

**A CASE STUDY ON DESCRIPTIVE ANALYSIS OF
MARKETING AND BUSINESS STRATEGY FOR PTG
ENERGY IN 2013 TOWARD BUSINESS PERFORMANCE**

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**An Independent Study Submitted in Partial Fulfillment of the
Requirements
for the Degree of Master of Arts in Business and Managerial Economics
Field of Study of Business and Managerial Economics
FACULTY OF ECONOMICS
Chulalongkorn University
Academic Year 2020
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กรณีศึกษาการวิเคราะห์เชิงพรรณนาการตลาดและกลยุทธ์ทางธุรกิจของบริษัท พีทีจี เอเนอจี จำกัด
(มหาชน) ในปี 2556 ต่อผลการดำเนินงานทางธุรกิจ



สารนิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต
สาขาวิชาเศรษฐศาสตร์ธุรกิจและการจัดการ สาขาวิชาเศรษฐศาสตร์ธุรกิจและการจัดการ
คณะเศรษฐศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย
ปีการศึกษา 2563
ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

Independent Study Title	A CASE STUDY ON DESCRIPTIVE ANALYSIS OF MARKETING AND BUSINESS STRATEGY FOR PTG ENERGY IN 2013 TOWARD BUSINESS PERFORMANCE
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Field of Study	Business and Managerial Economics
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Accepted by the FACULTY OF ECONOMICS,
Chulalongkorn University in Partial Fulfillment of the
Requirement for the Master of Arts

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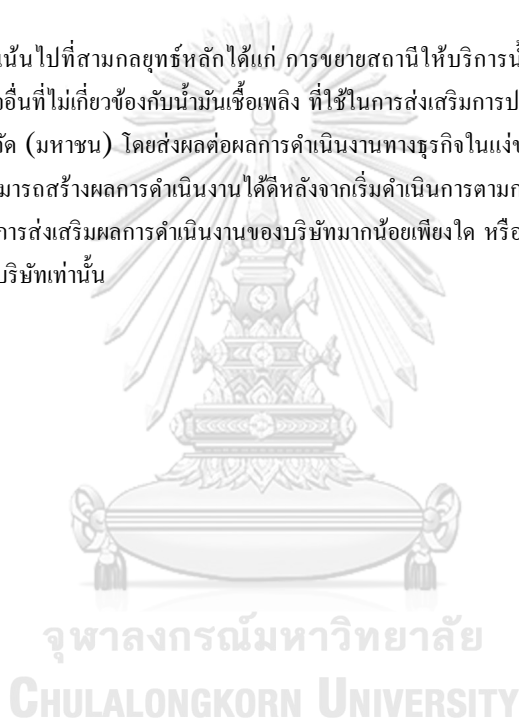
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CHULALONGKORN UNIVERSITY

นิรนา เรื่องวุฒิสถกษัย : กรณีศึกษาการวิเคราะห์เชิงพรรณนาการตลาดและกลยุทธ์ทางธุรกิจของบริษัท พีทีจี เอเนอ
 ยี จำกัด (มหาชน) ในปี 2556 ต่อผลการดำเนินงานทางธุรกิจ. (A CASE STUDY ON
 DESCRIPTIVE ANALYSIS OF MARKETING AND BUSINESS
 STRATEGY FOR PTG ENERGY IN 2013 TOWARD BUSINESS
 PERFORMANCE) อ.ที่ปรึกษาหลัก : สันต์ สัมปิตตะวณิช

กลยุทธ์ของบริษัทคือปัจจัยสำคัญในการผลักดันผลการดำเนินงานทางธุรกิจของแต่ละบริษัท ซึ่งสามารถวัดได้จาก
 หลายปัจจัย โดยกลยุทธ์ที่มีประสิทธิภาพจะนำไปสู่ผลการดำเนินงานทางธุรกิจเชิงบวกในหลายๆแง่มุม รวมทั้งยังสามารถ
 สร้างเครื่องหมายการค้าที่มั่นคงได้ เครื่องหมายการค้าที่มั่นคงยังสามารถส่งเสริมการประเมินการรับรู้ถึงคั้งบริษัทเอง คุณภาพ
 ของสินค้า และการรับรู้ของลูกค้า ดังนั้นการปรับภาพลักษณ์องค์กรจึงมีความสำคัญในการสร้างเครื่องหมายการค้าที่มั่นคง
 เพื่อที่จะปรับตัวไปกับโลกในยุคปัจจุบัน

งานวิจัยนี้จะเน้นไปที่สามกลยุทธ์หลักได้แก่ การขยายสถานีให้บริการน้ำมันค้าปลีก การเพิ่มจำนวนผู้ถือบัตร
 สมาชิก และการขยายธุรกิจอื่นที่ไม่เกี่ยวข้องกับน้ำมันเชื้อเพลิง ที่ใช้ในการส่งเสริมการปรับภาพลักษณ์องค์กรในปี 2556 ของ
 บริษัท พีทีจี เอเนอเอย จำกัด (มหาชน) โดยส่งผลกระทบต่อผลการดำเนินงานทางธุรกิจในแง่ของยอดขาย ผลกำไร และส่วนแบ่งทาง
 การตลาด กรณีที่บริษัทสามารถสร้างผลการดำเนินงานได้ดีหลังจากเริ่มดำเนินการตามกลยุทธ์ที่วางไว้ ยังคงต้องประเมินต่อถึง
 ปัจจัยภายนอกที่มีส่วนในการส่งเสริมผลการดำเนินงานของบริษัทมากขึ้นเพียงใด หรือ ผลการดำเนินงานทางธุรกิจของบริษัท
 เชิงบวกมาจากกลยุทธ์ของบริษัทเท่านั้น



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6284108629 : MAJOR BUSINESS AND MANAGERIAL ECONOMICS

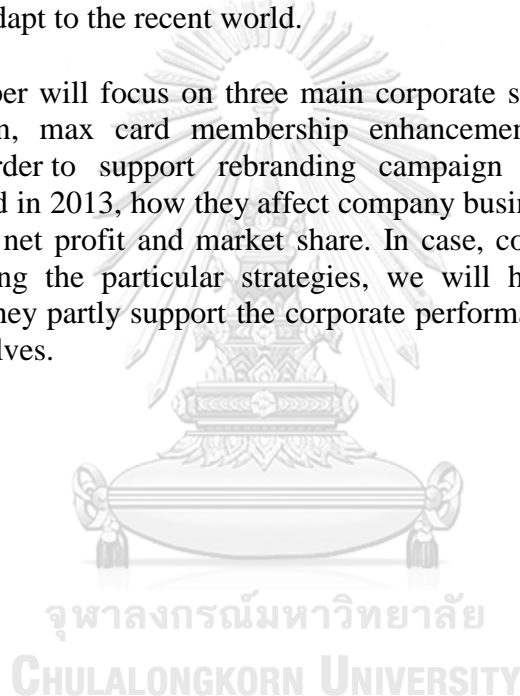
KEYWORD PTG, Strategy, Business performance, Rebranding

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Nirapa Ruengwutisakulchai : A CASE STUDY ON DESCRIPTIVE ANALYSIS OF MARKETING AND BUSINESS STRATEGY FOR PTG ENERGY IN 2013 TOWARD BUSINESS PERFORMANCE. Advisor: SAN SAMPATTAVANIJA

Corporate strategy is a key factor to drive company business performance which can be measured by several factors. Effective strategies can lead to positive business performance in several dimensions as well as creating a strong brand. Strong brand also enhances positive evaluations of brand awareness, product quality and customer perception. Hence, re-branding is also important to create a strong brand to adapt to the recent world.

This paper will focus on three main corporate strategies which are petrol station expansion, max card membership enhancement, and non-oil business expansion in order to support rebranding campaign of PTG Energy Public Company Limited in 2013, how they affect company business performance in terms of sales volume, net profit and market share. In case, corporate can perform well after implementing the particular strategies, we will have to evaluate external factors whether they partly support the corporate performance or only the company strategies themselves.



Field of Study:	Business and Managerial Economics	Student's Signature
Academic Year:	2020
		Advisor's Signature
	

ACKNOWLEDGEMENTS

I would like to express my gratitude to all those who provide me the positive support to complete this individual study which is a part of my master degree

First of all, I would like to sincerely thank you to my advisor, Asst. Prof.San Sampattavanija, Ph.D. for his patience, support, advice for improvement until it completes.

Moreover, the rest of my committees, Asst. Prof.Ratidanai Hoonsawat, Ph.D. and Asst. Prof.Panutat Satchachai, Ph.D. for their insightful comments which are very useful to my individual study.

I also would like to express my gratitude to my family for all of encouragement and support all the time during my study.

Nirapa Ruengwutisakulchai

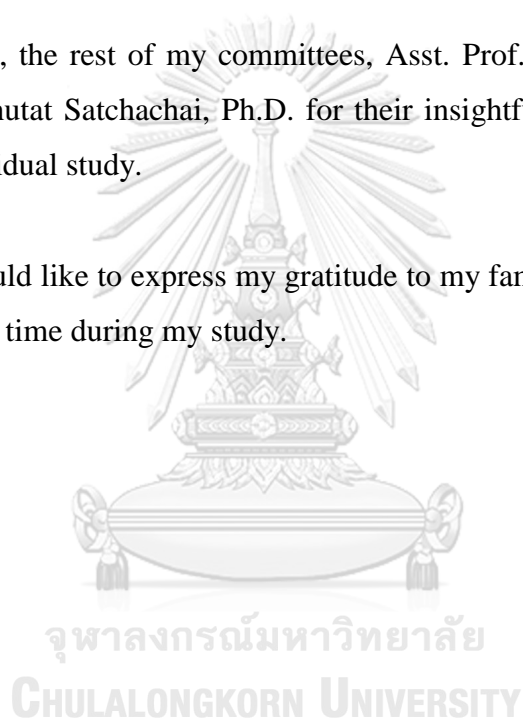


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CHAPTER 1

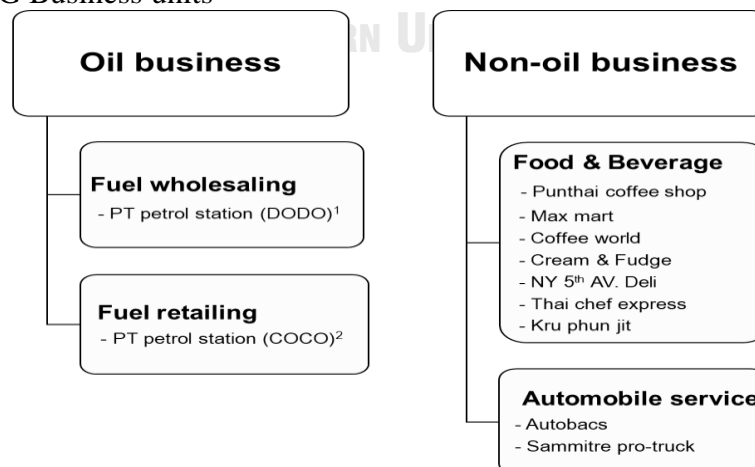
INTRODUCTION

Company background

Parktai Chueplerng Company Limited was founded in 1988. At the beginning, the company emphasized only on local business by selling fuel and doing gas tank business in the southern region in Thailand. In 2013, the company name has been changed to be PTG Energy Public Company Limited before listing in Stock Exchange Trading in the same year since the company has planned to gain more fund in order to expand its businesses both oil and non-oil.

The core business of the company is retail and wholesale fuel to automobile users via PT petrol stations. Also, PTG has planned to explore non-oil business in order to reduce risk from oil business. The company vision is “PT, the nation’s leading petroleum retail service company.” By aiming to provide the standardized quality product and service to cover all provinces of Thailand. PTG businesses can be classified as followings;

Figure 1 PTG Business units



1 Dealer Own Dealer Operate

2 Company Own Company Operate

The primary purpose of a business is to maximize profits for its owners or stakeholders while maintaining corporate social responsibility. And there are various means to achieve that. Rebranding is an important one of that, and it is a marketing strategy in which a new name, term, symbol, design, concept or combination are created for an established brand with the intention of developing a new, differentiated identity in the minds of consumers, investors, competitors, and other stakeholders (Nithiyanandam, 2016)

Rebranding is one strategy in order to change the company image due to the particular circumstance. One of the reason is when a company's business goal is changing and trying to explore the new market (Keller 2002) . The former name of PTG Energy Public Company Limited before listing in Stock Exchange Trading in 2013 is Parktai Chueplerng Company Limited which emphasizes only on local business by selling fuel and doing gas tank farm business. In 2013, PTG has launched a new campaign "Number 1 in Thai's heart" under the commitment that "Wherever Thai people are, PT will be there to become number 1 in Thai's heart". The industry is under perfect competition the market price is equal to marginal cost. Firms will produce until they reach the level of output where the cost of producing one additional unit is equal to the market price; Neo classical marginal price theory. Therefore, price war is not optimal, so they come up with 3 mains the strategy.

PTG changes its business emphasis by providing more services under a new management strategy called COCO (Company Own, Company Operate) so that they can manage supply more effectively for better quality control since over 70 percent of PT stations owned by PTG itself. Also, expanding more station across the country by following the market diversification which provides product and service to new market (Ansoff, 1957) . Acquiring non-oil business also help to reach another target group by applying STP marketing strategy to catch grade B customers who have modern lifestyle by following the product diversification which not only create growth from the new target, but also the existing ones (Ansoff, 1957). Moreover, "Max card" membership will be an instrument to build a relationship with the customers. However, rebranding failure happens all the time, result in a huge of financial repercussion. On the other hand, the corporate can enhance sales from new

and existing customers if they can reach customer's touch point. The purpose of this paper is to assess whether PTG new strategy in 2013 create a positive business performance in terms of *sales volume, profitability, market share*. This study will review the management of PTG strategies, what strategies have implemented in order to support the rebranding campaign as well as how they effect to business performance during pre and post rebranding will be examined. The result of this study will show whether PTG successfully creates customer loyalty by gaining more sales and net profit, result in higher market share which help to build confidence to investors.

There are three main objectives of this paper is aiming to. Firstly, to examine PTG strategies in 2013, what can be the main drivers, strategies themselves or economic trend, to enhance sales volume, net profit and market share. Secondly, to compare the trend of sales volume, net profit whether necessary expenditures related to strategies are justify costs, and also result in the percentage of market share. Lastly, to establish the relationship between particular strategies and business performance on the scope of study whether they have a positive correlation.

The study is collected through the secondary data for number of PT stations, number of non-oil business and number of max card membership during the years of study which are 2009-2019. Also, PTG's financial statement during those periods will be examined the relationship between three main strategies in 2013 (PT petrol station expansion, non-oil business expansion and enhancing number of membership) and key financial indicators for business performance measurement likes sales volume, sales revenue, net profit, and market share in the particular industry. Also, possible related economic indicators will be study to see the trend in macroeconomics.

The study is revealed whether the rebranding in terms of company image and diversify target group via non-oil business as well as business strategy drive the PTG business performance in terms of sales volume, profitability, market share and customer experience by evaluating the rebranding strategies which are expanding non-oil business, increasing more PT stations and enhancing number of max card membership. Therefore, this study can be used as a reference for both PTG and other

companies to study the effect of the company rebranding strategy and business strategy toward business performance.

- **Corporate strategy**

According to Michael, there are two levels of strategy which are business unit strategy; how competitive the business is in the market since some are multibusiness company, and corporate strategy; looking for a profitable business. Therefore, executive level always spends much time on study a particular strategy before implementing since strategic decision-making is a major challenge. The competitors can be referred to evaluate whether the implemented strategy is strength or weak. Hence the strategy model is related to marketing structure of differentiated oligopoly (Cave, 1980) .

- **Rebranding**

The rebranding is defined as a change of company self-identity among external stakeholders (Muzellec and Lambkin, 2008) . There are three distinct levels that rebranding can take place in a company: corporate, strategic business unit, and product level (Chai-Lee Goi and Mei-Teh Goi, 2011) . “The practice of building a new a name representative of a differentiated position in the mindset of stakeholders and a distinctive identity from competitors” (Muzellec and Doogan, 2003, p.31) . According to Daly and Moloney, there are two aspects of rebranding; (1) changing tangible element which is physical expression of the brand. (2) changing intangible elements which can be feelings, value, image.

