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**New venture opportunity in retail pharmacy with  
healthy food department in Thailand: A case  
study of Healthy Pharmacy**

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## **Abstract**

Healthy Pharmacy is a prospective retail pharmacy with a healthy food department in Thailand. The aim of this study is to answer the research question: How best to launch a Healthy Pharmacy successfully? The data was collected through semi-structure interviews using six experts. Then, the surveys were conducted in two different groups of consumers, which were people in Phetchaburi (prospective group) and Bangkok (more affluent group). To find if there are any differences in terms of attitudes and behavior between the groups. The interview results reveal that there are some factors should be borne in mind such as location, price, knowledge, ease of imitation and short shelf life of healthy food. Overall from the survey results indicate that apart from attitudes and behavior toward supplements, there is no difference between the groups of participants in Bangkok and Phetchaburi. The main conclusion for this work is that a Healthy Pharmacy should be established in Phetchaburi (compared with Bangkok) to avoid numerous direct competitors and a convenient approach to customers. Healthy food products could be offered in the pharmacy in order to create a one-stop shop in the health channel. However, the main product should continue to be medicines because of the demand and profits therein. Giving advice regarding the products in the pharmacy can be one way to be competitive from indirect competitors since other retailers do not have this ability.

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# Chapter 1

## Introduction

Retail pharmacy businesses in Thailand are adapting to survive in a highly competitive market place with both domestic and international players now seeking more market share. One way to adapt is to introduce new product varieties which are suitable for retail pharmacies (Chalongsuk et al., 2004; Anon, no date). From this scheme, the study is interested in providing healthy food products in a retail pharmacy, therefore growing revenues and increasing competitiveness by creating a one-stop shop in the health channel. The dissertation aims to generate a business plan for a retail pharmacy with a healthy food department in Thailand, namely, Healthy Pharmacy.

### 1.1 The Importance of the Research

Creating a new venture in retail pharmacy industry in Thailand is attractive for several reasons. The most important being the high returns achievable because the sales margin on medicines is relatively high compared to other products sold by typical retailers. Another reason is the opportunity of comparing retail pharmacies with other types of healthcare centers. To illustrate, in Thailand retail pharmacy is a good choice for patients with non-severe symptoms to visit because pharmacists in drugstores are allowed to diagnose mild to moderate sicknesses and dispense without prescription, resulting in less time spent for the customer/patient in seeking a cure. Moreover, 25% of Thai people preferred counseling in a pharmacy rather than in clinics or hospitals because of short time visiting time necessary (Chalongsuk and Lochid-amnuay, 2006). Another reason, which is personal, is that the prospective entrepreneur has two-years of experience in retail pharmacy, resulting in having knowledge and skills in this discipline and motivations to own a retail pharmacy.

Given these reasons, starting up a new retail pharmacy business seems not to be overly complex. Nevertheless, there are some obstacles that need to be taken into consideration. Retail pharmacies in Thailand are more difficult to start up and survive because of the high level of competition (Wongsupasawat, 2006; Leelarasmee, 2012; Prachachart, 2012). There are numerous drugstores, both domestic and international, established all over Thailand (Prachachart, 2012). Hence, Thai retail pharmacies have been adapting to survive (Wongsupasawat, 2006; Prachachart, 2012; Acrachanrachote, 2013). One way is that they provide a wider variety of products such as cosmetics, supplements, medical appliances, etc.

Turning now to consider the opportunity of healthy food products, these are usually found in supermarkets (Darrall, 1992). Healthy food consumption in Thailand has become popular, especially herbal drinks, which have experienced overwhelming success (Euromonitor International, 2014a). So, this may be an opportunity to offer healthy food in a retail pharmacy in order to gain more revenue and create the image of a one-stop health shop since it is also about health. However, creating a new retail pharmacy venture with a healthy food department seems to be a little risky because consumers may not be familiar with purchasing healthy food products from retail pharmacies. Additionally, food products have a weak point their sell by date and some healthy food products, such as salad boxes, have a particularly short selling window. Consequently, to create this new venture, the dissertation specifically focused on the case of Healthy Pharmacy. The research was designed to study consumer attitudes and behavior towards retail pharmacies and healthy food consumption among Thai people in order to create a business plan for this venture.

## **1.2 Research Question and Scope**

This research seeks to answer the research question: How best to launch a Healthy Pharmacy, which is a drugstore with a healthy food department, in Thailand successfully? In order to answer the research question, the dissertation was designed to gain in-depth information regarding the retail pharmacy business and investigate consumer attitudes and behavior towards retail pharmacies and healthy food from Thai people. These are then used to create a business plan for a Healthy Pharmacy through the Opportunity Business Model (OBM).

## **1.3 Objectives**

- 1.) To identify the dimensions of core value, people, place, process and profit of Healthy Pharmacy on behalf of a retail pharmacy with a healthy food department.
- 2.) To bring societal, commercial, legal and technological drivers into consideration of establishing Healthy Pharmacy.
- 3.) To integrate entrepreneurial thinking with new venture creation of Healthy Pharmacy.

## **1.4 Structure**

To answer the research question, the study starts with Chapter 2, in which related literature is reviewed critically. The chapter is divided into: reviewing existing literature regarding the retail pharmacy business, opportunities in the provision of healthy

food in Thailand, macro-environments and new venture creation. Then, Chapter 3 concerns Methodology, which illustrates how this study follows the Research Onion of Saunders et al. (2012). The details of interviews with experts and surveys of Thai people in two different areas are also included in this chapter. Next is Chapter 4, which begins with the results from the interviews, followed by the results from the surveys in themes. After that, the discussion of the results are critically compared and contrasted with the literatures in Chapter 5-findings. The implications of the Healthy Pharmacy are analyzed through the OBM coupled with the effectuation theory in this chapter. Finally, Chapter 6 contains the conclusion, which summarizes the study, reports the limitations and suggests future research.

The dissertation specifically focuses on the opportunity of creating a new venture, that is to say a retail pharmacy with a healthy food department in Thailand, namely a Healthy Pharmacy. Hence, some points in this dissertation are directed specifically towards the creation of a business plan for the new venture.



## Chapter 2

### Literature Review

This chapter critically reviewed previous studies and theories relating to the dissertation using keywords: retail pharmacy, health trends, healthy foods, Thailand, situations, regulations and satisfaction. The chapter is divided into three parts, which are: the retail pharmacy businesses, opportunities in the provision of healthy food products and the new ventures creation.

#### 2.1 The Retail Pharmacy Business

Retail pharmacy has long been trustworthy with regard to the provision of health information (BMI, 2015a). It is a worthwhile business because of the good profit margins which are achievable, however, starting up a retail pharmacy business nowadays is not straightforward because there are considerable competition and a plethora of rules and regulations. This part will illustrate the opportunities and the present situation of retail pharmacy in Thailand and highlight important regulations.

##### 2.1.1 Retail Pharmacy Industry in Thailand

The number of retail pharmacies in Thailand in 2001 was 15,441 (Thai Ministry of Public Health, 2012; Prachachart, 2012). Consisting of independent drugstores (70%), and chain drugstores (30%) (Pongwaranon, 2010). Independent drugstores are commonly found in communities; whereas chain drugstores are mostly established within department stores. Retail pharmacy is one of the attractive businesses in Thailand as the achievable profit is relatively high (Prachachart, 2012), particularly with respect to medicines, which is the major sales item. Table 2.1 shows the percentage margin on medicines in Thailand.

<b>Table: Price Build-Up Of Medicines In Thailand</b>		
<b>Manufacturers' selling or ex-factory price (MSP)</b>	100.0%	65.3%
<b>Wholesale margin (15.4%)</b>	110.0%	71.8%
<b>Pharmacy price excluding sales tax (margin = 35%)</b>	43.0%	93.5%
<b>Pharmacy price including sales tax (7%*) = final consumer price</b>	153.0%	100.0%

Table 2.1: Percentage margin on medicines in Thailand, (BMI, 2015a, p. 69)

In Thailand dispensaries are easy to access and less time consumed by those using them compared with clinics and hospitals (Chalongsuk and Lochid-amnuay,

2006). Additionally, Thai pharmacists, if they have pharmacy licenses, are allowed to dispense some medicines without prescription by conducting a patient interview and taking their medical history. Ninety three percent of Thai people preferred visiting pharmacies when they had mild to moderate illnesses (Chalongsuk et al., 2004; Sangsuriya, 2005; Teerawong et al., 2003). The most common purchase from retail pharmacies is over-the-counter (OTC) (Euromonitor International, 2015a). In Thailand, 75% of OTC being sold by retail pharmacies and the rest are sold by convenience stores and discounters (IHS, 2015).

### **2.1.2 Situation and Adaptation**

The position of drugstores in Thailand has changed over the last few years where it is now more difficult to survive due to the high level of competition in the marketplace (Wongsupasawat, 2006; Leelarasmee, 2012; Prachachart, 2012). More chain drugstores, both domestic and international, have invested in Thailand because of the good profit margins which are achievable (Prachachart, 2012). Moreover, dependent pharmacies and other healthcare businesses are now spreading all over Thailand as well (Acrachanrachote, 2013).

Rising competition impels firms to develop marketing strategies (Jain, 2001). Thai retail pharmacies have therefore been adapting so as to survive (Wongsupasawat, 2006; Prachachart, 2012; Acrachanrachote, 2013). Several pharmacies in Thailand, nowadays, not only offer medicines, but have also extended their offer to include various types of products and services (Chalongsuk et al., 2004; Anon, no date) such as cosmetics (Chalongsuk et al., 2004), supplements, medical appliances and giving advice about health in an attempt to be competitive (Anon, no date). However, Acrachanrachote (2013) suggests that apart from good strategies, they have to follow the rules as well.

### **2.1.3 Important Regulations**

The regulations regarding pharmacies are based on the Drug Act (BMI, 2015a). To open a drugstore, there are key regulations that the owner has to comply with.

Firstly, for building and design, a pharmacy has to have at least 8 m<sup>2</sup> for a dispensing area, proper temperature control for medicines, suitable illumination and appropriate proportions for each zone within the shop. Secondly, a pharmacist is necessary in order to control the dispensing of medicines whenever the pharmacy department is open. When the pharmacist is not present, a sign is required that specifies that the store is not able to dispense any medicines. Lastly, the owner has to file a request

for a license from the Public Health Office. This license must be renewed every year, so that Ministry of Public Health can monitor the drug store to ensure that the business is run legally. (Drug Act 1987)

#### **2.1.4 Customer Expectations and Satisfaction**

Researchers have studied customer expectations and satisfaction towards the retail pharmacy sector in Thailand. The attributes studied can be put into 3 groups, which are: product, service and price.

Service can be viewed in terms of the experience received from the pharmacist and staff. The pharmacist and staff are the most important factor that appeals to customers when they visit an independent pharmacy (Chalongsuk et al., 2004). This may be because they are the key people who give health information and consumers expect them to be thorough in taking their patient histories, and to be given medicines with the correct labels (Sangsuriya, 2005).

When people think about retail pharmacy, they have an image of a premises providing medicines (Chalongsuk et al., 2004). There should be a wide range of brands of medicines in order that customers have many options (Teerawong et al., 2003; Wongsupasawat, 2006). In addition, there is an expectation that other products should be provided such as pregnancy strip tests, blood sugar tests, blood pressure testing equipment and cosmetics (Teerawong et al., 2003). It can be seen that apart from medicines, there is demand for health and beauty related products.

Another attribute is price. Nowadays, dependent pharmacies take part in price cutting competition, especially from chain drugstores. However, creating an image of reasonably priced products and services by developing wise pricing strategies can assist in the survival of a retail pharmacy business. (Wongsupasawat, 2006)

All in all, retail pharmacy business in Thailand is an attractive business because of the high profit and easy accessibility. Nevertheless, there are challenges such as tight regulations, high competition and customer expectations.

## **2.2 Opportunity in the provision of healthy food products**

In Thailand, healthy food products have become hugely successful. Although there was no evidence that retail pharmacy offered healthy food products in Thailand before, it could be viewed as an opportunity to introduce this type of products in retail pharmacies, where, generally, products are related to health.

## 2.2.1 Definition

Many sources give different definitions of “*healthy food*”, but there is no specific definition (Darrall, 1992). Darrall (1992, p.18) describes healthy food as food which is ‘low in fat, sugar, salt and additives, and high in fiber’, and they are healthier compared to their conventional versions such as low-fat milk compared to its old version, whole milk. In other words, the healthiness of healthy food is distinctive from the rest of the diet. A Dictionary of Food and Nutrition (2009, p. 345) also defines the word “*healthy*” for food as that is ‘low in fat and saturated fat, and contains no more than 480 mg of sodium and 60 mg of cholesterol per serving’. US FDA (2013) goes further to indicate that any type of food, which claims to be healthy has not only to limit the amount of total fat, saturated fat, sodium and cholesterol, but it also needs to meet the requirements of beneficial nutrients and fortification (table 2.2).

Conditions for the Use of "Healthy"			
	Individual Food	Seafood/Game Meat	Meal/Main Dish
<b>TOTAL FAT</b>	low fat	< 5 g fat /RACC & /100g	low fat
<b>SATURATED FAT&gt;</b>	low sat fat	< 2 g sat fat /RACC & /100g	low sat fat
<b>SODIUM</b>	≤ 480 mg /RACC and /l.s.; or /50 g, if RACC is small	≤ 480 mg /RACC and /l.s.; or /50 g, if RACC is small	≤ 600 mg /l.s.
<b>CHOLESTEROL</b>	≤ disclosure level	< 95 mg /RACC & /100 g	≤ 90 mg /l.s.
<b>BENEFICIAL NUTRIENTS</b>	Contains at least 10% of DV /RACC for vitamins A, C, calcium, iron, protein, or fiber except: raw fruits and vegetables; or a single ingredient or mixture of frozen or canned single ingredient fruits and vegetables (may include ingredients whose addition does not change the nutrient profile of the fruit or vegetable); enriched cereal-grain products that conform to a standard of identity in 21 CFR 136, 137, or 139.	Contains at least 10% of DV /RACC for vitamins A, C, calcium, iron, protein, or fiber	Contains at least 10% of the DV /l.s. of two nutrients (for a main dish product) or of three nutrients (for a meal product) of vit. A, vit. C, calcium, iron, protein, or fiber.
<b>FORTIFICATION</b>	Per 21 CFR 104.20	Per 21 CFR 104.20	Per 21 CFR 104.20

Table 2.2: Healthy food criteria by US FDA (US FDA, 2013, no pagination)

From these definitions of healthy food, there is a common understanding that healthy food should be controlled in the amount of poor nutrients such as fat, saturated

fat, sodium, cholesterol and additives, and to promote beneficial nutrients such as vitamins, and fibers in their optimal amounts. Additionally, it can also be food that is developed to be healthier than the conventional versions. From this broad definition, healthy food seems to be items such as low-fat milk, organic vegetables, coarse rice, etc. In this study, the interesting healthy food products to offer in a retail pharmacy are healthy meal boxes, healthy snacks, cereals and herbal drinks because cereals and herbs have been used for a long time (Euromonitor International, 2015b), while healthy food box, healthy snacks and herbal drinks are becoming more popular.

