CRITICAL SUCCESS FACTORS THAT AFFECT EXPORT PERFORMANCE: A
STUDY OF THAI EXPORT CANNED FRUIT MANUFACTURERS IN THAILAND

By

VIRAPOL SIRIWATTANATUM

A Thesis submitted in partial fulfillment
of the requirement for the degree of

Master of Business Administration

Graduate School of Business
Assumption University
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Examination Committee :

1.	Asst.Prof.Dr. Teay Shawyun	(Advisor)	....
2.	Dr. Vimolwan Yukongdi	(Member)	....
3.	Dr. Chittipa Ngamkroeckjoti	(Member)	....
4.	Dr. Adarsh Batra	(Member)	....
5.	Assoc.Prof. Poonsak Sangsunt	(MOE Representative)	....

Examined on :   25 October 2006
Approved for Graduation on :

Graduate School of Business
Assumption University
Bangkok, Thailand
October
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ABSTRACT

The general requirement of the finding of the critical success factors on export performance of Thai canned fruit manufacturers allows Thai canned fruit manufacturers who export internationally to obtain the higher sales performance by increasing in export sales, export growth and export profits, and on other hand, to reduce risks by preventing the effects and threats from both internal and external environment and allowing improvement in overall firms' management and production. Nevertheless, in spite of these advantages, problems can be also found in its implementation such as the inefficient use of resources. Thus, for the successful strategic implementation, firms must develop a number of implementations in a right way. Therefore, the research aimed to identify the critical success factors (CSFs) that affect export performance of Thai canned fruit manufacturers.

The research used questionnaires as the data collection method. A questionnaire survey was distributed and 770 respondents of management people in canned fruit manufacturers filled them out. After collecting the data, seven hypotheses were tested by Pearson correlation coefficient for analyzing the relationship between critical success factors (Independent variables) and export performance of Thai canned fruit manufacturers (Dependent variable).

The results of this research indicated that there were four critical factors that have an effect on export performance of Thai canned fruit manufacturers, which are product quality, trade barrier, differentiation strategy and R&D/ technology. Other

2

two critical factors, management attitude and channel adaptation seemed to have no effect on export performance of Thai canned fruit manufacturers in this research.

Based on the findings, the results from the research can be used by any Thai canned fruit manufacturers who are interested in international trade. However, it is necessary to pay attention to these CSFs with understanding, and critically implement. Furthermore, all those who are interested can use these findings for planning and develop their actions in order to achieve their goal.

ACKNOWLEDGEMENTS

Table of contents

Chapter 6 : Summary, conclusion, and Recommendations

Bibliography

Appendix : Questionnaire (English and Thai version)

List of Tables and Figures

List of tables

Page

vii

List of figures

9

Chapter I

Generalities of the Study

1.1 Background relating to the problems

1.1.1 General situation of Thai and International export business

The international trade is a crucial issue at this present time. As the governments in many countries are persuading and enhancing export and import activities between them, there are several types of Business Corporation, NAFTA, AFTA and ASEAN are examples of those business agreements. The fact of Thailand in year 2004- 2005, the export value has grown around 22 % annually, Japan is around 15 %, China is up to 35 % and others Asian also increasing at the rate of 15- 20 % (www.depthai.go.th). In addition, Thailand has several types of export products, which had been changing from agriculture raw material to industrial and electronic appliances. Especially after the economic crisis during 1997, the depreciation in Thai baht currency (40-50% weakening) has been attracting the foreign investors in terms of FDI and stock market investor. Moreover, the weakening in Thai currency effects the competitive advantages among Thai exporters, because of lower selling price compared with countries in the same region. From the data of Thai Chamber department and Department of Thai export promotion (www.depthai.go.th), the export of Thailand at the last 5 recent years has been growing in the average rate of 10 %. Thailand has gained trade surplus in 8 years continuously. Government supports for Small Business Enterprise in export activities are such as 0% tax impose on every type of export products (www.thaitrade.com/ tax exemption for exporters), one- stop service offices for exporters, where people are able to ask for information for export procedures, and also government loaned funds at the lower rate of interest.

The main exported products of Thailand lead by electronic appliances (computer parts), car accessories, jewelry, rubbers, etc, which canned fruit is one of those main exported goods. There are many countries, where specialize in canned fruit manufacturing, technology of preservation and the freshness of raw materials, especially China and Philippines in Asia (Thaifex 2006). Thailand is one of the Southeast Asia countries, where located in tropical, wet and high humidity geographic. There are plenty of raw materials for agriculture such as rice, rubber, fish product, and tropical fruits.

Table 1.1 Overall Export situation of Thailand, classified by types of product

Value (Million dollars)

Product list	2001	2002	2003	2004	2005	2005 (Jan)	2006 (Jan)
1. Computer and parts	7,947.5	7,430.3	8,189.6	9,185.7	11,861.2	779.4	1,066.1
2. Car and accessory	2,655.0	2,919.7	3,965.5	5,495.6	7,750.8	437.5	608.6
3. Electronic parts	3,512.2	3,308.0	4,624.6	4,902.8	5,524.6	324.5	485.6
4. Rubber	1,326.0	1,740.2	2,787.7	3,428.9	3,714.8	298.9	372.7
5. Plastic mill	1,615.0	1,775.2	2,148.4	3,105.2	4,204.0	366.0	336.4
6. Jewelry	1,837.2	2,169.3	2,514.5	2,645.6	3,233.1	220.4	279.4
7. apparel	2,914.4	2,721.5	2,760.2	3,092.6	3,162.9	240.9	241.1
8. Gasoline	1,145.1	1,044.7	1,020.4	1,763.5	2,352.5	143.1	234.3
9. Chemical	1,015.1	1,193.0	1,581.4	2,059.2	2,653.0	216.4	222.5
10. Radio transistor	1,692.8	2,094.6	2,501.8	3,225.1	3,177.9	234.0	217.7
11. Tire	1,095.1	1,260.3	1,556.4	1,944.6	2,358.3	154.5	202.6
12. Canned fruit	2,014.5	2,016.6	2,135.8	2,256.5	2,509.0	172.0	193.7
13. Rice	1,582.7	1,631.7	1,833.8	2,693.6	2,343.0	226.9	184.0

Source : www.thaitrade.com, export structure of Thailand.xls

Table 1.1 shows the importance of Thai export product in value in the last 6 consecutive years. Canned fruit is listed as number 12 of most product export values of Thailand. With the slightly increasing in growth rate during 2001- 2004, result

12

from unstable in world economy (regression) and natural disaster in Asia. But the data shows that between year 2004- 2005, the export value of canned fruit had dramatically increased 11.2 % compared with last year, this resulted from the successful in Free Trade Area (FTA) with Japan and some Asian countries, that leads to lower tax and tariff in import countries. The growth rate of canned fruit is following the export growth rate of Thailand (14% in 2005), therefore, this industry is considered as good business condition and having potential in future. In addition, the factors that lead to higher growth in value might be resulted from the more trade agreements in future and the government support of the trade exhibition in foreign countries.

1.1.2   The overview of Canned fruit situation

Especially in the tropical fruits, foreign consumers know and familiar with Thai fresh fruits and perceive as high quality and good taste. Pineapple, mango and corn are examples of those, which foreigners taste every time they visit Thailand. Nevertheless, although Thailand has many types of tropical fruits, but it can not utilize this advantage through international market channels. Refer to the data of export department of Thailand (Thaifex 2006), the canned fruit that mostly export are only pineapple. Compared with China and Philippines, those countries are having several types of main export canned fruit and vegetable such as peach, coconut milk, longan, red beans, and asparagus for examples. Therefore, it is better to take a look at the reasons and factors that affect export performance, which this research will focus on the case study of Thai canned fruit exporters.

During year 2000- 2005, Export Department of Thailand had collected the export data, which shows the ratio of exported canned fruit and canned vegetable to 80: 20. The reasons are because Thailand is able to harvest fruits all over the year, which includes tropical fruits and warm season fruits. Especially for Pineapple,

13

foreign countries accept the quality of Thai pineapple and it can be harvested 3 times a year and the taste is similar to fresh one. Compared with vegetable product in Thailand, that mostly can be farmed and harvested during winter which is only 3 months period (Thai organic, export fresh vegetable book). The main competitor is China, where the climate is more appropriate to grow various types of vegetable in suitable size and price is more competitive.

Figure 1.1: Main Types of export canned fruit
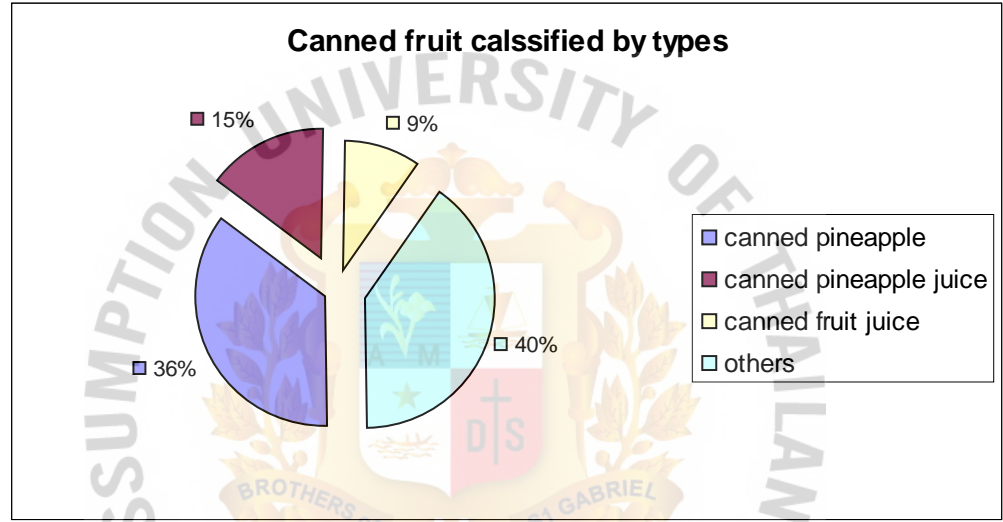
Source: www.thaitrade.com/, fact sheet of canned fruit January 2006

From the source of Export department of Thailand explained by figure 1.1, it shows that canned pineapple is the most volume in export amount, leading by 36 % of overall canned fruit export volume, following by canned pine apple juice in the value of 15 %. This informs that pineapple product line covers more than 50 % of Thai canned fruit export amount. Other canned fruit product includes Lynchee, rambutan, longan, mangoes teen and jack fruit, which are 40 % of the total export volume in this industry and the product of canned mixed fruit juice is 9 % of export canned fruit of Thailand.

Figure 1.2: Numbers of Manufacturer
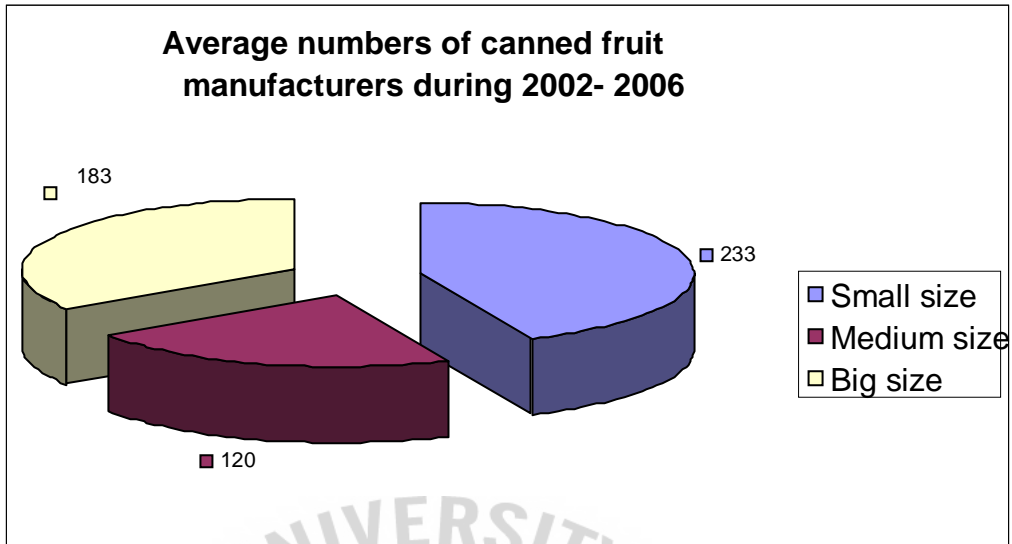
Source: www.thaitrade.com/, fact sheet of canned fruit January 2006

From the data until year 2005 (figure 1.2), there are 536 factories, where produce canned fruit & canned vegetable. The sizes of factory are classified below:

Small size   (less than 50 people)   233 companies

Medium size   (51- 200 people)   120 companies

Big size   (more than 200 people)   183 companies

By considering the years of operation (counted from year of establishment), the numbers of company that are operating more than 5 years are listed below:

Small size   (less than 50 people)   52 companies

Medium size   (51- 200 people)   97 companies

Big size   (more than 200 people)   160 companies

Total employees   : 85,000

Total office staff   : 45,000

The number of people includes management people, office staff and workers. It shows that most of factories are SME (Small business enterprise), big size and medium size respectively. The data from Export Department of Thailand (DEP Thai 2005) shows that the total 303 companies (which are medium and big manufacturers)

is able to generate 80 % export sales compared with only 20 % generated by small companies.

Figure 1.3: Export value of canned fruit

Canned fruit export value during 2001- 2006

Figure 1.3 shows the up- trend sales value during 2001- 2005, added the estimated sales in year 2006 by Thaifex (Thailand Food exhibition) 2006 forecasting. Thaifex 2006 forecasts the sales in year 2006 based on the internal and external environments such as the competitiveness of product attributes, consumers preference, currency fluctuation and government stability for examples.

Figure 1.4: Main export markets of canned fruit in the last 5 consecutive years
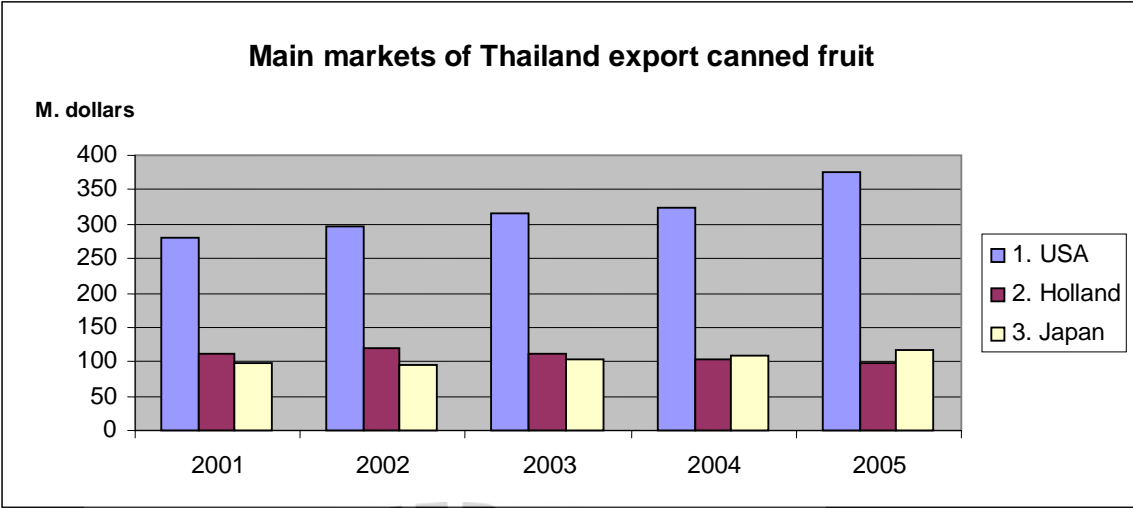
Source: www.thaitrade.com/, General international export of Thailand 2006

Figure 1.4 informs that the main markets of canned fruit from the last 5 consecutive years remain the same for. The United States is the highest value purchaser, which covers more than 50 % of the total export value of Thailand. Followed by Holland and Japan, where the import values are almost equal. During 2005- 2007, it is going to be more export value to Japan resulted from the reduction in import tax after FTA (0% within 5 years) Other export markets consists of Germany, Russia, UK, Canada, and Australia respectively. Refer the information from Thai Commercial department during year 2003-2005, it informs that Russia is strongly growing in the import of electronic and canned products. The growth rate is average in 200 % during 3 consecutive years. Therefore, this new market might be the main and high purchasing power in near future.

1.1.3   Companies' point of view to the degree of export performance

In the competitive world, companies are trying to increase their performance in terms of internal operation, working performance, customer satisfaction including, external factor such as opportunities to expand their markets. In other words, exporters in international market seek for improvement in many ways to compete in

intensive market environment. The companies cannot avoid the improvement of their organization; they need to understand the factors that affect the performance. There are many companies that are trying to cope with how to improve company's sales, what should companies consider as their importance, or what should be the appropriate strategies applied to increase export performance. Therefore this research is aiming to find out the factors and their importance that having an effect(s) on export performance. This research is mainly focusing on Thai canned fruit manufacturers, who export their product internationally. Researchers expect high level of precision this research due to high accuracy of data gathering.

Export promotional activities and exhibitions are one of the main factors in developing Thai export sector. The DEP has placed great importance on this and participated in as many as 113 overseas trade fairs in both major and new markets. In 2005, there were 26 Thailand Exhibitions in 18 countries and 13 domestic trade fairs. Today, domestic trade fairs and exhibitions have been highly regarded worldwide in terms of variety and quality. Therefore, to promote and build the image of Thai products and services, the DEP will invite more overseas trade representatives and importers to visit these events.

1.1.4   Export problems of canned fruit

Refer to the information above, Thai exporters of canned fruit are facing many problems, which some are controllable and some are uncontrollable. Moreover, problems are related to both internal and external factors, which may reduce the degree of competitiveness to the competitors. On other hand, some problems are directly concerning with the export performance. These problems are:

External factors

(1) The fluctuation in climate which will be a problem for production planning and raw material management. Especially in recent years, the harvesting season was

18

postponed and facing a problem of flood and dry in some seasons. The data below informs the situation of the recent years: climate problem

Year	Climate Problem	-/+ from previous year (value)
2003	-	-
2004	Lack of rain during Aug- Sep.	- 7%
2005	Tsunami in south and lack of rain during July- Aug	- 17%

Source: Thai commercial literature, agriculture issue (2006), p112

(2) Increasing in cost of raw materials in this industry

Steel	: 20% price up during year 2004- 2005
Sugar for mixing syrup	: bht18 from bht 12 in year 2006
Paper box	: 10% increasing in price (2004-2006)
Transportation costs	: 15 % increases during 2004- 2006

Source: Thai trade facts sheet (issue3 March, 2006 p 34-38)

(3) Fluctuation in exchange rate. The currency exchange also effects the export competitiveness among competitors. Unfortunately, in year 2005- 2006 (till April) the Baht have appreciated more than 10 % that means profits reduce from sales revenue in a same percentage (Bank of Thailand literature, April, 2006) . The instability of currency exchange causes several problems, since most of Thai factories quoted quotation in USD currency. Nevertheless, some Thai factories are hedging the Baht currency in order to minimize their risks (SET release issue 3, April 2006 ; section: weakening in Thai currency)

(4) Apart from Pineapple, other types of fruits are not well- known among foreigners, therefore, Thai tropical canned fruits need some budgets to advertise and promote.(www.depthai.go.th)

(5) Trade barriers imposed by import countries. Especially in EU, Japan and USA, the food standards are very strict and serious. Some preservatives and food additives can not be added. (JETRO 2006 "prohibit ingredients and food additive"), (FDA in EU and HACCP USA, 2005), this causes in higher cost of production and quality control, and result in the lack of canned fruit competitiveness (Thailand Financial complementary May 2006: address by Dr. Somsak K.)

(6) China, Philippines, and some countries in South America are gaining more market share especially in pineapple and other tropical fruits (in can) :

Country	Pineapple (2003)	Pineapple (2004)	Pineapple (2005)
China	30%	40%	43%
Philippines	15%	17%	19%
Thailand	30%	25%	22%
South America	18%	14%	17%
Others	7%	4%	9%

Source: Department of export authority (canned fruit Factsheet 2006, p12-15)

Country	Coconutmilk (2003)	Coconutmilk (2004)	Coconutmilk (2005)
China	10%	10%	15%
Philippines	50%	55%	60%
Thailand	5%	4%	4%
South America	25%	17%	15%
Others	10%	14%	6%

Source: Department of export authority (canned fruit Factsheet 2006, p12-15)

Country	Lynchee (2003)	Lynchee (2004)	Lynchee (2005)
China	55%	60%	70%
Philippines	2%	2%	2%
Thailand	15%	15%	10%
South America	5%	5%	5%
Others	23%	18%	13%

Source: Department of export authority (canned fruit Factsheet 2006, p12-15)

Internal factor

(7) Management attitudes toward export market.

Family business management style is mostly still running business in Thailand. Since most of canned fruit manufacturers are family business (70:30) (Family firms: pros or cons in globalization? issue p 43- 44), which lack of senses of international business and strategies, it is very difficult to remain or increase the market shares among the intense competition. This causes firms to loss the ambitious and innovation of improvement in new product development.

(8) Quality control of Thai canned fruit does not reach international standard. Refer to the data from Thai export department (defect and claims section, 2005), there were many claims and rejected shipments from ports of destination in Japan, and Europe. The problems are such as

- De- Tin (not reach the sterilization standard)	20%
- Shelf life shortage (less than 2 years)	40%
- Dented tin	25%
- Defect in production (hair or material inside)	10%
- Others	5%

Source: Thai export department (defect and claims section, 2005)

This causes damages in the reputation and reliability from customers, However, Thai government has engaged in this issue by establishing the Food Quality standard and will launch food safety certificates which apart from ISO, HACCP or GMP to the factories where the production process can reach the standards.

1.1.5 Export problems effect on export performance of Thai canned fruit manufacturer

1) Reduce in export profits

Although the export sales has continued increasing during the past 5 years but compared with profits, it seems to have a reverse relationship.

The average profits of the Thai canned fruit exporters (manufacturer) has not increased during the past 5 consecutives years the data show below (measure by stock price and dividend pay).

Big 5 canned fruit manufacturers for export: **Malee, UFC, NFC, Siam group and Erawan.** Below is the average rate of profit/ loss of these 5 firms.

Year	profit/ loss	dividend yield	Price/share (common stock)
2002	12 % of sales	2.3%	-
2003	7% of sales	1%	(-1%)
2004	(-10%)	0 %	(-5%)
2005	(-15%)	0%	(-8.75%)

Source : Stock exchange of Thailand literature, May 2006

: Financial and banking issue 144, April 2006 (P.123-140)

2) Increase in export growth but in a reduce rate

The growth rate of canned fruit export sales of Thailand (10%) is increasing but not sufficient to the growth rate of world canned fruit export (20% average growths during 2002- 2005) (www.depthai.go.th) and refer to the topic 1.1.4 (6),

which explained the growth rate of each country in each year, this concluded that Thailand has loss the competitiveness in term of market expansion in last recent years.

1.2 Statement of the problem

Recently, agreeing on many international trade agreements are allow opening of international market opportunities to trade party i.e. exporter, importer and trading companies. All trade parties are looking forward to enhance their competencies to expand their business to international market. This resulting is increasing in international competition and more competition intensity among international trade parties.

No exception for Thailand, resulting of international trade competition intensity affecting Thai trade parties, especially exporters. Most of Thai exporters do realize that they need to do something to improve to survive and compete in the market but many of them don't have a clear idea of where to start (SME to the world April 2006, Export department of Thailand) . They would need a tool to identify factors that have impact on their export performance and their importance. So the question here is what the factors that have impacts on export performance are. The answer of the question should be able to guide Thai exporters on where are areas that they should pay attention to survive and compete in the international market and also **"What are the critical factors that are related to and have an effect on export performance of Thai canned fruit manufacturer?"**

1.3 Research objectives

The objective of this study is to examine decision-makers' experience in managing companies in a Thai canned fruit manufacturers on several factors impacting export performance. The objectives of this study are;

23

- To examine the relationship between critical factors and export performance of Thai canned fruit manufacturer.

