COURSE
Master Thesis International Marketing
EF0705

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The battle of DTAC in Thailand’s mobile phone operator market
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dtac
**ABSTRACT**

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<th>2008-05-26</th>
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<td>Program:</td>
<td>International Marketing</td>
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<td>Course:</td>
<td>Master Thesis International Marketing (EF0705)</td>
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<td>Teacher:</td>
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<td>Strategic question</td>
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<td>Purpose:</td>
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<td>Theory and Method</td>
<td>Researchers apply ‘Business Strategy theory and Marketing mix for service company or 7Ps’ to answer the strategic question by collecting primary data from questionnaire and interview, while the secondary data are collected from various reliable sources. The analysis of the data has been performed in accordance with the chosen theories and summarized in a table, which serves a tool for deriving reliable and relevant conclusions.</td>
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<td>Target audience</td>
<td>Our Master Thesis’ analysis and conclusion will contribute very positive benefit and useful information towards Total Access Communication Public Company Limited (DTAC). Researchers strongly believe that the company’s intend to use this study as a base for their further business strategies. We also consider that our research could give general guidance and will be of benefit to marketers in similar fields on how to analyze competitive environment.</td>
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<td>Conclusion:</td>
<td>From the result of internal and external evaluation matrix, DTAC can gain advantage of the opportunities and reduce negative effects from the threats as well as reinforce the strengths and minimize the weaknesses efficiently. As a consequence, in order to gain higher market share in Thai mobile phone market, DTAC has to improve the overall elements of marketing mix for service company (7Ps) substantially. To enhance competitive position in the market, DTAC has to increase company performance especially in quality of signal, sale promotion, in-store advertisement, store image, store layout and decoration and store facility elements because of DTAC received lower of satisfaction rate compared to what customer expected. Furthermore, strengthening the other attributes in each element of Product, Price, Place, Process, Promotion, People and Physical evidence also help DTAC to gain higher market share.</td>
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Acknowledgements

As every Master thesis, this work has been shaped at its various stages by number of people. First and foremost, we owe our supervisors, Tobias Eltebrandt, many thanks. You have helped us choose among many paths, leading us toward those that would best help to find the way. We would also like to express many thanks to those who have served as opponents in Red Bull group at the various seminars for this thesis. With the contribution of them, we find out the way we are.

During our Master program year, we would like to thanks for our friend in International Marketing MIMA program, thanks to our friend in Kasetsart university MBA program who contribute us in questionnaire survey in Thailand.

Last but not least, we would like to express our gratitude to Miss Pimpita Narattakit, a representative from trade department of DTAC who provides the useful information within DTAC fulfill our research with more validity and reliability.

Parunya Vanasakul
Ploychompoo Wankeao
Supisra Arayaphong

May 19, 2008
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1. Introduction

DTAC – a short background and history

In accordance with DTAC’s annual report 2007, Total Access Communication Public Company Limited has the operation under “DTAC” brand. DTAC is one of the leading players among three principal operating cellular services in Thailand market. DTAC has positioned itself as a favorite choice for customers in term of services and value of money. Moreover, DTAC has consistently expanded its network coverage and quality. In 2007, DTAC has total cell sites all over the country around 8,166 sites. DTAC has expanded its distribution network outside the traditional telecom sales channels in order to reach more people (Total Access Communication’s annual report, 2007).

DTAC was founded in August 1989 providing wireless telecommunication service 800 MHz and 1800 MHz frequency bands under a concession granted by the Communications Authority of Thailand (“CAT”). In order to promote the development of telecommunication services in Thailand, Thai government allowed the private sector to participate in telecommunication market. Under the concessions on a system called Build-Transfer-Operate (BTO) basis, DTAC operates with two other state enterprises, which are TOT Public Company Limited and CAT Telecom Public Company Limited (CAT). Moreover, under the BTO arrangement, the private operators as DTAC as concession holders, are required to build network infrastructure and transfer the assets to the state agencies granting the concessions. The operators thereafter have an exclusive right to use the assets during the term of the concession and operate cellular network to provide services on a revenues sharing basis with the state agencies awarding the concessions in return for the exclusive right to the use of the allocated frequency band. DTAC is extended the concession until the year 2018 (Total Access Communication’s annual report, 2007).

In order to be number one in Thailand telecommunication market, DTAC has to win out in the major area especially Bangkok, the capital city which is considered as “Metropolitan area” or major business area. According to Department of Provincial Administration, the number of population from registration recorded by region in 2007, there are 5,716,248 people in Bangkok (Department of Provincial Administration, 2007). However, there are many unregistered number of people live in Bangkok but there is no recorded data available. Besides, according to National Statistical Office of Thailand, Bangkok maintains the first place of metropolitan province as because 68.4 % from 28.29 million of cellular mobile phone users are in this area, which is the most certain amount (National Statistical Office of Thailand, 2006). This statistic data shows that Bangkok is the biggest market for DTAC and most of Bangkockian has mobile phone. Moreover, DTAC gains the second rank 30% of market share in Thailand which is the second behind Advanced Info Service Public Company Limited (AIS), the first player in market that governed 49% in 2007 (Telenor, 2008). In order to be number one, DTAC has to dominate the metropolitan telecommunication area like Bangkok. In perspective of brand acceptance, being the number one in Bangkok would make positive brand image as a leader in the capital city of Thailand. Therefore, Bangkok market become precisely important due to this can strengthen DTAC position. In order to gain higher market share in Bangkok, DTAC precede strategic plan to keep existing customers and attract new customer base which
from other competitors' base because most of population in this area has mobile phone already. (Mobile phone operator market, 2007).

In accordance with the new brand image of DTAC which carries modern message and freshens new look either reposition the brand itself to be more powerful or elevate DTAC to become one of the most brand admired among telecommunication providers. In the year 2008, the new image of DTAC will be more motivative to attracting more mobile phone subscribers in the sense of refreshing image and more convenience to use product and services. This new trademark could make customer perceived DTAC as an internationalize brand which raising more brand value and brand awareness to the rather high-end group of customer like corporate group customers who really need to trust on global image organization. However, this means that DTAC still maintains a price-based brand value by implementing “Localization” strategies, really effective in strengthen more reliable in global brand identity as a mobile communication service worldwide. DTAC will gain competitive advantage from employing both local approach and global expertise basis in its strategic positioning. As DTAC strives for being the first leading brand in the market, the firm has to purposefully penetrate through Bangkok market (Mobile phone operator market, 2007).

According to statistic data from the National Statistical Office of Thailand, Bangkok average household income is approximately 7,000 SEK per month while the average household income for the whole country is 3,732 SEK per month in 2007 which attach significant to the high purchasing power customer (National Statistic Office of Thailand, 2006). As a result, Bangkok is a potential market to focus as main target market. Although, Bangkok is a considerably demanding market but it is also a tough market in the sense of intense competition. (Siamrath, 2007). Owing to this above reason, the authors are interested to investigate on variables and factor that could help DTAC accomplish the company objective and come up with an alternative strategically critical solution in practical way.

**Products of DTAC**

Under pricing competition driven in the market, DTAC offers product and service in lower price-based structure and customer care oriented (Total Access Communication’s annual report, 2006). DTAC provides two categories of main services which are Pre-paid and Post-Paid to satisfy the exact and actual need of customer. DTAC also provides a wide variety type of package and promotion to capture wide range of targeted customers from metropolitan and provincial area. Moreover, DTAC also provides supplement services in correlate with the main services such as feel good services, a variety of service for at most convenience of customer, international roaming and international call and mobile ATM. DTAC has categorized “Happy” for the brand for mass market for common user. And postpaid service is targeting for a more functional customers’ need.

Value added Service (VAS) in the year 2007 was driven further by the expansion of high speed data network using EDGE technology to cover the whole country. VAS is dividing in four types of services consisting of Short Message Service (SMS), Mobile Internet Service on EDGE or GPRS network, Ring Back Tone and content download (Total Access Communication’s annual report, 2007).
**Business strategy of DTAC**

In the year 2007, DTAC has adjusted branding strategy and launch new brand campaign to be more distinct in order to differentiate itself from other cellular mobile providers. As a result, this will affect to the overall brand image and marketing strategy. DTAC is also re-feeling customer to the individuality of brand recognition to become more like customer-oriented brand because DTAC will strength the brand and enhance customer experience. DTAC also pursues and promotes simplicity philosophy to either enhance brand recognition or customer satisfaction by not emphasizing too much on hi-technology but increase better value added services as call center for customer care and simple services for customers’ convenient experience. DTAC considers that market will not continue as the price battle anymore. The growing rate in the next few years will be low and the market become reaching its saturation point. The leading mobile phone providers will compete on their branding. (Total Access Communication’s annual report, 2007).

Comparing DTAC to other competitors, DTAC has been strengthened and strong enough for its new brand positioning. DTAC also pursues its corporate marketing toward its sub-brand according to straight and clear brand characteristic strategy. For prepaid service (Happy), DTAC indicates Happy as a simplicity brand targeting on common folks segmentation and has potential to seize new target group as teenagers as this target group for DTAC is still inferior to AIS. Apart from prepaid service, DTAC pursues relationship marketing in order to maintain existing customer which is about two million subscribers. DTAC increases more emotional service as combine accidental insurance service “Life Care”. Therefore, from all above information we can imply that DTAC is a customer-oriented brand (Total Access Communication’s annual report, 2007).

**Mobile phone operator market**

The overall picture of telecommunication market in Thailand seems to be mature and penetrated by many leading mobile phone operators. There are fierce competitions among the leading players offering a lot of valued package and aggressive promotion for customers. Even though, the smaller competitors venture to offer much lower price, the first dominating player in market is still being AIS. In 2007, AIS capture 49% of market share and also being stable for holding the largest number of subscribers which is 22,600,000. While DTAC is still far behind follow by only 14,480,000 subscribers. As of 31 December 2007, DTAC has market share approximately 30%. Furthermore, True is the third ranked player which account for only 9,090,000 subscribers as 19% of overall market (Krung Thai Bank PLC, 2007). The market become more intense due to all mobile phone operators offer weekly promotional package and invest heavily in advertising. This directly effects to advertisement circle to become more animately. Therefore, this is mostly beneficial to customers in order to be more freely to choose wider range of alternative products. The more intense in the telecommunication market, the more beneficial to customers.

The pricing competition was more intense in 2006 continuing to the year 2007. Many new products and lots of aggressive pricing promotions were launched to attract customers to have more new customer base. DTAC was focused on customizing post-paid and pre-paid packages to each customer segment. Despite the intensified competition in the market, DTAC was continuing to strengthen its positioning and market share by keep focusing on branding, improvement of
network quality, innovative in services and product and expansion of distribution channels (Total Access Communication’s annual report, 2007).

Furthermore, according to the National Statistical Office of Thailand, the market for mobile telecommunication in Thailand has developed significantly over the past 5 years. The penetration rates are increasing from 28.2% in 2004 to approximately 47.2% in 2007 (National Statistic Office of Thailand, 2006).

Besides that, marketing information from Report on mobile phone operators market in 2007 shows that DTAC turns around to be a brand-oriented since Thai telecommunication market is more likely to reach the saturation point. As a result, all mobile phone operators will not focus on low price strategy but will complete in term of launching new package and promotion campaign especially in the provincial area. The most significant issue is to retain current customer satisfaction and new customer. Due to the fact that mobile phones are tend to be more similar to consumer product by developing only 1-2% of growing rate per year. Thus, DTAC tend to focus on retaining current customers and developing simple tariff price structure and value added service. This is an approach that turn to advantage for DTAC only in the short period. (Mobile phone operators market, 2007)

Problem statement and purpose

All above show that, mobile operator market has fierce competition, DTAC could be able to strengthen their competitive position, if they can attract new customer from the other competitors and at the same time satisfy current customer. Consequently, our research is mainly focusing in which way DTAC could be able to achieve more market share. Data from previous section shows that Bangkok is the biggest market and most of user has mobile phone already so researchers will study in Bangkok are by focus on the six central business district (CDB) in Bangkok from Export Quality Service Company which is Sathon, Pathumwan, Ploenchit, Bang Rak, Lumpini and Wattana. These districts are main business area and represent the whole sampling size of people who use mobile phone in Bangkok city. Further elaboration can be found in methodology part.

Hence, the strategic question is how can DTAC gain higher market share by focusing on customers in Bangkok?

The purpose of this research is to investigate, analyze current competition between DTAC and other competitors with customer insight from survey by questionnaire in order to find out the possibility for DTAC to gain more market share in Thai telecommunication market by focusing on Bangkok area. In order to answer the strategic question, researchers discuss research framework including sampling size with a representative from DTAC and found that by focusing in Bangkok area can represent the whole country because Bangkok is the biggest market. Besides, by improving marketing strategies in Bangkok, the market share of the whole country would increase in the same direction (P. Narattakit, personal interview, May 11, 2008).

So, studying in Bangkok area would bring practical recommendation on marketing strategies to response with the competition for DTAC in order to bring about practical approach in terms of winning out the first place.
Target audience

This Master Thesis’ analysis and conclusion will contribute very positive benefit and useful information towards Total Access Communication Public Company Limited (DTAC). All research process are guided and discussed with representative from DTAC, researchers strongly believe that the company’s intend to use this study as a base for their business strategies.

Researchers also consider that our research can give general guidance to marketers in similar fields on how to analyze competitive environment.

Limitation

Due to, Bangkok has a gap between the number of registered and unregistered population, the market share in Bangkok is hardly to collect in an exact number. Moreover, the questionnaires that the authors sent were designed in Thai language in order to deliver the meaning of the message correctly. Then, the authors translated into English language according to state in the thesis.
2. Theory

In this chapter researchers explained the used theories. To answer the strategic question mentioned in introduction part, the strategic business management theory are discussed in each steps starting from establishment of corporate goals, analysis of external opportunities and threats, analysis of internal strengths and weaknesses, competitive condition in the market, marketing strategy (marketing mix for service company or 7 Ps) and marketing implementation. The adjustment of the theory to DTAC case will be explained along with the theory.

2.1 Strategic business management theory

According to Strategy Management, concept and cases (S. Opitakchewin, 2007), Strategic management theory is a technique used to create a favorable future and help the company to prosper in their business industry. In order to create favorable future, the company’s stakeholders including shareholder and the other people that effect the way company doing business, are involved in envisioning the most desirable future and then is working together to make company’s goal become reality. The key to strategic management is to understand that people communicating and working together will create this future. Strategic management does not replace traditional management activities rather it integrates them into a broader context, taking into account the external environment, internal environment;

Figure 1: Strategic Business Management Model

Sources: Strategic management, concepts and cases (S. Opitakchewin, 2007)
analyze competitive condition in the market and practical marketing strategies to come up with effective marketing implementation. (S. Opitakchewin, 2007)

**Strategic Business Management Model for DTAC**

![Diagram of the Strategic Business Management Model for DTAC](image)

**Figure 2**: Modified Strategic Business Management Model for DTAC

Source: Strategic Management, concepts and cases (S. Opitakchewin, 2007).

Strategic management can help the company to choose a direction. Companies that use a strategic management model do so because they are sensitive to volatility in the external environment. With strategic management, the management focus goes beyond forecasting population shifts and concentrates on understanding changing in internal and external environments, competitive position, and competitor initiatives. Decisions, then, are better attuned to the external world. Managers use strategic management as a management function to allocate resources to programmed activities calculated to achieve a set of goals in a dynamic, competitive environment. The Strategic Management Model in figure 1 has the following steps:

**Step 1** Establishment of corporate goals

A goal is an expression of what the company stands for and believes in. A clearly defined goal would provide direction, determines decisions and motivates people.
For example, in DTAC case showed in figure 2, the company’s goal is to gain higher market share in Thai market. The company’s goal effects every department in the organization. In recent years, a wider variety of goals have been suggested including profit maximization, gaining higher market share, total sale, manager satisfaction, environmental protection and many other. Every department must collaborate to reach ultimate goal of the company as a whole. (S. Opitakchewin, 2007)

Consequently, the finding and analysis will begin from the second step to find the way to accomplish strategic question or goal of the company.

**Step 2**  Analysis of external opportunities and threats

In figure 2 of DTAC case, the framework of finding and analysis started from the second stage because the first stage of the goal is our research question explained in introduction part. An external factor evaluation could show how effectively the firm’s current strategies respond to each factor. A key premise of strategic management is that plans must be made on the basis of what has happened, is happening, and will happen in the world outside the organization with a focus on the threats and opportunities these external changes present to the organization. To accomplish the goals, company has to take advantage of the opportunities and reduce the negative effects from the threats. The external environment can divided into opportunities and threats. Opportunities could be on the following:

1. Growing of the market
2. Growing of related market that has impact on the market that the company working on.
3. Positive effect from government regulation and precedent company’s policy.
4. Other factors such as barrier of entry and consumer trend. (S. Opitakchewin, 2007).

On the other hand, threat is the changing of external environment that bring negative effect on the company. Threat could be on the following:

1. Uncertainty in government policy
2. Uncertainty in economic environment. For example, fluctuation in interest and foreign exchange rate
3. High competitive condition among competitors
4. Other factors such as higher risk and bargaining power and availability of company’s substitute product. (S. Opitakchewin, 2007).

Starting with an external analysis, can help to analyze concern with the external factor that influences the way company’s doing business. Beside that opportunities are the positive external factors the company can employ to
accomplish its goals. And threats are negative external factors that inhibit the firm’s ability to accomplish its goals.

**Step 3  Analysis of internal strengths and weaknesses**

Every organization has its own strengths and weaknesses. To accomplish the goal, company has to strengthen the strengths and minimized the weaknesses effectively. Identifying the organization internal strengths and weaknesses is the key in business management to utilized corporate resources. (S. Opitakchewin, 2007)

Strengths are the positive internal factors that contribute to accomplishing goals. Strengths could be on the following:

1. Positive brand image, brand awareness and brand recognition.
2. Employees skill or specialized.
3. Effective production
4. Good channel of distribution
5. Superior product quality and wide product variety
6. Good support or collaboration from parent company or external. (S. Opitakchewin, 2007)

Weaknesses are the negative internal factors that inhibit the accomplishment of corporate goals. The company has to handle this in effective manner. Weaknesses could be on the following:

1. High cost of production
2. Internal management problem
3. Low product quality
4. Financial constrain (S. Opitakchewin, 2007)

**Step 4  Competitive conditions in the market**

Analyzing competitive condition involve with the decision that need collaboration from every department of the company. The analyzed come from reliable collected data about the company itself and competitor’s movement. The needed data included general information about competitors, market share, market growth, revenue growth, current marketing strategies of all players in the market. (S. Opitakchewin, 2007)

Moreover the company needs to predict the market trend and the movement of competitors to cope with those changes. The company would know the competitive position in the market by analyzing competitive conditions. Understanding this competitive position would be useful in designing marketing strategies toward target customers. (S. Opitakchewin, 2007)

**Step 5  Marketing strategies**

In DTAC case, marketing mix for service company of Booms and Bitner are extended from marketing mix for consumer product company or 4Ps. The traditional 4Ps are more useful for tangible product but service company require 3 more aspects which are people, process and Physical evident. The particular marketing variables under each P are shown in the drawing below. These four P’s are combined in the mix to market products or services (Kotler, 2006). Each P
depends on the focus that the company have with its products. For example, a price oriented airline like Air Asia airline focuses on the P of price. This is the one thing Air Asia airline can stand out with and focus on (S. Opitakchewin, 2007).

2.2 Marketing mix for service company (7Ps)

Product

The most important thing in Marketing Mix is Product element which is goods or services that the company providing for the customers. The company should be clear about customers’ personality which brings about the requirements for the company to develop product design or service design that matching with the customers’ needs. In production decision making, the company should have to trade off between the differentiation and low cost due to the target customers of the company. The product that differentiates from others is suitable for niche market customers while low cost product is appropriate for the company to gain the benefits from competitive advantage (Kotler and Keller, 2006, p.19)

Price

Price is an important element in marketing which the company should concern carefully when setting price charging the customers in product both in good and service. Price volume will be charged differentially depends on the types of the customers and the quality of the product and service. Therefore, the customers will have to make a trade off between quality and cost that affordable for the customers. However, the company can set the reasonable price that is the high quality product and service with sensible price for the customers to consider (Kotler and Keller, 2006, p.19)
**Place**

Place is the channels or routes in the market that transport product and service from the company to the customers. This would be including a distribution channel, a retailer or a wholesaler that play a dealing role in the middle between the company and the customers. In addition, the location is also involved in this element for the company to think about. The proper location requires more cost to invest but in contrast this location will provide an increase in sales for the company. Therefore, the company should consider and set the location that is suitable with the target customers and product and service kinds (Kotler and Keller, 2006, p.19)

**Promotion**

Promotion can refer to the promotional tools that could be employing not only to encourage an interest in the customers’ mind but also eventually an objective in purchasing. This promotion tools can be advertising in all media such as poster, television, and internet, sales promotion such as happy time and discount card, direct and indirect marketing, public relations, personal selling, and exhibitions and trade fairs (Kotler and Keller, 2006, p.19)

However, another three more elements for service industry that Booms and Bitner pointed out are on the following:

**Physical evidence**

Physical evidence is the element of the marketing mix for service company that allows the consumer to make their judgments on the company. For example, walk into a restaurant customer expectations are of a clean, friendly environment. On a first class seat in aircraft customer would expect enough room to be able to lie down. Physical evidence is an essential ingredient of the marketing mix for service company, consumers will make perceptions based on their sight of the service provision which will have an impact on the company perceptual plan of the service (Kotler and Keller, 2006, p.19)

**People**

Staff and people is an essential ingredient to any service company. Recruiting the right person and training them appropriately in the delivery of their service is an essential task if the company would like to gain competitive advantage. Consumers make their judgments and deliver perceptions of the service based on the staff that interacts with them. Staff should have the appropriate interpersonal skills, attitude, and service knowledge to provide the service that consumers are expected (Kotler and Keller, 2006, p.19)

**Process**

Process is to the systems used to assist the company in delivering the service. For example, customer walks into Burger King and orders a Whopper Meal and get it delivered within 2 minutes. That is the process that allowed obtaining an efficient service delivery. Banks that send out Credit Cards automatically when their customer’s old one has been expired require an efficient process to identify expiry dates and renewal. An efficient service that replaces old credit cards will foster consumer loyalty to the company (Kotler and Keller, 2006, p.19)
Step 6 Marketing implementation

The analysis of external opportunities and threats, analysis of internal strengths and weaknesses, competitive condition in the market, marketing strategy could bring useful information regarding the current situation of the company and competitive environment. The information shows the competitive position in the market that could bring practical business and marketing strategies to response the market. These recommended strategies could help the company to accomplish the goals. (S. Opitakchewin, 2007)

In DTAC case, the recommended strategies would help them to gain higher market share as mentioned in introduction part.
3. Methodology

In order to analyze Thailand/Bangkok’s mobile phone operator market and the strategic business management strategies of DTAC, both primary and secondary data was used. The secondary data mainly came from company’s annual report and reliable sources such as strategic business innovation management book, official website and famous newspaper. The primary data came from distributed questionnaires and interview.