- **Business performance**

There are four dimensions to indicate business performance which are namely, business growth, profitability, image, customer loyalty, and product & service innovation. However, the main indicator to evaluate business performance is profitability (Garg 2004)

Business performance can be measured by the elements as below;

- | | |
|-------------------------|----------------------|
| - Profitability | - Market share |
| - Productivity | - Product leadership |
| - Personnel development | - Employee attitudes |

CHAPTER 2

LITERATURE REVIEW

Theoretical framework

Corporate strategic decision making is a major role of executives in order to come up with plan to enhance organization performance (Richter & Schmidt, 2005) . According to Keller (2009) strong brand effect to the value of an organization by differentiate its brand in various aspects; customer loyalty, improve perception of product performance, increasing margin and so on. Strong brand not creates only strategic value, but also economic value to the corporate. In order to manage brand in long term, rebranding always get involved in terms of new market views to which both physical expression of brand and intangible (value, image, feelings) elements. Also, the opportunity of successful transformation is expected from rebranding, but a firm must follow three fundamental stages which are analysis, planning and evaluation (Moiescu, 2006).

One of rebranding factors is change in corporate strategy by reflecting a new identity and creating a new image through employee's culture and stakeholder's image (Balmer, Mukherjee, Greyser, Jenster, Muzellec, & Lambkin 2006). However, rebranding does not always provide a positive result, and also involve considerably risk. It takes years to build higher growth and customer loyalty bases (Aaker, 1996; Keller, 2002). Changing corporate name may help to enhance value in the stock market (Horsky and Swyngedouw, 1987).

According to Nana, Tobias, and Chiliya (2019) in order to evaluate organization, firm can look through their performance whether there is any improvement. Creating positive customer experiences in terms of business can help to create customer loyalty for long-term competitive advantage. Also, strong brand will lead to loyal customers who create a large sale, resulting in high market share (Singh, Tripathi & Yadav, 2012). In general, firm always emphasize on financial performance

indicators such as sales growth, stock price, profit growth, etc. At the same time, firm should be more aware of operational performance indicators like market share position, product quality, new product introduction, operating efficiency, etc. to broaden the concept. Hence, data can be gathered from both primary and secondary data for measurement (Venkatraman and Ramanujam, 1986). Financial measure for business performance helps to ensure that operating managers keep well performing to order to enhance overall company's benefit (Andy, 2002). Theory of corporate strategy strongly advise that risk must be taken into consideration both implicitly and explicitly (Bettis, 1982) .

Empirical evidence

According to Moiescu (2006) the study of Orange rebranding by examining on Rebranding influence on customer number and turnover found that the growth of two indicators strongly increases in a year after rebranding and constantly remaining growth to the following years since consumers promptly respond on the beginning period. According to Petburikul (2009) the study of True business performance after rebranding by emphasizing on IMC (Integrated Marketing Communication) and broadband service strategy, found that the number of subscribers have increased significantly after rebranding. As noted by Nana, Tobias, and Chiliya (2019) the study of SME's rebranding found that customer experience has a strong relationship with firm performance even the firm is not rebranded.

According to Singh, Tripathi, & Yadav (2012), found that rebranding has impact on business performance since it can create growth after rebranding by using control experiment to examine 12 companies which both rebrand and not rebrand. However, further research is needed since there are many factors can impact to corporate income, like business environment; economic, political, competitors, suppliers, etc. According to Ajay, Garg, and Rene, the most important factor to evaluate performance is growth of profitability, but customer loyalty is not a major concern for business performance. Also, non-financial parameters are not valid for measuring business performance.

Moreover, business performance can be enhanced by innovation, but that is not only the factor (Neely and Hii, 1998) . By using a single data source should not be a good business performance measurement (Venkatraman and Ramanujam, 1986) . According to Richardson and Thompson, emphasizing on human resource practice in the business can enhance business performance by adding value proportionally to employee and more likely to broad level. Mostly, best practices have got positive effect from all perspectives. In general, low consistency levels tend to be found when longer time lag is found between a corporate strategy announcement and individual resource allocation decision (Daly and Moloney, 2005) . In order to implement corporate new strategy, risk variables must be put into the model for analyzing as an endogenous variable (Bettis, 1982) . According to Vicgory, Droge and Markland, found that business strategy itself that firm pursue might effect business performance measurement. According to some analysis result, different corporate strategy will influence business performance outcome.

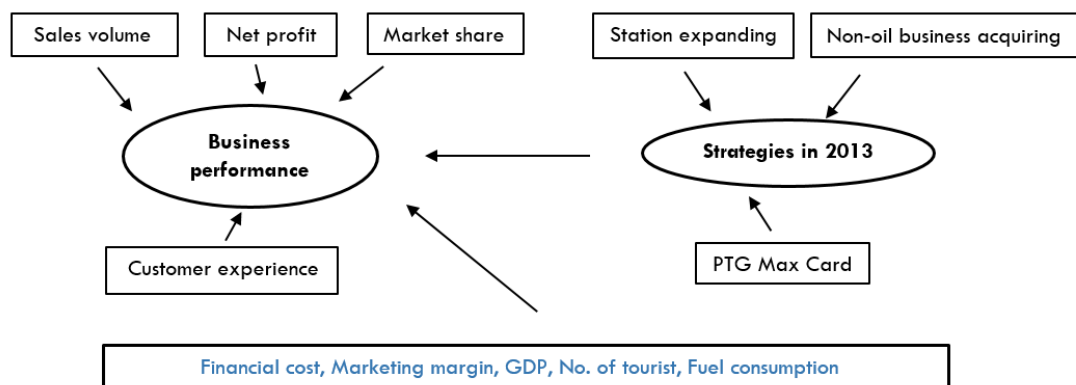
CHAPTER 3

DATA AND METHODOLOGY

The hypotheses are set to study that a firm's strategies by using expanding station, expanding non-oil business, and loyalty program have an influence on corporate performance in terms of sales volume, net profit, market share and customer experience. Also, the hypotheses are set to examine whether a firm's re-branding strategies help to create positive corporate performance. In order to identify the relationship, a researcher will compare corporate net profit of ten consecutive years. Data will be omitted in some years in case of lack of information. However, more years will be studied in case data is available.

Conceptual framework

Figure 2 Conceptual framework



The conceptual framework above relates to corporate strategies in 2013 towards business performance. This paper will discuss how PTG's new strategies by enhancing its services which are as follows; PT station expanding, non-oil business expansion and PTG max card membership effect to corporate sales, net profit, market share and customer experience which is resulting in corporate growth in several dimensions. On the other hand, financial cost, marketing margin, GDP, domestic fuel consumption, number of foreign tourist and local transport tourism spending will be analyzed as confounding factors in order to eliminate the contribution to business performance on the scope of study.

It is hypothesized that a PTG strategies in 2013 effect to business performance in several dimensions. It is also expected that it would create a positive correlation between company strategies and business performance. As a result of the hypotheses as followings;

Hypothesis: PTG strategies in 2013 is positively related to company business performance

The relationship between *number of PT station* and *the scope of study of business performance*.

1. Number of PT stations has a positive influence on net profit
2. Number of PT stations has a positive influence on sales volume.
3. Number of PT stations has a positive influence on market share

The relationship between *number of max card membership* and *the scope of study of business performance*.

4. Number of Max card membership positive influence net profit.
5. Number of Max card membership positive influence sales volume.
6. Number of Max card membership positive influence market share

Data collection

For the purpose, secondary data will be collected for number of PT stations, number of non-oil business and number of max card membership during the years of study which are 2009-2019. Also, PTG's financial statement during those periods will be examined the relationship between sales volume and net profit. Market share will also be collected in order to compare with the competitors and ranking improvement. The sources of data are arranged as follows;

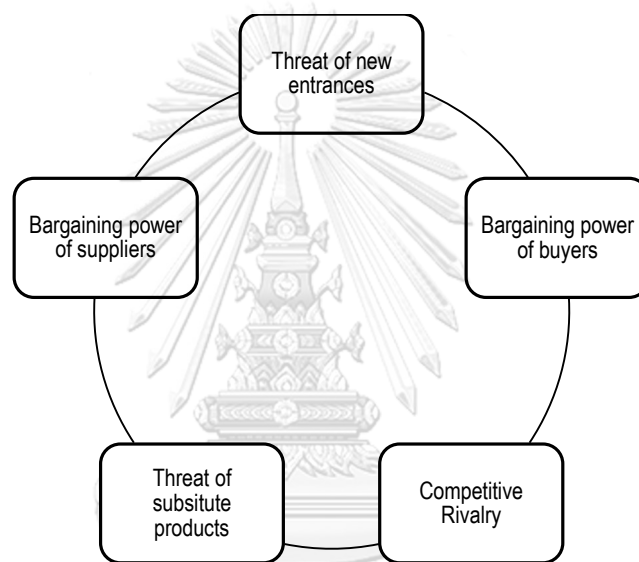
Table 1 Data collection

Data	Sources	Purpose
PTG Net profit (Annual)	PTG website	To identify whether it is positive
PTG Sales revenue (Annual)		To identify whether it is positive
Market share		To identify whether it is positive
Number of PT Station		To identify the contribution of number of PT station to PTG net profit
Number of Max Card		To identify the contribution of number of Max Card to PTG net profit
Non-oil business		To identify the contribution of non-oil business to PTG net profit
Financial cost	EPPO	To eliminate the confounding contribution to the dependent variable
Marketing margin		To eliminate the confounding contribution to the dependent variable
GDP	BOT	To eliminate the confounding contribution to the dependent variable
CPI (Energy)	BOT	To eliminate the confounding contribution to the dependent variable
Fuel consumption	BOT	To eliminate the confounding contribution to the dependent variable
Number of tourist	TAT	To eliminate the confounding contribution to the dependent variable
Tourism transportation	TAT	To eliminate the confounding contribution to the dependent variable
Household consumption expenditure	NSO	To eliminate the confounding contribution to the dependent variable
Food consumption	NSO	To eliminate the confounding contribution to the dependent variable
Non-alcohol consumption	NSO	To eliminate the confounding contribution to the dependent variable

Moreover, Economic outlook will be studied in order to see the economic trend in the future as well as industry outlook of energy industry and food & beverage industry by focusing on to the main company non-oil business which are coffee shop, convenient store and restaurant.

In order to analyze the industry, five forces model will be analyzed to show the risks in the covered aspects.

Figure 3 Five forces analysis model



Also, in terms of financial ratio, return on equity, return on asset, debt to equity, and asset turnover will be examined to compare with the industry or with the main competitors.

$$\text{Return on Equity (ROE)} = \frac{\text{Net Income (Annual)}}{\text{Shareholders' Equity}}$$

$$\text{Debt to equity ratio (D/E)} = \frac{\text{Total Liabilities}}{\text{Total Shareholders' Equity}}$$

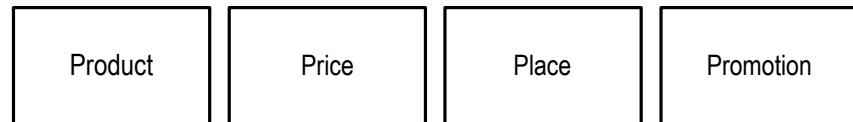
$$\text{Return on Asset (ROA)} = \frac{\text{Net Income (Annual)}}{\text{Average total asset}}$$

$$\text{Asset Turnover} = \frac{\text{Net Sales}}{\text{Average total asset}}$$

Data description

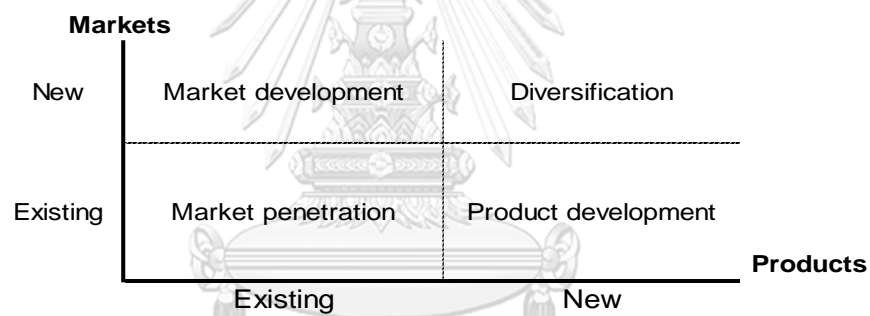
Marketing mix will be shown how the company strategies applied via 4Ps which leads to analysis of the main hypothesis of the paper.

Figure 4 Marketing mix (4Ps)



Moreover, how the company apply diversification strategy through the business.

Figure 5 Market Diversification



Descriptive approach will be applied by accessing above secondary data and comparing the trend of business growth of sales volume, profitability, and market share. Also, economic indicators will be compared in order to analyze whether they support corporate performance in terms of organic growth. However, simple econometric will be applied for the correlation analysis between parameters; pearson correlation, so that we can explain the relationship statistically. For the purpose of removing the scale disruption, a research of normalization towards data will process for further comparison.

$$R_{xy} = \frac{\text{cov}(x,y)}{\sqrt{\text{var}(x)} \cdot \sqrt{\text{var}(y)}}$$

r = correlation coefficient

x_i = values of the x-variable in a sample

\bar{x} = mean of the values of the x-variable

y_i = values of the y-variable in a sample

\bar{y} = mean of the values of the y-variable

the range of correlation is [-1, 1]. The sign of the correlation coefficient indicates the direction of the relationship, while the magnitude of the correlation indicates the strength of the relationship which how close it is to -1 or +1.

-1 : perfectly negative linear relationship

0 : no relationship

+1 : perfectly positive linear relationship

Source: <https://libguides.library.kent.edu/SPSS/PearsonCorr>

CHAPTER 4

ECONOMIC AND INDUSTRY OUTLOOK

After the economic slowdown in 2018 and 2019 to the slowest pace, in 2020, the world has been encountered with COVID-19 pandemic. According to World Health Organization, 20 million people in about 190 countries have been infected, result in economic shock all over the world, it can be called great compression. According to Deloitte, the world economy has been assessed to contract by 4.9 percent in 2020.¹ It seems China is only one country to expect GDP growth. Although the pandemic is a major unprecedented issue, Baht strength and domestic political issues are also cause of economic downturn in Thailand. Therefore, it will probably cause Thai economy contract 6.6 percent in 2020.² However, government has attempted to boost the economy by coming up with several economic stimulus package, likes we travel together, half-half, we win and so on after easing of lockdown measurement. As a result of those stimulus packages, Thai economy was expected to be less contracted than early assessment due to higher private consumption and merchandise exports.

According to Bank of Thailand, Thailand export is projected to shrink by 7.4 percent in 2020, and expected to expand 5.7 percent and 5.9 percent in 2021 and 2022 respectively. Since the major export merchant is not electronic products which can benefit from the pandemic, Thailand is assessed to recover at a slow pace. Tourism segment is projected to recover in 2022 by gaining about 20 million foreign tourists back when vaccine screening can be flexible.³

For overall Thailand economy, it is assessed to expand 3.2 percent and 4.8 percent in 2021 and 2022 respectively (BOT, 2020). Even so, in the short term, the economy remains uncertain due to the second wave of pandemic, and containment measures. In the long term, it will depend on tourism and export figures, and also the

¹ 2021 Oil and Gas Industry Outlook

² Monetary Policy Committee's Decision (online).

<https://www.bot.or.th/English/PressandSpeeches/Press/2020/Pages/n9063.aspx>

³ Monetary report, Dec 2020 (online). Source: <https://www.bot.or.th/English/PressandSpeeches/Press/2021/Pages/n0364.aspx>

efficacy of coronavirus vaccine to build a confidence to both household and corporate sector.

