERATURE

2.1 Digital Marketing

The literature review focuses on the impact of digital marketing on SME restaurant businesses in Thailand, summarizing key findings from various studies:

Phasobchok Phasikhao's (2020) research found that different demographic groups in Thailand made distinct decisions regarding the effects of digital marketing media on products and services, with content marketing and social media significantly influencing digital media's impact.

Pornphan Tanprasert (2018) discovered that factors like 24-hour convenience, smartphone usage patterns, and shopping for fashion products on Facebook significantly influenced consumers' e-commerce purchasing decisions in Bangkok, with digital marketing elements playing a crucial role.

Sirichai Sangsuwan (2018) highlighted the engagement of the 26-33 age group in digital media activities in Bangkok and their consideration of digital media when making purchasing decisions.

Tunvaravuttichai and Kaewkhuntee (2021) found that various digital marketing and advertising media significantly influenced consumers' online product purchase decisions in Thailand, with logistics performance also playing a crucial role.

Arun Srisiriwongchai (2018) explored the role of digital media in marketing luxury brands in Thailand, serving as an additional communication channel but not necessarily leading to increased online purchases.

Zhenchun Liu (2018) studied the effectiveness of digital marketing for Burberry brands in China, concluding that while digital marketing strategies raised product awareness and communication, they did not significantly impact sales due to other influencing factors.

Madhu Bala & Deepak Verma (2018) emphasized the increasing importance of digital marketing techniques, highlighting platforms like Facebook and WhatsApp in engaging customers.

Overall, these studies underscore the significance of digital marketing, social media, and online media in influencing consumer behavior and purchase decisions. They emphasize the need for businesses, including SME restaurants, to adapt to digital marketing strategies in today's evolving digital age.

2.2 Theoretical Concepts of SMEs in the Restaurant Business

The COVID-19 pandemic has had a profound impact on Songkhla District's restaurant industry, particularly SMEs, initially prompting lockdown measures due to a small second wave of cases. In 2022, as Thailand's COVID-19 situation improved, there were signs of a return to normalcy, but the restaurant sector had already suffered losses. Challenges such as population migration, border closures, and shifts in consumer behavior have negatively affected the industry. The

"New Normal" trend emerged, characterized by cautious consumer spending, leading to reduced customer numbers and lower per capita expenditure, further challenging SME restaurant owners. The restaurant industry faces ongoing uncertainties, including reduced tourism and altered consumer perceptions, potentially leading to continued decline.

2.3 Understanding the Challenges and Advantages of SME Restaurants

Amidst the challenges posed by the COVID-19 pandemic, SME restaurants in Songkhla District, Thailand, are innovating in response to financial constraints, lockdown policies, and cash flow issues, with strategies like streamlined menus, creative packaging, online experiences, collaborations, and community engagement, enabling them to adapt and thrive in an ever-changing restaurant industry landscape.