3.1 The choice of topic

According to the annual report, DTAC has continued expansion in innovative products and services and also created the commitment with their customers which strengthen their performance and their position both in operational and financial terms (Total Access Communication’s annual report 2007). However, according to marketing information from Report on mobile phone operators market can imply that DTAC is still being the second leading players in the mobile phone operators market while AIS is the first dominating player who gains the most piece of the market share in this mobile phone operators market (Mobile phone operator market, 2007). According to the information from Kruinthai Bank, the number of AIS user is 23,500,000 while the number of DTAC user is only 14,480,000 (Kruung Thai Bank, 2007). Many analysts indicate that overall market becomes more mature and DTAC is still far behind AIS even DTAC provides lower price. True, is a smaller competitors but aggressive in launching marketing strategies. All three mobile phone operator companies offer weekly promotional package and heavy advertising. Aside from DTAC, AIS and True, there are a few more players which account for only two percent of market share in total (Mobile phone operators market, 2007). Due to minimal effect and present in the market, researchers will study competitive condition of DTAC, AIS and True only.

Furthermore, National statistical Office indicates that there is an increase in a number of mobile phone users in Thailand from 16.54 million to 28.29 million for year 2004 to 2007 respectively and the most fractions is in Bangkok, the capital of Thailand. The population in Bangkok is 5,716,248 by the year 2007 which is the most intensity province in Thailand as according to the Department of Provincial Administration. Moreover, most of people in Bangkok have higher purchasing power than other provinces. This means that Bangkok is a potential market for DTAC to emphasize as target market (National Statistic Office of Thailand, 2006). Aside from that, Bangkok area can represent the whole population because the behavior of Bangkokian is the behavior of Thai market. Consequently, improving marketing strategies in Bangkok, the market share of the whole country would increase in the same direction. (P. Narattakit, personal interview, May 11, 2008)

Therefore, the mobile phone operators market has a potential for growing, so that the mobile phone operators can gain more pieces in this market (Department of Provincial Administration, 2007).

Therefore, researchers are interested in examining the current market situation, company’s strategic position, internal and external environment of the company in order to recommend potential solution for DTAC to beat the major players which are AIS and True in the mobile phone operators market. In addition, the
data from national statistic office shows that there are approximately 19.35 million of cellular mobile phone users in Bangkok while the registered numbers of Bangkokian are 5,716,248. The different in number means that there are many unregistered population in Bangkok, for example students from other province some of them use more than one service provider and most of people in Bangkok currently using service from major operator provider which are AIS, DTAC and True.

Therefore, researchers will study from current users of DTAC, AIS and True. The researchers came up with strategic question that is “How can DTAC gain higher market share by focusing on customers in Bangkok?”

3.2 The chosen theories

To analyze operator provider market in Thailand, two management theories were applied to analyze both primary and secondary data of DTAC's strategic business management.

In order to understand the marketing environment of fierce competition in mobile phone operator market, researchers applied strategic management theory to analyze company's capability, competitive environment and competitive position of the company itself compare with the other players. Consequently, researchers had adapted the Strategic Business Management model to be suit with the company. There are various theories and business concepts in strategic management theory such as External Factor Evaluation (EFE) Matrix, Internal Factor Evaluation (IFE) Matrix and competitive condition of the market. After analyzing the competitive condition, marketing mix for service company or 7P's (Product, Price, Place, Promotion, Physical evident, People and Process) were adopted to provided deeper scope of marketing strategies in order to come up with practical recommendation to cope with the competition for DTAC.

Consequently, there are four reasons that make those two theories more suitable in answering strategic question than the other theory. Firstly, strategic management theory provides overall picture of the market environment. The theory starts from existing goals which provide corporate direction. Secondly, External Factor Evaluation (EFE) Matrix shows how DTAC cope with changing in external environment. Weighting and rating each element in opportunities and threats provide insight information on how DTAC take advantage from opportunities and reduce threats. Thirdly, Internal Factor Evaluation (IFE) Matrix provides deeper analysis in every aspect of strengths and weaknesses. Because of all strengths and weaknesses will be weighted and give rating so it can show how company strengthen their strengths and decrease weaknesses in each elements of internal factors. Fourthly, analysis of competitive condition in the market could give a clear picture of DTAC competitive condition concerning current market share and company growth rate compare with main competitors which are AIS and True. Finally, marketing mix for service company provides marketing strategies in product, price, place, promotion, people, process and physical evidence aspect from consumer perspective.
3.3 The choice of collecting information

This study was employed as an empirically test for analyzing Bangkok’s mobile phone operator market and the strategic marketing strategies of DTAC. The research was based on primary data and secondary data.

The primary data came from distributed questionnaires and interview. A questionnaire was mainly designed to represent purchasing habits of the potential customer group in Thailand market. Because of various product categories of product lines and service, the target customer of DTAC is wide range of customers. However, the target respondents of the research are people have mobile phone, currently using service from DTAC, AIS and True and lived in major business areas in Bangkok.

For the interview, one of group members had personal contact in DTAC so that this helped the researchers to get access company’s internal information and company’s marketing strategies from executive point of view. In this part, the methodology and data gathering was presented as follows:

**Secondary data**

The secondary data was gathered mostly via Internet with awareness of information’s erroneousness existed in Internet. In order to emphasize the reliability, the researchers focused mainly on the company's official website, the marketing information company, the central organization or institute websites such as The Stock Exchange of Thailand, newspapers and peer-reviewed electric journals such as Bangkok Post, Post Today, Thai Rath and even Thai Bank, Krung Thai Bank. From company annual report, company in-depth information was gained such as Operational and financial highlight, the Thai mobile market and Business Outlook for analysis of business network or Products and Services that is for indicating product lines for company’s businesses, prepaid business and postpaid business. Moreover, Company’s milestones, Risks and Mitigation, Corporate Governance, Interested Person Transactions, and Shareholders Structure could be analyzed for company’s operations and managements.

Additionally, Researchers gathered weight and rate of the score from strategic business innovation management fourth edition by Phanu Limmanont that sent by DTAC through airmail. However, there are only three factors which are cancellation of warrantee service charge attract new subscribers (in opportunity), network coverage growth inadequacy with the growth of customer needs (in weakness), higher bargaining power because of lower switching cost (in threat) require supported primary data from interview on May 15, 2008.

The marketing information company provided general information of the company including company product and history from the year 2002 to 2007 and clarified market information of the company regarding with company’s strategy and marketing mix strategy in product, price, place, and promotion. Furthermore, newspapers and peer-reviewed electric journals gave market information in mobile phone which is the market segmentation, market value and market share. Nevertheless, general information about competitors and marketing strategy were also provided. The information gathered through the central organization or institute websites, for the Stock Exchange of Thailand is mainly regarding in-dept business performance that is the executive summary of the company including risk factors, nature of business, business operation of each product line, research
and development, investment assets, future plan, legal conflict, management, internal control, financial statement and operating performance.

**Interview**

The interview is “semi-structured”. The interviewers have a schedule to remind them of the main issues and topics that needed to be covered by the respondents. However, the respondents have much latitude to respond to the question in the way seem sensible to them. (Fisher, 2007, p.159)

The interview was conducted on April and May 2008 to get insight information regarding thesis topic, conceptual framework and specific detail of DTAC business strategies of the company.

Furthermore, the interview questions was constructed in accordance with the chosen theory which was mostly about specific information which is not available in the market, the only way to get more detail of needed specific information is to interview from the company itself. The key success factors for telecommunication business in term of DTAC perspective, the Weaknesses and Opportunities in this business. Moreover, the researchers also asked question about recommended theory which is strategic business management theory and the modification in DTAC case. Miss Pimpita Narattakit was the interviewee as she is the key person of Trade department of DTAC. As she is in charge of business planning and prepaid business performance which is the main product of DTAC, she is expected to be the person who can give more insight information that the company enable to provide to public in regard with marketing strategies of the company itself. Her working period in DTAC is company’s confidential. Nevertheless, the researchers believe that interviewing method is the most suitable method in order to answer the problem statement because it provides wide perspective of information and does not limit the respondents’ opinion as the other tools. The information from the interview was aimed to be the essential sources of current information to formulate updating strategic marketing plan in accordance with the problem statement of this thesis research. The interview process was conducted in Thai to lessen language barrier. The detail of each questions are as follows:

The first interview conducted by asking two questions regarding thesis topic which are:

1. Is there any topic that DTAC interested in assigning us to investigate or doing research? (Objective: Research question)

2. In order to analyze this topic effectively, researchers need practical theory to run the process. Does the company have any recommendation on the theory that we should apply in this research?

The second interview conducted by asking three questions regarding conceptual framework which are:

1. After the first interview we develop research question which is ‘how can DTAC gain higher market share by focusing on mobile phone operator market in Bangkok?’ In order to gain higher market share for the whole country, can sampling size in Bangkok area represent the whole country or should researchers study for the whole country in this aspect. (Objective: Establishment of corporate goal)
2. Researchers start to collect primary and secondary data to analyze according to business strategy theory. In the process of corporate external opportunities and threats and corporate internal strengths and weaknesses, researchers have to weight and give the rating to each factor, do the company have any suggestion on this process to assure the accuracy? (Objective: Corporate external opportunities and threats, corporate internal strengths and weaknesses)

3. Does the company have any idea if we apply marketing mix for service companies or 7Ps to investigate and come up with recommendation in the process of marketing strategies and marketing implementation? (Objective: Marketing strategies)

The third interview conducted by asking three questions regarding specific details for finding part which are:

1. Is there any adverse effect from a sharp increase in number of customers?
2. What is a benefit of the ending warranty service charge policy of the company?
3. Do you think that the changing in consumer behavior has an adverse effect to the company? In what ways?

Apart from the questions, all the answers’ detail from interviews were demonstrated in appendix.

**Questionnaire**

**Population and Sampling techniques**

Researchers often needed to estimate characteristics of large populations. To achieve this in an efficient manner, it is necessary to determine the appropriate sample size prior to data collection. Therefore, the researcher gathered the information from the Department of Provincial Administration. The population in Thailand is 63,038,247 (in December, 2007) and the number of population in Bangkok is 5,716,248 people. However, this is rather impossible to stress on all of the population which probably lead to error terms in data collection. In order to lessen the margin of error and make the research to be more reliable, that is necessary to take a sample which can represent the whole population (Fisher, 2007, p. 189). As the total number of population is more than one million people, the suggested number of sample is 384 samples at the margin of error at 5% (Fisher, 2007, p. 160)

Researchers applied Quota Sampling technique by distributing self-administrated questionnaire to top six main business districts or Central business districts (CBD) in Bangkok central region which are Sathon District, Pathumwan District, Ploenchit District, Bang Rak District, Lumpini District, Wattana District (Official website of Export Quality Services Co., Ltd). Researchers employ part-time surveyor to distribute questionnaires to respondents on April, 2007. The part-time surveyor obtained Master's degree in Business Administration (MBA), majoring in marketing. She was a part-time research assistant for Kasertsart University professor. She had experienced of doing many research papers in marketing field before resulting in her clearly understand of research objective and process. Due to high cost of sending all questionnaires to Sweden, she had managed to sent the result in the form of Microsoft Excel soft file data to
researchers via e-mail. Consequently, it strongly assured that data gathered was well conducted. Moreover, she were also responsible for distributing questionnaires to residents who live in the following areas:

**Table 1: Area of distributed questionnaires**

<table>
<thead>
<tr>
<th>Companies</th>
<th>AIS</th>
<th>DTAC</th>
<th>True</th>
<th>Number of Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Districts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sathon</td>
<td>32</td>
<td>20</td>
<td>12</td>
<td>64 questionnaires</td>
</tr>
<tr>
<td>Pathumwan</td>
<td>32</td>
<td>19</td>
<td>13</td>
<td>64 questionnaires</td>
</tr>
<tr>
<td>Ploenchit</td>
<td>32</td>
<td>19</td>
<td>13</td>
<td>64 questionnaires</td>
</tr>
<tr>
<td>Bang Rak</td>
<td>32</td>
<td>19</td>
<td>13</td>
<td>64 questionnaires</td>
</tr>
<tr>
<td>Lumpini</td>
<td>32</td>
<td>19</td>
<td>13</td>
<td>64 questionnaires</td>
</tr>
<tr>
<td>Wattana</td>
<td>32</td>
<td>19</td>
<td>13</td>
<td>64 questionnaires</td>
</tr>
<tr>
<td>Total</td>
<td>192</td>
<td>115</td>
<td>75</td>
<td>384 questionnaires</td>
</tr>
</tbody>
</table>

In order to gather questionnaires that can represent the competitive condition in the market, numbers of questionnaires are required in the same proportion with market share of each company which are 49% for AIS (192 questionnaires), 30% for DTAC (115 questionnaires) and 19% for True (75 questionnaires). However, the result after the calculation founded that the decimal number was calculated into whole number. Therefore, the number of DTAC respondents in Sathon area is more than in the other area while the other area has more respondents than True. Still, the differentiation is only one number of respondents so the effect on the result was minimized.

After that, purposive sampling technique was applied. Fisher states that a purposive sampling technique fits when the case is to simply get enough questionnaires filled in. This is grand way of saying that the researcher put into their sample whoever they can obtain access to or whoever they think may be appropriate respondents for the questions they want to ask (Fisher, 2007, p. 191). By this purposive sampling technique, surveyor will approach residents who live in six mentioned business area who has mobile phone and currently using service from AIS, DTAC and True.

As Thai people have limitation in English so questionnaire was translated in Thai by using Back Translation method. In back translation the questionnaire was translated from one language to another, and then a second party translates it back into the original. (Ghauri & cateora, 2005, p.163) Translators are group members because group member as researchers understand research objectives and fluent in English skill. All of group members reach excellent level of international English proficiency test. Moreover, one of them graduated with linguistics major and the other one has working experience as a freelance translator for three years.
Study Instrument

The questionnaire used in this study was composed of three parts, which characteristic of respondent, consumer behavior and marketing mix of service company that effect buying decision. Further elaboration of each part is as follows;

**Part I:** Characteristic of respondent

Respondents were requested to mark X into ☐ for the best answer related to their background.

This part is to get the background of the respondents. This helps DTAC to clarify their potential target customers.

**Part II:** Consumer behavior

Respondents are requested to mark X into ☐ for the best answer related to their consumer behavior.

This part was designed to know consumer behavior. It could help DTAC to understand how consumer behaves. Questions regarding media channel that effect buying decision were structured according to the information from Nation Multimedia Group (Public) Co., Ltd. For example, top five most popular newspapers and magazine in Thailand.

**Part III:** Marketing mix of mobile phone operator provider company that effect buying decision

Respondents were requested to mark an X for the best answer related to their standard on purchasing decision making.

3.4 The analysis of information

All secondary and primary data from the finding were analyzed according to the following step:

1. **Strategic Business Management theory**

Secondary data from various sources were collected in this step. The external factor evaluation (EFE) matrix and the internal factor evaluation (IFE) matrix were analyzed by using the following structure:
### Table 2: Weighted and rating score of external and internal factors

<table>
<thead>
<tr>
<th>External Factors</th>
<th>Weighted</th>
<th>Rating</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Opportunity A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Opportunity B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Threats</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Threat A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Threat B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Internal Factors</th>
<th>Weighted</th>
<th>Rating</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Strength A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Strength B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Weakness A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Weakness B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>

Each factor in opportunities, threats, strengths and weaknesses were weighted. The cumulative of weighted score for external factors (opportunities and threats) must equal to 1.00. Likewise, the cumulative of weighted score for internal factors (strengths and weaknesses) must equal to 1.00. The zero in weighted score mean not important factor and it is the lowest score. The weighted score will be higher if the factor is important. The maximum weighted score is 1.00. The rating of external factors starting from one to four while the rating of weaknesses are one or two and the rating of strength are three or four. The meaning of each factor will be on the following:
Table 3: Meaning of rating in external and internal factors

<table>
<thead>
<tr>
<th>Rating</th>
<th>External factors</th>
<th>Internal factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opportunities</td>
<td>Threats</td>
</tr>
<tr>
<td>1</td>
<td>DTAC’s response is poor.</td>
<td>DTAC’s response is poor.</td>
</tr>
<tr>
<td>2</td>
<td>DTAC’s response is at the average.</td>
<td>DTAC’s response is at the average.</td>
</tr>
<tr>
<td>3</td>
<td>DTAC’s response is above average.</td>
<td>DTAC’s response is above average.</td>
</tr>
<tr>
<td>4</td>
<td>DTAC’s response is superior.</td>
<td>DTAC’s response is superior.</td>
</tr>
</tbody>
</table>

The possible highest score is 4.0 which mean the present organization strategy of the company can optimally utilize the opportunity and decrease the effect of threat to minimal. The possible lowest score is 1.0 which means the present organization strategy cannot optimally utilized the opportunities or minimal threat. However, data from other source also use in this analyzes. Analyses are well in line with the theory with support reliable secondary data.

2. Competitive condition in the market

Competitive condition in the market is analyzed according to the secondary data from newspaper, magazine, published textbook and official website of DTAC, AIS and True. Market share and revenue growth rate information for analysis comprised of both current and previous data.
Figure 4: Competitive condition in the market

### Market Share

<table>
<thead>
<tr>
<th>Mobile Phone Operator Provider’s Revenue Growth Rate (%)</th>
<th>50%</th>
<th>25%</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Quadrant 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quadrant 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quadrant 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quadrant 4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The matrix is divided in to four quadrants with the explanation as follow,

- **Quadrant 1** = Market share 25-50% and Revenue growth rate 0-10 %
- **Quadrant 2** = Market share less than 25 % and Revenue growth rate 0-10 %
- **Quadrant 3** = Market share 25-50% and Revenue growth rate less than 0-(-10) %
- **Quadrant 4** = Market share less than 25% and Revenue growth rate less than 0-(-10)%

3. **Marketing mix for service company (7Ps)**

In primary data, the questionnaire was regarded to the perspective from target customers of the company while the interview was inferred the perception of the company’s executive toward marketing strategy for the company. The study analyzed the data by using descriptive method.

**Part I and II**: The frequency and percentage distribution were utilized to distinguish and describe information of company background data.

For the questionnaire number 7 in Part II, the percentage range were utilized in order to weighted on how much of each media channel have significant influence on consumer buying pattern. The range of four percentage are divided into 0-25%, 26-50%, 51-75% and 76-100%. The higher percentage number represents higher influential degree of that media channel effecting to consumer decision making.
Part III: Means was employed to describe and explain marketing mix of service company that effect buying decision. The level of average scores used to describe the level of respondent's agreement was classified at the interval range. The class of interval range was computed from the following formula:

\[
\text{Range of scores} = \frac{\text{Highest score} - \text{Lowest score}}{\text{Number of interval}}
\]

\[
\text{Interval of Scores} = \frac{5 - 1}{5} = 0.8
\]

Regarding the computation above, the range of scores employs in this study aim to describe the level perception toward their marketing strategies. The mean and score range can be demonstrated as follows:

**Table 4: Meaning of score range**

<table>
<thead>
<tr>
<th>Interval range</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Significance perspective</td>
</tr>
<tr>
<td>1.00 - 1.80</td>
<td>&quot;Not Important at all&quot;</td>
</tr>
<tr>
<td>1.81 - 2.60</td>
<td>&quot;Not Important&quot;</td>
</tr>
<tr>
<td>2.61 - 3.40</td>
<td>&quot;Moderate&quot;</td>
</tr>
<tr>
<td>3.41 - 4.20</td>
<td>&quot;Important&quot;</td>
</tr>
<tr>
<td>4.21 - 5.00</td>
<td>&quot;Very Important&quot;</td>
</tr>
</tbody>
</table>

The result is an overall and representative measure of attitude amongst the population surveyed (Fisher, 2007, p. 166). The aim is to acquire the consumer’s trend and behavior throughout Bangkok in general. Thus, the gathered data are then organized and categorized in order to be evaluated statistically. The result was presented in percentage to make it easily understand.

4. FINDING
4.1 Secondary data: Business strategies theory

According to the weight and rate of the score for business strategy from strategic business innovation management, fourth edition the data was designed in external and internal factors matrix as follows:

The external factor evaluation (EFE) matrix

Table 5: The result of external factors evaluation matrix

<table>
<thead>
<tr>
<th>External Factors</th>
<th>Weight</th>
<th>Rating</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Barrier of entry</td>
<td>0.05</td>
<td>3</td>
<td>0.15</td>
</tr>
<tr>
<td>2. Increase financial source from higher foreign shareholder portion regulation</td>
<td>0.04</td>
<td>3</td>
<td>0.12</td>
</tr>
<tr>
<td>3. Cancellation of warrantee service charge attract new subscribers</td>
<td>0.05</td>
<td>4</td>
<td>0.20</td>
</tr>
<tr>
<td>4. Growing of mobile phone market</td>
<td>0.07</td>
<td>4</td>
<td>0.28</td>
</tr>
<tr>
<td>5. Growing of Thai mobile phone operator market</td>
<td>0.10</td>
<td>4</td>
<td>0.40</td>
</tr>
<tr>
<td>6. Growing of Value Added Service market</td>
<td>0.07</td>
<td>3</td>
<td>0.21</td>
</tr>
<tr>
<td>7. Higher number of internet user</td>
<td>0.05</td>
<td>2</td>
<td>0.10</td>
</tr>
<tr>
<td>8. Increasing number of wireless users</td>
<td>0.06</td>
<td>3</td>
<td>0.18</td>
</tr>
<tr>
<td>9. Expected higher in international transaction from free trade area agreement</td>
<td>0.06</td>
<td>3</td>
<td>0.18</td>
</tr>
<tr>
<td><strong>Total opportunities</strong></td>
<td><strong>0.55</strong></td>
<td><strong>3</strong></td>
<td><strong>1.82</strong></td>
</tr>
<tr>
<td><strong>Threats</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Higher credit risk from cancellation policy</td>
<td>0.05</td>
<td>2</td>
<td>0.10</td>
</tr>
<tr>
<td>2. Uncertainty in government policy</td>
<td>0.08</td>
<td>2</td>
<td>0.16</td>
</tr>
<tr>
<td>3. Fluctuated interest rate</td>
<td>0.04</td>
<td>2</td>
<td>0.08</td>
</tr>
<tr>
<td>4. Fluctuated foreign exchange rate</td>
<td>0.04</td>
<td>3</td>
<td>0.12</td>
</tr>
<tr>
<td>5. Intense competition from strong competitors</td>
<td>0.12</td>
<td>2</td>
<td>0.24</td>
</tr>
<tr>
<td>6. Availability of substitute product</td>
<td>0.06</td>
<td>2</td>
<td>0.12</td>
</tr>
<tr>
<td>7. Higher bargaining power because of lower switching cost</td>
<td>0.06</td>
<td>3</td>
<td>0.18</td>
</tr>
<tr>
<td><strong>Total threats</strong></td>
<td><strong>0.45</strong></td>
<td><strong>3</strong></td>
<td><strong>1.00</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.00</strong></td>
<td><strong>2.82</strong></td>
<td></td>
</tr>
</tbody>
</table>
Mobile phone operation market in Thailand is almost a monopoly market which has only two main competitors, AIS and DTAC (Mobile phone operator market, 2007). However, there are a few new entrants who join this market in nowadays such as True Cooperation (TA ORANGE), a joint venture between Telecom Asia cooperation and Orange SA or even 1900 system which is an acquisition between CAT Telecom Public Company Limited of Thailand and TOT Public Company Limited by named Thai Mobile and Hutch (TOT, 2008). The major factor that attracts new entrants is average income of the customers which approximately 2,000 SEK per person per month (Strategic Business Innovation Management, 2007). Nevertheless, new competitors must have adequate capital as required in investment and must have a high capacity and professional about mobile phone operation. Therefore, the barrier of entry is quite high due to the limitations in highly investment, customers’ confident about network efficient and building customer base for new entrants while existed competitors have strong financial statement, effective network which cover all area, distribution channel, and after sale services. The company has invested a lot in operating network as well as distribution channel in order to serve the need of customers and create customers’ confident. As a result, the barriers of entry is weight as 0.05 score which the company has a potential to gain a benefit from this opportunity as 3 score (Strategic Business Innovation Management, 2007).

