



## **The Marketing Strategies of the Thai Rice Business in Xi'an City, Shaanxi Province , China**

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### ***[Abstract]***

Thai rice positioned as a high-end imported product which faced many matters during selling process in Xi'an City. Marketing strategy had a crucial impact on long-term survival and development of enterprises. This study aimed to found which factor will influence the marketing strategy in Thai rice business as marketing mix as research variables. The data used structured interview technique on six interviewees who expert in Thai rice business from four successful enterprises in Xi'an. The study results showed that four factors played different roles in marketing strategy and for Thai rice business, "place" had highest impact on strategy planning, because place directly related to the speed and area of the product into the market. Followed by "product" which was the basic of the trade, the symbol of corporate image and brand. Then showed the contradictory opposition on "promotion" and "price".

**Key words:** Chinese rice market, Thai rice in Xi'an market, Marketing strategies, 4Ps

## **Introduction**

The friendship of Sino-Thai ran a long time and the formal diplomatic relations established in July 1<sup>st</sup> 1975 (Yuyun, 2013). Favorable relationship and positive trade policy promoted the rapid economic development such as the Agreement on Zero Tariff of Fruit & Vegetable between China and Thailand in 2003, The Engineering Procurement Construction (EPC) Contract of Steel and Purchase Contract on Agricultural Products in 2005 (Xiawen, 2015). China was second largest export market also the first largest source of imports for Thailand (World market and trade, 2016). The relationship between two countries got a superior stage after established the partnership China-ASEAN and Free Trade Zone, then the transaction between two countries covered a lot of ground both the heavy industry and the light industry (MingYang,2009).

China and Thailand were agricultural powerful countries and as Thai rice as the major imported food in transaction. The main reason for Thai rice accessed to Chinese market was the adjustment on species demand (Qingchun, 2014). Secondly, in view of the food security occurrences and immoral business ethics, the worrisome quality of Chinese rice had already caused the panic among the consumers (Guangyang, 2016). Moreover, due to a large increase in Chinese grain production, government approved Minimum Purchase Policy to ensure the rice price stay at a high level so as to guarantee the income of farmers (Zhimin and Or-rasa, 2012). At the time of policy implementation, the global rice production with an adequate supply in export and the international rice price slowdown continuously because of the appreciation of U.S. dollars (Food and Agriculture Organization (FAO), 2015). The rice price risen persistently led a wide gap between domestic and international market thus caused the impressive profit space in import trade (Zhidong, 2015). Therefore, many rice sellers in China shifted their sight to import market and attempted to take new opportunities with the Thai rice business.

Thai rice belonged to upscale product with higher price than local rice which caused many unscrupulous traders used illegal ways to reduce the cost in order to make profit (Guangyang, 2016). This phenomenon not

only led the trust crisis of consumers to Thai rice also let the legitimate companies facing the grave difficulties. Besides, the competition of domestic rice rushed to Thai rice business which effected the development of Thai rice industry, such as the famous brand “Wu Chang Rice” and “Dao Hua rice”(Qing, 2016). Although Thai rice business was difficult to survive in Xi'an city, still had some achievers dominated the rice market. Business development can not be separated from proper marketing strategy which played an important role in business running also was an integral part of the business management (Muangkhhot & , 2015). Market would be affected by some factors which divided into controllable and uncontrollable. There was no fixed pattern for marketing mix, different combinations of factors would influence the final strategy and the implemented strategy also need to improve in time according to market changes and internal resources (Luca & Suggs, 2011). Companies must make an effective combination of these factors in order to seek the market vitality then got maximum profit (Naeem, salam and Ali, 2011). This paper mainly describe the relationship between 4P factors and market strategy through qualitative methods on Thai rice enterprises in Xi'an market, exploring which factor had influence on marketing strategy on Thai rice business. The result of study had benefits both for businessmen who engaged in Thai rice business and anyone who interested in Thai rice business. The academic researcher also can use this study to do the further survey.

