

Project PD 24/00 Rev.1(I)
Promotion of Sustainable Utilization
of Rattan from Plantation in Thailand

Marketing of Rattan Shoot and Rattan Furniture in Thailand



Organized by
Royal Forest Department and
Department of National Park, Wildlife and Plant Conservation
Bangkok, Thailand
With the Cooperation and Support of
The International Tropical Timber Organization (ITTO)



February 2004



Marketing of Rattan Shoot and Rattan Furniture in Thailand

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Acknowledgement

We would like to present our thankfulness to the International Tropical Timber Organization (ITTO) for their financial support to this project, as well as to all participants who get involve in this project. Finally, we would like to say special thanks to all staffs from Royal Forest Department for their kind hospitality and support in all trip to Sakolnakorn. The success of this project would not be possible without their support.

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Marketing Plan of Rattan Shoot

(Calamus viminalis)

Introduction

According to a successful “Processing and Packaging of Rattan Shoot” training; a training course on “Processing and Packaging of Rattan Shoot” that organized by Royal forest department, with the cooperation and support of The International Tropical Timber Organization (ITTO) for a Kud Bak housewife group, instant Rattan shoot in package now is commonly produced in standard quality as expected. Selling period can be longer as product life cycle stay longer however, instant Rattan shoot gets higher cost when compare to a fresh one. Thus, the package seldom sold to local consumers.

Marketing activities are set to promote Rattan shoot in package in place of origin: Sakolnakorn; many are adjusted upon situation and circumstances.

Marketing activities:

1. Site visit and market survey on 7-9 July 2003:

Typical way of rattan shoot is sold in fresh type through fresh market in small amount, just for one cooking. Besides, some are sold along the highway. The rattan shoot in fresh market is sold in either with or without bark in about ¼ weight of rattan shoot in package in price 1/6 of the preserved one. While along-the highway shoots are sold at 4-7 baht per shoot. Either is cheaper than the package one.

Being a small town, Sakolnakorn does not have many of visitors or tourists. Most popular places are temples in rural area and another palace; Pupan Rachanivej where our majesty the queen stay there once a year in winter time. There is only one souvenir shop located at bus station where all local products available there.

There are few restaurants selling rattan shoot cooking, one has bought from this group. No rattan shoot menu available in Sakolnakorn hotel.

After discussed with Ms. Rasri, the group leader of Kudbak-Rattan shoot in package, we suggested her to make contact with the souvenir shop as well as the restaurant to check if we can sell more through both channels. Ms. Rasri will be contact person and response to this action.

2. **Label redesign** to add further information such as

- Brand: for Rattan shoot identity
- Nutrition fact
- Production and expire day
- Production source
- Price

New label

หน่อทอภายในน้ำเกลือ
ของดีเมืองสกล

ผลิตโดย กลุ่มแม่บ้านภาคแอ็ด ตำบลกุดบาก
อำเภอกุดบาก จังหวัดสกลนคร 07-2311794

พัฒนาผลิตภัณฑ์โดย สำนักวิจัยเศรษฐกิจและผลิตภัณฑ์ไม้ กรมป่าไม้
สนับสนุนโดย องค์การไม้เขตร้อนระหว่างประเทศ

คุณสมบัติ : ใช้ประกอบอาหารได้หลากหลายชนิด
กึ่งอบน้ำปรุงใช้เวลาพอสมควร
สีน้ำตาลเข้มประมาณ 10-15 นาที
ส่วนประกอบสำคัญโดยประมาณ
หน่อทอ 60.4 % น้ำเกลือ 2 %
กรดซิตริก 0.1 % กะหล่ำปลี 0.5 %
สารกันบูด : สารบีบี 100000
น้ำหนักสุทธิ 2000g
วันที่ผลิต ๒๕๖๒ วันที่หมดอายุ ๑๒ เดือน

65.-

คุณค่าทางโภชนาการของหน่อทอ
ในส่วนที่รับประทานได้ 100 กรัม

สารอาหาร	พลังงาน ใน 100 กรัม
พลังงาน (กิโลแคลอรี)	28
น้ำ (กรัม)	82
ไขมัน (กรัม)	0.19
โปรตีน (กรัม)	0.7
คาร์โบไฮเดรต (กรัม)	3
ใยอาหาร (กรัม)	0.04
ใยอาหารที่ละลายในน้ำ (กรัม)	0.07
ใยอาหารที่ไม่ละลายในน้ำ (กรัม)	4
น้ำตาล (กรัม)	0.85
ไขมันอิ่มตัว (กรัม)	22.4
ไขมันไม่อิ่มตัว (กรัม)	145
คอเลสเตอรอล (กรัม)	33
แคลเซียม (กรัม)	40
เหล็ก (กรัม)	0.42
สังกะสี (กรัม)	1.81
ฟอสฟอรัส (กรัม)	0.14
โซเดียม (กรัม)	41.5

Remark: The new label is planned to launch at once when the previous labels are used up.