Increase financial source from higher foreign shareholder portion regulation

An increase in foreign shareholder portion limitation can attract foreign investors and create an opportunity in financial source (Strategic Business Innovation Management, 2007). The current capital structure of the company is appropriate for the need of current businesses. However, DTAC needs more financial support for future expansion to serve the increasing number of subscribers and their needs as well as the investment in next generation technology or 3G. (Total Access Communication’s annual report, 2007). Moreover, the company also gain benefit from given an improving market share, financial strength and strong growth potential (Nation Multimedia, 2007). Therefore, an increase in financial source from a regulation about higher foreign shareholder portion is weighted as 0.04 score whereas the company’s potential to take this aspect as an opportunity is rated as 3 score (Strategic Business Innovation Management, 2007).

Cancellation of warrantee service charge attract new subscribers

The company cancels warrantee service charge on customers, so that cost of using service decreases. Due to the competitive environment in mobile phone operating service market, the company has decided to end the warrantee service charged on customers in order to reduce service cost for customers. Therefore, the customers will be attracted by this promotion and tend to be company’s customers which mostly are post paid customers (P. Narattakit, personal interview, May 15, 2008). The cancellation of warrantee service charge on customers can attract new subscribers, so that the weight is 0.05 according to Strategic Business Innovation Management. The company has adapted its policy in order to catch up with the continuously changing in demand of the customers which are more concerning about cost of service they have to pay, so the company has adapted its policy to gain benefit from this opportunity as is rated 4 score (Strategic Business Innovation Management, 2007).

Growing of mobile phone market
Mobile phone in the past is totally different from nowadays due to price, technology and design for developing and innovating more and more to attract and serve customers’ need (Krungthai Bank, 2008). Mobile phone price is lower than in the past due to the productivity of mobile phone companies as well as the technology which brings an innovation in design and function of mobile phone that is even more modern and high technology in nowadays (Mobile phone operator market, 2007). Therefore, the number of mobile phone users is increasing continually and the coverage of mobile phone users is expanding as it does not include only teenagers but also younger children due to the changing social value in the currently (Mobile phone operator market, 2007). From the National Statistical Office of Thailand, the most mobile users’ fraction is in Bangkok which is 68.4 % in year 2007. Besides, the major mobile users’ fraction is teenagers that estimated around 73 % which increases from 25.3 % in year 2006 to 52.1 % in year 2007 (National Statistic Office, 2007). According to the report on communication business and value added service from mobile phone operators 2007, the teenagers use mobile phone not only for communication but also for value added services which the most popular value added services is SMS and MMS estimated as 50 %. Another is ring tone download and games which are 46.4 % and 14.8 % respectively (Communication business and value added service, 2007). Therefore, the company launches various value added services for attracting customers especially teenagers (Total Access Communication’s annual report, 2007). Additionally, teenager is a child who is going to be mature among open society environment so that the teenager is affected by other culture and value easily. However, the teenager will adapt culture and value to suit with himself occasionally. Mobile phone in teenager’s attitude is not only a tool for communication but also is an accessory that can enhance user social status or express self preference; for example, modern design of mobile phone refers to modern and trendy people while luxurious design of mobile phone refers to high class people (Communication business and value added service, 2007). Accordingly, teenager value and consumer behavior have an impact on the number of users which is enhanced to be increased which can weighted as 0.07 score and the potential of DTAC to take this advantage is rated as 4 score (Strategic Business Innovation Management, 2007).

Growing of Thai mobile phone operator market

Thai mobile market continued to grow strongly in 2007 as seen in the growth of the penetration rate from 63 % at the end of 2006 to 82 % at the end of 2007. Total mobile customers in the market reached approximately 53 million, a 33 % growth from approximately 40 million at the end of the previous year. Furthermore, 89 % of those customers, or 47 million, were in the prepaid segment (Total Access Communication’s annual report, 2007). According to Internet Database Center (IDC), the total number of mobile phone users is expected to reach 860,000 subscribers in 2008 which is 16.2 % growth over last year. Moreover, IDC also claimed that Thailand’s telecommunications services market would reach a value of 44.65 billion SEK this year. The total market for mobile phone services are expected to reach 3.25 million SEK which is amount 2.93 million SEK for voice services and amount 320,373 SEK for non voice services. Furthermore, a key factor contributing revenue to mobile services is mobile phone music, ring-back tones, ring tones and full music tracks that is estimated value of 8.2 million SEK this year which increases from 7.3 million SEK last year and the number of mobile users is expected to reach 10 million this year, 9.5 million for prepaid and 1 million post-paid users (Communication business and value added service, 2007). The company pays more attention on
innovative products, network quality and customer services in order to gain an opportunity from growing penetration rate in mobile phone operator market (Total Access Communication’s annual report 2007). From Information and Communication Technology Center, the overall about communication market is expected to be worth about 121 billion SEK this year which a growth of 13.1 % over last year's figure of 107 billion SEK. Apart from the communication market and data-communication equipment market, the communications market is expected to be worth 88.2 billion SEK while the data-communication equipment market is valued at 13.4 billion SEK (Information and Communication Technology Center, 2007). Therefore, communication business has potential growth and is needed in the market, so this aspect is weighted as 0.10 score while the company’s potential in catching this opportunity is rated as 4 score (Strategic Business Innovation Management, 2007).

Growing of Value Added Service market

According to the report on communication business and value added service from mobile phone operators 2007, the number of using a value added service tends to increase continually by approximately 400,000 users in a year 2007 compared with year 2006 or by revenue approximately 400,000,000 SEK in a year 2007 compared with year 2006. The major factor of value added services market growth is the collaboration among mobile phone operators in the sense of encouraging customers and building new customers for using more value added services (Communication business and value added service, 2007). Additionally, an increase in many users results not only in cost reduction but also in revenue increasing which enough to innovate new value added services. Moreover, value added services are much more popular day by day which the most popular value added services are SMS, ring tone download, image download, games and GPRS respectively. Looking at the details, ring tones will be the largest contributor to the mobile-music market from 2006 to 2008 while ring-back tones are expected to generate the highest revenue in mobile music offerings because the price of each ring-back tone is higher than a ring tone. However, full-track music is growing and expected to twice over in the next two years (CAT, 2007). Due to the report on mobile phone operator market 2007, the most revenue of value added services comes from SMS and MMS which a growth rate is 48 % and 35 % compared with last year (Mobile phone operator market, 2007). Additionally, the total mobile music market at this time is expected to reach 1.6 million SEK of the total market for last year which was 1.393 million SEK. The figure is forecast to reach 1.818 million SEK by next year (Nokia Siemens Networks, 2007). Furthermore, VAS technology tends to be a third generation mobile phone service (3G) which has vital point about news and information services or even video streaming service. Consequently, there is a development from mobile phone operators in many value added services that will be an opportunity for the company in operating and providing mobile phone business to gain more revenues. As a result, the company has invested in Enhanced Data rates for GSM Evolution (EDGE) technology which help DTAC better understand the need of customers that has an effect on new products and services launching (Total Access Communication's annual report, 2007). From the National Statistical Office of Thailand, the reasons for customers in selecting mobile phone operators are calling rate, network quality and value added services respectively. Besides, the major customers group is teenagers who concerns about reasonable price, impression and trendy look, so that the customers will be pre-paid customers more than post-paid customers (National Statistic Office, 2007). As a result, an opportunity in a growth of value added services market is weighted as 0.07 score.
with 3 score from potential policy from the company so as to gain this benefit (Strategic Business Innovation Management, 2007).

**Higher number of internet user**

KASIKORN Research Center Company Limited claimed that the internet users will be increase approximately 12.5% for the year 2008 and the most users are in Bangkok which is around 29.9% due to the Information and Communication Technology Center (Information and Communication Technology Center, 2007). Additionally, the National Statistical Office has estimated the number internet users with almost 2% growth for the year 2008 which the most attractive website for young and casual users are entertainment and games that shares approximately 50% of all web clicks in each day while the usage of internet which is relating to getting information about the social aspects, reading news and business is among the second category that is having around 25% of shares (National Statistic Office, 2007). As Vincent Cerf, an internet expert said that there will be an innovation and an invention about internet products in the future; for example, the mobile phone that can control all convenience in people life in all even kitchen and entertainment room by ordering via internet network all over the world (National Statistic Office, 2007). Moreover, news and publishing industry will be more developing in order to get more close to people by using internet network as a tool. For example, after 9/11 event, the government needs to control their people, so the government hands new passport with microchip built in and electronic identity card which was opposed as too much breaking human right from some groups (Daily News, 2007). Above all, the number of mobile internet users and service revenues generated from their usage more than doubled from last year which was driven by the expansion of high speed data network using Enhanced Data rates for GSM Evolution (EDGE) technology to cover the whole country which was completed in 2007 (Total Access Communication’s annual report, 2007). Due to the important role in communication nowadays so the internet is weighted as 0.06 score; however, the company has not satisfied the need of internet users much. Therefore, the rate is rated as 2 score (Strategic Business Innovation Management, 2007).

**Increasing number of wireless users**

Communication business in nowadays is going to access the wireless communication technology era which mobile phone communication will be developed according to enhance the efficiency of the company’s mobile phone system (Strategic Business Innovation Management, 2007). Moreover, Rickey Corker, head of sub-region north at Nokia Siemens Networks, said that the revolution of broadband technology, especially wireless broadband, will create the phenomenon of a connected world which by the year 2015 about 75 per cent of the world’s population, the number is increasing from 3 billion to 5 billion, will be able to connect over the internet and wireless networks which about 1.4 billion will be from the Asia-Pacific region (Nokia Siemens Networks, 2007). Therefore, the company has prepared to handle with an increase in number of wireless users by learning more on wireless communication technology (Total Access Communication’s annual report, 2007). Additionally, the number of broadband users in Thailand is expected to be increased double from 1.5 million to 3 million by next year (Information and Communication Technology Center, 2007). As KASIKORN Research Center Company Limited, the number of wireless broadband internet users will exceed the fixed broadband internet users by 2010 and will twice over to 6 million users in 2011 and twice over again to 12 million by 2015. In addition, the number of fixed broadband internet users will be 3 million while
the number of wireless broadband internet will be about 10 per cent of the total population so that the number of wireless broadband users will rapidly grow and will exceed the fixed broadband internet users certainly. Due to the report on communication business and value added service from mobile phone operators 2007, the non-voice applications are expected to grow at a compound annual growth rate (CAGR) of 19.2 % through until 2010 while both the total market and voice applications will increase at a smaller CAGR of only 16.1 % and 10.8 % respectively in the next three years (Communication business and value added service, 2007). Presently, Internet Database Center (IDC) and Communication Technology Centered that the total wireless market in Thailand will be 6.032 million SEK, of which around 3.2 million SEK will be non-voice applications and 2.832 million SEK will be voice applications which the strongest non-voice applications are still ring tones, ring-back tones, and full-track songs that also generated the greatest proportion of revenue for the wireless market last year (National Statistic Office, 2007). As a result of potential growth of wireless broadband, the score is rated as 3 due to the potential of company in catching this opportunity while the weight of this important aspect is 0.06 score (Strategic Business Innovation Management, 2007).

Expected higher in international transaction from free trade area agreement

Free trade area (FTA) is one of the most effective engines in boosting growth for the country that Thailand has existing free trade pacts with China, India, Australia, New Zealand and Japan which the agreements help to generate more than 80 Billion SEK of income to the Kingdom from trade and investment (SET, 2007). The Thai Trade Representative (TTR) office has therefore drawn up national strategies that aim to maximize FTA benefits and increase Thailand’s share in world markets to more than 1 per cent which under the plan, the government will concentrate more on increasing the share of Thai goods in the world market instead of focusing on value. Therefore, the benefits will spread to every industry sectors in the sense that having more international transaction so as to an opportunity in opening free trade area (Nation Multimedia, 2007). Expected increase in international transaction has positive effect on DTAC’s revenue so that FTA is weighted as 0.55 score whereas the company can take this opportunity in term of capital flows in so that the rate of gaining this opportunity is rated as 3 score (Strategic Business Innovation Management, 2007).

Threats

Higher credit risk from cancellation policy

The company is exposed to credit risk with respect to trade receivables from mobile phone services on its post-paid package whose revenues from voice services account for 20 % of total revenue as of 31 December 2007 (Total Access Communication’s annual report, 2007). Besides, the cancellation policy in warrantee service charge on customers can increase a risk for the company in the sense that the customer does not pay the bills conditionally; therefore, the credit risk from cancellation policy is weighted as 0.05 score (Strategic Business Innovation Management, 2007). However, due to the large number of the customers, such potential risk may not have any unfavorable effect on the financial status. Moreover, the company has set up an allowance for doubtful debts in order to reduce risk from bill collection of telephone services (Total Access Communication’s annual report, 2007). As a result of the company’s
solution, this risk is rated as 2 score (Strategic Business Innovation Management, 2007).

**Uncertainty in government policy**

The company’s implement about communication of Thailand has to depend on TOT Public Company Limited and CAT Telecom Public Company Limited of Thailand controlled by ministry of transport (Strategic Business Innovation Management, 2007). Under the Act on Private Sector Undertaking of State Businesses B.E. 1992 which took an effect as from 8 April 1992, a government agency which has a capital investment more or equal 2 million SEK must comply with the following 3 stages in order to engage private entities to join or undertake a government project. First, the government agency that is the owner of the project must submit a study report and project analysis to the Ministry of Finance to obtain approval from the cabinet. Second, when the cabinet's approval has been obtained, the government will make a selection in private entities to join or undertake the project, including negotiating agreements which depends on government’s interest. Final stage involves the supervising and monitoring of the results of the operation under the agreements (Total Access Communication’s annual report, 2007). As the project owner, CAT is required and has complied with stages one and two with respect to the amendments to the Cellular Agreement. If the amendments to the Cellular Agreement must comply with stages one and two of the PUA, private sector understanding of state business action, DTAC will proceed appropriate to the PUA. On the other hand, the company will has a material adverse effect particularly to the Cellular Agreement term and the rate of compensation payable by the company to CAT according to incorrect conformation from the company (CAT, 2008). Therefore, the uncertainty in government policy is weighted as 0.08 score due to Strategic Business Innovation Management. Nevertheless, the company will take all appropriate actions to minimize the impact from the PUA, so that the government aspect ia rated as 2 score (Strategic Business Innovation Management, 2007).

**Fluctuated interest rate**

Fluctuated interest rates affect the fair value of financial assets and liabilities of the company, especially the financial assets and liabilities with fixed interest rates (SET, 2007). Interest income and interest expense will also be affected because certain portions of the financial assets and liabilities of the company are subject to floating interest rates (Telenor Group, 2008). The company’s financial assets with floating interest rates accounted for 11 % of the total financial assets while the financial liabilities with floating interest rates, after taking into account the effect of the relevant derivatives contract, accounted for 20 % of the total financial liabilities of the company (Total Access Communication’s annual report, 2007). DTAC has a policy to manage interest rate risks by entering into interest rate swap contracts with leading financial institutions with a credit rating equal to or higher than investment grade in order to maintain the risks from changes in the fair value of liabilities and interest rate fluctuation in appropriate level (Total Access Communication’s annual report, 2007). However, the company did not have substantial financial assets with floating interest rate and most of such assets were short-term, so that the company did not enter into any swap arrangements in such assets' relation (Business Thai, 2007). Since the company has financial liabilities with floating rate interest changes in market interest rates will cause an increase in the operating costs of the company (Total Access Communication’s annual report, 2007). As a result, fluctuated interest rate has a risk on deposit interest rate and loan interest rate of the company, so the weight
is weighted as 0.04 score and this risk is hard to handle with, so the company’s handling ability is rated as 2 score (Strategic Business Innovation Management, 2007).

Fluctuated foreign exchange rate

The fluctuated foreign exchange rates has an impact on the company because the major revenues are denominated in Baht while the capital expenditures or operating costs of the company such as trade payables from the purchase of equipment and accessories and long-term facilities denominated in foreign currencies are denominated in foreign currency (Total Access Communication’s annual report, 2007). As a result, company’s liabilities which were nominated in foreign currency accounted for 35 % of the total liabilities (SET, 2008). To diminish the foreign exchange risk, the company has entered into forward exchange contracts and cross currency swap contracts with leading financial institutions with a credit rating equal to or higher than investment grade which cover 100 % of the total liabilities of the company that is denominated in foreign currency (Total Access Communication’s annual report, 2007). However, in communication business operating, the company will continue to acquire operating costs denominated in foreign currency such as a payment for new equipment, devices and new technology while the principal revenues will be denominated in Baht (Telenor Group, 2008). In this regard, although the company continues its hedging policy by entering into swap arrangements to hedge foreign exchange risks with respect to almost all of liabilities denominated in foreign currency, there is no guarantee that swap arrangements will be entered into the best terms under the conditions of the foreign exchange market at the time (Kruengthai Bank, 2008). Risk from the fluctuation of foreign exchange rates may cause an increase in the operating costs of DTAC (Total Access Communication’s annual report, 2007); therefore, the fluctuated foreign exchange rates is weighted in 0.04 score; nevertheless, the company has forward contract which can reduce uncertainty risk. Therefore, the company can handle with a risk from fluctuated foreign exchange rate that is rated as 3 score (Strategic Business Innovation Management, 2007).

Intense competition from strong competitors

The communication industry is highly competitive and has recently experienced periods of forceful price competition (Department of Provincial Administration, 2007). Price competition was particularly intense with each operator significantly reducing prepaid and post-paid tariffs and extending promotional periods (Mobile phone operator market, 2007). If DTAC cannot respond to high competition in the market in a timely and cost-efficient manner, the business, result of operations, financial conditions and prospects of the company may be affected adversely by the high competition (Total Access Communication’s annual report, 2007). Moreover, price competition has a negative impact on the communication industry as a whole both in operating results term and revenue growth (Department of Provincial Administration, 2007). However, market participants would be more careful before launching new promotion campaigns, especially since the last price war had an adversely impact on the operating results of market participants and resulted in network jamming problems (Telenor Group, 2008). Nevertheless, with appropriate measures to respond to market competition, the company will be able to minimize the impact of such competition (Total Access Communication’s annual report, 2007) so that the company’s solution is rated as 2 score. The result from competitors is weighted as 0.12 score.
because high potential competitors can create high competitive market (Strategic Business Innovation Management, 2007).

**Availability of substitute products**

Although mobile phone is a popular product nowadays, there are other products that can be substitute mobile phone (Krungthai Bank, 2008) For example, PCT which has a promotion in giving customers for free and offers the lower service cost than other mobile phone service company can be a selective product for customers to consider beside mobile phone (Strategic Business Innovation Management, 2007). Although the mobile phone can be an accessory that enhance social status or express self preference, there are several substitute products; for example, fashionable clothes also refers to modern and trendy people or luxurious cars can refer to high class people too (Communication business and value added service, 2007). In addition, value added service from the company about SMS and MMS which are pretty popular among teenagers can be substitute by MSN, Yahoo and Skype (Business Thai, 2007). As a result, the company has to invest more in innovative product that can attract customers with less substitute products which is quite high in capital requirement, so that the company does not pay much intention on this aspect that is rated as 2 score due to Strategic Business Innovation Management. However, the substitute product is weighted as 0.06 score because of the disadvantage which is that customers can seek for substitute products in stead of company’s product (Strategic Business Innovation Management, 2007).

