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MARKETING PLAN FOR NEUSTILE ROOF TILE FOR CPAC
ROOF TILE CO., LTD. (THAILAND)

A Thesis
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
in
Interdisciplinary Studies

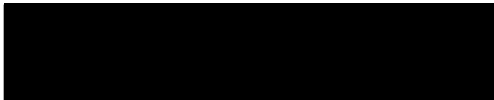
by
Amornrat Soongkitkarn
December 2003

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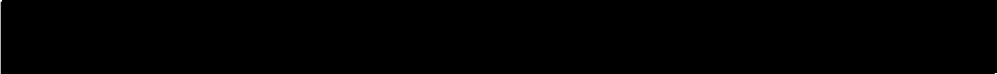
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December 2003

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Studies

ABSTRACT

Roof tile products play a significant role in the market of Thailand. The CPAC Roof Tile Co., Ltd., a member company of the Siam Cement Group, is Thailand's original and largest manufacturer of concrete roof tiles, which are sold as CPAC Monier brand name products. The company is now engaged in a joint venture with LAFARGE, a global leader in concrete roof tile production technology.

This thesis is divided into five chapters. The first chapter structures the joint venture by introduction including company background, problem statement, purpose of the project, benefits of the project, and limitation of the project. The second chapter reviews the literature focusing on marketing definition, marketing concept, the scope of marketing, the product life cycle, marketing mix, SWOT analysis, customer analysis, marketing plan, marketing strategy, industrial market, and industry in Thailand market. The third chapter discusses the methodology of the thesis by focusing on instrumentation and data preparation. The fourth chapter contains results and analysis of the study. They include current situation, marketing objective, marketing strategy, product personality and brand positioning, selling point, segment analysis, target group and influencer, and product

details. In addition, the analysis describes strengths, weaknesses, opportunities, and threats (SWOT). Also, the marketing mix strategy is developed and included product strategy, pricing strategy, place (distribution) strategy, and promotion strategy. The final chapter illustrates conclusions and recommendations for the joint venture.

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First of all, I would like to thank and express my sincere appreciation to my committee chair, Dr. C.E. Tapie Rohm, and my committee members, Dr. Eric Newman, and Dr. Kevin G. Lamude, who give the generous guidance, and valuable suggestion to me.

Also, I would like to thank Mr. Lloyd Vatanakovarun for his help, advice, and taking care of me when I spend my time in the United States.

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Lastly, I would like to express my deepest and sincerest love and thank to my parents, Mr. Phairot Soongkitkarn and Mrs. Ladarat Soongkitkarn for their love and supporting all of my life.

DEDICATION

I would like to dedicate this project to my parents, Mr. Phairot Soongkitkarn and Mrs. Ladarat Soongkitkarn whose support, understanding, and love have made this whole endeavor possible.

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CHAPTER ONE

INTRODUCTION

Siam Cement began the Twenty-first Century as a restructured, refocused group of companies that are leaders in their respective industries. From its very beginning, Siam Cement was a major force in building Thailand's industrial strength and knowhow.

Since its founding, Siam Cement has diversified to meet the needs of Thailand's growing economy, establishing and participating in new industries as technology and market demand warranted. At present, Siam Cement has businesses focused in paper and packaging, petrochemicals, cement, building products, ceramics, and distributions which include international trading, and two additional businesses of property and holding. Continued business development has made Siam Cement a major force in the introduction of new technology and new skills to Thailand, providing substantial human resource development.

The CPAC Roof Tile Co., Ltd., a member company of the Siam Cement Group, is Thailand's original and largest manufacturer of concrete roof tile. The company is now engaged in a joint venture with LAFARGE, a global leader in concrete roof tile production technology.

CPAC Roof Tile has been Thailand's "The Roof Expert" and the industry leader for the past 30 years due to its technological prowess and a complete range of roofing products and accessories. Given its long-term commitment to continuous product development, CPAC Roof Tile makes every roofing job a worthwhile achievement of lasting value.