### **2.2.2 Health and the Healthy Food Trend**

The opportunity in providing healthy food products may result from the current health trend. Consumers around the world are becoming more conscious about health in terms of prevention of disease and self-care (Euromonitor International, 2014b). The health trend in Thailand is similar to the global trend. In 2014, health was the second of the top five concerns amongst Thai people (64%) (Euromonitor International, 2014a). Thai people were more concerned about their health through selecting healthy food products (Assawan, 2014). The health trend amongst Thais is about food, medicines and beauty (Siramapoot, 2015) such as weight management, supplements, healthy food, stress, aging and beauty (Hfocus, 2013). From this behavior, it can be seen that health, food and beauty related businesses may be attractive, nowadays.

With respect to healthy food in Thailand, some products have experienced overwhelming success. For example, healthy drinks, such as Ichitan<sup>®</sup> and Oishi<sup>®</sup>, reached the highest value sales at 67,325.1M Baht in 2013 (Euromonitor International, 2014a). Naturally healthy food also had strong growth in 2013, due to the increase in health consciousness (Euromonitor International, 2014c). Moreover, Thai people are likely to purchase healthy ingredients, such as coarse rice and olive oil, to cook their meals (Euromonitor International, 2014c). More healthy snacks can be seen in the near future, because leading snack companies are interested in developing healthy snacks due to the health trend (Euromonitor International, 2015b).

Health and wellness is a popular trend globally, resulting in the improvement of healthy food products sales. Nevertheless, in Thailand, this trend is dominant among middle- (BMI, 2015b) and high-income groups (Euromonitor International, 2014a; BMI, 2015b). Thus, when launching healthy food products in a retail pharmacy, location and types of prospective customers should be considered. These aspects would be applied in the research, which will be explained in chapter 3.

### **2.2.3 Factors related to healthy food consumption**

To launch healthy food products, marketers may view consumption related factors as means to develop strategy. There are many researchers who have studied factors regarding promoting and discouraging the consumption of healthy food. The main factors are accessibility, price, knowledge and convenience.

Low accessibility to healthy food is a sizable barrier and brings about an unfavorable trend of healthy food consumption (Lea and Worsley, 2005; Story et al., 2008; Aertsens et al., 2011). It was found commonly in rural areas, where medium and large sized supermarkets were absent (Story et al., 2008). In other words, people in rural areas had less access compared to those in more affluent areas.

Price is a contentious issue since it has been reported differently from various researchers. Lockie et al. (2002) and Lea and Worsley(2005) (studied about organic food) Waterlander et al. (2010) (studied about healthy food) conclude that the demand would increase when prices dropped. However, Talukdar and Lindsey (2013) report the adverse result, that high prices of healthy food products, resulting in high numbers purchasing them in supermarkets.

Healthy food consumption depends on knowledge regarding healthy food (Thomsen and Hansen, 2015). Falk et al. (2001) found that the ability to define and categorize healthy and unhealthy food is important for a person to manage healthy eating. This factor has an indirect effect on the attitude towards consuming healthy food. To illustrate, positive thinking about healthy food would lead to consumption (Smith and Paladino, 2010).

Convenience refers to the time used in preparing healthy food. Thomsen and Hansen (2015) found that lengthy preparation times for healthy food is a barrier in eating healthy food. This factor may be reversed if marketers can develop strategies to reduce the cooking time of healthy food and it might increase healthy food consumption as well as increasing the purchase of such offers as healthy meal boxes, etc.

All in all, from these factors, accessibility and convenience seem to be encouraging factors to the opportunity for healthy food business. To illustrate, long cooking times for healthy food at home may lead consumers to purchase pre-prepared instead. For price and knowledge, they are interesting factors to study in Thailand specifically because perception of price and knowledge towards eating behavior may be different in each area.

## 2.3 Macro-environment

Several external factors, Social(S), Legal(L), Economic(E), Political(P) and Technological(T), may have influence on establishing this business. To illustrate, the Thai economy and politics are dynamic, pharmacy regulations are tight and technology is becoming useful in operating businesses. SLEPT and its similar versions are the most common ways to analyze the business environment (Cadle et.al, 2010).

Realizing **Social** factors, the demand for healthy food may focus on upper and middle-income consumers because they are interested in added-value products and food standards (BMI, 2015b). While, the demand for medicines may be expected from an aging population and the proportion of the aging population is increasing (BMI, 2015a). For **Legal**, according to the new law, apart from pharmacists, multi-discipline health experts are going to have permission to sell important medicines (BMI, 2015a). Additionally, OTC drugs are found everywhere, including retailers. This situation may encourage an increase in competitors in the retail pharmacy sector. However, the popular place to purchase medicines is still a retail pharmacy (IHS, 2015). Hence, retail pharmacies should develop strategies to maintain that customer preference.

Turning to consider **Economic**, businesses in Bangkok may find difficulty in surviving since Bangkok is going to be saturated with business being established (BMI, 2015b). Consequently, several businesses are projected to expand to other provinces. Additionally, ASEAN Economic Community (AEC) allows members to invest between countries with greater ease (IHS, 2015; Thai News Service Group, 2010), thus local businesses should be prepared to compete with international investors. For **Political**, Thailand has volatile politics. The country is, presently ruled and controlled by the military (IHS, 2015) and this leads to a weak democracy (BMI, 2015a, 2015b). This situation may have an impact on businesses since there are curfews in some areas. Another external factor is **Technological**, the number of Thai internet users increased significantly from 4.8% to 8.5% between 2002 and 2007 (Datamonitor, 2009). This maybe an opportunity for businesses to expand their sales on the internet. However, online commercial activity might need specific skills from IT skilled workforces, which are lacking in Thailand (Datamonitor, 2009).

Any businesses, which are projected to set up in Thailand, should take external factors into consideration in evaluating opportunities and/or threats. Johnson et.al (2014) suggest that for a retailer, the main concern should be social factors such as customer

behavior. However, for this business, all of the SLEPT factors seem to be suitable to realize since pharmacies have to abide by the law and Thai politics is unstable. In the case of Healthy Pharmacy, SLEPT will be integrate with the findings to critically analyze through Opportunity business model, especially the Drivers.

## 2.4 New Venture Creation

The rising trend of health and healthy food in Thailand seems to be a potential opportunity for the retail pharmacy sector to integrate a healthy food department in order to create a one-stop shop in the health channel. Considering the potential of the business idea, the opportunity for a retail pharmacy with healthy food department can be criticized by the Opportunity Business Model couple with Effectuation Theory.

### 2.4.1 Opportunity Business Model (OBM)

OBM is beneficial in assisting entrepreneurs to have a clearer vision of a new business idea to become a new venture (Blundel and Lockett, 2011). There are five dimensions, which are core elements of an idea, and four drivers, which are factors influencing an opportunity ‘and suggest how it might be exploited in an enterprise’ (Blundel and Lockett, 2011, p.41).

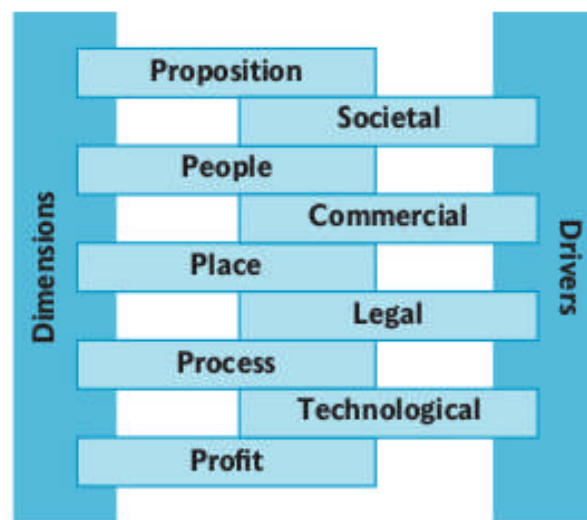


Figure 2.1: Opportunity Business Model (Blundel and Lockett, 2011, p. 40)

From figure 2.1, to apply OBM to an idea of retail pharmacy business with a healthy food department in Thailand, there are five core dimensions to consider. The first dimension is the core value **proposition** from this business to customers from the opportunity (Blundel and Lockett, 2011), which may relate to both retail pharmacy and healthy food businesses. Secondly, there are various **people** who may become involved



in this business such as the owner, the pharmacist, staff, customers, suppliers and network. It may be useful to consider motivation regarding sales, collaboration and knowledge exchange when joining networking activities (Lockett et al., 2012). For **place**, it consists of location, direct and indirect competitors and data analysis of opportunity for Healthy Pharmacy. The next dimension is **process**. It concerns organizational structure, key processes, interactions between stakeholders and the processes and the role of technology. The last dimension is **profit**, which is related to expected returns and capital required.

There will be one or more drivers which underpin each opportunity (Blundel and Lockett, 2011). Considering this case, **societal** can refer to Thai political and demographic factors, and health trends among Thai people. For this business, **commercial** can be taxation, labor costs and economics in Thailand, especially in Bangkok and Petchaburi Province. **Legal** may be considered in terms of the tight regulations for retail pharmacy business and the pharmacist, and labor law. The last driver is **technological**, which might relate to trading software for retail pharmacy.

#### **2.4.2 Effectuation Theory**

Effectuation is the logic of entrepreneurial thought that supports entrepreneurs to make decisions and take actions in uncertain circumstances to create a thriving business. The Effectual process emphasizes the utilization of a given means to approach possible goals (Sarasvathy, 2001).

Effectuation consists of five principles. Firstly, **Start with means** is about the means that entrepreneur has, which are traits, skills, knowledge, abilities and current networks. The second principle is **affordable loss**, which means that the entrepreneur will take the opportunity, while there are some risks, however, they attempt to limit those risks by developing strategies wisely and understanding affording to lose to avoid bankruptcy. **Leverage contingencies** refer to the fact that entrepreneurs are willing to face surprising circumstances even they may be negative, because of the trust that positive or negative events may lead them to create new products and/or markets. After that they **form partnerships** with interesting participants, who are able to contribute towards the new venture. The last principle is **control unpredictable future**. Effectual entrepreneurs focus and control their actions which bring about the desired outcome rather than focusing on forecasting an outcome. (Sarasvathy, 2001).

Experienced entrepreneurs are inclined to follow Effectuation when creating a new venture (Harms and Schiele, 2012). However, it could not be stated that Effectuation is a more successful method than Causation (Sarasvathy, 2001) because they are only different in the way of thinking, as entrepreneurial or managerial ways.

To conclude, there seem to be opportunities to create Healthy Pharmacy. However, there are several points should be studied specifically in Thailand, which are retail pharmacy and healthy food business operation, and the demand for healthy food.

## Chapter 3

### Methodology

The study was created to follow the Research Onion of Saunders et al. (2012) as shown in figure 3.1.

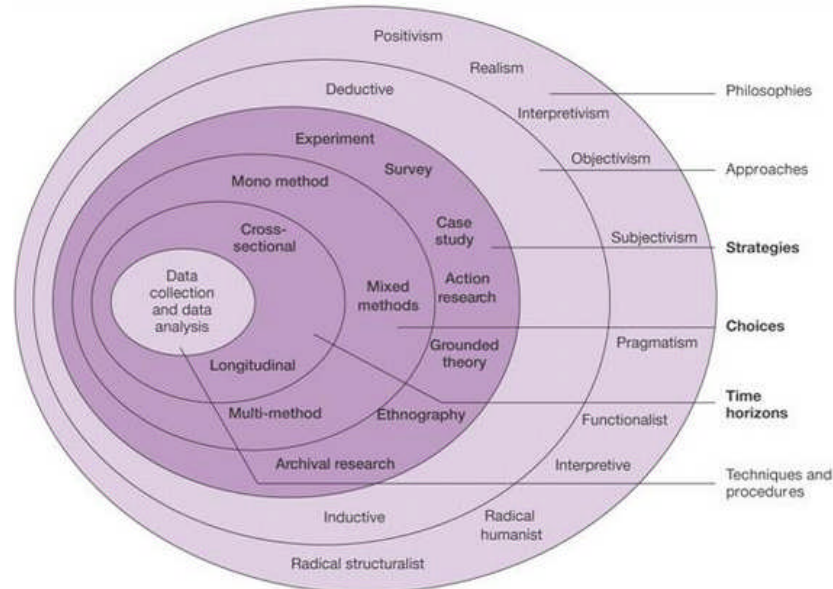


Figure 3.1: Research Onion (Saunders et al., 2012, p.128).

### 3.1 Philosophy- Pragmatic

For pragmatism, practical outcomes are emphasized (Saunders et al., 2012; Iaydjiev, 2013). There is no specific method to answer the research question because 'no single point can ever give the entire picture and that there may be multiple realities' (Saunders et al., 2012, p.130). Hence the study was designed to have interviews and surveys. One side, the study was designed to obtain data from entrepreneurs and experts by conducting one-to-one interviews to gain in-depth data about running retail pharmacy and healthy food businesses. Another side came from consumers by surveys to compare consumer attitudes and behavior in two groups.

### 3.2 Approach- deductive and inductive- midway

The deductive method involves developing the theory, whereas, inductive is about understanding the problem and its nature (Saunders et al., 2012). For the deductive way, this study gained information associated with the retail pharmacy businesses, opportunities in the provision of healthy food products and the new ventures creation. Additionally, in the final step, the case would be analyzed by an existing model, OBM, to obtain a clearer image of the business idea. For inductive approach, the research

conducted interviews and surveys in order to understand the market and demand particularly in Thailand. Both deductive and inductive approaches were used in this study, in order to provide a rigid structure to the methodology (Saunders et al., 2012).

### **3.3 Strategy- Case study**

Strategy refers to a plan of how to answer the research question (Saunders et al., 2012). A case study strategy is proper to research questions regarding why? what? and how?, which allows researchers to understand the rich context of the research topic (Saunders et al., 2012). The dissertation explored the case study of Healthy Pharmacy. It was designed to understand the context of the retail pharmacy industry and healthy food opportunities in Thailand, therefore developing a strategy to launch this business successfully.