4. Site visit on 11-12 September 2003

Due to rainy season, housewife groups have to spend time in their harvest so they were not available to follow up the program we have set such as contact with restaurants and souvenir shop for package consignment, follow up and collect money as well as plan to plant more rattan shoot. As such, a meeting has set up again with housewife groups to make a right understanding to marketing program and set up team to follow up the project. We brought the leader; Ms. Rasri; to souvenir shop with some rattan shoot in packages, registered as a member of the shop and consign them to the shop. Ms. Rasri will be in charge of checking stock and coordinate between the shop and housewife groups, keep record and fill in stock.

Result

1. Set up meeting between consultant and housewife groups to clear the marketing project, scope of work, objective and goal of the project.
2. Set up coordinative and implement team, role and responsibility as hereunder:
 - Head: the person who take care of this project, represent all housewife groups to deal with consultant as well as represent consultant to coordinate with housewife groups. Announce progress of project to housewife groups and deal with all involving participants such as target places to create channel of sales and housewife groups.
3. Make consignment for rattan shoot in package at gift center of Sakolnakorn.
4. Contact with “Bua” restaurant which is a very famous restaurant and also have more than 10 branches in Bangkok, provide some samples and have them create new menu from rattan shoot that can be fit in their clients. However, after try cooking rattan shoot for more than 10 menus, they have informed that rattan shoot taste does not match to their clients. They cannot take it as their menus.
5. Contact with “Golden place” supermarket to have rattan shoot in package sold in the supermarket. “Golden place” is a supermarket that sells local health product such as herb shampoo, honey syrup, non-organic vegetable and vegetarian food. They are willing to take the product on their shelf for consignment but the product is required to certify by Food & Drug Administration which we do not have.

Suggestion

1. The plan is set to expand market to tourist or visitor who visit Sakolnakorn, however, due to its small town with less visitors seasonal fair would be a good time to present the product.
2. Rattan shoot has a very unique taste that would be barrier to penetrate to new target group, especially for Bangkok person, the biggest and highest potential market. However, another possible channel is to direct to Northeast person who works in Bangkok. As such, food shops in industrial zone or factory area can be another target area. Connection or relatives who work in such area can be of assist to reach these shops. The housewife group can have their relative who works in Bangkok to pass the rattan package to these shops.
3. Leader of the Kudbak-Rattan shoot in package group can be more proactive to follow up with the restaurants who bought some package from them.
4. Rattan shoot in package should be sold in area out of fresh rattan shoot to avoid price comparison in each other.

Appendix

Typical Rattan shoot market



Rattan shoot group leader



Marketing Plan of Rattan furniture & Weaving

(Product design)

Introduction

Rattan plays major role in furniture market for decade in both local and international market. Among 2,500 Furniture manufacturers throughout Thailand, 70% are wooden furniture manufactures, another 12 % are metallic furniture manufacturers while rattan, plastic, leather share 18 % from the whole producers market. Breakthrough in detail, we have hundreds of Rattan products categories sold throughout Thailand such as beds, chairs, lighting, mirror, photo frame and many more for both local and international market. The trend of furniture export is expected to increase due to the expansion of USA market that furniture get higher price from higher cost of labor. Price of rattan products sold in wide range depends on their quality, durable, design and channel. Even Rattan products are sold in wild range but market is also filled with other material products such as bamboo and teak. However, rattan products are competitive in terms of design, variety and sometimes, price. As such the unique design and pricing strategy will support local product to be able to compete in market as well as create more income to their community.

Housewife groups in a village in Rajchaburi has gather together to learn how to make rattan furniture in new style. Supporting by ITTO and Royal Forest department, rattan furniture specialist was invited to share knowledge and technique as well as teach them how to make the new one.

Table: Imports of Some Forest Products and other Products 2000 – 2002

		1998		1999		2000		2001		2002	
		Quantity	baht	Quantity	baht	Quantity	baht	Quantity	baht	Quantity	baht
Furniture of cane	kg.	1,778	296,137	19,955	2,313,328	23,694	2,045,999	29,780	5,088,600	20,520	21,966,383
Rattans	kg.	6,158,146	68,722,932	7,915,549	76,706,575	4,853,742	76,308,910	6,103,236	91,715,572	4,214,570	78,528,773
Seats of cane	number	-	-	-	-	2,950	1,117,578	3,411	1,843,617	674	1,406,747

Table: Exports of Some Forest Products and other Products 2000 – 2002

		1998		1999		2000		2001		2002	
		Quantity	baht	Quantity	baht	Quantity	baht	Quantity	baht	Quantity	baht
Furniture of cane	kg.	493,852	59,948,835	531,837	50,598,268	324,207	40,012,494	207,392	42,130,607	287,407	33,860,015
Rattans	kg.	36,011	1,000,370	28,018	1,931,095	4,400	1,528,178	4,970	415,908	10,328	298,131
Seats of cane	number	-	-	-	-	107,579	116,136,156	109,344	79,710,957	88,033	69,257,808

