

PROMOTING THE POTENTIAL OF THAI HERBAL COSMECEUTICAL PRODUCTS FOR EXPORT TO THE CHINESE MARKET

Napitchaya Nookue* , Tawatchai Chuansomboon**
Department of Management and Resource Development
Faculty of Agricultural Production, Mae Jo University

Introduction

Statement and Significant of the Problem

Thai herbs have a long history and origin along with Thai society from the past to the present. It is an ingredient in sweet and savory food as a medicine. Used in health care and elixir. even beauty These wisdoms have been accumulated and passed on. constantly evolving create value and value for Thai herbs Until becoming an important export product of the country.

Nowadays, the demand for herbs in Thailand is increasing steadily. Both due to the interest in maintaining health with natural products and herbs can be transformed into a variety of products. to respond to the needs of consumers The industry has the potential and can create sustainability as part of the target industry. This is also caused by a change in the context that is expected. will affect the sustainability of the economy and society in the future which is part of the nature of the illness and entering the aging society of Thailand in the near future. The idea of using herbs as an alternative to health care and disease treatment.

The world herb market is worth approximately \$91.8 billion. The countries with the highest market value of herbs are Germany, Asia. Japan and France the product groups with the greatest potential in the herbal market are food supplements and cosmeceuticals. In addition, developing countries are steadily increasing awareness of the importance of using herbs and traditional medicines. The herbal market in the Asia-Pacific region will be the herbal market with the highest growth rate. average about 9.1 percent per year

For Thailand there are about 1,800 types of medicinal plants that the community knows their properties and uses, and 300 of them are medicinal raw materials that are circulated in the market which are in demand. But the past unsystematic management of herbs causing a shortage of many raw materials the quality of raw materials is not up to standard. and the problem of setting raw material quality standards and small and medium enterprises have the ability little competition. As a result, the proportion of herbal production enterprises that are certified for production standards is very small. Only 4.47 percent. Therefore, it is necessary to be promoted and assisted in funding to achieve the potential as scheduled. Another problem is Challenges from entering the ASEAN Community and trade agreements that hinder production and sell products Including investment in research and development of herbs that are quite scattered. and not only to support the country's herbal development

From the needs and problems that arise. As a result, Thailand has to speed up the development of planting innovations to achieve consistent quality, non-toxic and acceptable production processes. Name that the market in Thailand itself can grow from the overall production and distribution, it is expected that the products in the group Herbal beverages and dietary supplements will have a market value of 26.9 billion baht, growing 8.3%, while herbal medicines will have a market value of 5.8 billion baht, growing 7.0%.

According to information from the Department of International Trade Promotion the Ministry of Commerce stated that the current export value of Thai herbs is in the hundreds of

millions of baht. Thai herbs in the food supplement group have a total value of use and export of more than 80,000 million baht, while the spa and product group are worth about 10,000 million baht and the traditional medicine group according to Thai traditional medicine knowledge is worth about 10,000 million baht, both There are also herbal extracts. Groups used in animal feed and groups used to prevent and eliminate pests as well which is an interesting number And Thailand is the pharmaceutical market with the highest potential in Southeast Asia. It is expected that by 2020, the value of the pharmaceutical industry will increase twice as much as for the market value of herbs and natural extracts. Because nowadays, the new generation prefers to use herbs as an alternative to health care even more. As a result, the market for herbs used as raw materials to produce the pharmaceutical industry grows. From the original value of more than 18,000 million baht in 2019. And is likely to rise to 20,000 million baht by the year 2020. There are 4 types of herbs that the government strongly supports: Plai, Bangkok leaves, Black galangale, and turmeric, especially in the turmeric section. It is a Thai herb with commercial potential. outstanding Because all over the world pays attention to health and medical benefits. It is a market opportunity for manufacturers of herbal products from turmeric in organic form. or extracts that are certified for safety standards All of this is considered an important opportunity if Thailand can solve problems and develop Thai herbs to reach world-class standards.