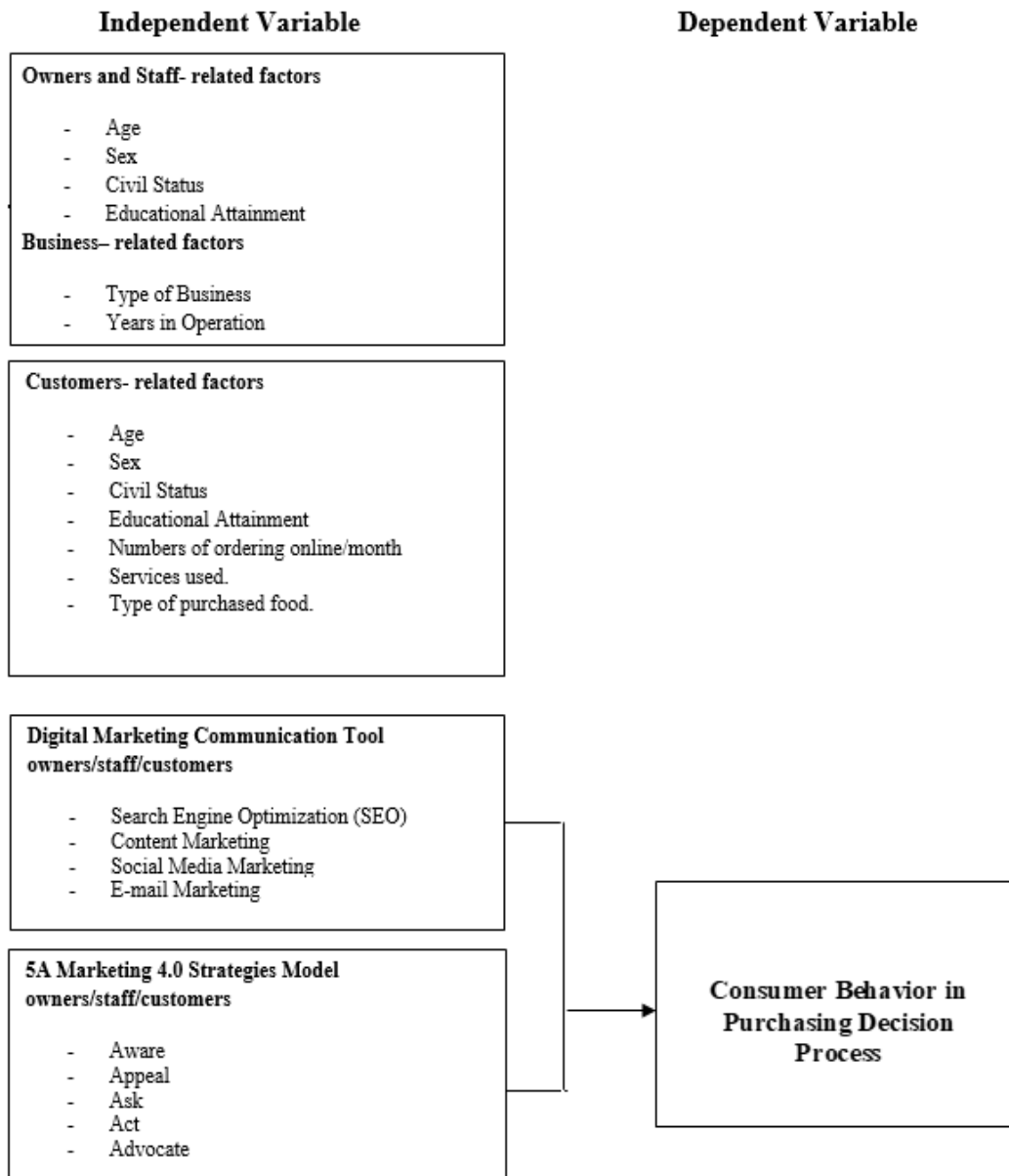
2.4 Conceptual and Theory Related to 5A Marketing 4.0 Strategies Model

The 5A Marketing 4.0 Strategy, based on Philip Kotler's book "Marketing 4.0," outlines a marketing plan with five key steps: Aware, Appeal, Ask, Act, and Advocate. The first step, "Aware," focuses on establishing brand recognition and building brand awareness. This awareness is vital for driving sales, as consumers often prefer familiar brands over unknown ones. Major brands like Coca-Cola and Pepsi rely on advertising and marketing to maintain their market share through brand awareness.

In the digital era, brand awareness is also cultivated on online platforms such as Facebook, TikTok, YouTube, and Instagram, where consumers engage in discussions about products and services. Effective management of negative feedback is crucial in this context. Traditional media, including newspapers and magazines, in-store advertising, event sponsorship, and community engagement, are additional avenues for creating brand awareness.

Brand awareness can take different forms, including recognition (where consumers identify the brand from its logo or name) and recall (where consumers remember the brand in various contexts). Building brand awareness is not only essential for short-term sales but also for long-term success. It significantly influences consumer decision-making. Models like Keller's Customer-Based Brand Equity Model and Aaker's Brand Equity Model underscore the importance of consumer perception in establishing a strong brand.