- To examine the critical factors that have an effect on export performance of Thai canned fruit manufacturer

1.4 Scope of study

Researcher scoped the study within specific external and internal factors that affects firm's export performance. External environment includes competitiveness and environments. Internal environment refers to firm characteristic and competencies, which includes Size of the firm, export experience, export intensity and export sales and the business strategies.

Researcher determined the research scope to Thai canned fruit export firms, which focus on only manufacturers. Researcher agreed to focus on Thai canned fruit manufacturers who have an export volume more than 10 TEU (twenty footer equivalent units) per year which are consider as active medium size canned fruit exporters (Personal communication with Mr. Weerachai P., Managing director of NFC) and have been operating more than 5 years (refer to the previous research by Madsen' s, 1987)

The respondent of this research were 257 Thai canned fruit manufacturers, cover the area of Thailand. The information was collected from Thailand Export Promotion Department, under the Minister of Thai Commerce. The person who completed the questionnaires were those persons who had direct responsibility for export activities, which included management teams, marketing people and managers of each department.

1.5 Limitation

The research has the limitation of information accesses and limited resources. As we consider the companies who have export volume more than 10 TEU (twenty footer equivalent units) per year with more than 5 years of operation, most of them are not likely to disclose their business information and there is small amount of the information available on the internet. As well as limited resources, time, personal and funds so that researchers decided to gather information from Thai Export Promotion Department and other government issues, including the interviews with Managing Directors of some companies and distributed questionnaires to the firms in Bangkok for pre- test. After that the questionnaires were distributed to the companies in every part of Thailand, following the research methodology in Chapter 4. Additionally, the period of study is only a single point in time 15th July until 15th August 2006. Hence, the results could not be generalized to other areas and periods.

1.6 Significant of the study

As mentioned before, in order for a firm to compete in current market situation, a firm needs to seek for improvement in many ways and need to determine the important area of improvement as well as prioritize them. The results of the study should allow managers of a company or relevant persons to have better understanding and clearer picture of factors that affect their export performances and their related. As a result, managers can prioritize those areas of improvement and implement proper development plan to enhance their business such as develop the business strategies, keep improving firms' technology and researches, including analyze the internal and external environment for gaining the competitive advantages. Beside private sector, government also, is able to develop proper support activities to support Thai canned fruit exporter (manufacturers).

1.7 Definition of Terms

Competence:

The ability of firms to meet the level of competitive markets, customer preferences and competitors' strength (Matthyssens, P. and Pauwels P., 1996)

Export procedures:

The process of overall export activities starting from requiring export approval from the countries of origin, documents systems, tax and tariffs including the process of custom clearances (Moini, A.H., 1995)

Export potential:

The inherent capacity and its possibility of the export activities related with the export performance (Madsen, 1987)

Critical Success Factor:

A key area where satisfactory performance is required for the organization to achieve its goals, means of identifying the tasks and requirements needed for success (Austin, D, 2002)

1.8 List of Abbreviations

ISO: International organization for standardization

HACCP: Hazard Analysis and Critical control point

GMP: Good manufacturing Practice

JETRO: Japan External Trade Organization

FDA: Food and Drugs association

SET: Stock of exchange of Thailand

DEPThai: Department of export promotion of Thailand

SME: Small business enterprise

Thaifex: Thai food export exhibition

NAFTA: North America free trade agreement

AFTA: ASEAN Free Trade Area

ASEAN: Association of Southeast Asian Nations

FDI: Foreign Direct Investment

Chapter II

Literature Review

2.1 Introduction

The purpose of this chapter is to support and build up a conceptual framework by reviewing all the related literatures that are relevant. In this research, there are many independent variables that affect export performance namely, such as channel adaptation, product quality, trade barriers, product differentiation, R/D technology, managers' attitudes, and others which are derived from the literature below.

2.2 Literature review

A theory can be defined as an interrelated set of statement of relationship whose purpose is to explain and predict of occurrences in reality. Good theoretical research helps direct the investigator by providing the context for the research; supporting the framework with directing the key variables and hypotheses; supporting the methodology in finding out data collection, measurement, and analysis; and leading to the discussion of the findings. In this literature reviews, the researcher will recognize the 8 export problems and 2 effects to discuss the identification of the independent and dependent variables. In the end, it may come up with more than 8 export problems, identified by several researchers and the effect might include more than 2 results as well. There are 2 frameworks which are export performance and the crucial factors the affect export performance.

2.2.1 Export performance

Globalization is a destination for the firms that search for opportunities abroad in order to survive. The advantages of markets, environments, and competitive factors

are globalizing the international strategy by more and more companies (Czinota et al., 1999). Therefore, increasing world globalization has made exports become an important activity for many firms. Export is the most common form of international business activity. In a process of exporting, goods and services are sent from one country to other countries for use or sale

Griffin and Pustay, 1996 explained that export performance is considered an important measurement for any companies in order to analyze the success of the company in international areas. It is considered as a complex task for sustaining and assessing the export performance. Normally, two principals are usually used for measuring the export performance; they are financial and non-financial measures. Financial measures are considered as sales, profit, market share and have been associated with the terms that are in the percentage. In contrast to financial variables, non-financial variables that are measured by the progress and satisfaction have been associated with the managers' perception.

Crinkota et al (1999) stated that companies need to globalize their international strategies to take advantage of underlying market, cost, environment, and competitive factors. Therefore, with their efforts of marketing strategies, and well- management, it can be resulted to an increasing level of export performance. At the same time, Griffin & Pustay, (1996) pointed out that the export performance indicates the firm's success in the international business. The better export performance, the better prosperity of the firms and export is the most common form of international business activities. He stated that export performance is the main issue that every firm should consider and tries to maximize but the way to gain export performance should consider not only internal competency of the firm but also surrounding condition. Whereas in 2000, Lages stated that the export performance is

defined as firms' outcomes achieved in international sales. In this study, the export performance is mostly used in terms of the sales revenue, sales growth and profits.

In conclusion, as many researchers had given the definition of export performance, this research will use the definition of export performance term as "The firm's outcomes achieved in international sales in terms of the sales revenue, sales growth and profits. (Lages, 2000), which indicates the success of the firms in the international business and can be measured by 2 modes, financial measurement and non- financial measurement, refer to the indispensable measurement for any companies in order to analyze the success of the company (Griffin & Pustay, 1996)."

2.2.1.1 The previous studies relevant the measurement of export performance

There were still arguments, which debated the measures to elevate export performance, some measured in quantitative, and others considered as quantitative. Madsen (1987) and Matthyssens and Pauwels (1996) stated that all measures of export performance are grouped into seven categories, representing financial and composite scales.

➢ The "sales" includes the measures of total volume of export sales or the export intensities.

➢ The "Profit" consists of the measures of overall export profitability and relative measures, such as export profit divided by total profit or by domestic market profit.

➢ The "growth" measures refer to changes in export sales or profits over a period of time. Compared to financial measures, which are more objective, the non- financial measures of export performance are more subjective.

- The "success" category comprises measures such as the managers' belief that export contributes to a firm's overall profitability and reputation (Raven et al., 1994);

- The "satisfaction" refers to the managers' overall satisfaction with the company's export performance. (Evangelista, 1994); and

- The "goal achievement" refers to the managers' assessment of performance compared to objectives (Katsikeas, 1997).

- Finally, "composite scales" refer to measures that are based on overall scores of performance measures.

Other researchers like Shoham (1996), Evangelista (1994), Patterson, contended that "satisfaction" is the measurement that has been used at the exporting level in the recent years. With the use of satisfaction and other non-financial variables, the export performance can be evaluated and taken into account many organizational and environmental factors by the managers (Lages, 2000).

Another group of researchers contended that export performance are measured through total sales, sales growth and sales profits, Cavusgil and Zou (1994), Matthyssens and Pauwel (1996) concluded that Export sales, profits, and composite scales are probably the most frequently used measures of export performance. The reason is because satisfaction, perception and other attributes are moderately hard to calculate and find out the result since the quantitative statistic is not appropriate and faces with bias from different people' perceptions. Robert G. Cooper and Elko J. Kleinschmidt (1985) stated that export performance of a firm was measured by export sales and export growth, which are easy to determine and calculate in term of financial statistic, and success.

Key researchers that support the use of financial measures as indicator of export performance are:

(a) Aaby and Slater (1989) explained in depth that the export performance should be measured by 4 indicators

- Level of export over each of the previous five years.

- Export growth intensity over each of the previous five years.

- Perceptions towards export in respect of strategic outcomes.

- Export profits over previous five years.

He explained that the 5 previous years represented the average export condition, this can be used to plot export trend and able to forecast the growth, sales and profits in the sooner period precisely. Along with the research from Kolter (1993), which explained that most of the literatures that focused on export performance, by the meaning of export performance itself; they meant the total sales, export growth and export profits. Since satisfaction and attitudes are difficult to be measured by different period of time and has to consider the bias factors.

(b) Lages (2000) augmented that in several empirical studies; the non-financial measurements are supported with the reliability and validity and used frequently to measure the export performance but anyway, firm' s perception and attitude were difficult to be measured in terms of quantitative, therefore, the sales revenue, sales profit and sales growth were mostly be used to measure the export performance.

(c) Bolton (2004) and Lehmann (2004) pointed out that the export performance must be measured by the metrics of financial performance such as sales growth, sales profit or revenues, which written in term of annual report and income statements. He explained that the

determinants such as perception, satisfaction, and goal achievement by management attitudes can not be measured in the statistic processes.

(d) Moini (1995) and Chrisman et al (1989) and Bijmolt et al (1994) stated that although traditionally export performance has been measured by a single variable, which was export sales as percent of total corporate sales, called export intensity, to be more precise and accurate, the export performance must be measured by using the following three variables:

1. Export sales as percentage of total corporate sales

2. Export growth

3. Current financial profitability of the export operations.

In conclusion, since there are many previous literatures related to the export performance measures, some researchers measured by qualitative and some measured by quantitative. In addition, the measures of export performance can be measured by the levels of attitudes, satisfaction, and success of company, which can be determined as "Intangible" (Madsen, 1987 and Matthyssens and Pauwels, 1996), which must be required the depth research concerning personal feeling and individual point of view. By the way, most of the researchers (Cavusgil and Zou, 1994; Matthyssens and Pauwel, 1996, Robert G. Cooper and Elko J. Kleinschmidt, 1985; Kolter, 1993; Lages, 2000; Bolton, 2004 and Lehmann, 2004; Moini, 1995 and Chrisman et al, 1989 and Bijmolt et al, 1994) explained that to measure export performance, only 3 factors can be used and means by export performance, which are

1. Export sales

2. Export profits

3. Export growth.

Therefore, in this research, these 3 factors will represent the measures of export performance.

2.2.2 Critical factors of export performance

2.2.2.1 Concepts related to export performance

The evidence on the factors affecting export performance is fragmented and often contradictory (Aaby and Slater 1989; Cavusgil and Zou 1994; Zou and Stan 1998). Barney and Collis (1999) summarized that to organize the discussion of the determinants of export performance; the 2x2 table is used based on two dimensions: internal vs external and controllable vs uncontrollable. Classifying the determinants of export performance into internal and external factors is theoretically justified as two categories correspond to different theoretical bases. Specifically, internal determinants are justified by the resource- based theory and external determinants are supported by the Industry organizational theory

➤ Resource- based theory

Barney, 1991; Daft, 1999; Wernefelt, 1984 explained the resource-based theory as:

- The theory that conceives a firm as a unique bundle of tangible and intangible "resources" (assets, capabilities, processes, managerial attributes, information and knowledge), that are controlled by firm and that enable it to conceive and implement strategies aimed at improving its efficiency and effectiveness

- The resource- based theory contends that the principle determinants of firms' export performance and strategy are the internal organization resources (Barney, 1999; Collis, 1999), which helps to generate firm's

success resulted from internal strength that firm can control or can call it "competency"

➢ Industrial organization theory

Scherer and Ross, 1990 pointed out that the industrial organization (IO) theory argues the external factors determine the firm's strategy, which in turn determines economic performance. The external environment imposes pressures and a firm must adapt in order to survive and prosper (Collis, 1999). Following the IO theory, the external factors and firm's export strategy are the primary determinants of export performance.

In addition to the resource- based and the industrial organization theory, Bilkey (1987) advanced a "theory of export marketing mixed" that distinguished among controllable factors, short- run uncontrollable factors, and controllable factors. Their study focused on mostly

- Controllable factors such as determinants of export performance, an implicit assumption is made that managers can take charge in affecting their firms' export performance.

- In contrast, studies that focus exclusively on uncontrollable factors essentially portrayed a fatalistic view of exporting. Therefore, discussing the findings of the review along the internal vs external and controllable vs uncontrollable dimensions is theoretically sound and practically significant.

To support Blikey's (1987) views, Shaoming Zou and Simona Stan (1998) created a matrix of the factors as shown in Table 2.1 based on a review of the existing literature.

Table 2.1: The determinants of export performance

	Internal	**external**
Controll-able	**Export market strategy** General export strategy Export organization Market research utilization Product adaptation Product strengths Price adaptation Price competitiveness Price determination Promotion adaptation Promotion intensity Distribution channel adaptation Distribution channel relationships **Management Attitudes and Perception** Export commitment and support International orientation Proactive export motivation Perceived export barriers	
Uncontrol-Lable	**Management Characteristics** Mgmt's international experiences **Firm's characteristic & Competencies** Firm's size Firm's age Firm's technology Firm's international competene	**Industry Characteristics** Industry's technological intensity Industry's level of instabilitity **Foreign market characteristics** Export market attractiveness Export market competitiveness Export market barriers **Domestic market Characteristics** Domestic market

↓

Measures of export performance

Financial Measures	**Non- Financial Measures**	**Composite scales**
Sales measures	Perceived success	
Profits measures	Satisfaction	
Growth measures	Goal achievement	

Source**:** "The determinants of export performance : a review of the empirical literature", (Shaoming Zou and Simona Stan, 1998)

Based on Shaoming Zou and Simona Stan (1998)'s matrix, Chetty and Hamilton (1993) added their comment to the table 2.1 that the particular independent

36

factors have 3 types of effects on export performance, a significant positive effect, a significant negative effect, or a non significant effect. By the assumption that the export performance includes export sales, or export profits, or export growth as the measurements.

The basic aspects of the matrix as proposed by Madsen (1987), Aaby and Slater (1989), and Chetty and Hamilton (1993), who reported that the single most important set of determinants of export performance falls in the cell of internal-controllable factors. The prevalence of controllable factors suggests that most researchers hold the view that export performance is under the control of the firm and its management. Thus, not only better export performance be attributed to management's superior work, but poor export performance should be blamed upon the management as well.

In addition, Aaby and Slater, 1989; Da Rocha and Christensen, 1994 classified the factors, which have crucial effects on export performance as :

- Export marketing strategy,
- Managers' attitudes and perceptions,
- Managers' characteristics,
- Firm characteristics and competencies,
- Industry
- Foreign and domestic market characteristics.

2.2.2.2 Discussion of the factors of export performance

Based on Shaoming Zou and Simona Stan (1998)' s metrix, Madsen (1987), Aaby and Slater (1989) classified the Internal- controllable factors of export performance basically, consists of two types of internal and controllable factors.

37

2.2.2.2.1 Internal- controllable factors

- ***Export marketing strategy***

Strategies are management's scope and resource commitments to achieve long-run success (Hofer & Schendel, 1978). Business or competitive strategies are appropriate level of analysis when companies' behavior is assessed. Porter (1980) argued that there are different competitive strategic behaviors but stresses that these activities can be classified into three types of generic strategies:

(1) differentiation,

(2) low cost, and

(3) focus strategy.

In term of organization and export performance Porter (1980) stated that a cost strategy or differentiation strategy maybe pursued. Though the market share achieved with a differentiation strategy is lower as opposed to a low cost strategy, there is an inherent potential to achieve the same profit level with either strategy. Because the focus strategy is combined with the other two strategy types (depending on the scope of market) it is difficult to examine it as a distinct form of strategy.

Porter (1980) pointed out that the most important factor of export firms were the factor of differentiation.

- *Product differentiation strategy*

Ledesma (2002) stated that the capacity to produce different varieties of goods and the quality of the product are crucial factors explaining export performance. In other words, product differentiation and increases in quality have been widely recognized as crucial factors determining the export performance of the countries and sectors (Ledesma, 2002). Moreover, product differentiation will help a product to distinguish from competitor by basing on relevance, meaningfulness, and valueness to customer. Product differentiation

is not only a main strategy for practicing to sell products but also a key strategy for gaining competitiveness. Firms need to design, develop, and create existing and new products in order to pursue the satisfaction of customer needs and requirements. Firms also need to differ with their products by innovation and more value for producing better products for customers. It is synonymous with firms to attempt to make their products higher value and unique features. Further more, firms that want to have superior performance over other competitors, generally focus on innovative and highly differentiated products.

Hofer & Schendel (1978) stated that differentiation strategy had direct influence with the level of export performance since the firm is able to differentiate their products and services to gain the competitive advantage over the intense competition. Differentiation is a key that leads to sustainable goals. Aaby and Slater (1989) stated that the export strategy is characterized by the marketing mix employed in respective export markets. Product differentiation is at the heart of this mix and has direct impact on export performance. Differentiation can be meant by product's appearance, design, quality, utilization, and its internal attributes.

Burton and Schlegelmilch (1987) confirmed a significant relationship between unique product attributes, resulted by differentiation strategy and export performance. The advantages of product uniqueness, utilization can be used to compare with the products offered by major competitors. Weerachai and Patriya (2002) proved the greater export performance if the more product differentiation is implemented and product differentiation is a key strategy for achieving superior performance. This is a result from that the differentiation leads to the customer satisfaction.

Poh- Lin and Insik Jeong (1995) explained that the export firms are able to differentiated their level of firm's orientation by

1. To be more innovative

2. To be more pro- active

3. To be risk takers

- *Low cost strategy*

Ledesma (2002) stated that there was negative correlation between low cost strategy on export sales and export growth, since the competitors followed the low cost by dumping price, which occurred the damage in market price structures, along with the research by Hofer & Schendel, (1978), which found that there is negative relation between low cost strategy and export performance, since low cost can result in lower profits, lower sales revenue and firms must adapt to lower in production process and materials, can lead to lower in quality. Low cost strategies require firms to keep costs down which can be accomplished by improving operating efficiency or product quality.

In conclusion, from the research literatures, there are positive relation between differentiation strategy and export performance (Burton and Schlegelmilch, 1987; Hofer & Schendel, 1978) since the firm is able to differentiate their products and services to gain the competitive advantage over the intense competition (Hofer & Schendel, 1978), which the differentiation can be meant by product's appearance, design, quality, utilization, and its internal attributes (Aaby and Slater, 1989), especially quality that is a crucial factor that lead to company's success (Ledesma, 2002), and can result to customer satisfaction and innovation (Weerachai and Patriya, 2002)

Low cost strategy has the negative relationship with export performance (Ledesma 2002; Hofer & Schendel, 1978), since low cost can

result in lower profits, lower sales revenue and finally affect in lower in quality (Hofer & Schendel, 1978) and creates price dumping(Ledesma 2002). Therefore, this research will not apply this factor as the determinant the affect on export performance.

- *Product adaptation and product strength*

Kaynak and Kuan, (1993) concluded that product adaptation and product strength are important determinants of export sales, profits, and growth. This could probably be explained by the fact that an adapted product can satisfy foreign consumers' needs and preference better and that a strong product allows a firm to transfer it more easily to the foreigner markets. Cavusgil and Zou's (1994), Christensen et al., (1987) studied the effect of product adaptation on export performance and reported the positive effect. Since the product adaptation can gain the customers' attention and innovation, lead to satisfaction, therefore, the relation correlation between product adaptation and export performance are quite strong. This can be concluded that product adaptation and product strength have a positive correlation to export performance (Kaynak and Kuan, 1993, Cavusgil and Zou's 1994, Madsen 1987), which able to satisfy customer's needs through the innovation and attention.

- *Price adaptation*

Chetty and Hamilton (1993) concluded that the importance of export pricing was just little effect to export performance, as the only marketing mix variable that generates revenue, but less in profit, satisfaction, and image of quality. They suggested that more research needs to be done on the effect of price related factors.

Generally, price adaptation seems to positively influence export sales, export profits and export growth in one study (Chetty and Hamilton, 1993) but is insignificant in others (White Paper, 2000, Bredahl and Zaibet, 1995). However, there still very few literatures that indicated the relationship and the effects of price adaptation on export performance.

- *Market research utilization*

Market research utilization is the process that helps to gain more information in those export markets. Anyway, there are also few literature and researches that find the correlation between this factor and export performance. Madsen (1987) stated that a firm's utilization of international marketing research positively affects export sales, growth, and composite measures of export performance but this researcher did not mention about the cost of marketing research activities, and opportunity costs that occur during conducting research, which could be further by one study from Walters and Samiee (1990), they reported that the utilization of international marketing research a negative effect on export profits. The research showed that since firms have to find more information about export market, they have to invest in the data collection and invest in some marketing activities in the target areas, therefore, this causes reduce in export profits. However, there are some more others reported insignificant effects (Da Rocha and Christensen, 1994, Axinn, 1998). Since there are both positive and negative correlations between this factor and export performance, this research will not take this factor as the determinant of export performance.

- *Promotion and channel adaptation on export performance*

Promotion and channel adaptation are ones of the marketing mixed. There are several literatures mentioned about this correlation with export performance. All

42

literatures showed the positive relationship, Madsen' s (1987) stated about the result of promotion intensity and channel adaptation, which related to export performance as that, whereas promotion intensity seems to have positive effects on export sales, export profit and satisfaction with export, it is direct to meet consumers' preference and satisfaction.

While the effects of channel adaptation and channel type on export performance are also direct effect to the export performance since they must have a channel relationship, generally expressed as dealer/ distributor support, motivation, and involvement, emerges as a key determinants of export sales, export profits and export growth (Robert G. Cooper and Elko J. Kleinschmidt, 1985), (Poh- Lin and Insik Jeong 1995)

Kirpalani and MacIntosh (1980) explained that promotion was assessed in terms of effectiveness relation to the campaigns of competitors, it could generate the brand- attention and gain awareness in short period of time since firms are able to use pricing promotion, quantity discount promotion, and some incentives to pull attention for the special occasions. Along with the research by Cavusgil and Zou's (1994), which mentioned that the channel adaptation and promotion have direct effects on export performance in term of flexibility and maintaining the target markets. This means that exports are able to select the appropriate dealers/ agents to distribute their products with the most effective channels to the most effective groups of customers. Promotion can generate the customers' satisfaction and meet their requirements as well (Rossen and Ford, 1982).

Woranuj Maneerungsee(2000) had studied the relationship between channel adaptation to the export performance of Thai food exporters and suggested that Thai exporters of farming and processed products should expand and adapt to the effective distribution channels in order to be survived during the intense competition and the

slow down in the world economy. Channel adaptation is a significant factor to gain more export performance, but needed government support in term of trade exhibition and sources of funds. The firms must adjust their channels to cope with higher logistic costs. Along with the two researchers, Thongdee and Kunnatee (2003), who studied the competitive strength of Thai export canned tuna to world market. They suggested that exporters should adapt the channels of distribution to increase the advantage. Their idea is to provide information via E- commerce by applied B-to-B (business to business) services that leads to achieve wider distribution channel and can access to untapped markets easier and quicker.

Therefore from the literatures, promotion and channel adaptation are considered as the crucial determinants the have positive effect on export performance, which will be conducted further in this research.

- *Management's attitudes and perception.*

The Management's attitudes and perception on export performance referred to the management's point of views, opinions and how they perceive the export activities in terms of strategies, marketing, positioning, and other attributes, along with the perceives in barriers, advantages and situation in the international export markets. (Narver, 1993; Pitt 1996 ; Slater and Narver, 1994; Da Rocha and Christensen, 1994).

Leonidon (an excellent review of the effect of managerial factors,1998) pointed out that the attitudes and perceptions of management have been frequently cited as important determinants of export performance. Since the attitudes and perceptions are ones of the firm's internal and concerns with management point of views, therefore, they are the initial procedure of firm to issues policies and strategies. Attitudes and

perceptions lead to positive correlation on export performance through export sales, export profits and export growth.