## **Literature Review**

### **Marketing Strategy**

Marketing strategy embodied in the design of marketing mix which was the most important concept in doing business including a set of controllable marketing tools that a company used to create a desired response in the targeted market (Khan, 2014). Marketing mix referred to an enterprise focused on marketing demands and took into account the environment, company ability, competitive situation to make a comprehensive optimization and combination for internally controllable fac-

tors in order to achieve better economical benefits by coordination, advantage exertion and weaknesses avoiding (Biggs & Calvert, 2013).

This study focused on 4Ps only because those were key points for connecting market performance and self-management (Thusyanthy and Senthilnathan, 2012). In 1960, E.J. Mc Carthy proposed the famous theory of 4Ps and defined the factors as product, price, place and promotion, from which to formed later doctrines. The ability to change the external environment was limited for any enterprise, the approach 4Ps was the base component and vital link for marketing activities by which company could realize the control of the market (Cole, Joan & Jayson, 2013). The essence of marketing activities was a process of using internal controllable factors to adapt the external environment, that was, through implement the strategy of product, price, distribution, promotion to respond the external uncontrollable factors so as to contribute the transaction and meet the individual or organizational goals (Jiaxun, 2012).

Development of marketing strategy was the key point in doing business, enterprise could combine the internal elements in different ways to accomplish business goals and tasks (Hon, 2011). There was no fixed pattern for marketing mix, different combinations of factors would influence the final strategy and the implemented strategy also need to improve in time according to market changes and internal resources. (Jing, 2016). Market just like a cake which composed of different ingredients and the final taste depended on the proportion of sugar, flour, milk. Same reason as the market direction which determined by marketing mix factor and would get the different results with different combining form (Jessa, 2014).

Enterprises entered the market relied on reasonable direction and action with the change of product attributes (creation, communication-focused, performance-focused) and market changes (demands, market-oriented) at any time to make adjustments, through the specific implementation of market management can effectively improve the competitiveness and influence of enterprises (Tollin&Schmidt, 2015). The task of marketing management was the activities to promote the achievement of business goals by adjust the level, timing and nature of demand (Xiangyun, 2009).

The process of marketing management referred to an enterprise find, analyze, select and use market opportunities to finish the business tasks and objectives, the steps include market opportunities evaluation, target market selection and segment, seller assessment marketing mix development and marketing programs control (Xiucheng and Yuxiang, 2014).

This paper mainly examined which factor from four variables had influence on the marketing strategy of Thai rice business, so the assumption as below:

**Assumption 1: Product is the factor that influence Thai rice business strategy**

It was the basic of transaction in business activity, created the value for two parties of deal (Gordon, 2012). Muala (2012) defined the products as something that can be offered to customers for attention, acquisition, consumption and satisfies some want or need for them. It included both tangible product and intangible service and there were four main contents in one product which were feature, abstract, performance, internal and external, the product also be classified further more as performance, value and value added (Qurneh, 2012). There was no best-selling product of all time in market, innovation constantly or not became an critical issue that decided the development continuously and steadily for a enterprise (Ozkaya, 2011). Branding awareness was a key factor for them to choose the perfect product, they believed a good brand reputation was the performance of product quality (Kalafatis, 2010).

**Assumption 2: Price is the factor that influence Thai rice business strategy**

Virvilaite (2009) thought that the price was an important factor to determine customers' satisfaction. Price was the only element in the marketing mix that produced the revenue directly, thus a sale man need to know how to set a attractive price (Ruiliang, 2008). How much consumers were willing to pay fluctuate due to their different needs. Thus, the price perceptions to the same service or products may differ among individuals

and that was also the reason why need to make customer segmentation. Price strategy affected the attitude toward product value also the strategies for evaluating the impact of corporate branding. The way to show the price was a special strategy in business and affected on consumers' evaluation of purchase progress (Nusair, 2010). Danes & Lindsey-Mullikin (2012) said that price was the best embodiment of product technology and technical value. Consumers' price sensitivity was an important reason for purchase behavior and directly affected the judgment of the customer on the nature of the commodity. Traders often developed appropriate price by different performance or characteristics of commodity and used to highlight the business image.