2.5 Conceptual Framework



3. METHODOLOGY

3.1 Research Design

The study utilized both descriptive and quantitative research methods. The descriptive method involved the analysis, interpretation, and reporting of the investigated phenomenon. It was used to provide a description of various aspects, including respondents (owners, staff, and customers) and profiles of SME businesses in the restaurant sector.

The quantitative method involved a descriptive-correlational analysis to evaluate the digital marketing status of SME restaurant businesses specifically in Mueang Songkhla District, Songkhla Province, Thailand. This analysis specifically focused on assessing the utilization of Digital Marketing Communication Tool, 5A Marketing 4.0 Strategies, and their relevance to SME restaurants.

3.2 Research Locale and Sampling Procedures

Previous research in the realm of digital marketing for SMEs primarily centered around Bangkok as the primary research site. This led to a noticeable knowledge gap regarding the digital marketing practices employed by SMEs in Mueang Songkhla District, Songkhla Province, Thailand. To address this gap, this study was undertaken with the aim of investigating consumer behavior factors and identifying effective marketing strategies, specifically tailored to SME restaurant businesses located in Mueang Songkhla District.

Mueang Songkhla District was selected as the research locale due to its distinctive context and the scarcity of prior research dedicated to digital marketing within this area. SME restaurant businesses in this district encountered challenges related to their expansion and a limited understanding of marketing practices.

The study involved gathering insights from a range of respondents, including owners, staff members, and customers of SME restaurant businesses situated in Mueang Songkhla District. The sampling procedures were meticulously devised to establish a representative sample, thereby facilitating a meaningful analysis of consumer behavior and the effectiveness of marketing strategies. The sample encompassed various types of restaurants, spanning traditional Thai, Malay, fusion, and international cuisines. Moreover, the study considered different ownership structures, such as family-owned establishments, partnerships, and individual proprietorships, ensuring a comprehensive exploration of the local restaurant landscape.

3.3 Scope and Delimitation

This study aimed to assess digital marketing practices in SME restaurant businesses in Mueang Songkhla District, Thailand. The research covered various aspects, including respondent profiles, digital marketing tools, the 5A Marketing 4.0 model, and the SME restaurant industry.

The research process began with a literature review in June 2022 to gather background information. Data collection began in February 2023, using survey papers, and lasted for a month. The analysis of the collected data was anticipated to be completed by the end of 2023.

The study included 367 samples from SME restaurant businesses and 400 samples from customers in Mueang Songkhla District, selected using the Yamane Formula. Questionnaires were the primary data collection method, and data analysis involved statistical techniques like frequencies, percentages, mean, standard deviation, and simple correlation analysis.

3.4 Research Instrument

This study utilized questionnaires to gather data from two groups: owners/staff and customers of SME restaurant businesses in Mueang Songkhla District, Thailand. The questionnaires were structured into three parts:

- Part 1: Personal and business profiles aimed to collect information about the respondents and their SME restaurant businesses in Mueang Songkhla District, Songkhla Province.
- Part 2: Digital Marketing Communication Tools assessed the opinions of owners, staff, and customers regarding relevant tools, comprising 16 items.
- Part 3: 5A Marketing 4.0 Strategies Model evaluated the opinions of owners, staff, and customers regarding the model, including 20 items. Parts 2 and 3 employed a 4-point rating scale for respondents to indicate their level of agreement with statements related to Digital Marketing Communication Tools and the 5A Marketing 4.0 Strategies Model of SME restaurant businesses in Mueang Songkhla District.

3.5 Data Gathering Procedure

The researcher developed a questionnaire for the study, ensuring its content validity through evaluations by five experts using the item objective congruence (IOC) method. To test reliability, a pre-test with 30 questionnaires from SME businesses in Satun province, Thailand, was conducted, and the Cronbach Alpha Test indicated high reliability with scores above 0.80.