CPAC Roof Tile is likewise outstanding for nationwide distribution of its products. For the convenience of its customers throughout Thailand, the company's modern production facilities can be found at five different locations nationwide. Equipped with the latest manufacturing technology available, six factories represent the largest production capacity for concrete roof tiles in the country. Locations are at Lamphun, Khon Kaen, Saraburi, Nakhon Pathom, and Chon Buri. CPAC ROOF TILE also has more than 600 dealers and over 60 sales offices and warehouses across Thailand.

With maintaining over 30 years of experience, CPAC Roof Tile has accumulated a team of first-class experts capable of installing tiles, ridges, and other roofing accessories and maintaining the highest professional quality standards under the supervision of the company's own architects and engineers.

With its current product lines, Excella and CPAC Monier, the company is planning to launch a new product called Neustile in the year 2004.

Problem Statement

How can CPAC Roof Tile achieve its sales revenue target and marketing objectives for its Neustile product line in the next five years?

Purpose of the Thesis

To develop a marketing plan to achieve the company's sales revenue target and marketing objectives for its Neustile product line in the next five years.

Benefits of the Project

The benefits of this study are the following:

1. An explanation will be made of marketing mix strategy, which provides a framework for marketing tools to achieve its marketing objectives in the target market, for an interlocking flat roof tile product in Thailand.
2. The information from the study can be used as a guideline for CPAC Roof Tile Co., Ltd. to fulfill its objectives in launching its new product, interlocking flat roof tile.

3. The details from the project can be used as a principle for the new product development for CPAC Roof Tile Co., Ltd.
4. This project will give a guideline for other organizations that may have an interest in roof tile business in Thailand.

Limitations of the Project

This study is limited to one company, CPAC Roof Tile, Co., Ltd. The scope of the marketing project covers marketing plan for flat roof tile market in Thailand. Time, distance, and financial constraints are limiting factors of this study.

CHAPTER TWO

REVIEW OF THE LITERATURE

Marketing

Marketing plays an important role in organizations and society. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individuals, organizations, and society. This definition points out that the objective of marketing is to satisfy customers' needs (Dalrymple & Parsons, 2000).

To fulfill the marketing concept, the firm seeks (1) to assess the needs of prospective buyers and (2) to satisfy these needs. These prospective buyers include both individuals buying for themselves and their households and organizations that buy for their own use (such as manufacturers) or for resale [such as wholesales and retailers] (Berkowitz, Kerin, & Rudelius, 1986).

One function of marketing is to provide the delivery system for a standard of living. Without marketing, life would be far different. The level of efficiency of the marketing system also affects our quality of life. Marketing is a vital regulating force in the economy

because it directly affects the allocation of goods and services (Lamb, Hair, & McDaniel, 1992).

Marketing Concept

The belief that organizational goals can be reached by satisfying customers has grown to such importance among managers that it has become known as the marketing concept. The marketing concept is a business philosophy that maintains that the key to achieving organizational goals is to determine the needs of target markets and deliver the desired merchandise more efficiently than do competitors (Dalrymple & Parsons, 2000).

Barry (1986) indicated that the marketing concept is a philosophical statement about how an organization should be focused. It should be market driven-driven by the desire to solve consumer problems with effective and efficient goods and services.

One set of concepts that has been defined using natural language systems is that of consumer expectations. Indeed, the importance of consumer expectations to marketing dates back three decades when Alderson (1965) identified expectations as one of three concepts that he considered fundamentally important primitive terms in marketing (Teas & Palan, 1997).

The Scope of Marketing

Kotler (2001) commented on the scope of marketing. Marketing people are involved in marketing ten types of entities: goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.

Goods: Physical goods constitute the bulk of most countries' provision and marketing effort.

Services: As economies advance, a growing proportion of their activities are focused on the production of services.

Experiences: By orchestrating several services and goods, one can create, stage, and market experiences.

Events: Marketers promote time-based activities.

Persons: Celebrity marketing has become a major business. Artists, musicians, CEOs, physicians, high-profile lawyers and financiers, and other professionals draw help from famous individuals.

Places: Cities, states, regions, and nations compete to attract tourists, factories, company headquarters, and new residents. Place marketers include economic development specialists, real estate agents, commercial banks, local business associations, and advertising and public relations agencies.

Properties: Properties are bundles of intangible rights attached to ownership of either real property or financial property. Properties are bought and sold, and this occasions a marketing effort by real estate agents and investment companies and banks.