### **3.4 Choice- Mixed Methods**

‘In mixed method research, both quantitative and qualitative researches are combined in a research design’ (Saunders et al., 2012, p.166). This study conducted interview in order to answer the research question and to indicate the direction for the survey. Firstly, the interview was conducted in three groups, which were: pharmacy entrepreneurs, pharmacy experts and healthy food entrepreneurs. This was to gain data regarding retail pharmacy and healthy food businesses. After that the survey was conducted in Petchaburi Province and Bangkok, which are the prospective location for launching this business and a comparison area, respectively.

### **3.5 Time Horizon- Cross-sectional**

Due to the time constraints between May and August, the dissertation was designed to be cross-sectional. This type of study is used to research a specific incident at a particular time (Saunders et al., 2012). Bearing in mind that the research question is appropriate to take the cross-sectional method as well since trend and launching a business may require data collection at only a point of time.

### **3.6 Data Collection and Analysis**

Interviews and surveys were conducted to gain data from experts and consumers respectively, then analyze through OBM and Effectual Approaches to create a business plan.

### 3.6.1 One-to-one Interviews

To gain a broad perspective regarding retail pharmacy and the healthy food business and to indicate the direction of the survey, the semi-structured interviews were conducted in three different groups using both similar and different interview questions, depending on the specific fields of the interviewees, however, at least two groups answered each theme (table 3.1). The interviewees were 2 retail pharmacy entrepreneurs, 2 pharmacy experts and 2 healthy food entrepreneurs. All of the semi-structured interviews were conducted between June and July. The time allocated for each interview was approximately 30 to 40 minutes. All of the interviews were undertaken face-to-face and recorded with the permission of the interviewees. Full interview questions can be found in Appendix 1.

Themes of questions	Types of interviewees			Expected results to serve OBM
	Pharmacy entrepreneur	Pharmacy Expert	Healthy food entrepreneur	
Business operation	√	√	√	Process, Place
People involved in the business	√	-	√	People
Range of products in the business	√	√	-	Product, Profit
Healthy food trends	√	√	√	Product, Prospective
New business idea of offering healthy food in a retail pharmacy	√	√	√	Place, People

Table 3.1: The question themes for each type of interviewees and expected results.

The criteria for choosing retail pharmacy and healthy food entrepreneurs was that they have been running the business for at least three years. While, for pharmacy experts, the criteria was that of working in senior positions in retail pharmacy companies for at least 3 years. Therefore they have been gaining experiences from their businesses and works.

### 3.6.2 Survey

The survey took twelve days from (16 to 27 July 2015) to collect data because of the time constraints and some suggestions from the interviews were utilized to design the survey such as suggestions about locations and interesting healthy food products.

The prospective customers for this business are in Phetchaburi Province. However according to the health trend which was reported by Euromonitor International (2014) along with concerns from the majority of the interviewees that the trend of healthy food and health and wellness among Thai people is apparent in predominantly high-end and higher educated consumers. Hence, the survey was designed to collect data in two groups, which were the population in Phetchaburi Province and Bangkok, namely, the prospective customer group and the more affluent group, respectively. These two groups had identical questionnaires.

*Prospective customer group* The survey of this group was conducted in Phetchaburi Province, which is a prospective location to create a new venture. This group represents as less affluent since income and expenditure per capita per month was only 8,179 THB and 4,953 THB in 2009 (Thailand National Statistical Office, 2010). In this area, there are 464,033 people (Thailand National Statistical Office, 2010). The suggested sample size for this group was 384 for the confidence level of 95% (Raosoft, 2004). For this group, the questionnaires were sent online and in paper form due to the lack of internet access in some areas.

*More affluent group* This group refers people in Bangkok. This group represents as more affluent group since income and expenditure per capita per month were the highest compared with other provinces, which are 11,829 THB and 9,248 THB in 2009, respectively (Thailand National Statistical Office, 2010). The population is 5,701,394 (Thailand National Statistical Office, 2010). The suggested sample size for this group was 385 for the confidence level of 95% (Raosoft, 2004). For this group, the questionnaires were sent only online.

The differences between 2 groups were analyzed by either t-test or chi-square test (SPSS) where suitable. In order to gain consumer viewpoints about the dimensions of Place, People and Product, the questionnaires were designed in 4 sections, which are: demographic information, behavior and attitudes toward health, pharmacy and healthy food products. Each section was expected to produce data in order to be analyzed through OBM as shown in table 3.2. Survey questionnaires can be found in Appendix 3.

Sections	OBM		
	Place	People	Product
Demographic information	√	√	-
Behaviors and attitudes towards health	√	√	-
Behaviors and attitudes towards pharmacy	-	√	√
Attitude towards healthy food products	-	√	√

Table 3.2: The sections of questionnaires relating to OBM analysis.

### 3.6.3 Data analysis

The results from the primary data from interviews and the survey, and secondary data from literature were discussed and then analyzed through OBM in order to have a clearer vision of the opportunity for retail pharmacy with a healthy food department in Thailand.

### 3.6.4 Ethical Considerations

Ethics can be defined as the realization of the rights of participants in the research (Saunders et al., 2012). It was important to highlight anonymity, consent, the right to withdraw and the effect on those participants in this study because this research involved numerous participants both in the interviews and the survey. In so doing, the interviewer informed participants regarding these issues at the beginning of the interviews and the survey in order to respect their rights and liberties. See in Appendix 1.4 for the verbal consent given during the interviews and Appendix 3, which presents informed consent within the questionnaires.

## Chapter 4

### Findings

This chapter will report the results from the interviews and surveys. The chapter begins with the findings from the semi-structured interviews, which are about retail pharmacy and healthy food businesses followed by the survey results, which reflect the behavior and attitudes towards healthy food in retail pharmacy.

#### 4.1 Professional views

To make the interviewees anonymous, they are named as RPE1 and RPE2 for the two retail pharmacy entrepreneurs, and PHE1, PHE2 for the two pharmacy experts and HFE1 and HFE2 for the two healthy food entrepreneurs. The full interviewed scripts are in Appendix 2.

##### 4.1.1 Business operation

Interviewees		Customer		Location	Price	Teamwork
		Segmentation	Service			
Retail pharmacy entrepreneurs	RPE1		√		√	√
	RPE2	√	√	√	√	√
Healthy food entrepreneurs	HFE1		√			
	HFE2	√			√	
Pharmacy experts	PHE1	√		√		
	PHE2	√		√		√

Table4.1: Key factors to succeed in retail pharmacy and healthy food businesses

The key factors to succeed in retail pharmacy and healthy food businesses are customers (segmentation and service), location, price and teamwork (table 4.1). The factor which was agreed by all interviewees for success in both retail pharmacy and healthy food businesses was about customers. PHE1, PHE2, HFE2 and RPE2 stated from their experiences that customer segmentation is important in order to have the right direction to position the business. RPE1 and RPE2 always provided best service through giving health information after dispensing medicines. HFE1 trusted that good service would bring about recommendation through word of mouth, which could attract more customers to her restaurant. Location is a factor that relates to the previous factor and positioning. Three from the six interviewees mentioned this point to compare the opportunity in urban to rural areas. Retail pharmacy in urban area should be as a modern trade, which is decorated beautifully and offers a wide range of products, whilst in rural areas there should be a strong image of being a health assistant (PHE1) because customers in different areas have various views on retail pharmacies (PHE2). This could be



illustrated by the real situation of RPE2 that ‘My pharmacy is located in a rural area, so that I have a high proportion of medicines and herbal products and emphasize the pharmacist in terms of knowledge and service’ (RPE2). The next factor is about price. There are 3 from the 6 interviewees who mentioned this point in different ways. RPE1 trusted that he would always give customers a better price when compared with competitors because everyone prefers cheaper. In contrast, PHE2 and HFE2 reported that price should match the quality of the products. For example, HFE2 mentioned that her products relate to health, thus quality is necessary and that the price could be suitable for the quality. Another factor is human resources. The business will succeed due to teamwork (PHE2) and skilled-employees (RPE1, RPE2). For instance, RPE1 is willing to share his knowledge with his staff, so they can service customers as well as him.

#### 4.1.2 Dealing with suppliers and customers

Interviewees		Suppliers	Customers
Retail pharmacy entrepreneurs	RPE1	Company and wholesaler	In the community
	RPE2	Company and wholesaler	In the community
Healthy food entrepreneurs	HFE1	Company and farm	In the community
	HFE2	Supermarket and company	In Bangkok

Table 4.2: Suppliers and customers of retail pharmacies and healthy food businesses.

For retail pharmacy businesses, the entrepreneur usually purchases from both wholesalers and companies (table 4.2). However, they would scrutinize the deals from each and balance risks and benefits. To illustrate, they can purchase in small numbers from wholesalers, thus they can manage stock and expiration dates easily. Nevertheless, when medicines are near to their expiry date, the products from the certain companies will be refunded easier than from wholesalers. For healthy food entrepreneurs, they always purchase the ingredients from the companies or supermarkets or farms to produce healthy food products by themselves.

Moving onto customers, the target customers of both retail pharmacy entrepreneurs (RPE1 and RPE2) and HFE1 are the people in their communities. In contrast, the target customers of HFE2 are not only people in the community but also all over Bangkok (table 4.2). This might be because HFE2 operates an online delivery business, while RPE1, RPE2 and HFE1 are bricks-and-mortars traders. Considering their segmentations, RPE1 and RPE2 stated that their customers vary from low to high purchasing power and from students to doctors; however, most of them (80-95%) are

adults. HFE1 and HFE2 have the same target customers, who are workers and elderly people that are concerned about their health.

#### **4.1.3 Products and profit**

In retail pharmacy customers normally find medicine, medical appliances, supplements and household products. RPE1, RPE2, PHE1 and PHE2 agreed that the size of the medicine department still should be the largest. In the case of RPE1, his pharmacy has 90% of medicines, 10% is supplements and no medical appliances. This is because his business is located in the countryside. This was agreed by PHE1 that the style of retail pharmacy should be depended on location. She suggested that pharmacies in urban areas should have high proportions of supplements and cosmetics, whereas, in less affluent areas the emphasis should be on medicines. Regarding profits, generic drugs can generate 60-70% of profit, while branded drugs generate only 10-20% (RPE2). However, in sheer cash terms, sometimes branded drugs can generate more profit, if the medicine is high in price. In the case of RPE1, he believes that selling at lower prices contributes to the sustainability of his business which has been established for more than 40 years. Thus it can be seen that there are several ways to design a retail pharmacy and provide suitable products depending on locations and target customers.

#### **4.1.4 Health trends**

The meaning of healthy food seems to cause confusion amongst some of the participants. However, they thought that healthy food gives beneficial nutrients to the human body and their examples were in the right direction such as wheat germ, low fat milk, herbal drinks and clean food. HFE1 went further to say that healthy food should also be limited in negative nutrients such as chemicals and MSG. All of participants believed that health trend in Thailand is healthy by observation of customer behavior. For example, RPE2 experienced that there are more customers purchasing supplements for both preventative and supportive treatment.

#### **4.1.5 The business idea**

All participants believed that it is possible to provide a healthy food department in a retail pharmacy; nevertheless, they gave interesting suggestions for this type of businesses (table 4.). Five from six interviewees stated that location is the important issue to be considered. PHE1 and HFE1 stated that locating the business in Bangkok, which is the capital city, may be better, however, RPE2, PHE1, PHE2 and HFE1 suggested that the problems of location in less affluent areas can be reduced by giving information and advertising because their knowledge and education might be barriers to being concerned

about their health. Additionally, price perception should be considered in less affluent groups since they have less purchasing power than consumers in Bangkok. The risks for this business seem to be the ease of imitation. PHE1, RPE2 and HFE1 thought that direct and indirect competitors can also provide healthy food. Another risk can be the perishable nature of food products (PHE2 and HFE2), because some healthy foods have short shelf lives such as healthy food boxes, etc.

Interviewees		Factors				
		Location	Price	Knowledge	Ease of imitation	Product life (short expiration)
Retail pharmacy entrepreneurs	RPE1	√	√			
	RPE2	√	√	√	√	
Healthy food entrepreneurs	HFE1	√		√	√	
	HFE2	√				√
Pharmacy experts	PHE1	√	√	√	√	
	PHE2	√	√	√		√

Table 4.3: Factors that should be considered when operating a retail pharmacy with a healthy food department.

## 4.2 Consumer Views

The dissertation was designed to gain consumer data in terms of consumer attitudes and behavior from participants in two different areas, which were Phetchaburi (prospective area) and Bangkok (more affluent area). From 286 questionnaires, there were 248 from online and 38 in papers due to the lack of internet access in some areas in Phetchaburi. Then, 267 forms were chosen to analyze and the other 19 were deleted because of incomplete answers. The demographic information in terms of living area, education and income level of 267 participants is attached in Appendix 3.1.

### 4.2.1 Attitudes

#### 4.2.1.1 Healthy activity

In this section, participants were asked about their attitudes and behavior towards healthy activities. They rated in the five-level Likert scale (1-5, Strongly disagree to strongly agree) to express their agreement for each activity that is good for health. Figure 4.1 presents the mean scores for all the activities and they are greater than 3, thus they are likely to believe that these activities are good for health. Healthy food eating and exercise are almost strongly agreed to be good for health with the mean scores of 4.7 in Phetchauri, Bangkok and so overall, while taking medicine if need, and supplements are somewhat agreed with the overall mean scores of 3.9 and 3.5 respectively (Appendix 3.2).

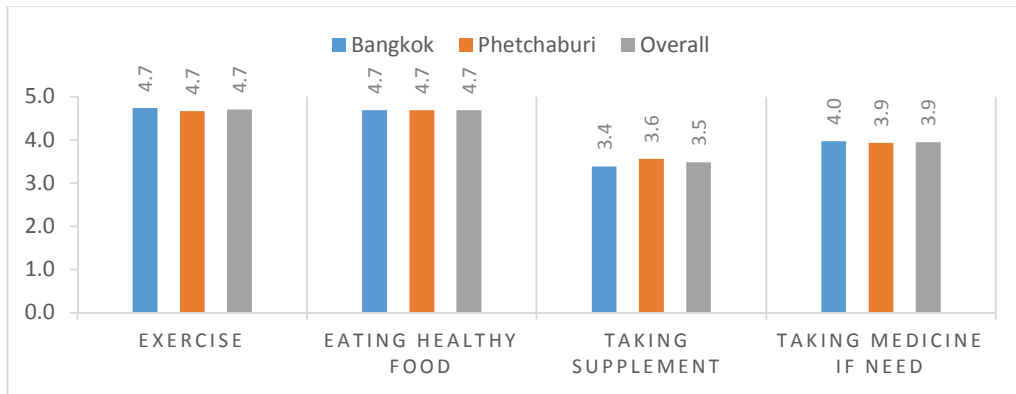


Figure 4.1: Attitudes toward healthy activities.