Source: Forestry Statistics of Thailand, Information Office, Royal Forest Department

Marketing Activities

As a starting period, product design and production technique are required to transfer to the group. Teach them how to make and have them practice by themselves will gain more skill to them. At the same time, show them how to market their products by showing marketing concept, how to plan and implement step by step will urge their sale revenue. Therefore, a meeting was set between housewife groups, ITTO project staffs and rattan consultants on August 20, 2003 at their village in Ratchaburi. Sharing by a rattan expert, one presentation was scoped in design, production process and techniques that was success in another area as well as marketing mix was shown step by step to guide them pull and push strategy works to deliver products to end users.

Marketing presentation for Rattan furniture

Ratchaburi: August 20, 2003

First of all, let me show you variety of rattan furniture that available in market: photo frame, baskets, tray, bottle holder, bag, book shelf, chairs, armchair, sofa and even table. You will see that rattan can be used to create thousands of furniture; big or small, independent or mixed with cloth, iron and so various material. Where are these things sold? Either in Sunday market, supermarket or rattan shop. You can find them all around. Now, we see that rattans are common used in our live. How can them be sold? What kind of marketing that works for them. What is maketing?

Marketing is a process or “HOW TO” that makes products sold. How can products be sold? Considering decision making process of human being when he/she wants to buy something, it starts from awareness that creates needs, then buy and repeat order.

Awareness means that people know that such product is exist. They know about its feature and benefit that fit their requirement. Then they need it. Later, they know that the price of such product is affordable and judge that it’s worth on their money. They buy it. However, this is just only the first order that we justify it as a “try” only. Products require repeat order to push their production cycle and to indicate their success. At this step, if the product can prove itself with its quality, either fit to requirement or fulfill their needs and make customers happy, they will buy again and again. Product can be sold through its life cycle.

Now you see how decision is made in one buying process, let see how marketing can fit in or urge the process. As we said that marketing is a process so it is not any unique or any one stuff. It’s a mixture. We call it “marketing mix”. A marketing mix is just like when you cook a green chicken curry. You have to select specific ingredients in specific quantity that fit together and mix it to be a green curry. The red chili cannot make a green curry as well as marketing solution also require specific marketing mix. Let’s talk about each mixture of marketing, one by one.

- The first one is “Product” or “what”. As we are talking specific on rattan so we will focus on rattan only. What do we mean when we ask “what”? We are talking about the type of furniture, design, color, quality, duration and value added. We also talk about production capacity. Everything needs to be planed, decided and done.

Here are some samples of rattan furniture sold in common market:



- The second is “Price” or “ how much”. When you make something, how much it cost but do you know how much the price shall be. Here is a guideline:
Price= cost of raw material + labor cost + cost + transportation cost + promotion + profit
However, there are some constrain to be concerned such as competitor price and substitution price.
- The third mix is “Place” or “Where”. You have product, you do pricing it then where to go. Jatujak is one big market for rattan, in fact, for all products. Rattan shop is another choice. Cost of place can be negotiated upon power of buyer and seller. It may be consignment, depend on your negotiation. Or, I can make one more suggestion on tourist attraction in Rachaburi such as Damnoensaduak floating market, museum and all. The point is to find a stop of tourist, sell them souvenirs that they can bring home. Sell the fruit sellers a basket for their fruit and, even a basket they can keep the coins. Look for their needs and sell them the solution.

Typical channel of sale for rattan furniture



- The last one is “Promotion” or “how”. How to attract people feeling and make them pay for our product. Discount, trade promotion, advertisement, brochure, whatever it takes to create sells.

Before we go to the end, allow me to mention one additional important mix: “Target group” or “who”. You have to define who you want to sell to before you decide any product. Why who is important is because we all have our unique characteristic, unique demand and unique purchasing power. It’s easier to define “who” you want to sell to before you go for product design and else. Let’s take a look at these people: start from a baby. What can you sell to a baby? A cradle, yes! A basket or bag to handle her bottle and diaper, sure. But these items will not attract Ms. Suda who is studying first year in university. She may interest in a cosmetic basket or cute rattan book bag instead! How about Mr. Johnson from the State who just visit Thailand for the first time, what can be sold to him? A small rattan boat for his wife’s gift? A piece of silk in rattan basket, wrapping with golden ribbon? Sound good. So you see how different people are and how unique their requirement are. Think about it, find it and make things that suit for them. You will sell it. Let’s sell rattan!

Suggestion:

1. The village is pretty far from town while local demand of rattan furniture is not high, as such presenting the products in public or landmark area such as tourist attractive area will increase probability of sale.
2. Design of product plays important role in selling so housewife groups should study and survey market trend or best selling item to develop their design.
3. In case that housewife group may not be good in selling direct to end users, distributor can be of consideration.