Organizations: Organizations actively work to build a strong, favorable image in the mind of their publics.

Information: The production, packaging, and distribution of information are one of society's major industries. Among the marketers of information are schools and universities; publishers of encyclopedias, nonfiction books, and specialized magazines; makers of CDs; and Internet Web sites.

Ideas: Every market offering has a basic idea at its core. In essence, products and services are platforms for delivering some idea or benefit to satisfy a core need.

The Product Life Cycle

Products, like individuals, pass through a series of stages. While humans progress from infancy to childhood to adulthood to retirement and death, successful products progress through four stages - introduction, growth, maturity, and decline - before their death. This

progression is known as the product life cycle (Kurtz & Boone, 1984).

Introductory Stage: The firm's objective in the early stages of the product life cycle is to stimulate demand for the new market entry. Since the product is not known to the public, promotional campaigns stress information about its features. They also may be directed toward middlemen in the distribution channel to induce them to carry the product. In this phase, the public becomes acquainted with the merits of the product and begins to accept it (Kurtz & Boone, 1984).

Growth Stages: Volume rises rapidly during the growth stage as new customers make initial purchases and early buyers repurchase the product. Word-of-mouth and mass advertising induce hesitant buyers to make trial purchases. As the firm begins to realize substantial profits from its investment during the growth stage, it attracts competitors. Success breeds imitation, and other firms inevitably rush into the market with competitive products in search of profit (Kurtz & Boone, 1984).

Maturity Stages: Industry sales continue to grow during the early part of the maturity stage, but eventually they reach a plateau as the backlog of potential customers is exhausted. By this time, a large

number of competitors have entered the market, and profits decline as competition intensifies. In the maturity stage, differences among competing products diminish as competitors discover the product features and promotional characteristics most desired by the market. Heavy promotional outlays emphasize subtle differences among competing products, and brand competition intensifies (Kurtz & Boone, 1984).

Decline Stages: In the final stage of the product's life, shifting consumer preferences bring about an absolute decline in industry sales. Industry profit decline and in some cases actually become negative as sales fall and firms cut prices in a bid for the dwindling market. Manufacturing gradually begins to leave the industry in search of more profitable products (Kurtz & Boone, 1984).

The life cycle stage in which a brand enters, however, may significantly affect its market response, rate of growth, and, ultimately, its sales. The classic life cycle concept suggests differences in brand sales and growth over a market's life, and econometric studies report systematic variation in market response parameters due to different stages of the life cycle (Shankar, Carpenter, & Krishnamurthi, 1999).

Marketing Mix

The term marketing mix refers to a unique blend of product, distribution, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market. Distribution is sometimes referred to as place, thus giving us the four Ps of the marketing mix: product, place promotion, and price. The marketing manager can control each component of the marketing mix, but the strategies for all four components must be blended to achieve optimal results (Lamb, Hair, & McDaniel, 2000).

Decisions in the marketing mix must be made together; they can not be made separately. The various interactional effects must be considered and the best combination of marketing mix selected that will achieve the desired tactical objectives (Hise, Gillett, & Ryans, 1984).

1. Product Strategy

Typically, the marketing mix starts with the product "P". The heart of the marketing mix, the starting point, is the product offering and product strategy. It is hard to design a distribution strategy, decide on a promotion campaign, or set a price without knowing the product to be marketed. The product includes not only the physical unit but also its package, warranty, after-sale service, brand name,

company image, value, and many other factors.

Products can be tangible goods such as computers, ideas like those offered by a consultant, or services such as medical care. Product should also offer customer value (Lamb, Hair, & McDaniel, 2000). A narrow definition of the word "product" would focus on the physical or functional characteristics of a good or service offered to consumers (Kurtz & Boone, 1984).

2. Distribution (Place) Strategy

Distribution strategies are concerned with making products available when and where customers want them. A part of this "P" is physical distribution, which involves all the business activities concerned with storing and transporting raw materials or finished products. The goal of distribution is to make sure products arrive in usable condition at designed places when needed (Lamb, Hair, & McDaniel, 2000).

