

## **Factors Affecting The Competitiveness With Countries In The Greater Mekong Sub-Region Of Entrepreneurs In Northeastern Region Of Thailand**

**Sumeth Kaenmanee And Sarinya Latteerasuwan**

Khon Kaen University, Thailand

**Wanjanya Wirakul**

Northeastern University, Thailand

**Sanya Kenaphoom\***

Rajabhat Mahasarakham University, Thailand

\*Corresponding Author E-Mail: Zumsa\_17@Hotmail.Com

### **Abstract**

It Cannot Be Denied That Any Action, Whether It Be A Business Or A Public Administration, Takes Into Account Competitiveness. This Is Because Competitiveness Means The Ability To Survive In Dynamic Changing Situations. Therefore, The Objective Of This Research Is (1) To Analyze The Factors Affecting The Competitiveness Of The Mekong Sub-Region Of Entrepreneurs. (2) To Study The Guidelines For Trade Competition With Countries In The Mekong Subregion For Entrepreneurs In The Northeast. This Research Was Held In The Northeastern Region Of Thailand. The Sample Was 404 Entrepreneurs In The Northeast Who Trade With Countries In The Mekong Sub-Region. The Research Tool Was A Questionnaire. The Statistics Used Include Basic Statistics And Multiple Regression Analysis. The Research Results Were Found That.

Factors Affecting Entrepreneurs' Ability To Compete In Trade With Countries In The Mekong Sub-Region Of Entrepreneurs With A Statistically Significant Level Of 0.05 Were: Entrepreneurial Business Administration Competencies, Marketing Mix, And Public Sector Promotion. These Variables Can Account For 60.50 Percent Of The Variation In Competitiveness ( $R^2 = 0.605$ ) At A Confidence Level Of 95 Percent. The Results Of This Research Show The Key Factors Affecting Competitiveness, Which, If Entrepreneurs Use It As A Guideline For Adapting To Changing Trade And Government Sectors, Use It As A Guideline To Promote And Support Developing The Capabilities Of Entrepreneurs To Trade With Countries In The Greater Mekong Subregion Will Be Able To Create A Competitive Advantage In The International Trade Arena, Which Will Benefit The Overall Economy Of The Country In The Long Run.

Guidelines For Trade Competition With Countries In The Mekong Sub-Region Of Entrepreneurs Were; (1) Entrepreneurs Should Apply Knowledge And Skills To Develop And Apply Them In Their Business Operations By Focusing On Continually Pursuing International Business Knowledge. (2) Entrepreneurs Should Focus On Practicing Communication Skills To Coordinate With External Agencies. (3) Entrepreneurs Should Develop Business Management Skills In All Dimensions And Have A Clear Overview Of The Organization. (4) The Government Must Promote, Support, And Develop Entrepreneurial Potential In Knowledge, Investment, Development Of Innovative Skills In Product Manufacturing, Integration And Business Networking, And Support And Opportunities. Entrepreneur Access To Funding.

**Keywords:** The Greater Mekong Sub-Region, Competitiveness, Entrepreneur

### **Introduction**

International Trade Is Important In Driving Thailand's Economy. Compared To The Gross Domestic Product (Gdp) In 2018, The Percentage Of Thailand's Exports Of Goods And Services Was 66.82%, Which Is Higher Than That Of The World (World In Percentage 29.53), And The Percentage Of Thailand's Imports Of Goods And Services Is At The Percentage 56.49, Which Is The Higher Percentage Of The World (The World Is 28.78 Percent). (The World Bank Group, 2019: 190). International Trade Of Thailand With Countries In The Mekong Sub-Region Comprising Lao Pdr, Myanmar, Cambodia, Vietnam, And Southern China Found That There Is A Trend To Increase In 2018 At A Value Of 734,506.37 Million Baht Which Increased 101,504.57 Million Baht From 2016, Accounting For 16 Percent. Trade Value With Southern China Increased The Most At 56 Percent, Followed By Vietnam At 42 Percent, Cambodia At

20%, Lao Pdr 5%, And Myanmar At 3%, Respectively (Department Of Foreign Trade, 2019: 182). At Present, Globalization Is Changing Rapidly In Terms Of Society, Economy, Politics, And Technology, Which Affects Business Operations In The Mekong Sub-Region. Considering The Rapidly Changing And Continuously Changing Business Environment Of The Mekong Subregion In All Aspects, The Entrepreneurs In The Northeast Will Be Affected Both Directly And Indirectly, Making Entrepreneurs Have To Be Ready To Accommodate Changes And Create Competitive Advantages In Trading With Countries In The Mekong Region.