Oil and gas are the most important resources in Thailand, oil consumption still gradually increases due to low oil prices so demand for alternative clean energies seem not competitive in recent years. During the COVID-19 pandemic oil price dropped down to 41.6 USD per barrel, and demand for refinery product decreased 11.6 percent in 2020.⁴ However, oil price is forecast to increase in the next three consecutive years, to about USD48 per barrel in 2021, USD54 in 2022, and USD60 in 2023 due to higher demand, but it is still below pre-pandemic which was USD 65 per barrel (Krungsri outlook, 2020). This will be caused by the limited supply of OPEC producers. The energy (oil) sector will benefit from improving marketing margin and increasing in domestic demand. The number of vehicle on road is expected to rise 3-4 percent annually, and result in domestic oil consumption is projected to increase by 2.8-3.3 percent up to 2023.⁵ According to BMI research, oil and gas market in domestic is saturated in domestic market in long term, but exploring to new market, likes CMLV can help to drive more demand.

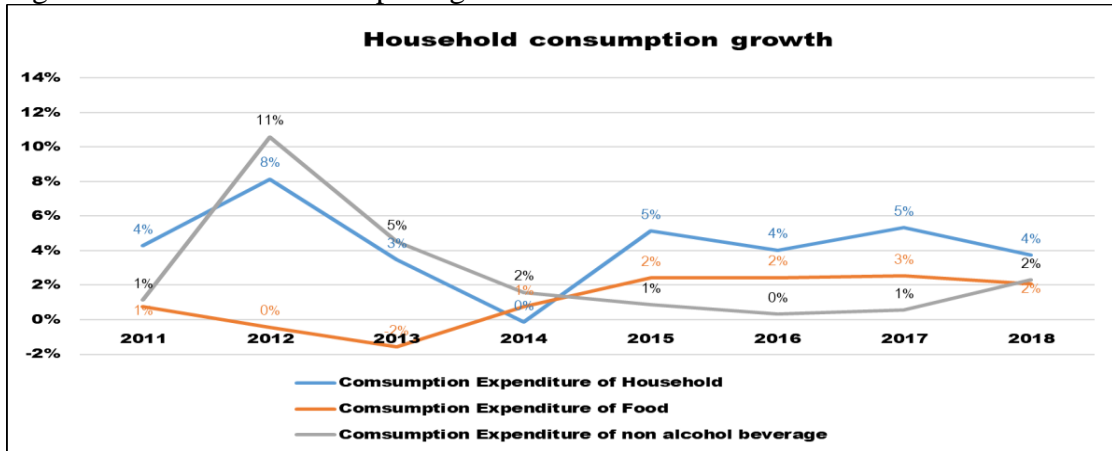
Food industry in Thailand is projected to reach 20,280 million baht in 2025 since 16 percent of Thailand GDP is from tourism which is one factor that drive food and beverage industry, and also Thai restaurant and coffee shop are popular among foreign tourists.⁶ However, it was slowdown during COVID-19, but the Government has tried to boost the domestic tourism in order to drive the overall consumption. According to National Economic and Social Development, the trend of household consumption in Thailand is steadily increasing from the past 10 years as shown in below table.

⁴ 2021 Oil and Gas Industry Outlook (online). Source: <https://www2.deloitte.com/us/en/pages/energy-and-resources/articles/oil-and-gas-industry-outlook.html>

⁵ Thailand Industry Outlook 2021-2023 (online). Source: [Thailand Industry Outlook 2021-2023 | Bank of Ayudhya \(krungsri.com\)](https://www.bangkokpost.com/business/industry-outlook/2021-2023)

⁶ Thailand food market – growth, trend COVID-19 impact and forecast (2021-2026). Source: <https://www.mordorintelligence.com/industry-reports/thailand-foodservice-market>

Figure 6 Household consumption growth



Year	Consumption Expenditure of Household	Consumption Expenditure of Food	Consumption Expenditure of non alcohol beverage
2010	4,590,631	718,750	184,426
2011	4,787,151	724,288	186,508
2012	5,177,065	721,121	206,259
2013	5,356,650	709,688	215,562
2014	5,348,850	715,032	218,989
2015	5,623,087	732,361	220,864
2016	5,849,839	750,128	221,563
2017	6,161,781	769,109	222,783
2018	6,392,067	785,060	227,909

Source: Office of national Economic and Social development board.

In the past 30 years, it seems consumers would have only two choices for coffee either kafar boran or instant coffee. Nowadays, there are more choices for coffee drinkers such as freshly brewed. Coffee shop is becoming a main driving food and beverage consumption in Thailand, and it is expected to increase by 15 percent a year. The average consumption per person is 300 cups a year.⁷ Therefore, there are still more room to grow the coffee shop business in Thailand. Coffee shop at petrol stations is now very competitive, apart from Amazon (PTT), Intanin (Bangchak) who are the top two leading coffee shop at petrol station, there are still new entrances such as Starbuck, Wawee, Gloria Jean's Coffees, Coffee journey and so on.

Since the family size has become smaller, resulted in consumer's behavior has changed to buy consumer goods nearby their places instead of driving away. However, people prefer to use their own cars, lead to the entrepreneurs see the opportunity to open the convenient stores in the petrol station in order to draw a vast

⁷ Wake up and sell coffee 2019 (online). Source: <https://www.bangkokpost.com/thailand/special-reports/1631922/wake-up-and-sell-the-coffee>

traffic. There are approximately 1,000 convenient stores from over 20,000 petrol station so far.⁸ Therefore, the competition among petrol station is so tense in order to pursue more market share from the competitors.

The leading petrol station in Thailand in terms of market share is PTT, it plans to be listed in Stock Exchange Market in Thailand in February 2021 in order to gaining fund for the retail business as well as coffee shop.

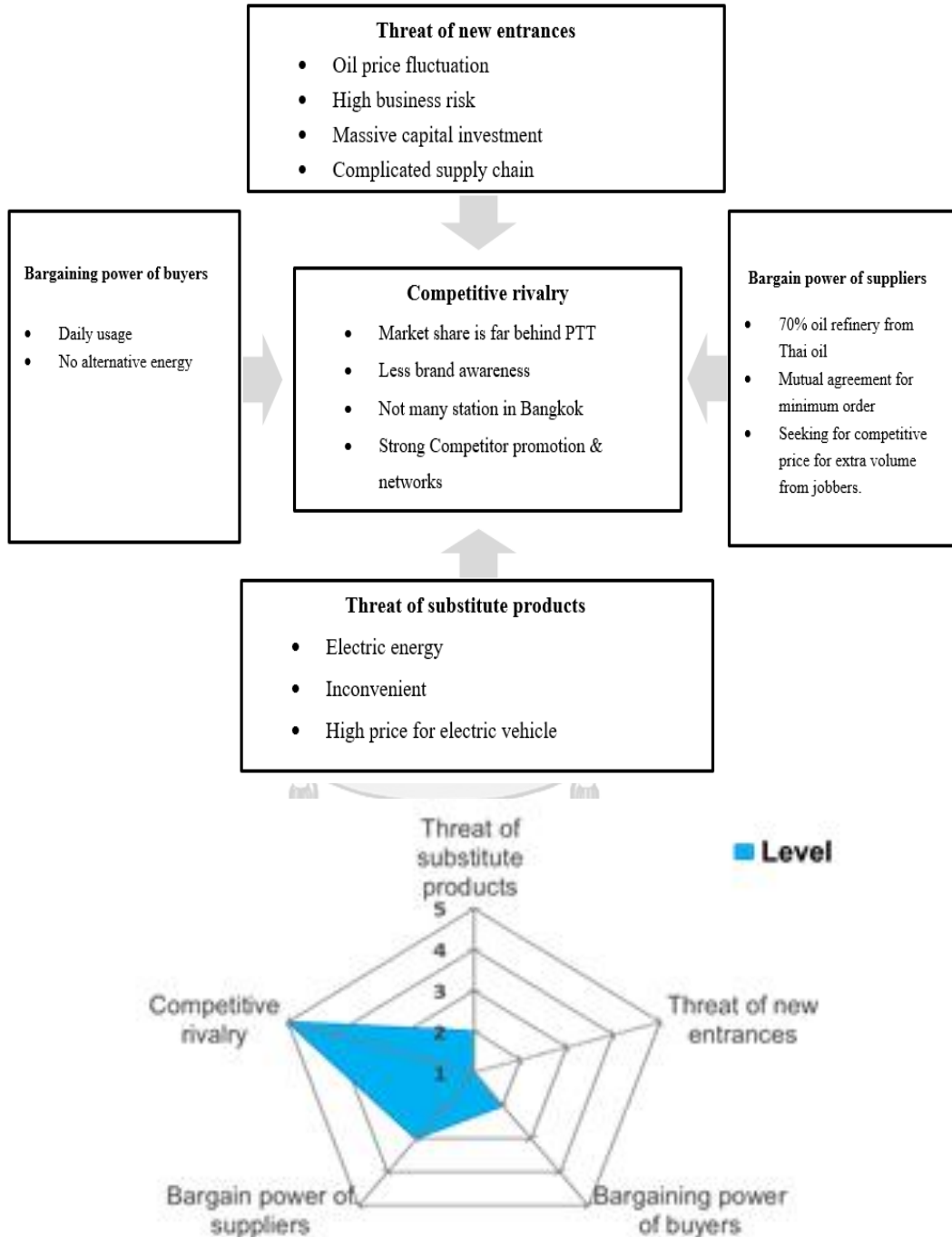
Bangchak has also adjusted convenient store under “SPAR” to Tops instead in 2020 in order to meet more target by cooperating with CRC. It is expected that customers will be more aware of brand, leading to be able to draw more traffic to the station.



⁸ Convenient store in petrol station competition 2018 (online). Source: <https://www.posttoday.com/economy/news/477126>

Industry Analysis

Figure 7 Five forces analysis

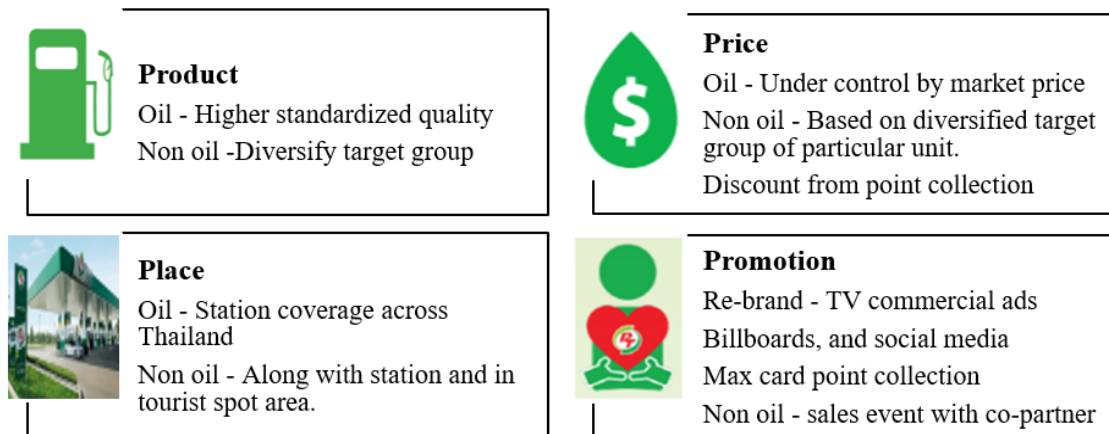


Marketing mix (4Ps)

Single P is a root of marketing mix in microeconomics theory in order to convert marketing plan to practice (Choi, 2009). Firm will apply marketing mix to achieve market objective with its target group (Kotler, Ang, Leong and Tan, 1999). It can be used to develop both long term strategy and short term tactical program (Palmer, 2004).

The company has followed marketing mix in order to create their long term value and potential growth by come up with the strategies related to 4Ps as followings.

Figure 8 Marketing mix analysis



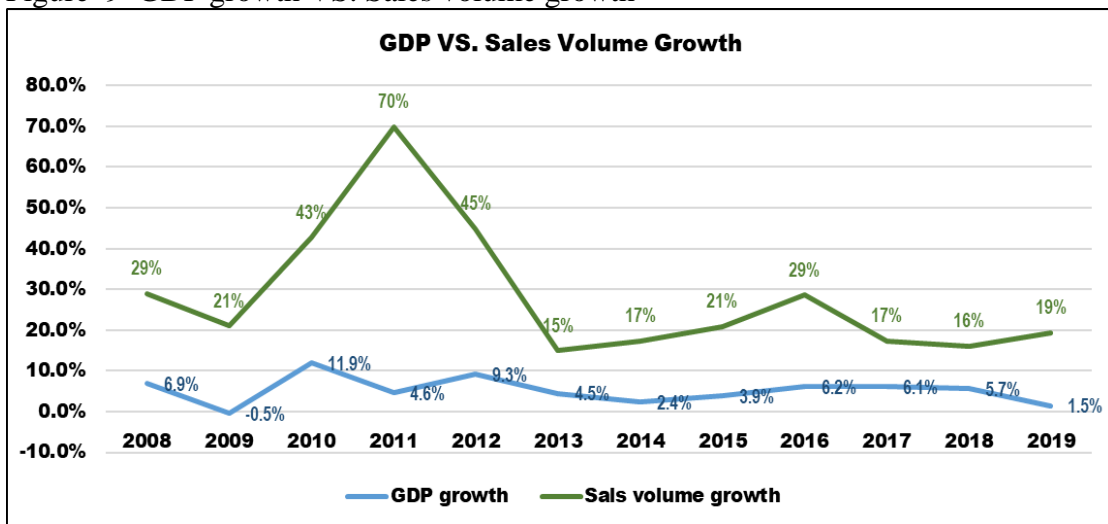
As mentioned earlier, 3 main strategies of company are (1) product development which company improve the product quality performance and market penetration to reach new customers under the current product (Ansoff, 1957) , by focusing on product and service quality, also expanding more COCO station to cover all areas in Thailand (2) Diversification in which company requires new skill, facilities to new target group (Ansoff, 1957) by enhancing non-oil business. (3) customer loyalty program via membership card. However, product development and market penetration is a good sign of firm to progressively compete with the economic competitors (Ansoff, 1957). In order to get brand awareness, advertising has been a choice. In which these strategies will be descriptive analyzed through the follow part.

CHAPTER 5

RESULT AND ANALYSIS

Economic factors

Figure 9 GDP growth VS. Sales volume growth



Source: Bank of Thailand, and the company data

The trend of company sales growth is pretty much gone to the same trend of GDP growth, except year 2011 which sales growth steeply increased since the expansion of station and only 15 out of 437 stations got impacted from flooding in quarter four of 2011. According to Bank of Thailand, GDP shrank in 2011 resulted from supply chain disruption which was caused by natural disaster in Japan in quarter one and also major flood unprecedented event in Thailand. Also, it caused to less investment due to lack of confident in 2011.

Figure 10 Thailand tourism growth



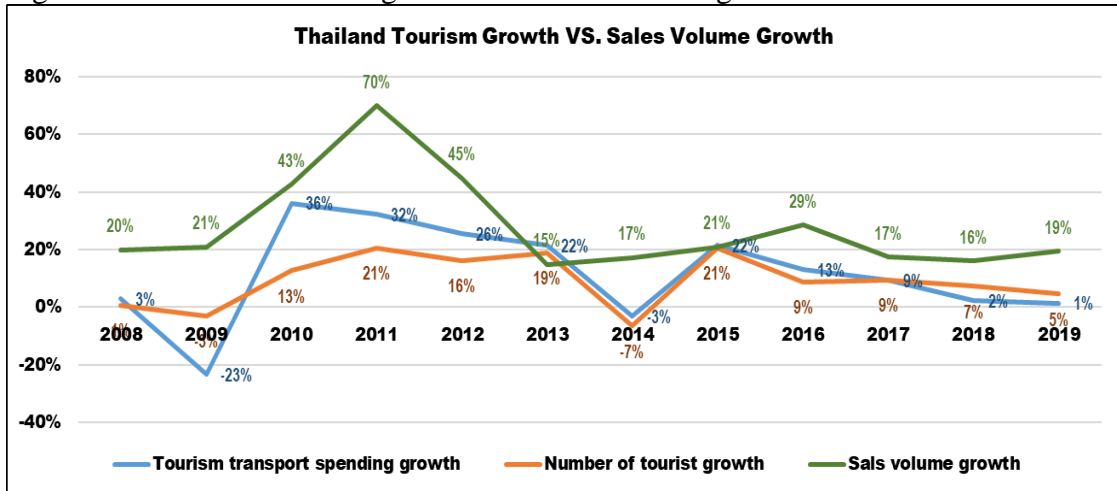
Table 2 Currency exchange rate

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Exchange rate (1 \$ = ฿)	33.31	34.29	31.69	30.49	31.08	30.73	32.48	34.25	35.30	33.94	32.31	31.05

Source: Ministry of tourism and sport

According to Tourism of Thailand Authority, 16 percent of GDP is relied on tourism industry both international and domestic tourism. 61 percent of tourism GDP is from international tourism, so the company growth might be impacted by the growth of tourism industry. The growth of tourist number goes along with tourism transport consumption growth, so there is no any unusual data in which researcher would need to search for the cause. In 2009, number of tourist and tourism transport consumption strongly dropped down, it was resulted from world economic recession caused by hamburger crisis (Subprime) in 2008 (TAT, 2009), and jumped up again in the following year. In 2014, the number of tourist dropped down again, resulted from politic protest, caused to unrest of the country so tourists did not feel safe to travel to Thailand. Again, the number of tourist jumped up again in 2015 after the country temporary occupied by military government. However, the growth of tourism was slightly decreasing, it resulted from economic downturn, and also the appreciation of Thai Baht could be the factors to the decision of travelling to Thailand. Nevertheless, there is no significant change in terms of the average spending per head.