Caruana (1995) classified the types of attitudes and perceptions of management, as:

- Management' s perceived export advantages,
- Management's perceived barriers of exporting.

Along with the research by Cavusgil and Zou's (1994), they classified the management's attitudes and perception into 3 types:

(1) Management's export commitment

Cavusgil and Zou's (1994) concluded that high management commitment allows a firm to aggressively go after the export market opportunities and pursue export marketing strategies that improve export performance. Management's export commitment has emerged as one of the key determinants of export performance, regardless of performance dimension. This finding is consistent with all previous reviews and reinforces (Axinn 1998; Cavusgil, 1984)

(2) International orientation

International orientation is one of the crucial factor that the exporters should learn and understand before engaging in export activities. The meaning of this term includes the studying of the environment in those areas such as the political and market situation. The market orientation also means the attention in the international activities like trade exhibition or market conference (Leonidon, 1998). Especially, the countries where the politic and economy are not stable, there would be threats from external factors which uncontrollable.

Cavusgil and Zou's (1994) found that it was very consistent predictor of good export performance, measured in financial terms or as composite. Presumably, an internationally oriented firm can better identify and benefit from emerging international opportunities and avoid threats.

(3) Management's perceived export advantage

Management's perceived export advantage seems to predict well export sales, profit, and growth whereas management's perceived export barriers (perceived risks, cost, or complexity of exporting)(Cavusgil and Zou's, 1994) either result in low export sales, slow export growth and low perceived export success, or fail to be significant predictors of export performance. These findings suggest that it is important for the management to focus on the advantages rather that barriers to exporting, and keep positive attitude toward the outlook of export operations.

Caruana (1995) stated that with the management's perceived export advantage, management people and teams perceives that the international export have benefits and can generate profits, growth and sales to firms. In addition, firms are able to gain image and reputation through export markets.

This can conclude that when the management's perceived export advantage has been placed in one firm, it seems to be optimistic about the export activities rather than looking at the risks.

In conclusion, Aaby and Slater (1989) and Chetty and Hamilton (1993) stated that factors related to managements' attitudes and perceptions seem to be potent determinants of the financial measures of export performance such as export sales, profits, and growth. Since, the manager or management people can directly take

action through export activities and have influences in the budgets such as advertising budgets, sales campaigns and others with regard to the policies and strategies issued. In addition, export commitment also influences non- financial measures of export performance, including perceived export success, satisfaction, and goal achievement.

2.2.2.2.2 Internal- uncontrollable factors

The internal - uncontrollable factors are those characteristics of firm and its management that can not be readily changes in the short run. It should be acknowledged that in the long run many internal factors could be changed (Simona Stan, 1998). For example, a firm can improve its international competence internally. But a firm can not control the level of its competence in the short run.

- *Management characteristics.*

Aaby and Slater (1989) explained that the management' s international experiences seems to have a positive effect on export sales, export profits, export growth and the composite measures of export performance. This is perhaps due to the fact that manager's international experiences help a firm to identify and leverage on the international opportunities while avoiding international threats.

Anyway, one research found the negative relationship between export experiences by management with export performance, which is Das (1994) found that managers of successful exporting firms have less past experiences in exporting and less foreign experiences than manager who have much experience of both export experience and foreign interactive experience. However, since Das (1994) focused on firms operating in turbulent environment, it could be that the unique context of the research contributed to its unique findings. It should also be noted that some studies found this factor insignificant. Concerning managers' level of formal education and

general business experience About the third of the studies (Da Rocha and Christensen, 1994, Axinn, 1998) found that this has a positive effect on export sales, profits and growth. But other studies (Yaprak 1985, Robert G. Cooper and Elko J. Kleinschmidt, 1985) found that it has an insignificant effect, and a few others (Chartien, 1993 and Christien (1988) reported a negative effect. Overall it can be concluded that firm's export performance does not benefit from having educated and internationally experienced managers.

- *Firm characteristics and competencies*

Aaby and Slater, 1989; Madsen, 1987 pointed out that firm competencies, in terms of both international competence and overall business competencies (strong market position, strong human resources, strong functional capabilities) appear to be important determinants of export performance, since these factors are the core competency and difficult to be imitated by others.

- *Years of exporting experience on export performance (firm's age)*

Kaynak and Kuan (1993) and Louter (1991) reported a negative impact of the firm's number of years in exporting on export profitability and sales. They pointed out that although firm has a strong connection and several years in the industry, it can not reach better profits and sales if they do not adapt themselves to the competitive environments. By the way, Aaby and Slater, (1989) stated that there is no relationship between years of exporting experiences with the export performance, since number of years engaging in export activities does not indicate the success of export sales, profits and growths, but it helps to gain only reputation and reliability. Firm should compete with others by using their own strategic management and create their competencies rather than depends on numbers of years in export activities to create

firm reliability to customers (Cateora, 1996) . Therefore, the years of exporting experience can not used to measure the export performance. Bodur (1994) and Das (1994) stated that a firm's age, expressed as number of years in business, appeared to have either a negative effect or an insignificant effect on export performance. They suggested that younger firms are more likely to be successful exporters if those young firms are able to adapt themselves to the competitive world in both internal management and international market orientation. In addition, they stated that normally older firms may have a higher export share, on the other hand, if new firms are founded on the basis of an innovation, young firms may have competitive advantages compared to older firms also on foreign markets, which could give them a higher export share.

- *Technology and R&D on export performance*

Aaby and Slater (1989) found that there was positive relationship between R&D/ technology and export performance, since the R&D creates the product innovation and new technology improvement, therefore, firm is able to utilize these factors in other to gain customer' s preference and build competitive advantages. However, the R&D expenditures must be calculate with care because in some industries, R&D costs might over the budgets as percentage of sales. They found that there was no specific relationship between R&D expenditures and export performance was proposed. Chetty and Hamilton (1993) found a positive effect of firm technology on export performance since high technology firm is able to innovate their production process, and overall management procedures, which resulted in the lower costs of production and management, therefore, this can generate more profits, lower costs. A recent study by Wakelin (1998) founded that innovating firms have more advantages to enter the export markets than non- innovating firms. This is because of the

49

development in data and information interchange internationally, saving time and resources which leads to better export performance in terms of higher productivities (by higher profits and sales with low resources).

However, Reid (1986) suggested that there are some linkages between market orientation in term of increase sales and technology investment, given that market orientation is an indicator of responsiveness to market requirements, manifest in part through expenditure on new product development. But he did not agree that the relationship between technology/ R&D and export performance are strong enough. Sterlacchini (1999) stated that the firms that engage in the innovative activities such as implement in e- commerce, and new development of marketing strategies have affected the export intensity positively. This is because of the technology development in Electronic business, which spread worldwide through various groups of customers and also time, cost saving for firm itself.

Woranuj Maneerungsee(2000) researched the Thai food exporters in depth and concluded that to gain more competitiveness and foreign investment capital, Thai factories should implement and enhance the technology in production process, which can be resulted in higher productivity and export performance. Along with the research from Thongdee and Kunnatee (2003), Thai researchers who studied the problems of canned tuna exporters. They suggested that in order to increase the export performance by sales and profits, the exporters should increase the production technology to innovate their product features such as "tuna in a pouch" rather than only in a can. This is to follow the trend of ready to eat and easy to cook.

In conclusion, As mentioned by many researchers (Aaby and Slater, 1989; Chetty and Hamilton, 1993; Wakelin, 1998; Reid, 1986; Sterlacchini, 1999) innovative can be meant by electronic business, E- commerce and development in marketing strategies. R&D has linked to technology and resulted in the innovation

development in both system and product, finally affected in export performance. However, R&D and technology development must be calculated the appropriate budgets as a percentage of sales. R&D and the development in technology can lead to the lower in costs of production and management which resulted in better export performance (Chetty and Hamilton, 1993).

- *Firm size on export performance*

Chetty and Hamiltion' s (1993), Madsen (1987) and Aaby and Slater (1989) found a medium positive effect of firm size on export performance since the firm size is represented by the export sales, not numbers of full time employees, a bigger firm size, a better export sales and profits. They found that the big firm size is able to generate the sales volumes, sales intensity and market expansion easier than small size of the firms. This is connected to the research from Cooper and Kleinschmidt (1985), they stated that big size of firm in terms of export sales can generate customer satisfaction more than small export sales firms because big firms have flexibility in production, that means they can replace product immediately and normally have good reputation with wide distribution channels.

Kaynak and Kuan (1993) pointed out that the most positive effects are found when size is measured by total firm sales, while some negative effects, especially on export profit, are found when it is measured by number of employees. This is because of the higher operation costs of firms that have big numbers of employees such as salary and welfares payments. In addition, Kaynak and Kuan (1993) stated that it is difficult to measure the firm size by number of employees compared with the different types of business. And the correlation is not clear picture. Therefore, this research will apply the concept of export sales to represent the firm size.

Conclusion of internal- uncontrollable factors

Bodur, 1994; Das, 1994 concluded that overall with the exception of a few factors, the effects of most internal-uncontrollable factors are mixed. Therefore, it is not precious to conclude that some factors of the firm characteristics and competencies have direct and strong significant with export performance. However, it is to say that internal- uncontrollable factors have medium effect on export performance especially firm characteristics and competencies Madsen's (1987) conclusion that the effects of internal- uncontrollable factors to the export performance seems to be vary, depends on the nature of business. He said that the organization- structure factors are very important since they are the core basements of every firm but can not be changed in short period of time. By the way, some factors must be evaluated more in depth and have to focus more on those types of business (service, manufacturing or distribution business).

2.2.2.2.3 External- uncontrollable factors

Shaoming Zou (1998) stated that he external- uncontrollable factors have received the least attention from researchers. Only 18 out of the 50 reviewed studies addressed the influence of external environment and most of them reported non-significant findings. When the firm's total export is the focus, the environment is often hard to define clearly, because the same firm can export to many markets with different characteristics. Most studies that investigated the effects of external-uncontrollable factors accessed the effects of these factors on financial measures of export performance such as export sales, profit, and growth.

- *Industry characteristics.*

Cavusgil and Zou (1994) and Holzmuller and Kasper (1991) and Holzmuller and Stottinger (1996) and Ito and Pucik (1993) addressed that industry's technological intensity or "Manufacturing complexity" had reported a positive influence on export performance. This means the level of technology complexity in manufacturing in the overall industry. This is the results from the difficulty for competitors to imitate.

While it seems that firms in more complex and technologically oriented industries have better export performance, more research is needed before drawing definite conclusions. Surprisingly, industry instability is found to positively influence export sales (Das, 1994; Lim, 1996) but this factor may not be used to conduct this research because there are not sufficient evidences support.

- *Export market characteristics.*

Cavusgil and Zou, (1994) found a significant indirect effect of export market competitiveness on export performance. Furthermore, they also found the export market attractiveness (economic development, demand potential) has a positive effect on export performance. They pointed out that the economy in export market is very important and becomes first priority to consider when selecting export markets. Economy affects the demand levels of those markets and informs the purchasing power. The indicators that represent economy include Gross domestic product (GDP), level of inflation and deflation, interest rates, and trade surplus/ deficits (Madsen, 1987)

Kaynak and Kuan (1993), and Madsen (1987) reported a negative effect of export market barriers (trade barrier, physical and psychological distance), which are not significant predictor of export performance. Perhaps firms can overcome such

barriers by pursuing effective marketing strategies but by the way, Schroder et al (2001) stated that trade barrier is one of the variables of external factors that influence the export performance of export firms, external factors are divided into two groups. The first group of the external factors that relates to the firm is such factors as industry structure and technology intensiveness (Madsen, 1987). The other set of external factors relates to the export market. It includes trade barriers, export market attractiveness and export market competitiveness variables that appear in importing country. Those external factors will conduce to exporting market strategy result that has an essential and strong effect on export performance.

In addition to the researchers, Kirpalani and MacIntosh (1980) stated that trade barriers had direct influences on export performance, in terms of sales, profits and growths. Exporter should consider the government rules and regulations of import countries such as the tax & tariff systems, price policies and the restriction of foreign products. This is along with research from Vogard (1975), which explained about the trade barriers such that the exporter should prioritize their export activities to the low export barriers countries where open to international trade. This is by the reason of reduce risks and uncertainties in competitive environments.

Nowadays, countries try to gain from international trade and specialization. However, in a variety of ways trade between countries is restricted. Every country's domestic policies are in order to restrict the entry of foreign products to the home market. Such forms of government intervention can be divided into two categories: tariffs and non-tariffs barriers (Griffin & Pustray, 1996, p.205)

- Tariff barriers

A tariff is a tax on imports. Two forms of import tariffs exist:

1) A specific duty payable on each unit imported or

2) An ad valorem tariff expressed as a percentage of the value of the goods imported (Grimwade, 1992, p. 24-25). In most cases, tariffs historically have been imposed for two reasons:

(2.1) National government imposes a tax on the imported goods to raising revenues for itself.

(2.2) The imported goods that are taxed often have to raise the price in the oversea markets. This is the purpose of the government to protect the domestics industry from the imported goods. Therefore, tariffs act as a trade barrier. (Griffin & Pustay, 1996, p.207-209)

Niliratna Xuto (2003) stated that the tariff barrier is a crucial factor that directly affects the export performance. The researcher studied the problems of Thai canned Tuna exported to EU market and found that the import tariff of those markets is up to 24 %, which is much higher than some developing countries. The research suggested that Thai government should use the WTO right to secure more equitable treatment from the developed countries trading partners. There are some sound arguments for tariffs. One of these is the infant-industry argument. This argument indicated that in developing countries, the new industries need to be protected until they have grown to a large size enough to be able to compete. A further argument referred to a country with the position is a power buyer. A tariff will be tax on the imported goods with the purpose to drive down the world price. The third argument for a tariff in the country that has to face "unfair competition" or "dumping" are the price of the imported product is below the price charged by the exporting country when the product is sold domestically. (Grimwade, 1992, p. 27-29)

- Non-tariff barriers (NTBs)

Non-tariff barriers include product standards, testing or approval procedures, subsides for local products, and bureaucratic red tape which are restriction on the quantity of a foreign product that can be imported (Grimwade, 1992). Non-tariff barriers can be divided into three groups:

(1) Quotas

Quota is a numerical limit that the import country puts forward on the quantity of imported goods during a certain period of time. Most countries protect their powerful industries from the threat of foreign competition by using quotas.

(2) Numerical export controls

Contrary to quotas, the numerical export control is a form of a country limits exporting on the amount of goods. An embargo is a discipline of a country or international governmental authority to another country for banning on the exporting or importing of goods to particular destination. A voluntary export restraint (VER) is a quota or export set by the exporting country to forestall more severe restrictions by the importing country.

(3) Other non-tariff barriers

Other non-tariff barrier or non-quantitative NTBs are the ways in which imports may be reduced. They consist of a variety of product and testing standards, restricted access to distribution networks, public-sectors procurement policies, local-purchase requirements, regulatory

controls, currency control, and investment controls. (Griffin & Pustay, 1996 p.210-217)

In international trade, these NTBs are now more important impediments than tariffs are. NTBs are causes of international conflicts because they are sometimes imposed for sound domestic policy reasons but they affect the competitiveness of foreign companies.

With the tariffs and non-tariff barriers, the countries seek way to reduce tariffs and protect themselves whether through international agreement or regional trading organizations.

- *Domestic market characteristics.*

Dadsen (1989) reported a negative influence of domestic market attractiveness on export sales. It seems that the relationship between domestic market conditions and export performance needs to be further researched. His research shows that firms select domestic market and try to success before challenge the international market. They think that the export activities are risky and uncertainty regard to the external uncontrollable environment such as currency devaluation and government policies in those export market.

Katsikeas (1996) reported a positive effect on export performance for the national export policy, but a non- significant effect for domestic market pressure and domestic currency devaluation. He believes that the export effectiveness depends on firms' competency and international strategies, however, there were no researches mentioned about the relationship between Domestic market characteristics and export performance which show the positive correlation.

Another leading literature of export performance that proposed other factors not formed in the Shaoming Zou and Simona Stan (1998)' s metrix was Aaby and

Slater (1989) (figure 2.1), that proposed three major independent constructs as impacting on export performance

1. Strategy

2. Competence

3. Firm characteristics.

The researcher tried to summarized and construct the conceptual framework, by classified as aspects of corporate culture or the underlying business philosophy which characterize the firm. An additional marketing orientation construct was included which had been identified in previous research (Dau, 1992; Lusch and Luczniak, 1987) as correlating positively with export performance outcomes. The multi- item marketing orientation measure employed here was intended to support intent of several variables proposed by Aaby and Slater in their original model
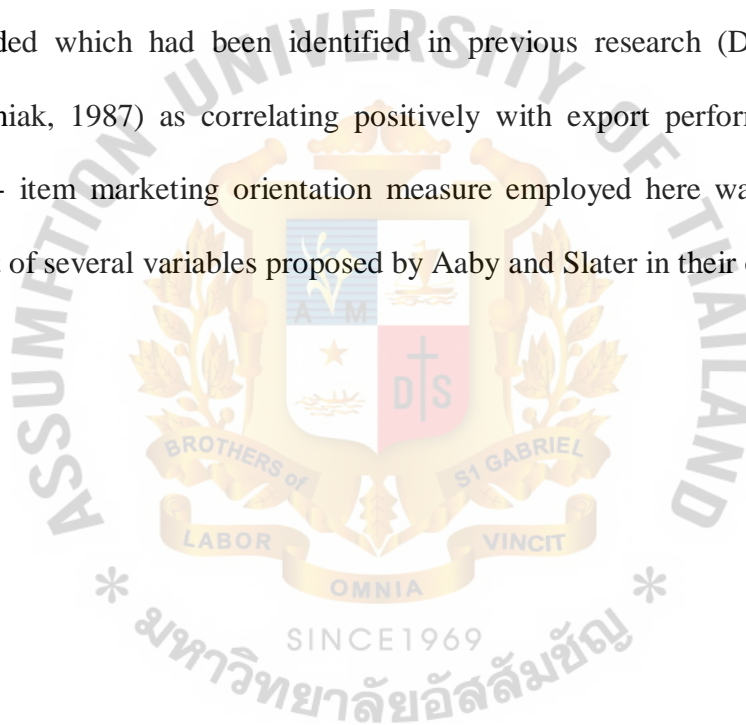
Figure 2.1 : Model of critical factors on export performance
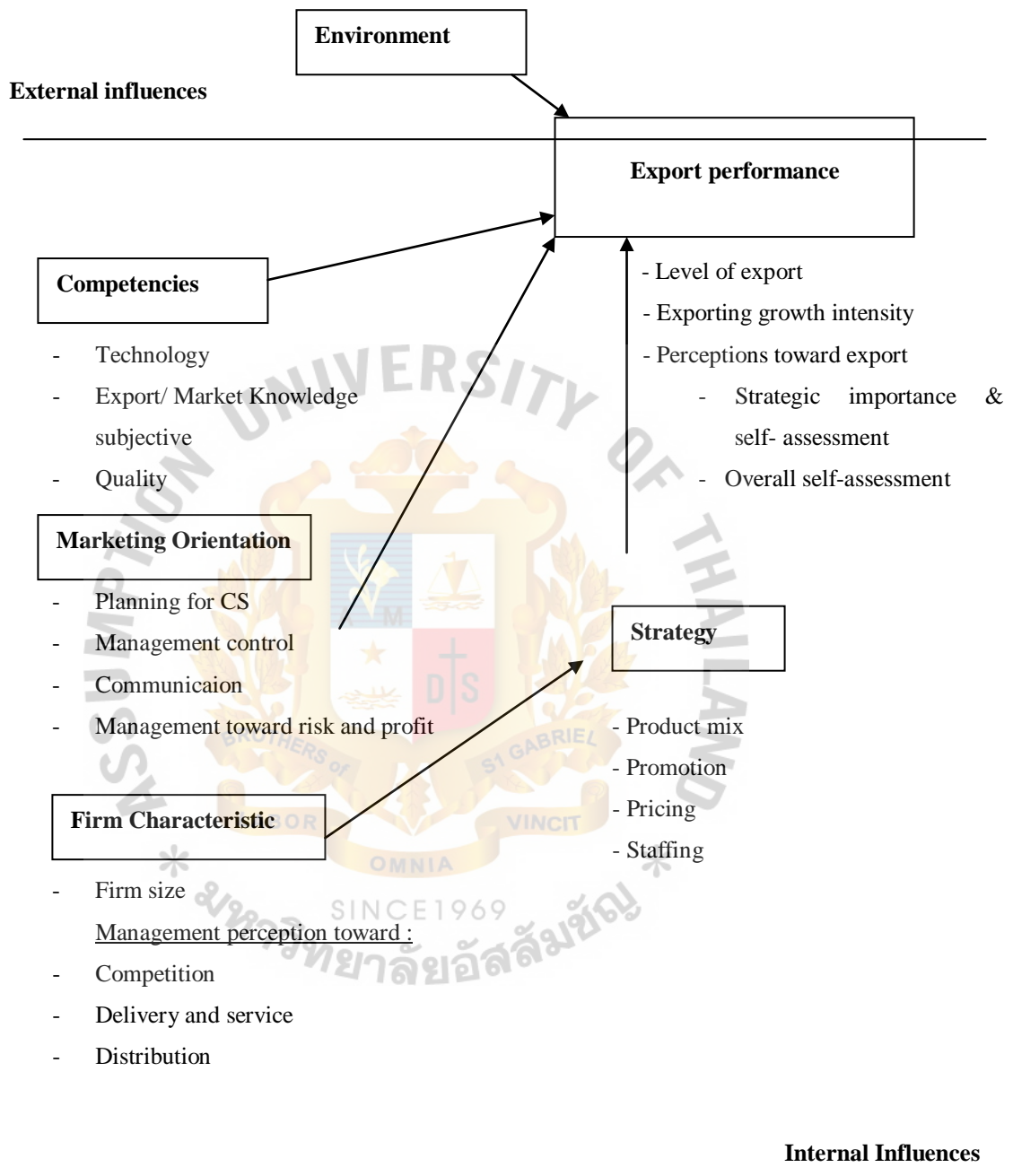
Source: Operationalising the Aaby and Slater general model for assessing export performance (1989, p.9)

- *Export knowledge*

Export/market knowledge has proven to be a strong discriminator between exports and non-exporters, although its linkage to the level of success once a firm is already involved in exporting is less conclusive (Aaby and Slater, 1989). Years involved in exporting and number of countries to which the firm exports have been commonly employed measures. A measure representing accumulated market knowledge was based on the number of export market visits made by executives of the firm; anecdotal evidence collected during the pre- testing stage had confirmed this as critical means of establishing depth of market insight and knowledge.

Information drastically effects on decision making as well as superior organizational performance. Clearly speaking in an export context, it is the acquisition of information which has traditionally been linked to export performance. Further more; the impact of export information use on export performance depends on the type of used information, as well as the source of that information (Aaby and Slater, 1989)

Seringhaus, (1998) concluded that there are direct relationship between market information and export performance, three forms of export information

(1) Export marketing research (EMR) is the information that can be carried out by the firma internally, or by external market research agencies with commission. This type of this information is formal and systematic. The significance of knowledge and export marketing research to firm is underlined by their direct association with export performance.

(2) Export assistance (EA) is typically provided by official bodies such as banks or government departments and company's objective information. This information is in form of country reports. It is also

the experimental information which exporter can gather through attendance at organized trade missions.

(3) Export market intelligence (EMI) is information which includes approaching potential customers, distributors, and competitors and reflects. It is considered as an informal and on ongoing information mode.

Diamantopoulos (2000) stated that the level of export performance will be greater if information acquisition enables to identify market opportunities and threats to decision-makers. Export information acquisition has beneficial effects on the ability of the firm to respond the changes in the environment as well as to competitive survival in the international market place. However, information cannot be used unless it has previously been acquired, and export performance is also likely to depend on the quality of information used. It is proposed that he greater the extent of export information generated, the greater the extent of information use. Therefore, the relationship between export information use and export performance is mediated by export information acquisition. Souchon & Diamantopoulos (2000) pointed out that. There are linkages between export information with export performance, implies that certain ways in which export information is used are intrinsically superior to others. This introduces the concept of effective export information use. The good quality of information and the good use by exporters will lead to better export performance

- *Quality*

Quality has dimensions related to both production process and final product and services. The quality related in production process covers the factory standard, hygienic in process and the surrounding of the factory. The quality related to the product covers the durability, design, reliability, utilization and other attributes.