The questionnaire was translated into Thai to accommodate Thai respondents. Data collection occurred in Mueang Songkhla District, Songkhla Province, Thailand, using the Survey Method and paper surveys. Online survey platforms like Google Forms were not utilized due to their limited popularity in Songkhla province.

3.6 Data Management and Analysis

The study conducted data analysis using various statistical tools, including frequency and percentage calculations to describe the personal characteristics of SME restaurant owners, staff, and customers. Means were calculated to assess the levels of digital marketing communication tools and the 5A marketing 4.0 strategies model, providing an average rating from respondents. Additionally, simple correlation analyses, employing Spearman's rho and Pearson Product Moment correlation coefficients, examined relationships between respondent factors, digital marketing tools, and the 5A marketing 4.0 strategies model, revealing the strengths and directions of these associations. The study utilized a Four-Point Likert Scale to gauge the level of digital marketing communication tools within the 5A marketing 4.0 strategies model, with the scale's width determined using Rensis Likert's formula from 1967.

3.7 Ethical Consideration

In conducting research in Mueang Songkhla District, Thailand, the researcher prioritized data privacy and confidentiality. A formal letter was composed to request permission for data collection as part of a doctoral degree in Business Administration from Wesleyan University Philippines. The study adhered to stringent ethical standards, emphasizing the protection of participants' rights and privacy throughout the research process. Ethical considerations included respecting autonomy and privacy, ensuring voluntary participation, implementing data privacy measures, securely handling data, adhering to ethical guidelines, obtaining informed consent, assuring participants of no negative consequences, and providing opportunities for questions. These measures collectively ensured the ethical conduct of the study and the protection of participants' rights and privacy.

4. RESEARCH RESULTS AND DISCUSSIONS

4.1 Demographics

In SME restaurant businesses in Mueang Songkhla District, Thailand, owners and staff are generally young, mostly under 34 years old, predominantly female, often married, and often possess at least a bachelor's degree. Many businesses follow partnership structures, and a significant portion of them are relatively new, operating for 3 to 5 years. On the customer side, the majority of patrons are over 33 years old, primarily female, and mostly married. They tend to be well-educated, with almost half holding at least a bachelor's degree. Many customers order food online regularly, with Grab Food being their preferred service. Thai cuisine is the top choice, followed by Japanese food.

4.2 Relationship between the Owners and Staff Profile and Digital Marketing Communication Tool

Digital marketing tools were positively evaluated among SME restaurant businesses in Mueang Songkhla District, with strong support for content marketing, social media marketing, and e-mail marketing. These tools were recognized for their effectiveness in customer engagement and loyalty.

4.3 Relationship between the Customers Profile and Digital Marketing Communication Tool

SME restaurant businesses in Mueang Songkhla District found digital marketing tools highly effective, with strong support for Search Engine Optimization (SEO), content marketing, social media marketing, and e-mail marketing. These tools were recognized for improving visibility, engaging customers, promoting food, and fostering interactive communication.

4.4 Relationship between the owners and staff and the 5A marketing 4.0 strategies model

SME restaurant businesses in Mueang Songkhla District strongly supported the 5A marketing 4.0 strategies model, recognizing the importance of a robust online presence, food appeal, transparency, customer feedback, meeting diverse customer needs, and customer loyalty through referrals.

4.5 Relationship between the customers and the 5A marketing 4.0 strategies model

Customers of SME restaurant businesses showed strong positive responses to the 5A marketing 4.0 strategies model, indicating active information-seeking behavior, appreciation for unique food, value in transparency, meeting diverse needs, and strong loyalty with online referrals.

4.6 Relationship between Digital Marketing Communication and the 5 A Model Marketing Strategies

Table 1: Relationship between Digital Marketing Communication and the 5 A Model Marketing Strategies

		Aware	Appeal	Ask	Act	Advocate
SEO	Pearson Correlation	.807**	.695**	.911**	.642**	.907**
	Sig. (2-tailed)	0	0	0	0	0
	N	367	367	367	367	367
ConMark	Pearson Correlation	.821**	.715**	.788**	.698**	.747**
	Sig. (2-tailed)	0	0	0	0	0
	N	367	367	367	367	367
SocMedM	Pearson Correlation	.796**	.775**	.890**	.712**	.948**
	Sig. (2-tailed)	0	0	0	0	0
	N	367	367	367	367	367
Email	Pearson Correlation	.372**	.698**	.549**	.896**	.561**
	Sig. (2-tailed)	0	0	0	0	0
	N	367	367	367	367	367
**. Correlation is significant at the 0.01 level (2-tailed).						