**Assumption 3: Place is the factor that influence Thai rice business strategy**

Place represented the path that transferred the product to clients including sales agencies, agents, distributors and retail stores. The main task of place was to link an existing supply with an existing demand (Berger, 2016). Place was a vital part for corporate strategy. The level of management and power of control on channel had a crucial force for market share of product (Murshid & Mohaidin, 2016). Place was a vital part for corporate strategy which directly affect the market size can be occupied, the cost structure of goods, customer satisfaction and product sales (Sarkar & Pareek, 2013). Channel strategy assumed the main business operations risks, from the operation of resources, common development with partners, the realization of business goals, the occupation of market share (Singh, 2011). The level of management and power of control on channel had a crucial force for market share of product (Mohseni & Zurina, 2016). Channel strategy helped enterprises to expand market share and diversification of channel innovation was a powerful means for market occupation (Manasan, 2011).

**Assumption 4: Promotion is the factor that influence Thai rice business strategy**

The aim of promotion was not to improve product awareness but advance the customers acceptance (Sarkar and Pareek 2013). Strategy for-

mulation should be based on the external environment and market constraints (Singh and Bhowal, 2011). Promotion served for conveying information of product to consumers and persuaded or attracted consumption in order to achieve the purpose of expanding sales (Norizan & Siti, 2015). Promotion took a particularly effective for impulsive action, defined as a selling technique or a special communication which can build the customer's brand awareness (Khan, 2014). Goi (2011) considered the promotion not only described as the market activity but also emphasize the relationship between consumers and products. Anyone who wanted to create a promotion for the product had to concentrate on motivating of the target market and thinking about what type of offer would motivate to the target (Susan, 2009). Promotion mix referred to the enterprise make an appropriate choice and cooperation about advertising, sales promotion, publicity and other promotional methods (Haughton, 2015).



## Conceptual Framework

### Assumption

**Assumption 1: Product is the factor that influence Thai rice business strategy**

**Assumption 2:** Price is the factor that influence Thai rice business strategy

**Assumption 3:** Place is the factor that influence Thai rice business strategy

**Assumption 4:** Promotion is the factor that influence Thai rice business strategy

## **Methodology**

The study selected qualitative method to explore because there were small key person to analyze and no available contents for reference before. Research carried out by structured interview which was a direct, personal communication between investigator and the respondents.

Interview questions around the concept and function of 4Ps, the formulation of specific strategies, the impact or importance of different factors on market strategy and Thai rice business development. Before the official interview, obtained the basic information of enterprises, such as address, scale, business scope from websites and contact with them by email or phone number. Interviewee nominated by companies after communicated with the manager in Human Resources Department about the criteria of the respondents. The official interview took place in face-to-face format, with this way can eliminate the group pressure in process of interview, the interviewer also can provide more information on their own feelings, comprehension and description. All interviewers need to know enough about company information and market conditions so that could provide the useful response for Thai rice business. In order to ensure the accuracy of the results and avoided the troubles for companies, number of interviewers depended on internal assignments and scale of enterprises, the SME chose one person and the large business for two to communicate.

## **Specific Process of research**

1. Numbers of the Thai rice Business in Xi'an

There were six well-known grain and oil enterprises engaged in Thai rice business in Xi'an including foreign enterprises, state-owned, large and medium private chains, all of them had a sufficient capital for development and a complete industrial chain as well as a mass of subsidiaries (National Enterprise Credit Information, 2015).

Table 1 for companies information

<b>Number</b>	<b>Name of Company</b>	<b>Information of Company</b>
<b>1</b>	China Oil and Food Import and Export Corporation (COFCO)	In 1949  The largest stated-owned enterprise in grain and oil food import and export trade around China, one of the top 500 enterprises in the world.
<b>2</b>	Xi'an MaiXiang Company.	In 1992  Chain enterprises with a great reputation in Xi'an and specializes in grain & oil production and sales.
<b>3</b>	Xi'an Yatai Trading Co., Ltd.	In 2002  Professional engaged in import and export business.
<b>4</b>	Xi'an Golden Shell Trading Company	In 2003  A joint venture between China and South Korea.