61

(Abalaka 1999) The quality standard plays an important role which to increase customer satisfaction, image and reliability, resulted in higher export performance. Joynt (1982) found this to be the most important competency as assessed by exporters and good quality firm is able to lead to the effectiveness in competition. Therefore, the better quality of production and final product, the higher export performance level.

Holleran et al. (1999) stated that food quality and safety standards are accepted and applied by the firms to improve their competitiveness. He found that there is strong correlation between product quality and export performance. This motivation guides the firms towards quality assurance systems. Bredahl and Zaibet (1995) showed that total cost of integrating to reach quality standard worldwide for the firms was less than the benefits acquired directly or indirectly through the customer satisfaction, sales revenue and sales growth. Consequently, they stated that quality improvement and safety standards are an important strategy for firms, which gain privileges over competitors. .

White Paper (2000) suggested that Governments should also have important role in such procedures to improve and sustain product standard with higher quality and safety. These should be taken not only for preserving export markets but also for public health considerations. Finally, the use of HACCP–(Hazard Analysis of Critical Control Points) is becoming obligatory in many different subsections of the food industry worldwide. Along with the ACIAR project team, who studied the quality of processed food in term of food standard and safety regulation. They studied the quality of canned pineapple, canned mango, canned tuna and fresh pig meat of Thai exporter to the international market. Their research showed that in order to improve export performance, Thai exporters should put more weight on the food standard issues since some of Thai exporters had faced the restriction from AQI (Australian Quarantine Inspection), especially for canned Tuna and Pineapple. The quality

standard means the control in overall supply chain systems, starting from raw material, production and process till the packaging and the delivery.

- *Marketing orientation*

Aaby and Slater (1989) pointed out that the marketing orientation was included as an independent construct impacting on export performance additional to the effects.

The market orientation included:

(1) Planning for the customer satisfaction

(2) Management control

(3) Communication cross- functional

(4) Management perceptions towards risk and profit

Narver (1993); Pitt (1996) explained that there is increasing evidence that the marketing orientation of firms impacts positively on business performance, which mainly focus on the customer's satisfaction and preferences. The researchers agreed that the satisfaction is the most important factor for every business. It seems that not too easy to satisfy foreign customers since the culture and the preferences are totally different. The marketing orientation also includes the communication across parities. The more effective communication, the higher precise response to customers, resulted in better export performance. Dau (1992) concluded that the marketing orientation and export performance have positive relationship since the export activities need to explore the marketing condition, which are target markets condition, the level of customer's satisfaction, and the methods to conduct effective export performance

- *Socio-cultural environment*

External factors environment consists of the pose possible opportunities and threats to companies and are uncontrollable to management. According to Bourgeosis (1980) the environment can be conceptualized as attributes (eg. hostility, uncertainty, dynamic) or as objects (eg. general and task environment). In either case, management must identify the most important factors affecting the business. Cateora (1996) pointed out that socio-cultural environment has significant impact on export performance, through the import countries' rules and regulations. This means the more strict in rules and regulations in export markets, the more difficult for the exporters to enter those markets. Cateora (1996) stated that in international business it is pivotal for management to consider the general environment, with the socio-cultural and the political environment comprising the main dimensions The socio-cultural environment is composed of foreign countries' specific customs, languages, and religious, whereas the political environment includes economic (eg. exchange rate) and legal dimensions (e.g. import restrictions). He concluded that the countries in different area or continents seem to have many differences in life styles and consumer behaviors, therefore, export should be aware and start the business in the familiar areas. Scherer & Ross (1990) stated that socio-cultural and political factors are part of industry structure and may represent entry barriers. These barriers protect incumbents from new entrants such as new exporting competitors from board and can normally be overcome at high cost. The -cultural and political factors were considered as the crucial determinants of export performance nowadays.

2.2.2.3 Synthesis of the factors related to export performance

To summarize the concepts of critical factors on export performance, the table 2.2 has listed the CSFS refer to literatures from many researchers. The table 2.2 combines the concepts of export performance from researchers mentioned in previous topic.

Chapter III

Research Framework

Chapter provides a review of relevant literature from various sources. It consists of five sections: theoretical framework, conceptual framework, components of conceptual model, research hypothesis and operational definition of variables. The first part, Theoretical Framework, it is a logically developed, and described of association among studied variables. The second part, Conceptual Framework, is the researchers' own model explaining the independent and dependent variables. The third part is Components of conceptual model. The forth part, Research hypothesis, is the statements specifying the relationship between variables. The last part, operational definition of variables, translates all variable and sub- variables into action.

3.1 Theoretical Framework

This topic shows the theoretical framework of this research based on the previous studies depicted in literature reviews as presented earlier. Many authors found CSFs and success results in many points of view. Related literatures on identifying CSFs and success result of export performance were used as reference for developing the conceptual framework.

This study is about the factors relating to the export performance of Thai canned fruit and canned vegetable exporters to the international market.

Therefore, the summarize of CSFs as present in table 2.1, there are fifteen CSFs as follow:

CSFs 1: Management and attitude

CSFs 2 : Research and development and firm competencies (eg technology)

CFSs 3: Differentiation strategy

68

CFSs 4: Channel adaptation

CFSs 5 : Trade barrier

CSFs 6 : Product quality

CSFs 7 : Firm size

CSFs 8 : Product adaptation

CFSs 9 : Product Information

CSFs 10 : Low cost strategy

CSFs 11 : Socio- cultural

CSFs 12 : Price adaptation

CSFa 13: Market orientation

CSFs 14 : Promotion

CSFs 15 : Management' international experience

The successful results according to literatures, can be classified in to three successful results

Successful result 1 : Export sales

Successful result 2 : Export profits

Successful result 3 : Sales growth

In selecting implementation factors and success results for the conceptual framework that will use for this study, the criteria is focused on the factors related to export performance requirement and significant factors which were observed to be common amongst available literatures.

As reason above, there are 6 CSFs that are found to be of significant and observed in common amongst available literatures. In Addition, they are taken from the study related to the export performance measures and requirement. The other 9 factors, product adaptation, product information, low cost strategy, socio- cultural and etc. were neglected since they were found to be different and very support knowledge

from other studies. Along with the literatures from Thai researches concerned with the export of canned products such as the research of export canned tuna to European Union by Mr. Thongdee and Kunnatee (2003), they mentioned that R&D and technology were the CSFs that affect export performance. The research of export canned vegetable to the international market by Woranuj Maneerungsee (2000), which stated the CSFs that affect export performance were R&D and technology and channel adaptation. Another research paper from Thai researchers was presented by Niliratna Xuto (2003), who agreed that the CSFs of the export performance of Thai export canned product was a trade barriers. In addition with the research from Weerachai and Patriya (2002), who concluded that the differentiation strategy was the CSFs of export performance of export Thai canned product to the international market. Therefore, CSFs 1 to CSFs 6 are selected for the conceptual framework.

For the successful results, the 3 success results are found to be important since many literatures had explained the measurements of export performance. In addition, these results are able to be calculated by financial statistic.

3.2 Conceptual Framework

A conceptual model is defined as an integration model. It is also referred as any highly formalized representation of theoretical network that it then can be tested, examined, and generally analyzed (Noppanun, 2002).

The conceptual model in this study attempts to explain the relationship between independent variables and dependent variable that is Export performance.

Hence, there are 2 types of independent variables which are external and internal variables.

The Trade barrier is only one external variable that affects the export performance according to the literatures

The firm competencies, management attitude, differentiation strategy, channel adaptation and product quality are the internal variables that affect the export performance according to the research literatures.

Figure 3.1: Research Framework

Independent Variables

Dependent Variable

Internal Variable

External variable
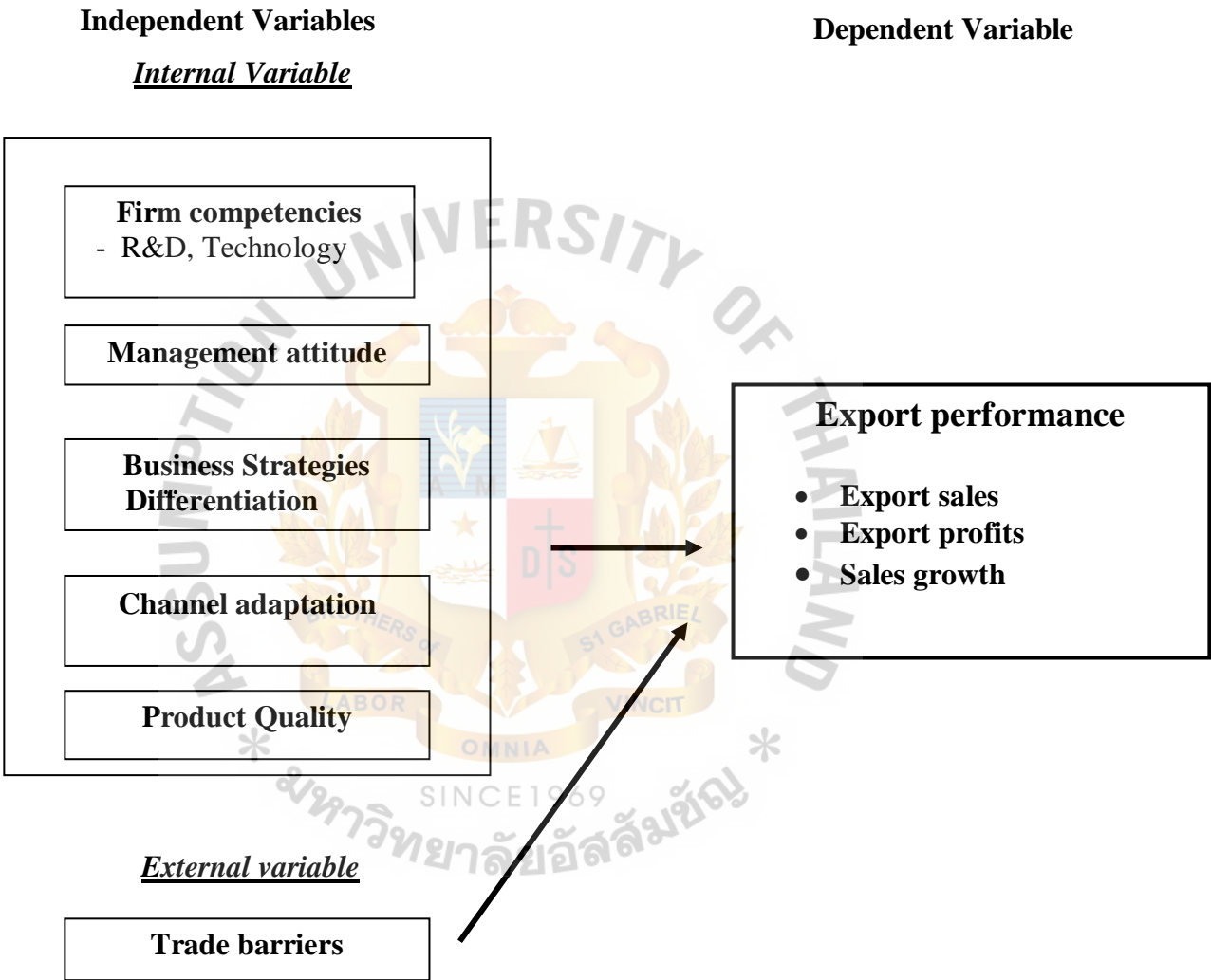
3.3 Component of conceptual model

According to the research framework, the researcher would like to study the factors which are independent variables, mostly influencing export performance of Thai Canned fruit manufacturers.

3.3.1   Research and development, technology (firm's competencies)

R&D and Technology are one of the firm' s competencies and is probably the most human-capital-incentive production activity in a company (Hurstberg, 1998). As a consequence it is expected that firms engaging in R&D activities have comparative advantages in exporting to the developing countries, as they do not have that kind of products. Furthermore, firms with having (large) R&D expenditure may move to the forefront of the technology boundary in their market when they invent new products or new production processes. They may then obtain competitive advantages compared to other firms within the same industry also in developed countries. It is therefore expected that the export performance of firms is positively related to their R&D behaviour, i.e. larger if the firms are R&D active.

Investment in R&D and technology may be higher the result of an internationalised firm who are having a relatively large part of the turnover that gain from export. In fact, it might be requisite for R&D and technology development activities to have a large market in order to make the investment in R&D pay off. Thus, a sufficiently high return of R&D and technology development activities, which is normally considered more risky than other investments, probably demands a market larger than the domestic market. Therefore investments in R&D and technology development resulting in an export strategy for the firm will lead to further investment in R&D (Dau, 1992) and create a benign circle of export and R&D behavior. Consequently, it is important to take this simultaneous interaction into account when trying to explain firm export behavior from internationlised the firms R&D and technology development strategy.

3.3.2 Management's attitude

Management's attitude referred to the management's point of views, opinions and how they perceive the export activities in terms of strategies, marketing, positioning, and other attributes, along with the perceives in barriers, advantages and situation in the international export markets. (Greenly, 1995; Narver, 1993; Pitt 1996 ; Slater and Narver, 1994; Da Rocha and Christensen, 1994). In the export canned fruit industry, management should think about the overall supply management processes started from the flow raw materials, storage, production, finished product, delivery and finally engages in the marketing. The positive export attitude leads optimistic toward international markets. Let us say that firm which has management teams who are ready to challenge in international market expansion by perceive the barriers as their ambitious and try to figure the appropriate strategies to solve problems, can become successful firm in sooner period. The canned fruit business in other countries also have several opportunities, since the preferences and consumer behaviors are different, management can think about the selling strategies such as innovate the packaging (Redious, 1999), adjust the sweetening in syrup or change the label to be more attractive.

3.3.3 Product Differentiation

Some of the most important characteristics of products are the elements that distinguish them from one another. In order to make the customers perceive firm's products that are different from compositing products, firm's products have to produced with a different creation and design product process from competitor's. There are three aspects of product differentiation that company must consider when creating and offering products for sale: product innovation, unique feature and value added product (Pride & Ferrell, 1997, p. 214)

In canned fruit industry there is many ways to differentiate the product itself with some attributes such as the taste, the packaging, the ingredients or differentiate the group of target markets.

3.3.4   Channel adaptation

Channel adaptation is one of those in the marketing mixed and considered as the important determinants of export sales, profits, and growth. This could probably be explained by the fact that an adapted product and channel can satisfy foreign consumers' needs and preference better and also related to the relationship to the distributors/ agents (Diamantopoulos, 2000). The appropriate selected channel allows a firm to transfer it more easily to the foreigner markets. Canned fruit is the worldwide business and consists of more than 25,000 agents and distributors all over the world (Export- Import custom 12 issue, March 2005, p. 123-124). Especially, in Middle- east countries, where the demand of canned fruit consumers is increasing sharply, therefore, it is a good opportunity for Thai exporters to approach the selling agencies through world trade exhibitions, 15 big food fairs/ year (www.depthai.go.th). Thai government support half of expenses includes the shipping cost of product display.

3.3.5   Trade Barriers

Import duties, tariffs and import taxes are taxes levied on import goods to raise imported product' s selling price in the importing nation's market to protect domestic producers (Ball & McCulloch, 1999, p.98)

Nontariff barriers are all forms of discrimination for purpose of restriction foreign products that can be imported (Ball & McCulloch, 1999, p.99). Some forms of discrimination are packing and labeling regulations, health and sanitations, anti-

74

dumping, product standards, testing or approval procedures, and subsidies for local products.

Related to canned fruit business, trade barriers are very important factor since normally cost of production of canned fruit in Thailand and competitors (eg. China and Philippines) are similar, but the taxes imposed on import goods in some countries are very high. This is for example, in Japan the import canned fruit with sugar (more than 18 bric) from Thailand is considered as "Dessert" with taxed imposed by 22.3 % but compared with China, canned fruit export to Japan can take the tax privilege (5-8 %) result from trade agreement between countries (JETRO, taxation agreement 2006), therefore, Chinese exporters gain price competitive among other exports.

3.3.6 Product quality

This is the most important competency as assessed by exporters. The quality might include the durability, design, reliability and products' attributes (Abalaka 1999). The exports must put this in mind as their priorities.

The quality in canned fruit business can be generally classified into the quality of production and the quality of finished products. (Mr. Somkiet, THAIFEX, food of Asia, 2006). The production quality normally controlled by government in export country such as ISO9002, HACCP, GMP, which focus on process, hygienic and surrounding (Thai Commercial, Factory safety 2005). In addition, some import countries request such certificates before passing through custom clearance. Product quality is considered by consumers. Shelf life, label design, taste and appearances.

3.4 Hypothesis Statement

Based on the research framework as describe in Figure 3.1 the research hypothesis to achieve the research can be stated as:

Hypothesis 1

H_0 : There is no relationship between R&D/ technology and export performance of Thai canned fruit manufacturers.

H_a : There is a relationship between R&D/ technology and export performance of Thai canned fruit manufacturers.

Hypothesis 2

H_0 : There is no relationship between management attitudes and export performance of Thai canned fruit manufacturers.

H_a : There is a relationship management attitudes and export performance of Thai canned fruit manufacturers.

Hypothesis 3

H_0 : There is no relationship between differentiation strategy and export performance of Thai canned fruit manufacturers.

H_a : There is a relationship between differentiation strategy and export performance of Thai canned fruit manufacturers.

Hypothesis 4

H_0 : There is no relationship between channel adaptation and export performance of Thai canned fruit manufacturers.

H_a : There is a relationship between channel adaptation and export performance of Thai canned fruit manufacturers.

Hypothesis 5

H_0 : There is no relationship between trade barriers and export performance of Thai canned fruit manufacturers.

H_a : There is a relationship between trade barriers and export performance of Thai canned fruit manufacturers.

Hypothesis 6

H_0 : There is no relationship between product quality and export performance of Thai canned fruit manufacturers.

H_a : There is a relationship between product quality and export performance of Thai canned fruit manufacturers.

Hypothesis 7

H_0 : There is no effect of critical factors on export performance of Thai canned fruit manufacturers.

H_a : There is an effect of critical factors on export performance of Thai canned fruit manufacturers.

3.5 Operationalization of the variables

This section defines the variable, concept, and measurement scale and the most important is how each variable is operated.

77

Table 3.1: Operational Definition of Influencing Variables

Concept	Operational Definition	Operational Component	Measurement Scale
R&D, Technology	The research and development in product attributes, technology and continue improvement in product and process to ensure the innovation and quality consistency in order to maximize customer satisfaction and gain competitive advantages. (Aaby and Slater, 1989 and Wakelin, 1998)	• Kaisen (keep improving) • Training and orientation • Technology adaptation • Product innovation in both product itself and procedures	Interval Scale
Management attitudes	This identifies persons or group of people who direct and control an organization at the highest level, which means management point of views, the commitments, business direction and strategies and styles, which respect to the goals of firm. This also represents The way the management perceives through the international business and its activities.(Greenly, 1995; Narver, 1993; Pitt 1996 ; Slater and Narver, 1994; Da Rocha and Christensen, 1994)	• The level of commitment to the goal of firm • L-T profits • Positive perceives to international export • Clear direction of export business	Interval Scale
Differentiation strategy	Differences in process of creating and designing products. This concept is to create uniqueness into product, which makes different from others in term of design, quality, appearance and utilization. (Ledesma, 2002, Aaby and Slater, 1989)	• Innovative product • Unique features • Value added product	Interval Scale

Table 3.1 continued

Concept	Operational Definition	Operational Component	Measurement Scale
Trade Barriers	Form of government intervention to protect their domestic firms from competitors. The trade barrier includes the prevention of some import products resulted from hygienic issues, prohibit ingredients and chemicals and also the government roles to protect the domestic products from outer group of corporation. (Grimwade, 1992, Kirpalani and MacIntosh (1980)	• Tariff barriers: taxes that the foreign countries impose on the imported canned fruit • Non- tariff barriers: forms of discrimination about packing and labeling regulations, health and sanitations, clearance certification, and anti-dumping.	Interval Scale
Channel adaptation	The marketing activities that attain to persuade customers' attention. Channel adaptation is the strategy which tries to gain suitable market through distribution channel, given more flexibility, and cost saving. Channel adaptation includes channel adjustment to meet customer's preferences, and utilize the current channel to adapt to suitable target markets. (Cavusgil and Zou's, 1994)	• Trade exhibition, privileged by government • Channel adjustment • New market entry • Relationship with dealers/ agents to adapt to other consumer's channels	Interval Scale
Product quality	The features of products and services that satisfies customers in terms of reliability, durability, design, and utilities. Quality is considered as the crucial core competency, which creates brand loyalty.(Abalaka 1999) Durability can be explained by the strength of packaging. To consider the level of durability, normally compared with other firms within industry (Bostein, 2002)	• Effective QC system • Effective QA system • Consistency in materials and procedures • Durability, design, reliability	Interval Scale

Table 3.2: Operational Definition of explained Variable

Concept	Operational Definition	Operational Component	Measurement Scale
Export performance	"Export Performance is considered an indispensable measurement for any companies in order to analyze the success of the company in international areas. It is considered a complex task for assessing the export performance by several determination (Griffin & Pustay, 1996). The export performance is classified into export sales, export profits, and export growth. (Cavusgil and Zou, 1994; Matthyssens and Pauwel, 1996, Robert G. Cooper and Elko J. Kleinschmidt, 1985; Kolter, 1993; Lages, 2000; Bolton, 2004 and Lehmann, 2004; Moini, 1995 and Chrisman et al, 1989 and Bijmolt et al, 1994)	• Export sales • Sales growth • Sales profits	Interval Scale

Table 3.2: continued

Concept	Operational Definition	Operational Component	Measurement Scale
Export sales	The total revenue in value that generated by selling the products to international markets. Normally is measured in annual fiscal year by 5 consecutive years (Aaby and Slater, 1989)	• Increase/ decrease of previous 5 years sales revenue in Thai currency (BHT)	Interval Scale
Export growth	The percentage of the difference in export volume compare with last 5 years. (Aaby and Slater, 1989)	• Growth in volume (no. of cartons)	Interval Scale
Export profits	The difference of total export sales deducted by total costs (+/-?) measured by previous 5 years (Aaby and Slater, 1989)	• Increase/ decrease in profits generated by export activities	Interval Scale

<center>**Chapter IV**</center>

<center>**Research Methodology**</center>

This chapter explains how this study was conducted. It also describes how the data were collected and analyzed. There are four sections in this chapter. The first section is a method of research that indicates the method and procedures for collecting and analyzing data. The second section is details of respondents and sample size. The third section is the instrument that provides the questionnaire and methods to measure. The fourth section is the statistical treatment of data that provides and explain the statistical technique used for calculation.

4.1 Research Method

The self- administered survey was used in this study. A questionnaire was designed to identify the critical success factors of export performance. With these questions, the study attempts to find out the relation and the related effect of those critical factors on export performance of Thai canned fruit manufacturers. The information was gathered from the sample respondents by using the questionnaire sent to them (Zikmund, 1997). Using questionnaire, that was set according to the studied topic, consumed low cost in conducting, allowed to get the significant amounts of data in an economically and efficiently and provides a lot of flexibility. Those are the reasons that survey was selected.

4.2 Research Design

To find out the critical factors on export performance in, the research used primary data survey method with self- administered questionnaires. The primary data collected from one-stop service section of Export promotion of Thailand. Information

collected from website of Thai government, online magazine, journals and articles are mostly secondary data (listed in bibliography part). Information has also been collected from the online report by government organization such as Export Promotion Department, included the interview with Mr. Weerachai P., the managing director of NFC. It can be relied on facts and collected data from some well-established business news : Supplements and handbooks from Thai Finance and Commercial departments.