Distribution channels play a key role in marketing strategy since they provide the means by which goods and services are conveyed from their producers to consumers and users. The importance of distribution channels can be explained in terms of the utility

that is created and the functions that are performed (Kurtz & Boone, 1984).

3. Promotion Strategy

Promotion includes personal selling, advertising, sales promotion, and public relations. Promotion's role in the marketing mix is to bring about mutually satisfying exchanges with target markets by informing, educating, persuading, and reminding them of the benefits of an organization or a product. Each element of the promotion "P" is coordinated and managed with the others to create a promotional blend or mix (Lamb, Hair, & McDaniel, 2000).

The marketing manager sets the goals and objectives of the firm's promotional strategy in accordance with overall organizational objectives and the goals of the marketing organization. Then, based on these goals, the various elements of the promotional strategy-personal selling, advertising, sales promotion, publicity, and public relations-are formulated in a coordinated promotion plan (Kurtz & Boone, 1984).

4. Pricing Strategy

Price is what a buyer must give up to obtain a product. It is often the most flexible of the four

marketing mix elements-the quickest and easiest element to change. Marketers can raise or lower prices more frequently and easily than they can change other marketing mix variables. Price is an important competitive weapon and very important to the organization because price multiplied by the number of units sold equals total revenue for the firm (Lamb, Hair, & McDaniel, 2000).

Kurtz and Boone (1984) indicated that pricing objectives are also a critical component of the means-end chain extending from overall aims of the firm. The objectives of the firm and the marketing organization provide the basis for the development of pricing objectives, which are then utilized for development and implementation of more specific pricing policies and procedures.

The effect of price on satisfaction has received considerably less research attention than have the roles of expectations and performance perceptions. Yet, price-based prescriptions for satisfying customers are proffered and practiced fairly widely (Voss, Parasuraman, & Grewal, 1998).

Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

Marketers must understand the current and potential environment in which the product or service will be marketed. A situation analysis is sometimes referred to as a SWOT analysis; that is, the firm should identify its internal strengths [S] and weaknesses [W] and also examine external opportunities [O] and threats [T] (Lamb, Hair, & McDaniel, 2000).

Strengths and Weaknesses

Knowledge of a competitor's strengths and weaknesses provides insight that is key to a firm's ability to pursue various strategies. It also offers input into the process of identifying and selecting strategic alternatives. One approach is to attempt to exploit a competitor's weakness in an area where the firm has an existing or developing strength. The desired pattern is to develop a strategy that will pit "our" strength against a competitor's weakness. Conversely, a knowledge of "their" strength is important so it can be bypassed or neutralized (Aaker, 2001).

Competitor identification is a major component of any approach to formulating marketing strategy. The notion of understanding competitors and developing an advantage

against them is as basic to strategy as air is to breathing, drawing interest in not only the marketing literature but also in economics and management (Clark & Montgomery, 1999)

Strengths

Peter and Olson (1999) provided that strengths are the advantages that occur from the organization's internal environments such as the four p's in marketing mix (product, price, place, promotion), as well as those in finance, production, and personnel. A company's strengths must focus on customers since they are meaningful only when they assist the company in meeting customer demands.

Weaknesses

Solomon (1999) indicated that weaknesses are the disadvantages or problems that occur from the internal environment of the organization. The company is challenged with finding the cause of problems and solving them. Furthermore, a company's weaknesses should be examined from the customer's perspective because customers often perceive weaknesses long before a company becomes aware of them.

Opportunities

A marketing opportunity is an area of buyer need in which a company can perform profitably. Opportunities

can be classified according to their attractiveness and their success probability. The company's success probability depends on whether its business strengths not only match the key success requirements for operating in the target market, but also exceed those of its competitors. Mere competence does not constitute a competitive advantage. The best-performing company will be the one that can generate the greatest customer value and sustain it over time (Kotler, 2001).

Threats

An environment threat is a challenge posed by an unfavorable external trend or development that would lead, in the absence of defensive marketing action, to deterioration in sales or profit. Threats should be classified according to seriousness and probability of occurrence. Minor threats can be ignored; somewhat more serious threats must be carefully monitored; and major threats require the development of contingency plans that spell out changes the company can make if necessary (Kotler, 2001).

