

Hong Thong Rice “4th Gen” Monumentally Revamping Its Marketing Strategy



Hong Thong Rice — “4th Gen” — Monumentally Revamping Its Marketing Strategy by Focusing upon Supply Chain Department in its Marketing, Aiming for Year 2018 Goal Attainment with Sales Volume of More than Thai Baht 2,000,000,000 (Two Billion).

Strategically redeploying its marketing army, Hong Thong Rice (Fourth Generation) focuses upon Supply Chain Department with an aim to carry out system development on the brand’s three major topics i.e. increase in sales volume and productivity via instrumentalization of ‘web order system’; operational support management based upon e-filing; as well as utilization of data analysis program(s). The collective brand (Hong Thong Rice), in process, has established its 2018 business goal with the expectation to achieve more than Baht 2,000,000,000 (two billion) sales volume by the end of this year, and for each and every brand within the group to attain annual growth by not less than 15% within next three years, be it Hong Thong (Thai jasmine rice), Hong Thip (the so-called mixed rice), Hong Thai (white rice), or Hong Thong Life (brown rice), whereby Hong Thong rice (Thai jasmine rice) ranks top, enjoying greater than 85% of the entire rice group’s sales volume.

Mr. Gampanart Manathanya [sp], Director of Chia Meng Marketing Co., Ltd., the manufacturing distributor of Thai rice brand titled “Hong Thong Rice”, has revealed that, in the capacity of one of the executives (fourth generation), he is mainly in charge of Thailand’s domestic marketing strategies and tactics for all Hong Thong rice brands, be it Hong Thong (Thai jasmine rice), Hong Thip (the so-called mixed rice), Hong Thai (white rice), or Hong Thong Life (brown rice). Having taken the position for quite a certain period of time, Mr. Gampanart [sp] began making adjustments in terms of corporate strategy in management and administration in 2016 and so forth in order to increase work effectiveness in a number of areas, commencing from the idea to reduce consumption of office papers in light of a huge amount of related office supply expenditure having incurred prior to that, thus the introduction of e-filing to be carried out in lieu of certain palpable documents.

It was year 2016 in which a series of “serious” studies started taking place, particularly in terms of what needed implementing in association with supply chain, and how to transform the then system into the so-called value chain. In consequence, reorganization had been implemented, whereby Supply Chain Department would be added with an aim to carry out system development on the brand’s three major topics, the first of which is that of forecasting of sales volume and productivity via instrumentalization of ‘web order system’. Due to the warehouse’s inability at the time to meet with an increased demand of products with the on hand inventory available in each rapidly growing sales cycle, thus some of our products having been delivered later than scheduled, the first thing to do was to carry out forecasting; our employees would began working on the FC in order to increase inventory storage quality and to competently reduce relevant expenditures by 10% approximately, accounting for a total of Baht 3,000,000 per annum. In addition, inventory rotation would become increased from three to four times, resulting in an increase in the factory’s productivity by almost 15% to 20%, i.e. from the initial monthly capacity of 4,000 tons to 5,000 tons.

The second topic is that of operational support management based upon e-filing. First of all, the number of printed orders received from our clients had to be strategically decreased. Note that each day initially witnessed at least 300 bill orders coming in, not to mention each division’s internal

operational processes to have involved the printing of papers in “another three sets”, which required vast consumption of papers. In addition, the significant problem was also the need for paper storage area. In consequence, we have laid down the system based upon web order one so that orders were initiated online instead, prior to pricing or quotation, as well as the sales support activities, the latter to have been undertaken by Modern Trade and Traditional Trade sales teams; all within the web order system; etc. The web order system has proven to be beneficial to both Sales Department and Marketing Department’s operations, reducing a number of steps to be taken and a degree of complication, as well as remaining in observance with the chain of command when it comes to the requirement for superior’s approval. Furthermore, the system also helps (to) increase work effectiveness and efficiency by reducing low-quality time upon paperwork preparation, as well as integrating Procurement Department’s tasks of opening purchase request and purchase order into the system as well.

Mr. Gampanart [sp] went on that the third major topic is the utilization of data analysis program, whereby e-filing system would be introduced in lieu of the traditional one, thus resulting in the ability to retrieve database upon a real time basis and more accurately while also reducing manual operation, the latter of which might also be risk-prone toward human errors. E-filing system first took place in terms of sales and marketing data analysis, and feedback analysis, etc.; in consequence, among other benefits, the aforementioned system provides for higher effectiveness in both sales planning and marketing-related tasks.

“Our monumental re-strategization of “Hong Thong Rice” has been carried out in response to the Company’s growth, with the goal of year 2018 sales volume being targeted at Thai Baht 2,000,000,000 (two billion) by the end of 2018, and to attain annual growth by not less than 15% within next three years. Based upon our marketing strategy, i.e. product segmentation in particular, there are four brands as follows: Hong Thong (Thai jasmine rice), Hong Thip (the so-called mixed rice), Hong Thai (white rice), and Hong Thong Life (brown rice). Note that the majority of sales volume, accounting for 85% of the entire rice group’s sales volume, is achieved through Hong Thong rice (Thai jasmine rice) brand, the next to which is ‘health rice’. This year, it is to be noted, has witnessed the Company’s development of two brand-new ‘health rice’ product line: 1) Zuper Rice, weighing one kilogram); and 2) 100% Quality Thai Rice, weighing five kilograms. Both of the aforementioned may be found in quality department stores near you,” concluded Mr. Gampanart [sp] in the end.