According to Grand View Research, Inc, the herbal cosmetic product market has an increasing growth rate. Herbal cosmetics (skin care products, hair care products perfume) with a total value of \$ 82.6 billion, or approximately 2,569.8 billion baht and is in 2027, it is expected that the value of the herbal market is likely to increase to 117.7 billion. US dollars or 3,661.9 billion baht or expand increasing at an average of 5.2 % per year, with the largest market being North America contributing 34.7 % of revenue, and the fastest growing market being Asia-Pacific. The growth rate tends to increase at an average of 5.2 percent per year). From the situations and trends in demand for herbs in the world above. It can be concluded that the product market Potential herbal medicines, food supplements, and cosmeceuticals tend to grow steadily and in the region. Asia Pacific is the herb market with the highest growth rate, especially in China, Japan, India, and Thailand. Therefore, Thailand has the opportunity to develop herbal products according to market demand to generate income for farmers. and Thailand sustainably (The direction of driving agricultural products 5 clusters, August 2022)

For Thai herbs to go to the world market, it requires a marketing strategy that focuses on customers. Market research is required to find customer needs. Then bring consumer behavior to search for products and services that meet their needs. Change from adding value (Value Adding) to creating value (Value Creating), change from Product Orientation to Customer Orientation , change from Marketing 1.0 to Marketing 3.0 and change from Product Marketing to Strategic Branding and focus on creating value in terms of herbal products both in country and region Must be a leader in production Comprehensive herbal distribution and service To be a way to compete in all aspects to attract revenue to the country and strengthen the Thai economy. national master plan on the development of Thai herbs, issue 1, 2017-2021, analyzed The supply chain of the medicinal plant industry is divided into 3 parts: the source, consisting of Management of medicinal raw materials covering the cultivation and management of quality raw materials and the import of extracts For use in the domestic industry in the middle of the way, focusing on bringing quality raw materials to be processed in the pharmaceutical industry. cosmetic industry food and supplement industry and the destination of the channel to bring products to consumers which is the management of the distribution process in several ways such as Export, wholesale, retail, use of service products, etc. The Master Plan identifies potential medicinal plants such as turmeric, galangal, Centella asiatica, Pueraria Krua, emblica, galangal, chili, paniculata, roselle paniculata, stevia and aloe vera. The supply chain (Supply Chain) of the herbal plant industry, however, in the past, the increase in

the herbal cosmetic market for export has not grown as it should. therefore, should study and find ways to increase the value of export markets abroad.

The Chinese market is one of the most important targets for marketers or brands. want to penetrate the market Both from the potential of a population size of up to 1,420 million people, with 829 million internet users, about 10 times more than Thailand, and almost 100% using the internet via smartphones. While the number of tourists who travel abroad each year has reached 150 million, growing by almost 15% , with each trip up to 75% of them doing various transactions online, whether searching for information. Book a plane ticket Book a hotel.

Another unique feature of China is that it is a country where social media usage is quite high in the last 60 seconds or just a minute. various landscapes In China's online world, there have been enormous changes in usage. WeChat with 486 different articles posted posting in Weibo 1.6 million times sent messenger Passed QQ 11 million times 15 million yuan paid through Alipay or more than 13 thousand reviews on Taobao. etc. As a result of China's relaxation of COVID-19 control measures, Chinese consumers returned to their lives and began to be consumed normally. As a result, international organizations and local market research institutes in China are optimistic. on the recovery of consumption in the Chinese market by the Global Economic Prospects report published by The World Bank has estimated the global economic growth in 2023 at 1.7 percent and the economic growth rate China's economy at 4.3 percent from the direction of the recovery of domestic consumption in China that is returning along with consumer behavior Chinese people who care more about themselves and the per capita consumption of cosmetics and skin care products in China that still Relatively low compared to developed countries, so it can be believed that China's beauty products market is Another market with high potential and continuous growth prospects. Quality products, innovative, supported by research results Including guaranteeing the effectiveness after using the product, there would be There is a high chance of being able to penetrate the Chinese skincare and cosmetic market. (Department of International Trade Promotion, February 6, 2023)

Research Question

1. What is the situation of exporting Thai herbal cosmeceuticals?
- 2 . What are the problems, obstacles, and limitations in exporting Thai herbal cosmeceuticals?
3. Will promote the potential of Thai herbal cosmeceuticals to be able to be exported to foreign countries more efficiently.

Research Objectives

1. To study the current Thai herbal cosmeceutical export situation.
- 2 . To study problems, obstacles, and limitations in the export of Thai herbal cosmeceuticals.
3. To study the factors promoting the export potential of Thai herbs.

Scope of the Study

This research is a qualitative method (Qualitative Method) . The study process consists of

- 1 . Studying from documents in terms of theoretical concepts analysis of production data Marketing and Export Information which is information from the statistical data collection agency both from the Department of Export Promotion Department of Agriculture Agricultural Statistics Office

2. Data collection by

(1) In-depth interview (in-depth-interview) with key informants using a semi-structured interview form. The interviewees consisted of Policy-makers and those involved in the export of Thai herbal cosmetic products are the Director-General of the Department of Foreign Trade, Ministry of Commerce, Chairman of the Federation of Thai Industries, President of the Thai Chamber of Commerce, Secretary General of the Food and Drug Administration, President of Thai Cosmetic Manufacturers Association, Chairman of the Thai Chinese Chamber of Commerce, Marketing academics, total 10 people.