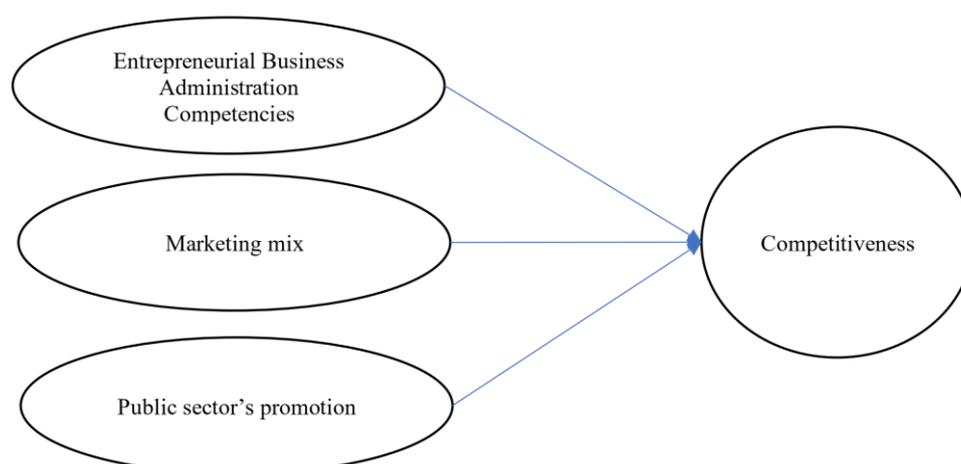
For This Reason, The Researcher Is Interested In Studying The Factors Affecting The Trade Competitiveness With The Countries In The Mekong Sub-Region Of Entrepreneurs In The Northeast Of Thailand To Be Able To Analyze Internal And External Factors Affecting International Trade Operations In The Greater Mekong Subregion. The Findings Will Be Able To Lead To Ways To Increase The Competitiveness In The Economy For Entrepreneurs In Dealing With Countries In The Greater Mekong Subregion To Be Able To Change And Adapt To Trade Changes, Able To Compete In The International Trade Arena. And It Is A Guideline For The Government To Promote And Support The Development Of Competence Of Entrepreneurs In The Greater Mekong Sub-Region, Which Is Beneficial To The Overall Economy Of The Country In The Long Run.

### Research Objectives

1. Analysis Of Factors Affecting Trade Competitiveness With Countries In The Mekong Sub-Region
2. Presenting Guidelines For Enhancing Competitiveness In The Economy For Entrepreneurs To Develop Their Ability To Compete With Countries In The Mekong Sub-Region

### Conceptual Framework

From The Literature Review, It Can Be Linked To Factors Affecting Trade Competitiveness With Countries In The Mekong Sub-Region Of Entrepreneurs In Northeastern Thailand As Follows;



**Figure:** Research Conceptual Framework

### Research Methodology

This Research Uses A Quantitative Research Model By Collecting Data From Literature Reviews, Theories, And Research That Can Be Linked To Factors Affecting Trade Competitiveness With Countries In The Mekong Sub-Region As Follows:

This Research Was Conducted In The Northeastern Region Of Thailand, Comprising Kalasin, Khon Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Bueng Kan,

Maharakham, Mukdahan, Yasothon, Roi Et, Loei, Sakon Nakhon, Surin, Sisaket, Nong Khai, Nong Bua Lam Phu, Udon Thani, Ubon Ratchathani, And Amnat Charoen.

The Sample Consisted Of 404 Entrepreneurs In The Northeastern Region Who Trade With Countries In The Mekong Sub-Region. The Method Was Used To Quantify The Sample From The Krejcie & Morgan Formula (Krejcie & Morgan, 1970: 145) From The Research Population Is 5,290 People, Who Are Entrepreneurs In The Northeastern Region Who Trade With Countries In The Mekong Sub-Region (Lao Pdr, Cambodia, Myanmar, Vietnam, Southern China), Is A Registered Exporter And/ Or Importer With The Customs Department (Office Of The Permanent Secretary Ministry Of Commerce, 2019). Using The Quota Sampling And Accidental Sampling (Thanin Sincharu, 2014:244).

Once The Information Has Been Collected, The Accuracy And Completeness Are Checked. After That, All 404 People's Data Were Analyzed Using A Computerized Statistical Program To Calculate Multiple Regression Data Using A Confidence Level Of 95 Percent.

### Research Results

General Information Of Entrepreneurs In The Northeast Of Thailand Who Trades With Countries In The Mekong Sub-Region Found That Majority Of Them Were 55.8 Percent Female And 44.2 Percent Male. Most Entrepreneurs Are Aged 51-60 Years, Percent 34.7, Followed By Age 41-50 Years 20.8%, Age 31-40 Years 18.1% Respectively. Entrepreneurs Have A Bachelor's Degree Education 31.9%, Followed By A Diploma Or Equivalent. 20.3%, And Have Secondary Education Or Equivalent 16.9%, Respectively. Type Of Business Of Entrepreneurs Found That Most Of Them Were Wholesale And Retail Businesses 53.6 Percent, Followed By 31.1 Percent Of Product Trade, And Service Businesses 15.3 Percent, Respectively. The Characteristics Of International Trade Show That Most Entrepreneurs Have Export And Import Characteristics Of 40.3%, Followed By Only Export Characteristics, 30.6%, And Having Only Import Characteristics, 29.2%, Respectively. Countries Of Entrepreneurs Found That Most Of The Entrepreneurs Trade With Lao Pdr At 43.1%, Followed By Trade With Vietnam 19.7 Percent, And Trade With Cambodia At 16.9 Percent, Respectively.