5	Xi'an JinXin Development Business Co., Ltd.	The year 2002 for branch in Xi'an  The year 1997 for headquarter  An enterprise integrated with production, processing, packaging and sales.
6	Metro AG	In 1964  Secondly in Europe, thirdly in world and the world's first commercially available business group, one of the world' top 500.

#### Requirement of key interviewee

All interviewees required have following conditions:

(1) More than ten years of experience and realized the Thai rice market situation

(2) In the upper management and professional in internal information, such as sales behavior, strategic planning, financial status, etc.

(3) The person with the traits of conscientious, responsible, honest and interested with interview.

### 3.Tools for research

Content collection both from recording and writing notes, the detail information related to companies' strategy and Thai rice samples were shown in-kind shooting.

### 4.Question Design and Validity

The interview question used the content-related validity which re-

ferred to verify the applicability of the test subject to the content or examine whether or not could get the proper conclusion(Myers & Major, 2017). The assessment method applied the expert judgment that was evaluating the test systematically by a qualified judge then put forward the improvement suggestion (Elaine & Thomas, 2009). The adapted question in this research derived from business references or previous studies. After completed the problem design, three academic experts who engaged in business administration or trade development conducted an inspection on interview issues and gave comments on the modification, then determine the final interview questions.

Table 2 for question design

<b>Factors</b>	<b>Previous study</b>	<b>Adapted question</b>
<b>Product</b>	<p>1.Products as something that can be offered to customers for attention, acquisition, consumption and satisfies some want or need for them. (Murshid, Mohaidin and Yen, 2016)</p> <p>2.Due to the social need, competition environment, technological level and standard performance, a company need to have consciousness of innovation on the product. (Pongpatipat, 2014).</p> <p>3.A successful branding has been become a fierce power in business competition. (Blankson &amp; Kalafatis, 2014)</p>	<p>1.What function did the “product” have for seller and buyer?</p> <p>2.How to improve the product strategy?</p> <p>3.What influence did product strategy have for business?</p>

<p><b>Place</b></p>	<p>1. The place meant how a company send the products or service to the consumer.</p> <p>(Martensen &amp; Mouritsen, 2016)</p> <p>2. Different business had different distribution channel, the market factors, enterprise policy factors and the economic benefits all would influence the distribution to choose.</p> <p>(Murshid, Mohaidin and Yen, 2016)</p> <p>3. A suitable channel can quickly penetrate the product into the market.</p> <p>(Ta, 2014)</p>	<p>1. What function did the “place” play in business?</p> <p>2. How to improve an available place strategy □</p> <p>3. What influence did the place strategy have for business?</p>
<p><b>Promotion</b></p>	<p>1. Promotion was the bridge between products and customers, solving the problem about how to make customers access to the products.</p> <p>(Wood, 2012)</p> <p>2. Strategy formulation should be based on the external environment and market constraints.</p> <p>(Singh and Bhowal , 2011)</p> <p>3. The aim of promotion was not to improve product awareness but advance the customers acceptance.</p> <p>(Sarkar and Pareek, 2013)</p>	<p>1. What role did the promotion play for business?</p> <p>2. How to make a proper promotion strategy?</p> <p>3. What influence did the promotion strategy have for business?</p>

<p><b>Price</b></p>	<p>1.Price was the only element in the marketing mix that produced revenue and salesman need to know how to set a attractive price for public.</p> <p>(Ruiliang, 2008)</p> <p>2.The way to show the price was a special strategy in business and affected on consumers' evaluation of purchase progress.</p> <p>(Nusair, 2010)</p> <p>3.Price strategy affected the attitude toward product value also the strategies for evaluating the impact of corporate branding.</p> <p>(Goi, 2011)</p>	<p>1.How to define the function of “price”?</p> <p>2.What price strategy were often used in your company?</p> <p>3.What influence did the price strategy have for business?</p>
<p><b>Overall question</b></p>		<p>Which factor among 4Ps was most important in making marketing strategy?</p>

### Content collecting and analyzing

(1).The interview questions translated from English to Chinese to facilitate the interviewers answer and asked three Chinese people who knew well about English language to assess the contents consistency.