#### 4.2.1.2 Product Information

Participants were asked: Which types of products would you purchase from a retail pharmacy rather than other retailers if you were given reliable advice by pharmacists and staff? The question is used to discover if information and advice from staff in the pharmacy are important and may contribute to develop a strategy from the strength of feeling. This is because, in Thailand, several products such as OTC drugs, supplements and cosmetics can be found in many types of retailers. Figure 4.2 illustrates the data in percentages of participants in Bangkok, Phetchaburi and overall. The information and advice are the most important for medicine with the overall percentages of 88.4%. Followed by supplements, which is 41.2% of all participants require information and advice from staff in the pharmacy. Product information and advice seem to be less important for cosmetic and medical appliances since the overall percentages are 19.5% and 13.5% respectively. Considering the data, participants in Phetchaburi require less product information and advice for every product compared to participants in Bangkok. However, the chi-square test in Appendix 3.3 shows that only supplements depend on people in different areas significantly at  $p=0.001$ , while the other products are not .

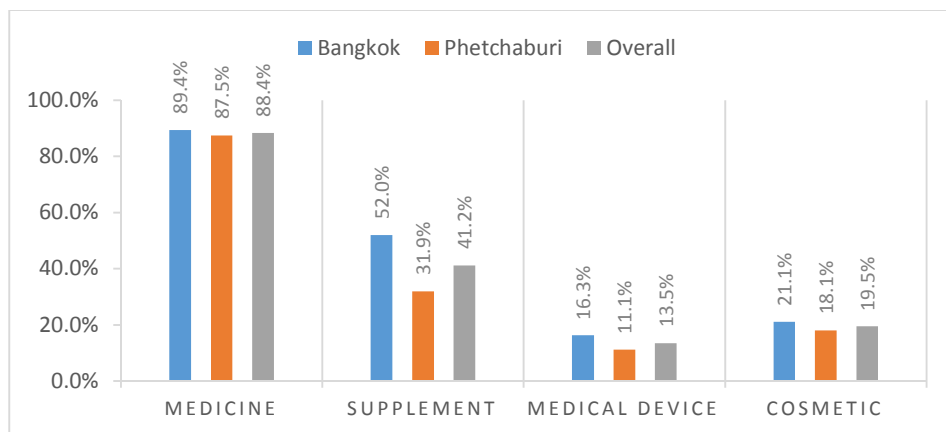


Figure 4.2: Products that consumers require information and advice

## 4.2.2 Behavior

### 4.2.2.1 Healthy activity

The participants were asked about their activities for keeping healthy. Figure 4.3 shows the same trend with their attitude that, overall, eating healthy food (70.8%) and exercise (68.5%) were the popular activities for being healthy, whereas annual checkups and taking supplements account for 42.3% and 34.1% respectively and there was merely 4.1% of participants who did not do healthy activities. Surprisingly, taking supplements is less favored than other activities, although supplement products are provided and successful in almost every drugstore and supplement retailers. This can be seen as the opportunity for healthy food products since more than two-thirds of participants usually consume healthy food. However, people can cook healthy food by themselves, but cannot produce supplements. Considering each area, participants in Phetchaburi tend to consume healthy food (75.7%) and do exercise (72.2%) more than in Bangkok (65.0% and 64.2%), however, there are less in annual checkups (36.8%) and taking supplements (27.1%) than in Bangkok (42.3% and 48.8%). The Chi-square test reports that supplement taking for being healthy has a relationship with living area of participants at a significance of  $p=0.009$  (Appendix 3.4).

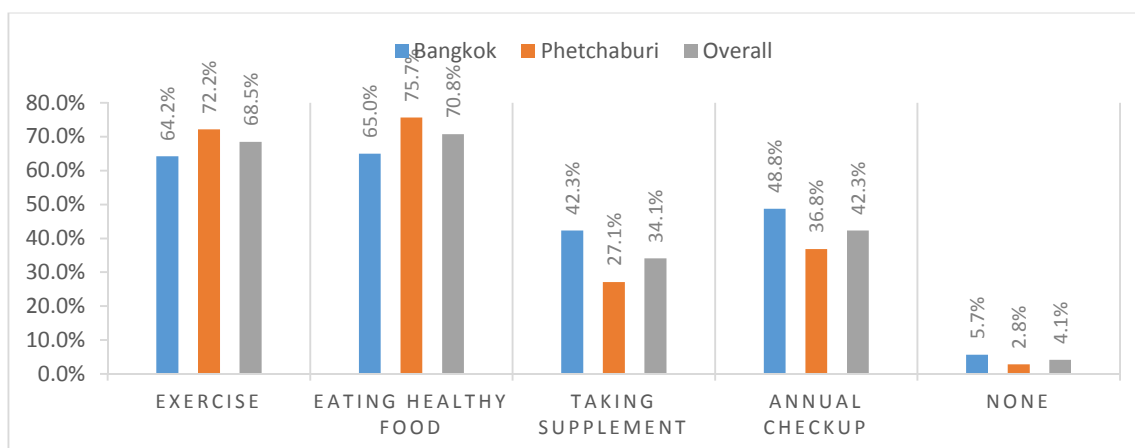


Figure 4.3: Activities for being healthy

### 4.2.2.2 Visiting retail pharmacy

Figure 4.4 illustrates the behavior of participants regarding the frequency of visiting a retail pharmacy. Overall, 6.7% and 9.0% of them go to pharmacy 3-4 times and more than 4 times respectively and 15.4% of them have never been to any retail pharmacy during these two years (around 2013-2015). Distinctly, the highest frequency of visiting a retail pharmacy is 1-2 times per month, which can be assumed that they go to a pharmacy when necessary. Realizing the relationship between the frequency of going to

a retail pharmacy and participants in two different living areas, by Chi-square, found that there is no relationship between them (Appendix 3.5).

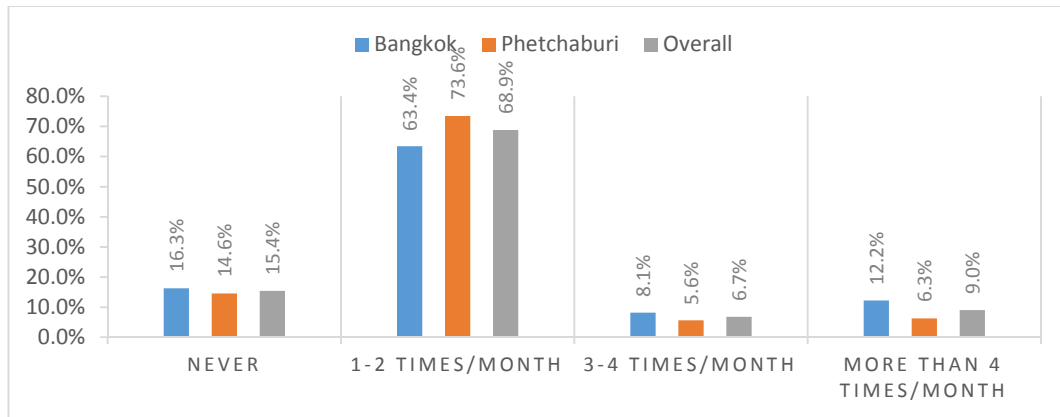


Figure 4.4: Frequency of visiting retail pharmacies in these 2 years.

#### 4.2.2.3 The aims of customers

The participants were asked to choose the products they often purchase from retail pharmacies. From figure 4.5, overall, obviously, the main product that participants usually purchase when going to retail pharmacy is medicine (94.8%). Supplements, medical appliances and cosmetics seem to be minor aims, which account for 28.5%, 7.1% and 20.2% respectively. Supplement buying by Phetchaburi participants is less than that of Bangkok participants by almost 2 times (18.8% and 39.8% respectively). When analyzing the relationship between frequency and living areas by Chi-square found that there is a relationship between supplement purchasing and living areas to significance ( $p=0.000$ ) Appendix 3.6. Compared with figure 4.3, which is about healthy activity, the result was reported in a similar trend that taking supplements also depends on living area. The reason may be that Bangkok participants take supplements for their good health more than Phetchaburi participants do, consequently, that may lead to purchasing intentions.

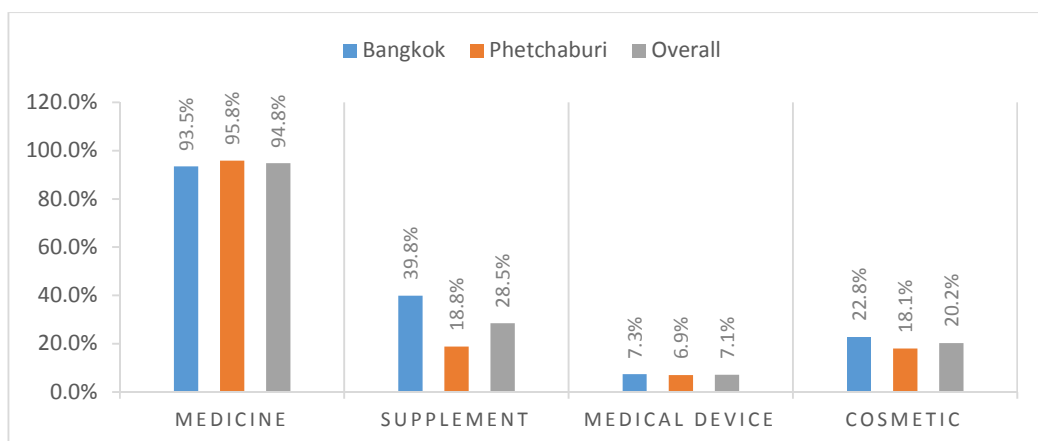


Figure 4.5: Aim products.

### 4.2.3 Interesting healthy food products

The questionnaires were designed to ask three questions in terms of healthy food familiarity, preference and suitability about 4 types of interesting healthy food products (cereal, healthy food boxes, herbal drinks and healthy snacks). Figure 4.6 shows that cereal and herbal drinks are the most popular products as 79.4% and 73.0% of all participants have tried them. Additionally, 64.0% and 63.7% favor cereal and herbal drinks respectively. Healthy food boxes and healthy snacks have less familiarity (31.1% and 36.7%) and preference (28.1% and 35.6%). The suitability of providing these 4 products in a retail pharmacy are also in the same trend of familiarity and preference, where cereal and herbal drinks are the most popular.

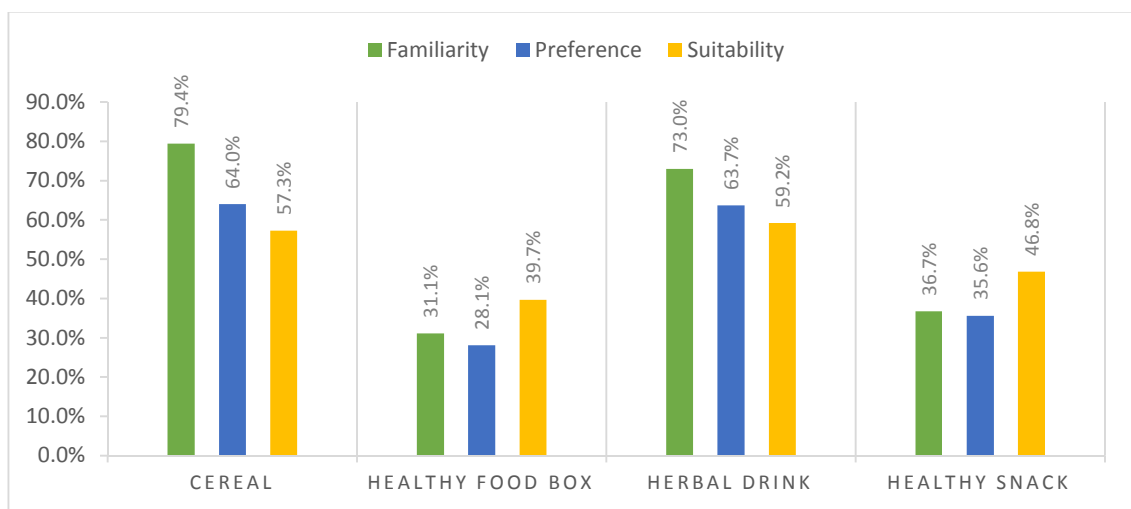


Figure 4.6: Familiarity, preference and suitability of healthy food products

In summary, views from experts suggest that it is possible to create a new venture of a retail pharmacy with a healthy food department; however, there are some factors that should be considered such as location, price, knowledge, ease of imitation and short shelf life of healthy foods. Overall the survey results indicate that apart from attitudes and behavior towards supplements, there are no differences between groups of participants in Bangkok and Phetchaburi.

## **Chapter 5**

### **Discussion**

This chapter will discuss the results from the findings and compare with the literature in order to serve the best ideas to analyze through OBM and Effectuation Theory. The chapter starts with discussion of the results, then the implications for the business.

#### **5.1 Discussion of the results**

This part will compare the key results with the literature. The part is divided into opportunity, store zoning, products and keys of success and risks.

##### **5.1.1 Opportunity**

The interview and survey results conform to the reports from Euromonitor International (2014a, 2014b) and Assawan (2014) that Thai people are becoming concerned about, and are undertaking activities to promote, their health. The survey results indicate that popular healthy activities are eating healthy food and exercise. Euromonitor International (2014b) and BMI (2015b) report that the health trend in Thailand is popular in only high-end consumers. However, the survey results found that there are no differences between the two groups (Phetchaburi and Bangkok: Representatives of low and high-end consumers respectively) regarding attitudes and behavior towards healthy activities and retail pharmacy, except that Bangkok people are likely to buy and require information for supplements from retail pharmacy, than people in Phetchaburi.