Customer Analysis

Aaker (2001) discussed about the scope of customer analysis. In most strategic market-planning contexts, the first logical step is to analyze the customers. Customer

analysis can be usefully partitioned into an understanding of market segments, analysis of customer motivations, and an exploration of unmet needs.

Segmentation is often the key to developing a sustainable competitive advantage based on differentiation, low cost, or a focus strategy. In a strategic context, segmentation means the identification of customer groups that respond differently than do other customer groups to competitive strategies (Aaker, 2001).

The market segmentation and target-market strategies focused on consumers' ability to buy. Then marketer must consider consumer's willingness to buy as determined by using a five-part model: the buying-decision process, information, social and group forces, psychological forces, and situational factors (Stanton & Charles, 1994).

Marketing Plan

Planning is the process of anticipating future events and determining strategies to achieve organizational objectives in the future. Marketing planning involves designing activities relating to marketing objectives and the changing marketing environment. Marketing planning is the basis for all marketing strategies and decisions. Issues such as product lines, distribution channels,

marketing communications, and pricing are all delineated in the marketing plan. The marketing plan is a written document that acts as a guidebook of marketing activities for the marketing management (Lamb, Hair, & McDaniel, 2000).

Cohen (1988) indicated that marketing planning is needed because top management time and talent as well as money and other company resources are always in short supply. A marketing plan saves this time and these important resources by making it unnecessary for many hours, days, or weeks to be wasted on daily short-range, firefighting-type decisions.

Marketing Strategy

Ostrow and Smith (1988) indicated that marketing strategy is the logical, comprehensive plan of action through which a firm intends to reach its objectives in the marketplace. Marketing strategy is primarily concerned with the implementation of company policy and with those marketing activities through which the company's goals are to be achieved. The overall company program for selecting a particular market segment and then satisfying consumers in that segment through the elements of the marketing mix (Kurtz & Boone, 1981).

Moorman and Miner (1998) stated that the fields of marketing strategy in general and new product development in particular appear to assume that marketing strategy should occur by first composing a plan on the basis of a careful review of environmental and firm information and then executing that plan.

Overall marketing strategy is a composite-built up, or put together, by blending various inputs (products, marketing channels and physical distribution systems, advertising, personal selling, other promotion, and prices) in different combinations to achieve desired outputs, such as some targeted return on investment, market share, and brand image (Cundiff, Still, & Govoni, 1980).

Industrial Market

One way to identify participants in the system of industrial marketing is to think of the national economy as composed of three broad divisions-extractive industries, manufacturing industries, and using or consuming units. The flow of products is predominantly from the extractive industries, through the manufacturing industries, to using and consuming units (Hill, Alexander, & Cross, 1975).

The relations that exist among the participants who compose the various distribution channels for industrial products may be most easily identified as formal and informal. Among the formal relationships are the various contracts of sale and franchise agreements, which define the respective responsibilities and rights of buyers and sellers. The most significant of the informal relationships are loyalty, confidence, and reciprocity (Hill, Alexander, & Cross, 1975).

Industry in Thailand

A study of marketing in Thailand goes beyond marketing's relationship with the process of economic development, however. Only a scant century ago, Thailand began the traumatic experience of modernization, breaking out of the relative isolation of a kingdom dating from the thirteenth century into a modern nation in accommodation with the West. The Thai people have had a long history of accommodation to other cultures; wars, migrations, and trade have made them acquainted with change since their origins in the seventh century (Anderson, 1970).

Anderson (1970) discussed the impact of industrialization on distribution in Thailand. Much recent industrialization has been accounted for by foreign

manufacturers whose products have been imported over the years and have gained acceptance in the local market. This import-substitute industrialization by the firm has also been stimulated by the growth of the Thai market to the point where local production could be justified, especially with the incentives available through the government's industrial promotion program.

Thailand has achieved an enviable record of economic expansion over the past two decades. The rate of growth in national output averaged nearly seven percent per year in real terms between 1965 and 1986, and the economy has diversified away from traditional agriculture toward urban manufacturing and especially toward service industries. At the same time, in the energy sector through the late 1980s, real energy prices stood at twice their 1973 levels, with only slight price retrenchment in the industrial energy sector after 1982. In this analysis, a methodology is used which disaggregates how energy has interacted with other factors in the industrial and household sectors of the Thai economy. The decomposition of energy use into structural change effects, energy intensity effects and aggregate output growth effects is used to examine how economic growth in Thailand has affected energy consumption (Sheerin, 1992).

