

# THE DISTRIBUTION PATTERN OF THAILAND'S TUBTIMJUN ROSEAPPLE FOR EXPORTING TO CHINA

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## ABSTRACT

*Thailand is an agriculture country which means that the main product of the country is the agriculture product. Thai fruit is very famous and popular for a people around the world and the clear example of the famous Thai fruits are durian, mango, mangosteen and coconut. But there is another fruit which has a very high potential and still on its way up to the top list of Thai fruit which is rose apple. The objective of this research is to analyze and improve the distribution process of Tubtimjun rose apple to China which is the main market for Thai's Tubtimjun rose apple and also the most challenge one as the regulation and quality control of China is very strict about the pest and the fruit quality. The samples of this research are 100 stakeholders in the field of rose apple farming and exporting. The samples were selected by the purposive sampling method and the tools which use to collect the data were the questionnaire and also the in-depth interview. After the research, the most effective distribution method for the Tubtimjun rose apple exporting to China is by the air transportation mode as the rose apple is a high sensitive fruit and has a very short shelf life time. So the Tubtimjun rose apple will be at its best condition when arrive in the destination and to the consumer's hand.*

**Keywords:** China, Distribution, Exporting, Tubtimjun Roseapple

## INTRODUCTION

Fresh vegetable is a perishable product so it needs a very careful and delicate storage but nowadays the process that the farmers handle the fresh vegetable are not quite appropriated. So as the policy of Thai government that wants Thailand to be the "World kitchen", the entrepreneurs along the supply chain of fresh vegetable are grouping with each other in order to strength the supply chain of the fresh vegetable of Thailand in both quantity and quality aspects.

China imported 4.4 million tons of fresh fruit for USD 5.59 billion in 2017, a growth of 12 percent and 5% revenue growth, respectively. It was a 180-degree turn from the previous year, when fresh fruit imports fell by 2.5 percent when compared to the prior year.

On the whole, the composition of the top 10 fresh fruit exporters to China has stayed consistent with that of the previous year. Thailand reclaimed its position as the top exporter of fresh fruit to China by value in 2017, after losing the top spot to Chile in 2016 as a result of a general slowdown in fresh fruit imports into China from Southeast Asia. Thailand was previously the top exporter of fresh fruit to China by value in 2016. In 2016, fresh fruit exports from Thailand returned significantly, with overall shipments to all nations increasing by 41

percent year on year, with particularly notable rise in exports of longan, durian, and mangosteen, among other items. Thailand's fresh fruit imports to China were USD 1.2 billion, accounting for 21 percent of the overall value of imports.

With a small decrease from USD 1.18 billion (24 percent of total imports) in 2016 to just over USD 1 billion in 2017, Chile surpassed the United States to take over the number two spot in terms of the value of fresh fruit imported into China from other countries. The following countries rounded out the top ten: Vietnam (USD 658 million), the Philippines (USD 531 million), the United States (USD 420 million), New Zealand (USD 354 million), Australia (USD 276 million), South Africa (227 million), Peru (USD 220 million), and Ecuador (USD 220 million). Vietnam was the most profitable country in the world in terms of exports in 2015 with USD 100 million. In 2017, the top 10 nations accounted for 89 percent of China's total fresh fruit imports, according to the World Fruit Report. The objectives of this research are to study and analyze the distribution pattern of Thailand's Tubtimun roseapple for exporting to China and to create the most suitable and feasible distribution pattern of Thailand's Tubtimun roseapple for exporting to China.

## LITERATURE REVIEW

### Logistics and Supply Chain Management

There are several definitions of supply chain management, including the following: Supply chain management covers all aspects of material/supply management, from raw material procurement through final product delivery (and possible recycling and re-use). Supply chain management is concerned with how businesses leverage the procedures, technologies, and capabilities of their suppliers (Nenavani & Jain, 2021) to gain competitive edge (Ziang et.al., 2008), customer satisfaction (Aunyawong et al., 2020), and business chain performance (Pintuma & Aunyawong, 2021; Srisawat & Aunyawong, 2021; Yu et al., 2019). It is a management philosophy that extends traditional intra-enterprise activities by bringing trading partners together with the common goal of optimizing and increasing efficiency. It is a network of organizations connected via upstream and downstream networks, in the various processes and activities that generate value in the form of products or services for the point of consumption (Christopher, 1992). However, there is no clear definition for the fresh vegetable supply chain. This research is conducted using the supply chain definition, not the definition for fresh vegetable supply chains.