4.3 Respondent and sampling procedure

Data collection is required to answer the research questions and objectives. Sampling techniques therefore were used. In the sampling process, a small number of items or some part were selected from a larger population and the researchers then used those data to make conclusions regarding the whole population (Zikmund, 2003). The usefulness of sampling is to enable to study and collect data that represent the entire population even when the researchers are impracticable because of the constraints of huge population. It also helps the researcher collect data quickly and sufficiently in most cases. (Saunders et. al, 2003). In this research, the export canned fruit manufacturers in Thailand were focused and the respondents and the sampling methods were listed as followed topic.

4.3.1 Target population

A population is a complete group of entitles sharing some common set of characteristics (Zikmund, 2003). In this study, the target populations are the canned fruit manufacturer in Thailand that export to oversea markets which the export volume is more than 10 TEU (twenty footer container) per year since medium and big size of these firms generate 80 % of sales revenue (Dep Thai in Chapter 1), and have

been operating more than 5 years. All together, there are 257 canned fruit manufacturers as listed in Thailand Export Promotion Department in year 2005. Hence, the respondent qualified to answer and is able to give accurate data in the questionnaire. The target respondents are persons who engage in export business such as export management people: Director, export manager or assistant export manager.

4.3.2 Appropriate size

Sample size is determined based on the total population by Krejcie & Mogan (Krejcie & Mogan, 1970) as shown in Table 4.1 below

Table 4.1: Theoretical Sample size for different size of population and 95 percent confidence level

Population	Sample size	Population	Sample size	Population	Sample size
10	10	120	92	340	181
15	14	130	97	360	186
20	19	140	103	380	191
25	24	150	108	400	196
30	28	160	113	420	201
35	32	170	118	440	205
40	36	180	123	460	210
45	40	190	127	480	214
50	44	200	132	500	217
55	48	210	136	550	226
60	52	220	140	600	234
65	56	230	144	650	242
70	59	240	148	700	248
75	63	250	152	750	254
80	66	260	155	800	260
85	70	270	159	850	265
90	73	280	162	900	269
95	76	290	165	950	274
100	80	300	169	1000	278
110	86	320	175	1100	285

(95% confidential level with 5 % of tolerant rate) Source: Krejcie & Mogan, 1970

84

The numbers of population are 257 companies, therefore, the appropriate sample size should be 154 companies.

4.3.3 Sampling units

Zikmund (1997) stated, "The sampling unit is a single element or group elements subject to selection in the sample." Sampling unit in this research are exporting canned fruit manufacturer in Thailand only. Each company is represented by Director, export manager or assistant export manager to complete the questionnaire.

4.3.4 Sampling Method

The sampling method used is the non- probability sampling method. There are 257 companies of the total population and the sample size is 154 companies (table 4-1). Firstly, the total 257 companies were listed down by given the numbers in order. Since the ratio of medium and big firms are 40:60 (www.thaitrade.com/, fact sheet of canned fruit January 2006). Medium size of firm refers to any companies where the total employees are between 51- 200, and the firms where having more than 201 employees are considered as big size (www.thaitrade.com/, fact sheet of canned fruit January 2006), then we assign the number 1 – 103 to medium companies and 104- 257 to big companies respectively. Then, the sample units were selected by picking up odd numbers from 1- 257, therefore, we will get 128 companies as our sample units.

Number 1-103 (medium companies)   **: Total sample units = 52**

Number 104- 257 (big companies)   **: Total sample units = 76**

Another 26 sample units can be randomly selected by choosing 10 units from medium companies and 16 units from big companies (refer to 40:60 ratio)

4.3.5 Data collection/ Gathering procedures

After designing the questionnaire, the researcher begins to work for the collecting data. The respondents whom the researcher aims are the export canned fruit company in Thailand. The questionnaires were distributed to 5 respondents for each company by mail or E-mail (in case of able to find e- mail address), therefore, the total sets of questionnaire were 770 sets. The mail- out survey package includes covering letter explaining the purpose of the study, a copy of questionnaire, a postage envelope for returning the questionnaires.

The persons who answer questionnaires were export management such as managing director, export manager or assistant export manager, since some medium to big companies have many positions, five questionnaires were distributed to each company. However, medium companies may lack of some positions, so the respondent might be only managing director of the company. To select this group of respondents is because they play active roles in overall export activities and management. There will be some bias such as some companies may or may not return any questionnaires, or some may return but not in a full set of 5 questionnaires. This procedure was done from July15, 2006 till August 15, 2006. The duration is 30 days.

4.4 Research Instruments/ Questionnaire

4.4.1 Research instrument design

The instrument used for this survey research is questionnaire. Questionnaires were used to present questions and record answers in quantities field research surveys.

The questionnaire has been developed based on variables of conceptual framework of this study. The respondents in this study are Thai, and in order to ensure the comprehension, the questionnaire will be prepared in both Thai and English. In order to avoid miss translation in languages which will affect the translation quality and meaning, the back translation should be applied (Richard W. Brislin, 1970). In this research, there would be one person who experts in Thai and English, evaluates the meaning of each question by listening to the respondents who explain the meaning of the questionnaires in both Thai and English languages and compared whether the meanings are the same meaning or not. The 7 point scale was chosen as it was more suitable for multi- variable analysis and more elaborate than smaller ranges (eg. 5 points) (Bond, 1995). The scale has the arbitrary level as follow:

Very low   represented by mean scores between 1.000- 1.857

Low   represented by mean scores between 1.858- 2.714

Quite Low   represented by mean scores between 2.715- 3.571

Neutral   represented by mean scores between 3.572- 4.428

Quite high   represented by mean scores between 4.429- 5.285

High   represented by mean scores between 5.286- 6.141

Very high   represented by mean scores between 6.142- 7.000

The "very low" to "very high" represented the degree of disagreement/ agreement. The mean score which falls into "very low" range represented the strongly disagreement level of those factors. On other hand, the mean score which falls into "very high" range represented strongly agreement of those factors as well. The purpose is to categorize the range of mean scores in order to easier for calculation and understanding.

The questionnaire consists of questions asking the respondents about their valuation toward the factors that relate to export performance when they export canned fruit products to oversea markets. All questions were presented in three following parts:

Part I: General information of respondents is called "Company background" It contains 6 questions about name of organization, job title of respondent, year of establishment, number of Employees, years engage in export activities, and the volume (FCL)/ year.

Part II: Toward the critical factors that relate to Export Performance. It contains 29 questions including Trade barriers, Differentiation strategy, Management attitudes, R&D/ Technology, Product quality and channel adaptation.

Part III: Success results: This part contains 3 questions related to export performance including export sales, export growth and export profits.

4.5 Pilot Study

Churchill (1991) stated that each question in the questionnaire must be ensuring that it is not confusing or ambiguous and the respondents do not feel offensive. Therefore, the questionnaire has to be reviewed carefully. The small pilot study will be useful in determining how reliable and valid the questionnaire is. In order to detect the weakness and error in the instrument (questionnaire), pre-testing is required before any actual testing is conducted. Pretests are considered essential to detect the problems of the questionnaire when obtaining information for respondents (Churchill, 1991, p.396-398).

The researcher aimed to (1) measure the convenience and ease of answering the questionnaire for unprepared respondents; (2) ascertain the time spent for answering/completing the questionnaire; and (3) find out which if any part of the

questionnaire was difficult to understand or if any category, sequencing and/or structure needed to be modified before the final questionnaire were released.

The results of the pilot study were carried out regarding:

- The sequence, wording and structure of the questionnaire.

- Whether all of the respondents find the questionnaire easy to understand and convenient to fill in or answer.

- The length of the questionnaire, the average time to finish filling in the questionnaire.

Reliability test

Since the concepts of independent variables are composite measures, an index measure technique is used. Reliability test of such concepts by "Cronbach alpha" value indicated the certain acceptance of whether such particular concepts are statistically applicable for further test with the dependent variables. Cronbach alpha is utilized the internal consistency of the measurement. Each scale is tested by SPSS to compute alpha value. Hair et al (1995) and Sekaran (2000) mentioned that if the reliability value is at least 0.6 it is considered being reliability. In this research, the questionnaires have been pre-tested through 30 canned fruit manufacturers who have their exporting business to oversea market more than 10 TEU/ year. The researcher asked them to complete the questionnaires at any time they are available in their office. The pre-test was done for two weeks, or 10 working days, excluding weekend. The duration was from July 15th - August 15th ,2006. The appointment has been done via their secretary or subordinates. The Cronbach' s alpha for each six critical factors and export performance from pilot study has value more than 0.6, therefore, the questionnaire used for this study are reliable. The value can be presented below:

Table 4.2 The value of reliability analysis

Questionnaire components	No of items	Cronbach' s Alpha
Critical factors		
Trade Barrier	**8**	**0.8821**
Differentiation Strategy	**3**	**0.7325**
Management attitudes	**5**	**0.7268**
R&D and technology	**4**	**0.7187**
Product quality	**4**	**0.8767**
Channel adaptation	**5**	**0.8160**
Export performance	**3**	**0.8178**

n= 30

From Table 4.2, there were six factors listed in the reliability test. Since the "Cronbach alpha" was used to test the reliability, the 0.6 value was used as the measurement of the reliability of the data. The six factors in this test had value more than 0.6, which means that all factors were reliable. The results were from the total population of thirty respondents of export canned fruit manufacturers in Bangkok areas.

Chapter V

Presentation of Data and critical Discussion of Results

This data analysis part shows the findings, results as well as analysis obtained from the survey in order to answer the research questions and hypotheses indicated in the previous chapters. It presents and discusses the findings from the reported data which was collected from the Thai export canned fruit manufacturers over Thailand territory during July to August 2006. The attempt was made to determine the critical success factors the affect on export performance of Thai canned fruit manufacturers. The data analyses are presented in analysis results of data findings which were collected based on the 154 Thai canned fruit manufacturers who export internationally The data analyses in this chapter consist of 4 sections as follow:

5.1 Descriptive Analysis of Demographic data

5.2 Descriptive Analysis of Critical success factors that affect export performance

5.3 Descriptive Analysis of Success results related to those critical factors

5.4 Hypotheses testing

5.1 Descriptive Analysis of Demographic data

This section provides five themes concerning respondents' profile i.e. job title, year of company establishment, number of employees, years of exporting to foreign countries and export volume annually. The profiles are displayed through the use of frequency distribution and percentage as presented in Table 5.1.1 to 5.1.5

Table 5.1.1 : Respondents' job title

Job Title

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Managing Director	40	13.3	13.3	13.3
	Export Manager	102	34.0	34.0	47.3
	Assistant Export Manager	98	32.7	32.7	80.0
	Others	60	20.0	20.0	100.0
	Total	300	100.0	100.0	

Table 5.1.1 shows the frequency and percentage of the job title of respondents according to the questionnaire survey, Export manager was found to be majority group with response rate 34 %. The latter group was Assistant export manger, and Managing director with the response rate 32.7 % and 13.3 % respectively. The response rate is in other positions. The examples of other positions were export supervisor and export consultant.

This research focuses on medium and big firms which have employees more than 50 people, therefore, there might be many positions concerning international export . It was found that some companies have only 2 or 3 positions related to export activities and some companies have more than 3 positions. In this profile, we focus on only export management people.

Table 5.1.2: Years of establishment

Years of establishment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5-7 years	90	30.0	30.0	30.0
	more than 7-10 years	150	50.0	50.0	80.0
	more than 10 years	60	20.0	20.0	100.0
	Total	300	100.0	100.0	

The data shows that most of respondents (50%) have been operating in canned food business more than 7 to 10 years. Between 5 to 7 years, and more than 10 years in a percentage of 30 % and 20 % respectively. The focus is on the firms that have been operating more than 5 years since the past 5 consecutive years was used to analyze in term of statistic preciously (Medsen, 1989).

Table 5.1.3: Number of employees

No. of employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	51-100 employees	81	27.0	27.0	27.0
	101-150 employees	45	15.0	15.0	42.0
	151-200 employees	39	13.0	13.0	87.0
	more than 200 employees	135	45.0	45.0	100.0
	Total	300	100.0	100.0	

From table 5.1.3, the majority group (45 %) was the companies that have more than 200 employees, followed by having employees between 51 to 100, 101- 150 and 151- 200 in the percentage of 27 %, 15 % and 13 % respectively. Since this research focuses only on the medium and big firms, therefore, the number of employees is more than 50 people to more than 200 people

Table 5.1.4: Export experience

Export experience in years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5-7 years	120	40.0	40.0	40.0
	more than 7 to 9 years	140	46.0	46.0	86.0
	more than 10 years	40	14.0	14.0	100.0
	Total	300	100.0	100.0	

Table 5.1.4 shows that most of the respondents engaged in the canned fruit export business between 7 to 10 years (46 %), followed by 5 to 10 yeas and more than 10 years (40 % and 14 %) respectively. The years of export experience shows the level of export experiences in term of time period, the more years of export experience implied the higher experiences in the international markets. Similar to the years of establishment, this research focuses on the firms that have been operating more than 5 years since the past 5 consecutive years was used to analyze in term of statistic preciously (Medsen, 1989).

Table 5.1.5: Export volume

No. of TEU per year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10-15 TEU	88	29.3	29.3	29.3
	more than 15-20 TEU	102	34.0	34.0	63.3
	more than 20 TEU	110	36.7	36.7	100.0
	Total	300	100.0	56.7	

In table 5.1.5, the percentage of respondents that have export volume of canned fruit to foreign countries were leaded by more than 20 TEU (36.7%), more than 15 to 20 TEU (34%) and between 10 -15 TEU (29.3%) respectively. According to Mr. Weerachai, Managing Director of NFC, who has more than 25 years in canned fruit industry, he stated that the 10 TEU export volume of canned fruit is considered as the active medium size exporters. Therefore, this research focuses on the minimum 10 TEU of export volume.

5.2 Descriptive Analysis of Critical success factors that affect export performance

This part, the respondents were asked to rate the level of agreement on the 6 factors, Table 5.2.1 to 5.2.6 presents the mean scores of the items in 6 factors.

Table 5.2.1: Mean, Standard deviation and Interpretation of Trade barriers

Descriptive Statistics

	Qualitative Rating	Mean	Std. Deviation
1.Foreign import tariff	quite low	3.20	1.120
2.Import Duty	neutral	3.76	.990
3.Foreign fees in term of customs clearance	quite high	4.56	.980
4.Foreign VAT (domestic value added tax)	neutral	4.20	.950
5.Foreign Visa and document requirements	neutral	4.41	1.110
6.Foreign Labeling, marking and packing's rules	neutral	4.30	1.140
7.Foreign anti-dumping law	neutral	3.98	.950
8.Foreign environment standard	neutral	4.22	1.200

Overall Weight means   4.079   Std   1.055

Mean value 7- point scale, scale used: 7 (very high) to 1 (very low)

Figure 5.2.1: Mean, Standard deviation and Interpretation of Trade barriers

95

Table 5.2.1 and figure 5.2.1 presented the implementation in term of trade barrier factor. There are eight items in this category, which have the range of mean score between 3.2 to 4.56. Mostly, the items are considered as "Neutral level" since they are in arbitrary level 3.574 – 4.429 (Bond, 1995). The overall weighted mean was 4.079, which represented level of engaging on trade barrier factor as "Neutral level"
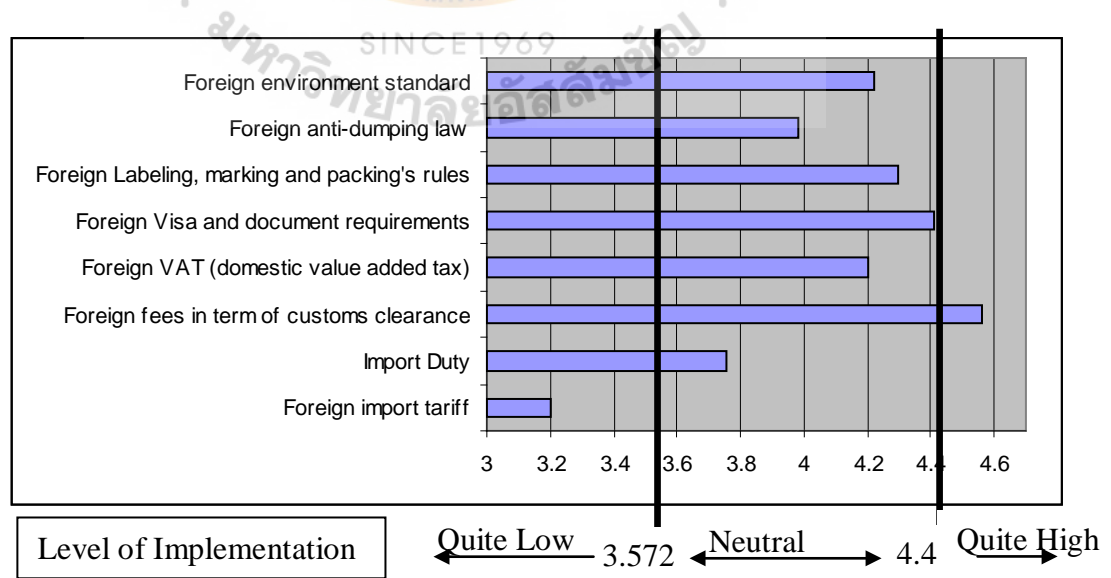
This pointed out that Thai canned fruit manufacturers have neutral level in facing this factor. The item that Thai canned fruit manufacturers have faced in lowest level in trade barrier factor is the degree of foreign import tariff, mean score of 3.20. The second, third, and forth items that Thai canned fruit manufacturers have also focus are import duty, foreign anti- dumping law and foreign vat, mean score of 3.76, 3.98, 4.20. While the highest level of this factor, mean score of 4.56, foreign fees in term of custom clearance.

Table 5.2.2: Mean, Standard deviation and Interpretation of Differentiation Strategy

Descriptive Statistics

	Qualitative Rating	Mean	Std. Deviation
1.The canned fruit product of your company has unique features, which others cannot duplicate	quite high	4.95	1.010
2.Your products are considered as more innovative than others in industry	quite high	5.10	1.120
3.Your company's product offers the high value added (eg. higher nutrients, refined sugar added) to customer as compared with those of competitors.	quite high	4.65	1.370

Overall Weight means   **4.90**   **Std**   **1.167**

Mean value 7- point scale, scale used: 7 (very high) to 1 (very low)

Figure 5.2.2: Mean, Standard deviation and Interpretation of Differentiation Strategy

Table 5.2.2 and figure 5.2.2 presented the level of implementation in term of differentiation strategy factor. There are three items in this category, which have the range of mean score 4.65 to 5.10. All items are presented in "quite high level". The overall weight mean was 4.90, which represented level of implementation on differentiation strategy factor as "quite high level"

From the data analysis, it showed that Thai canned fruit manufacturers have quite high level in implementing this factor. The items that Thai canned fruit manufacturers have implemented in highest level in differentiation strategy is the "company' s are considered as more innovative than others in the industry", mean score 5.10. Followed by the "canned fruit of the company has unique features, which others cannot duplicate", and the "company's product offers the high value added (eg. Higher nutrients, refined sugar added) to customer as compared with those of competitors", which has shown mean score of 4.95 and 4.65.

Table 5.2.3: Mean, Standard deviation and Interpretation of Management attitude

Descriptive Statistics

	Qualitative Rating	Mean	Std. Deviation
1.Management people mainly focus on goal of company	neutral	4.13	1.163
2.Management considers the success of company based on having long- term profits.	neutral	4.28	.964
3.Managers have a positive thinking of international export activity	neutral	3.97	.922
4.Management has a clear direction of export business eg, policies and strategies.	quite high	4.73	.932
5.Management sacrificed themselves to company's success.	neutral	4.42	.785

Overall Weight means   4.306   Std   0.9532

Mean value 7- point scale, scale used: 7 (very high) to 1 (very low)

Figure 5.2.3: Mean, Standard deviation and Interpretation of Management attitude

98

Table 5.2.3 and figure 5.2.3 presented the level of implementation in term of management attitudes. There are five items in this category, which have range of mean score 3.97 to 4.73 The overall weight mean was 4.306, which represented level of implementation on management attitudes factor as "Neutral"

Thai canned fruit manufacturers indicated the level of implementation only forth item in quite high level. The forth item, management has a clear direction of export business eg. Policies and strategy is the highest level among six items in this factor, which the mean score of 4.73. The remaining items are represented "neutral level" since the mean scores are between 3.97 to 4.42.

Table 5.2.4: Mean, Standard deviation and Interpretation of R&D/ technology

Descriptive Statistics

	Qualitative Rating	Mean	Std. Deviation
1.The company keeps improving its technology in processing and production	quite high	5.19	1.150
2.Company has training and enhancement of R&D development	high	5.43	.972
3.Company adapts the new technologies to the factory production and process	quite high	4.73	1.043
4.Company launches the innovative products and tries to develop the new process in factory.	quite high	4.44	1.012

Overall Weight means   4.95   Std   1.044

Mean value 7- point scale, scale used: 7 (very high) to 1 (very low)

Figure 5.2.4: Mean, Standard deviation and Interpretation of R&D/ technology

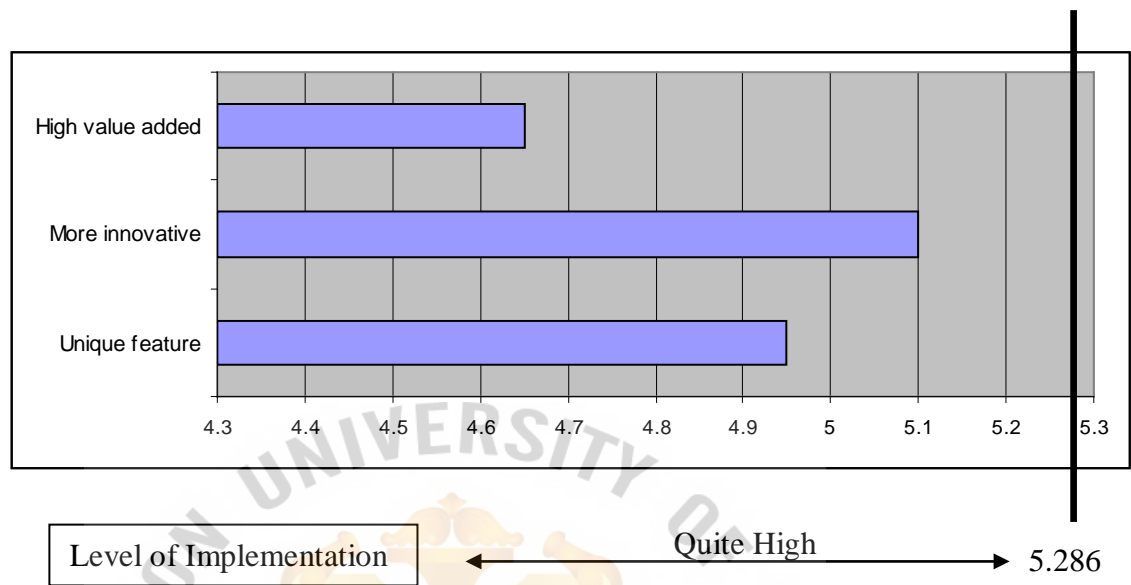
Table 5.2.4 and figure 5.2.4 presented the level of implementation in term of R&D/ technology factor. There are four items in this category, which have the range of mean score 4.44 to 5.43. Most of the items are presented in "quite high level", only R&D development item is presented in "high level". The overall weight mean was 4.95, which represented level of implementation on differentiation strategy factor as "quite high level"

This pointed out that Thai canned fruit manufacturers have quite high level in implementing this factor. The items that Thai canned fruit manufacturers have implemented in highest level in R&D/ technology is the company has training and enhancement of R&D/ development, mean score of 5.43. Followed by the items 1, 3 and 4, which has shown mean score of 5.19, 4.73 and 4.44.