The study revealed strong positive correlations between digital marketing, specifically search engine optimization (SEO), and all components of the 5A Marketing strategies model: aware ($r=0.807$), appeal ($r=0.695$), ask ($r=0.911$), act ($r=0.642$), and advocate ($r=0.907$).

This indicates that higher levels of digital marketing, particularly SEO, are associated with better performance in terms of awareness, appeal, engagement, action, and advocacy within the 5A marketing model.

The rejection of the hypothesis of no significant relationship underscores the relevance of the 5A marketing plan in today's technology-driven era. It emphasizes the crucial role of digital marketing, especially SEO, in effectively reaching and engaging customers on a large scale.

SME owners are encouraged to implement the 5A Marketing strategy model to foster customer understanding, create appealing experiences, facilitate inquiries, drive actions, and promote customer advocacy.

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusion

In Mueang Songkhla District's restaurant industry, younger individuals, particularly women, play a significant role, with many having bachelor's degrees and businesses operating for 3-5 years. Customers are mostly younger, married individuals who prefer food delivery services and Thai cuisine.

- Digital marketing tools like SEO, content marketing, social media marketing, and e-mail marketing are highly effective and valued by both restaurant businesses and customers.
- The 5A Marketing 4.0 model is positively perceived, contributing to awareness, appeal, information provision, meeting customer needs, and advocacy.

Ownership type correlates with the use of digital marketing tools, notably in email marketing, but no significant relationships were found between profiles, digital tools, and the 5A model, suggesting unexplored factors at play.

5.2 Recommendations

The recommendations for SME restaurant businesses in Mueang Songkhla District, Songkhla Province, Thailand:

Target Younger Individuals and Women: Recognize the influence of younger individuals, particularly women, in the restaurant industry. Customize marketing strategies to meet their preferences and conduct in-depth market research for better insights.

Emphasize Education and Professionalism: Acknowledge the higher education levels among restaurant owners and staff and prioritize ongoing professional development and training to enhance service quality.

Exploit Food Delivery Services: Cater to the growing preference for food delivery services, especially among younger, married individuals. Form partnerships with delivery platforms and enhance online visibility to tap into this market.

Capitalize on Local Cuisine: Leverage the popularity of Thai cuisine by highlighting authentic, locally sourced ingredients, regularly updating menus, and offering seasonal specialties to attract customers seeking unique dining experiences.

Implement Effective Digital Marketing Strategies: Utilize a combination of digital marketing techniques, including SEO, content marketing, social media, and email marketing, to boost online visibility, engage customers, and provide personalized experiences.

Consider Ownership Type for Digital Marketing: Corporations should invest in email marketing tools, while non-corporate restaurants should explore opportunities to enhance their digital marketing capabilities, potentially through collaborations or training programs.

Explore Additional Factors: Investigate other factors that may impact marketing strategies' effectiveness, such as cultural influences, pricing strategies, customer service quality, and restaurant ambiance.

Continuously Monitor and Adapt: Regularly evaluate the effectiveness of marketing strategies by monitoring key performance indicators. Stay updated with digital marketing trends and adapt strategies based on customer feedback and evolving market conditions.

Additionally, future research is recommended in several areas, including the influence of online reviews, sustainability practices, the role of technology in enhancing customer experiences, the impact of social media influencers, cross-cultural factors, loyalty programs, online food delivery platforms, and the connection between employee satisfaction and customer experience. These research areas can provide valuable insights to guide restaurant owners and policymakers in the ever-evolving restaurant industry of Mueang Songkhla District.

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