(2) Focus Group, small and medium sized cosmetic operators and officers of the departments that control export standards and product standards, including 20 people, which were the results of in-depth interviews. And the researcher group discussion will be compiled according to the research conceptual framework. To lead to the promotion of the potential of Thai herbal cosmeceuticals for export to the Chinese market, which component of the product since the quality of the product packaging building confidence in the product and development of distribution channels.

Significance of the study

1. Herbal cosmetic manufacturers have understood the market mechanism to export cosmetics to the national market to lead to the development of product quality, packaging, and distribution channels.

2. The agency responsible for promoting the production of Thai herbal cosmetic products will have a clearer role in supporting marketing.

3. The results of the study will be information in the study of product development, marketing promotion.

4. The results of the research will lead to the improvement of the production quality of medicinal plants of agriculture and the opportunity for more processing and production, which will give the herb growers more benefits.

Definition of Term

Quality of cosmeceuticals means Thai herbal cosmeceuticals that are specific to use on any part of the body, convenient can be used immediately without complicated steps to use. It is a safe medicine with a reasonable price. Use materials and ingredients that Passed research studies with recognized qualifications and has a production process that is clean, safe and meets standards.

The properties of the packaging mean that the packaging maintains the quality, and protect the product is the packaging. It provides convenience in transportation, storage and as a packaging that serves as a marketing promotion with an eye-catching beauty.

confidence building Means that the product is certified production standards, has been certified for safety standards and the standard of ingredients has been certified.

Development of distribution channels Refers to the method of distribution, which includes both direct sales and sales through online media and agents?

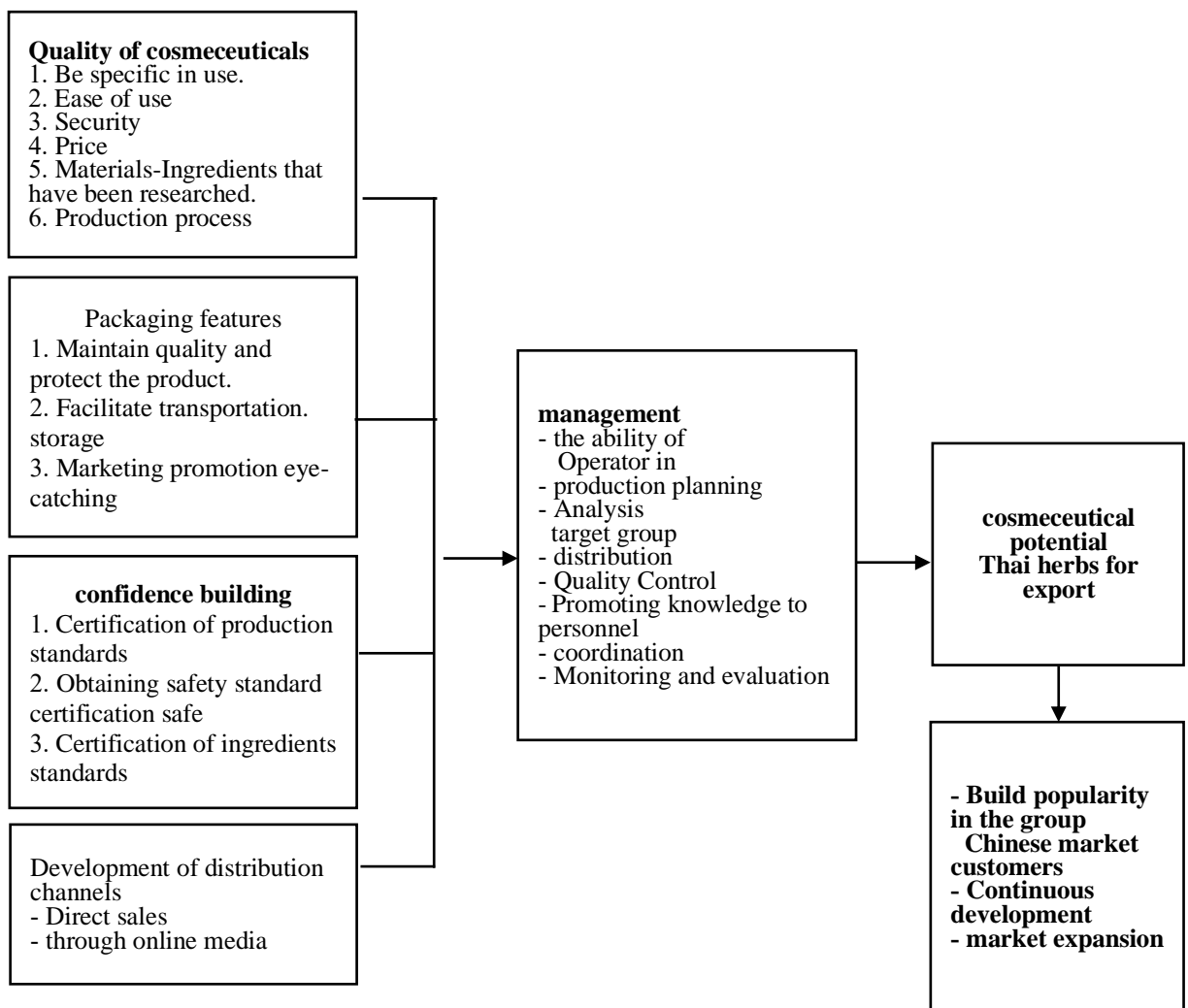
Management refers to the ability of entrepreneurs to plan production, Audience Analysis, distribution, quality control, Promotion of knowledge to personnel, coordination, and evaluation monitoring.