CHAPTER THREE

METHODOLOGY

Instrumentation

This project uses data from both internal and external sources. The internal data, which was distributed and used within the company, was obtained from the CPAC Roof Tile Co., Ltd., Thailand. It contained product details and characteristics, manufacturing system and process, installation methods, executive summaries, and other specific information.

The external data was acquired from different private institutions, state enterprises, Internet websites, public libraries, and other paper-based resources. Internet-based sources included Internet websites of educational units, business units, commercial units, and government sources. Paper-based resources entail description from textbooks, magazines, newspapers, academic journals, business journals, brochures, leaflets, and documents from electronic search.

Data Preparation

Data was gathered from 2001 to 2003. Descriptive method was used in order to study and analyze the data and

acquired information to determine how Neustile roof tile should be produced and marketed in Thailand.

The study is primarily aimed to understand selling point, segment, target group and influencers on the marketing objective, marketing strategy, personality, and brand positioning of the product. The information will then be utilized to create a successful marketing plan for Neustile roof tile in Thailand.

Marketing mix and SWOT analysis will also be utilized in this study. Marketing mix involves in product strategy, distribution (place) strategy, promotion strategy, and price strategy. SWOT analysis comprises the investigation of strengths, weaknesses, opportunities, and threats.

CHAPTER FOUR

RESULTS AND ANALYSIS OF THE STUDY

Current Situation

1. Consumers do not have many choices for roof tile. Products presently offered in the market are very similar in shape and colors.
2. Modern style roof tiles are gaining more popularity particularly in the big cities. Because of limited product availability, new roof tiles are being imported.

Marketing Objective

1. Increase revenue to the company 15 million bahts in 2004.
2. Increase market potential to the company by introducing a new line of product to the market.
3. Increase product variety in terms of color choices (using Dry Paint system) and unique flat surface (using Press Machine).

Marketing Strategy

"Become the market leader in modern style buildings"

1. Position the product for modern style buildings
2. Determine Marketing Mix and focus to modern building market segment

3. Expand the basic and selected demand to increase the sales of the product

Product Personality and Brand Positioning

1. Product: Interlocking flat roof tile
2. Brand: Neustile
3. Product personality: Distinct from current products in the market which are curvy and limited in color choices
4. Brand position: The product works well with modern architecture

Selling Point

1. New and Distinctive: The product is very different than the wavy roof tiles currently available in the market.
2. Appearance: The shape of the roof is flat.
3. Pricing: The price will be very close to the premium roof tiles available in the market.
4. Color: Can be customized.

Segment Analysis

In 2004, the company will enter into two market segments to support the product positioning. They are the market for single house and commercial building described as follows:

Single House:

- Houses for middle to upper income family in Bangkok and vicinity.
- Neustile roof tiles fit any style of house, but the marketing focus will be on modern style houses to emphasize the uniqueness of the product and to expand the market segment.

Commercial Building:

- The concentration will be focused on modern style construction. Examples of distinctive architecture are hotel/resort, club house, nationwide commercial branch restaurant, educational institute, and etc. in the greater Bangkok.

Target Group and Influencer

Target Group

1. Major: Home owner in the greater Bangkok area whose house is valued above 3 million bahts
2. Minor: Construction companies and contractors

Influencer

Architects for home and commercial building in Bangkok and vicinity

Product Details

Neustile roof tile is the first interlocking flat roof tile in Thailand.

Manufacturing Process

Materials: Neustile roof tile is made of Portland cement, grained sand, and water.

Manufacturing method: Neustile roof tile is designed and manufactured under FEA (Finite Element Analysis) standard. Every single piece has the highest level of consistency in texture and weight throughout, very important in structure design. The pressing process results a very smooth and flat surface and equal in size that yields exact and nice-looking lay over.

Color-coding: Neustile roof tile is color coded three times with water-based acrylic paint. The result is thick, durable, and shine color code.