**Higher bargaining power because of lower switching cost**

Consumer behavior is changed to be more bargaining because the product is a commodity product which has low switching cost. The company has to handle with the bargaining from customers which is stronger and stronger because mobile phone operating nowadays is a commodity product which customers have numerous of choices to choose. Moreover, the switching cost is quite low due to the promotion service offering from other competitors in order to compete with an increase in company's customers (P. Narattakit, personal interview, May 15, 2008). Therefore, the company uses EDGE to collect customers’ data that will affect to the promotion and service launching, so that the potential in handling with this threat is rated as 3 score while the important of being higher bargaining power of the customers because of lower switching cost is weighted as 0.06 score (Strategic Business Innovation Management, 2007).
The internal factor evaluation (IFE) matrix

Table 6: The result of internal factors evaluation matrix

<table>
<thead>
<tr>
<th>Internal Factors</th>
<th>Weight</th>
<th>Rating</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Improving knowledge and skills of employees</td>
<td>0.10</td>
<td>4</td>
<td>0.40</td>
</tr>
<tr>
<td>2. Strong brand awareness and brand recognition</td>
<td>0.10</td>
<td>4</td>
<td>0.40</td>
</tr>
<tr>
<td>3. Social responsibility enhance corporate image</td>
<td>0.06</td>
<td>3</td>
<td>0.18</td>
</tr>
<tr>
<td>4. Superior channel of distribution</td>
<td>0.07</td>
<td>4</td>
<td>0.28</td>
</tr>
<tr>
<td>5. Lower cost from economies of scale</td>
<td>0.05</td>
<td>4</td>
<td>0.20</td>
</tr>
<tr>
<td>6. Superior quality from AMPS 800 system</td>
<td>0.10</td>
<td>4</td>
<td>0.40</td>
</tr>
<tr>
<td>7. Wide variety of value added service</td>
<td>0.10</td>
<td>3</td>
<td>0.30</td>
</tr>
<tr>
<td>8. Wider band width increase ability in expanding number of customer</td>
<td>0.04</td>
<td>3</td>
<td>0.12</td>
</tr>
<tr>
<td>9. Technology, financial and marketing support from Telenor group</td>
<td>0.03</td>
<td>3</td>
<td>0.09</td>
</tr>
</tbody>
</table>

**Total Strengths**  
0.65  
2.34

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. High cost from concession</td>
<td>0.07</td>
<td>1</td>
<td>0.07</td>
</tr>
<tr>
<td>2. Management problem by operating under Telenor group</td>
<td>0.05</td>
<td>2</td>
<td>0.10</td>
</tr>
<tr>
<td>3. Network coverage growth inadequacy with the growth of customer needs.</td>
<td>0.07</td>
<td>2</td>
<td>0.14</td>
</tr>
<tr>
<td>4. Financial commitment</td>
<td>0.06</td>
<td>2</td>
<td>0.12</td>
</tr>
<tr>
<td>5. DTAC’s cellular communication system serve less area than AIS</td>
<td>0.10</td>
<td>2</td>
<td>0.20</td>
</tr>
</tbody>
</table>

**Total Weaknesses**  
0.35  
0.68

**Total**  
1.00  
3.02
Strength

Improving knowledge and skills of employees

The company has continued in searching new programs and activities for employees to improve their knowledge and skills as well as training center which providing updated information with business direction and ongoing arrangement in internal activities which will encourage the inspiration and the motivation of DTAC employees. Moreover, the company also sets good examples in management for employees to learn such as how to think out of the box, how to develop and provide products and services that match customers’ needs, how to keep promises, how to live in DTAC way and how to treat everyone equally (Total Access Communication’s annual report 2007). As Mrs. Patraporn Sirom who is chief people officer mentioned in the company annual report in 2007 that passion is DTAC energy to make things happen and the company dare to step out of comfort zones for challenging as well as learning from mistakes to get better in everyday (P. Narattakit, personal interview, May 15, 2008). Therefore, the company has enhanced its strength which compete with other competitors, so the rate is 4 score according to Strategic Business Innovation Management. In addition, improving employees’ knowledge and skills is weighted as 0.10 score due to employees’ importance (Strategic Business Innovation Management, 2007).

Strong brand awareness and brand recognition

The company uses integrated marketing communication (IMC) strategy in advertising for building brand image of the product (Communication business and value added service, 2007). Integrated marketing communication (IMC) is a marketing communication process that the company uses for creating target customers’ behavior which conforms to market’s need. This strategy is not only building brand awareness or brand recognition but also encouraging consumer’s behavior which can impact on the company in the long run (Inside IMC, 2008). Therefore, the strong brand awareness and brand recognition is weighted as 0.10 score (Strategic Business Innovation Management, 2007). From the past, the company uses “D” as company’s logo and launches new teaser advertising that has “D” logo in everywhere for creating words of mouth which can be talk of the town advertising (Communication business and value added service, 2007). This advertising strategy can build not only brand awareness but also brand recognition for the customers (Strategic Business Innovation Management, 2007). In 2007, DTAC has refreshed its brand and logo due to propel company’s crucial goal in changing things for the better and to ensure that the customers will feel good with the company (Total Access Communication’s annual report, 2007). Re-feeling strategy both in brand and logo is the solution for DTAC in mobile phone operation market which has possibility to be mature in the future. According to re-feeling for customers to obtain, DTAC’s logo has changed from “D” to be “Blue Fan” which “Fan” in Thai means people who has good feeling towards each other (Communication business and value added service, 2007). Therefore, Brand and logo strategy from DTAC is rated as 4 score (Strategic Business Innovation Management, 2007).

Social responsibility enhance corporate image

With the slogan “DTAC, helping to make a better world” shown that DTAC is a forefront business organization that has been engaged in corporate social responsibility for a long time (Total Access Communication’s annual report,
DTAC has been doing business and social activities based on His Majesty the King’s concept of the sufficiency economy with the aspire in helping to create sustainable development for Thailand. The result from contributing seriously in social issues make the company won the honorable present award from the Office of Royal Development Project Board as a large-scale business organization that has integrated sufficiency economy concept into its business practices as well as social activities successfully (Total Access Communication’s annual report, 2007). Thus, the responsibility in social is rated as 3 score (Strategic Business Innovation Management, 2007). For example, “Sam Nuek Rak Ban Kerd Foundation” is an ongoing social project by DTAC granting spoNational Statistic Officerships to youths studying since junior to undergraduate levels in all provinces. Up to now, there are five generations of teenagers who have finished the undergraduate level and been back to work in their hometown. The project is considered the most sustainable and practical social project that the company has been supporting and will continue supporting until all the 999 students have graduated from the university. Moreover, the company also has “Sharing Knowledge to Communities” project that donated computers to a total of 27 schools in distant areas all over the country to offer opportunities for distant learning and education (Communication business and value added service, 2007). Therefore, the social responsibility is weighted as 0.06 score according to the changing to be more concern about social responsibility of the society (Strategic Business Innovation Management, 2007).

Superior channel of distribution

The company has superior channel of distribution that can reach the customers easily. Together with network exposure expansion into rural areas, DTAC also expanded its distribution channels of both SIM cards and refill vouchers to cover convenience stores, and non-telecom channels. E-Refills and top-up via DTAC post-paid subscribers were also introduced to the market (Total Access Communication’s annual report, 2007). Later in 2007, DTAC renewed its marketing strategy by introducing the “feel goood” brand campaign. The company has the acquisition of new customers by expanding distribution channels to cover more retail phone shops (Communication business and value added service, 2007). Then the registration process was redesigned to make it much easier to apply for the services although the verification process remained intense. Next, the tariff structure was more customized to serve different target group. Moreover, DTAC also put a great effort to make services more convenient by allowing them to access new payment channels, currently being expanded from 300 to 6,000 outlets, including 7-11, Counter Service, and Family Mart as well as conventional payment channels via DTAC shops or service halls. Furthermore, customers can postpone payment date by themselves and can check call detail records via the web. In addition, DTAC’s customers can refill their accounts or/and change price plans and switch to other services at no extra charge. Finally, customers can terminate services easily by calling the call center by themselves (Total Access Communication’s annual report, 2007). As consideration, channel of distribution is rated as 4 due to mentioning in Strategic Business Innovation Management with the weight of important score is 0.07 (Strategic Business Innovation Management, 2007).

Lower cost from economies of scale

The company can import mobile phones in large amount per time which means that the average cost of mobile phone is not too much high; therefore the company can set the mobile phone price not too high, so that the company can
gain an advantage in economies of scale aspect which can be regarded as 4 score (Strategic Business Innovation Management, 2007). Besides, unlocking the international mobile equipment identity (IME) policy which using by the company can increase the number of customers because the customers can register any mobile phone for getting company’s service. Therefore, the lower cost from economies of scale for the company is weighted as 0.05 score. Moreover, this policy gives the convenient for the customers to deserve which is rated as 4 score same as the advantage of economies of scale (Strategic Business Innovation Management, 2007).

Superior quality from AMPS 800 system

The company uses AMPS 800 system which has higher quality than other analog systems. Moreover, this system is popular all around the world since customers can use their mobile phone in other countries while they are on board by getting international roaming service that covers 5 countries which is Hong Kong, Sri Lanka, New Zealand, Malaysia and Indonesia in nowadays where as NMT 900 and 470 system of the competitors can not offer this kind of service for customers. Thus, Superior quality from AMPS 800 system can be weighted as 0.10 score due to the quality, the convenient and the safety from this system (Strategic Business Innovation Management, 2007). For this reason, the score is weighted as 4 according to the quality and convenient that customers be given from using DTAC as mentioning in Strategic Business Innovation Management. In addition, the company mobile frequency is 800 MHz and 1800 MHz that is not harm the customers, so this is rated as 4 score due to the responsibility in customers’ safety that the company concern about seriously (Strategic Business Innovation Management, 2007).

Wide variety of value added service

Value added services (VAS) of the company continued to grow strongly both in terms of number of users and revenues. In particular, the number of mobile internet users and service revenues generated from the usage more than doubled from 2007 (Total Access Communication’s annual report, 2007), so that the important of having wide variety of value added service is weighted as 0.10 due to according to Strategic Business Innovation Management. The company separates its service according to customer segment both in post paid and pre paid which are individual customers, small medium entrepreneur (SME) customers and corporate customers (Total Access Communication, 2008). In addition, value added services’ revenues are at present evenly divided in 4 ways based on type of services which the first one is business solution, the mobile corporate solution, focusing on providing business solution for small medium entrepreneur customers and corporate customers (Total Access Communication’s annual report, 2007). For example, Biz Info is a service offering SMS news reporting on customers’ mobile phone, so that the customers will not miss an important event in 24 hours a day with brief contents and in-depth analysis by company’s professional news team (Total Access Communication, 2008). Secondly, the company has several value added services about entertainment which are content download in ring tone, logo and wallpaper etc (Total Access Communication’s annual report 2007). For example, Ring4U is a way for customers to express their emotions and feelings anytime through songs, music and sound effects to their callers. Moreover, customers can update Ring4U ring tones and add colorful services to express their unique feeling (Total Access Communication, 2008). For communication services, the company relates this type of value added service to company’s core business by using non-voice
services such as Short Message Service (SMS), Multimedia Messaging Service (MMS) and Global Packet Radio Service (GPRS) for enhancing company’s services (Total Access Communication’s annual report 2007). The company not only offers communication services for domestic customers; for example, Miss No More service which will alert customers of missed calls even when their mobile is turned off, out of battery, or out of coverage areas by receiving the missed call number via SMS at no additional charge from the company, but also offers its services for travelers such as international SMS service and international MMS service (Total Access Communication, 2008). Finally, news and information value added services that offer 24 hour updates on important situations with in-depth analysis from a professional news team such as news, sport or even lifestyle via SMS at anywhere and anytime (Total Access Communication’s annual report 2007). In addition, the service also provides billing delivery service, Itemized Billing, delivering to customers’ home with their invoice statement for customers to check the date and time of outgoing calls, destination phone numbers, call times and call credit or even the customers can check their balance by Balance Inquiry service which is a quick way to check the balance by dialing a code number and the system will send an SMS to notify about customers’ balance (Total Access Communication, 2008). Due to the various value added services offering by the company for individual customers, small medium entrepreneur (SME) customers and corporate customers, the score is 3 according to Strategic Business Innovation Management. (Strategic Business Innovation Management, 2007)

Wider band width increase ability in expanding number of customer

The company got more bandwidth, the width range of frequencies that an electronic signal uses on a given broadcast medium than other competitors, which enhance the company’s ability in expanding the number of customers because the company has ability to offer its service covered more in each customer (Telenor, 2008). Therefore, the wider band width can increase ability in expanding number of customers, so that the weight is 0.04 score (Strategic Business Innovation Management, 2007). In addition, the company separates mobile frequency according to mobile systems that is analog system and digital system. For analog system, the mobile frequency is 800 MHz while digital system has mobile frequency which is 1800 MHz. in providing service (Total Access Communication, 2008). The focusing mobile system policy can help company increases the number of users much more than AIS system which is both analog and digital system spend the same frequency that is 900 MHz because each frequency can serve the need of customers in each area (Total Access Communication’s annual report, 2007). Therefore, the advantage in having more bandwidth is rated as 3 score (Strategic Business Innovation Management, 2007).

Technology, financial and marketing support from Telenor group

The company has joint venture with Telenor which is the subordinate company of Telenor Asia (DTAC’s annual report 2007). Telenor is one of the professional mobile phone companies in the world especially the knowledge technique in improving mobile systems that help the company in planning and developing company system (Total Access Communication, 2008). Moreover, the company has a long term venture capital alliance with Telenor which Telenor Asia will maintain proportion of shareholding not less than 15 percentages; therefore, the company has an ability to access financial capital also (Strategic Business
Innovation Management, 2007). Telenor is a Norwegian mobile phone company which is the biggest company in Norway that has invested in communication business all around Europe and Asia by providing mobile phone service through subordinate companies over 12 countries all around the world especially in South East Asia which the company has 4 major joint venture companies in 4 countries, Bangladesh, Malaysia, Singapore and Thailand (Total Access Communication, 2008). Therefore, DTAC attains a support in technology, financial and marketing that enhances the potential competitive of the company, so that the weight is 0.03 due to the benefit from joint venture and strength of the joint venture with Telenor is rated as 3 score (Strategic Business Innovation Management, 2007).

**Weaknesses**

**High cost from concession**
The company’s core business is to operate and to provide mobile phone services under the Cellular Agreement between the Company and CAT Telecom Public Company Limited of Thailand using the Analog AMPS network at 800 MHz frequency band and the Digital Global System for Mobile telecommunications (GSM) network at 1800 MHz frequency band (Communication business and value added service, 2007). The Cellular Agreement initially had a term of 15 years but was extended later on by two following amendments which are the dated 23 July 1993 and 22 November 1996 to cover a term of 22 years and 27 years, respectively (Telenor Group, 2008). DTAC has to pay for the concession required by CAT Telecom Public Company Limited (CAT) and mobile network connecting cost required by TOT Public Company Limited which results to higher cost than other vital competitors. Paying higher cost than competitor becomes financial constrain in offering promotion to target consumer. As a result, this company’s weakness is weighted as 0.07 according to Strategic Business Innovation Management. In addition, the information from Post Today magazine shows that AIS has lower cost than DTAC in concession perspective around 17000-20000 million SEK. Therefore, this great adverse effect is rated in 1 score due to the company’s ability in improving its weakness (Strategic Business Innovation Management, 2007).

**Management problem by operating under Telenor group**
Telenor group hold the share account for 61 percentage critics that DTAC was dominated by Telenor group. They apply marketing experience from the other countries to do marketing in Thailand. (Prachachat, 2007) However, the performance is not good. DTAC still cannot beat AIS. Strategic innovation management mentioned in detail that working under Telenor group, DTAC has management problem. Under the Land Code DTAC considered being “foreigners” due to a public or private company with more than 49 percent of its registered capital being held by foreigners or more than half of its shareholders being foreigners. Being a foreigner company bring about many weakness for DTAC. Being a foreigner company is prohibited from engaging in certain businesses which is including communication services. Final major restrInformation and Communication Technology Centerion is concerning about the Telecommunications Business Act (TBA) in the sense that foreign entities under the FBA are not eligible for type 2 communication business license (National Telecommunications Commission, 2007) which is a license giving to the communication business operator who giving the service with or without having their own network which mainly providing service limited to a group of subscriber or an operation which has no impact on the crucial significant of free and fair competition or even the public interest and customers (CAT, 2007). Or/and type
3 communication business license (National Telecommunications Communication, 2007) which is a license given to the communication business operator who having their own network which has objective to provide the service to public or may deemed effect to the crucial significant of free and fair competition or effect to the public interest or have a necessary cause to have a special protection for customers. Therefore, the business operator shall receive the license issued by the National Telecommunications Commission (NATIONAL TELECOMMUNICATIONS COMMISSION) before actual operation (CAT, 2007). Besides, joint venture with Telenor lessens an obvious in management and decision making that depends on the ability and the professional of the company (Total Access Comminucation’s annual report 2007). This disadvantage from joint venture with Telenor is weighted as 0.05 score with 2 score for unavoidable management condition that the company has to face with (Strategic Business Innovation Management, 2007).

Network coverage growth inadequacy with the growth of customer needs.

The company can not serve customers’ need which increases multiply; therefore, the disadvantage in gaining more market share is weighted as 0.07 score owing to Strategic Business Innovation Management. Although an increase in customers’ need in mobile phone is benefit for DTAC, the company has to face with mismatching between company’s capacities and customers’ need which increasing multiply (P. Narattakit; personal interview, May 15, 2008). Because of limitation in financial term and concession term, the company cannot expand mobile phone network due to serving customers’ need which is rated as 2 score due to its weakness (Strategic Business Innovation Management, 2007).

Financial commitment
The company has a commitment which impacts on its financial term both in Thailand and foreign countries with no risk reduction which is unfavorable for financial status of the company, so that this weakness is rated as 2 score (Strategic Business Innovation Management, 2007). For example, Thai government grants mobile privilege companies a concession which its type is Build Transfer Operate (BTO). This type of concession is that a privilege company is an investor who invests for building products and then transfers to the government but the company will have a right to operate or implement by a term of using rental commitment (Communication business and value added service, 2007). Moreover, DTAC has a dispute with Telecom Public Company Limited (CAT) in regarding revenue sharing payment under concessionary agreement which currently, this dispute is still in the arbitration process and the resolve process could take several years. Therefore, the company can have a material adverse effect on its financial position (Total Access Communication’s annual report, 2007). Another example about a commitment with foreign countries is that the company has employed United Distribution Business Company Limited (UD), one of the company’s affiliates, as the principal distributor of starter kits and refill vouchers to wholesale and retail outlets in Thailand. Moreover, most of products are sold to Distribution Business Company Limited for distribution through the company’s distribution network (Telenor Group, 2008). Hence, a large percentage of the company’s trade receivable comes from the Distribution Business Company Limited approximately 35.5 percent of the company’s total trade receivables. Therefore, any failure or delay on the part of UD to pay such amounts owed to the company, according to the bankruptcy of UD or else, may cause a material adverse effect on financial status of the company (Total Access Communication’s annual report, 2007). As a result of financial commitment
DTAC's cellular communication system serve less area than AIS

The Global System for Mobile Telecommunications (GSM) is a second generation cellular communication system which is the most modern mobile phone technology in existence (Telenor Group, 2008). Basically a digital network, GSM 1800 is based on the more common GSM standard but uses a higher frequency which its technology has been already developed by European Telecommunication Standard Institute (ETSI) (Information and Communication Technology Center, 2007). However, the higher frequency has both positive and negative aspects. A higher number of cells are required to cover an area which is costing more but on the other hand it is providing a greater potential capacity than GSM. In addition, the higher frequency though has more problems in penetrating some types of building (Information and Communication Technology Center, 2007). As a result of using a higher frequency, GSM 1800 system can serve less area than others. Therefore, the company has to invest more twice or triple in setting several network stations than competitors’ network system for serving customers’ need (Mobile phone operator market, 2007). As a result, the adverse effect from less area service is much important for the company in term of trying to beat the number one mobile phone operator, AIS, so that the weight is 0.10 score. Moreover, the company is hard to compete with this aspect because the company has concern about customers’ safety instead. Therefore, the weakness in quality of cellular communication system is rated as 2 score (Strategic Business Innovation Management, 2007).
Competitive condition in the market

Figure 5: Position of AIS, DTAC and True concerning market share and revenue growth rate in the market

AIS is the first leading player in Thailand mobile operators market who account for the biggest piece of market share 49%. (Telenor Group, 2008) AIS is strong in four aspects as follow, good quality network coverage, network capacity, in building coverage and valued added services. With GSM 1800 as well as GSM Advance which are leading to support 3G technology, AIS focus on offering good quality of product and service toward each exact individual need. This resulted from strength of Research and Development team of AIS to optimize service in order to satisfy customers. AIS positions its pricing strategy rather expensive compared to other operators due to high competitive networking capacity. (Advanced Info Service’s Annual Report, 2008)
With the revenue growth rate of 2.9% from 15,210.6 million SEK in 2006 to 15,656 million SEK in 2007 and market share at 49%, (Advanced Info Service’s Annual Report, 2008) AIS fall into quadrant 1.

**True**

True is the third rank player in communication industry. With accounting the minor market share 19% (Telenor Group, 2008), True provides various of promotion to satisfy each group of customer need as well as it provides various mobile phone system for example, 900, GSM Advance and GSM 1800 make True is able to satisfy wide range of customer need in each segment. However, compare the network coverage and capacity, True is more inferior to the two leading players like AIS and DTAC. Although True has potential and efficiency in research and development ability, the company has few distribution channel and its coverage cannot cover the whole country. (True’s Annual Report, 2008)

With the revenue growth rate of 3% at 10,400 million SEK in 2007 and market share at 19% which is less than half of market leader, (True’s Annual Report, 2008) True fall into quadrant 2.

**DTAC**

DTAC is the second rank player in communication industry. In 2007, DTAC gain 30 percent of market share with 6% of revenue growth (Total Access Communication’s Annual report, 2007). Therefore, DTAC fall into quadrant 1.

In business outlook perspective according to DTAC’s annual report 2007, DTAC believes that the market will continue to grow for the next few years. Consequently, the penetration rate—the number of SIM card divided by total population will also continue increase and it could possibly reach 100 percent. This means that the telecommunication market will reach its maturity. However, the growth in the market depends on a number of factors and variables including changes in the regulatory environment, coverage in expansion and general economic conditions in Thailand. In addition, the prepaid customer growth will be the leading group who drive overall market and this is from rural areas. Furthermore, the corporate customers are considerate as a significant potential group for future revenue and profitability. (Total Access Communication’s annual report, 2007)

In competitive environment, customer satisfaction will play a significant role in the company’s future activities. So, DTAC launched a new marketing campaign “feel good” in order to improve and satisfy both current and new subscribers’ satisfaction in DTAC product and service. DTAC aimed at making the use of mobile services as easy and convenient as possible for customer in all touch point of services. This means that DTAC services focus on an easiness to become a customer, simple tariff plans, easy payment services and easy to communicate with DTAC. (Total Access Communication’s annual report, 2007)

Due to the great change for in Thai telecommunication industry, the commencement of Interconnect Charge (IC is the cost-based charge paid to other operators for connecting into their networks) charging from the early of 2007 between the telecommunication operators. This resulted in different pricing for on-net and off-net traffic. (The calls made within the same network to other networks) Consequently, there is the increase of on-net traffic promotions within
the same network throughout the year 2007. (Total Access Communication’s annual report, 2007)

**Secondary data: Marketing Mix for Service company**

**Product**

DTAC offers products and services to meet the actual need of customers due to the company targeting various segments of customers. DTAC has continually launched various kinds of products and services to meet the customer satisfaction in each targeted segment. The products have categorized into two groups in accordance with the specific attributes to serve the need of each target group. To satisfy the need of postpaid group, DTAC offers DTAC SIM and also provide promotion package which can meet the wide range of need in the market. With the underlying philosophy of feel good, each name of package was changed to reinforcing brand personality. DTAC postpaid SIM is consisting of Zero, feel free, SIM we, internet SIM, ATM SIM, and SIM lite. For prepaid targeted group, DTAC offers happy SIM which is consisting of Suriyan and Jandara SIM, Muan okk Muan Jai SIM, Twin Numbers SIM, Prayad SIM, Happy SIM, Muan Suen SIM, SIMPLE, SF Happy Movie SIM. (Total Access Communication, 2008).