(2).Appointments with interviewees made by telephone or visited the company personally.

(3).Formal interview with interviewees face to face and the time less than 1 hour.

(4).Recording all interview details in Chinese based on saved voice and manuscripts.

(5).Manual sorting and analysis. The information collected after interview was diverse and complex, using this way can screen the sortable

information from the background noise (Fink and Litwin, 2002). Marking each of information points with different color to do the view screening and summarize the information as new record.

(6).The well-prepared content translation from Chinese to English and asked three Chinese people who knew well about English language to assess the contents consistency.

(7).Feasibility comparative analysis as interviewee as investigation unit and summed up the different idea on the four factors. Compared the final conclusion with the previous literature review to do consistence test.

## Result

The results of interview came from 6 people in 4 companies and two companies declined the interview because they thought the interview issue involved trade secrets.The result sum up as table 3.

<b>Factor of View</b>	<b>Number for agreement</b>
Place	Metro AG, MaiXiang Company, JinXin Company, COFCO
Product	Metro AG, MaiXiang Company, JinXin Company
promotion	COFCO, MaiXiang Company
Price	COFCO

From the table got the conclusion that place was the most influential factor on strategy planning followed by product, promotion and price.

Place referred to the business organizations or individuals with all ownership or assistance in the process of transferring the product from producer to end users, “just like a bridge to connect the products with consumers (interviewer from MaiXiang Company)”. The interviewers from Metro AG and JinXin Company expressed a valid channel helped to re-

duce the transportation risks and operating costs especially for imported goods, and help enterprises from different angles into the market such as online and offline market. All four companies considered the place strategy with traits of timeliness and variety, so the strategies should be fully taken into account the regional selection, population density, market changes, product features and customer psychology. COFCO thought it was better to adopt “multi-channel mode” to control the channels, which implicated to simplify the purchase channels to reduce costs and spread sales channels to increase market influence. The main impact of marketing channels on business were efficiency improvement and value creation, “Only if the customers touched with commodity.....desire to purchase (interviewer from MaiXiang Company)”. On the other hand, four companies all thought about channel strategy directly affected the formulation of other strategies, such as price and product strategy. The huge transportation costs pushed up the price of product, the corresponding price strategy would based on the cost-oriented pricing method. The brand strategies used by companies also different because of the unlike distribution channels, high-end brands focused on business centers, mid-range on large and medium supermarkets and niche brands sold in farmers market or small shops.

The interviewees from Jinxin and MaiXiang companies put the idea that product was the basis of the transaction both vital for two sides of trade, the seller received income and the buyer gained practical value. “The connotation of product contained three parts, the image of the company, the nature of business and the commodities passed to the consumers”(interviewee from MaiXiang Company). Product strategy consisted of two parts, product and service, the former represented the nature of the business and created the profits for enterprise, the latter directly affected customer satisfaction. Metro said about service attitude can enhance the company’s external image and reputation, now service war shifted as a formidable artifice in marketing competition. Due to the life cycle of goods, how to establish the long term dependencies between customers and product became a core question for business consideration. “Long-term survival of enterprise need product innovation as a carrier .....ac-

ording purchase behaviors and marketing changes”(interviewer from MaiXiang Company). For instant, adding a new packaging model from color and material to highlight the cultural and functional features of Thai rice.

From analysis found that the promotion and price were two controversy factors with different idea. Interviewers from Metro AG said promotion transmitted the various information of commodity to buyers in order to persuade the consumption and achieve the purpose of expanding sales. Metro was renowned for high quality services to VIP clients and never do public promotional activities for social group, so promotion strategy was not the main strategy for Metro. JinXin Company believed promotion strategy could strengthen social force of product and the plan based on the nature of company, product price and financial budget. However, the interviewer expressed promotion strategy was no widely use on Thai rice business due to the cost and the scale of enterprise, because small and medium sized enterprises limited on fund support, the income effect in Thai rice propagation less than Chinese rice.