Table 5.2.5: Mean, Standard deviation and Interpretation of Product quality

Descriptive Statistics

	Qualitative Rating	Mean	Std. Deviation
Effective Quality control system	very high	6.23	.791
The raw materials and packaging are reliable	high	5.73	.776
Products are durable	high	5.44	.681
The design of product is attractive	high	5.29	1.289

Overall Weight means   5.6725   Std   0.88425

Mean value 7- point scale, scale used: 7 (very high) to 1 (very low)

Figure 5.2.5: Mean, Standard deviation and Interpretation of Product quality
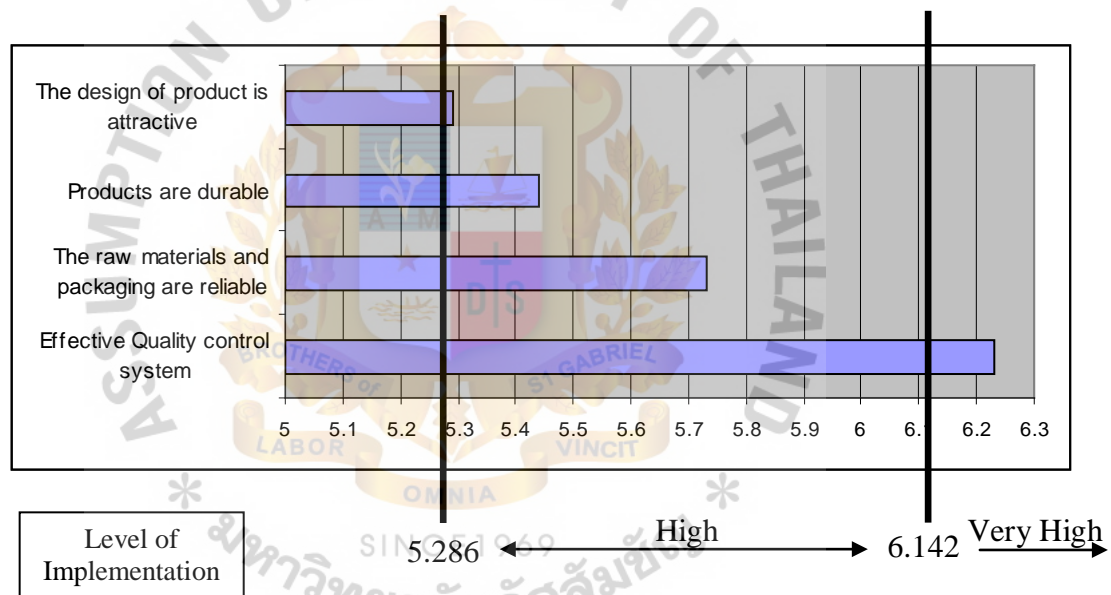
Table 5.2.5 and figure 5.2.5 presented the level of implementation in term of Product quality factor. There are four items in this category, which have the range of mean score 5.29 to 6.23. Most of the items are presented in "high level". The overall weight mean was 5.6725, which represented level of implementation on Product quality factor as "high level"

This pointed out that Thai canned fruit manufacturers have high level in implementing this factor. The items that Thai canned fruit manufacturers have implemented in highest level in Product quality is the company has effective Quality

101

control system (defect rate less than industrial standard = 1.5%), mean score of 6.23. The second, third, and forth items that Thai canned fruit manufacturers have also focus are the raw materials and packaging are reliable (in term of freshness and cleanness), products are durable enough to meet the degree of customer requirements (without claims), and the design of product is attractive, with the mean score of 5.73, 5.44, and 5.29 respectively.

Table 5.2.6: Mean, Standard deviation and Interpretation of Channel adaptation

Descriptive Statistics

	Qualitative Rating	Mean	Std. Deviation
1.The company has a plan to further develop the new markets by finding reliable partners.	neutral	3.91	1.382
2.The company has strong relationship with current dealers, which helps the company to adjust the sales channel to be more flexible	quite high	4.52	1.196
3.Company normally participates in the international trade exhibition, supported by government to catch new channel market	neutral	3.78	.770
4.Company is trying to find their own channel of distribution by dealing directly with final customers.	quite low	3.33	.718
5.Company is likely to adjust their current sales channels in order to meet customer's preferences.	neutral	4.37	1.074

Overall Weight means   **3.982**   **Std**   **1.028**

Mean value 7- point scale, scale used: 7 (very high) to 1 (very low)

Figure 5.2.6: Mean, Standard deviation and Interpretation of Channel adaptation
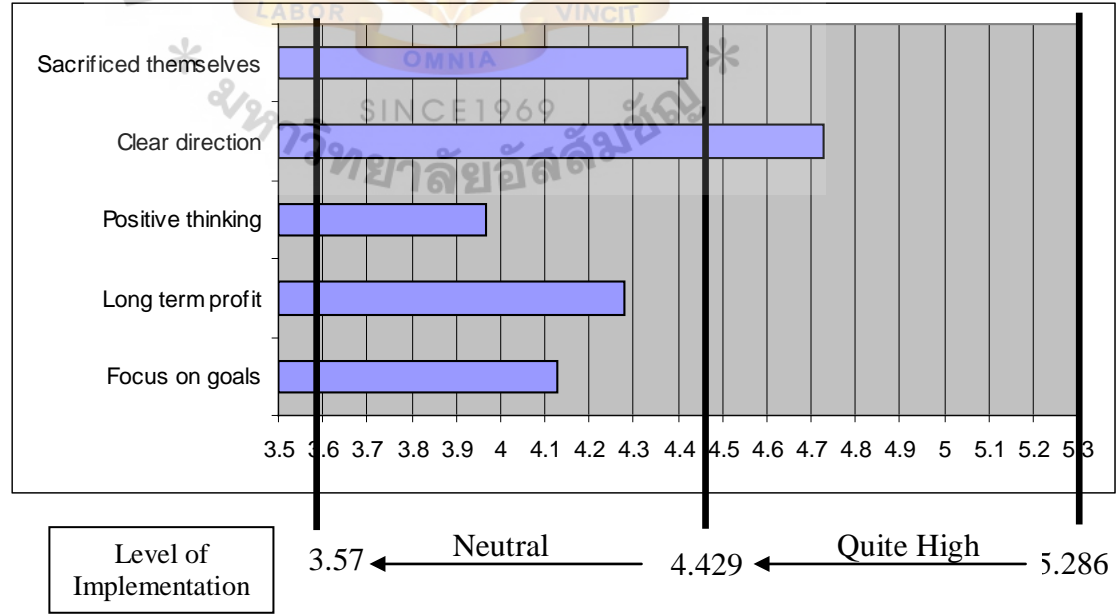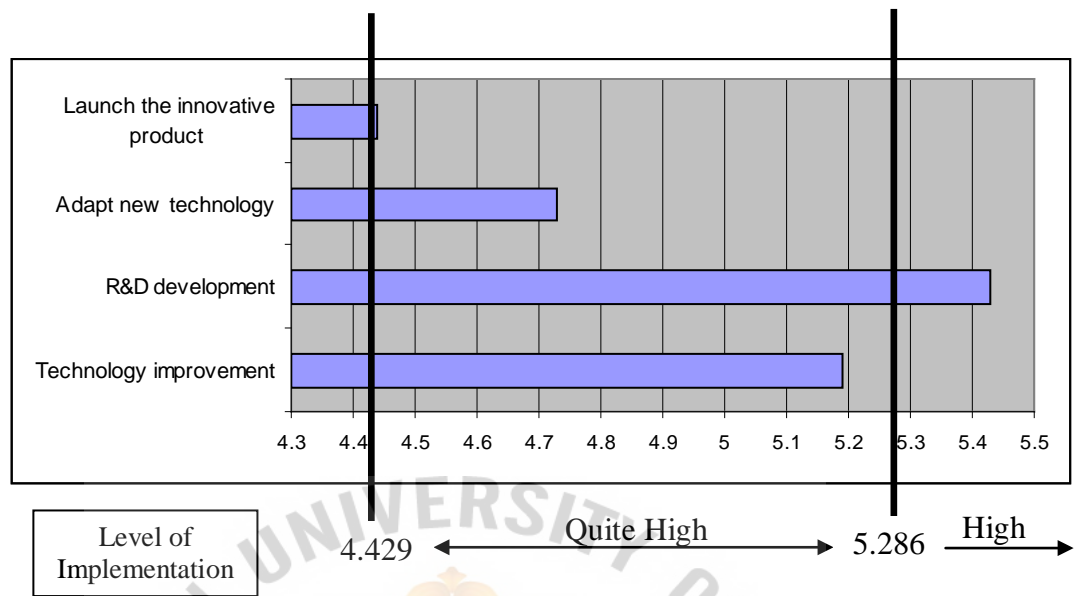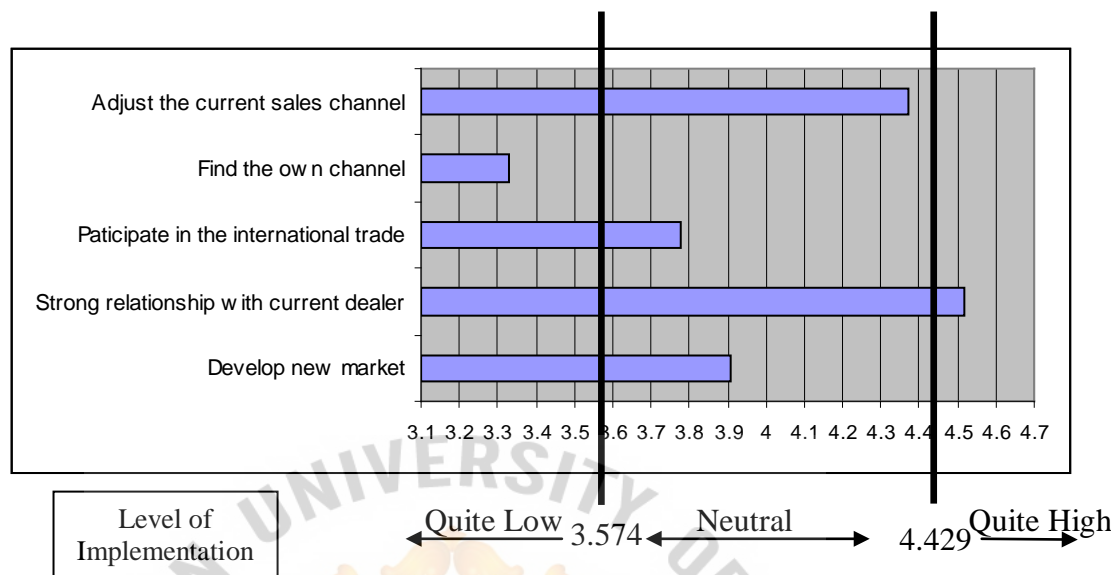

Table 5.2.6 and figure 5.2.6 presented the level of implementation in term of Channel adaptation factor. There are five items in this category, which have the range of mean score 3.33 to 4.52. Most of items are presented in "neutral level", while only the second item is presented in "Quite low level" and the forth item is presented in "Quite high level". The overall weight mean was 3.982, which represented level of implementation on Channel adaptation factor as "neutral level"

The data showed that Thai canned fruit manufacturers have neutral level in implementing this factor. The items that Thai canned fruit manufacturers have implemented in highest level in Channel adaptation is the company has strong relationship with current dealers, which helps the company to adjust the sales channel to be more flexible, mean score of 4.52. Other items, 1, 3, 4 and 5 are not considered as crucial implementation for the Channel adaptation factor, since the mean score are consider as "neutral and quite low level", therefore, the Channel adaptation factor is rarely received attention from Thai canned fruit manufacturers.

5.3 Descriptive Analysis of Success Results of export performance

Table 5.3.1: Mean, Standard deviation and Interpretation of Success results of export performance

Descriptive Statistics

	Qualitative Rating	Mean	Std. Deviation
1.Average 5 years sales of company (in BHT) has increased	quite high	5.20	.938
2.Average 5 years export growth of company has increased (in volume)	quite high	4.87	1.098
3.Average 5 years export profits of the company has increased	quite high	4.53	1.230

Overall Weight means   4.87

Mean value 7- point scale, scale used: 7 (very high) to 1 (very low)

Figure 5.3.1: Mean, Standard deviation and Interpretation of Success results of export performance by rank order
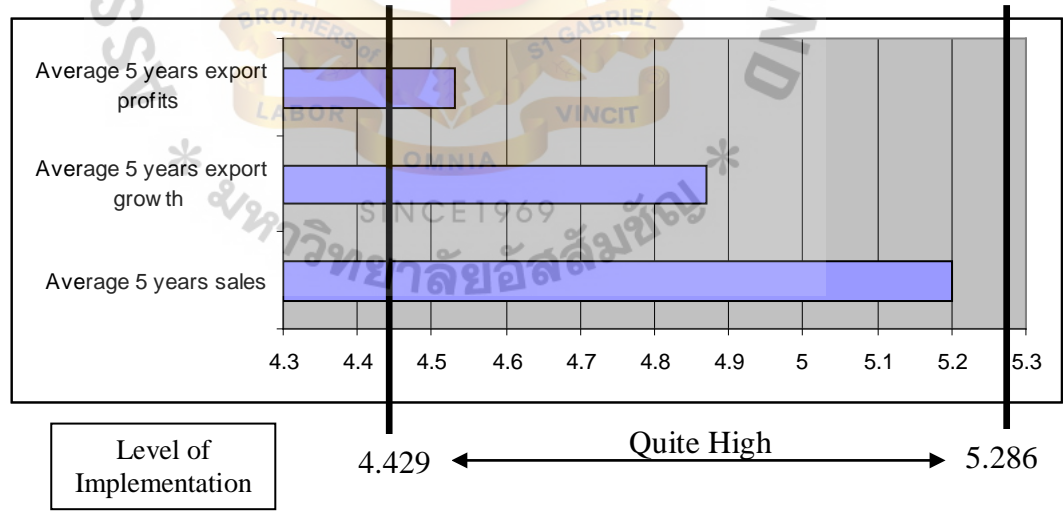

Table 5.3.1 and figure 5.3.1 shows the mean score and standard deviation indicate level of success results of export performance There are 3 items or success results which have mean score ranging 4.87 to 5.20. All items are considered as "quite high level", export sales, export growth and export profit, by the mean score of 5.20,

4.87, and 4.53 respectively. This can be concluded that most of the respondents agree that the export sales of the company has been growing in the last five years, which means that the export sales in value (BHT) has increased. This indicated that Thai canned fruit manufacturers have gained more revenue in export sales (without considering any costs). The sales growth is also growing in a same direction but not in the same percentage. Since sales growth is measured by volume (TEU), therefore, there might be some external factors such as BHT currency exchange, tax and tariff in import countries or the degree of competitions, that affect the export growth. Similar to export profits, since the higher export sales might require more investment in product and marketing, this result in higher cost, which pulls down the profits. Therefore, the increase in export sales is not necessary to affect the increase in export profits in the same level. Moreover, like export growth, export profits might be affected by the currency fluctuation (in case of BHT appreciated) and also the increase in the logistic cost.

5.4 Hypothesis testing

Hypothesis 1: R&D/ technology vs export performance of Thai canned fruit manufacturers

H_01 : There is no relationship between R&D/ technology and export performance of Thai canned fruit manufacturers.

H_a1 : There is a relationship between R&D/ technology and export performance of Thai canned fruit manufacturers.

Table 5.4.1 Pearson correlation between R&D/ technology and export performance of Thai canned fruit manufacturers

Correlations

		R&D	Export Performance
R&D	Pearson Correlation	1	.507*
	Sig. (2-tailed)	.	.000
	N	300	300
Export Performance	Pearson Correlation	.507*	1
	Sig. (2-tailed)	.000	.
	N	300	300

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.4.1, the Pearson correlation test shows the significant value of 0.000 which is less than 0.01, therefore, the null hypothesis ($H_0 1$) is rejected and the alternative hypothesis ($H_a 1$) is accepted. It means that there is a relationship between R&D/ technology and export performance of Thai canned fruit manufacturers at the 0.01 significant level. Pearson correlation coefficient at 0.507 means that the relationship between two variables is in positive direction with the moderately strong in relation, which could imply that R&D/ technology factor relates to the export performance of Thai canned fruit manufacturers

Hypothesis 2: Management attitudes vs export performance of Thai canned fruit manufacturers

$H_0 2$: There is no relationship between management attitudes and export performance of Thai canned fruit manufacturers.

$H_a 2$: There is a relationship management attitudes and export performance of Thai canned fruit manufacturers.

Table 5.4.2 Pearson correlation between management attitudes and export performance of Thai canned fruit manufacturers

Correlations

		MMA	Export Performance
Management attitude	Pearson Correlation	1	.863*
	Sig. (2-tailed)	.	.540
	N	300	300
Export Performance	Pearson Correlation	.863*	1
	Sig. (2-tailed)	.540	.
	N	300	300

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.4.2, the Pearson correlation test shows the significant value of 0.54 which is more than 0.01, therefore, the null hypothesis (H_02) is failed to reject. It means that there is no relationship between management attitudes and export performance of Thai canned fruit manufacturers at the 0.01 significant level.

Hypothesis 3: Differentiation strategy vs export performance of Thai canned fruit manufacturers

H_03 : There is no relationship between differentiation strategy and export performance of Thai canned fruit manufacturers.

H_a3 : There is a relationship between differentiation strategy and export performance of Thai canned fruit manufacturers.

Table 5.4.3 Pearson correlation between differentiation strategy and export performance of Thai canned fruit manufacturers

Correlations

		Differentiation Strategy	Export Performance
Differentiation Strategy	Pearson Correlation	1	.320*
	Sig. (2-tailed)	.	.000
	N	300	300
Export Performance	Pearson Correlation	.320*	1
	Sig. (2-tailed)	.000	.
	N	300	300

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.4.3, the Pearson correlation test shows the significant value of 0.000 which is less than 0.01, therefore, the null hypothesis ($H_0 3$) is rejected and the alternative hypothesis ($H_a 3$) is accepted. It means that there is a relationship between Differentiation strategy and export performance of Thai canned fruit manufacturers at the 0.01 significant level. Pearson correlation coefficient at 0.320 means that the relationship between two variables is moderate in positive direction, which could imply that Differentiation strategy factor moderately relate to the export performance of Thai canned fruit manufacturers

Hypothesis 4: Channel adaptation vs export performance of Thai canned fruit manufacturers

$H_0 4$: There is no relationship between channel adaptation and export performance of Thai canned fruit manufacturers.

$H_a 4$: There is a relationship between channel adaptation and export performance of Thai canned fruit manufacturers.

Table 5.4.4 Pearson correlation between Channel adaptation and export performance of Thai canned fruit manufacturers

Correlations

		Channel Adaptation	Export Performance
Channel Adaptation	Pearson Correlation	1	-.037*
	Sig. (2-tailed)	.	.781
	N	300	300
Export Performance	Pearson Correlation	-.037*	1
	Sig. (2-tailed)	.781	.
	N	300	300

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.4.4, the Pearson correlation test shows the significant value of 0.781 which is more than 0.01, therefore, the null hypothesis ($H_0 4$) fails to reject. It means that there is no relationship between Channel adaptation and export performance of Thai canned fruit manufacturers at the 0.01 significant level.

Hypothesis 5: Trade barriers vs export performance of Thai canned fruit manufacturers

$H_0 5$: There is no relationship between trade barriers and export performance of Thai canned fruit manufacturers.

$H_a 5$: There is a relationship between trade barriers and export performance of Thai canned fruit manufacturers.

Table 5.4.5 Pearson correlation between Trade barriers and export performance of Thai canned fruit manufacturers

Correlations

		Trade Barriers	Export Performance
Trade Barriers	Pearson Correlation	1	-.643*
	Sig. (2-tailed)	.	.000
	N	300	300
Export Performance	Pearson Correlation	-.643*	1
	Sig. (2-tailed)	.000	.
	N	300	300

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.4.5, the Pearson correlation test shows the significant value of 0.000 which is less than 0.01, therefore, the null hypothesis (H_05) is rejected and the alternative hypothesis (H_a5) is accepted. It means that there is a relationship between Trade barriers and export performance of Thai canned fruit manufacturers at the 0.01 significant level. Pearson correlation coefficient at -0.643 means that the relationship between two variables is in negative direction, which means that the higher Trade barriers, the lower export performance.

Hypothesis 6: Product Quality vs export performance of Thai canned fruit manufacturers

H_06 : There is no relationship between product quality and export performance of Thai canned fruit manufacturers.

H_a6 : There is a relationship between product quality and export performance of Thai canned fruit manufacturers.

110

Table 5.4.6 Pearson correlation between Product Quality and export performance of Thai canned fruit manufacturers

Correlations

		Product Quality	Export Performance
Product Quality	Pearson Correlation	1	.783*
	Sig. (2-tailed)	.	.000
	N	300	300
Export Performance	Pearson Correlation	.783*	1
	Sig. (2-tailed)	.000	.
	N	300	300

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.4.6, the Pearson correlation test shows the significant value of 0.000 which is less than 0.01, therefore, the null hypothesis ($H_0 6$) is rejected and the alternative hypothesis ($H_a 6$) is accepted. It means that there is a relationship between product quality and export performance of Thai canned fruit manufacturers at the 0.01 significant level. Pearson correlation coefficient at 0.783 means that the relationship between two variables is strong in positive direction, which could imply product quality factor strongly, relates to the export performance of Thai canned fruit manufacturers

Hypothesis 7:

$H_0 7$: There is no effect of critical factors on export performance of Thai canned fruit manufacturers.

$H_a 7$: There is an effect of critical factors on export performance of Thai canned fruit manufacturers.

Table 5.4.7 Linear regression between critical factors and export performance of Thai canned fruit manufacturers

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.986[a]	.973	.966	.18765

a. Predictors: (Constant), CHANNEL ADAPTATION, TRADE BARRIERS, DIFFERENTIATION STRATEGY, PRODUCT QUALITY, MANAGEMENT ATTITUDE, R&D/TECHNOLOGY

b. Dependent Variable: EXPORT PERFORMANCE

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.057	6	4.843	34.081	.000[a]
	Residual	.810	23	.035		
	Total	29.867	29			

a. Predictors: (Constant), CHANNEL ADAPTATION, TRADE BARRIERS, DIFFERENTIATION STRATEGY, PRODUCT QUALITY, MANAGEMENT ATTITUDE, R&D/TECHNOLOGY

b. Dependent Variable: EXPORT PERFORMANCE

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.254	.558		-4.042	.001
	TRADE BARRIERS	-.754	.106	-.726	-5.810	.009
	DIFFERENTIATION STRATEGY	.518	.120	.427	5.810	.000
	MANAGEMENT ATTITUDE	.160	.127	.133	1.261	.220
	R&D/TECHNOLOGY	.622	.106	.542	.794	.008
	PRODUCT QUALITY	1.129	.136	.870	8.309	.000
	CHANNEL ADAPTATION	-.117	.098	-.106	-1.199	.243

a. Dependent Variable: EXPORT PERFORMANCE

Table 5.4.7 shows the linear regression between critical factors to export performance of Thai canned fruit manufacturers. All independent variables explain 97.3% of the variance (R Square) in export performance of Thai Canned fruit manufacturers, which is highly significant as indicated by the F-value of 34.081 above, therefore, this can be concluded that the critical factors have an effect on export performance of Thai canned fruit manufacturers.

According to the table of coefficients, it implies the significant of each critical in the last column, which are:

Trade barrier	Significant level	.009
Differentiation Strategy	Significant level	.000
Management attitude	Significant level	.220
R/D & Technology	Significant level	.008
Product quality	Significant level	.000
Channel adaptation	Significant level	.243

This can be concluded that Trade barriers, differentiation strategy, R&D/ technology and product quality have significant relationship with export performance of Thai canned fruit manufacturers since it shows less than 0.01 of significant level. On other hand, Management attitude and channel adaptation have no significant with export performance of Thai canned fruit manufacturers since it shows the significant level of .220 and .243, which more than 0.01 of significant level.

The Beta informs the degree of significant in relationship. Below is the summarize of the standardized coefficients in term of Beta, related to export performance of Thai canned fruit manufacturers

Export performance:	- .762 Trade barrier
	.427 Differentiation Strategy
	.133 Management attitude
	.542 R/D & Technology
	.870 Product quality
	-.106 Channel adaptation

113

Product quality seems to have the strongest positive relationship with export performance since the Beta result is 0.870, the higher number of Beta, the stronger in relationship between variables. Followed by trade barrier factor, which Beta level is in the negative (-.762). This means that trade barrier factor has a moderate strong relationship with export performance in an opposite direction, which can implied as the higher trade barrier, the lower export performance. While R&D/ technology and Differentiation strategy presented the Beta level of .542 and .427, which means that these two factors have moderate relationship with the export performance of Thai canned fruit manufacturers. On other hand, Management attitudes and Product are not considered for the degree of significant since there is no significant with the export performance of these two factors.