Figure 11 Thailand tourism growth VS. Sales volume growth

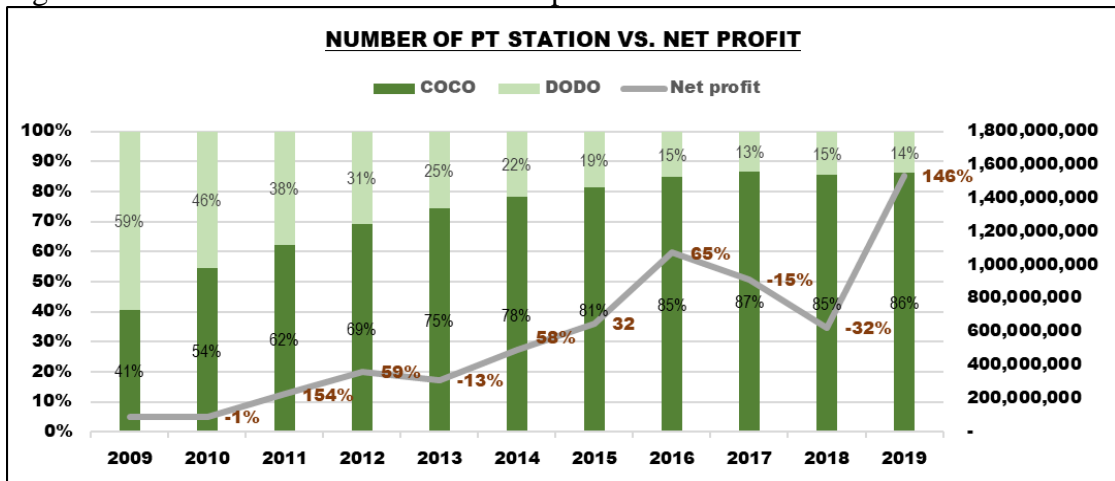


Source: Ministry of tourism and sport, and company data

If comparing the growth of tourism and PT sales volume. It seems they were get along to the same direction before year of implemented new strategies in 2013. The company just relied itself on economic factors. In 2011, although, the number of tourist increased, tourism transportation spending continually decreased due to flood in quarter four in 2011, and continued impacting in 2012. If overall fuel consumption increase, then PTG can receive more sales volume as well, there was no any pull strategy to aggressively drive sales volume. However, after implementing new strategies, the growth of company sales volume diversely up from the growth of tourism. This can be assessed that the new strategies are successfully operated so far in terms of sales.

Business performance measurement

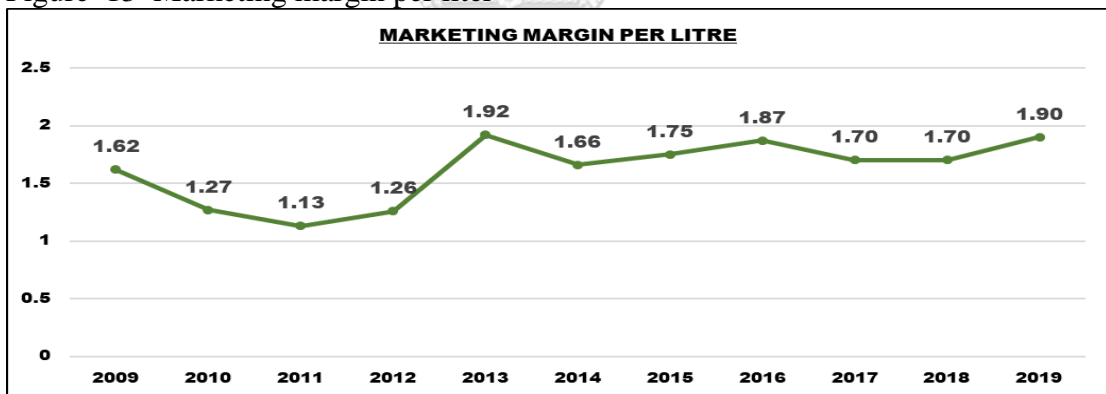
Figure 12 Number of PT station VS. Net profit



YEAR	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
COCO	101	184	272	397	551	743	936	1,194	1,471	1,638	1,748
DODO	147	154	165	177	188	208	214	213	225	279	279
TOTAL	248	338	437	574	739	951	1,150	1,407	1,696	1,917	2,027

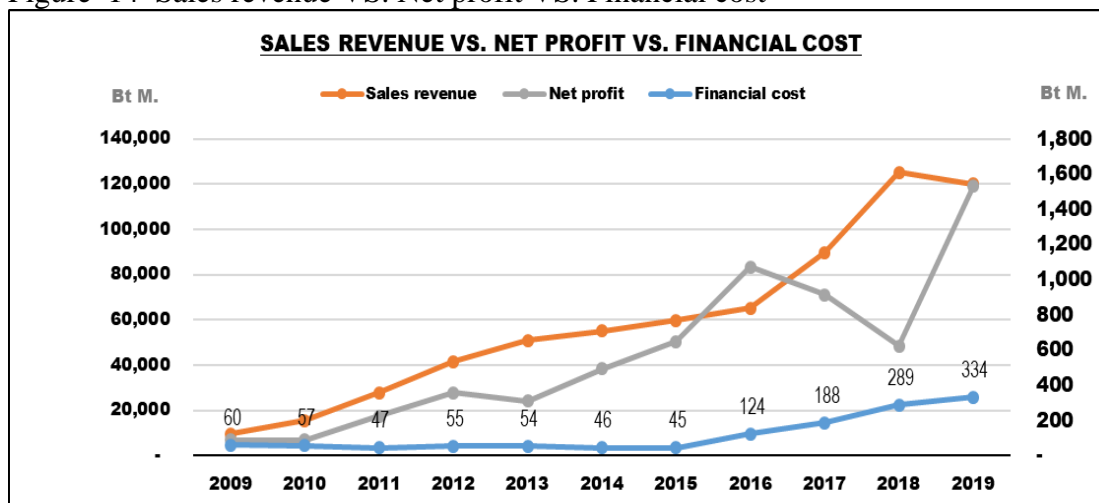
Source: Company data

Figure 13 Marketing margin per liter



Source: Company data

Figure 14 Sales revenue VS. Net profit VS. Financial cost



Source: Company data

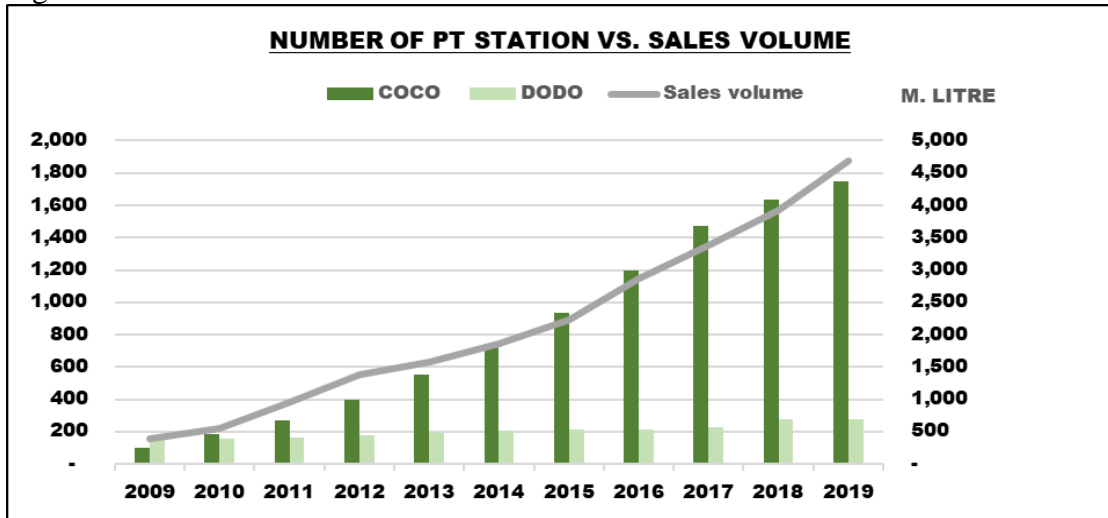
According to new strategies, one of those is expanding PT petrol station across the country so that PT can reach more customers under the commitment that “Wherever Thai people are, PT will be there to become number 1 in Thai’s heart”. Hence PT has set target to expand about 300 stations at each year from 2013 onward by focusing on COCO which stand for company own, company operate. PT believe that COCO can help them to control the quality both product itself and service effectively. In the other hand, DODO stand for dealer own, dealer operate will probably remain unchanged or slightly increase.

From figure 5.4, the number of COCO keeps intensely increasing in the initial year after implementing strategy or about 3-7 percent out of total station each year, but the number of DODO slightly increasing, cause to holding the proportion of station at the diminishing rate. Although, they can earn higher gross profit margin from expanding own petrol retail station, resulted in higher sales volume, net profit in 2013 dropped down from 2012. According to company data, there are 3 main reasons that caused net profit went oppositely from the number of PT petrol stations and sales volume; (1) new employee recruitment, 52 percent increased from 2012 (2) utilities expenses from expending more station, 59 percent increased from 2012 (3) rebranding expenses from advertising and sales promotion in order to widen awareness of new image of PT petrol station leads to cost of selling and administrative rose up 54

percent from 2012. The company continued pursuing COCO expansion through various nature of investment in which buy or rent petrol stations from those who discontinued the businesses. Gross profit keeps increasing each year, mainly from expanding own PT petrol stations, but we shall look through the company cost whether expanding stations can actually help to gain more net profit for the company long-term value.

For the very beginning after rebranding net profit growth continued rising from 2014-2016, 58 percent, 32 percent and 65 percent in 2014, 2015 and 2016 respectively. Especially, in 2016 the main contribution was from fuel sales growth and higher marketing margin as well as economic of scale from COCO expansion. Moreover, selling and administrative expenses increase along with the business growth, but in the diminishing rate. Interestingly, in 2017, 2018, net profit decreased 15 percent and 32 percent respectively, result from lower marketing margin which made company lost 574 million baht on margin. Also, higher cost of investment for future expansion both oil and non-oil business as well as higher financial cost increased 51 percent and 54 percent in 2017 and 2018 respectively. However, net profit in 2019 jumped up to 150 percent growth, mainly from higher sales volume from station expansion, together with higher oil price leading to marketing margin turn to appropriate rate at 1.9 baht per liter. Also, they could manage selling and administrative expenses more efficiently.

Figure 15 Number of PT station VS. Sales volume

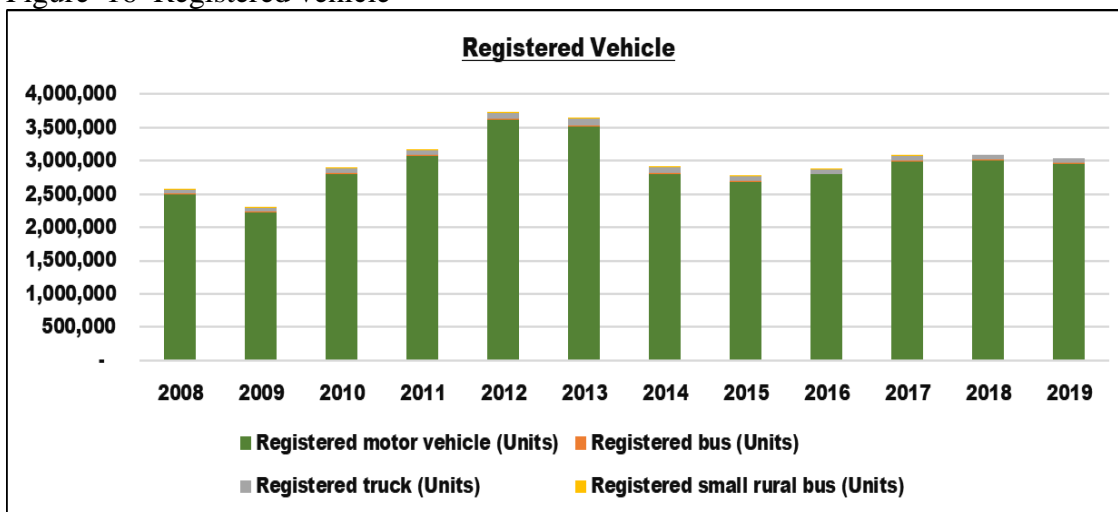


YEAR	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sales volume (M. Litre)	391	558	948	1,373	1,578	1,851	2,237	2,876	3,377	3,921	4,681

Source: Company data

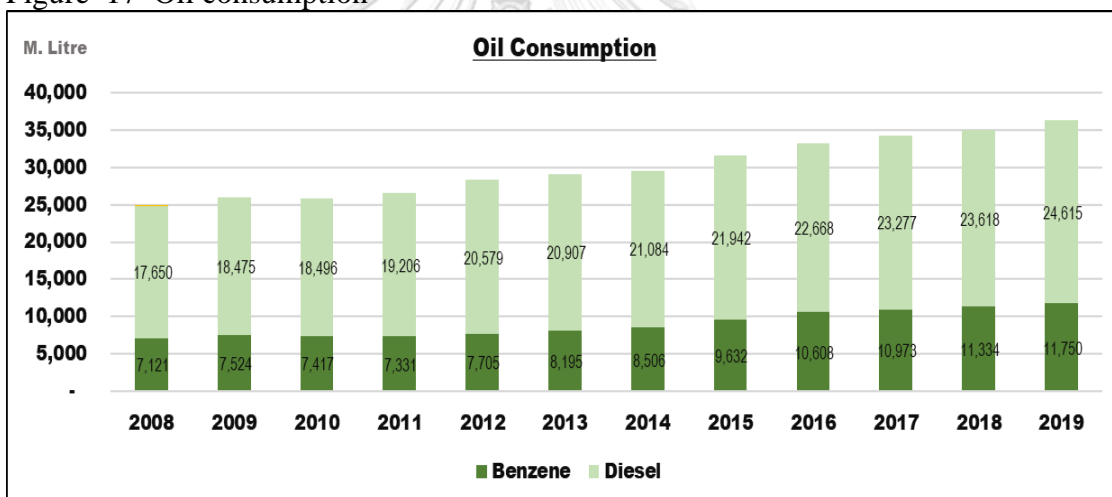
As a result of rebranding, company put more advertising in several channels; billboard, TV, social media etc. in order to widen awareness, and also quality focusing on core product and service. Number of PT petrol station is positively related to sales volume since new station expansion has driven sales volume as well as the existing stations.