Theoretical Concept

1. The concept of perception theory
2. The concept of marketing mix theory
3. The concept of awareness theory
4. Satisfaction Theory Concept

5. The concept of demographic theory
6. The concept of consumer behavior
7. The concept of product quality improvement
8. The concept of packaging theory
9. The idea of building trust in the product
10. Theories and concepts of management
11. The 13th National Economic and Social Development Plan (2023-2027) on creative economy
12. Related Research
13. Conceptual Framework

Conceptual Framework



Bibliography

- Customs Department. (nd). Import-Export Statistics Report. Retrieved from http://www.customs.go.th/statistic_report.php?show_search=1
- Global Cosmetics Manufacturing - Global Market Research Report. (2018). Retrieved from <https://www.ibisworld.com/industry-trends/global-Industry-reports/manufacturing/cosmetics-manufacturing.html>
- GLASS TECHNICAL TRAINING CENTER. (nd). Retrieved from http://www.thaiglass.co.th/th/technical_training_center.php
- Graphics | 5 Design Products. (nd). Retrieved from <https://thehungryjpeg.com/graphicsco/>.
- Herbal Beauty Products Market: Global Industry Analysis and Opportunity Assessment 2015-2025. (nd). Retrieved from <https://www.futuremarketinsights.com/reports/herbal-beauty-products-market>
- Kasetsart University, Strategic and Operation Management Research Center, Faculty of Business Administration (2016). Strategy and Action Plan for Enterprise Promotion. Bio-Based Industry: Cosmetic Industry. Bangkok: Pannathorn Media Printing House.
- Office of the Food and Drug Administration, Bureau of Cosmetic and Hazardous Substances Control. (2017). Seal Symbol FDA THAI HERB (2nd edition). Bangkok: National Office of Buddhism Printing.
- Organic product standard certification seal that you should know. (2014). Retrieved from <http://www.organic.moc.go.th/th/standard/ecocert>.
- List of establishments that have received GMP certification for cosmetics. (2017). Office of the Commission. Food and Drug Administration, Bureau of Cosmetic Control Cosmetics, and dangerous substances. Retrieved from <http://www.fda.moph.go.th/sites/Cosmetic/SitePages/ViewGMP.aspx?IDitem=15>
- National Master Plan on the Development of Thai Herbs, No. 1, B.E. 2017 – 2021
- Nilesh Rajput. (2016). Cosmetics Market by Category (Skin & Sun Care Products, Hair Care Products, Deodorants, Makeup & Color Cosmetics, Fragrances) and by Distribution Channel (General departmental store, Supermarkets, Drug stores, Brand outlets) - Global Opportunity Analysis and Industry Forecast, 2014 – 2022. Retrieved from <https://www.alliedmarketresearch.com/cosmetics-market>
- Thai cosmetic brands can still grow but if it is sustainable, it needs innovation - going abroad. And it is not a dance to sell cream. (2017, March 29). Retrieved from <https://brandinside.asia/thai-cosmetic-market-can-growth/>.
- Tham Chua Sathanasiri (2018). Kanchongsong (Phenomenal) Buphaphonniwat / 2: Compare K-POP trends. Retrieved from <https://marketeeronline.co/archives/16173>.
- The Prime Minister follows up on policies for the development of the Thai economy. with herbal products business (March 9, 2017). Krungthep Turakij. Retrieved from <http://www.bangkokbiznews.com/news/detail/744308>.