Layer 1: UNDER COAT: This is to give a color foundation and bond together the topcoat and substrate.

Layer 2: TOP COAT: This gives a real color which is pure acrylic type.

Layer 3: CLEAR COAT: Mixing pure acrylic and polyethylene wax, this layer of coding gives shining to the color and protection from

scratches. It also includes UV absorber to guard the color from deteriorating from the sun.

The painting is done the same way as car painting process in Europe. Before the actual paint, the product is prepared with surface cleaning. The product is then pre-heated before applying three layers of color-coding with airless spray system. The product finally enters the cool down process which generates thick and long lasting color.

Installation Process

Other roof tiles in the market are installed by mounting with cement. There are many problems associating with that process. The main one is strength. Cracks can be found if the cement mixture is not done properly, and water can leak through the roof. The cement mounting process therefore depends very much on workmanship, and the same standard is very difficult to maintain. Moreover, it cannot be employed in a wet condition, and rainy season lasts about three or four months in Thailand.

Neustile uses Dry Tech system which gives 100% protection over leaking. The system applies interlocking mechanical fixing and figurerales, a special sealing material, that provides high quality sealing between each tile.

Color Groups

Colors available for Neustile roof tile can be broadly categorized into three broad groups:

Group 1: Market colors

These are colors that are already popular in the market. They are red, blue, green, and gray, and they are primarily used with white houses.

Target group: Home owners

Group 2: Architect colors

These are modern and fashionable colors such as black, earth tone, cement gray, and dark purple used for unique house designs.

Target group: Architects

Group 3: Commercial colors

These are vibrant and new colors such as sky blue, pink, yellow not commonly used in normal houses.

Target group: Architects / home owners

SWOT ANALYSIS

Opportunities

1. Only available products in the market now are curvy with different shades of colors. Offering a brand new, distinctive style of roof tile will

give consumers more choices in the roof tile market.

2. Modern style buildings are gaining more popularity, and the Neustile products will serve this segment of market very nicely.
3. Distinctiveness of the Neustile products will create more value and position the product above other current products in the market.

Threats

1. The installation process using Dry Tech system for Neustile roof tiles requires specialized knowledge and continuous training when compared to regular cement mounting method.
2. The new product can be easily copied by competitors.
3. Neustile roof tiles weight more than other current products which may not be the choice for architects who prefer lighter products.

Strengths

1. Neustile roof tiles are offered by Siam Cement Group, a company that is well recognized for high quality in the construction material market.
2. The product is brand new and very different.

3. Colors can be customized through the Dry Paint system.

Weaknesses

1. The whole roof requires 3 types of Neustile roof tiles: top, eaves, and main which may cause confusion to users.
2. The weight of the product is heavier than others.
3. Dry Paint is less durable than Wet on Wet painting system.

Launching Schedule

The product is scheduled to launch on July 1, 2004.

Table 1. Revenue Target

	2004	2005	2006	2007	2008
Quantity (square meters)	30,000	80,000	140,000	300,000	630,000
Growth rate (%)		170%	75%	114%	110%
Revenue target (million bahts)	15	40	70	150	315

Marketing Mix

Product Strategy

In an attempt to capture the market, CPAC Roof Tile Co., Ltd. adopts a diverse set of product tactics for Neustile roof tiles. The first tactic is positioning the

product to attract consumers who prefer simple and modern design. A difference in appearance and the freedom to choose a color will make a profound impression. The second tactic involves equipment and service. The cover using Dry Tech system will take Thailand's roof tile product to the worldwide industrial standard. Moreover, in the early phase of launching, the company plans to offer free installation to both educate and improve the installation process to the market. Finally, the company plans to offer patterned products in the year 2005 to add more options to the customers. Examples of the pattern are wooden and stony.

Price Strategy

The price will be set at the hi-end category over other concrete tiles but lower than ceramic tiles which is 680-770 bahts / square meters.

Neustile roof tiles with covers = 630-700 bahts / square meters

Installation cost = 70 bahts / square meters

Place Strategy

In the first year, the inventory will be managed from only one location, Bangkok. The product and installation service will be supplied through the agents in the greater Bangkok area and direct sales from the company.