##### **5.1.2 Keys of success**

From the results, to be successful the entrepreneur should be concerned about service, price, location, customer segmentation, and teamwork, and aware of the risks such as ease of imitation and product life. The survey results confirm the study from Sangsuriya (2005) and Chalongsuk et al. (2004) that consumers require information and advice, especially about medicines, which is the main product. This is a simple way to build up the trust of customers and assist them to use medicines and other products safely. The results from the interviews suggest that beneficial medical advice from pharmacists would result in customers being impressed and bring about recommendations by word of mouth. Price is a contentious issue amongst various studies., Story et al. (2008) and Waterlander et al. (2010) studied consumer attitudes, and reported that expensive healthy



food discourages purchasing and consumption, whereas, Talukdar and Lindsey (2013) researched buying behavior and found that a rise in healthy food prices, caused an increase of healthy food buying. The dissertation was designed to study this issue in interview, but not in the surveys in order to gain data about consumer behavior from the interviewees, who are proficient in this area. The results reveal that the price of healthy food should be in accordance with customer conditions in the areas and quality of the products. This may be more suitable for Thai consumers since the research from current literature is mostly from other continents such as USA and The Netherlands.

### **5.1.3 Zoning**

Both interview and survey results (figure 4.5) confirm the study by Chalongsuk et al. (2004) that people still perceive retail pharmacies as the places for dispensing medicines. Consequently, medicines should be the dominant product. Drugstores in urban (Bangkok) and less affluent (Phetchaburi) areas may have different proportions of supplement products since the survey results reveal that participants in Bangkok have shown a higher demand for supplement products than in Phetchaburi. Suggestions from the interviews showed that different demands in different areas may influence the proportion of product availability and store decoration. In other words, drugstores in urban areas may be designed to have larger supplement departments, while, pharmacies in the countryside may have more obvious pharmacy counters. Medical appliances and cosmetics are most commonly found in retail pharmacies in Thailand. However, the survey results reveal that these products are not popular to purchase. Additionally, the cost of medical appliances is relatively high. Hence, these products may be provided in tiny proportions.

### **5.1.4 Products**

Interestingly, the survey results show that healthy food eating is more popular than taking supplements, which experienced the second highest sale of all health products in 2013 (next to OTC) (Euromonitor International, 2014b). This can be seen as a high demand for healthy food when compared to supplements. However, healthy food can be cooked at home, whereas supplements have to be bought. Additionally, healthy food products can be found in other retailers especially in supermarkets. Thus, retail pharmacies should add value to the products in order to make a difference. For example, they may suggest to customers a proper herbal drink and illustrate the benefits that support the treatment when dispensing medicines. This can be a competitive advantage compared

to indirect competitors such as supermarkets, where their staffs do not specialize in this discipline.

The opportunity of herbal drinks is quite interesting since healthy drinks in Thailand experienced overwhelming success such as Ichitan<sup>®</sup> and Oishi<sup>®</sup> (Euromonitor International, 2014a). The interview survey results support that amongst all of the interesting healthy products, herbal drinks are the most familiar and favored. This maybe because Thai people trust in the effectiveness of Thai herbs as an alternative medicine and cereal is also popular next to herbal drinks. Thai health organizations encourage Thai people to add cereals into their meals because there is a research found that eating cereal can reduce risks of chronic diseases such as diabetes reference (Pimchanok, 2014). Moreover, these two types of products usually have a long shelf life, therefore they are a good start in providing healthy food in the business.

## 5.2 Implications

### 5.2.1 Business Plan by OBM and Effectuation Theory

To evaluate the best way to start up a retail pharmacy with a healthy food department, OBM was utilized to analyze the data in five dimensions and four drivers (figure 5.1). The Effectual Approach will be a contributor to harmonize the business plan with the entrepreneurial logical thinking.

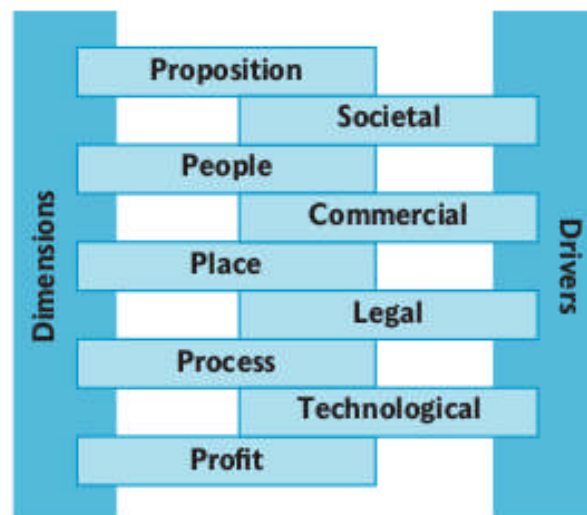


Figure 5.1: Opportunity Business Model (Blundel and Lockett, 2011, p. 40)

### **5.2.1.1 Dimensions**

#### Proposition

This dimension is about the core values from the opportunity to offer to customers (Blundel and Lockett, 2011). Healthy Pharmacy is proposed to establish an integrated style of retail pharmacy and healthy food business because the entrepreneur have experience in the pharmaceutical field (figure 5.2), however, realizing the situation in Thailand that, nowadays, individual pharmacies find more difficulty in starting up and surviving due to the high level of competition. The idea of a retail pharmacy with a healthy food department, then, was produced when seeing the opportunity of healthy food in Thailand.

From the study, the dominant product should be medicine. Other products, which are supplements, medical appliances and cosmetics, should be considered but provided in lower proportions. Healthy food can be smoothly integrated in this retail pharmacy with giving the image of a one-stop shop regarding health. However, they should be offered in the relatively small proportions at first to see the feedback, then find the best proportion later from research while operating the pharmacy. To introduce healthy food products, there may be suggestions when customers obtain medicines, therefore it is one way to encourage customers to have beneficial nutrients, while being sick. Moreover, this may be introduced in the way of naturally reducing some symptoms without taking medicines. For instance, honey-lime drink can reduce sputum and coughs (Doctor Me, 1984).

#### Place

Place consists of data analysis of the opportunity, location and direct and indirect competitors. The opportunity of healthy food from data analysis presents that Thai people view consuming healthy food as an element of being healthy, therefore this can be seen as an opportunity for healthy food products. However, the pharmacy should express that this is not only the place for medicines, but also provide many things for health. Hence, customers may come to the pharmacy more often than for merely medicines.

After comparing the two areas, Phetchaburi, is a good choice. Even though Bangkok may have an advantage over Phetchaburi regarding the demand for supplements, there is a high level of competition and political risks. To illustrate, there are 4,424 registered drugstores in Bangkok with 8,305,218 people (around 1,886 people/store)(Thailand National Statistical Office, 2014). Moreover, political unrest often happens in Bangkok. Turning to consider Phetchaburi, although people in this province

have less income, which might have an impact on purchasing power, there is less direct competition since the number of registered pharmacies is 72 with a population of 518,840 (7,206 people/store) (Thailand National Statistical Office, 2014). In addition, it is easier to approach customers since Phetchaburi is the hometown of the entrepreneur. Indirect competitors can be seen as supermarkets, mini-supermarkets and 7-11, which spread all over Thailand. Apart from general commodities, they do sell OTC drugs, supplements in small sizes and packaged food.

People

People is everyone who is involved in the business (Blundel and Lockett, 2011). Customers are expected to be people in Phetchaburi, especially in the surrounding community. Suppliers for medical appliances is suggested by interviews to contact branded companies to obtain the best deals. Medicines and supplement products should be chosen from wholesalers and/or branded companies, who give the best deal for refund when products are nearly at their expiration date. For instance, Chumchon Rx Company, who offer quality products at competitive prices and a good deal for refund.

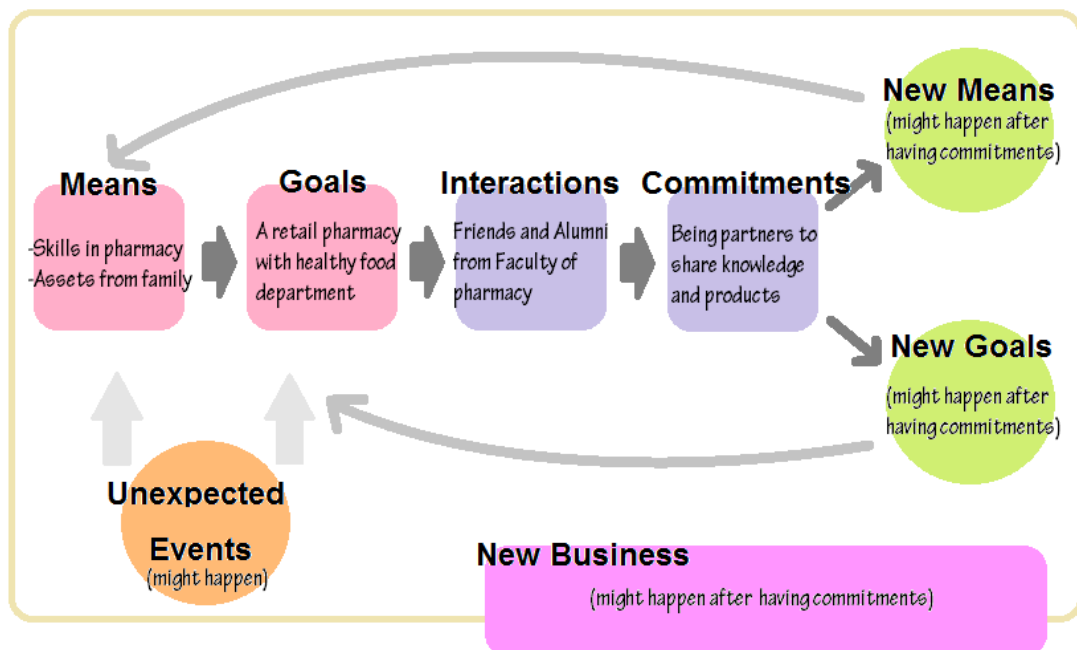


Figure 5.2: The application of the Effectual Approach with the case of Healthy Pharmacy; creation from Effectuation Cycle (Society for Effectual Action, 2012, no pagination).

The effectual approach implies the direction for having networks for the business (figure5.2). Networks for this business can be friends and alumni from the faculty of pharmacy, who are now operating pharmacy businesses. They are expected to share experiences and entrepreneurial knowledge. Additionally, there may be sharing between

networks to purchase medicines from suppliers in order to increase bargaining power and reduce costs. To illustrate, order products in high numbers to bargain for cheaper prices, and then share those products within the network group, therefore everyone pays less for a desirable quantity of the product.

Process

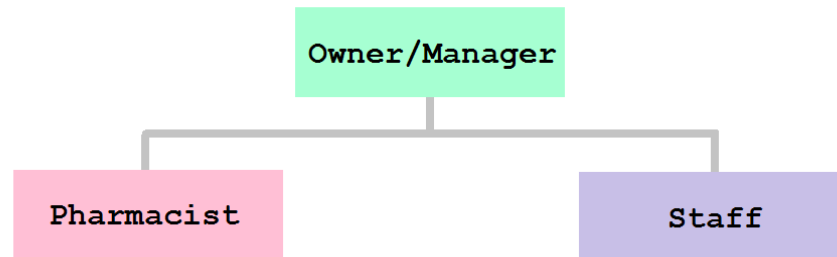


Figure 5.3: Ideal organizational structure of Healthy Pharmacy.

Process is about organizational structure, key processes, role of technology and interactions between stakeholders and the processes. At the beginning, there may be only the entrepreneur, who is also a pharmacist in order to limit the costs of human resources. However, later on, the ideal organizational structure is shown in figure 5.3., the owner/entrepreneur plays the role of manager in order to take care of the business in terms of human resources, marketing, financial resources, etc. A pharmacist and staff have duties to take care of customers in different ways as presented in figure 5.4. When a customer comes into the pharmacy, she/he will be greeted by a member of staff, then staff will assist them for non-medicine products or the customer will go to visit the pharmacist for medicines. After that, the customer will make a payment before leaving. From the suggestions gained from the interviews, there should be a computer program to report revenues, profits, stocks and product expiration dates.

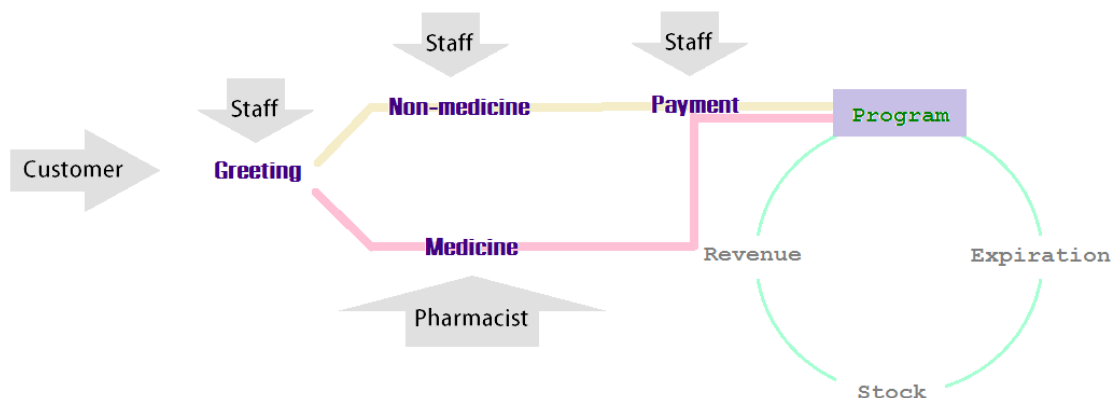


Figure 5.4: Prospective process of the business

### Profit

Profit refers to capital required and expected return (Blundel and Lockett, 2011). For capital required, it can be considered by the first principle of Effectuation Theory, which is to start with means. Hence, the entrepreneur can start from 'who they are, what they know and whom they know' (Sarasvathy, 2001, p. 250). This business is planned to use the assets from the entrepreneur and supporting money from the family to start the business without asking financial assistance from any bank. Consequently, the business will be independent from the bank. For expected return, the entrepreneur plans to gain revenue around 200,000-250,000BHT because the interview results showed that the profit per item varies from 10-70% depending on the product. Hence, gross profit would be at least 100,000 BHT per month in order to pay for outgoings (2,000BHT), a pharmacist (35,000BHT) and staff (9,000BHT) and the rest would be benefits for the business. Hence, revenue per day should be approximately 6,666-8,333 BHT per day, which is possible for a retail pharmacy business. However, at the beginning, there will be only the entrepreneur, so that there is no cost for human resources.

#### **5.2.1.2 Drivers**

The drivers are analyzed through the findings and secondary data, especially from the reports regarding macro-environments because drivers are about external environments, which are uncontrolled, yet assist to comprehend the opportunity and any threats for the new venture.