The logistics management can be defined in so many definitions such as it is one of the supply chain management components which related to the customer demand through the planning, control and implementation of the effective movement and storage of related information, goods and services from origin to destination. It also helps the companies to increase the efficiency by reduce the cost and improve the customer service. It always begins from the supplier's side which is the beginning of the supply chain, then continue to the consumer's side in the final stage of delivering the goods to the consumers (Sutthachaidee, 2016)

### Previous Research

There was a research which conducted to determine the most effective variables for growing exports from the perspective of Iranian exporters. Finally, four major factors influence exports: the individual factor (education, experience, export knowledge, and public communications), the economic factor (export markets, governmental subsidies, export pricing, and export marketing), and the environmental factor (rules and regulations, culture, technology,

informal communications, and political factor), and the product marginal factor (design and packaging, quality, and price). The analysis of the results indicates that the most effective factors for increasing exports from the exporters' perspective are the environmental factor (rules and regulations, culture, special communications, technology, and political factor), the product marginal factor (guarantee and after-sales services, distribution channels, product quality, brand, design, and packaging), and the individual factor (public versus private). (Farokhian et al., 2010).

There was a thesis which purpose to analyze the critical aspects that an olive oil firm, particularly a Greek one, should address in order to thrive in the export market. To do this, several businesses, regardless of their size or place of origin, are evaluated, assisting the reader in forming an impartial judgment about the industry. PESTEL and Porter's five forces assessments are conducted, with relevant results given. In conclusion, the astonishing results will help the potential scholar or reader gain a better understanding of the elements that contribute to an olive oil company's success as well as those that contribute to Greek olive oil's market leadership position. Additionally, the research findings corroborate those of other studies stated in the literature review sector, indicating that they may be of interest and possible use to stakeholders in the olive oil business such as the producer, processor, importer, exporter and etc. (Angela et al., 2015)

There was a drawing on the internationalization process model and organizational learning theory and find that there is an emphasizing international sales along with the restriction in the exporting to a few foreign markets. Those results in superior had perceived export performance for the sample of small firms from Greece and several other Caribbean countries. As there was an attempt to emphasize the international sales while focusing on a few markets, there was an effort and opportunity to enabling the small firms to develop expertise in those markets and also build strong distribution networks to manage the export activities effectively (Mpunga, 2016).

There was a paper which explores the primary variables that contribute to the success of tomato exports to Japan using data from a survey of local food wholesalers in Korea. A study of tomato exporters was done after it was hypothesized that the primary determinants are the commercializing process, marketing ability, and government grant. A factor analysis was done and the hypothesis's applicability was statistically validated. According to the analysis's findings, where three components were selected from ten variables utilized to evaluate the primary factors, the degree of explanation was determined to be 61.4 percent. Factor 1 was classified as systematization, production scale-up, and marketing, which encompasses the continual securing of export supplies, systematization and manufacturing scale-up, locating customers, and determining the preferences of international consumers. Factor 2 was categorized as an export commercializing process, which encompasses risk management, fruit variety selection, manual development on growing methods, commercialization, and standardization of the distribution system. Finally, Factor 3 was classified as a government grant, which includes the payment of pricing differentials and distribution costs. (Choi, 2010).

In Thailand, the vegetable production is essentially a small-farm venture that benefits thousands of families in the urban area, semi-urban and rural communities. However, in the last decade, the cost of production is rising respectively and one of the reasons is the chemical or pesticide usage is increasing. Even though the using of chemical pesticide is endangering the health of consumers and pollute the environment, there are some farmers which consider the benefit of the chemical pesticide is acceptable and still use it. Nowadays, Thai agriculture has been suffered from problems linked to the high external input system as the awareness of problems linked to high-input agriculture is increasing, those stakeholders such as politicians, NGOs and farmers are searching for alternatives way to create the clearer path for them. As the result, the popularity of the organic agriculture in Thailand has increased which is a resulted

from a combination of three major trends which are the increasing public aspiration for healthy living, the development of sustainable agriculture in response to the crisis in the agriculture sector and lastly, the rise of environmental awareness, and pollution caused by use and misuse of agro-chemicals. The research was objected to understand the existing situation of Thai organic farming and also extend to the key success factors on the Tubtimjun roseapple system in Thailand. The data were collected from the farmers and processors/handlers. The semi-structured interview and observation were used to collect the data while the empirical and documentary analyses were applied in this research too.

As the result, there are findings which revealed that Tubtimjun roseapples are mainly leafy vegetables, especially the salad type, Chinese vegetables and premium crops such as asparagus and baby corn because of the pricing of the vegetable and its selling price of them is quite high compare to their other vegetable. The empirical study showed that there are 3 types of the Tubtimjun roseapple producers which are commercial family farms, farmer groups with contract farming and large-scale corporate farms. In conclusion, the key success factors and important techniques of organic farming are practiced with implicit knowledge from the elder of the family. The practices start from the process of the ecosystem preparation and input the nutrient into the soil, during planting, crop maintenance with the system of food chain, and harvesting. These practice is need to be created from the breakthrough idea from the farmer while the market access with simple post-harvest at farm level conduct to longer shelves life of the Tubtimjun roseapple and good quality produces are essential (Pornpratansombat & Thaipakdee, 2010).