Figure 16 Registered vehicle



Source: Department of Land Transport

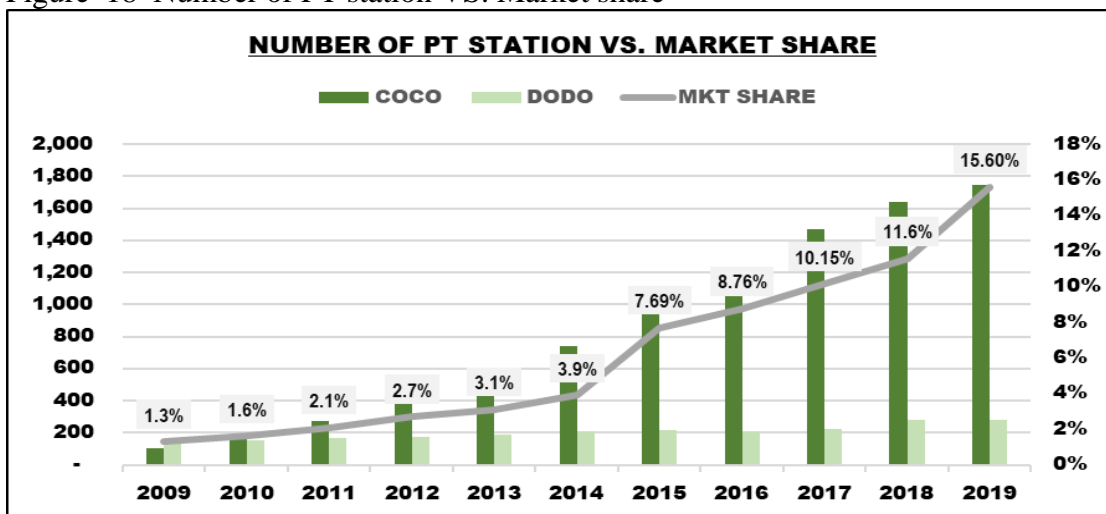
Figure 17 Oil consumption



Source: Department of Energy Business, Ministry of Energy

According to domestic demand for benzene and diesel steadily increase every year, partly result from population growth and domestic economic expansion. Petrol station business is mainly relied on domestic consumption so it can be beneficial on rising demand. Moreover, the high number of new vehicle registered every year, leads to sales volume at petrol station increases consistently in new car registered, especially in 2011 and 2012 when there was a first car policy.

Figure 18 Number of PT station VS. Market share



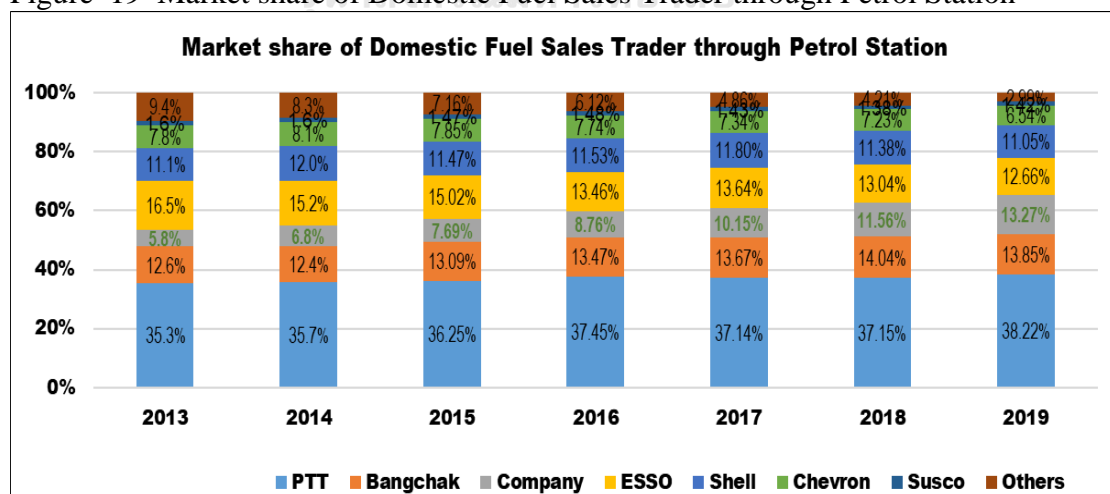
Source: Department of Energy Business, Ministry of Energy and company data

Table 3 Number of petrol station in Thailand break down by company

Company	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PTT	1,295	1,321	1,472	1,404	1,593	1,652	1,725	1,825	1,928	2,035	2,114
PTG	242	315	438	577	700	951	1,150	1,407	1,696	1,883	1,980
Bangchak	1,053	1,065	1,068	1,067	1,068	1,070	1,072	1,075	1,114	1,175	1,188
Esso	430	438	390	371	513	511	534	542	543	608	620
Shell	562	548	547	533	519	489	491	498	508	517	532
Chevron	430	438	390	371	371	359	362	368	354	357	369
Susco	152	147	145	138	218	218	217	217	217	219	230
Petronas	110	103	100	95	-	-	-	-	-	-	-
Rayong Pure	74	78	76	67	66	-	-	-	-	-	-
Others	14,477	14,899	15,493	16,642	17,577	18,963	19,792	20,294	20,940	21,544	22,503
Total	14,477	14,899	20,252	21,406	22,625	24,213	25,343	26,226	27,300	28,338	29,536

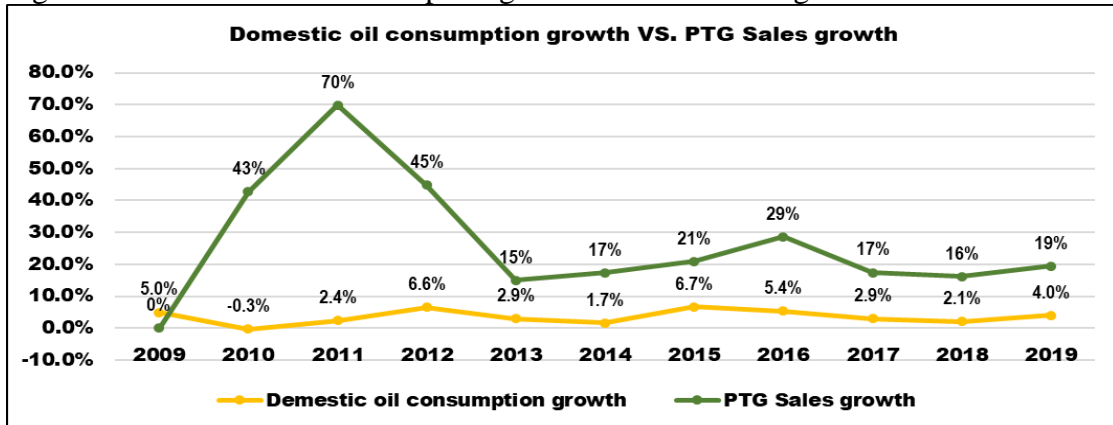
Source: Department of Energy Business, Ministry of Energy and the company data

Figure 19 Market share of Domestic Fuel Sales Trader through Petrol Station



Source: Department of Energy Business, Ministry of Energy and the company data

Figure 20 Domestic oil consumption growth VS. PTG sales growth



Source: Department of Energy Business, Ministry of Energy and the company data

As a result of higher domestic oil consumption and fuel retail competition, according to ministry of energy number of petrol and gas station in 2019 is about 29,600 stations across the country, up by 2,250 stations from 2017.

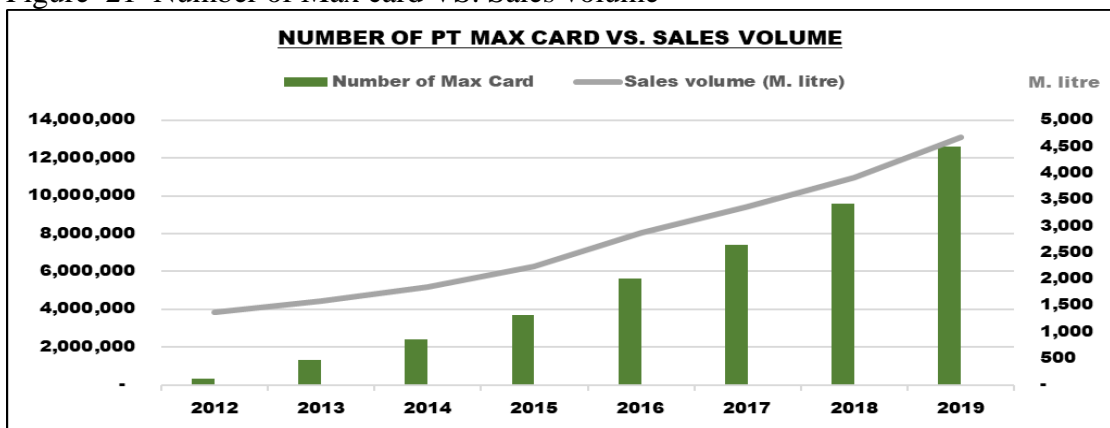
According to the data of market share in the industry, sales volume of competitors also consistently increases due to higher trend of domestic oil consumption and slightly from station expansion. In the other hand, their market shares are pretty much the same.

According to the domestic oil consumption growth compares to PTG sales volume, it can be analyzed that the number of PT petrol station is positively related to market share of domestic fuel sales through petrol station. As domestic oil consumption growth as a digit percentage a year, but the company sales volume steadily grows 2 digits of percentage a year. Market share steadily increases each year along with the company station expansion since the particular strategy can effectively drive sales volume of fuel through petrol station and share more volume in the market. Moreover, quality focused and modernized station image can support good customer experience in order to increase competitive advantage in the industry.

Membership card

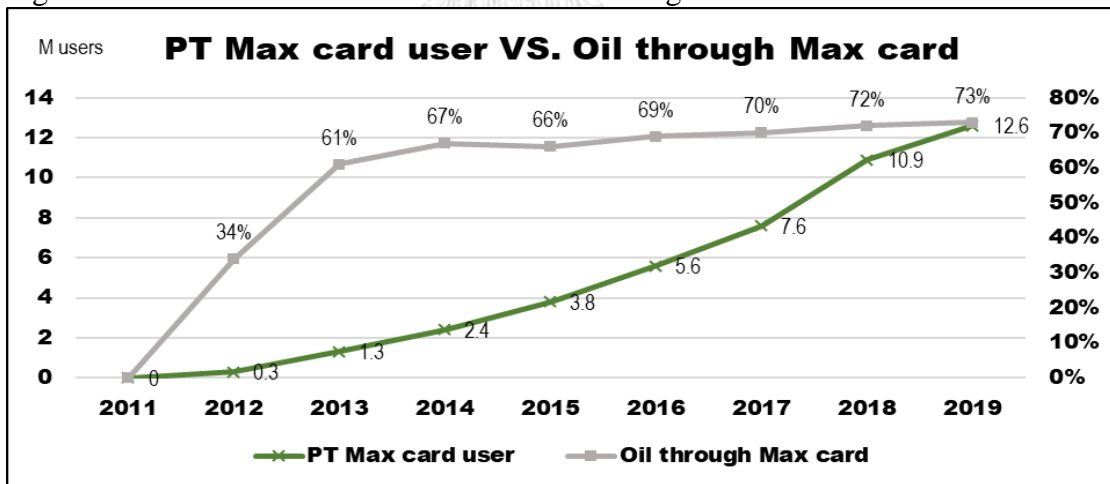
In order to establish, maintain, and enhance relationship with customers and other partners at the mutual benefit, the relationship marketing is needed (Gro'nroos, 1994) . Therefore, PTG also pursue the marketing strategy by applying customer loyalty program through membership card.

Figure 21 Number of Max card VS. Sales volume



Source: Company data

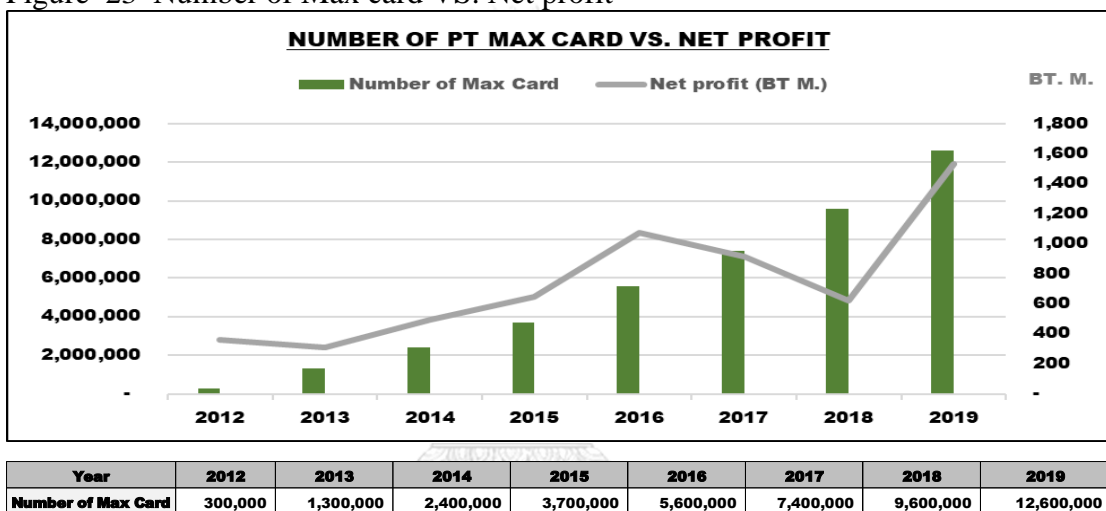
Figure 22 PT Max card holders VS. Oil sold through Max card



Source: Company data

In 2013, 61 percent of oil sales volume was from Max card member, after implementing strategy to drive number of max card in order to help company to increase sales toward customer base. The proportion was up to 67 percent in 2014 and slightly increased by the following year until reached 73 percent in 2019. This could show that company has successfully implemented strategies since the company gain more new customer each year through membership program, but there is still a gap to grow from converting new customers to become loyalty.

Figure 23 Number of Max card VS. Net profit

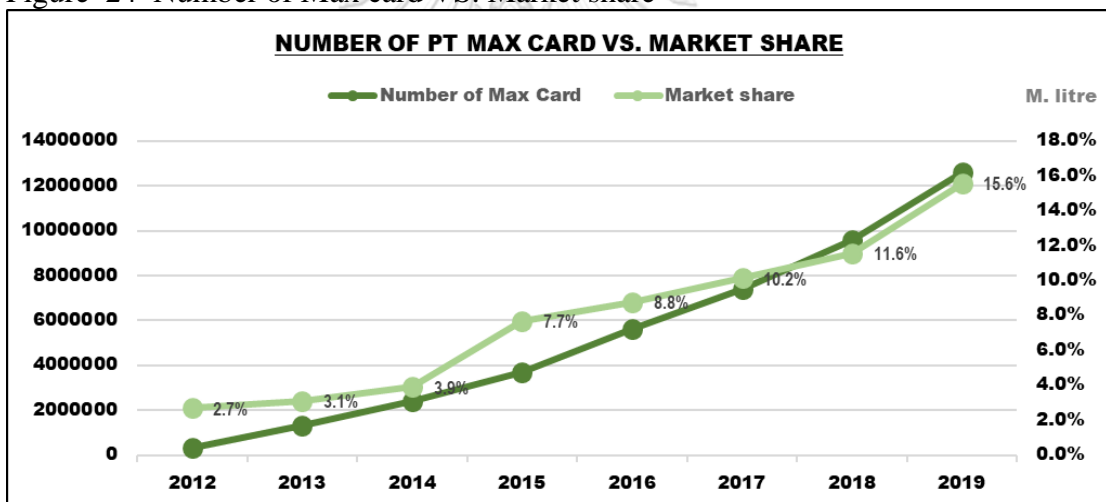


Source: Company data

One of strategy along with rebranding in terms of marketing, the company not only continually engages various sales promotion activities to encourage higher sales volume at PT petrol stations and gain repurchasing among target groups, and also continually encourages in customer loyalty program by enhancing membership program via PT Max Card which is debuted in 2012. In order to build strong customer base, the company has also created more partners to enhance various discounts for products and services offered by its networks so that customers can favorably experience special privileges from membership program.