### Society

To relate with the business, this driver refers to Thai political and demographic factors, and health trends among Thai people. The opportunity can be seen from that Thai people are more likely to be concerned about and wanting to build up their health. Additionally, figure 5.5 shows that Thai elderly people are likely to increase in the near future. This conforms to the report by UNFPA (2006), who forecasted that the older population would increase to be 14.0% in 2015, 19.8% in 2025 and around 30% in 2050. However, Thai political issues are still volatile; hence the location is chosen to avoid Bangkok.

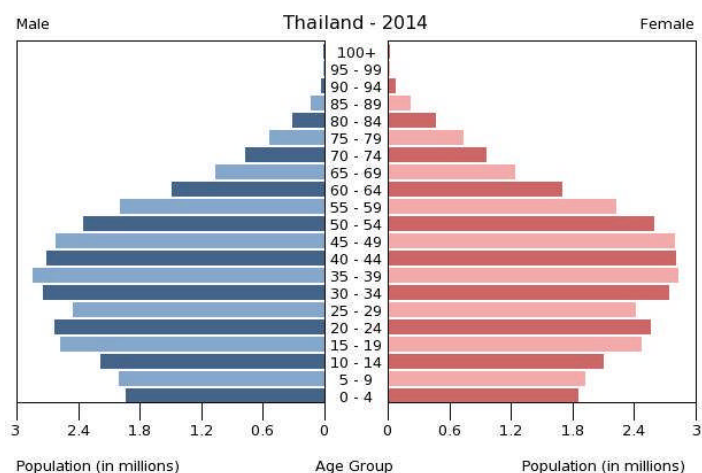


Figure 5.5: Thailand population pyramid (Central Intelligence Agency, 2015)

### Commercial

The saturation of overwhelming businesses in Bangkok (BMI, 2015b) may create an environment of high competition, although people in Bangkok have more purchasing power than other provinces. Therefore, Phetchaburi seems to be better choice for the location, yet the entrepreneur should also be concerned about other commercial factors. For example, government policies, one of which improved the minimum wage rate, all over Thailand, to be 300 BHT per day in 2013 (Trading economics, 2015). Hence, this may have an impact on the owner in having to pay more on the salary of employees, although they are inexperienced. Considering effectuation (figure 5.2), ‘who they are, what they know and whom they know’ (Saravathy, 2001, p. 250) may be a good start for this business. To illustrate, the entrepreneur, who has 2-year experience in retail pharmacy may start the business in the first instance herself and hire other staff later.

### Legal

Legal can be viewed as a threat since every retail pharmacy in Thailand has to follow the Drug Act in terms of building, zoning and licensing. These regulations may impact on complexity and the cost of the business. For example, the design of an 8-square meter-dispensing area might require specific interior design and proper temperature control, suitable brightness and appropriate proportions for each zone may raise the establishing costs compared to other SMEs. The new regulations that allow multi-discipline health experts to have drugstores (BMI, 2015a) will increase the number of competitors, thus the entrepreneur should develop competitive advantages. The simple way is giving advice from pharmacist regarding medicines, since pharmacists have specific knowledge in drugs better than other disciplines.

### Technological

The number of Thai internet users increased significantly from 4.8% to 8.5% between 2002 and 2007 (Datamonitor, 2009). Thus this can be viewed as an opportunity for the business to expand to couple with online pharmacy in the future. However, it should be noted that a retail pharmacy is not allowed to sell medicines online in order to control drug dispensation in Thailand (Drug Act, 1987). Hence, other products, especially supplements, may be suitable to sell online. This may also attempt to approach consumers in Bangkok, who are interested in supplements more than less affluent areas.

To conclude, Healthy Pharmacy should be established in Phetchaburi (compared with Bangkok) to avoid numerous direct competitors and a convenient approach to customers. Healthy food products could be offered in the pharmacy in order to create a one-stop shop in the health channel. However, the main product should continue to be medicines because of the demand and profits therein. Giving advice regarding the products in the pharmacy can be one way to be competitive from indirect competitors since other retailers do not have this ability.



## **Chapter 6**

### **Conclusion**

#### **6.1 Summary**

The dissertation aimed to answer the research question: How best to launch a Healthy Pharmacy, which is a drugstore with a healthy food department, in Thailand successfully? In order to achieve that, the study was designed to integrate the frameworks of OBM as a model for a business plan with Effectuation Theory as an entrepreneurial logical thinking exercise. To gain in-depth data the opinions from the experts were elicited using one-to-one interviews in three types of experts, who were: retail pharmacy entrepreneurs, healthy food entrepreneurs and pharmacy experts. The views from consumers in Thailand were from two different groups, who are in Phetchaburi (prospective group) and Bangkok (more affluent group). For the four drivers, findings and secondary data were scrutinized because drivers are about external environment, which are uncontrolled, yet assist in understanding the opportunity and threats for the new venture.

The findings from interviews were described in the themes of business operation, dealing with suppliers and customers, products and profit, health trends and the business idea. The results from surveys were divided into attitudes and behavior towards retail pharmacy and healthy food. The key finding reveals that healthy food in Thailand has become popular not only among high-income consumers (more affluent group), but also in low-to-medium income consumers (prospective group). Suitable healthy food products are cereals and herbal drinks. Finally, in the discussion chapter, the findings from both the interviews and the surveys were compared and contrasted with literature in four themes, which were: opportunity, zoning, products and keys of success and risks. After that, the discussion of the results was analyzed to generate a business plan in the implication through OBM and Effectuation Theory.

#### **6.2 Limitations and Suggestions for Future Research**

This study is subjected to some limitations. The first concerns time constraints. The dissertation was assigned to be undertaken from May until August; hence it was necessary to undertake the research as a snap shot rather than in sequence. Moreover, some data referred to trends, attitudes and behavior within a specific time period. For these reasons, out with the snapshot period, the trend, attitudes and behavior of consumers might be at variance, consequently, there should be some research at an appropriate time.

In addition, after establishing the new venture, it would be pertinent to extend the study to understand consumer attitudes, behavior and feedback at that point in time.

The next limitation is generalization, which followed on from the first limitation. To illustrate, the time limitation led to a short period of time to conduct the surveys, because the study was intended to conduct interviews first in order to have the direction to design the questionnaires for the survey. Consequently, there were twelve days to collect data from the surveys, resulting in small samples. To have generalization, actually the research should have achieved the suggested sample size, which were 384 and 385 for prospective groups (Phetchaburi) and the more affluent group (Bangkok) of participants respectively, at a confidence level of 95%,. Due to the time constraints, actual participants were 144 and 123 respectively (19 responses were deleted from the total of 286 because they were incomplete).

The research was only undertaken in Phetchaburi and Bangkok, hence it may not be representative of the whole of Thai consumers in high- and low-end. Another limitation is that this study is specific to the case of the Healthy Pharmacy, which is anticipated to be established in Thailand; therefore the questionnaires and data were designed to be suitable for the new venture. However, the questionnaires for both interviews and surveys were approved by the supervisor before being undertaken. Hence, the results from the study may not be able to be explained to consumers in other provinces within Thailand nor to cover every type of healthy food.

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# Appendices

## **Appendix 1: Semi-structured interview questions for retail pharmacy entrepreneurs, pharmacy experts and healthy food entrepreneurs including verbal consent**

### **Appendix 1.1: Interview questions for retail pharmacy entrepreneurs**

#### 1. Pharmacy business Operation

- A. What are some key factors of success running your business?
- B. Can you explain your style of doing business? For example, how you manage human resources and technology uses.

#### 2. People involving in the business

- C. What do your typical customers look like?
- D. How do your relationship with suppliers like?

#### 3. Range of products in retail pharmacy

- E. What do you sale apart from medicines?
  - E1. How successful of them in terms of profits and/or survival?

#### 4. Healthy food trend

- F. In your expert opinion, how would you define healthy food?
  - F1. Can you give examples?
- G. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

#### 5. New business idea of offering healthy food in a retail pharmacy

- H. Can healthy food department offer in a retail pharmacy and why?
  - H1. Which healthy food products are interesting for this department?
  - H2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.
- I. What can be risks and keys of success of this type of pharmacies?

## **Appendix 1.2: Interview questions for pharmacy experts**

### 1. Pharmacy business Operation

J. What are key factors of success regarding running retail pharmacy business?

### 2. Range of products in retail pharmacy

K. What types of products have you seen in retail pharmacies apart from medicines?

### 3. Healthy food trend

L. In your expert opinion, how would you define healthy food?

C1. Can you give examples?

M. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

### 4. New business idea of offering healthy food in a retail pharmacy

N. Can healthy food department offer in a retail pharmacy and why?

E1. Which healthy food products are interesting for this department?

E2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.

O. What can be risks and keys of success of this type of pharmacies?

## **Appendix 1.3: Interview questions for healthy food entrepreneurs**

### 1. Healthy food business Operation

A. What are some key factors of success running your business?

B. Did you encounter any problem start up this business? If yes, what are they?

### 2. People involving in the business

C. What do your typical customers look like?

D. How do your relationship with suppliers like?

### 3. Healthy food trend

E. In your expert opinion, how would you define healthy food?

E1. Can you give examples?

F. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

#### 4. New business idea of offering healthy food in a retail pharmacy

G. Can healthy food department offer in a retail pharmacy and why?

G1. Which healthy food products are interesting for this department?

G2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.

H. What can be risks and keys of success of this type of pharmacies?

### **Appendix 1.4: Interview's verbal consent**

Dear (interviewee), I would like to thank that you sacrifice to contribute my research as an interviewee. Here, I would like to inform you that your name, company's name and anything, which refer to you, will be kept confidentially. However, you can withdraw anytime or refuse to answer any questions if you feel uncomfortable. Before we start, can I ask your permissions to record during the interview and bring our conversations into my dissertation.

### **Appendix 2: Interview Transcripts**

#### **Pharmacy Experts 1 (PHE1)**

##### 1. Pharmacy business Operation

P. What are key factors of success regarding running retail pharmacy business?

*I think it is about market positioning. You should know your customers, so that you can serve them what they want. If you want to open a pharmacy in countryside, you should realize how you do to make customers think of your store when they are sick, while, if your pharmacy is in urban areas, you should offer various products to let customers trust that you can provide any products they want. One thing is about the pharmacist to be able to assist and give customers information.*

##### 2. Range of products in retail pharmacy

Q. What types of products have you seen in retail pharmacies apart from medicines?

*It depends on the types of pharmacies. For independent pharmacies, the portions should be like this. Medicines 55% emphasize chronic disease drugs and generic drugs, medical*

*devices 35%, supplements 15%. For modern trade, emphasize supplements and medical devices more than medicines.*

### 3. Healthy food trend

R. In your expert opinion, how would you define healthy food?

C1. Can you give examples?

*I think it depends on standard definition and we can apply to what we have in Thailand such as herbal drinks and collagen drinks.*

S. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

*The trend is good, however, education is necessary for people in every group such as low and high income people. Additionally, you should think about the proper portions of each department. The target group for herbal drinks can be workers, patients and elderly people.*

### 4. New business idea of offering healthy food in a retail pharmacy

T. Can healthy food department offer in a retail pharmacy and why?

*Yes, it can be value added.*

E1. Which healthy food products are interesting for this department?

*Herbal drinks because it seems to get along well with Thai culture.*

E2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area) price and customer conditions.

*For location, I think Bangkok would be better. Customer condition is also related such as education. Price may be an important factor for people in less affluent areas therefore you may need to give them information and offer alternative medicine, which is Thai lifestyle.*

U. What can be risks and keys of success of this type of pharmacies?

*Risks can be competitors and the portions of each department that you have to allocate properly. You may think about promotion such as free trial of herbal drinks.*

## **Pharmacy Experts 2 (PHE2)**

### 1. Pharmacy business Operation

A. What are key factors of success regarding running retail pharmacy business?

*The most important key is the economy, which involve purchasing power. Secondly, the price should be suitable for quality of the products. Location is also important because customers in different areas have various perceptions. Lastly, it's about human resources since they are the people who contribute the business.*

2. Range of products in retail pharmacy

B. What types of products have you seen in retail pharmacies apart from medicines?

*Medicines, medical devices, supplements, baby products and cosmetics.*

3. Healthy food trend

C. In your expert opinion, how would you define healthy food?

*Well, I think it is food that add value to normal food.*

C1. Can you give examples?

*For example, black sesame can add more nutrients to rice when put them in the rice dish.*

D. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

*Chronic diseases are more founded compared to in the past. Consequently, Thai people became interested in health and wellness.*

4. New business idea of offering healthy food in a retail pharmacy

E. Can healthy food department offer in a retail pharmacy and why?

*Yes, however, you should realise proportion of each department, location, customer segmentation and service.*

E1. Which healthy food products are interesting for this department?

*Cereals such as black sesame, baby jackfruit, lime powder. This type of product can be put in your main meal and add more value. Another type of healthy product is healthy drinks such as rice tea.*

E2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.

*I think location is the most important factor. This type of business may suit to start up in the area that people have high income and education. If you would like to operate in less affluent area, you should consider about price or focus on. Additionally, healthy food is different from supplements and medicines, which can see the effectiveness within short time. Hence, you should give them suitable information and may have indicators such as their symptoms are better faster. For price, if the product is for everyday use, you should think about price perception.*

F. What can be risks and keys of success of this type of pharmacies?

*I think it's about expiration because food is, normally, produced to have short shelf life.*

### **Retail Pharmacy Entrepreneurs (RPE1)**

#### 1. Pharmacy business Operation

A. What are some key factors of success running your business?

*For me, it's about passion. If a person has a passion for something, it would be more likely to succeed. The second factor is emphasizing customers, I love to service them and make them satisfy when coming to my drugstore. The next factor is about price. My drugstore offers better prices when comparing with others.*

B. Can you explain your style of doing business? For example, how you manage human resources and technology uses.

*It is a family business. I allow my children to contribute my business. Later, they graduated from faculty of pharmacy and that they, now, have their own jobs in hospitals. However, they still help me, sometimes. I also hire three employees and educate them about service mind.*

#### 2. People involving in the business

C. What do your typical customers look like?

*I have a wide range of customers, from children to adult and students to doctors. Most of them are people in this community and around 95 per cents are adults.*

D. How do your relationship with suppliers like?

*There are two types of suppliers. I buy from both wholesales and companies. For me, dealing with companies is better than with wholesales because of less problems and good deal when refunding nearly expired medicines.*

### 3. Range of products in retail pharmacy

E. What do you sale apart from medicines?

*The majority of the products in this drugstores are medicines — around 90%. Supplements and other types of products are the rest because I think these types of products might be more suitable with people in urban areas.*

E1. How successful of them in terms of profits and/or survival?