## RESEARCH METHODOLOGY

This research is the descriptive research and exploration research which is objected to find the suitable and feasible distribution pattern for Thailand's Tubtmjun roseapple. The populations for this research are 50 stakeholders of Tubtimjun roseapple production and exporter.

In this research, the fixed-response interview is used. The populations of this research are 50 stakeholders of Tubtimjun roseapple production and exporter. The question in the interview is developed by study the related information of the objective and literature review then created the drafted question in the interview and sent to the 2 veteran researchers for correction. The interview question can be divided into 2 parts which are the general information and the research question.

## RESEARCH RESULTS

In the direct sale distribution channel, the most important decision element in the process of selecting a distribution channel for Tubtimjun roseapple is product handling, which is substantial at 4.85. Additionally, transportation has a high significance level of 4.54. The questionnaire results indicate that the moderately significant elements are work efficiency and cost, with levels of 3.66 and 3.75, respectively. And the variables that acquired a very low degree of significance in the process of selecting a distribution channel for Tubtimjun roseapples sold directly by local individuals are distribution power and public relations.

In the CO-OP distribution channel, the most influential choice element in the process of selecting a distribution channel for Tubtimjun roseapple is public relations, with a significance level of 4.85. Transportation and distribution power both have a high significant value of 4.65 and 4.66. The questionnaire results indicate that the moderately significant element is cost, with

a rating of 3.50. And the elements that acquired a relatively low degree of significance in the process of selecting the distribution route for Tubtimjun roseapple via the Co-Op distribution channel are product handling and operational efficiency.

The most important choice element in the middleman distribution channel selection process for Tubtimjun roseapple is the distribution power, which is substantial at 4.80. Public relations and operational efficiency also score highly, at 4.46 and 4.18, respectively. The questionnaire results indicate that the moderately significant element is cost, with a level of 3.30. And the factors that obtained a relatively low level of significance in the process of selecting a distribution channel for Tubtimjun roseapple via a middleman distribution channel are product handling and transportation, which earned a low level of significance of 2.40.

The most major decision element in the process of picking a distribution channel for Tubtimjun roseapple is the cost of distribution, which is substantial at 4.90. Along with public relations and operational efficiency, which have a considerable level of 4.66 and 4.49, respectively. Other variables, such as product handling, transportation, and distribution power, have a moderately significant level of significance at 3.88, 3.98, and 3.90, respectively.

## DISCUSSION AND CONCLUSION

As a consequence of the research, distribution channels may be classified into four types: direct sale, cooperative distribution, middleman distribution, and online distribution. The conclusion and advice are as follows.

For the direct sale distribution channel, manufacturers would prioritize the product handling process because it is the only one they can handle independently. However, the shipping procedure is critical as the court doll is a highly delicate object because to its unique construction. If damage to the items occurs, it is impossible to restore them to their original state. And the reason why public relations is the least major component is that the producer's competence for public relations or advertising is limited, since the producer's education level is often only in grade 6. Thus, the primary impediment to this form of distribution is a lack of technology and expertise.

When it comes to distribution via the CO-OP distribution channel, producers are mainly concerned about distribution power and public relations. However, the transportation of products is critical as well, as the commodities remain the property of the producer, and if an accident occurs, the producer and the CO-OP would bear the loss. The least significant factor is the efficiency of the job process. Due to the fact that the producers are the same set of people that live nearby, the villagers and the producer will operate in the same manner, which may result in an unprofessional workplace.

The most critical aspect in middleman distribution is the public relationship and distribution authority. As the intermediary is always good and expertise about marketing and distribution, the producer can receive the benefits from more effective distribution. The cost of distribution is one of the final considerations for the producer, as long as the intermediary is involved, the cost will grow. The producer will be less concerned with the transportation procedure than with the other distribution methods. Due to the fact that once the items are handed to the intermediary, the manufacturers are no longer liable for the goods, even if an accident occurs.

In the social media distribution channel, the most important aspect is the low cost of distribution, since producers may promote their products independently; this is quite fascinating for the producers. However, there are significant barriers to using social media as a distribution channel, including a lack of technological expertise and a producer's or farmers restricted access to computer technology and the internet in rural countries. Thus, social media distribution is a

very high-potential distribution route for a niche market product like Tubtimjun roseapple, but the government sector must help or enhance technical facilities and education.

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