According to company data, the number of PT max card membership is not always positively related to net profit since number of membership cannot be measured in terms of finance causing to profitability, but enhancing customer experiences and building strong customer based to rise sales volume instead. Also, more customer database can gain from more membership, so the company can apply CRM system to analyze customers' behavior in order to come up with preferably promotion. The cause of net profit dropped in 2013 (Year of rebranding) and 2018, mainly resulted from selling and advertising expenses, lower oil price, led to lower marketing margin, and also high cost of investment on long-term business as mention earlier. Although, the company can have revenue from redeeming max card points, but it is just a small amount of revenue contribution from total revenue.

Figure 24 Number of Max card VS. Market share



Source: Department of Energy Business, Ministry of Energy and company data

The number of PT max card is positively related to company market share in oil business. Although domestic demand on fuel steadily increases in both private consumptions in new car and industrial consumption can drive company sales volume in terms of organic growth, so do the other companies. Therefore, membership program is considerably required in order to maintain the existing customers and catch the new targets so that company can gain more market share from competitors.

Table 4 Membership card in the market

Membership card	 PTT Blue Card	 Bangchak Green Miles	 Shell ClubSmart	 Esso Smile	 *PT Max
Privileged discount	Crown plaza hotel Esprit clothes	10 % off YVES ROCHER Suan Siam amazing pass	24 hours emergency help Car service	Point redemption for Esso product	Max mart
Rewards	OR Camp @ PPT Thailand Grand Prix 2019 Godji premium	Instax mini 9 fuji TV Digital 32" Aconatic	M-point Major cineplex movie ticket	KOI Lazada / Shopee	Gold voucher Sharp wasing machine
Point collection (Oil refill)	Benzene: 1 litre = 1 point Diesel premium: 2 litres = 1 point Diesel: 4 litres = 1 point	Benzene: 1 litre = 1 point Diesel: 4 litres = 1 point	Benzene: 1 litre = 1 point V-power gasohol 95: 1 litre = 2 points Diesel: 4 litres = 1 point V-power diesel: 4 litres = 2 points	Benzene: 1 litre = 1 point Supreme plus Gasohol 95: 1 litre = 2 points Diesel: 4 litres = 1 point Supreme plus diesel: 2 litres = 1 point	Benzene: 1 litre = 1 point Diesel : 1 litre = 1 point
Point collection (Product and services)	Amazon café: 20 baht = 1 point	Intanin café / mart: 25 baht = 1 point	Deli café / Select mart: 25 baht = 1 point	Point redemption for Esso product	Punithai café: 20 baht = 1 point
Point redemption	500 points = 100 Baht (Oil product) 100 points = 20 baht (Amazon café)	250 points = 50 Baht (Oil product) 100 points = 20 baht (Intanin café and Mart)	500 points = 100 Baht (Oil product) 100 points = 20 baht (Deli café and Mart)	500 points = 100 Baht (Oil product) 500 points = 100 baht (Starbucks, Mc Donald, Major Cineplex, etc.)	150 points = 15 Baht 500 points = 50 baht 1,000 points = 100 baht (Oil product)
Application	Yes	Yes	Yes	No	Yes
Membership fee	No	No	No	No	No

Source: Hub.co.th and checkraka.com (2019)

According to company data, more than 70 percent of PT customers is diesel engine, so 1 liter can collect 1 point for both type of fuel, it seems more points can be collected if compare to the others. For benzene, they all seem having the same condition. However, if we get through PT max card point redemption, for people who fill up benzene will get less redemption in terms of economic gain since 10 points equal to 1 baht, but only 5 points equal to 1 baht by the competitors. For diesel engine, PT max card get advantage in terms of economic gain since purchasing 1,000 liters can earn 100 baht redemption, but the others need 2,000 liters to earn 100 baht redemption. This marketing strategy can help PT to gain more loyal customers and enhance number of membership to drive sales volume in the future.

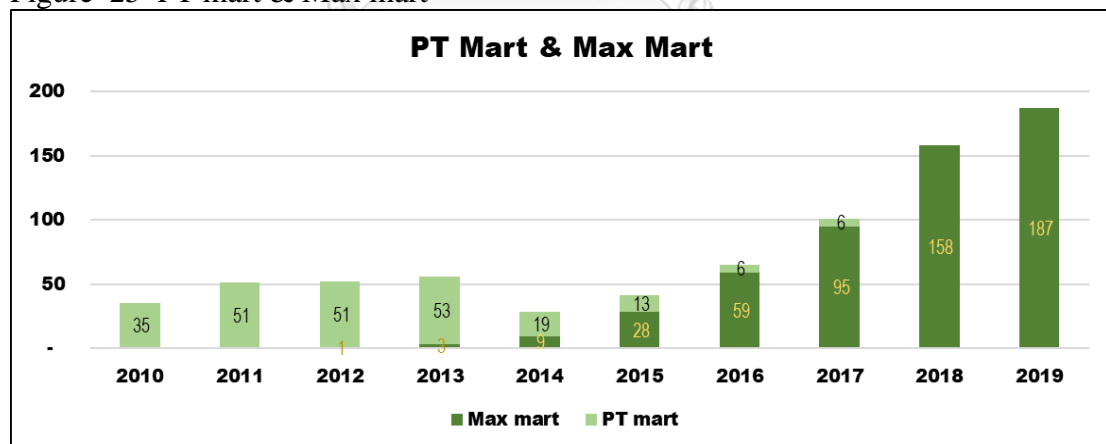
Nevertheless, this just a primary benefit for membership, PT will need to come up with more benefits by being a partner with restaurants, shops, tele-operator etc. so that card holders can feel more privileged and result in repurchasing. Also, it can possibly lead to word of mouth by recommending acquaintances to switch to be PT customer.

Non-oil business

In 2013, PTG Energy Public Company not only implemented strategies for oil business, but also more focus on non-oil business in order to reduce risk of oil business in long term. Apart from PT petrol station expansion and enhancing number of PT max card membership, the company has continually improved and developed own brand coffee shop and convenient store, named Punthai coffee shop which has been launched in 2012, and also PT Mart respectively.

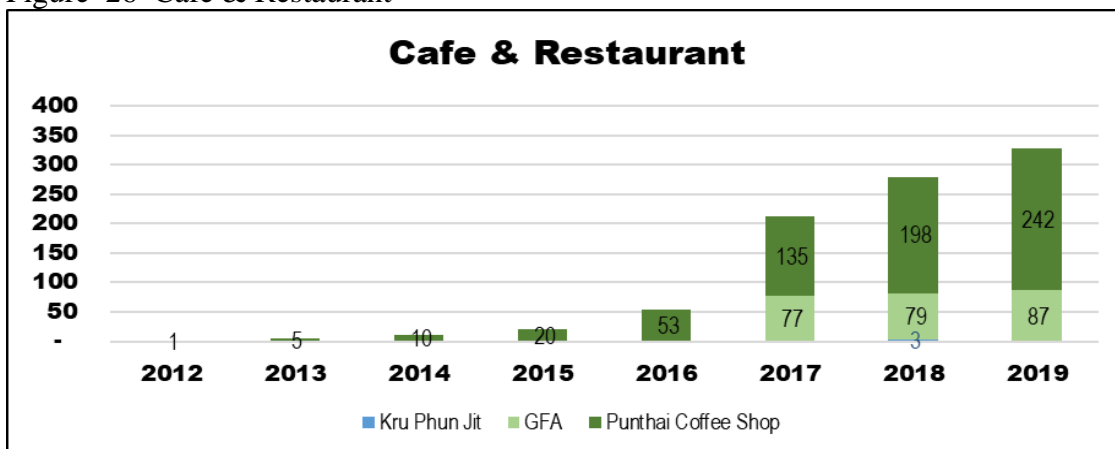
At the very beginning, PTG has opened convenient store under PT Mart without any determined strategy. According to rebranding strategy in 2013, the company has come up with refurbishing PT mart to be modernized under new name “Max Mart” in the major area where the company can draw vast traffic. Therefore, the number of Max mart steadily increased from both refurbishing PT mart and expand more branches along with PT petrol stations. The company has completely operated convenient store under Max mart scheme in 2018.

Figure 25 PT mart & Max mart



Source: Company data

Figure 26 Café & Restaurant

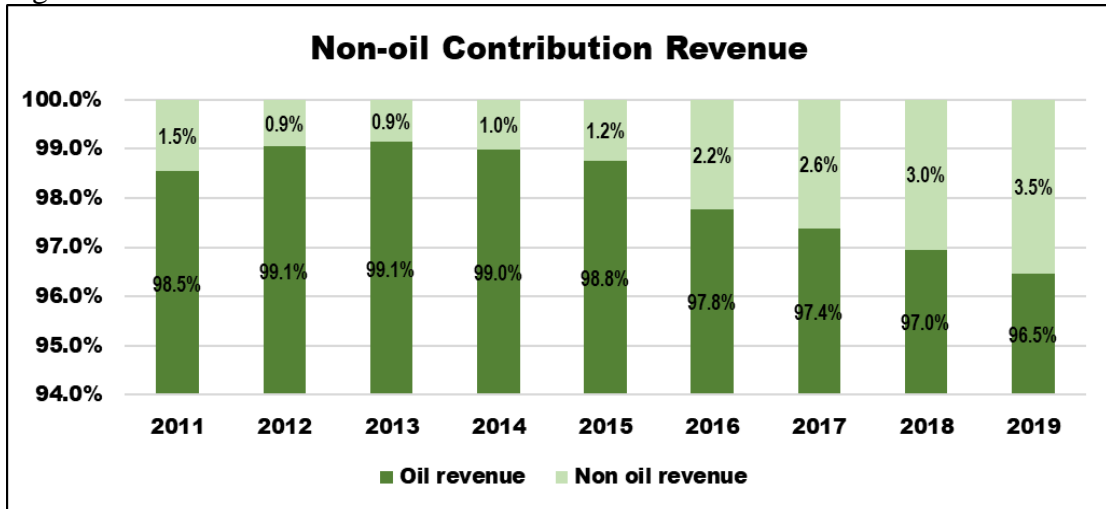


Source: Company data

Note: Kru Pun Jit was temporary closed in 2019 due to refurbishing

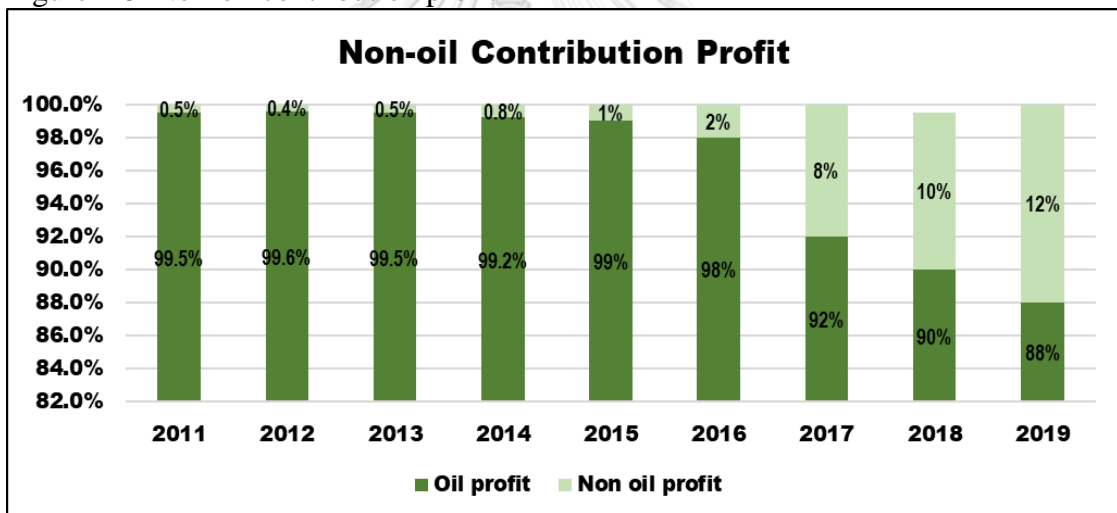
Apart from convenient store, the company also expanded more branches for Punthai coffee shop, mostly, along with PT petrol station. Moreover, they have improved and developed the quality of products and services in order to make customers feel more satisfied and become regular customer. The company has also merged and acquired restaurant chain likes coffee world, Cream & Fudge, and New York 5th AV. Deli, and Thai Chef Express under sub-company, named GFA and Kru Pun Jit. They have assessed that these business units will diversify risk from oil business which the company somehow relies on price control from the government, result in price volatility and small amount in gross margin. Moreover, the company has acquired car and truck service company, named Siam Autobacs and Sammitre Pro Truck in order to cover automobile business.

Figure 27 Non-oil contribution revenue



Source: Company data

Figure 28 Non-oil contribution profit



Source: Company data

As a result of non-oil business expansion, the revenue of non-oil business is positively related to the number of non-oil business branch expansion since the revenue of non-oil business grows every year, main contributions are convenient store and coffee shop. After implementing new strategy in 2013, the percentage of revenue contribution is kept increasing, meaning that the company has successfully managed on the particular strategy to diversify revenue from non-oil business. Moreover, the contribution of profit is higher than revenue since non-oil businesses have higher margin than oil business.

Besides getting through the trend of net profit, sales volume, market share to measure the firm performance, we are going to measure the trend of ROE, D/E. ROA, Asset turn over whether they are logically related to the first three measurements.

$$\text{Return on Equity (ROE)} = \frac{\text{Net Income (Annual)}}{\text{Shareholders' Equity}}$$

$$\text{Debt to equity ratio (D/E)} = \frac{\text{Total Liabilities}}{\text{Total Shareholders' Equity}}$$

$$\text{Return on Asset (ROA)} = \frac{\text{Net Income (Annual)}}{\text{Average total asset}}$$

$$\text{Asset Turnover} = \frac{\text{Net Sales}}{\text{Average total asset}}$$

High return on equity ratio is not always good in some circumstance since it not only means high net profit, but there may be a small proportion of number of shareholders' equity. Therefore, analyze on D/E is recommended to do along with ROE since the company may have high debt liabilities which high debt means high risk to shareholders.⁹

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⁹ ROE. Source: <https://www.moneybuffalo.in.th/vocabulary/what-is-roe>

Figure 29 ROE VS. D/E

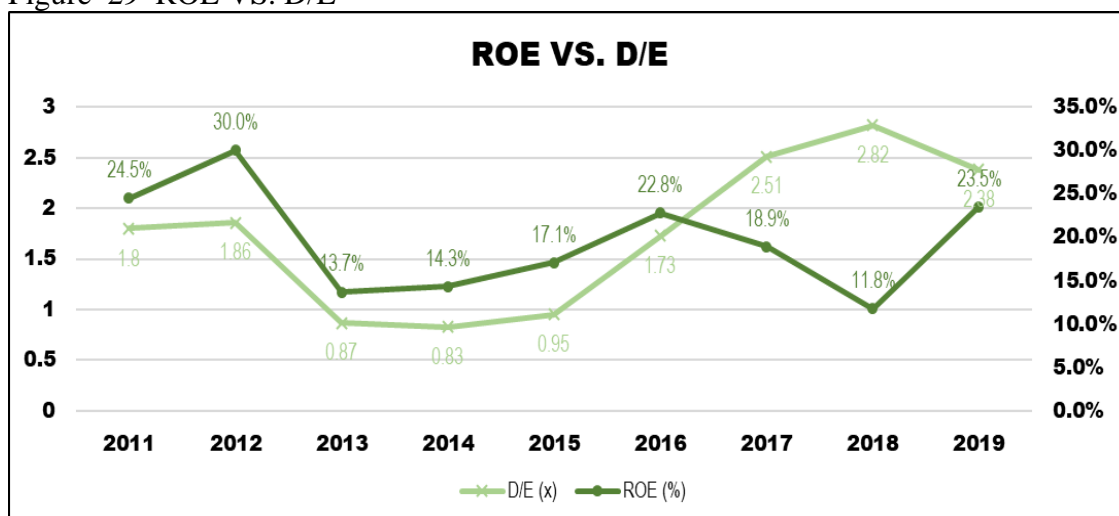


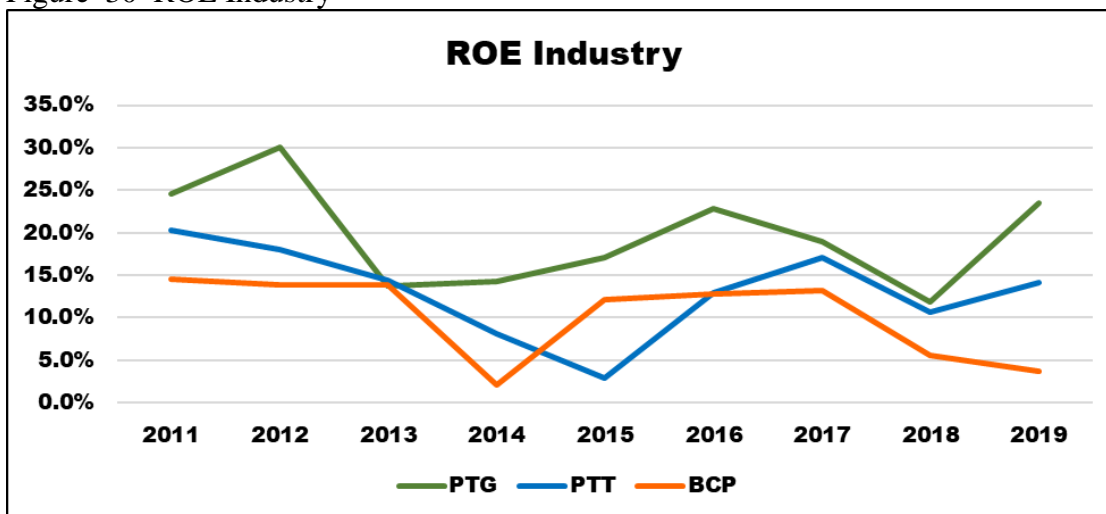
Table 5 Interest bearing debt to equity

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Interest bearing debt to Equity	-	-	0.35	0.3	0.36	0.87	1.58	1.62	1.46

Source: Company data

Debt to equity ratio got smaller after the company has listed in Stock Exchange Market in 2013 since more shareholders, also return on equity ratio was much less since the company kept on pursuing the strategies to improve standardized quality along with expanding COCO, non-oil business expansion as well as rebranding expense in terms of advertising. The trend of return on equity ratio is more relied on net profit since higher debt to equity ratio in 2017 and 2018, but still fell down according the net profit trend.