AIS introduces innovates the tariff plans to capture the unique behavior of each target group which have substantial market size. The teen market has significant growth in both voice and data services so, AIS offers tariff plans by focused mobile users group of college and hi-school students U-SIM and T-SIM. For the localizing marketing strategy, AIS offer Northeast SIM and North SIM are offered for the tariffs of calls within the designated local area targeting local whose relatives and friends usually move to work in other provinces. Moreover, to strengthen brand positioning and AIS developed the 4 distinctive brands that suit with customer profiles in Thai market. For postpaid service, AIS offer “GSM advance” for postpaid subscription service targeting young workers, businessmen, urbanities, tech-savvy, and quality-oriented customers. It developed under the theme of “Your GSM your ID” together with functional valued added services and customized privileges. Besides, it also offers another postpaid subscription focus on simplicity and basic voice communication, “GSM 1800”. “One-2-Call!” is a prepaid service targeting teens and youngsters who thrive on having individual styles and expressing their creativity. The key brand attraction is offer in value for money packages and the brand concept “Freedom”. The underlying emotional aspect of “Freedom” is to encouraging teens to search and follow their dreams through activities related to music, sport, and movies. “Sawadee” is another prepaid tariffs plan that targeting upcountry customers, first-time users, and those who need longer validity dates at affordable prices. This related with local Thai identity for the brand. This is specific to rural market. (AIS’s annual report, 2007)

True Move offers both postpaid and prepaid services with the brand distinctive characteristic which is focusing on technology synergy between with its company network which tend to maintain current customer base. (True Corporation, 2008)

**Price**
The average call-charge rate is rather in the middle between the premium mobile operator providers like AIS which mostly targeted the high-end teen segment. Comparing to true, the third ranked operator in the market which is account for the average lowest call charge rate. In 2007, major mobile phone operators in the market have to adjust to the new telecom market mechanism. Interconnection charge regime which start in the 2007. The three major mobile phone operators consisting of AIS, DTAC and true have signed the contract in order to calculate the terminal call as 1 baht per minute. But the difference is Transit Call charge rate DTAC charges for 0.05 baht per minute while AIS charge for 1 baht per minute (Mobile phone operator market, 2007).

Interconnection charging among telecommunication providers is affected to telecommunication market in Thailand, consumers will not be served with the lower call charge package as the last few years but the competition in pricing will slightly tend to be encouraging user to make a call within the same network (Mobile phone operator market, 2007). Moreover, this policy is seems to create a good sign among the competitive environment in the prepaid market sue to each operators was more cautious in order to using low tariffs to attract new customers. Consequently, overall tariffs rate in the market were rather stable in 2007 compared to the last few years. This represents a good sign for the telecommunication industry as a whole. (Total Access Communication’s annual report, 2007) This also mean that the marketing strategy for overall the mobile phone operator providers tends to aim for establishing the community network within its own network as much as possible, the underlying concept is that who can be able to create consuming pattern to make a call in the same network and increase the amount of using rate will decrease a risk of switching to other provider (Mobile phone operator market, 2007).

DTAC has developed the unique pricing strategy to penetrate the market which is determining the call charge to be lower than AIS. Moreover, consumers currently have careful for their mobile phone billing expense so DTAC have innovated and introduce new method call charge system by charging the call in by real minute of usage. This strategy is strengthening DTAC as the first mover of mobile phone operator who pursue this real minute pricing strategy (Mobile phone operator market, 2007).

**Place (Channel of distribution)**

Besides the network coverage expansion, DTAC have working on expanding the distribution channels of SIM cards and refill vouchers to reach more customers and to make the most use of wider channel for customer convenience. Currently, DTAC has already covered to convenience stores and the other non-telecom channel, E-refill and top-up via post-paid subscribers (Total Access Communication’s annual report, 2007). According to DTAC company website, the channels of distributions are as follow (Total Access Communication, 2008).

To fill up the customer account through e-payment is accordance with policy on satisfying customer and continually make the most use DTAC service in wider area and spot in order satisfy the need of target customer. By this mean, customer can use the payment service 24 hours a day which namely “Pay@anywhere 24 hours a day”. The Pay@anywhere offers more than 30,000 spots via 12 channels for paying the mobile bill to make customers more convenient. The providing channels are Payment via DTAC service halls, DTAC centers and DTAC shop, Payment Counter Services, Payment at all shops displaying Jaymart Pay Point logo, Payment via ATMs, Payment by cash payments
at banks, Payment via call 1678 DTAC call center and Interactive Voice Response (IVR) system, Payment via telephone Banking, Payment via SMS via Kasikorn Mobile Banking, Payment on Internet through DTAC web site or bank’s web sites, Payment by Cash payment at post offices across the country and Payment by mailing cheques to the head quarter office (Total Access Communication, 2008).

**Promotion**

DTAC offers two type of sales promotion in accordance with the product line which is pre-paid and post-paid.

1. Sales Promotion
   1.1 *Post-paid promotion* offer fixed Rates for all post paid service of SMS, MMS, GPRS is common as follow : MMS( 5Baht a message), SMS( 2 Baht a message, GPRS ( 1 Baht a minute). (Total Access Communication, 2008)

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*Figure 6: Promotion Package for Post paid SIM*
### Pre-paid promotion

Happy from DTAC is the pre-paid brand services, there are also the promotion offer call charge at average of 0.50 Baht per minute in the same network to 2 Baht per minute for outside the DTAC network, first minute charge and over the designated period of each promotion. (Total Access Communication, 2008)

**Figure 7:** Promotion Package for Pre-paid SIM
DTAC has just added two new services offering for pre-paid customer which namely “Jai-dee Free Days” service enable prepaid customers to increase their validity if they still had money left in their accounts by paying only the SMS fees for requesting additional days. The other service, “Jai-dee Emergency”, provide prepaid customers with the ability to make an emergency call when they had no money left in their accounts. The previously launched “Jai-dee” services included “Jai-dee Exchange”, “Jai-dee Lending”, and “Jai-dee Transfer”. (Total Access Communication’s annual report, 2007)

1.3 Privileges

Besides, the leading three company aim for new strategy in order to keep current user by implementation of Customer Relationship Management (CRM) manifesting in a form of valued-added extra services such as privileges and clubbing.

DTAC is pursuing Happy and feel good concept for customer care (CRM). Happy concept means to make customer gain in what they did not expect to and feel concept means to be consistent in serving the same quality. Apparently, DTAC employ Happy Saving account and feel good reward campaign in accordance with CRM strategy. With the current prepaid base which is 10 million, this is considered as a large amount of user. DTAC is not capable to take risk in serving this strategy with overall user base due to it has to invest a lot and low feasibility to success (Total Access Communication, 2008).

To elevate perception of “Happy” by DTAC and also strengthen the happy and feel good brand personality for pre paid service, DTAC believes that brand is an impressive experience in customer mind and turn out to increase customer loyalty. This CRM strategy purposely focuses on the benefit of being a loyal
customer rather than switching into the lower package force from other competitors.

Currently, Happy Saving campaign account for 3 million (28 percentage) from overall DTAC customers, the majority of this amount up to 40 percentage come from the SMS sent by call center and the Interactive Voice Response (IVR) which is lower the company cost in promoting the campaign. Customers have perceived throughout the advertisement, event marketing and words of mouth. In this customer category, they tend to have Average Revenue per user (ARPU) 30 percentage more than normal customers who basically have approximately ARPU 250 Baht. In addition, they have 20 % more in using valued added service. Whereas the churn rate (termination rate) is lower than general customer approximately 50 percentages. (Mobile phone operator market, 2007).

For postpaid customer group, DTAC launch "DTAC Postpaid Infinite", the underlying concept is to strengthening relationship between DTAC and postpaid customers. By this mean, DTAC launch 'Postpaid Infinite' in accordance with the new CRM model and Privilege on Mobile to strategically offer greater value privileges to postpaid customers. Following its Care and Convenience strategies, DTAC Postpaid develops the Privilege on Mobile prototype, a new model to offer conveniences and privileges to Post paid customers directly. Together, the company introduces DTAC Post paid Infinite, the new program to reward 1.2 million customers who using the Post paid service more than 1 year with privileges never exist before via a mobile phone (Mobile phone operator market, 2007).

The program is the company’s intention to offer different privileges to customers following their age of usage (AOU) using DTAC Postpaid services. No matter how much customers spend in each month, they can conveniently and easily retrieve the special benefits from more than 1,000 shops and service providers partnered in this program. DTAC initially set over 120 million of budget for this program. By expecting that the program will receive popularity customers since it makes thing easy for them to claim their right and there are plenty of special benefits for customers to choose. DTAC aims at bringing the Post paid service into the era where 'Customer is the Future'. What customers get from the program will be more than basic services and certainly will worth their spending. The underlying concept is to focus on building up a permanent relationship with customers (Total Access Communication, 2008).

DTAC tries to develop more new services to create the highest level of customers’ satisfactions. According to the survey conducted by DTAC Post paid division 2007, customers normally carry about 4-5 plastic cards in their purse, which most of them are credit cards, ATM cards and other privilege cards. So, DTAC creates the Postpaid Infinite Program with the aim to revolutionize the way the market used to be since customers can directly claim the benefits right from a mobile phone without having to carry a member card. Customers can simply press *120# and then strike to call out. Then, they will receive a confirmation message from a selected shop directly. This strategy is benefit to the company by lowing cost in hiring more call center employee. The program is offer to DTAC Postpaid customers at all levels by expanding to enable customers of all DTAC Postpaid packages who use the service for one year over, totally about 1.2 million, to receive special benefits thoroughly. Customers are divided into 3 group following their age of usage; 1) Infinite Max for 600,000 customers who use the Postpaid service for 1-5 years, 2) Infinite Maxi for 400,000 customers who use the service for 5.1 – 10 years, and 3) Infinite Maximize for 200,000 customers comprised of
Maximize, DMax and corporate customers who use the service for over 10 years. DTAC will inform customers in which group of Infinite they belong via SMS broadcast by May 15 onwards (Mobile phone operator market, 2007).

“DTAC Postpaid Infinite” prepares caravan which is the other channel of success event marketing of privileges to provide happiness to customers considerably. The privileges can respond to customers’ lifestyle as they cover entertainment, traveling, health, security, knowledge, financial, food and beverage, for instance. Four types of privileges to offer to customers are Travel Smart, Hot Surprise, 365 Delights, and Exclusive Service. (Total Access Communication, 2008).

Apart from getting a free call on birthday and a discount on birthday month, customers are able to call DTAC Call Center 1678 for free as well as to get Ring4U download 20 times for free through the Postpaid Infinite program. This campaign aims at customer-orientation and follows a trend of CRM strategy. Furthermore, for the other marketing strategy such as free SIM is tend to be declined in case of the shortage of cellular phone number which turn out to be a problem as a whole country for a while due to the increasing rate of mobile phone users in Thailand (Total Access Communication, 2008).

AIS has strengthened Customer Relationship Management (CRM) in order to avoid fierce price competition as well as improving network quality and brand differentiate from competitors in offering innovative services which are AIS Plus and AIS Serenade Program and Serenade Personal Assistant. AIS Plus is a service Non voice services consist of SMS, MMS, download, Calling melody, data and portal. By EDGE technology, it seems that it increasing data speeds and improving customer experience. AIS offers mPAY mobile payment a platform to serve prepaid refill, postpaid bill payment, utility bill payment, and online shopping. It facilitates throughout Bank of Ayudhaya, Siam Commercial Bank, UOB bank, Kasikorn Bank, and Krung Thai Bank. The company also launched mAGENT service to support prepaid mobile refills. Moreover, the privileges under the AIS Plus campaign including shopping discounts at Central department store, The Mall, the Emporium, Siam Paragon as well as shop to get free call programs in cooperation with Big C and Carrefour, Dinning discount and Movies, karaoke, and bowling at one price of 60 Baht. Besides, the Serenade Personal Assistant is a service for each Serenade customer with 24 hours 7 days direct line contact (Advanced Info Service’s annual report, 2007).

AIS Serenade club offers mobile solution by calling 1148 Serenade Call Center for Mobile communication service, SIM Card Services and International Roaming Service. Moreover, for activities with alliance partners such as discount for handset and mobile phone under AIS dealer, leading restaurant, reserved parking lots, work shop, hotel, spa Birthday campaign (24 hours of call on customer birthday). Serenade Room reception room for exclusive treat and services in some major AIS branched in Bangkok and Regional branch (Advanced Info Service, 2008).

True Move offer “True Privileges” program for every post paid customers. Customers will benefit Accidental Insurance coverage with the income compensation in case of hospital admission 100,000 Baht for 1 year for no fee charge. (True Corporation, 2008)

For corporate responsibility, AIS, DTAC and True always aim for it as a core policy of the company since it would help strengthening the brand awareness. AIS has developed several social projects to promote family values in connection with the
“Sarn Rak” project such as providing scholarships for children. Other social projects include the donation of water tanks in drought stricken areas around the country, hiring the blind as call center staff, setting up medical surgery funds for the poor (Advanced Info Service, 2008). DTAC has established “Sam Nuek Rak Ban Kerd” Foundation which has been supporting by granting sponsorships to youth studying in junior to undergraduate levels from all provinces. The project so far has five generations of youths who have completed the undergraduate level and gone back to work in their hometown. Besides, It has operated Ruam Duay Chuay Kan Happy Station as an integrated the communication network of mobile phone, radio and the internet. Among the projects, they are developed the Hotline Number 1677 which utilized as a center to help people with their problem anytime and anywhere. (Total Access Communication’s annual report, 2007) True move has also developed Plook Panya (Planting Wisdom) project in order to enabling children and young people to get access new knowledge that will inspire life time learning, leading to self-development and self reliance, to finally nationwide development. True offers satellite dishes and other equipment, along with educational content on True Visions’ channels, to rural schools. True strongly believe that this will help Thai students broaden their world view by enable in accessing information, knowledge and entertainment to the same degree as their global counterparts. (True’s annual report, 2007)

People

According to DTAC annual report 2007, the company has continually implementing development programs and activities in order to improve their employee knowledge and specialized skills. Likewise, the training center practice contributed by People division (Human resources department) is a place for providing updated information of business direction and also with the internal activities which creating inspiration and positive motivation towards DTAC employees (Total Access Communication’s annual report, 2007).

Furthermore, DTAC has pursuing policy of learning by doing, it also believe that those who fail are the one who are willing to take risks and to do things that they are not familiar with. Consequently, DTAC enhances their employees the opportunities to step out the routine jobs to confront the new challenge as it strongly believe that this policy enable to push the organization toward future success. Moreover, creating the attitude of thinking out of box and embedded “DTAC way” which is the concept of corporate culture help inspire and create sense of belonging to the company, it is to enhance the internal marketing and keeping promise to satisfying customer expectation. The encouragement of think out of the box attitude stimulating to learn and create new things thus make the company moving forward and become more dynamic. DTAC put much considerably importance towards its people as it firmly believe that human resources are the crucial resources of the success company and it is one of the elements in this kind of service provider company like DTAC (Total Access Communication’s annual report, 2007).

AIS aim for development of a customer engagement program in order to building customer loyalty. AIS implement this approach within the organization by improving in services standard focusing on understanding customers’ core values such as convenience, quick service, accuracy and friendly customer service representatives. In this process service time was reduces and adjusted to be more flexible. Consequently, AIS shops created a warm, friendly atmosphere to customer perception. AIS developed training program in line with training the
customer representative to be the pleasant people to interact with. There also activities to enhance the skills of call center employees and increase satisfaction for example, Promotion consultancy to help customers decide the right promotion plan (Advanced Info Service’s annual report, 2007).

True has employee training and development policy which encourage all employee to develop their knowledge, skills and attitude in order to perform job effectively. True provides employees with an ongoing series of training and development programs. The core competency program includes courses such as Effective Communication, Planning to Increase Work Efficiency and Effective Self Development. The functional competency program includes courses such as Accounting Standards, Project Management, Contract Management and Sales Planning and Management. The core business program includes courses such as Data communication and Networking, True Products and Services and Cisco Certified Network Associate (CCNA), Microsoft Server, etc. There are approximately 300 – 400 in-house training programs per year (True’s annual report, 2007).

**Process**

According to Report Mobile phone Operator 2007, emphasizing the Waiting duration in queuing and convenient while using service are the most important process in DTAC service shop and all DTAC centers to strengthen brand personality which offer simple and convenience service to customer (Mobile phone operator market, 2007).

For After-purchaser services DTAC offer two type of services namely feel good service and value added services. Additionally, the registration process was redesigned to make the customer feel much easier to apply for the services although the verification process remained intense procedure (Total Access Communication’s annual report, 2007).

**After purchasing Services**

1. **Feel good services** offer service to serve customer convenience mostly for post paid customer and free of charge. The Top up for happy users is for post paid customers enable top up happy call’s credit, Check call detail web is a Call detail on web service such as current call detail and previous call history, the *1888 Hotline : Various service at one stop mange subscribed package and Value added service, Easily postpone due date offers postpone monthly payment due date, Drop call compensation is for drop call compensation will be rendered, DTAC No. alert is a free service for checking whether the destination number is DTAC or not, Call me back is for post paid customer and free of charge service, with no call credit, allow sending SMS to destination number to call back and No Number No talk is for blocking anonymous call for local and international call.

2. **Vas (Value Added Services)** The after purchase service consists of satisfying the need of entertainment, lifestyle, communication, sports, news and information and business for fun and responsive to any lifestyle, serve mostly for the post-paid customers and the average monthly service fee is between 25-50 Baht. Each service categories are divided by specific need of each group of customer. Customers have to pay for the fee or register through system. The
service will be applicable according to supported feature of each mobile phone model.

**Entertainment service**

There are four entertainment service which are Ring4U (offering ringtones, songs, music and sound), Fun download (for loading game, e-card, wallpaper, theme), Free Zone (system will send free contents, MMS, Wallpaper, Screensaver, Theme, Polyphonic, Truetone, VDO Clip, E-card and News and Application), Hits MMS (provide monthly MMS service) and Backing Tone (Download songs and sound effects service to the supported backing tone program in order to create personal atmosphere while talking).

**Lifestyle**

Gossip and lifestyle: Thai entertainment news report and gossip

**Communication**

There are many communication services which are SMS (Short Message Service), MMS (Multimedia Message Service), International SMS (ISMS), International MMS (IMMS), Mobile Internet (GPRS) EDGE technology, Fun Combo package for SMS, MMS and GPRS service, Call waiting and call holding (This service allows you to put an active call on hold while answering a second incoming call. Just switch the line after the system notification), Call Conferencing (Create a private meeting room anywhere, anytime. Connecting up to 6 lines simultaneously to keep you connected while traveling.), Call barring, Voice Mail service, Delivery report, Multi SIM register for using up to 5 SIM cards under the unique statement, Miss No more (This service will alert you of missed calls even when mobile is turned off, out of battery, or out of coverage areas with free of charge.), Chat portal program and Chat MSN via mobile phone.

**Sport**

Sport Zone: Updated sport news

**News & Info**

DTAC offers Mobile News, Data and Fax service (send and receive data via fax), Balance Inquiry (for post-paid customer, Itemized Billing)

**Business**

In business segment, DTAC offers Biz news (Economic news on mobile phone) and itemized billing. This billing will be delivered to your home along with your invoice statement. Check the date and time of outgoing calls, destination phone numbers, call times, and call credit (Total Access Communication, 2008).

DTAC has cooperate with leading banks in Thailand to elevate the number of convenient ways to in reaching customer in line with the increasing mobile users rate in a recent few years. DTAC launch the service call (Sabai Pay) by providing ATM real time service 24 hours a day to accommodate post-paid customers needs
in paying the bill at anywhere and anytime in case of targeting customers are not in the service center areas. Additionally, customers who had made payment via DTAC call center to reduce service fee by paying via VISA and MasterCard or ATM, customers will receive confirmation SMS in payment transaction and payment bill mail afterward in order to ensure financial transaction. This is also benefit the company in lowing operating cost. DTAC is responsible for all expenses and aim for increasing 30 percentage of customers who making more payment via other method aside from DTAC shop from current statistical data of 20 percentage (Total Access Communication, 2008 and Mobile phone operator market, 2007).

DTAC also develop divergence marketing strategy to establish the biggest network of Happy online shop (Massive Virtual Distribution). DTAC has develop this strategy in order to expand as channel of distribution as possible because the company strongly retain as many of cooperate alliance services providers. Ultimately, this benefits to DTAC users in order to strengthen the brand image and reinforcing convenient and simple service concept. This also satisfies customers’ need in the sense of reducing service time which reflects to reduce flow of activities in process when using service. The reducing process and waiting time instead of going to DTAC service shop, customers can get access to service easily. Since DTAC claimed that refill call credit service is the most frequent service and required particularly in high cost of living at this present time due to the changes of consuming pattern. Most of consumers tend to fill up call credit in lessen amount but they tend to buy more frequently. As a consequence, online refill service will be well response to new trend of consuming pattern due to the all over coverage.

Moreover, DTAC also expand top up call credit channel by cooperate with Tesco Lotus offer “Tesco Lotus E top-up” and “Easy Top Up” to Bic C supermarket at check out points by using the geographical resources of the leading retailer store which already located in major area throughout the country. This also lower operating cost to the company (Total Access Communication, 2008).

AIS offers after purchase service as “Balance & validity transfer” which allows subscribers to transfer their available balance and/or validity to another subscriber. This service launched under the “One-2-Call!” brand with the “Freedom”. The “Private number” service essentially protects subscribers’ privacy when they want to hide their number identity from the party they have called. “Call screening” empowers subscribers to allow selected important calls to come in during their busy or private times. “AIS Push Mail” is an instant mail service which alerts subscribers once they receive new emails. Entertainment and news are also fed daily to subscribers of TV on Mobile by ROK TV and MMS news by The Nation Channel as well as cooperation with Google Earth for the Google MAP service. Services also cover the latest developments for international calls through AIS’s subsidiary international gateway and mobile payment through mPAY (Advanced Info Service, 2008).

**Physical evidence**

To pursue customer care taking concept, DTAC shops were established in accordance with the concept of “One Stop Shop” in order to providing coverage services such as billing payment and maintenance service. By elevating DTAC shop quality is enable DTAC in coverage customer care and make a favorable impression to promote DTAC shop as a DTAC service center to many spot across
the country. The one stop shop concept is considered as a place to facilitate goods and service for DTAC.

Happy online is another channel for customers to fill up call credit targeting non-telecom group to be convenient in using DTAC and towards coverage of major customer based areas across the country. The cooperating distributors can make value added service to their product by providing top up call credit service for example, DTAC expand the channel of distributors to common retail shops such as barber shop, watch repairing shop and common specialty shop to reach more current customer to find the easy spot to fill up call credit, thus stimulate more service purchase and ultimately increase sale volume. In this aspect, Happy online is categorized as another tangible selling point instead of actual DTAC service shops.

Currently, Happy online shop has expanded selling points up to 100,000 spots in 2007 by offering top up call credit service at least 20 Baht to 800 Baht. The cooperating service providers will receive 3.5% of the overall sale volume that they made. (Mobile phone operator market, 2007).

