

**THE INFLUENCE OF RETAILING MIX ON THE  
CONSUMER-BASED RETAILER EQUITY:  
THE CASE OF KONOYAMA GARTEN**

**Dissertation**

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**Presented to the Higher Degree Committee in Partial Fulfillment of the  
Requirements for the Degree of Doctor of Philosophy in the Graduate School  
of Asia Pacific Studies**

**RITSUMEIKAN ASIA PACIFIC UNIVERSITY**

**MARCH 2014**

## Abstract

The main challenge in Asian countries, especially in Southeast Asia, concerns the differences between urban and rural. The developing process is dependent on the political and economic situation of each country. Most rural people somewhat get used to government intervention and support under a patronage system, in which a higher authority takes care of the less fortunate. Instead of employing gradual, continuous development, most development schemes for rural community have been unstable and have depended on exogenous motivation. In order to close the gap between urban and rural, most ASEAN (Association of Southeast Asian Nations) countries have adapted various concepts and approaches from major developed countries, anticipating that these concepts would have the same outcomes in Asia. As the only developed country in Asia, Japan has huge purchasing power to import goods including food and agricultural products. Currently, Japan imports more than half its food and the importation of agricultural products is much more important than imports of luxury goods or technology items. However, Japanese farmers are striving to supply domestic products to the agri-food market by differentiating their products' values and developing efficient retailing channels.

Many cases of rural development in ASEAN countries frequently confronted with marketing issues among various impediments. Rather than using the Japanese OVOP (One Village One Product) model, which has been widely accepted throughout Asian countries as well as many countries in Africa, this research used the case study of Konohana Garten in rural areas of Oyama town in Oita prefecture to explore the application of marketing concepts. It is in fact the origin of the OVOP concept in Oita prefecture and of the *michi no eki* (roadside station) notion all over Japan.

This research intended to identify the significance of retail marketing in developing an accomplished rural enterprise. Since retailing is the last stage of supply chain in delivering products to consumers. It pointed out the linkage of external factors and enterprise's internal marketing strategies, whether external factors; such as socio-economy, government policies, customer behaviour, and market competition, could be the foundation of an effective marketing plan. The retail marketing plan of Konohana Garten was identified as six retail marketing elements of store location, store layout and design, communication mix, merchandise, pricing, and customer service and selling. It also used and analyzed based on consumers' attitudes as the enterprise's internal factors, which can create a value to the retailer. This value is the firm's brand equity, in this case the retailer equity, which allows the retailer to develop and achieve desirable target market. Moreover, the study investigated how each retailing strategy among assorted components influencing on the retailer equity.

The two main findings concern customers' demographic factors and the dominant retailing mix. Regarding customer's demographic characteristics, age was not the only important factor; residence area, occupation, and shopping role were also predominant factors in buying at this community agri-food retailer. Likewise, the identified models of confirmatory factor analysis and structural equation modelling with moderately good model fits showed that Merchandise was the dominant retailing mix element, followed by the customer service and selling and communication mix. The models supported empirically illustrate the retail marketing management of Konohana Garten and also demonstrate that the retailing mix elements vary in terms of their relationships to retailer equity dimensions and retailer equity. The findings would be beneficial to other similar types of retailer in terms of marketing practices that achieve a maintainable community-based enterprise. They also propose the concept of the relationship between the retailing mix and retailer equity through retailer equity dimensions, which will be useful for further retailing studies in general.