

ABSTRACT

In Thailand, small and medium enterprises (SMEs) have received greater attentions from many parties, especially after the crisis in 1997. The government also established clear policies to support and promote them in many ways. However, it appears that most SMEs do not contribute much to product innovation and external analysis of business environment in which they operate.

This study aims to determine the relationships between scanning sectors in societal environment in light of economic, technological, political-legal, and socio-cultural sectors and new product performance (NPP) in the case of Thai food processing industry in Bangkok. New product performance, in this study, is measured by four financial indicators, namely sales volume, sales growth, market share, and return on investment (ROI). Questionnaires from chief executive officers (CEOs) or SME's owners of 100 SMEs through sample survey are used to examine the degree of scanning and to test the proposed hypotheses.

The findings point out that the sample SMEs scan socio-cultural sector the most, followed by economic, political-legal, and technological sectors respectively. The statistical results reveal two hypotheses offered in support of this study. No support is found for the hypotheses involving scanning in economic and political-legal sectors and new product performance. While significant correlations are discovered in only two hypotheses: (1) between scanning in technological sector and market share; and (2) between scanning in socio-cultural sector and sales volume, they do connote positive associations between scanning sectors in societal environment and new product performance. Consequently, the recommendations for SMEs as well as for the government and future study are provided.