AIS serenade club offers a place for exclusive point of contact. This is a differentiate service for exclusive customer corresponding with lifestyle inside the AIS serenade club is divided in to three section. The first section is Mobile solution is an area for all mobile service function. The second area is Play station for encourage customer to try and enjoy with various added service AIS Mobilelife. Lastly, Privileges update for updating special privileges and discount. There are located in major business area such as Emporium and Siam Paragon (Advanced Info Service, 2008).

For True, these are True coffee shops pictures which develop unique strategy to facilitate customer in enthusiastic knowledge environment with the modern furnishing store layout and decoration similar to AIS serenade club.
True unique privilege is True Coffee offering a third place and true coffee shop is target for all teenager age to be a place for hang out. There are services providing such as internet Wi-Fi internet after purchase internet hour, true coffee shop, billing payment service and true counter service. There are true coffee shop located in major business areas in Bangkok such as Siam, Siam Paragon, Tong Lor, and Kao San road (True Corporation, 2008).

4.2 Primary data: Marketing mix for service companies

In the survey, 384 respondents were included. They were asked for some general
information about their background and the consumer behavior. They were also asked to give their opinions about how the marketing mix in service company which affect their purchasing decision making. In some cases, working out of the given answers the percentages rise above 100. For the most this is due to the rounding off. In the second part about consumer behavior it is mostly caused by respondents who gave more than one answer to a question.

First part: profile of respondents

The first part of the questionnaire is about the characteristics of the respondents. The respondents were living in the following business district in Bangkok: Sathon District (16.7%), Pathumwan District (16.7%), Ploenchit District (16.7%), Bang Rak District (16.7%), Lumpini District (16.7%) and Wattana District (16.7%).

The data showed the followings, 53% of the respondents were male; the other 47% was female. Among these persons, there were 16% younger than 20 years old, 32% between 21-30 years old, 25% between 31-40, 15% between 41 and 50 years old and the remaining 11% was older than 50.

The most common educational background of respondents which obtain bachelor degree (57%), master degree or higher (19 %), high school (16%) and less than secondary school (8%).

The respondents are working for a private company (54%), are working for government (19%), student (17%), self employed (8%), and doing something else for living (2%).

The most common income is between 30,000 – 30,999 Baht (35%). Between 20,000 and 29,999 Baht (27%) and 10,000 – 19,999 Baht (14%) is also quite common. Earning between 40,000 and 49,999 Baht (11%), earning more than 50,000 Baht (9%), and earning less than 10,000 Baht (4%) is less frequent.

Second part: consumer behavior

The second part of the survey was about consumer behavior. This part showed how the respondents think they behave in their buying behavior.

On the first question, the respondents are currently using AIS for 50%, using DTAC for 30% and the remaining are using True for 20%. 86 % of respondents use Prepaid product and 14 % use Postpaid product. The most common service is Valued added service (58%) and Clubbing (17%). Online Paying (9%), International call (6%), International roaming (5%) and Phone setup service (5% as well) is less frequent used.

The Valued added service are divided into 5 categories which are SMS (68%), Ring tone (15 %), Mobile internet service (6%) as well as MMS (6%) and Content download ( 5%).

The most popular place for buying product is Specialty store such as Seven Eleven convenience store (59%), Operator provider store (23%), Grocery store (10%), Mobile ATM (6%) and not many respondents buy the product via Internet (3%).

Most of respondents decide to use service from current operator provider because that brand providing lower cost than the other (32%) as well as good reputation
in signal (30%). Good additional service (18%), recommended from friends (7%), variety of product (5%) are the remaining. Moreover, there are 9% specified that because of the promotion together with the mobile phone (9%) as other reason.

Most respondents think the most powerful sources that effect to their decision is TV and newspaper. In TV sources, the most popular channel is channel 3. The majority of respondents (132) think that channel 3 is important for 51-75%. Followed by 60 respondents give significant to channel 3 for 26-50%, 40 respondents for 0-25% and the remaining 5 respondents think that channel 3 is the most effect channel up to 76-100%.

Channel 7 affected 120 respondents for 51-75%, 55 respondents are affected for 26-50% and 32 respondents are affected for 0-25%. 2 of respondent think channel 7 make influence for 76-100%.

The remaining channels which are Modern Nine TV, Channel 5 and TITV do not play important role on influencing respondents purchasing decision. For Modern Nine TV, it influences 26-50% to 37 respondents, 0-25% to 9 respondents and 51-75% to 5 respondents. None of respondents is influenced for 76-100%.

Channel 5 makes influence mostly on 26-50% to 32 respondents, 0-25% to 6 respondents and 51-75% to 3 respondents. None of respondents chose channel 5 makes influence on them up to 76-100%.

The least influencing channel is TITV, there are 23 respondents think that TITV make influence on them 26-50%, 11 respondents is influenced 0-25% and 6 of respondents think it influences on them 51-75%. None of respondents is influenced by TITV up to 76-100%.

The second channel that has affected on choosing the current mobile operator company is newspaper. Thai Rath is the most influencing newspaper to respondent, followed by Daily News. The remaining which does not play important role is Kom Chad Luek, Khaosod and Matichon, respectively.

Thai Rath is chosen for 26-50% by 28 respondents, 0-25% for 12 respondents and 51-75% for 5 respondents. Daily News is chosen for 26-50% by 22 respondents, 0-25% by 9 respondents and 51-75% by 2 respondents. Neither of them makes any influence up to 75-100%.

Khaosod and Mathichon have influence on 3 and 2 respondents, respectively for only 0-25%. Moreover, neither of them was chosen as other degree of influence. The most influencing radio channel is 103.0 Virgin Soft which weighted 0-25% by 22 respondents, 26-50% (8 respondents). The next radio channel is 104.5 Fat Radio which is weighted 0-25% by 11 respondents, 26-50% by only 4 respondents. The less two influencing radio channel is 95.5 Virgin Hitz and 97.5 Seed FM, respectively. 95.5 Virgin Hitz is weighted 0-25% (7 respondents), 26-50% (3 respondents). 97.5 Seed FM is weighted 0-25% (9 respondents), 26-50% (4 respondents). The remaining radio channel has no significant impact on respondents’ decision making.

Internet and websites has less significant impact on consumer decision making as the most influencing website is the company official website, it is mainly weighted 26-50% by 27 respondents, followed by 0-25% by 9 respondents. Pantip, Kapook and Mthai have less significant affect on consumer purchasing decision as it is weighted 0-25% by 6, 4 and 3 respondents, respectively. None of the other
websites have significant affect on respondent’s decision making.

The less influences advertising sources is Magazine which are TV Pool, Spicy and Marie Claire. They are weighted significant level between 0 and 25% by 7, 5 and 3 respondents, respectively. Apart from these magazines has no significant impact on respondents’ decision making.

The respondents are not so easily to be influenced: 39% make their decision on his or hers own. Friends (33%) play a role; the sales promotion such as free package together with mobile phone also makes influences (14%). Family influence the decision making (11%). Celebrities’ influences play a minor role in purchasing decision making, only 3% of respondent are affected.

The average expenses per month of using service from operator provider, they usually spend 501-1000 Baht (46%), 300-500 Baht (34%), Spending for 1001-1500 Baht (8%), less than 300 Baht (6%) and 1501-2000 Baht (4%) are less common as well as only 2% of respondents spend more than 2000 Baht per month.

In giving on the most frequent period that respondents usually make a call. The most significant period is between 18.01 and 12.00 at night (49%) and between 12.01 and 18.00 in the afternoon (44%). They were given 51-75% frequent. Between 18.01 and 12.00 is frequent using period by giving 76-100% (24%), 26-50% (14%), 0-25% (13%). Between 12.01 and 18.00 is the less frequent using period after the night time, respondents gave 76-100% (23%), 26-50% (21%), 0-25% (12%).

The less frequent using period is either in the early and morning of the day which is 0.00 and 6.00 and between 6.01 and 12.00, both of them are mainly weight 0-25% for 61% and the latter period is mainly weight in the same level for 51%. Between 0.00 and 6.00 is weight 26-50% (24%), 51-75%(10%) and 76-100% (5%). Between 6.01 and 12.00 is weight 26-50% (35%), 51-75% (13%) and only 76-100% (1%).

Third Part: Marketing mix of mobile phone operator provider company that effect buying decision

The overall performance of each component in 7P

In part three, respondents were asked about marketing mix strategies of mobile phone operator provider company (AIS, DTAC and True) that effect buying decision. The questions were asked in two perspectives which are level of significance or expected level and level of satisfaction. The levels of significance start from most important, important, moderate, less important and not important. Levels of satisfaction start from very satisfactory, satisfactory, acceptable, dissatisfactory and very dissatisfactory. By comparing two perspectives, researcher could see customer opinion regarding AIS, DTAC and True mobile phone operator provider company. In order to illustrate the result effectively, researchers show statistic data in numeric table and graphic. Numeric table present all detail of result while graphic picture is easier to see the comparative result among three companies.
Table 7: The result of Questionnaires part 3 (Marketing mix of mobile phone operator provider company that effect buying decision.)

<table>
<thead>
<tr>
<th>Component in 7P</th>
<th>Component Attributes</th>
<th>AIS</th>
<th>AIS</th>
<th>DTAC</th>
<th>DTAC</th>
<th>TRUE</th>
<th>TRUE</th>
</tr>
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<tbody>
<tr>
<td>Product</td>
<td>Quality of signal</td>
<td>3.83</td>
<td>4.18</td>
<td>4.40*</td>
<td>3.44*</td>
<td>4.39*</td>
<td>2.63*</td>
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<td>Product variety</td>
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<td>3.56</td>
<td>3.25</td>
<td>4.13</td>
<td>2.95</td>
<td>4.11</td>
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<td>Brand reputation</td>
<td>3.40*</td>
<td>3.26*</td>
<td>3.76</td>
<td>4.38</td>
<td>3.03</td>
<td>3.28</td>
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<tr>
<td>Product</td>
<td>Mobile Internet speed</td>
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<td>4.04</td>
<td>3.25</td>
<td>3.72</td>
<td>2.73</td>
<td>2.84</td>
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<td>(Average)</td>
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<td>3.35</td>
<td>3.76</td>
<td>3.66</td>
<td>3.92</td>
<td>2.41</td>
<td>3.21**</td>
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<td>Price</td>
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<td>3.25</td>
<td>4.03</td>
<td>3.32</td>
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<td>3.79</td>
<td>2.99</td>
<td>3.76</td>
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<td>Proximity to home/ work</td>
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<td>2.96</td>
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<tr>
<td>(Average)</td>
<td></td>
<td>3.10</td>
<td>3.92</td>
<td>3.33</td>
<td>3.61</td>
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<td>Customer care taking and attentive manner</td>
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<tr>
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<td>3.88</td>
<td>4.13</td>
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<td>Store layout and decoration</td>
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<td>3.47**</td>
<td>3.43**</td>
<td>3.62</td>
<td>3.97</td>
</tr>
</tbody>
</table>

Note: -I means level of important, S means level of satisfaction.
* With underline means satisfaction level is lower than important level in of sub-element.
** In red color means overall score satisfaction level of each 7P element is lower than important level.

Figure 8: The result of overall 7Ps element
The result of marketing mix of mobile phone operator provider has shown that AIS customer consider product being ‘important’ (3.76) and their satisfaction level is ‘satisfactory’ (3.35). However, DTAC perform better in overall product satisfaction (3.92, Satisfactory) at the important level of ‘Important’ (3.66). True customer has lowest level of satisfaction (3.21, Acceptable) in this part and it is lower than customer expectation (3.27, Moderate).

True has highest satisfaction rate at 4.04 (Satisfactory) regarding price and True customer considered price only ‘Moderate’ (3.32). AIS has lowest customer satisfaction in price (3.62, Satisfactory) while their customer take into account at 3.14 only (Moderate). DTAC is in the middle position with level of satisfaction at ‘Satisfactory level’ (4.03) and level of important at 3.25 (Moderate).

AIS has the highest satisfaction level in place (Satisfactory, 3.82) and it is higher than level of important at 3.04 (Moderate). DTAC is the second ranking in satisfaction level (3.77, Satisfactory) which is higher than level of important at 3.04 (Moderate). True has the lowest level of satisfaction in place (3.66, Satisfactory) but it is still higher than level of important at 2.84 (Moderate).

AIS customer satisfy in company’s promotion with satisfaction level at ‘Satisfactory’ (3.92) while important level is only ‘Moderate’ (3.10). DTAC’s customer satisfaction of Promotion is lower than AIS, the satisfaction score is 3.61 (Satisfactory). It is slightly above than level of important at 3.33 (Moderate). True’s customer satisfaction at 3.46 (Satisfactory) also slightly above level of important at 3.19 (Moderate).
In the perspective of people, customer of three companies has close result in satisfaction level starting from DTAC (3.91, Satisfactory and 3.46, Important), AIS (3.76, Satisfactory and 3.23, Important) and True (3.68, Satisfactory and 3.33, Moderate) respectively.

In consideration of process, AIS received highest satisfaction from customer (3.67, Satisfactory and 3.01, Moderate) followed by True (3.59, Satisfactory and 3.11, Moderate) and DTAC (3.57, Satisfactory and 3.11, Moderate) respectively.

Lastly, DTAC is the only company that satisfaction rate (3.43, Satisfactory) lower than customer expectation (3.47, Important). AIS is the second at this point with satisfaction rate at 3.76 (Satisfactory) and level of important of 3.45 (Important). True exceed customer expectation (3.62, Important) at the satisfaction rate at 3.97 (Satisfactory).

The detail of each component in 7P

**Product**

**Figure 9:** The result of product element

![Bar chart showing satisfaction levels of three companies for each product component](image)

- **True's level of satisfaction**
- **DTAC's level of satisfaction**
- **AIS's level of satisfaction**
- **True's level of important**
- **DTAC's level of important**
- **AIS's level of important**

True get the lowest satisfaction rate (2.63, Acceptable) among three companies in term of quality of signal and it is lower than level of important (4.39, Very important). DTAC respondents also do not satisfy in quality of signal (3.44, Satisfactory and 4.40, Important). AIS is the only one company that able to satisfy customer at this point. The result show satisfaction rate (4.18, Very satisfactory) is above level of important (3.83, Very important).
Considering product variety, respondents of all players satisfy in product variety, DTAC perform the best (4.13, Satisfactory and 3.25, Moderate) followed by True (4.11, Satisfactory and 2.95, Moderate) and AIS (3.56, Satisfactory and 3.03, Moderate) respectively.

Nevertheless, AIS respondents dissatisfy in company’s brand reputation (3.26, Acceptable and 3.40, Moderate). DTAC respondents impress in DTAC’s brand reputation (4.38, Very satisfactory and 3.76, Important). True is in the middle among their competitors. (3.28, Acceptable and 3.03, Moderate).

Lastly, AIS customer enjoy mobile internet speed the most (4.04, Satisfactory and 3.13, Moderate) followed by DTAC (3.72, Satisfactory and 3.25, Moderate) and True (2.73, Acceptable and 2.84, Moderate) respectively.

Price

Figure 10: The result of price element

AIS respondents has low satisfaction rate compare to their expectation in cost of calling (3.17, Acceptable and 3.60, Important). True respondents has high level of satisfaction in cost of calling (4.39, Very satisfactory and 4.21 Very important). DTAC is the second ranking with 3.97 in level of satisfaction (Satisfactory) and level of important of 3.79 (Important).

Respondents of all player has positive attitude in clearly inform about calling rate and price (3.97, Satisfactory and 3.04, Moderate for DTAC, 3.95, Satisfactory and 2.84, Moderate for True, 3.82, Satisfactory and 2.98, Moderate for AIS) and convenient billing approach (4.16, Satisfactory and 2.91, Moderate for DTAC, 3.86, Satisfactory and 2.83, Moderate for AIS, 3.79, Satisfactory and 2.91, Moderate for TRUE).

Place
Figure 11: The result of place element

All respondents of AIS, DTAC and True have low expectation in parking facilities (3.54, Satisfactory and 2.53, Not important for DTAC, 3.49, Satisfactory and 2.56, Not important for True, 3.37, Acceptable and 2.72, Moderate for AIS).

However, they satisfy in location of the shop (4.10, Satisfactory and 3.34, Moderate for AIS, 3.79, Satisfactory and 3.50, Important for DTAC, 3.76, Satisfactory and 2.99, Moderate for True) and proximity to home/work (4.00, Satisfactory and 3.10, Moderate for DTAC, 3.99, Satisfactory and 3.07, Moderate for AIS, 3.73, Satisfactory and 2.96, Moderate for True).
**Promotion**

**Figure 12:** The result of promotion element

- **Corporate social responsibility**
  - True: 3.66, Acceptable and 3.02, Moderate
  - DTAC: 3.40, Acceptable and 3.05, Moderate
  - AIS: 4.03, Satisfactory and 3.02, Moderate

- **In-store advertisement**
  - True: 3.60, Satisfactory and 3.79, Moderate
  - DTAC: 3.28, Satisfactory and 3.28, Moderate
  - AIS: 2.88, Satisfactory and 2.88, Moderate

- **Sale promotion**
  - True: 4.39, Very important and 4.39, Very important
  - DTAC: 3.05, Satisfactory and 3.05, Satisfactory
  - AIS: 3.02, Moderate and 3.02, Moderate

- **Advertisement**
  - True: 2.48, Acceptable and 3.11, Moderate
  - DTAC: 3.05, Satisfactory and 3.05, Satisfactory
  - AIS: 2.83, Moderate and 2.83, Moderate

DTAC has slightly higher satisfaction (4.16, Satisfactory and 2.81, Moderate) in Advertisement than AIS (4.06, Satisfactory and 2.83, Moderate). True has the lowest satisfaction in advertisement (3.24, Acceptable and 2.48, Not important).

However, DTAC and AIS are not satisfy by their respondents regarding sale promotion (3.78, Satisfactory and 4.19, Important for DTAC, 3.65, Satisfactory and 3.66, Important). True is the only one company that their respondent satisfy in sale promotion (4.53, Very satisfactory and 4.39, Very important).

Moreover, DTAC respondents do not satisfy in in-store advertisement (3.10, Satisfactory and 3.28, Moderate). Respondents satisfy in in-store advertisement of AIS (3.93, Satisfactory and 2.88, Moderate) followed by True (3.60, Satisfactory and 3.79, Moderate).

AIS are satisfied by respondent regarding corporate social responsibility (4.03, Satisfactory and 3.02, Moderate) followed by DTAC (3.40, Acceptable and 3.05, Moderate). In contrast, True respondents are not satisfied in corporate social responsibility of the company (2.48, Acceptable and 3.11, Moderate).
People

**Figure 13:** The result of people element

Respondents satisfy in all three elements of people which are Employee specialize know-how in giving advice (Starting from DTAC for 4.15, Satisfactory and 3.54, Important followed by AIS for 3.85, Satisfactory and 3.26, Moderate and True for 3.71, Satisfactory and 3.43, Important for True), Customer care taking and attentive manner (Starting from DTAC for 3.88, Satisfactory and 3.58, Important followed by True for 3.72, Satisfactory and 3.35, Moderate and AIS for 3.67, Satisfactory and 3.26, Moderate) and Employee courteousness (Starting from AIS for 3.74, Satisfactory and 3.17, Important followed by DTAC for 3.70, Satisfactory and 3.26, Moderate and True for 3.63, Satisfactory and 3.21, Moderate).

**Process**
Figure 14: The result of process element

DTAC, AIS and True are satisfied by respondents in process element which are Waiting duration in queuing (Starting from AIS for 3.66, Satisfactory and 3.06, Moderate followed by DTAC for 3.64, Satisfactory and 3.16, Moderate and True for 3.55, Satisfactory and 3.16, Moderate), Convenient while using service (Starting from AIS for 3.68, Satisfactory and 2.98, Moderate followed by DTAC for 3.60, Satisfactory and 3.09, Moderate and True for 3.47, Satisfactory and 3.03, Moderate) and After-purchase service (Starting from True for 3.75, Satisfactory and 3.13, Moderate followed by AIS for 3.68, Satisfactory and 2.99, Moderate and DTAC for 3.46, Satisfactory and 3.09, Moderate).
DTAC respondents dissatisfy in store image. The result show that satisfaction rate is lower than important level (3.43, Satisfactory and 3.52, Important). True receive highest satisfaction rate from their respondents (4.13, Satisfactory and 3.88, Important). AIS respondent also satisfy in their store image with satisfaction rate at 3.84 (Satisfactory) and 3.49 (Important).

The result of ‘Store layout and decoration’ and ‘Store facility’ are similar with the previous result, DTAC get the lowest rate (3.68, Satisfactory and 3.73, Important) followed by AIS and True in ‘Store layout and decoration’ (AIS for 3.84, Satisfactory and 3.49, Important followed by True for 4.07, Satisfactory and 3.93, Important). Store facility result is in the same direction, DTAC respondents are not satisfy (2.96, Acceptable and 3.42, Important) but True and AIS respondent are satisfy in Store facility (True for 3.99, Satisfactory and 3.53, Important, AIS for 3.73, Satisfactory and 3.25, Moderate). True get highest satisfaction in those two parts.

Score of satisfaction level for Music in the store is quite close starting from True (3.68, Satisfactory and 3.15, Moderate), DTAC (3.66, Satisfactory and 3.21, Acceptable) and AIS (3.64, Satisfactory and 3.55, Important) respectively.
5. Analysis

5.1 Business strategy theory

The external factor evaluation (EFE) matrix

Our finding from the result of external factor evaluation matrix shows that the total weighted score of DTAC is 2.82 from the possible total weighted score of 4.0. This is slightly higher than the average score of 2.5 means that DTAC can take advantage of the opportunities and reduce the negative effect from the threats quite good.

Opportunities

Considering the opportunities, the only external factor that DTAC response under the average is higher number of internet user. Expected 12.5 percent increase of internet user in 2008 is good opportunity for DTAC to use internet channel to communicate with target consumer or promote using internet from mobile phone. However, finding data from strategic business innovation management show those internet users found that DTAC’s internet service from mobile phone cannot satisfy their needs. Though, DTAC perform better in perspective of wireless users’ perspective.

Furthermore, the biggest piece that affect DTAC the most is growing of Thai mobile phone operator market with weighted score of 0.10 from sixteen factors. DTAC capture this opportunity of market growth 13.1% in 2007 by offering wide product variety with attractive promotion and positive brand image. Another two important external factors are growing of Thai mobile phone market and growing of Value Added Service market. Mobile phone becomes part of everyday life which 68.4% of mobile phone users are in Bangkok and it expected to increase which is the positive effect for operator market to expand in the same direction with mobile phone market. Besides that new designs, higher technology with lower price of mobile phone make it possible for the lower income people to possess mobile phone. DTAC improve service quality by offering MMS, ring tone, and games download service to support higher technology of mobile phone device. Anyhow, DTAC’s policy in adapting to customer demand by cancellation of warrantee service charge can attract new subscribers and it has positive effect to DTAC’s income.