The conclusion of hypothesis 7 is that there is an effect of the critical factors on export performance of Thai canned fruit manufacturers (null hypothesis is rejected) since all independent variables explain 97.3 % of the variance (R square) in export performance and F- value is 34.081, which represents highly significant.

Chapter VI

Summary, Conclusion, and Recommendation

This chapter presents the conclusion based on the results of the study with regard to the research objective posed in chapter I and other issues of concern. There are three sections in this chapter. The first section is the summary of findings, summary of critical factors (independent variables), summary of export performance (dependant variable) and the summary of hypothesis testing. The second section is a conclusion drawn against the research problems of Thai export canned fruit manufacturers that evolve from the findings including the discussion and recommendation. The third section offers suggestions and discussion about how further research should be conducted.

6.1 Summary of findings

In pursuant to the early statement of problem of this study, the query is "What are the critical factors that affect export performance of Thai export canned fruit manufacturers?" The objective of this study was to investigate relationship of these factors by examining the export canned fruit manufacturers within Thailand. The research studied the relationship between six critical success factors (independent variable) and the export performance (dependent variable). The six critical factors included trade barrier, management attitude, differentiation strategy, product quality, channel adaptation and R&D/ technology.

The descriptive research design was applied in this study. The questionnaire is used as a survey instrument which was divided into three parts. Three hundred twenty two (322) questionnaires were returned, and the result was computed from three

hundred (300) completed questionnaires. Since the total 770 sets of questionnaire were distributed, the response rate was 41.8 %.

The Statistical Package for Social Science (SPSS) was used to analyze the data collection such as respondent's profile, six critical success factors, export performance and their relationship. The respondent's profiles are analyzed in term of frequency and percentages. The six critical success factors and export performance are analyzed in terms of mean scores, and standard deviation. For hypotheses testing, Pearson correlation coefficient was used to the correlation in seven hypotheses.

The results of respondent's profile, six critical success factors, export performance and hypotheses testing were summarized as follow:

6.1.1 Summary respondent's profile

The 300 completed questionnaires returned were summarized in the table 6.1.1

The first respondent's profile, which is "Job Title" shows that there were 102 export managers, 98 assistant export managers, 40 managing directors and 60 other positions or 34%, 32.7%, 13.3% and 20% respectively who replied these questionnaires

The second respondent's profile is "Years of establishment". Mostly the respondents have been operating between 7-10 years (150) or 50%, followed by 5-7 years (90) or 30 % and more than 10 years (60) or 20 %.

Third respondent's profile represented by the number of employees. The majority of respondents, 45 % (135), which was the employees between more than 200, while 27 % (81) was between 51-100, followed by 15 % (45) was 101-150, and 13 % (39) was the respondents who represented the employees between 151-200.

The forth respondent's profile is "Export experience". The results show that mostly of the respondents have experiences in the international market between 7-9

years (140) or 46 %, followed by 5-7 years (120) or 40 % and more than 10 years (40) or 14 %

The last respondent's profile is "Export volume annually". The results show that most of respondents have export volume more than 20 TEU per year (110) or 36.7 %, followed by more than 15- 20 TEU (102) or 34% and 10 – 15 TEU (88) or 29.3%.

The column "Rank order" indicated the rank of the data collected from the respondents. The rank "1" informed the item that most of the respondents had selected, followed by rank "2", "3", and "4" indicated the sequence of "most selected to less selected" respectively.

Table 6.1.1 : Summary respondent's profile in term of frequency and percentage

Respondent's profile	Frequency	Percent (%)	Rank order
Job Title			
Managing Director	40	13.3	4
Export Manager	102	34.0	1
Assistant export manager	98	32.7	2
Others	60	20.0	3
Total	300	100.0	
Year of establishment			
5- 7 years	90	30.0	2
More than 7- 10 years	150	50.0	1
More than 10 years	60	20.0	3
Total	300	100.0	
Number of employees			
51- 100 employees	81	27.0	2
101- 150 employees	45	15.0	3
151- 200 employees	39	13.0	1
More than 200 employees	135	45.0	4
Total	300	100.0	
Export experience			
5- 7 years	120	40.0	2
More than 7- 10 years	140	46.0	1
More than 10 years	40	14.0	3
Total	300	100.0	
Export volume			
10- 15 TEU	88	29.3	3
More than 15- 20 TEU	102	34.0	2
More than 20 TEU	110	36.7	1
Total	300	100.0	

6.1.2 Summary of critical success factors

Table 6.1.2 Summary of six critical success factors in term of overall weight mean, standard deviation and interpretation.

	Implementation Factors	Overall Weight Mean	SD	Qualitative Rating	Rank order
1.	Trade barrier	4.079	1.055	Neutral	5
2.	Differentiation Strategy	4.9	1.167	Quite High	3
3.	Management Attitudes	4.306	0.9532	Neutral	4
4.	R&D/ Technology	4.95	1.044	Quite High	2
5.	Product Quality	5.6725	0.884	High	1
6.	Channel Adaptation	3.982	1.028	Neutral	6

Table 6.1.2 presented the overall weight mean score of six critical factors. The range of overall weight mean score is between 3.982- 5.6725. Three factors, "Trade barrier", "Management attitude" and "Channel adaptation" are represented in "Neutral level" by the mean scores of 4.079, 4.306 and 3.982. While two factors, "Differentiation strategy", and "R&D/ technology" are represented in "Quite high level" and one factor, "Product Quality" is presented "High Level"

This can be concluded that most of the respondents have adapted the Product Quality factor in their export activities, with the average mean score of 5.6725 from 300 respondents. This is considered as the highest mean score among other factors and considered as "high level" according to Bond (1995). The following factors in rank 2, 3, 4, 5 and 6, which represented by R&D/ technology, Differentiation strategy, Management attitude, Trade barrier, and Channel adaptation inform the degree of

current implementation of those factors in the export activities, which listed the highest to the lowest respectively, from the data above, the Channel adaptation is implemented in the lowest level for the export activities of Thai canned fruit manufacturers.

In order to support the "high level" of Product Quality, regard with Abalaka (1999), who studied the product quality related the export performance. The literature stated that the product quality is a very important role which leads to overall satisfaction such as customer satisfaction, image of product and, reliability of the company. His studies showed that the product quality is the most important factor that influence export performance. Since the product quality covers the durability, design, reliability and utilization, which along with the Department of export promotion of Thailand in the term of quality improvement. DEP suggests Thai manufacturers should consider the quality improvement as core competency and must put their first priority on quality improvement. (www.thaitrade.com). One researcher, White Paper (2000) indicated the role of government in term of quality standard and safety. He suggested that to compete in the international market, government in the export countries should immediate set up the safety and quality standard and the exports must follow strictly.

The differentiation strategy and R&D/ technology are considered as "Quite high level" in the Qualitative Rating. The literatures that support the effects of these factors to the export performance are several such as the research from Aaby and Slater (1989), who studied the relationship and effect of R&D/ technology to the export performance. They stated that R&D/ technology creates competitive advantage through the product innovation and agreed that any firms who utilized these factors can get positive consequence in customer preferences anyways, the costs of R&D/ technology implementation must be calculated carefully. Along with the R&D/

Technology Transference between countries (eg. Thailand and Japan), which Thai and Japanese governments have agreed to support each other in R&D/ technology in the purpose of better living quality and industrial development. Both governments agree that R&D/ technology are the important factors that enhance export activities with further product innovation with the lower labor costs.

Similarly to the R&D/ technology, the literature from Ledesma (2002) stated that product differentiation is a crucial determinant of export performance which creates the competitiveness and result in customer satisfaction. The research showed that product differentiation is the heart of marketing mix, which by itself includes the differentiation in product's appearance, design, quality and internal attributes. There is one case study of successful results of differentiation implementation, the case of Samroyod Co., ltd, "Retorted standing pouch". This company is the first one in Thailand who developed a new type of packaging for processed fruit product. Mr. Pipat S., Managing Director of Samroyod Co., ltd said that after launching the retort standing pouch package, the export sales has grown by 40 % within the first year. His opinion is that nowadays, consumers consider the concept of "easy to use" and "ready to eat" and they are willing to pay higher price.

Trade barrier is considered as "Neutral level" in qualitative Rating. Trade barrier includes non- tariff and tariff barriers (Griffin & Pustray, 1996). This could see from the general international trade situation such as between Thailand and U.S., Thailand and Japan, Thailand and EU. Especially, between Thailand and EU, the trade barrier in the form of import tariffs are very high (24 % for the canned fruit and canned tuna products), compared with the exporters from Latin America to EU, the import tariffs are only 15-17 % (Thongdee K.). Nevertheless, after the agreement of FTA between Thailand and other countries, there would be more benefits in term of import tariffs and custom clearance process.

Channel adaptation is also determinant of export performance in some literatures. Channel adaptation can satisfy foreign consumers' needs and preferences (Cavusgil and Zou's, 1994). An example of the case study of Channel adaptation is NFC case. NFC is one of the biggest canned fruit manufacturers in Thailand, with export market is more than 20 countries. NFC tried to gain more product distribution, firstly by contacting sales agents in those territories with the exclusive distribution agreement in every three years. After contract terminated, NFC reconsidered and analyzed the performance of each agent, if result is not so good, NFC will adjust the distribution channel by approaching the catering and wholesales market instead.

6.1.3 Summary of export performance

Export performance classified as export sales, export growth and export profits. There are 3 items or success results which have mean score ranging 4.87 to 5.20. All items are considered as "quite high level", export sales, export growth and export profit, by the mean score of 5.20, 4.87, and 4.53 respectively. Therefore, this shows that most of the respondents agree that their export performance has been growing in the last 5 previous years.

Table 6.1.3 Summary of three factor of export performance in term of overall weight means, standard deviation and interpretation.

	Export performance Factor	Overall Weight Mean	SD	Qualitative Rating	Rank order
1.	Export Sales	5.20	.938	Quite high	1
2.	Export Growth	4.87	1.098	Quite High	2
3.	Export profits	4.53	1.230	Quite High	3

The table 6.1.3 shows that most of the respondents rate the export sales as the highest mean scores in last 5 consecutive years, followed by export growth and export profits. Therefore, the export sales is considered as the most important indicator to measure export performance of Thai canned fruit manufacturers. Export sales is measured by sales revenue in BHT currency. The higher export sales, the higher export performance. Anyway, by observing the sales growth and sales profits, it can be concluded that higher export sales is not necessary to generate higher sales profits in the same level. Since the higher export sales might require more investment in product and marketing, this result in higher cost, which pulls down the profits. This is similar to export growth, which higher in export sales is not necessary to generate higher export growth in a same level since export growth is measured by sales volume, but export sales is measured in value (BHT currency).

Since three factors presented "Quite high level" according to the qualitative rating, therefore, these factors have a direct influence on export performance of Thai canned fruit manufacturers.

The export performance can be measured by 3 factors, export sales, export profits and export growth (Cavusgil and Zou, 1994). According to the information from Department of export promotion of Thailand (DEPTHAI) in year during 2004-2005, it showed that the overall exportation of Thailand has been increasing in the rate of 22 %. Especially the canned fruit industry, which has grown 10 % in average from the last 5 consecutive years. The factors that influence the higher export are such as the government support for trade exhibition, currency weakening, Free trade area agreement, and the higher demand for the tropical fruits. In addition, the stability of government is also crucial factor that attract foreign investment but unfortunately during year 2006, there were some political problems that might affect the confident from foreigners.

6.1.4 Summary of Hypothesis testing

The results of the seven hypotheses testing are shown in table 6.1.3

Table 6.1.4: Summary of Hypotheses testing (H1- H6)

No.	Hypothesis	Hypothesis testing technique	Level of significant	Correlation Coefficient	Result
1	**H₁a:** There is a relationship between R&D/ technology and export performance of Thai canned fruit manufacturers	Pearson's Correlation	.000	.57	Reject Ho
2	**H₂0:** There is no relationship between management attitudes and export performance of Thai canned fruit manufacturers	Pearson's Correlation	.54	.863	Fail to Reject Ho
3	**H₃a:** There is a relationship between differentiation strategy and export performance of Thai canned fruit manufacturers	Pearson's Correlation	.000	.32	Reject Ho
4	**H₄0:** There is no relationship between Channel adaptation and export performance of Thai canned fruit manufacturers	Pearson's Correlation	.781	-.037	Fail to reject Ho
5	**H₅a:** There is a relationship between Trade barrier and export performance of Thai canned fruit manufacturers	Pearson's Correlation	.000	-.643	Reject Ho
6	**H₅a:** There is a relationship between product quality and export performance of Thai canned fruit manufacturer	Pearson's Correlation	.000	.783	Reject Ho
7	**H₅a:** There is an effect of critical factors on export performance of Thai canned fruit manufacturers	Linear Regression	See table 6.1.5	See table 6.1.5	Reject Ho

The table 6.1.3 presented that four of the null hypotheses (H10, H30, H50 and H60), are rejected since the Pearson correlation test shows the significant value of 0.000, which is less than 0.01. It means that each of four critical factors, which are R&D/ Technology, Trade barriers, Product quality and differentiation strategy have significant relationship to the export performance of Thai canned fruit manufacturers. The degree of correlation level is presented by the correlation coefficient, the higher number of correlation coefficient, the stronger relationship between variables. The product quality shows the strongest relationship with export performance with the

125

.783 correlation coefficient. Followed by Trade barrier (-.643), the negative sign represented the negative relationship, which means the higher Trade barriers, the lower in export performance. While R&D/ Technology and Differentiation strategy presented weaker relationship with export performance (correlation coefficient .57 and .32) respectively. However, the null hypothesis (H0) of other two hypothesis (H20 and H40) are failed to reject, since the Pearson correlation test shows the significant value of .54 for the management attitudes and .781 for the channel adaptation which are more than 0.01. This indicates that the management attitudes and channel adaptation do not have any relationship with the export performance of Thai canned fruit manufacturers.

To discuss the level of significant between product quality and export performance, which shows the strongest correlation, Abalaka (1999), who studied the product quality related the export performance. The literature stated that exporters must consider product quality as their core competency rather than low cost strategy. His studies showed that the product quality is the most important factor that influence export performance and has strong relationship with export performance. This can be resulted in the customer satisfaction and creates brand loyalty. A good quality comes from raw material, processing and final production including Effective Quality control system (Bostein, 2002). His paper showed the significant of product quality with export sales and export growth, which resulted in higher export profits.

Trade barriers factor shows the strong relationship to the export performance but in the negative correlation. The studies from Kirpalani and MacIntosh (1980) showed that trade barriers had direct influences on export performance with strong in relationship, in terms of sales, profits and growths. He suggested that exporter should consider the government rules and regulations of import countries such as the tax & tariff systems, price policies and the restriction of foreign products. This is along with

126

research from Vogard (1975), which explained about the trade barriers such that the exporter should prioritize their export activities to the low export barriers countries where open to international trade. This is by the reason of reduce risks and uncertainties in competitive environments. In order to be more specific in canned food business, the research from Niliratna Xuto (2003) indicated that the tariff barrier is a crucial factor that directly affects the export performance and has a strong relationship. The researcher studied the problems of Thai canned Tuna exported to EU market and found that the import tariff of those markets is up to 24 %, which is much higher than some developing countries. The research suggested that Thai government should use the WTO right to secure more equitable treatment from the developed countries trading partners.

R&D/technology factor has a moderate strong relationship to the export performance. To support this Pearson significant result, Chetty and Hamilton (1993) reported the positive effect of firm technology on export performance since high technology firm is able to innovate their production process, and overall management procedures, which resulted in the lower costs of production and management, therefore, this can generate more profits, lower costs. His research shows the relationship with high significant level to the export performance (>.63). Along with the research from Woranuj Maneerungsee (2000) who studied the Thai food exporters in depth and concluded that to gain more competitiveness and foreign investment capital, Thai factories should implement and enhance the technology in production process, which can be resulted in higher productivity and export performance. Their research shows strong relation to the export performance and must prioritize immediately.

Product differentiation factor shows medium relationship to the export performance according to the Pearson correlation test. Hofer & Schendel (1978)

stated that differentiation strategy had direct influence with the level of export performance with a significant level since the firm is able to differentiate their products and services to gain the competitive advantage over the intense competition. Differentiation is a key that leads to sustainable goals Along with the research paper from Ledesma (2002), he stated that the capacity to produce different varieties of goods and the quality of the product are crucial factors explaining export performance and has a strong significant. In other words, product differentiation and increases in quality have been widely recognized as crucial factors determining the export performance of the countries and sectors. Further more, firms that want to have superior performance over other competitors, generally focus on innovative and highly differentiated products.

There are some literatures that mention the non- significant level between management attitudes to the export performance. According to Das (1994), who studied the relationship and the significant level between management characteristic with the export performance. He found the negative relationship and non- significant in some areas between variables. The result showed that it is not necessary that the successful firms who can generate high profits have to acquire the high experiences management people, with clear goal and direction.

Table 6.1.5: Summary of Hypotheses testing (H7)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.986[a]	.973	.966	.18765

a. Predictors: (Constant), CHANNEL ADAPTATION, TRADE BARRIERS, DIFFERENTIATION STRATEGY, PRODUCT QUALITY, MANAGEMENT ATTITUDE, R&D/TECHNOLOGY

b. Dependent Variable: EXPORT PERFORMANCE

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.057	6	4.843	34.081	.000[a]
	Residual	.810	23	.035		
	Total	29.867	29			

a. Predictors: (Constant), CHANNEL ADAPTATION, TRADE BARRIERS, DIFFERENTIATION STRATEGY, PRODUCT QUALITY, MANAGEMENT ATTITUDE, R&D/TECHNOLOGY

b. Dependent Variable: EXPORT PERFORMANCE

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.254	.558		-4.042	.001
	TRADE BARRIERS	-.754	.106	-.726	-5.810	.009
	DIFFERENTIATION STRATEGY	.518	.120	.427	5.810	.000
	MANAGEMENT ATTITUDE	.160	.127	.133	1.261	.220
	R&D/TECHNOLOGY	.622	.106	.542	.794	.008
	PRODUCT QUALITY	1.129	.136	.870	8.309	.000
	CHANNEL ADAPTATION	-.117	.098	-.106	-1.199	.243

a. Dependent Variable: EXPORT PERFORMANCE

Table 6.1.5 shows the summary of Hypotheses 7 result, analyzed by linear regression. All independent variables explain 97.3% of the variance (R Square) in export performance of Thai Canned fruit manufacturers, which is highly significant as indicated by the F-value of 34.081 above, therefore, this can be concluded that the

critical factors have an effect on export performance of Thai canned fruit manufacturers.

According to the table of coefficients, it implies the significant of each critical in the last column, which are:

Trade barrier	Significant level	.009
Differentiation Strategy	Significant level	.000
Management attitude	Significant level	.220
R/D & Technology	Significant level	.008
Product quality	Significant level	.000
Channel adaptation	Significant level	.243

This can be concluded that Trade barriers, differentiation strategy, R&D/ technology and product quality have significant relationship with export performance of Thai canned fruit manufacturers since it shows less than 0.01 of significant level. On other hand, Management attitude and channel adaptation have no significant with export performance of Thai canned fruit manufacturers since it shows the significant level of .220 and .243, which more than 0.01 of significant level.

Below is the equation of export performance by "Beta" represented "slope" of the equation

According to the linear regression equation;

Y = aX1 + bX2 + cX3 + dX4;

Y = Export performance

X1 = Trade barrier

X2 = Differentiation Strategy

X3   =   R/D & Technology

X4   =   Product quality

a,b,c,d   represent the "Beta level"

Therefore, the equation should be :

Export performance =   - .762 (Trade barriers)

+ .472 (Differentiation Strategy

+ .542 (R/D &Technology)

+ .870 (Product Quality)

Product quality seems to have the strongest positive relationship with export performance since the Beta result is 0.870, the higher number of Beta, the stronger in relationship between variables. Followed by trade barrier factor, which Beta level is in the negative (-.762). This means that trade barrier factor has a moderate strong relationship with export performance in an opposite direction, which can implied as the higher trade barrier, the lower export performance. While R&D/ technology and Differentiation strategy presented the Beta level of .542 and .427, which means that these two factors have moderate relationship with the export performance of Thai canned fruit manufacturers. On other hand, Management attitudes and Product are not considered for the degree of significant since there is no significant with the export performance of these two factors. Therefore, with the very high R square and F- value (.973 and 34) the null hypothesis is rejected, which result in there is an effect of critical factors on export performance of Thai canned fruit manufacturers.

6.2 Conclusion and recommendation

The research reflects the empirical results of three hundred Thai canned fruit manufacturers, that export internationally in Thailand, the purpose is to identify the critical factors that affect export performance, based on research questions as mention in Chapter 1.

The research was conducted by examining six critical factors that affect on export performance includes trade barrier, channel adaptation, management attitudes, product quality, differentiation strategy and R&D/ technology, all are indicated by Thai canned fruit manufacturers.

By the definition of CSFs of export performance is " the minimum key factors that Thai canned fruit manufacturers must implement for the success results", therefore, Thai canned fruit manufacturers must put their attention and emphasize on those four CSFs, which show the significant relationship with export performance as special, critically implement and continual attention.

This research is to explain the CSFs of export performance, any Thai canned fruit manufacturers can apply these CSFs for their development and improvement of export performance. They can use these CSFs as a basis to formulate plans and implementations. This can be the guidance for all persons who relate in this industry.

The recommendation on each four CSFs to provide a guideline to any of Thai canned fruit manufacturers are listed as follows:

Product quality

The degree of export performance in this study highlighted that the Product quality factor has the highest relationship to the export performance of Thai canned fruit manufacturers, therefore, the product quality is the most important factor that everyone should put as their first priority with the immediate implement. To improve

product quality, both private and government sectors should express their roles, since the product quality is the bridge that connects the improvement process with priorities that support the organization's long term success. In term of quality control and certify the quality consistency, government has an important roles to verify the quality checking system in order to make the product reliability among nations. The related departments should improve and issue more on quality regulation and systems in order to reach the International Food and Drug association (JETRO, FDA, EU standard).

Private sectors also have the duty to improve the product quality in term of process and production. Below are the examples of recommendation to the quality improvement in product features.

- Labeling, marking and packing

Packing is considered as the indispensable factor to affirm the quality of product. Packing not only represents for the product but also protect the product out of damages. The manufacturers or exporters should improve the packing for the canned fruit into many ways as follow:

- In order to avoid the damages during the transportation, the manufacturers or exporters should wrap up the product with strong pallets and may rope the front row of container. This makes the product unable to move during the shipment.

- A can should be made from strong and good quality material (iron) in order to avoid damages during domestic transportation.

Labeling is one of the attributes that some countries consider as the important issue. In Japan, for example, the import product must have the details such as the ingredients, nutrition facts, name of country and name of

distributor. Therefore, with this reason, Thai canned fruit exporters have to adjust the label, add the specific information and explanation upon countries.

- Thailand brand "Made in Thailand" and "Thailand Best" are accepted by most of countries, therefore, exporters are better to contact Commercial Department to get the guarantee.

- Nutrition facts needed to be true and also the sterilization temperature needed to be high enough.

- Design should be more attractive, since some import countries (Japan, US) are very flexible in product appearance. Therefore, the exporters are better to adjust the design of label according to the consumer preferences.

Trade barrier factor

The second critical factors belongs to trade barrier factor. The relationship between trade barrier and export performance is strong in positive direction. Trade barrier is one of the external factors that has direct influences to export performance, mostly must require the government support and depends on government policies.

Role of Government and Thai canned fruit association exporter and   Producers (DEPTHAI, caned fruit section)

To push the canned fruit export adjoining the world market, government's role is very important. Government is not only a conductor to regulate the sector developing in the right way, but also a negotiator to have the advantage canned fruit export environment. Also, government is an interferer that gives the support motivation to those canned fruit exporters.