Figure 30 ROE Industry

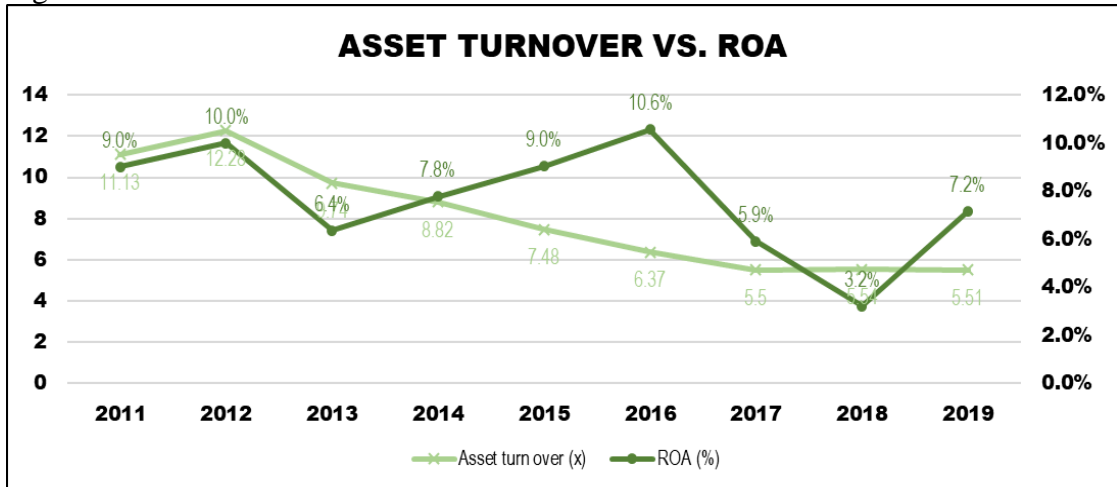


Source: PTG company data, PTT company data, BCP company data

Return on equity of the company can perform above the industry after listing in Stock Exchange Market in Thailand, mainly resulted from station expansion turned to more revenue, and beat the competitors in terms of economic gain, also gaining confidence from stockholders.

Net profit of BCP dramatically fell due to economic condition resulted in lower return on equity. For PTT, the comparing business was doing fine in 2014 and 2015, but net loss was caused by coal business and E&P business.

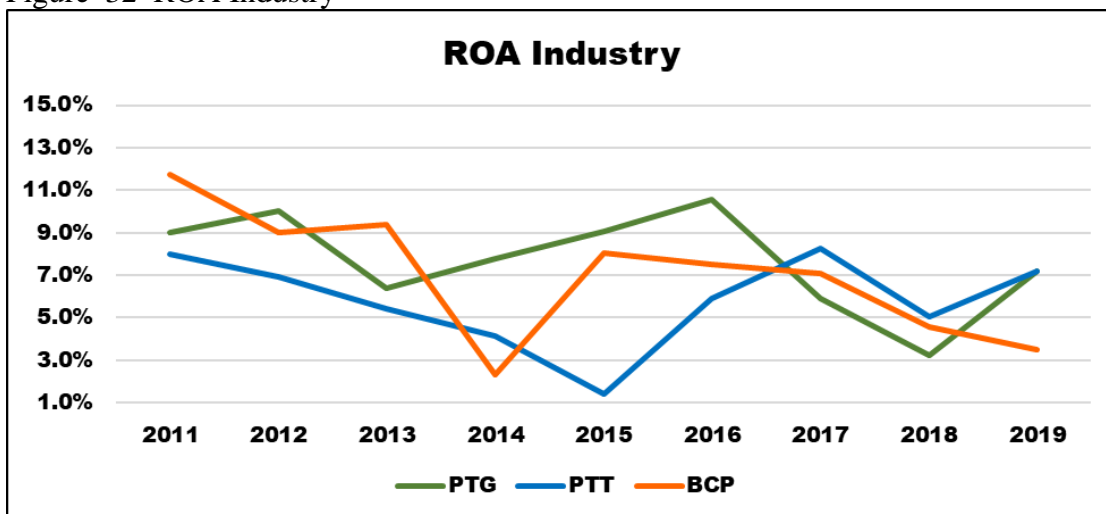
Figure 31 Asset Turnover VS. ROA



Source: Company data

Return on asset ratio increased and decreased along net profit since company could manage financial cost well before big investment again in 2016, result in bearing high interest for more asset in long term profitability. Interestingly, net profit was still high from both higher sales and gross margin in 2016, result in return on asset was still rose up. However, the company kept more investment in 2017 and 2018, there are more assets and also lower gross margin, resulted in return on asset steeply dropped down, even though, asset turnover ratio did not change a lot year on year.

Figure 32 ROA Industry



Source: PTG company data, PTT company data, BCP company data

After 2013, the company return on asset is above the industry, it can be implied that the company could manage its asset more efficient than the other companies in the same industry. Net profit BCP dramatically fell in 2014, mainly resulted from economic slowdown both in Thailand and the world, but PT seems to against the economic condition after implemented new strategies for a year. However, PTT remained the same for the particular business, but net loss on coal business and also E&P.

Interestingly, in 2017 and 2018, return on asset dramatically dropped down resulted from high investment on future business which is not in the scope of study for new strategies in 2013.

Correlation coefficient

In order to support above descriptive analysis statistically, simple econometric; correlation coefficient has been run to examine the correlation whether the relationship exist between measurements, but it does not indicate to the causation. The correlation coefficient is an abstract measurement since it cannot show the precise interpretation in which r in absolute value. The evaluate can be measured as followings;¹⁰

- ≤ 0.35 : Weak correlation,
- 0.36 - 0.67 : Moderate correlation
- 0.68 - 0.89 : Strong correlation
- $\geq 0.90 - 1$: Strong correlation

The below table is the abbreviation of the parameters in which will be shown in the correlation coefficient table;

Table 6 Abbreviation of the parameters

Title	Abbreviation	Title	Abbreviation
Net profit	np	Financial cost	fc
Sales revenue	sr	Financial cost growth	fcg
Sales volume	sv	CPI energy	cpie
Sales growth	sg	Marketing margin	mm
Oil revenue	or	Oil consumption	oc
Non-oil revenue	nor	Consumption of food	cof
Non-oil growth	nog	Consumption of no alcohol	coa
Total revenue	tr	Tourism local transport	tlt
Non-oil revenue contribution	norc	Tourism local transport growth	tltg
Non-oil profit contribution	nopc	# of tourists	not
Market share station trade	msst	# of tourists growth	notg
# of max card	mc	Consumption per tourist	cpt
# of pt station	pts	Non oil branch	nob
Station growth	sg	Total oil consumption	toc

¹⁰ Interpretation of the correlation coefficient 1990 (online). Source: <https://journals.sagepub.com/doi/pdf/10.1177/875647939000600106>

Table 7 The correlation coefficient result

	np	sr	sv	pts	mc	msst	nor	fc	GDP	oc	not	tit	cof	coa	nog
np	1.0000	0.4590	0.6755	0.7055	0.6540	0.7655	0.4977	0.4285	0.6395	0.7711	0.6705	0.7510	0.6325	0.5894	0.9072
sr	0.4590	1.0000	0.9606	0.9428	0.9661	0.8348	0.9885	0.9716	0.9709	0.8992	0.9193	0.8893	0.9404	0.8294	0.4417
sv	0.6755	0.9606	1.0000	0.9938	0.9986	0.9446	0.9655	0.9293	0.9978	0.9845	0.9777	0.9728	0.9740	0.8683	0.6160
pts	0.7055	0.9428	0.9938	1.0000	0.9949	0.9498	0.9362	0.8879	0.9926	0.9890	0.9765	0.9802	0.9505	0.9031	0.6300
mc	0.6540	0.9661	0.9986	0.9949	1.0000	0.9400	0.9639	0.9254	0.9988	0.9807	0.9774	0.9701	0.9651	0.8885	0.5990
msst	0.7655	0.8348	0.9446	0.9498	0.9400	1.0000	0.8543	0.7987	0.9316	0.9785	0.9592	0.9655	0.9292	0.8288	0.6245
nor	0.4977	0.9885	0.9655	0.9362	0.9639	0.8543	1.0000	0.9921	0.9687	0.9086	0.9235	0.8936	0.9705	0.7722	0.4760
fc	0.4285	0.9716	0.9293	0.8879	0.9254	0.7987	0.9921	1.0000	0.9338	0.8594	0.8849	0.8461	0.9491	0.7032	0.4296
GDP	0.6395	0.9709	0.9978	0.9926	0.9988	0.9316	0.9687	0.9338	1.0000	0.9772	0.9803	0.9712	0.9642	0.8835	0.5848
oc	0.7711	0.8992	0.9845	0.9890	0.9807	0.9785	0.9086	0.8594	0.9772	1.0000	0.9830	0.9924	0.9491	0.8762	0.6800
not	0.6705	0.9193	0.9777	0.9765	0.9774	0.9592	0.9235	0.8849	0.9803	0.9830	1.0000	0.9921	0.9377	0.8856	0.5853
tit	0.7510	0.8893	0.9728	0.9802	0.9701	0.9655	0.8936	0.8461	0.9712	0.9924	0.9921	1.0000	0.9245	0.8887	0.6557
cof	0.6325	0.9404	0.9740	0.9505	0.9651	0.9292	0.9705	0.9491	0.9642	0.9491	0.9377	0.9245	1.0000	0.7413	0.5415
coa	0.5894	0.8294	0.8683	0.9031	0.8885	0.8288	0.7722	0.7032	0.8835	0.8762	0.8856	0.8887	0.7413	1.0000	0.5795
nog	0.9072	0.4417	0.6160	0.6300	0.5990	0.6245	0.4760	0.4296	0.5848	0.6800	0.5853	0.6557	0.5415	0.5795	1.0000

Table 8 The highlight of main measurements

	Net profit	Sales volume	Market share
Station	0.7055	0.9938	0.9498
Max card	0.6540	0.9985	0.9400
Marketing margin	0.6264	0.6189	0.5979

The relationship between *number of PT petrol station* and *the scope of study of business performance*.

- Number of PT petrol station and net profit: **0.7055**, strong positive correlation. There is a strong tendency that more PT station will lead to higher profit.
- Number of PT stations and sales volume: **0.9938**, high positive correlation. There is a high tendency that more PT station will lead to higher sales volume.
- Number of PT stations and market share: **0.9498**, high positive correlation. There is a high tendency that more PT station will lead to higher market share.

The relationship between *number of max card membership* and *the scope of study of business performance*.

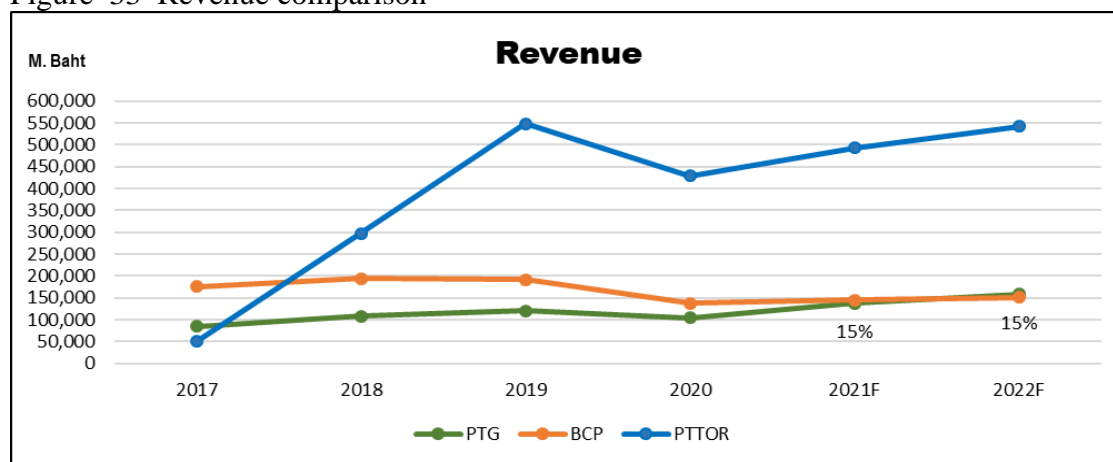
- Number of Max card membership and net profit: **0.6540**, positive correlation. There is a tendency that higher number of max card will lead to higher net profit, but it will be caused by higher sales revenue, higher marketing margin and lower financial cost.
- Number of Max card membership and sales volume: **0.9986**, high positive correlation. There is a high tendency that higher number of max card will lead to higher sales volume.
- Number of Max card membership and market share: **0.9400**, high positive correlation. There is a high tendency that higher number of max card will lead to higher market share.

The relationship between *marketing margin* and *the scope of study of business performance*.

- Marketing margin and net profit: **0.6264**, moderate positive correlation. There is a moderate tendency that higher marketing margin will lead to higher net profit. It is more causing by higher sales revenue, lower expenses and lower financial cost.
- Marketing margin and sales volume: **0.6189**, moderate positive correlation. There is a moderate tendency that higher marketing margin will lead to higher sales volume.
- Marketing margin and sales volume: **0.5979**, moderate positive correlation. There is a moderate tendency that higher marketing margin will lead to higher market share.