Aside from that DTAC capture the opportunity of higher in international transaction from free trade agreement quite well. Trade agreements generate 80 Billion SEK to Thailand. Thus, it is a positive effect on the revenue for DTAC’s business communications segment. In addition, DTAC can increase financial sources from higher foreign shareholder portion regulation. Higher financial capital helps DTAC to invest in higher technology or 3G for future expansion to serve the increasing number of subscribers. As a result, DTAC can create barrier for new entrant who has limit financial resource.

Finally, 1.82 in total weighted score of opportunities factor for DTAC means DTAC response to opportunities above average. Only higher number of internet users factor perform lower than average.
**Threats**

Considering the threats of DTAC, the overall response from the company toward the malicious external environment has been far low-responsive to the threats, and most of the response falls into the lower-than-average responsive rate.

According to the findings, the competition from strong rivals that has recently been intensified by all the players -- in term of tariff-rate reduction and extending promotional periods affected negatively to DTAC which reflected in term of revenue growth. This factor has a highest potential in term of creating high competitive market. However, while considering the response from DTAC, the company could not react well to this treats as reflected in the problem of network jamming.

Apart from the competition, the uncertainty from government policy is the first coming up influential factor; however, DTAC could response well to this factor which means the company was able to cope up with the government policy. The following lesser influential factors were higher bargaining power from customers due to the lower switching cost and availability of substitute product which DTAC can response in an average responsive rate and lower than average respectively. This reflects in term of moderately unable to maintain the customer base and prevent customer to switch to the substitute product.

The lower importance threats factors are higher credit risk from cancellation policy, fluctuated interest rate and fluctuated foreign exchange rate because the other competitors are affected by these threats also. However, the only response from DTAC that remain in average level was only the response to foreign exchange rate.

**The internal factor evaluation (IFE) matrix**

Finding from the result of internal factor evaluation matrix shows that weighted score of DTAC is 3.02 from the full score of 4.0. This is higher than the average score means that DTAC can strengthen their strengths and minimized weaknesses effectively.

**Strengths**

Considering the overall strength of DTAC, the average response from DTAC was mostly fall in the above-than-average pool. DTAC responses well to the improvement of knowledge and skills of employee – as shown in term of learning from the mistake to get better in every day and increase the strength of the company in order to compete in the market at the same time.

Brand awareness is another field that DTAC can give above than average response by using IMC strategy. This reflects in the strong brand awareness and recognition.

Apart from those two factors, the strength of DTAC in term of superior quality from AMPS 800 system shows that DTAC can response well to this strength as it is the system that means no harm to customer’s safety. Another factor is the wide variety of value added service as one of influential factors which DTAC can response in above-than-average level, this reflects in of satisfaction of customer’s needs that were fulfilled.
However, DTAC responses averagely in social responsibility enhance corporate image, wide variety of value added service and wider band width increase ability in expanding number of customer. Yet, all of these factors are considered less important that those that were mentioned above.

Finally, 2.34 in total weighted score of strength factor for DTAC means DTAC response to the strength above than average. Only technology, financial and marketing support of Telenor group factor performs lower than average.

**Weaknesses**

Considering the weaknesses of DTAC, the overall response from the company toward the internal environment factors has been very low to the weaknesses, and most of the response falls into the lower than average responsive rate.

Mobile phone operator market is highly affected from high cost of concession. Nevertheless, paying higher cost for the concession requires by CAT Telecom Public Company Limited and TOT public company Limited than the other competitors cause company’s limitation in launching promotional campaign and marketing activities. There is no obvious policy regarding lowering cost available from DTAC, their inability to mange this factor cost reducing weakness control in general. The other four factors relating to internal weaknesses are not important weaknesses of DTAC which is the consequence of strong managing ability of the company. Still, there is managing problem by operating under Telenor group. Aside from that, DTAC’s cellular communication system serve less are than AIS, DTAC plan increase investment upon this but paying high cost on concession still being constrain. Their plans to increase capitals for investment show their intention to reduce this weakness.

Generally, DTAC’s weaknesses come from their financial condition including high cost of concession and financial commitment with foreign country. Those factors lead to their inability to utilized resources in order to satisfy customer demand.
Competitive condition in the market

Figure 16: Position of AIS, DTAC and True concerning market share and revenue growth rate in the market with direction

As DTAC is the second rank player in communication industry with 30% of market share and 6% of revenue growth, DTAC is in ‘quadrant 1’ according to its revenue growth. However, company is required in investment in order to maintain its growth and its leader position otherwise the company may fall to ‘quadrant 3’ which means the company may lose its leading position. Additionally, the penetration rate of the number of SIM card divided by total population will also continue increase and possibly reach 100% which means the market will be matured in the next few years. As a result, DTAC has launched new marketing campaign “feel good” with the purpose of improving company’s customers both current and new subscribers in DTAC’s product and services for extending its life cycle because the position in ‘quadrant 1’ means that the company is going to reach mature status in its life cycle and the growth rate starts to slow down continuously until its position falls into ‘quadrant 3’ finally. But if the company can
extend its life cycle, the company can be in quadrant 1 and gain benefit from long term profit and long run growth as the direction of arrow in figure 14. However, the market growth depends on several factors and variables including changes in environment regulation, coverage in expansion and general economic conditions in Thailand which the major customer who plays an important role in driving overall market as the leading group is prepaid customers. Furthermore, the corporate customers are considered as a significant potential group for future revenue and profitability also. Therefore, DTAC has focused on prepaid and corporate customers as target customers segment and designed marketing campaign which satisfy to these customers. Accordingly, DTAC has possibility to gain more market share and strength its position better than AIS in the future. For AIS, the number one leading player in mobile operators market is in ‘quadrant 1’ also with the most market share 49% which is more than DTAC’s market share; therefore, the position of AIS in mobile operators market is better than DTAC as the first leading player. The reason is that AIS is strong in good quality network coverage, network capacity, building coverage and valued added services, so AIS has high networking capacity reputation compare with other operators. However, AIS pricing strategy is rather expensive comparing with other operators because the company focuses on high networking capacity by offering good quality of products and services to each individual’s need exactly which causes high in cost of investment. Consequently, the revenue growth of AIS is less than DTAC’s which is 2.9% comparing with 6% of DTAC. For the third player like True which has the minor market share 19% with growth rate is 3% much more than AIS, the company is in ‘quadrant 2’ in which the company can move to ‘quadrant 1’ by focusing more on new marketing campaign for attracting new customers while the company has to pay attention on maintaining current customers also, so that the company’s market share will possible grow up and pull True to be in ‘quadrant 1’. Currently, True offers various promotions to satisfy each of target customers’ need as well as it offers various mobile phone systems such as 900, GSM Advance and GSM 1800, so that the company is able to satisfy wide range of customers’ need in each target segment. Consequently, True has a potential to move its position to quadrant 1 by launching marketing campaign which can catch new subscribers and maintain current subscribers also. However, True has disadvantage in fewer distribution channel than the other two leading mobile operators, so that the company is inferior due to the network coverage and capacity comparing with AIS and DTAC.

5.2 Marketing mix for service company (7P)

Secondary data Marketing Mix for Service Company

The marketing mix for service company elements is analyzed together with the questionnaires. The results from the questionnaire are being discussed in the order of level of importance in customers perception towards each component compared to level of satisfaction of the company performance which indicates how well companies enable to satisfy in customers’ perception.

Although the overall performance of DTAC is still follow the first and the strongest player likes AIS, DTAC obtained rather satisfying growth rate in the previous year. However, the fact is that overall market share of DTAC is far behind AIS. Consequently, this part consists of the primary data and secondary Marketing Mix of service company gathered and analyzed in each 7P component attributes in order to elaborate the overall performance of DTAC with another two dominating players in the market, AIS and True.
According to information providing in Marketing Mix for Service Company in “Product” elements, DTAC is the one who performing the best among the other providers. The reason supporting the better performance of DTAC is the company performance is over-expectation level due to the following reasons. Firstly, the company has good quality of signal due to it accounts for the number of bandwidths that could help enhance the operating efficiency to perform well than the competitor’s. The more bandwidths the company has, the more width ranges of frequency to increase more number of customers than other competitors. In Thailand mobile phone operator market, it appeared that product elements was the most important to Thai’s mobile phone users because the score of expectation level in quality of signal aspect was rather high. This means that quality of signal influencing in customer purchasing decision making and also rather high reflecting in level of expectation.

However, AIS won the first place in network quality and become a Total Telecommunication Service provider, improving better quality technologies which could enhance variety of service to customer through EDGE technology such as wireless services, internet broadband, and international calling service. With the outstanding network coverage and better network quality of AIS since it is the key strength and differentiation that no one can complete with. Secondly, AIS and DTAC are able to satisfy the demands of customers who need services with higher wireless data transfer speeds (for AIS this EDGE technology enhance data rate for GSM Evolution service plan). However, the technological change will developed adversely due to the adoption of 3G technologies which AIS is on the process of awaiting for licensing from the national Telecommunication Commission (NTC) to operate this new advanced technology to Thai market. Furthermore, as AIS is able to provide HSDPA (High Speed Downlink Packet Access) technology in major cities. This means HSDPA service is the competitive advantage to the coverage of fixed line service areas. This effect customer satisfaction in better quality of AIS internet speed to be slightly higher than DTAC since it is now in the awaiting process of licensing from NTC.

Presently, AIS has unique network coverage strategy throughout the significant areas such as new residential and rural areas. Consequently, AIS performs better in quality of signal and DTAC have to improve considerably in this element in order to win out market share from DTAC. For product variety elements, the three players are offering close products variety to the wider range of segmentation. Similarly, AIS, DTAC and True are offering post-paid and pre-paid services. Along with the main product, they also provide Value Added Service and international call services. Additionally, in Thai mobile phone users are the most influenced by product variety since DTAC performs the best among their competitors because the wider range of package and promotion satisfy actual need and currently, DTAC also focus on the cheaper post-paid package (feel free). It offers the lowest range of call charge package of 100 Baht per month. This attracts the pre-paid base customer. DTAC will benefit the more of brand loyalty since the higher switching cost of post-paid service will be higher than switching from one pre-paid to another competitors’ attractive promotion. This means that post-paid service have high involvement than pre-paid service. DTAC also offers various kinds of services to serve actual need of customer lifestyle.

Hence, the product variety performance is over expectation compared to AIS and True. Since DTAC targets wider range of mass individual users group as well as
True but both of them cannot perform well in capturing corporate customers and small and medium (SME) customers as much as AIS do. Apparently, AIS have innovative and distinctive tariff plan which is divided into four categories GSM advance (targeting young workers, businessmen, urbanities, tech-savvy and quality-oriented customers), GSM 1800 (targeting simplicity and basic voice communication), One-2-call! (targeting teens and youngsters who thrive on having individual style and expressing their creativity) and Sawadee (targeting upcountry customers, first-time users, and those who need longer validity dates at affordable prices. For these reasons, AIS has core competency in particular target segment.

For brand reputation, DTAC has performed the best at the expected level than AIS which effected from bad reputation decreasing brand favorite from the coup d’état in 2006 results in some users switching to other competitors. Whereas, the rebranding of DTAC also make a big impact on all elements of product since customers perceive DTAC as simple and convenience brand resulting from feel good image which the company put much effort in strengthening this new branding strategy in order to target mass customers. New products such as SIM cards and SIM package are introduced in fast rotation. So customer have a wide range of choices to match the vary needs of each target customer. In conclusion, DTAC has to improve quality of signal in order to perform better and satisfied the need of mass customer both in urban and upcountry area. Since most of mobile phone users in Bangkok especially in business district area are both individual and corporate customer so that DTAC have to put more effort in serving the overall need of those target group which account for most of market share of whole country.

Price

DTAC maintains the price in the middle range among AIS and True. Cost of calling was rated the most significance in customers perception and it also influence purchasing decision making in the specific brand. True is still the first brand that perform the best in mass target group (individual customer) and AIS perform the best in upper segment such as small and medium customer and corporate customer because of the wide range of choices and reasonable price of products and service with the satisfying of products quality. In general, DTAC has set the average call charge rate per minute lower than AIS but DTAC offer various product lines more than AIS and True. True offered the lowest call charge of both pre-paid and post-paid service in the market compared among the three leading players in the market which is only 0.50 Baht per 5 minute within in same network. The additional call outside network is only 1 Baht per minute. While AIS offer the lowest price at 0.50 Baht from second minute onward, the first minute is 3 Baht in the same network. True perform the best in cost of calling element followed by DTAC.

However, DTAC performs the best in overall picture due to the procedure of clearly inform the calling rate via advertisement, company website and brochure. The convenient billing approach through various channels SMS, E-service and the addition service offer for transparent billing inform Itemizing Billing and Balance Inquiry. Due to the interconnection charge rate and increase the more stable pricing competition in Telecommunication market during 2007. This directly affect to the good sign for overall market. Consequently, DTAC still strengthening that it is the only operator provide that calculate call charge in accordance with the real minute usage in market.
Promotion

Promotion is another relatively important factor for purchasing decision making, but there are other relevant elements to take into account such as corporate responsibility to community and privileges offered to long term customers. Alongside with the Product and fast package intruded in fast rotation, the promotion and corporate responsibility of the company still being the supporting factor to strengthen company image such as Sam Nuek Rak Ban Kerd Foundation and Ruam Duay Chuay Kan Happy Station, this strengthens the brand image of DTAC via advertisement at acceptable and moderate rate. This also increases brand awareness towards customers in the sense of brand recognition.

Moreover, for in store advertisement, DTAC has performed lower satisfaction level in promotion component. This is the barrier for DTAC in lessening channel of brand communication through in store advertising although DTAC have wide range of sale promotion for both pre-paid and post-paid service. For these reasons, the channel to emphasizing and letting customer to get in touch with the fast rotation of sales promotion is also important as well as in store ads. This could help increase customers’ recognition in recent promotion and also ring the bell in customer mind about current ads. It will directly affect to the sales volume in the long run. AIS performs the best among competitors regarding well planning of in store advertisement which capture significant attention than other brands. As DTAC performs under expectation in sales promotion and in-store advertisement compared to the differentiate approach of the two competitors AIS, serenade club and TRUE coffee shop. AIS serenade club is the strength uniqueness to retain current customers. The Serenade club provides updated information in the privileges updated section and facilitate full after-purchase services. The basic privileges offered from AIS plus, DTAC feel good reward and True privileges are almost the same but ultimately, DTAC is lessen its opportunity in order to be at the same level as competitors.

For the following reason, DTAC offers services only at DTAC shop, DTAC center and Happy shop. While the middle to high customers need more satisfying requirement more than just basic needs. So, the competitors utilize this factor in order to attract targeting group which require complicated and high level of service in corresponding with lifestyle and actual need in each market segment. Apparently, AIS serenade club and True coffee shop are strengthening the brand positioning objective is to establish TRUE coffee shop in order to targeting for all age group of customers who either currently use True or even other brands. True intention is to provide a place for customer to hang out and enjoy the knowledge based environment in the store along side with the coffee bar and Wi-Fi internet connection service.

Moreover, locations of True coffee shops are in the major business and shopping area such as in Siam, Siam Paragon, and Kao San road. TRUE can get access to the demand of teenager or young working customers who need meeting point with friends. Moreover, TRUE have another favorable core competence like hi-speed internet service, so it enables to use True shop in providing trail service before making decision to buy the product. As a consequence, True obtains benefit from the wider channel of customer accessible point to the product and services.

Place
AIS has the best performance in the element of convenient location to purchase product because AIS has expanded the channel of distribution to reach and cover more areas and sub dealer besides the exclusive dealer which is Telewiz. The underlying objective is to enhance closer relationships and embedded to the whole of distribution chain so that it also offers online service to refill money. Consequently, this will help AIS reduced the cost of refill card production in the long run and also strengthening convenient accessible refill channel for pre-paid customer. While DTAC also perform quite well because of the company has push much effort to reach more customers. DTAC expands the distribution channel by launching “Pay at Anywhere” campaign provide many convenient and easy billing payment way such as Counter service, 7-Eleven outlets, Jay Mart Pay point (franchise mobile phone dealer), supermarket Big-C and LOTUS, Coordinating bank’s websites, cash payment at post office service and SMS service of Kasikorn mobile banking service. This wider channel through the alliances and coordinating service providers help DTAC strengthening new brand image which proudly to offer the convenient and simple service.

For the proximity to home or work place of the shop, DTAC has account for the best performance due to the spreading and frequency of each services shop. Plus, the distance from each DTAC service partner shops to shops are not considered as too far but most of them cover customer area to get access easily. In conclusion, the wider channels of distribution of DTAC benefit and considered as the most strength core competency of DTAC to complete with the other two players in market.

In relevant with the distribution channels, AIS is the best performer in parking facilities followed by DTAC and True. However, they perform at the average level. Because of this following reason, AIS, DTAC and true located mostly in the major business and shopping areas where there are provision of parking lot facilities for customers such as department stores such as Emporium, Siam , Siam Paragon, Central, the mall and Central World and supermarket. For example, Big-C, Lotus and Carrefour, as benefit from the convenient locations where the shops are accessible and proximate to target customer.

**People**

DTAC performs the best among the other competitors while AIS and True perform over expectation of customer perception as well. For the element of employee specialize know-how in giving advice, DTAC performs over-expectation and obtain high satisfaction level. Due to, DTAC has training and development policy for call center employees continually also with the internal organization policy which encourage sense of belonging and working along with DTAC’s way. On the other hand, AIS the second provider develop customer engagement policy and internal organization efficiency and employee performance. Ultimately, AIS strongly believes in manpower effectiveness in order to support the overall performance of the organization so the company has developed monthly schedule training and development program.

For the element of customer care taking and attentive manner DTAC performs the best among mobile phone service providers. It has done over expectation level at the most expectation of People element. This means that according to the brand positioning and brand personality. Customers have perceived DTAC as “simple and convenient brand” also prepaid “Happy” and feel good service which can imply that the company promise to serve at the most satisfying service level as it could. Consequently, brand personality of DTAC significantly influence on
customer expectation in using service. Moreover, level of expectation DTAC received is rather higher than other competitors. Basically, DTAC also emphasize in impressive service standard while customers go to DTAC shop. This element is directly correlated with employee courteousness because customers had related the unique brand personality with company representatives. DTAC performs over the expectation level and can keep promise to customer. In conclusion, for the overall result in People elements, DTAC has the best performance among their competitors. While, True and AIS perform over average expectation level and still maintain satisfied level in customers’ perception but not as high as DTAC did.

**Process**

According to information in finding, expectation level in process element is not quite high compared to other above elements. The three mobile operator providers have similar performance in this element which consists of time reducing process, convenient-oriented and after-purchase service. AIS performs the best among the other competitors. But the three operator providers are enable customers at the satisfaction level.

**Physical evidence**

According to high expectation in physical evidence element which consists of store image, store layout and decoration, store facility and music in store result DTAC performance towards customer satisfaction. DTAC performs the worst compared to AIS and True which gain higher in number of satisfaction level. One of the most distinctive reasons is that DTAC is the only operator provider who does not offer clubbing or full service store as AIS serenade club and True coffee shop. So, DTAC shop was considered as the last place to hang out and use as business meeting or friend meeting point. This reflects to disadvantage of the company in making the most use of wider distribution channel. So DTAC should improve all attribute in physical evidence in order to capture more attention and attract urbanize target group in the way of their lifestyle. The satisfaction level of DTAC in physical evidence element represents weakness of DTAC which unable to serve the actual need and consuming behavior pattern of urban customers in Bangkok.

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**6. Conclusion and recommendations**

**6.1 Conclusion**
DTAC, Total Access Communication Public Company Limited, is a second leading company among three principal operating cellular services in Thailand market, AIS, DTAC and True, which have positioned itself as fresh and modern companies regarding with customer-oriented. Because of a maturity in telecommunication market and a penetration by other leading mobile phone operators, DTAC has to strengthen its positive brand image as a leader in the capital city of Thailand by focusing on the metropolitan telecommunication area like Bangkok.

In order to beat the number one like AIS, DTAC has to assess the external factors, opportunities and threats, and internal factors, strengths and weaknesses. From the result of external factor evaluation matrix, the total weighted score of DTAC is slightly higher than the average score which means that DTAC can take advantage of the opportunities and reduce the negative effect from the threats quite well.

Growing of Thai mobile phone operator market, Thai mobile phone and value added service market are big positive effects for company as an opportunity that DTAC response to very well. However, the response to the higher number of internet users is under the average which means the company loses an opportunity in using internet as a channel to communicate with target customers or promote mobile phone's internet.

Apart from the opportunity, the overall response to the threats from company has been very low responsive. Due to tariff rate reduction, the revenue growth is extending which creates a competitive environment among rivals in mobile phone operators market. Besides, the uncertainty from government policy is influential factor for company to concern with; however, DTAC can response to this factor quite well. Conversely, the company less response to higher bargaining power by customers, so DTAC rather maintains customer base and prevents switching to other substitute products.

Considering the overall internal factors of DTAC, the average response from company is higher than the average score which means DTAC can strengthen the strengths and minimized weaknesses efficiently. The overall strength of DTAC’s response is above an average which means company can response to the improvement of knowledge and skills of employee, brand awareness, quality of mobile system, and variety of value added services very well. Consequently, DTAC can compete in the market by learning from the mistake to be better. Moreover, by using IMC strategy (Integrated Marketing Communication), company can strengthen its brand awareness and brand recognition as well as widen variety of value added service can fulfill customers’ satisfaction. Nevertheless, corporate social responsibility is not well responsive means that DTAC is inadequate of social responsible activity and the corporate image is not quite good in this sense as well.

On the other hand, there are some management problems from operating under Telenor and a limitation from high cost of concession set by government which affected company’s ability in managing within organization and investing in launching promotion campaign, marketing activities or even to increase an investment in cellular communication system due to extend more service area which is less than AIS in currently. Therefore, the company’s response to weaknesses is lower than average in overall.

Aside from that, from Competitive condition in the market, DTAC is the second rank player in communication industry while AIS is the first leading player in
mobile operator market who has market share 49 % and True is the third rank player who has minor market share 19 %. DTAC gain 30 % of market share with 6 % of revenue growth, so DTAC is in quadrant 1 due to its positive performance as well as AIS while True is in quadrant 2. However, DTAC is required to invest for maintain its growth and its leader position or else the company may fall to quadrant 3 which means the company may lose its position. Additionally, the market will be matured in the next few years according to the penetration rate of SIM card which will increase continuously and has a possibility to reach 100 %. As a result, DTAC has launched “feel good” campaign to improve company’s customers both current and new subscribers in company’s product and services for extending its life cycle and maintain its position in quadrant 1 to gain benefit from long term profit and long run growth.