*My drugstore has long been operating for more than 40 years in the image of place for better health in the community. For the profits, I gain enough money from this business, however, I sell in cheaper prices.*

### 4. Healthy food trend

F. In your expert opinion, how would you define healthy food?

*I, actually, don't know what it is, but, I think, it's about food that can give beneficial nutrients for human bodies.*

G. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

*I think it is good, people become more concerned about their health.*

### 5. New business idea of offering healthy food in a retail pharmacy

H. Can healthy food department offer in a retail pharmacy and why?

*Yes. It may be proper to the drugstores in Bangkok because, I think, people in the countryside still want just medicines.*

H1. Which healthy food products are interesting for this department?

*Maybe herbal drinks because it seems to be known by Thais.*

H2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.

*I think, it is about price. People in rural areas may not willing to buy products at high prices.*

## **Retail Pharmacy Entrepreneurs (RPE2)**

### 1. Pharmacy business Operation



A. What are some key factors of success running your business?

*There are experience and knowledge about pharmacy, business in terms of market analysis and customer segmentation and location. My pharmacy is located in a rural area, so that I have a high proportion of medicines and herbal products, and emphasize the pharmacist in terms of knowledge and service.*

B. Can you explain your style of doing business? For example, how you manage human resources and technology uses.

*I emphasize and service mind and simplicity. For example, promotion will show the total prices instead of the amount of reducing. I use retail program to manage sales and inventory.*

2. People involving in the business

C. What do your typical customers look like?

*Most of them are people in this community. There are from low to high income. Adults are about 80 to 90 per cents.*

D. How do your relationship with suppliers like?

*I order medicines from 6-7 companies and 4 wholesalers. I compare the prices and deals between these suppliers. The deals are such as refund, negotiation, and quality. The main wholesaler is Chumchon Rx because products from it are cheap and have standard quality.*

3. Range of products in retail pharmacy

E. What do you sale apart from medicines?

*I also sell medical devices, supplements and herbal products*

E1. How successful of them in terms of profits and/or survival?

*I couldn't say exactly the income, but I can say that the net profit is around 60 to 70 per cents for generic drugs and 10 to 20 per cents for original drugs.*

4. Healthy food trend

F. In your expert opinion, how would you define healthy food?

*In my opinion, it is about food that very less bad nutritions and have a lot of beneficial nutrition.*

F1. Can you give examples?

*Low fat milk.*

G. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

*I think the trend of health and wellness is better than in the past and should be better in the future because I saw my customers, they don't buy only medicines, but also supplements. They are both people, who want to take to assist their treatment and to protect their health from diseases.*

5. New business idea of offering healthy food in a retail pharmacy

H. Can healthy food department offer in a retail pharmacy and why?

*Yes. However, the competitors may copy easily, especially minimarts which is also a kind of small retailers.*

H1. Which healthy food products are interesting for this department?

*Low fat milk and healthy drinks, which can focus on children and patients.*

H2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.

*Education and health knowledge are important because the products seem to be new for drugstore, so information should be given by pharmacist and staff.*

I. What can be risks and keys of success of this type of pharmacies?

*I think, location. People Bangkok may be interested in this type of products.*

### **Healthy Food Entrepreneurs (HFE1)**

1. Healthy food business Operation

A. What are some key factors of success running your business?

*I think, the key factors could be the trend that Thai people have been increasing in concern about their health, food and diseases. After that the word of mouth from them might convince their friends and their families to eat healthy food as well.*

B. Did you encounter any problem start up this business? If yes, what are they?

*It was about the weather because the main products I offer are with organic vegetables. I always buy them from a farm next to my home. However, the quality of vegetables depends on weather and season. For example, in summer vegetable might be withered because of the high temperature and harmful sunlight. Moreover, sometimes, I couldn't get vegetable when there was a lot of rain.*

B1. How did you solve those problems?

*I bought from the supermarket instead.*

## **2. People involving in the business**

C. What do your typical customers look like?

*Most of them are employees, who work around here, at the age of about 30s to 50s. Currently, there are more elderly people. This is because they invite their families to come and eat, especially, their elderly relatives.*

D. How do your relationship with suppliers like?

*Apart from a farm. I order fishes from Japanese company and International companies, every day.*

D1. Have you ever encountered any problem with them?

*It was about the weight of products I received that was lower than I ordered so that I asked the company and they reduced the price for me.*

## **3. Healthy food trend**

E. In your expert opinion, how would you define healthy food?

*I think, it's about food without MSG and condiments, and clean food. For meat, it is important that add no chemicals.*

F. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

*They are more likely to take care of themselves about health. However, Thai people love convenience so that if you can respond to their behaviors, that can be good opportunities for you.*

## **4. New business idea of offering healthy food in a retail pharmacy**

G. Can healthy food department offer in a retail pharmacy and why?

*It can and it is a good idea to add this type of products in a retail pharmacy. Moreover, Thai people love one-stop service because they prefer convenience, however, you should concern about the area for sitting to enjoy their food. Additionally, you should realize about the size of the store. Maybe, a big store would be better because you can have big area or open a pharmacy in a big department store.*

G1. Which healthy food products are interesting for this department?

*Maybe, organic vegetables, herbal drinks, honey and weight control food.*

G2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.

*I think location and season. For location, you should find the location that there are supporting businesses around your location such as restaurants. Additionally, you should choose location in Bangkok instead of other provinces because, I think, people in other provinces may have low educations and purchasing powers. In the summer and the end of the term, people always go out so that there may be less customers.*

H. What can be risks and keys of success of this type of pharmacies?

*Risks are indirect competitors. However, you are the pioneer so that people may do not understand what you are going to do. Hence, you should have a good plan and advertise and promote your products. You can ask your customers to taste them and give comments, which is the good way to promote and improve food products.*

## **Healthy Food Entrepreneurs (HFE2)**

### **1. Healthy food business Operation**

A. What are some key factors of success running your business?

*I think I target the right customers. Additionally, my healthy food delivery was the first business in Thailand so that I could acquire customers before others. Taste of healthy food is also a concern. Although it is healthy food, people still want to eat something good taste. Lastly, it is about quality of the food, which could be perceived by customers, since I offer the products that related to health.*

B. Did you encounter any problem start up this business? If yes, what are they?

*There were two main problems when the business was just started up. The first one was about package because I couldn't fit to the box tightly. Hence, product's shelf life was*

*short. However, I found the right type of box and that can keep the food for 4 days in fridge. The second problem is delivery at the right time.*

## 2. People involving in the business

C. What do your typical customers look like?

*My customers are workers and elderly people. Most of them are women and people who are interested in their health and exercises.*

D. How do your relationship with suppliers like?

*I usually went to buy ingredients myself to make sure that I get fresh and cleaned vegetables and meats. Later, the sellers and I, now, we know each other well, so that I can request the best goods from them.*

## 3. Healthy food trend

E. In your expert opinion, how would you define healthy food?

*It should be food that gives beneficial nutrients and no negative nutrients.*

E1. Can you give examples?

*Like my products, healthy food box.*

F. What do you think about health and wellness trend amongst Thai people nowadays and in the future?

*At first, I thought the trend wouldn't last for long and my business might exist in just short time. In contrast, the trend of healthy food could plus with exercise so that people in this group also love to eat healthy food. In my opinion, the trend will last for a long time, but might not boom as nowadays.*

## 4. New business idea of offering healthy food in a retail pharmacy

G. Can healthy food department offer in a retail pharmacy and why?

*Yes, but you should think about high quality such as calories in each product.*

G1. Which healthy food products are interesting for this department?

*Organic vegetables and herbal drinks.*

G2. What factors can influence on healthy food purchasing. For example, location (Bangkok vs. Less affluent area), price and customer conditions.

*The main factor is quality, which can guide you about the target customers. The second factor is location, which also involved with the first factor.*

H. What can be risks and keys of success of this type of pharmacies?

*Quality can be risk and success factor. Another risk is shelf life of healthy food products, which are, normally, short.*

### **Appendix 3: Survey questionnaires for participants in Phetchaburi and Bangkok including informed consent**

#### **Attitude towards Retail Pharmacy with Healthy Food Department**

Dear participant:

This survey is one part of researches in the dissertation of a student, who is studying in MSc Enterprise 2014-15, University of Leeds. The questionnaire aims to investigate behavior and attitudes of Thai people in Petchaburi Province and Bangkok, Thailand, toward health, retail pharmacy and the new business idea of retail pharmacy with healthy foods. The data from this survey is going to be analyzed in order to create opportunities for a new venture of a retail pharmacy with healthy food department in Thailand. The questionnaire consists of 4 parts, which are about demographic information, health, retail pharmacies and the idea of pharmacy with healthy food department. To complete this questionnaire, it may take around 5-10 minutes. Your information will be kept to be anonymity and utilized for only this dissertation, however, you are able to withdraw from this survey anytime if you feel uncomfortable.

Kind regards

เรียน ผู้ตอบแบบสอบถาม

แบบสำรวจนี้เป็นส่วนหนึ่งของการทำงานวิจัย ซึ่งเป็นส่วนประกอบของวิทยานิพนธ์ของนักศึกษาปริญญาโท มหาวิทยาลัยลีดส์ แบบสอบถามนี้มีจุดประสงค์เพื่อศึกษาทัศนคติ และพฤติกรรมของคนไทยในจังหวัดเพชรบุรี และกรุงเทพมหานคร ที่มีต่อสุขภาพ ร้านขายยา และ แนวความคิดธุรกิจใหม่ของร้านขายยาที่มีผลิตภัณฑ์อาหารที่มีประโยชน์ต่อสุขภาพ ข้อมูลที่ได้รับจะนำไปวิเคราะห์เพื่อเป็นแนวทางในการทำธุรกิจใหม่เกี่ยวกับร้านขายยาที่นำเสนออาหารที่มีประโยชน์ต่อสุขภาพ แบบสอบถามประกอบด้วย 4 ส่วน คือ ข้อมูลด้านประชากร สุขภาพ ร้านขายยา และอาหารที่มีประโยชน์ต่อสุขภาพ

แบบสำรวจนี้ใช้ระยะเวลาในการตอบประมาณ 5-10 นาที คุณมีสิทธิ์ที่จะถอนตัวจากการให้ข้อมูลได้  
อย่างไรก็ตามข้อมูลส่วนตัวของคุณจากการทำแบบสอบถามนี้จะถูกเก็บเป็นความลับ และใช้สำหรับการทำวิทยานิพนธ์ในครั้งนี้เท่านั้น

## Section 1: Demographic Information

### ส่วนที่1: ข้อมูลทางด้านประชากร

กรุณาใส่เครื่องหมาย ✓ ใน

Where do you live?

ท่านอาศัยอยู่ใน

- Bangkok กรุงเทพมหานคร
- Petchaburi Province จังหวัดเพชรบุรี

### Education

การศึกษา

- < Secondary education ต่ำกว่าระดับมัธยมศึกษา
- Secondary education ระดับมัธยมศึกษา
- Vocational education ระดับอาชีวศึกษา
- Bachelor's degree ระดับปริญญาตรี
- > Bachelor's degree สูงกว่าระดับปริญญาตรี

**Income/month (or supporting money from parents; in case of a student)**

รายได้ต่อเดือน (หรือเงินที่ได้รับจากผู้ปกครองต่อเดือน ในกรณีเป็นนักเรียน)

- <7,001 BHT/month (น้อยกว่า 7,001 บาทต่อเดือน)
- 7,001-15,000 BHT/month (บาทต่อเดือน)
- 15,001-30,000 BHT/month (บาทต่อเดือน)

- 30,001-70,000 BHT/month (บาทต่อเดือน)
- > 70,000 BHT/month (มากกว่า 70,000 บาทต่อเดือน)

## Section 2: Behavior and attitude toward health

### ส่วนที่2: ทักษะ และพฤติกรรมต่อสุขภาพ

What are healthy activities do you usually do? (can choose more than one)

กิจกรรมเพื่อสุขภาพใดบ้างที่คุณทำเป็นประจำ (ตอบได้มากกว่า 1 ข้อ) (อื่นๆ โปรดระบุในช่อง **Other**)

- Exercise ออกกำลังกาย
- Healthy food eating รับประทานอาหารที่มีประโยชน์ต่อสุขภาพ
- Taking supplement ใช้ผลิตภัณฑ์เสริมอาหาร
- Annual checkup ตรวจสอบสุขภาพประจำปี
- I do not do healthy activities ฉันไม่ทำกิจกรรมเพื่อสุขภาพ
- Other อื่นๆ:

Please indicate your level of agreement for each of following statements

กรุณาใส่เครื่องหมาย ✓ เพื่อแสดงความคิดเห็นต่อประโยคเหล่านี้

	Strongly disagree ไม่เห็นด้วยอย่างยิ่ง	Disagree ไม่เห็นด้วย	Neither agree nor disagree เฉยๆ	Agree เห็นด้วย	Strongly agree เห็นด้วยอย่างยิ่ง
Exercise is an element of being healthy การออกกำลังกายเป็นส่วนประกอบหนึ่งที่ทำให้มีสุขภาพที่ดี					
Eating healthy food is an element of being healthy การรับประทานอาหารที่มีประโยชน์ต่อสุขภาพเป็นส่วนประกอบหนึ่งที่ทำให้มีสุขภาพที่ดี					



Taking supplement is an element of being healthy การใช้อาหารเสริม เป็นส่วนประกอบหนึ่งที่ทำให้มีสุขภาพที่ดี					
Taking medicine if needed is an element of being healthy การใช้ยาเมื่อจำเป็น เป็นส่วนประกอบหนึ่งที่ทำให้มีสุขภาพที่ดี					

### Section 3: Behavior and attitude toward retail pharmacy

ส่วนที่3: ทักษะ และพฤติกรรมต่อร้านขายยา

In these 2 years, how often do you go to retail pharmacies?