Business forecast

Figure 33 Revenue comparison



Revenue (M. Baht)	2017	2018	2019	2020	2021F	2022F
PTG	84,904	108,142	120,291	105,078	138,335	159,085
BCP	175,449	194,171	192,162	137,731	144,618	151,848
PTTOR	50,759	298,237	548,410	428,804	493,125	542,437

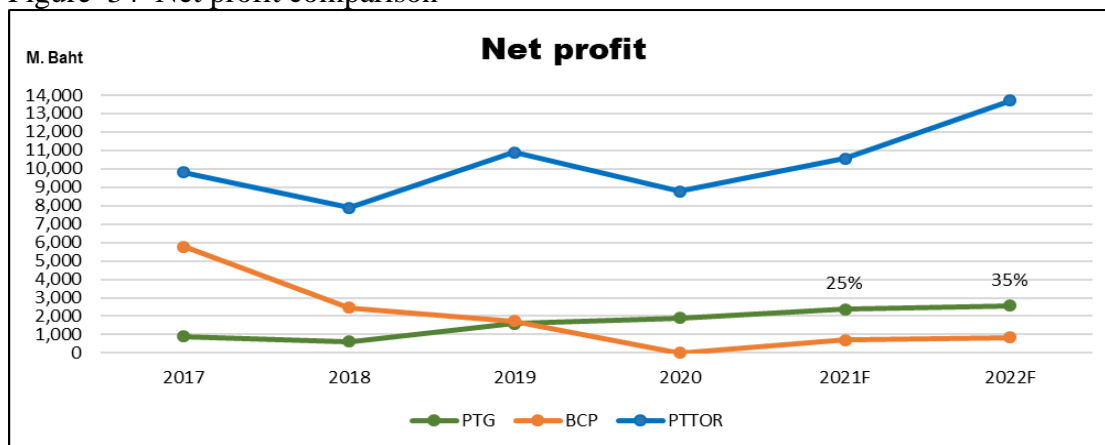
Source: PTG company data, PTT company data, BCP company data

All players have underperformed on revenue due to Covid-19 pandemic, resulted in low daily fuel using for transportation since work from home policy to avoid the spread.

Nevertheless, PTG has been expected that sales volume will be increasing along with the relieving containment in 2021. In 2022, it has been anticipated that the economy will start to recover from tourism industry result in higher on both oil consumption and household consumption.

For PTTOR, it has been expected to increase in sales volume due to business expansion after having fund raising in stock market. BCP also has plan on business expansion, but not as aggressive as both PTTOR and PTG, so it has been anticipated to recover along with the economic condition.

Figure 34 Net profit comparison



Net profit (M.Baht)	2017	2018	2019	2020	2021F	2022F
PTG	913	624	1,590	1,894	2,368	2,557
BCP	5,778	2,462	1,731	-6,967	696	835
PTTOR	9,800	7,900	10,900	8,791	10,549	13,713

Source: PTG company data, PTT company data, BCP company data

Surprisingly, PTG net profit has grown 22% in 2020 resulted from cost controlling efficiency, containment relieving in Q4/2021 and stable marketing margin. Therefore, it has been expected to continuously grow in 2021 and 2022 from business expansion and economic recovery. PTG has done quite well since net profit keeps going if compare to two major competitors.

Nevertheless, Year 2020 has been expected to be the worst year of the industry due to the pandemic, so both PTTOR and BCP are expected to increase in net profit in 2021 and 2022. PTTOR has just raised fund from the stock market, so it deems to have well performing in order to build stockholders confidence from its active future business expansion. For BCP, it plans to expand its station and also relevant oil business and non-oil business as well, but it deems that it will just slightly recover if compare to both PTG and PTTOR.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

After PTG has implemented the strategies in 2013, oil sales volume and market share are positively related to strategies. In the other hand, net profit is not stable in which dropped down in 2017 and 2018, mainly from the fluctuation in oil price and also high investment on both existing business and new business in long term resulted in higher financial cost. Hence, net profit strongly relies on marketing margin which is out of PTG control.

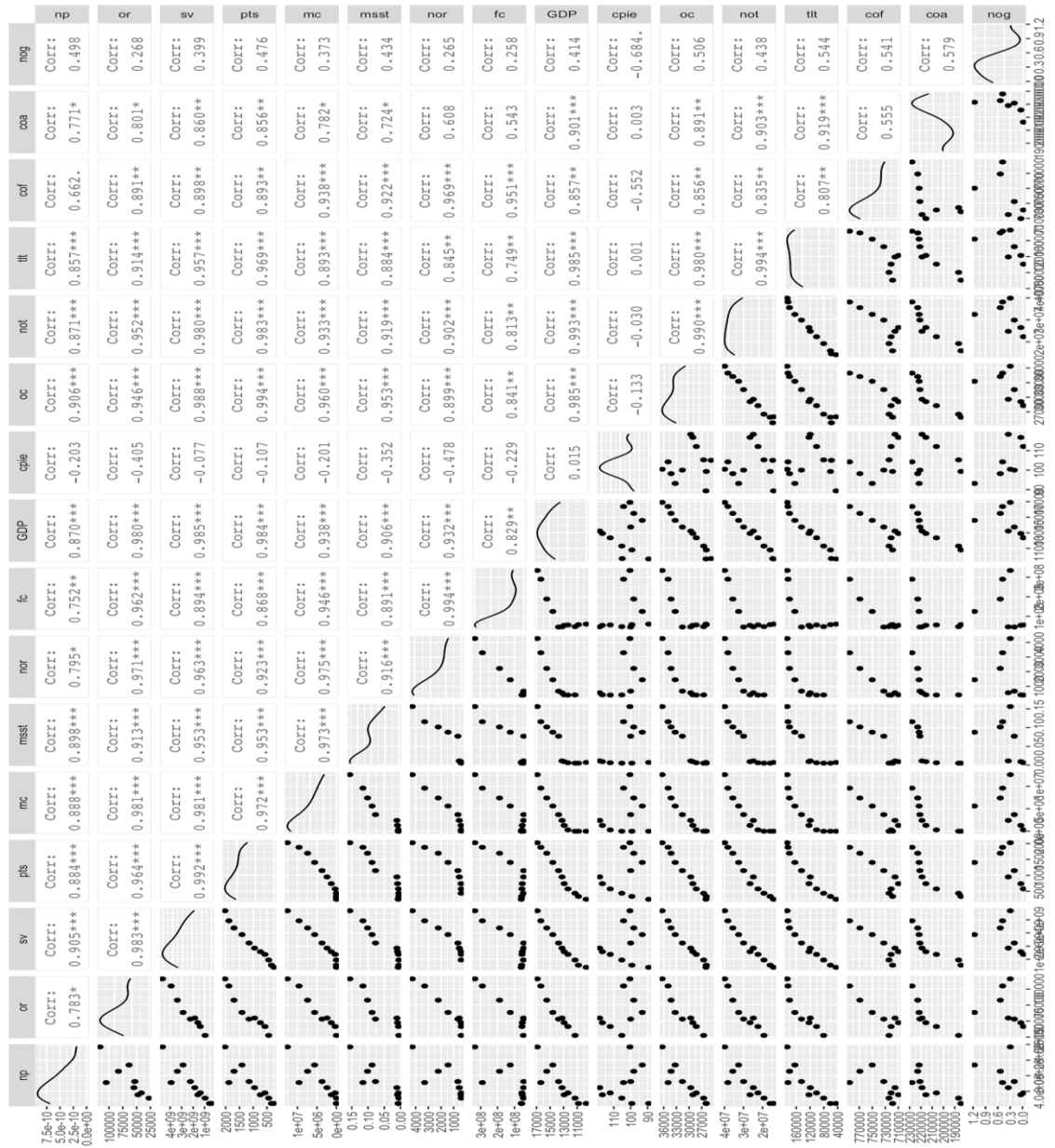
Although the non-oil revenue and profit are gradually increased every year along with the branch expansion, but the contribution is still small on both revenue and profit. The company will need to be more emphasized on diversify risk in long term by searching for new opportunity or business unit in order to reach target at 60% of revenue contribution before the alternative energy is fully taken place.

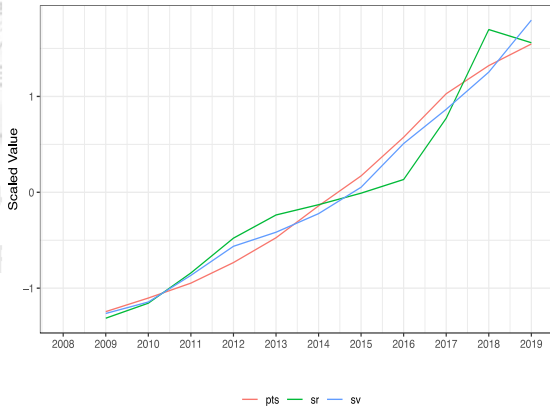
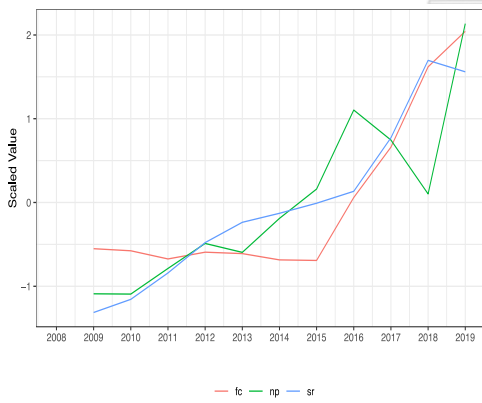
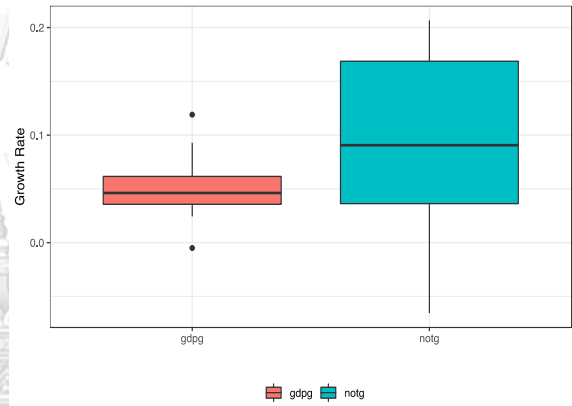
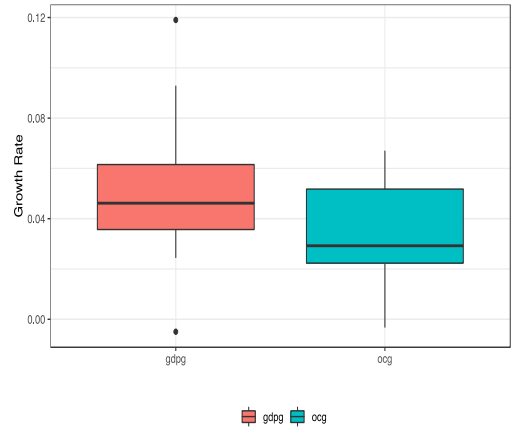
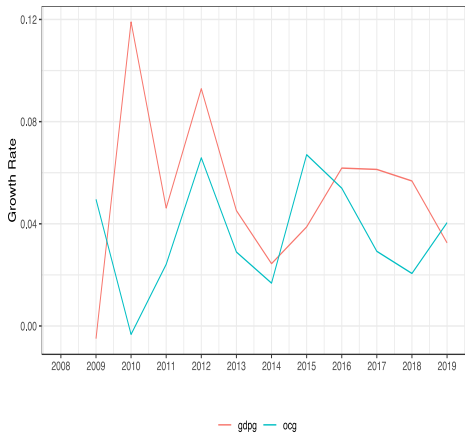
However, membership database can help the firm to analyze consumer behavior in order to come up with new opportunity, and it shows positive relationship to overall firm performance.

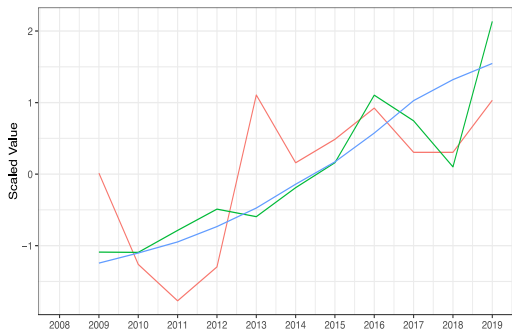
For the implication for future study, further research on future energy will be able to support further expansion for alternative energies in the future.

APPENDIX A

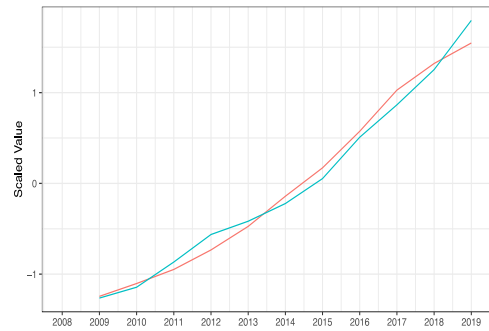
VISUALIZATION OF THE DETAILS



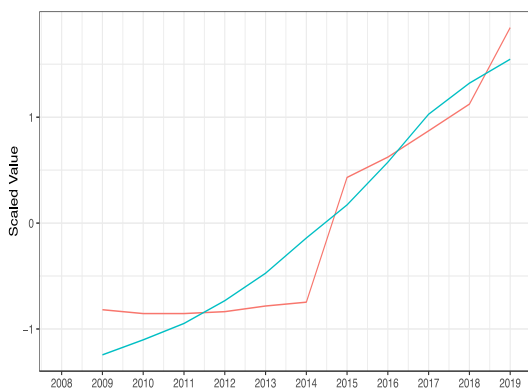




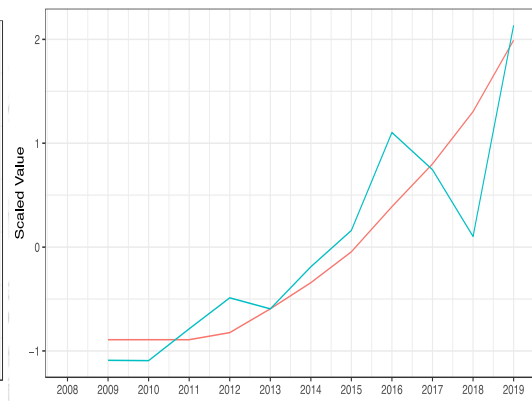
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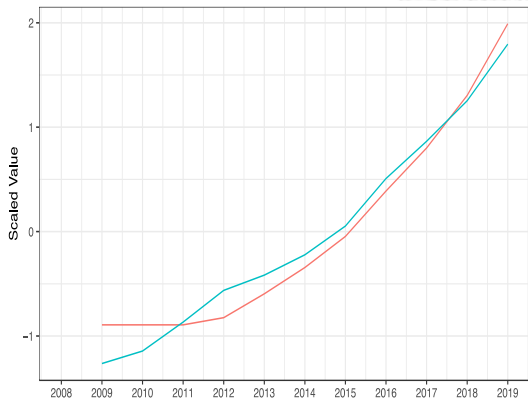
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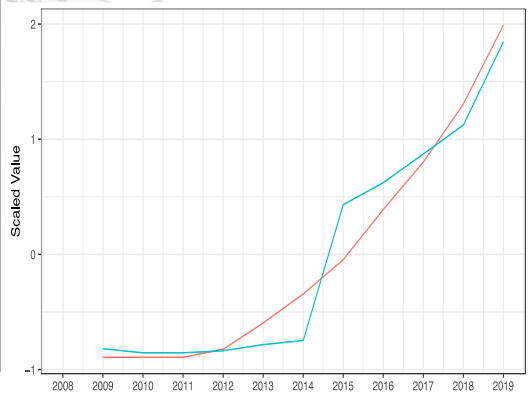
msst pts



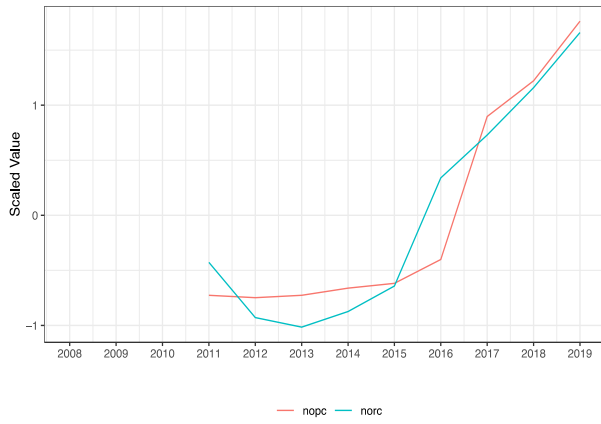
mc np



mc sv



mc msst



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