In addition to marketing mix, AIS has the best performance in overall elements as AIS received highest satisfaction from customer. Although AIS received the lowest score in brand reputation and cost of calling, the company still maintains position of the strongest player in Thai mobile operator market. While True is the second best performer since True received the overall satisfaction score rather high than DTAC. However, True still need to improve its quality of signal and the role of corporate social responsibility as it cannot fulfill customers’ expectation. Nevertheless, these factors are not considered as a big problem for True as long as the company has pushed the low cost strategy. Consequently, True has potential to go in advance of DTAC the next few years. Apart from that, DTAC has the lowest performance compared to the other competitors due to the company received the lowest satisfaction score in Physical evidence and also has poor performance in in-store advertisement, sales promotion and signal quality elements. This could be hinder DTAC in order to gain more market share ahead of AIS since these three elements are considered as significant matter to take into account and ultimately bring about the satisfaction to customers. In sum, DTAC should have to improve its weakness in “Product”, “Promotion” and “Physical evidence” that directly reflect to overall performance substantially.

6.2 Recommendations

In the following section the researchers intend to provide some practical suggestions with the aim of offering a realistic depiction of the actions that DTAC can undertake to strengthen its positioning and deliver new brand image to customer perception. As a consequence, DTAC should improve its performance and strive for the number one operator provider in the market. The researcher
will proceed by following the same structure to improve its performance starting from Internal Factor Evaluation, External Factor Evaluation and competitive condition in the market and overall elements of Marketing Mix for service company.

According to primary and secondary data, DTAC has beneficial opportunity to gain more market share from market growth which continues growing. However, the company should improve its capacity in internet server to satisfy customers’ need which is increasing in number of users nowadays. DTAC will have more opportunity to promote mobile phone’s internet which is one of the value added service of the company. Besides, company can communicate with target customers more effective by using internet channel which has probability to be more popular according to an increasing in number of internet users currently. Apart from grasping more opportunity, DTAC should concern about negative effects from threats also. Due to lessen adverse effects from the threats, DTAC should have good relationship with government in order to reduce a risk in government policy. Close relationship with government will help DTAC get information rapidly and precisely; therefore, company can adapt its strategy according to policy changed instantly. Moreover, the company should add more value in its service to reduce unfavorable effect from customers’ bargaining power in term of switching to other substitute products. Furthermore, DTAC should differentiate itself by competing in services both in value added service and customize oriented in stead of price competition which is not a sustainable strategy for company.

For company’s weaknesses, DTAC should strengthen its strength in order to minimize its weaknesses. Company should concern more in social responsibility activities due to create good reputation both in customers’ mind and government’s view that has an impact on corporate image also. Besides, one significant weakness is DTAC has less service area than AIS which is the important obstacle factor for company to beat the leader like AIS. Because of limitation in concession cost from government, the company is hardly to invest more in cellular communication system owing to extend more service area. Therefore, the possible way is offering customers the courteousness in services by encouraging employees to concern more about customers’ satisfaction. Customer oriented is necessary for company to pay attention to as a strategy to create customers’ loyalty and build words of mouth that help company in advertising cost also.

Furthermore, to be number one in Thai mobile phone market, DTAC has to improve inferior performance in Product, Promotion and Physical Evidence elements as well as the other four elements substantially in order to enhance competitive position in the market as follow.

To achieve the first leading place in Thai mobile phone operators market, DTAC has to improve three significant elements which are Product, Promotion and Physical Evidence since DTAC has performed accordingly slightly lower than what customers expected. To begin with, Product element, DTAC should increase the quality of signal in order to serve the specific target group like corporate customers or individual that required the more advance and exclusive service than mass consumer group. On contrary, to be at the same level as AIS superior performance comprise of supporting factors in term of company policy and financial investment. In this case, DTAC has supportive sponsorship from Telenor, by learn and apply more advance telecommunication technology and technique as well as ability to access financial support. The current alliance relationship with
Telenor is beneficial towards both future expansion in order to serve the increasing number of subscribers and investment in more advance technology.

Secondly, for Price element, DTAC operates as the middle range call charge price between AIS and True. According to the strategic price structure, DTAC can be able to offer low price starter SIM and lower post paid package along with lower pre paid package. In addition, DTAC should be more clearly to inform calling rate to customer. Since company system will use business intelligent system to calculate calling rate structure, there are some complicated condition that confused customer. As a consequence, DTAC should improve and make call charge condition to be easier to understand.

Thirdly, for Place element, DTAC should increase more distribution channels via accessible and proximate points. Due to the current economic situation in Thailand indicated the high cost of living resulting from world oil price increment. Thus, DTAC should deal with this situation by changing distribution channels. Since the increasing of world oil price make an impact on consumer buying pattern in order to refill call credit in small amount of money each time but rather buy it more frequently. DTAC should provide more accessible service points provide refill call credit channel cover all area to increase more sale volume.

Fourthly, in aspects of Promotion, DTAC always put much concern about sales promotion and in-store advertisement. Since the Thai mobile market continued to grow substantially in the last few years, DTAC has opportunity to gain more users and also increase more revenue from both value added service and internet access service. From the analysis indicate that DTAC is inferior to AIS and True in these two aspects respectively. On the other hand, cancelation of warrantee service charge will decrease cost of service. For this reason, DTAC can increase Post paid customer base right after the policy proceeded. Moreover, the increasing of innovative value added services among competitors are another aspect to be concerned with. Since nowadays, customers tend to have more sophisticated demand in value added service so that there is competition in this element which is increasingly strong and eventually, the company will obtain more growth revenue from the present market trend. Furthermore, DTAC should specific exact target group of customer in each promotion package and deliver exact message to those specification of target market. Consequently, in-store advertisement, DTAC should precede policy and renovate the DTAC shop in order to reinforce brand image as well as utilize DTAC shop space to deliver current advertisement message. In addition, DTAC should use channel 3, channel 5 and channel 7 as an advertising media via television. For radio, company should advertise via 103.0 Virgin Soft, 104.5 Fat Radio and 106.5 Green Wave according to the result from questionnaires. The top rank popular magazine is CLEO, TV Pool and Koosang Koosom; therefore, the company should pay advertising for these magazines. For newspaper, DTAC should advertise on Thai Rath, Daily News and Kom Chad Luek. Besides, the company should advertise via internet by focusing on company official website, Pantip and Hunsa due to the questionnaires’ result.

Fifthly, for People element, according to DTAC refresh its brand positioning as “feel goood” with both logo and brand image resulting in higher expectation of service quality in customer perception. Since, DTAC had already done good performance within its organization, DTAC should focus more on training customer representatives issue since staffs and employees at DTAC shop are considered as the representative of the company. They also being a part of company to bring about the brand image and also remind customer in “happy”
image and “deliver” message every single time when using service. Besides, DTAC should focus on call center employees who working as the first interaction channel and represents DTAC’s way. For these reasons, DTAC should have to develop training program specifically for call center agents and customer representatives to deliver and operate in well and appropriate manner eventually to satisfy customers.

Sixthly, for Process element, DTAC have to develop process to reduce service time and increase flow of activity which ultimately results in reducing customer involvement in procedure in using service. For example, process to register post paid service and process to refill call credit. All elements in Process that could help strengthen DTAC brand image of convenient and simple service providers such as waiting duration in queuing, convenient while using service and after-purchase service should have to improve in order to elevate the company performance and enhance company competitive advantage in market position.

Lastly, for the weakest element which DTAC cannot be handling with compares to AIS and True. DTAC should take this aspect into account. As True has succeeded in True coffee shop and has performed very well in this its physical evidence. Establishing a DTAC theme club will not only increase high product involvement to mobile phone users but also satisfy the actual need and complete customer expectation to receive best service quality of DTAC. DTAC should improve customer satisfaction by means of improving store image, store decoration and store facilities. As a consequence, these three elements will strengthen DTAC positioning in Thai mobile phone market firmly as a customer-oriented telecommunication company.

7. Reference


Saroj Opitakchewin, 2007, Strategic management, concepts and cases, Bangkok, Thailand: Pearson Education Indochina Ltd.


Appendix I: Glossary

Analog

Analog is a signaling method that uses continuous changes in the amplitude or frequency of a radio transmission to convey information. It relies on a continuous (rather than pulsed as in digital) electrical signal that varies in amplitude or
frequency in response to changes of sound, light, position, etc., impressed on a transducer in the sending device; opposite of digital. (Mobiledia, n.d.)

Airtime

Time spent communicating using a mobile phone. The time is tracked by wireless carriers (service providers) to determine billing charges. Usage includes sending or receiving calls and other wireless transmission such as faxes, e-mail or data files. Most carriers charge for a whole minute even if only part of a minute is used. The information above is made available for your personal use only. Photocopying or republishing this page(s) is prohibited. Text, images and all other content from the phonescoop.com web site may not be copied or republished in any way without formal permission. (Phone Factor LLC., n.d.)

Build-Operate-Transfer (BOT)

Build-Operate-Transfer is a form of project financing, wherein a private entity receives a franchise from the private or public sector to finance, design, construct, and operate a facility for a specified period, after which ownership is transferred back to the funding entity. During the time that the project proponent operates the facility, it is allowed to charge facility users appropriate tolls, fees, rentals, and charges stated in their contract to enable the project proponent to recover its investment, and operating and maintenance expenses in the project. Examples of countries using BOT are Japan, Taiwan (Republic of China), Malaysia, Philippines and Hong Kong. However, in some countries, such as Canada and New Zealand, the term used is Build-Operate-Own-Transfer (BOOT). Recently, in the United States, BOT strategies are being considered for construction of portions of Interstate 69, with groundbreaking on the Southern Indiana Toll Road segment expected to begin in 2008. (Farlex, Inc., n.d.)

Cell Site

The location is where the wireless antenna and network communications equipment is placed. A cell site consists of a transmitter/receiver, antenna tower, transmission radios and radio controllers. A cell site is operated by a Wireless Service Provider (WSP). (Mobiledia, n.d.)

Churn

In any industry, a measure of the number of customers who leave or switch to another service provider, usually stated as a percentage. (Mobiledia, n.d.)

Frequency

The number of oscillations, or vibrations, of radio waves per unit of time, usually expressed in either cycles-per-second or Hertz (Hz). (Mobiledia, n.d.)

Prepaid definition

Paid in advance, in the world of mobile phones, prepaid is an alternative to the traditional post-paid type of service plan. Traditional post-paid service generally requires passing a credit check. Also with post-paid, a monthly bill or invoice is issued to collect the present month’s fixed fees in advance, and the past month’s variable fees after the fact. Typical post-paid plans include a preset amount of minutes. If a greater amount of minutes are used, significant “overage” charges
may be assessed. The customer is often not notified of overage charges until they receive an invoice week later. In contrast, pre-paid is an option for credit-challenged customers, or customers who prefer to avoid the risk of overage charges. With pre-paid, minutes must be purchased in advance and credited to a balance of minutes. When the balance of minutes runs out, no more calls can be made, preventing the customer from incurring a debt. Blocks of airtime minutes purchased for a pre-paid account may have an expiration date. (Phone Factor LLC., n.d.)

Roaming

Roaming is the ability to use your cellular phone outside your usual service area when traveling outside of the "home" service area defined by a service provider. Higher per-minute rates are usually charged for calls made or received while roaming. Long distance rates and a daily access fee may also apply. (Mobiledia, n.d.)

SIM Card

A small printed circuit board that must be inserted in any GSM-based mobile phone when signing on as a subscriber. It contains subscriber details, security information and memory for a personal directory of numbers. The card can be a small plug-in type or sized as a credit-card but has the same functionality. The SIM card also stores data that identifies the caller to the network service provider. (Mobiledia, n.d.)

Appendix II: Interview

1. Thesis topic

Interview objective: To discuss with DTAC on how this research could contribute in company’s strategies in current competitive condition.
Interviewee: Miss Pimpita Narattakit, a representative from DTAC's Trade Department. Main responsibilities are business planning and prepaid business performance.

Interviewers: Mr. Parunya Vanasakul, Miss Ploychompoo Wankeao, Miss Supisra Arayaphong

Date of interview: April 5, 2008, Interview duration: 15 minutes, starting from 1 pm-1:15 pm, Interview channel: Internet by VOIP program

Interview questions:

1. Is there any topic that DTAC interested in assigning us to investigate or doing research? (Objective: Research question)

   Answer: DTAC confronts with strong competitions from competitors. The competition forces every company to launch regular marketing campaign and weekly promotion. DTAC glad in researcher's interest in doing research for the company. Company strengthens competitive position in the market. However, the business environment change rapidly so it would be nice if researcher could do the research on how can DTAC gaining higher market share in this competitive condition.

2. In order to analyze this topic effectively, researchers need practical theory to run the process. Does the company have any recommendation on the theory that we should apply in this research?

   Answer: DTAC does the research regularly to check the consumer attitude and company's brand image. To analyze this research DTAC, we recommend business strategies theory because it would give idea on competitive environment with rivals and practical marketing strategies.

2. Conceptual framework

Interview objective: To discuss with DTAC on research process and conceptual framework with the representative from DTAC. The questions are structured according to business strategy theory.

Interviewee: Miss Pimpita Narattakit, a representative from DTAC's Trade Department. Main responsibilities are business planning and prepaid business performance.

Interviewers: Mr. Parunya Vanasakul, Miss Ploychompoo Wankeao, Miss Supisra Arayaphong

Date of interview: May 11, 2008, Interview duration: 30 minutes, starting from 1 pm-1:30 pm, Interview channel: Internet by VOIP program

Interview questions:

1. After the first interview we develop research question which is ‘how can DTAC gain higher market share by focusing on mobile phone operator market in Bangkok?’ In order to gain higher market share for the whole country, can sampling size in Bangkok area represent the whole country or
should researchers study for the whole country in this aspect. (Objective: Establishment of corporate goal)

**Answer**: Bangkok is the biggest market for DTAC. As all Thai people know there are 76 provinces in Thailand. Only Bangkok account for more than half of market value, most of marketing activities are done in Bangkok area so by focusing on Bangkok area can represent the whole population because the behavior of Bangkokian is the behavior of Thai market. Consequently, improving marketing strategies in Bangkok, the market share of the whole country would increase in the same direction.

2. Researches start to collect primary and secondary data to analyze according to business strategy theory. In the process of corporate external opportunities and threats and corporate internal strengths and weaknesses, researchers has to weight and give the rating to each factor, do the company have any suggestion on this process to assure the accuracy? (Objective: Corporate external opportunities and threats, corporate internal strengths and weaknesses)

**Answer**: Researchers can analyze according to the collected secondary data in corporate external opportunities and threats by using the external factor evaluation matrix (EFE) EFE and corporate internal strengths and weaknesses by using the internal factor evaluation matrix (IFE). To assure that the result is correct, I would provide strategic business innovation management book which has information about weighting and rating score. After that, I will check the weighted and rating score in this process to assure the finding and analysis is up to date. By this way, the result of your finding will be accurate and trustful because it comes from company perspective.

3. Does the company have any idea if we apply marketing mix for service companies or 7Ps to investigate and come up with recommendation in the process of marketing strategies and marketing implementation? (Objective: Marketing strategies)

**Answer**: The company itself is service company so applying 7Ps theory can bring practical recommendation in this research.

### 3. Specific detail for finding part

**Interview objective**: As some information is not available, the only way to get more detail of needed specific information in finding part is to interview from the company itself.

**Interviewee**: Miss Pimpita Narattakit, a representative from DTAC’s Trade department. Main responsibilities are business planning and prepaid business performance.
**Interviewers:** Mr. Parunya Vanasakul, Miss Ploychompoo Wankeao, Miss Supisra Arayaphong

**Date of interview:** May 15, 2008, **Interview duration:** 15 minutes starting from 1 pm-1:15 pm, **Interview channel:** Internet by VOIP program

**Interview questions:**

1. Is there any adverse effect from a sharp increase in number of customers? (Objective: Internal factor evaluation)

   **Answer:** Although an increase in customers’ need in mobile phone is benefit for DTAC, the company has to face with mismatching between company’s capacities and customers’ need which increasing multiply. Because of limitation in financial term and concession term, the company cannot expand mobile phone network due to serving customers’ need.

2. What is a benefit of the ending warrantee service charge policy of the company? (Objective: External factor evaluation)

   **Answer:** Due to the competitive environment in mobile phone operating service market, the company has decided to end the warrantee service charged on customers in order to reduce service cost for customers. Therefore, the customers will be attracted by this promotion and tend to be company’s customers which mostly are post paid customers.

3. Do you think that the changing in consumer behavior has an adverse effect to the company? In what ways? (Objective: External factor evaluation)

   **Answer:** The company has to handle with the bargaining from customers which is stronger and stronger because mobile phone operating nowadays is a commodity product which customers have numerous of choices to choose. Moreover, the switching cost is quite low due to the promotion service offering from other competitors in order to compete with an increase in company’s customers.

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**Appendix III: Questionnaire**

The questionnaire was composed of three parts, which characteristic of respondent, consumer behavior and marketing mix of service company that effect buying decision. Further elaboration of each part is as follows;

**Part I:** Characteristic of respondent
Respondents were requested to mark X into □ for the best answer related to their background.

This part is to get the background of the respondents. This helps DTAC to clarify their potential target customers.

Residential location

☐ Sathon District   ☐ Pathumwan District   ☐ Ploenchit District
☐ Bang Rak District ☐ Lumpini District   ☐ Wattana District

Gender

☐ Male    ☐ Female

Age

☐ Below 20 years old ☐ 21-30 years old
☐ 31-40 years old    ☐ 41-50 years old
☐ More than 50 years old

Education Background

☐ Less than secondary school   ☐ High school
☐ Bachelor degree   ☐ Master degree and higher

Occupation

☐ student   ☐ self-employment   ☐ private company
☐ government employment   ☐ other professions

Household income (1 SEK = 5.39 Baht) Currency exchange rate from Bangkok bank (The number one bank of Thailand, April 8, 2008)

☐ Less than 10,000 Baht   ☐ 10,000-19,999 Baht   ☐ 20,000-29,999 Baht
☐ 30,000-39,999 Baht    ☐ 40,000-49,999 Baht    ☐ 50,000 Baht and more

Part II: Consumer behavior

Respondents are requested to mark X into □ for the best answer related to their consumer behavior.

This part was designed to know consumer behavior. It could help DTAC to understand how consumer behaves. Questions regarding media channel that
effect buying decision were structured according to the information from Nation Multimedia Group (Public) Co., Ltd. For example, top five most popular newspapers and magazine in Thailand.

1. Which operator provider’s company are you currently using? (More than one answer is possible.)
   - AIS
   - DTAC
   - True
   - Other (Please specify)...........

2. What product are you using from operator provider company? (More than one answer is possible.)
   - Prepaid
   - Post paid

3. What service do you use from operator provider company? (More than one answer is possible.) If you do not use any of them, please skip to question 5.
   - International roaming
   - International call
   - Value added service (VAS) (SMS, download content, Mobile internet, ring tone)
   - Online paying
   - Phone setup service
   - Clubbing

4. Which value added service do you use? (More than one answer is possible.)
   - SMS
   - Content download
   - Mobile internet service
   - MMS
   - Ring tone
   - Other (Please specify)...........

5. Where do you purchase operator provider’s product? (More than one answer is possible.)
   - Specialty store (For example 7-11)
   - Operator provider shop
   - Grocery store
   - Mobile ATM
   - Internet
   - Other (Please specify)...........

6. Why do you decided to use the service from current operator provider? (More than one answer is possible.)
   - Good reputation in signal
   - Recommend from friends and the other people
   - Lower cost than the other company
   - Good additional service
   - Variety of product
   - Other
7. Please give the percentage from 0 to 100 in each category of following media sources that effect your decision in choosing this company. (More than one channel is possible.)

This question designed in percentage to know the effect of TV, Radio, Magazine, Newspaper and Internet that effect decision in choosing mobile phone operator provider.

- Advertising on TV
  - Channel 3
  - Channel 5
  - Channel 7
  - Modern nine TV
  - TITV
  - Other (Please specify)….
- Radio
  - 103.0 Virgin Soft
  - 104.5 Fat Radio
  - 106.5 Green Wave
  - 105.5 Easy FM
  - 103.75 BKK Radio
  - 95.5 Virgin Hitz
  - 97.5 Seed FM
  - 91.5 Hot Wave
  - Other (Please specify)….
- Magazine
  - CLEO
  - TV Pool
  - Koosang Koosom
  - Cosmopolitan
  - Spicy
  - Other (Please specify)…..
- Newspaper
  - Thai Rath
  - Daily News
  - Khaosod
  - Matichon
  - Other (Please specify)…..
- Internet
  - Company official website
  - Pantip
  - Khaosod
  - Sanook
  - Kapook
  - Other (Please specify)…..

8. Who influences you in your purchasing decision? (More than one answer is possible)

- Family
- Friend
- Decide on your own
- Other (Please specify)…..
- Celebrity

9. How much is your average expense per month in using service from operator provider?

- Less than 300 Baht
- 300-500 Baht
- 501-1000 Baht
- 1,001-1,500 Baht
- 1,501-2,000 Baht
- More than 2,000 Baht

10. Which period do you usually make a call? (Please give the percentage of each using period.)

- 0.00-6.00
- 6.01-12.00
- 12.01-18.00
- 18.01-24.00

Part III: Marketing mix of mobile phone operator provider company that effect buying decision

Respondents were requested to mark an X for the best answer related to their standard on purchasing decision making.
### Marketing mix of service company

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<thead>
<tr>
<th>Level of significance*</th>
<th>Level of satisfaction</th>
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<tbody>
<tr>
<td>Most important</td>
<td>Important</td>
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#### Product
1. Quality of signal
2. Product variety
3. Brand reputation
4. Mobile Internet speed

#### Price
1. Cost of calling
2. Clearly inform about calling rate and price (simple price structure, charge rate)
3. Convenient Billing approach (SMS, monthly post mail)

#### Place
1. Convenient location to purchase (For example, nearby sky train, subway and boat peer)
2. Proximity to home/work
3. Parking facilities

#### Promotion
1. Advertisement (eg. TV, Magazine)
2. Sale promotion
3. In-store advertisement
4. Corporate social responsibility

*Level of significant means the expectation of customer toward the brand in each 7P elements.*

Part III: (Continued) Marketing mix of mobile phone operator provider company that effect buying decision
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<th>People</th>
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<td>1. Employee specialize know-how in giving advice</td>
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<td>2. Customer care taking and attentive manner</td>
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<td>3. Employee courteousness</td>
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| Process                        |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 1. Waiting duration in queuing  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 2. Convenient while using service |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 3. After-purchase services     |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |

| Physical evident               |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 1. Store image                 |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 2. Store layout and decoration |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 3. Store facility (For example, computer, beverage, private room) |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| 4. Music in the store          |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |

*Level of significant means the expectation of customer toward the brand in each 7P's elements.*