Nevertheless, in the recent period, Thai government was trying to persuade the international countries to consider more on the canned fruit product from Thailand, by focusing more on the packaging, seriously verify the factories where ISO 9002, ISO 14000 were granted, and also attend the conference of duty of import- export by having the special privilege from AFTA (Thai- Japanese), which is 0 % of Japanese import canned fruit from Thailand, started from year 2005. For that reason, the roles of the government and the co-operation from Thai canned fruit association exporter and Producers (DEPTHAI, caned fruit section) are very important.

Tax and tariffs imposed on import countries are one of important factors that exporters are unable to control. Thai government has to rise up this issue and discuss with nations in order to build the competitiveness. Anyway, Thai canned fruit exporters can take the benefits from BOI incentives, which is to return the tax of Re-export product. Import the raw materials for producing in Thailand and then re- export the finished product can help the exporters to reduce the expense, resulted in lower cost of product.

Moreover, the government by the Commercial Ministry specially needs to establish the department specialized in dealing the international commercial dispute. In addition, the experts in this department should have wide knowledge of international commercial stipulations to be able to struggle against the international executive and legislative bodies. In the long run, while Thailand has increased the trade in free trade areas, this department has an important role in protecting the interests of Thai canned fruit exporters. But the issue that Thai government has to consider immediately is that the import tariff of Thai canned product to EU areas. Since, currently Thai import tariff is up to 24 % in year 2005, compared with others Latin Americas, only 15- 20 %. Therefore, Thai government must negotiate and attain the trade agreement in order to gain advantages among intense competition.

R&D/ Technology

Thai canned fruit manufacturers agree that the factor of R&D/ technology is the crucial component to increase export performance. R&D/ technology includes the implementation such as product innovation and the technology improvement in production and process. Below is the recommendation for the Thai canned fruit manufacturers to apply in the topic concerning R&D/ technology.

- Product innovation

In some countries especially in Europe and Japan, people are very conscious about their health, in term of calories and sweetness. The trend of health products are coming in hot issue nowadays, therefore, we could see the food that is very low in sugar added. In Europe, they prefer canned fruit in "Light Syrup", which means sugar added around 6-8 Bric., while in some countries such as China, Indonesia, and Middle east prefer "Heavy Syrup"(15 Bric). From this reason, Thai exporters have to adjust the ingredients in order to suit to those markets by innovating the processing methods or putting some ingredients those are giving sweetness but low calories.

In Japan, where the environment consciousness is very important to everyone, the sales of canned fruit and canned products are decreasing every year due to the higher fee of disposal. Recently, there are many types of food and fruits, which come up in retort pouch and recycle plastic. These materials are light, strong and easy to recycle. Therefore, Thai exporters have to consider the environment issue, by developing the new types of packages, which also could help to reduce the transportation cost.

Differentiation strategy

The research shows that the differentiation strategy also has direct relationship to export performance. The differentiation strategy is the factor that Thai canned fruit manufacturers can apply to build its uniqueness out of competitors. The components of differentiation strategy are such as the value added to customers, and the features that most of competitors can not duplicate.

This can apply the concept of innovative product as mentioned in the previous topic, and also to increase the "value added", perceived by consumers.

Value added concept is widely use when firms need to deliver some attribute beyond those competitors can offer. In the canned fruit industry, manufacturers are able to offer value added product to consumers by both increasing special features like Vitamin C added in syrup, select only L- size of fruit in can, or use only super refined sugar for mixing syrup. Another value added that manufacturers can contribute to consumers related to the ease of use, by offering convenient to consumers such as, attached spoon on the top of the cap, easy open can (without opener use) and the dice fruit (cubic shape, easy to eat), which is the new production technique from Japan.

Other Recommendations to minimize the cost of product

Lower cost can generate higher company's profit, which leads to better export performance, therefore, this research would like to recommend some issues related to cost minimization:

- Exporters are able to apply Economic of scale (EOS), which leads to the lower cost of production. Buying the raw materials in big lot and produce in big volume is able to pull down the production cost.

- Cost of operation is also a main cost that concerns the cost of finished product. Thai canned fruit exporters should verify each department and giving the appropriate budgets, such as carefully observe the purchasing department, checking the raw material price at the date of placing order. In addition, the account and finance departments are also an importation section of company.

- It is to say that the total cost of logistic is up to 20 % of total cost of product. Exporters should put this as their crucial consideration, whether the current logistic system is efficient or not. They are able to improve the overall logistic system by consult with the third logic party, who can help to plan the shipment, improve trucking system, and eliminate wastes. Therefore, if the exporters appliy the effective logistic systems, they can reduce time and cost as well.

6.3 Suggestion for the further research

In the light of these research, the researcher would like to suggest the following recommendation for the further research:

1) It is recommended that the consumer's point of view should be done in further research. Consumer is the indispensable element in any trading. This is the extremely important factor that decides the success of business.

2) It would be more beneficial for the Thai canned fruit exporters to focus on each export territory due to different rules and regulations, eating and taste behaviors. The further research can be done with Asian area, Europe Area and North America areas, where the purchasing power is high.

3) It is recommended to scope other related types canned products such as canned tuna, canned vegetable and canned soup in order to come up with any ideas for the development of strategies and implementation.

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APPEXDIX

SURVEY OF FACTORS RELATING TO EXPORT PERFORMANCE TO THE INTERNATIONAL MARKET: A STUDY OF THE THAI CANNED FRUIT MANUFACTURERS

QUESTIONNAIRE

Dear Sir or Madam,

This research is a part of my study at Master of business administration program of Assumption University, Bangkok, Thailand. The objective of this study is to examine the factors relating to export performance of Thai canned fruit manufacturers to the international market. Hence, I designed this questionnaire with my expectation of collecting necessary data for my analysis.

I am aware that you are busy, and I would be grateful if you could take this time to answer this questionnaire.

Your answer will be treated with the strictest confidence and used solely for academic research project. No individual information will be forwarded to any external organization.

Thank you for your time and co- operation.

COMPANY BACKGROUND

1. Name of organization : ……………………………………….
2. Job title of respondent :

☐ Managing Director ☐ Export Manager ☐ Assistant Export Manager ☐ Others

3. Years of establishment:

☐ 5-7 years ☐ more than 7- 10 years ☐ More than 10 year

4. Number of Employee:

☐ 51- 100 ☐ 101- 150 ☐ 151- 200 ☐ more than 200

5. How long have your company been exporting Thai canned fruit to the international market?

☐ 5-7 years ☐ more than 7- 10 years ☐ more than 10 years

6. How many TEU (1x 20 feet) per year that your company exports internationally?.

☐ 10- 15 TEU ☐ more than 15- 20 TEU ☐ more than 20 TEU

TRADE BARRIERS

On a scale of 1 to7, how would you describe your level of agreement/disagreement of the following trade barriers perspectives?

(Point *1* represents the highest degree of ***disagreement*** and point *7* represents the highest degree of ***agreement***)

In your company, the degrees that these problems affect the export performance are:

1	Foreign import tariff	1	2	3	4	5	6	7
2	Import Duty	1	2	3	4	5	6	7
3	Foreign fees in term of customs clearance	1	2	3	4	5	6	7
4	Foreign VAT (domestic value added tax)	1	2	3	4	5	6	7
5	Foreign Visa and document requirements	1	2	3	4	5	6	7
6	Foreign Labeling, marking and packing's rules	1	2	3	4	5	6	7
7	Foreign anti-dumping law	1	2	3	4	5	6	7
8	Foreign environment standard	1	2	3	4	5	6	7

DIFFERENTIATION STRATEGIES

On a scale of 1 to 7, how would you describe your level of agreement/disagreement of the following business strategies perspectives?

(Point *1* represents the highest degree of *disagreement* and point *7* represents the highest degree of *agreement*)

9	The canned fruit product of your company has unique features, which others cannot duplicate	1	2	3	4	5	6	7
10	Your products are considered as more innovative than others in industry	1	2	3	4	5	6	7
11	Your company' s product offers the high value added (eg. higher nutrients, refined sugar added) to customer as compared with those of competitors.	1	2	3	4	5	6	7

MANAGEMENT ATTITUDES

On a scale of 1 to 7, how would you describe your level of agreement/disagreement of the following business strategies perspectives?

(Point *1* represents the highest degree of *disagreement* and point *7* represents the highest degree of *agreement*)

12	Management people mainly focus on goal of company	1	2	3	4	5	6	7
13	Management considers the success of company based on having long- term profits.	1	2	3	4	5	6	7
14	Managers have a positive thinking (profits more than loss) of international export activity and believe that it will be come up with good results	1	2	3	4	5	6	7
15	Management has a clear direction of export business eg, policies and strategies.	1	2	3	4	5	6	7
16	Management sacrificed themselves to company' s success.	1	2	3	4	5	6	7

155

R&D/ TECHNOLOGY

On a scale of 1 to 7, how would you describe your level of agreement/disagreement of the following business strategies perspectives?

(Point *1* represents the highest degree of *disagreement* and point *7* represents the highest degree of *agreement*)

17	The company keeps improving its technology in processing and production	1	2	3	4	5	6	7
18	Company has training and enhancement of R&D development	1	2	3	4	5	6	7
19	Company adapts the new technologies to the factory production and process	1	2	3	4	5	6	7
20	Company launches the innovative products and tries to develop the new process in factory.	1	2	3	4	5	6	7

PRODUCT QUALITY

On a scale of 1 to 7, how would you describe your level of agreement/disagreement of the following business strategies perspectives?

(Point *1* represents the highest degree of *disagreement* and point *7* represents the highest degree of *agreement*)

21	The company has effective Quality control system (defect rate less than industrial standard = 1.5%)	1	2	3	4	5	6	7
22	The raw materials and packaging are reliable (in term of freshness and cleanness)	1	2	3	4	5	6	7
23	Products are durable (strength of packaging, can) enough to meet the degree of customer requirements (without claim from customers).	1	2	3	4	5	6	7
24	The design of product is attractive	1	2	3	4	5	6	7

CHANNEL ADAPTATION

On a scale of 1 to 7, how would you describe your level of agreement/disagreement of the following business strategies perspectives?

(Point *1* represents the highest degree of *disagreement* and point *7* represents the highest degree of *agreement*)

25	The company has a plan to further develop the new markets by finding reliable partners.	1	2	3	4	5	6	7
26	The company has strong relationship with current dealers, which helps the company to adjust the sales channel to be more flexible	1	2	3	4	5	6	7
27	Company normally participates in the international trade exhibition, supported by government to catch new channel market	1	2	3	4	5	6	7
28	Company is trying to find their own channel of distribution by dealing directly with final customers.	1	2	3	4	5	6	7
29	Company is likely to adjust their current sales channels in order to meet customer's preferences.	1	2	3	4	5	6	7

EXPORT PERFORMANCE

On a scale of 1 to 7, how would you describe your level of increase/ decrease of the following business strategies perspectives?

(Point *1* represents the highest degree of *decrease* and point *7* represents the highest degree of *increase*)

30	Average 5 years sales of company (in BHT) has increased	1	2	3	4	5	6	7
31	Average 5 years export growth of company has increased (in volume)	1	2	3	4	5	6	7
32	Average 5 years export profits of the company has increased	1	2	3	4	5	6	7

แบบสอบถามเรื่องปัจจัยที่มีผลต่อประสิทธิภาพในการส่งออกตลาดต่างประเทศ

กรณีศึกษาผู้ผลิตผลไม้กระป๋องเพื่อการส่งออกของประเทศไทย

เรียนท่านผู้ตอบแบบสอบถาม

วิจัยฉบับนี้เป็นส่วนหนึ่งของการศึกษาระดับปริญญาโทด้านการบริหารธุรกิ มหาวิทยาลัยอัสสัมชัญ โดยที่ได้ศึกษาเกี่ยวกับปัจจัยที่มีผลต่อประสิทธิภาพในการส่งออกของบริษัทผู้ผลิตผลและส่งออก ผลไม้กระป๋องในประเทศไทย ทางผู้วิจัยได้จัดทำแบบสอบถามฉบับนี้ขึ้นมาโดยหวังว่าจะสามารถ นำผลการวิจัยไปวิเคราะห์ และปรับปรุงเพื่อนำไปสู่การพัฒนาประสิทธิภาพการส่งออกของผู้ผลิต ได้เพื่อเพิ่มศักยภาพในการแข่งขันกับผู้ส่งออกรายอื่น ๆ ในต่างประเทศ

ทางผู้วิจัยต้องขอขอบคุณเป็นอย่างสูงที่ท่านได้สละเวลาอันมีค่าในการกรอกแบบสอบถามฉบับนี้ โดยที่ข้อมูลที่ท่านได้ให้ไว้นี้จะถูกเก็บไว้เป็นความลับซึ่งจะไม่มีการเผยแพร่ไปในที่สาธารณะ โดย จะถูกใช้ในการทำวิจัยฉบับนี้เท่านั้น

ขอขอบคุณในความร่วมมือเป็นอย่างสูง

ข้อมูลเกี่ยวกับบริษัท

1. ชื่อบริษัท   :   ……………………………………..

2. ตำแหน่งงาน

  ☐   กรรมการผู้จัดการ ☐ ผู้จัดการฝ่ายส่งออก ☐ ผู้ช่วยผู้จัดการฝ่ายส่งออก ☐ อื่น ๆ

3. ระยะเวลาการก่อตั้งของบริษัท (ปี)

  ☐   5-7 ปี   ☐   มากกว่า 7 ปีถึง 10 ปี ☐ มากกว่า 10 ปี

4. จำนวนพนักงานทั้งหมด

  ☐   51- 100 คน   ☐   101- 150 คน   ☐   151- 200 คน   ☐   มากกว่า 200 คน

5. ทางบริษัทมีประสบการณ์ในการส่งออกผลไม้กระป๋องไปยังตลาดต่างประเทศเป็นเวลา

  ☐   5-7 ปี   ☐   มากกว่า7 ปีถึง10 ปี   ☐   10 ปีขึ้นไป

6. บริษัทมียอดการส่งออกเป็นจำนวนกี่ตู้ต่อปี (ตู้20 ฟุต)

  ☐   10- 15 ตู้   ☐   มากกว่า 15- 20 ตู้   ☐   มากกว่า 20 ตู้

  อุปสรรคและปัญหาในการส่งออก

กรุณาแสดงความคิดเห็นเกี่ยวกับบริษัทของท่าน ซึ่งได้แทนด้วยตัวเลข 1- 7 (1 หมายถึงไม่เห็นด้วยอย่างยิ่ง ไล่ระดับไปจนถึงหมายเลข 7 ซึ่งหมายถึงเห็นด้วยอย่างยิ่ง)

ในบริษัทของท่านปัญหาเหล่านี้มีผลต่อการประสิทธิภาพในการส่งออกในระดับใด:

1	ภาษีขาเข้าในต่างประเทศ	1	2	3	4	5	6	7
2	ภาษีนำเข้าวัตถุดิบ	1	2	3	4	5	6	7
3	รายจ่ายเกี่ยวกับศุลกากรในต่างประเทศ	1	2	3	4	5	6	7
4	ภาษีมูลค่าเพิ่มในต่างประเทศ	1	2	3	4	5	6	7
5	เอกสารต้องสำแดงในประเทศนำเข้า	1	2	3	4	5	6	7
6	การติดฉลาก รายละเอียด และข้อบังคับการบรรจุหีบห่อ	1	2	3	4	5	6	7
7	การควบคุมการทุ่มตลาดในประเทศนำเข้า	1	2	3	4	5	6	7
8	มาตราฐานทางด้านสิ่งแวดล้อมในตลาดส่งออก	1	2	3	4	5	6	7

กลยุทธ์การสร้างความแตกต่าง

กรุณาแสดงความคิดเห็นเกี่ยวกับบริษัทของท่าน ซึ่งได้แทนด้วยตัวเลข 1- 7 (1 หมายถึงไม่เห็นด้วยอย่างยิ่ง ไล่
ระดับไปจนถึงหมายเลข 7 ซึ่งหมายถึงเห็นด้วยอย่างยิ่ง)

| 9 | สินค้าผลไม้กระป๋องในบริษัทของท่านมีความเป็นเอกลักษณ์ ซึ่ง
คู่แข่งไม่สามารถเลียนแบบได้ง่าย | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 10 | สินค้าของท่านถือได้ว่ามีความทันสมัย และมีการบุกเบิกด้านการ
พัฒนาในด้านต่าง ๆ เทียบกับคู่แข่งในอุตสาหกรรม | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11 | สินค้าของท่านถือได้ว่ามีการเพิ่มมูลค่าพิเศษให้แก่ลูกค้า (เช่นมีการ
เพิ่มสารอาหาร หรือใช้น้ำตาลคุณภาพดีซึ่งมีผลดีแก่ร่างกาย) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

ทัศนคติในการบริหารงานของฝ่ายบริหาร

กรุณาแสดงความคิดเห็นเกี่ยวกับบริษัทของท่าน ซึ่งได้แทนด้วยตัวเลข 1- 7 (1 หมายถึงไม่เห็นด้วยอย่างยิ่ง ไล่
ระดับไปจนถึงหมายเลข 7 ซึ่งหมายถึงเห็นด้วยอย่างยิ่ง)

| 12 | ฝ่ายบริหารมีความมุ่งมั่นในการทำงานเพื่อบรรลุ
จุดหมายของบริษัท | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 13 | ฝ่ายบริหารมีความเห็นว่าความสำเร็จของบริษัทนั้นต้องมา
จากการมีผลประโยชน์และผลกำไรระยะยาว | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 14 | ฝ่ายบริหารเชื่อว่าการส่งออกจะมีผลดีมากกว่าผลเสีย โอกาส
ทำกำไรมากกว่าขาดทุน | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 15 | ฝ่ายบริหารมีการวางแผนงานและกลยุทธ์ที่ดีในการส่งออก | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 16 | ฝ่ายบริหารอุทิศตนเพื่อความสำเร็จของบริษัท | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

การค้นคว้าวิจัยและการพัฒนา/ เทคโนโลยี

กรุณาแสดงความคิดเห็นเกี่ยวกับบริษัทของท่าน ซึ่งได้แทนด้วยตัวเลข 1- 7 (1 หมายถึงไม่เห็นด้วยอย่างยิ่ง ไล่
ระดับไปจนถึงหมายเลข 7 ซึ่งหมายถึงเห็นด้วยอย่างยิ่ง)

| 17 | ทางบริษัทได้มีการปรับปรุงและพัฒนาด้านเทคโนโลยี่ในด้าน
สินค้าและการผลิตอย่างเสมอมา | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 18 | ทางบริษัทได้มีการจัดการอบรมเพื่อกระตุ้นให้มีการวิจัยและพัฒนา | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 19 | ทางบริษัทได้มีการนำเทคโนโลยี่ใหม่ ๆ มีใช้ในการผลิตสินค้า | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 20 | ทางบริษัทออกสินค้าที่มีเทคโนโลยี่สูง เมื่อเทียบกับคู่แข่งในตลาด | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

คุณภาพสินค้า

กรุณาแสดงความคิดเห็นเกี่ยวกับบริษัทของท่าน ซึ่งได้แทนด้วยตัวเลข 1- 7 (1 หมายถึงไม่เห็นด้วยอย่างยิ่ง ไล่
ระดับไปจนถึงหมายเลข 7 ซึ่งหมายถึงเห็นด้วยอย่างยิ่ง)

21	ทางบริษัทมีการตรวจสอบสินค้าที่มีประสิทธิภาพ ซึ่งสินค้าเสียหายหลังการผลิตมีน้อยกว่ามาตราฐานอุตสาหกรรม (ร้อยละ 1.5)	1	2	3	4	5	6	7
22	วัตถุดิบในการผลิตมีคุณภาพดีเชื่อถือได้ (เช่นความสดสะอาด)	1	2	3	4	5	6	7
23	สินค้ามีความคงทนและแข็งแรง (ด้านหีบห่อบรรจุ) ซึ่งสังเกตจากการไม่มีการเรียกทดแทนสินค้าเสียหายจากลูกค้า	1	2	3	4	5	6	7
24	การออกแบบสินค้ามีความน่าสนใจ	1	2	3	4	5	6	7

การปรับเปลี่ยนช่องทางจัดจำหน่าย

กรุณาแสดงความคิดเห็นเกี่ยวกับบริษัทของท่าน ซึ่งได้แทนด้วยตัวเลข 1- 7 (1 หมายถึงไม่เห็นด้วยอย่างยิ่ง ไล่
ระดับไปจนถึงหมายเลข 7 ซึ่งหมายถึงเห็นด้วยอย่างยิ่ง)

25	บริษัทมีแผนที่จะพัฒนาตลาดใหม่ ๆ โดยการหาคู่ค้าที่เชื่อถือได้	1	2	3	4	5	6	7
26	บริษัทมีความสัมพันธ์ที่ดีกับผู้แทนจำหน่ายและสามารถช่วยกันคิดปรับเปลี่ยนการกระจายสินค้าให้มีประสิทธิภาพมากขึ้น	1	2	3	4	5	6	7
27	บริษัทเข้าร่วมในงานแสดงสินค้าในต่างประเทศซึ่งสนับสนุนโดยทางรัฐบาลในการหาตลาดให้กว้างขึ้น	1	2	3	4	5	6	7
28	บริษัทพยายามที่จะขายตรงกับผู้บริโภค โดยไม่ผ่านผู้จัดจำหน่าย	1	2	3	4	5	6	7
29	บริษัทมีความคิดที่จะปรับเปลี่ยนช่องทางจัดจำหน่ายเพื่อเป็นประโยชน์สูงสุดต่อผู้บริโภค	1	2	3	4	5	6	7

ประสิทธิภาพในการส่งออก

กรุณาแสดงความคิดเห็นเกี่ยวกับบริษัทของท่าน ซึ่งได้แทนด้วยตัวเลข 1- 7 (1 หมายถึงไม่เห็นด้วยอย่างยิ่ง ไล่
ระดับไปจนถึงหมายเลข 7 ซึ่งหมายถึงเห็นด้วยอย่างยิ่ง)

30	ยอดขายเฉลี่ย (บาท) ห้าปีย้อนหลังของบริษัทเพิ่มขึ้น	1	2	3	4	5	6	7
31	อัตราการเติบโตในด้านปริมาณการส่งออก เฉลี่ยห้าปีย้อนหลังของบริษัทเพิ่มขึ้น	1	2	3	4	5	6	7
32	ผลกำไรของบริษัทเฉลี่ยห้าปีย้อนหลังเพิ่มขึ้น	1	2	3	4	5	6	7

Reliability Trade Barrier
 ****** Method 1 (space saver) will be used for this analysis ******

_
 R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E   (A L P H A)

Reliability Coefficients

N of Cases =   30.0   N of Items = 8

Alpha =   .8821

Reliability Differentiation St.
 ****** Method 1 (space saver) will be used for this analysis ******

_
 R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E   (A L P H A)

Reliability Coefficients

N of Cases =   30.0   N of Items = 3

Alpha =   .7325

Reliability Mgt.
 ****** Method 1 (space saver) will be used for this analysis ******

_
 R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E   (A L P H A)

Reliability Coefficients

N of Cases =   30.0   N of Items = 5

Alpha =   .7268

Reliability R and D
 ****** Method 1 (space saver) will be used for this analysis ******

_
 R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E   (A L P H A)

Reliability Coefficients

N of Cases =   30.0   N of Items = 4

Alpha =   .7187

Reliability product quality

****** Method 1 (space saver) will be used for this analysis ******

_

R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E   (A L P H A)

Reliability Coefficients

N of Cases =   30.0   N of Items = 4

Alpha =   .8767

Reliability Adaptation

****** Method 1 (space saver) will be used for this analysis ******

_

R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E   (A L P H A)

Reliability Coefficients

N of Cases =   30.0   N of Items = 5

Alpha =   .8160

Reliability Performance

****** Method 1 (space saver) will be used for this analysis ******

_

R E L I A B I L I T Y   A N A L Y S I S   -   S C A L E   (A L P H A)

Reliability Coefficients

N of Cases =   30.0   N of Items = 3

Alpha =   .8178