COFCO and MaiXiang companies had different views. MaiXiang thought about promotion had less influence in the past, but at current society, it was the most direct and effective means for close connection between customers and products, especially for imported products which had short information in market. COFCO put the idea that promotion strategy did not have obvious effects at initial stage of business working, once the enterprise was in orbit, the circulation of commodity urgently need promotion to guarantee. Promotion strategy played an effective role on long-term survival of enterprises and both two companies mentioned the concept of promotion innovation. Enterprises should follow the “technology trends” and use mobile advertising (bus boards, electronic advertising), social media software (WeChat, blog), social activities (charity activities, community activities or festivals), mass media (radio, television program titles), and other emerging tools to promote product information widely to foster the brand awareness of consumers.

Price strategy was the premise for normal profitability of a enter-

prise which was the crucial factor for the long-term development of the enterprise. All four enterprises believed price strategy decided by marketing position of product. Whereas, three companies expect COFCO thought the price had negative affects on Thai rice business. The genuine Thai rice belonged to high-end product with a stiff price and narrow market, but domestic brands as their good quality and low price won the trust of people day by day with the improvement of production technology in China. Due to lack of customer acceptance caused by price and insecurity quality, Thai rice did not have clear advantages compared with local rice. Limitations of price led the strategy was difficult to break through so companies chose to use other strategies to make up the defects of price strategy.

However, COFCO did not agree with the idea but believed market need different states of products. Price was the value of the goods and price strategy was the internal plan which aimed to ensure the profit of the enterprise. High end product represented the advanced position of enterprises and faced upscale markets or customers which was an excellent opportunity for a profitable business. “The more unsettled of market , the more stable the price was and never cut prices or dumping (interviewer)”, what enterprise should do was how to make an intimate contact between customers and products.

## **Discussion**

Marketing strategy played an important role in business running which was an integral part of the business management and operation process (Muangkhrot & Ussahawanitchakit, 2015). Marketing strategy meant the company made an overall vision for a certain period on basis of comprehensive consideration both on external market opportunities and internal resources conditions so as to achieve the business objectives. 4Ps was the basic component and vital link for marketing activities by which company could realize the target market controlment (Cole & Jayson, 2013). There was no fixed pattern for marketing mix, different combinations of factors would influence the final strategy and the implemented strategy also need to improve in time according to market changes and internal resources (Jessa, 2014). Four factors all played an important role in formulation of market strategies but for different businesses, emphases and period.

Market demand changes with the level of social life and corporate strategy changes with market demand. The variability of the market required enterprises should take the concept of development and innovation for strategy planning (Jackson & Ahuja, 2016).

Place strategy with great diversity which depended on the nature of products, marketing changes, cooperation direction and sales location (Bolar & Shaw, 2015). Different types of products corresponding to unlike channels. For Thai rice, the main channel divided into two parts which were company's supply direction and business sales bridges. The specific process included determining the suppliers and partners, accurate market research, confirmation of sales location and establishing an effective channel connection. In general, Channels divided into direct channels (traditional marketing or primary channels) and indirect channels (new distribution channels or more than two middlemen). Direct channel reduced operating costs, transformation and sales risks but had a narrower market influence. Indirect channels had higher operating costs and greater cooperate risks but had more extensive in distribution, goods delivery, it helped to expand the marketing influence of enterprise in some extent. Therefore, enterprises usually combined two of kinds to reduce defects and speed up the completion for entering market. At the same time, channel innovation also an indispensable strategy in expanding the marketing share, such as online sales mode and application business (Manasan, 2011).