Promotion Strategy

As mentioned, the shape and uniqueness will be the selling point of the product. Simplicity and modern in design will be strongly promoted for this next generation of roof tile products.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This marketing plan is developed for Neustile roof tile product offered by CPAC Roof Tile Co., Ltd., a member company of the Siam Cement Group, Thailand. The CPAC Roof Tile Co, Ltd. desires to present a new style of roof tile to the Thai roof tile market. This marketing plan is made to successfully launch and achieve the revenue target in the next five years from 2004 to 2008. The objectives of this marketing plan are increasing the revenue for the company, increasing the market segment by introducing a brand new product, and increasing the product line to the market.

Furthermore, this marketing plan is developed to accomplish and push forth Neustile roof tile the market in Thailand. The plan starts by finding out the current situation and objectives to sell the product. Currently, there is no flat roof tile available in the Thai market. Neustile roof tile is the first roof tile that is flat in shape and looks very modern. It is another option for consumers. Moreover, Neustile roof tile is the interlocking flat roof tile that is new and distinct from

other current roof tile products in the market. The product will be presented to fit modern style buildings. The price will be very close to other premium roof tiles. There is also no limitation in color choices. The company will target two market segments including single houses and commercial buildings. Colors are broadly separated to target three groups which are market colors, architect colors, and commercial colors.

The analysis is based on two sources of data. The first is the internal source from the company comprising product details and characteristics, manufacturing system and process, installation methods, executive summaries, and other specific information. The other is the external data from different private institutions and state enterprises, as well as from the Internet websites, public libraries, and other paper-based resources. Internet-based sources included Internet websites of educational units, business units, commercial units, and government sources. Paper-based resources entail description from textbooks, magazines, newspapers, academic journals, business journals, brochures, leaflets, and documents from electronic search. Descriptive approach is used for the analysis. The product is expected to grow aggressively the

first few years and begin to stabilize as competition increases.

After getting the current situation and marketing objectives for Neustile roof tile, the marketing plan encompasses the use of SWOT analysis and marketing mix. To sum up the four basic tenets of the SWOT analysis, (Strengths, Weaknesses, Opportunities, Threats), it must first be stated that the strength of Neustile roof tiles is high quality production and service by the Siam Cement Group, who is well recognized in the building material market. Another strong point is the product is brand new and very different, and that color can be customized through the Dry Paint system. Neustile roof tile's weakness may result from complexity in installation. In addition, the weight of the product is heavier than others, and Dry Paint is less durable than Wet on Wet painting system. In the Thai market, Neustile roof tile is an exclusive style of roof tile. This aspect will create more value for the product. Moreover, modern style is increasingly popular in the market. This is a good opportunity for the product to get in and grow. One of Neustile roof tile's threats is installation process that requires specialized knowledge and continuous training. There is also a threat from other competitors that the

product can be imitated easily. Because of the weight of the product, Neustile may not be the choice for architects who prefer lighter products.

Marketing mix involves four areas. Product strategy focuses on emphasizing the simple and modern design of Neustile roof tile providing end-users the freedom to choose their preferred color. Another product strategy involves more industrial standard equipment, namely, covers and free installation service during the beginning phase of product introduction. Also, the company plans to offer more options to the customers with wooden and stony patterns. Price Strategy will put the Neustile roof tile at the hi-end category but still lower than the premium tiles. Additionally, the installation cost will be added once the market is more comfortable with the new installation process. For Place strategy, the product will be offered only in Bangkok and its vicinity following the trend of the projected demand. The company's agents and direct sales will be the main supply of the product. Finally, promotion strategy will put forth to promote the product's shape and uniqueness.

Recommendations

Neustile roof tile will be a new roof tile product in Thailand's market. If the marketing plan is implemented, Neustile roof tile will be well perceived by customers. They will find it modern and enjoy the color options.

In reality, emerging markets in the rural areas will be crucially important in the future. Neustile roof tile product can be expanded to target consumers in those areas. In the same token, the product can also extend to other market segments. Oversea market is also feasible, but further investigation needs to be done. It is difficult to find information and understand the market in this short period of time.

This marketing plan is a guideline for readers and is opened for debate. Readers can implement this marketing plan after further investigation and analysis.

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