ในช่วงสองปีที่ผ่านมา คุณไปร้านขายยาบ่อยแค่ไหน

- Never ไม่เคย
- 1-2 times/month 1-2 ครั้งต่อเดือน
- 3-4 times/month 3-4 ครั้งต่อเดือน
- > 4 times/month มากกว่า 4 ครั้งต่อเดือน

What types of products do you usually purchase from retail pharmacies? (can choose more than 1)

โดยปกติคุณซื้อสินค้าประเภทใดจากร้านขายยา (ตอบได้มากกว่า 1 ข้อ) (อื่นๆ โปรดระบุในช่อง **Other**)

- Medicine ยา
- Supplement อาหารเสริม
- Medical device เครื่องมือแพทย์
- Cosmetic เครื่องสำอาง
- Other อื่นๆ:

Which types of products would you purchase from retail pharmacy rather than other retailers if you are given the reliable advice by pharmacists and staff? (can choose more than 1)

สินค้าประเภทใดบ้างที่คุณจะซื้อจากร้านขายยามากกว่าซื้อจากร้านค้าปลีกประเภทอื่นๆ

หากได้รับคำแนะนำเกี่ยวกับผลิตภัณฑ์ที่น่าเชื่อถือจากเภสัชกรและพนักงานร้านขายยา(ตอบได้มากกว่า 1 ข้อ)

(อื่นๆ โปรดระบุในช่อง **Other**)

- Medicine ยา
- Supplement อาหารเสริม
- Medical device เครื่องมือแพทย์
- Cosmetic เครื่องสำอาง
- Other อื่นๆ:

#### Section 4: Attitude towards new business idea of retail pharmacy with healthy food department

ส่วนที่4: ทศนคติต่อแนวความคิดในการทำธุรกิจร้านขายยาที่มีสินค้าประเภทอาหารที่มีประโยชน์ต่อสุขภาพ

What types of healthy food products have you ever tried? (can choose more than 1)

อาหารที่มีประโยชน์ต่อสุขภาพประเภทใดบ้าง ที่คุณเคยรับประทาน (ตอบได้มากกว่า 1 ข้อ) (อื่นๆ

โปรดระบุในช่อง **Other**)

- Cereals ธัญพืช
- Healthy meal box อาหารกล่องที่มีประโยชน์ต่อสุขภาพ
- Herbal drinks เครื่องดื่มสมุนไพร
- Healthy snack ขนมที่มีประโยชน์ต่อสุขภาพ
- Other อื่นๆ:

What types of these healthy food products do you favor? (can choose more than 1)

ผลิตภัณฑ์อาหารที่มีประโยชน์ต่อสุขภาพใดบ้างที่คุณชอบ (ตอบได้มากกว่า 1 ข้อ)

- Cereals ธัญพืช
- Healthy meal box อาหารกล่องที่มีประโยชน์ต่อสุขภาพ
- Herbal drinks เครื่องดื่มสมุนไพร

- Healthy snack ขนมที่มีประโยชน์ต่อสุขภาพ
- I do not like healthy food ฉันไม่ชอบอาหารเพื่อสุขภาพ

**What types of healthy food products would you like to see them available in retail pharmacy (can choose more than 1)**

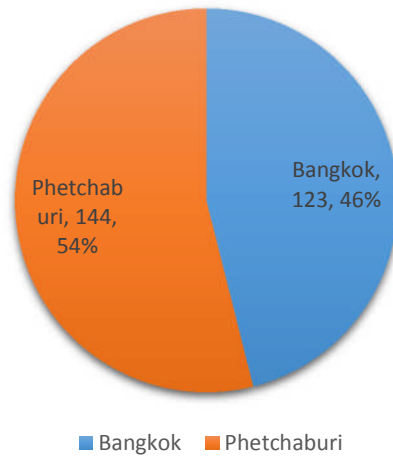
อาหารที่มีประโยชน์ต่อสุขภาพใดบ้าง ที่คุณอยากเห็นในร้านขายยา (ตอบได้มากกว่า 1 ข้อ) (อื่นๆ

โปรดระบุในช่อง **Other**)

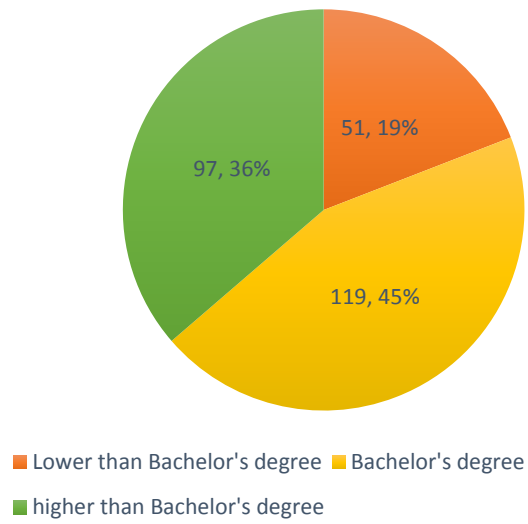
- Cereals ซีเรียล
- Healthy meal box อาหารกล่องที่มีประโยชน์ต่อสุขภาพ
- Herbal drinks เครื่องดื่มสมุนไพร
- Healthy snack ขนมที่มีประโยชน์ต่อสุขภาพ
- Other อื่นๆ:

## **Appendix3.1: Demographic Result**

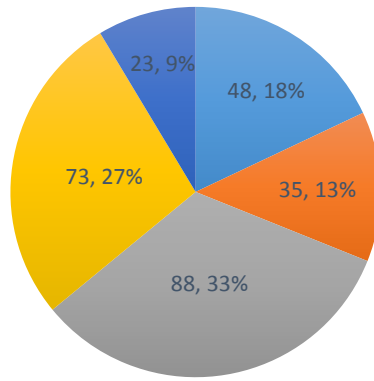
### **3.1.1 Where do you live?**



### 3.1.2 Education



### 3.1.3 Income Levels



- Less than 7,001 BHT/month
- 7,001-15,000 BHT/month
- 15,001-30,000 BHT/month
- 30,001-70,000 BHT/month
- More than 70,000 BHT/month

### Appendix 3.2 Participants attitudes toward healthy activities rating in five-level Likert scale (SPSS results)

#### Group Statistics

Where do you live?		Std. Error Mean
Exercise is an element of being healthy	Bangkok	.05142
	Phetchaburi	.05398
Eating healthy food is an element of being healthy	Bangkok	.05431
	Phetchaburi	.04459
Taking supplement is an element of being healthy	Bangkok	.08287
	Phetchaburi	.08170
Taking medicine if needed is an element of being healthy	Bangkok	.06524
	Phetchaburi	.06127
In these 2 years, how often do you go to retail pharmacies	Bangkok	.07603
	Phetchaburi	.05611

#### Independent Samples Test

		t-test for Equality of Means		
		df	Sig. (2-tailed)	Mean Difference
Exercise is an element of being healthy	Equal variances assumed	265	.332	.07317
	Equal variances not assumed	264.749	.327	.07317
Eating healthy food is an element of being healthy	Equal variances assumed	265	.959	.00356
	Equal variances not assumed	246.389	.960	.00356
Taking supplement is an element of being healthy	Equal variances assumed	265	.124	-.18039
	Equal variances not assumed	262.692	.122	-.18039
Taking medicine if needed is an element of being healthy	Equal variances assumed	265	.681	.03692
	Equal variances not assumed	259.735	.680	.03692
In these 2 years, how often do you go to retail pharmacies	Equal variances assumed	265	.170	.12788
	Equal variances not assumed	232.286	.177	.12788

**Appendix 3.3 Products that consumers require information and advice (SPSS results)**

		Medicine		Supplement		Medical device		Cosmetic	
		No	Yes	No	Yes	No	Yes	No	Yes
Where do you live?	Bangkok	13	110	59	64	103	20	97	26
	Phetchaburi	18	126	98	46	128	16	118	26
Total		31	236	157	110	231	36	215	52

		Medicine		Total
		No	Yes	
Where do you live?	Bangkok	13	110	123
	Phetchaburi	18	126	144
Total		31	236	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.241 <sup>a</sup>	1	.623		
Continuity Correction <sup>b</sup>	.090	1	.765		
Likelihood Ratio	.242	1	.623		
Fisher's Exact Test				.703	.384
Linear-by-Linear Association	.240	1	.624		
N of Valid Cases	267				

		Supplement		Total
		No	Yes	
Where do you live?	Bangkok	59	64	123
	Phetchaburi	98	46	144
Total		157	110	267

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	11.050 <sup>a</sup>	1	.001		
Continuity Correction <sup>b</sup>	10.236	1	.001		
Likelihood Ratio	11.095	1	.001		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	11.009	1	.001		
N of Valid Cases	267				

		Medical device		Total
		No	Yes	
Where do you live?	Bangkok	103	20	123
	Phetchaburi	128	16	144
Total		231	36	267

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.508 <sup>a</sup>	1	.219		
Continuity Correction <sup>b</sup>	1.099	1	.295		
Likelihood Ratio	1.503	1	.220		
Fisher's Exact Test				.281	.147
Linear-by-Linear Association	1.502	1	.220		
N of Valid Cases	267				

		Cosmetic		Total
		No	Yes	
Where do you live?	Bangkok	97	26	123
	Phetchaburi	118	26	144
Total		215	52	267

#### Chi-Square Tests



	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.402 <sup>a</sup>	1	.526	.539	.315
Continuity Correction <sup>b</sup>	.229	1	.632		
Likelihood Ratio	.401	1	.527		
Fisher's Exact Test					
Linear-by-Linear Association	.400	1	.527		
N of Valid Cases	267				

		Other	Total
		No	
Where do you live?	Bangkok	123	123
	Phetchaburi	144	144
Total		267	267

#### Chi-Square Tests

	Value
Pearson Chi-Square	. <sup>a</sup>
N of Valid Cases	267

### Appendix 3.4 Activities that participants usually do for being healthy (SPSS results)

### Where do you live?\* Exercise (Healthy activities)

		Exercise (Healthy activities)		Total
		No	Yes	
Where do you live?	Bangkok	44	79	123
	Phetchaburi	40	104	144
Total		84	183	267

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.966 <sup>a</sup>	1	.161		
Continuity Correction <sup>b</sup>	1.613	1	.204		
Likelihood Ratio	1.963	1	.161		
Fisher's Exact Test				.187	.102
Linear-by-Linear Association	1.959	1	.162		
N of Valid Cases	267				

### Where do you live?\* Eating healthy food (Healthy activities)

**Crosstab**

Count

		Eating healthy food (Healthy activities)		Total
		No	Yes	
Where do you live?	Bangkok	43	80	123
	Phetchaburi	35	109	144
Total		78	189	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.641 <sup>a</sup>	1	.056	.060	.038
Continuity Correction <sup>b</sup>	3.144	1	.076		
Likelihood Ratio	3.636	1	.057		
Fisher's Exact Test					
Linear-by-Linear Association	3.627	1	.057		
N of Valid Cases	267				

**Where do you live?\* Taking supplement (Healthy activities)**

**Crosstab**

Count

		Taking supplement (Healthy activities)		Total
		No	Yes	
Where do you live?	Bangkok	71	52	123
	Phetchaburi	105	39	144
Total		176	91	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.816 <sup>a</sup>	1	.009		
Continuity Correction <sup>b</sup>	6.156	1	.013		
Likelihood Ratio	6.820	1	.009		
Fisher's Exact Test				.010	.007
Linear-by-Linear Association	6.790	1	.009		
N of Valid Cases	267				

### Where do you live?\* Annual check up (Healthy activities)

#### Crosstab

Count

		Annual check up (Healthy activities)		Total
		No	Yes	
Where do you live?	Bangkok	63	60	123
	Phetchaburi	91	53	144
Total		154	113	267

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.897 <sup>a</sup>	1	.048		
Continuity Correction <sup>b</sup>	3.422	1	.064		
Likelihood Ratio	3.900	1	.048		
Fisher's Exact Test				.062	.032
Linear-by-Linear Association	3.882	1	.049		
N of Valid Cases	267				

### Where do you live?\* None (Healthy activities)

**Crosstab**

Count

		None (Healthy activities)		Total
		No	Yes	
Where do you live?	Bangkok	116	7	123
	Phetchaburi	140	4	144
Total		256	11	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.425 <sup>a</sup>	1	.233		
Continuity Correction <sup>b</sup>	.783	1	.376		
Likelihood Ratio	1.429	1	.232		
Fisher's Exact Test				.355	.188
Linear-by-Linear Association	1.420	1	.233		
N of Valid Cases	267				

**Appendix 3.5 Frequencies of visiting retail pharmacies in 2 years  
(SPSS results)**

		In these 2 years, how often do you go to retail pharmacies				Total
		Never	1-2 times/month	3-4 times/month	more than 4 times/month	
Where do you live?	Bangkok	20	78	10	15	123
	Phetchaburi	21	106	8	9	144
Total		41	184	18	24	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.383 <sup>a</sup>	3	0.223
Likelihood Ratio	4.387	3	0.223
Linear-by-Linear Association	1.89	1	0.169
N of Valid Cases	267		

**Appendix 3.6: Aim products when participants visit retail pharmacies  
(SPSS results)**

		Medicine		Supplement		Medical device		Cosmetic	
		No	Yes	No	Yes	No	Yes	No	Yes
Where do you live?	Bangkok	8	115	74	49	114	9	95	28
	Phetchaburi	6	138	117	27	134	10	118	26
Total		14	253	191	76	248	19	213	54

		Medicine		Total
		No	Yes	
Where do you live	Bangkok	8	115	123
	Phetchaburi	6	138	144
Total		14	253	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.729 <sup>a</sup>	1	.393	.422	.281
Continuity Correction <sup>b</sup>	.335	1	.563		
Likelihood Ratio	.727	1	.394		
Fisher's Exact Test					
Linear-by-Linear Association	.727	1	.394		
N of Valid Cases	267				

		B Supplement		Total
		No	Yes	
Where do you live	Bangkok	74	49	123
	Phetchaburi	117	27	144
Total		191	76	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	14.487 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	13.470	1	.000		
Likelihood Ratio	14.571	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	14.433	1	.000		
N of Valid Cases	267				

		B Medical device		Total
		No	Yes	
Where do you live	Bangkok	114	9	123
	Phetchaburi	134	10	144
Total		248	19	267

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.014 <sup>a</sup>	1	.906		
Continuity Correction <sup>b</sup>	.000	1	1.000		
Likelihood Ratio	.014	1	.906		
Fisher's Exact Test				1.000	.546
Linear-by-Linear Association	.014	1	.906		
N of Valid Cases	267				



		B Cosmetic		Total
		No	Yes	
Where do you live	Bangkok	95	28	123
	Phetchaburi	118	26	144
Total		213	54	267

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.912 <sup>a</sup>	1	.340	.362	.211
Continuity Correction <sup>b</sup>	.643	1	.423		
Likelihood Ratio	.909	1	.340		
Fisher's Exact Test					
Linear-by-Linear Association	.908	1	.341		
N of Valid Cases	267				

		B Other	
		No	Total
Where do you live	Bangkok	123	123
	Phetchaburi	144	144
Total		267	267

#### Chi-Square Tests

	Value
Pearson Chi-Square	. <sup>a</sup>
N of Valid Cases	267