Product innovation and service war shifted as a formidable artifice in marketing competition. Life cycle decided the limited period in market of product also proved the importance of innovation, so the company should optimize and upgrade the product at any moment (Wong, 2012). In product innovation, enterprise should take different plans on the basis of comprehending the needs of customers, also in the study of existing products in similar industry and the possible substitution. Thai rice innovation as expanded the particularity of product, highlight the cultural expression, physical display and emphasis on corporate trademark as the goal, starting from product creation, packaging upgrades and discrepant performance exaggeration to establish the model (interviewer). Product creation referred to brands and types renewal from ordinary Thai rice to

Thai jasmine and sticky rice. Package upgrades meant to add cultural elements, abundant color decoration on package and produced diverse packaging forms. Discrepant performance exaggeration expressed in highlight the characteristics of Thai rice, such as cooking methods, nutritional value, efficacy and so on.

Service had become a soft power for corporate brand commonly used by firms for winning the trust of customers and establishing the prestige of the enterprise (Haak & Weinhardt, 2014). Service was the investment for human capital and now service war had turned into tactic widely used in market competition. Good service attitude could meet the superiority on customer psychology that often let them ignore the lack of products (interviewer). Purchase behavior not only based on the attractiveness of goods, but also depended on shopping environment and corporate service attitude. Therefore, service was also an important selling point for business improvement.

Promotion used to send the commodity information to consumers through various media or discount activities in order to establish the brand image and expand the sales, especially for exotic and imported goods (Bhadra, 2013). Promotion strategy helped to shorten the entry process and encourage the first time consumption by consumer, then promoted the re-consumption behavior to achieve the purpose of sales improvement. The objective of promotion activities had its own limitations. Enterprises selectively promoted the products according to target market, customer groups combined with the financial budget. As for Thai rice, the well-capitalized enterprise believed promoting Thai rice was a reasonable way to enter the upscale market, but SMEs considered there was unnecessary to advertise Thai rice because the plan need invest huge capital and unknown revenues as return.

Price was the embodiment of the commodity value also the direct approach for business profit which usually developed by the costs of goods and business position (Susan, 2009). Price was one of the reasons caused Thai rice business dull of sale because of the high rice and uncertain quality. On the other hand, the low-cost pricing strategy from illegality firms

and the blindly price-cutting act from followers created the negative price war, which was a huge challenge to legitimate enterprises. Under such circumstances, some enterprises tried to arouse the vitality of the market with price-cutting activities. Others thought that no matter how turbulent the market structure, prices should be kept steady and never cut down or dump in order to prove the value for product and brand so as to win customers' trust. Opportunities and challenges always tended to coexist and if company discovered the new direction from the price strategy that will bring about a massive prospects.

### **Conclusion**

The study followed the objective which factor in 4Ps had influence on marketing strategy of Thai rice business in Xi'an by describing the establishment of Sino-Thai relations, the development of Thai rice trade in Chinese market and the situation of Thai rice in Xi'an city. Analyzing the reasons why Thai rice could enter to Chinese market and the causes for negative development of Thai rice business in Xi'an. Using interview technique on four companies to draw conclusions that four factors played different roles in marketing strategy, but for Thai rice business, "place" had best impact on strategy planning, because it can help companies reduce the time and risk for dominating the market and expanding market influence. Followed by "product" which was the main item in transaction, on behalf of the nature and image of the enterprise. There showed the different points on significance of "promotion" and "price" due to diverse scales, main business scopes, business mission, target customers, financial budget and capital. Meanwhile, due to market volatility, corporate strategy also need constant innovation specifically in the product and promotion strategy, because those were directly related to consumer groups. Enterprise should as customer psychology and social trends as refine start, taking into account the overall strength of inner resource to choose innovative strategies for business development.

The study described the relationship and the situation about bilat-

eral trade between China and Thailand then did the research about Thai rice business in Xi'an city, China. The academic researcher can use this study to do the further research. Besides, this study talking about the marketing strategies for Thai rice companies in Xi'an and getting the result about which factor influence the marketing strategy development on Thai rice business that had benefits both for the businessmen who engaged in Thai rice business as well as anyone who interested in Thai rice business.

The paper and results still need to complete because of the restriction in region and methodology. The study mainly focused on the Thai rice market in Xi'an, all research situation and results just related to Xi'an. On the other had, the interviewers of study were small group so could not infer the whole market situation and the results may have some measurement errors because the contents relied on the experience and ability of the researchers.

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