The Results Of The Hypothesis Testing Of Factors Contributing To The Competitiveness Of Entrepreneurs In The Mekong Sub-Region Of Northeastern Thai Entrepreneurs Used A Multiple Regression Analysis Using A Confidence Level Of 95%, Standardized. Coefficients Are Shown In Table 1.

**Table 1:** Multiple Regression Coefficients Of Factors Contributing To Competitiveness In The Mekong Sub-Region Of Entrepreneurs In Northeastern Thailand

Factors	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Vif
	B	S.E.	Beta			
Constant	1.435	0.115		9.673	0.00	
Entrepreneurial Business Administration Competencies	0.150	0.034	0.244	4.362	0.00	3.181
Marketing Mix	0.321	0.031	0.418	10.468	0.00	1.611
Public Sector Promotion	0.503	0.033	0.737	15.354	0.00	2.332
*Sig < 0.05, F-Test = 204.255, R <sup>2</sup> = 0.605 and Adj R <sup>2</sup> = 0.6.2						

From Table 1, The Study Of Factors Affecting Competitiveness In The Mekong Sub-Region Of Entrepreneurs In The Northeastern Region Of Thailand Found That Entrepreneurial

Business Administration Competencies, Marketing Mix, And Public Sector Promotion. Together, These Variables Predicted Entrepreneurs' Competitiveness In The Mekong Sub-Region In Northeastern Thailand At A Confidence Level Of 95 Percent. All Three Factors Can Explain The Variation In The Competitiveness Of 60.50% ( $R^2 = 0.605$ ). The Forecast Equation Can Be Written In Standard Score Form As Equation 1 As Follows:

**Equation 1:**  $Cpt = 1.435 + 0.150Bac + 0.321Mkm + 0.503Psp$

Cpt = Trade Competitiveness With Countries In The Mekong Sub-Region.

Bac = Competency In Entrepreneurial Business Administration

Mkm = Marketing Mix

Psp = Government Promotion.

From The Hypothesis Testing Results, It Was Found That Entrepreneurial Business Administration Competencies, Marketing Mix, And Public Sector Promotion Positively Affect The Competitiveness Of Entrepreneurs In Northeastern Thailand Trading With Countries In The Mekong Sub-Region At A Confidence Level Of 95 Percent. The Variance Test On Several Variables By Variance Inflation Factor (Vif) Found That All Variable Has A Vif Value Of No More Than 10. (Hair Et Al., 2018: 149). This Confirms That The Research Variables Did Not Have A Problem. The Relationship Between The Variables Was Too High (Multicollinearity).

### Discussion

The Entrepreneurial Business Administration Competencies That Affect The Competitiveness Of Entrepreneurs In The Mekong Sub-Region In The Northeast Of Thailand Are: Being Able To Face Risks, Be Creative, Have A Passion For Success, Have An Aggressive Competitive Edge, Have Clear Business Goals, Have Flexibility In Management, Have Marketing Knowledge. Has Business Skills And Expertise, The Ability To Manage Risks, The Ability To Adapt To Change, Has The International Trading Experience, The Ability To Build And Network. Business, The Ability To Think Rationally, Have Management Skills, Negotiation Skills, Business Psychology. This Is Consistent With The Research Of Wanjanya Wirakul (2021: 178) Found That The Factors Of Entrepreneurial Characteristics Affecting The Competitiveness Of Large Rice Plots Farmers In Khon Kaen Province Consist Of Leadership Reliability, Able To Convince People To Have International Alliances, Create Trading And Investment Opportunities For Entrepreneurs.

The Marketing Mix That Affects The Competitiveness In The Mekong Sub-Region Of Entrepreneurs In The Northeastern Region Of Thailand Is: Products And Services Are Of Acceptable Quality And Respond To Customer Needs. Products And Services Are Developed To Be Different From Competitors. Adjust The Prices Of Goods And Services To Suit Each Local Market Of Each Country In The Mekong Sub-Region. Low Prices Are Set To Introduce Products And Services To Target Markets Of Countries In The Greater Mekong Subregion. There Is An Expansion Of Distribution Channels For Products And Services (Direct Sales To Customers By Participating In Trade Shows Or Markets Along The Border) In The Mekong Sub-Region Market. Advertising Media Is Selected To Suit Each Local Market In The Mekong Sub-Region, Such As Television, Radio, Newspaper, Etc. New Markets For Goods And/Or Services Are Tested In The Target Or Local Markets Of The Mekong Sub-Region Countries Before Export And/Or Import. This Is Consistent With The Research Of Hui-Shug And Paul (2004: 238) It Was Found That Operators Must Produce Environmentally Friendly Products And Packaging In Australia, Due To Government Policies That Promote Conservation Of Nature And The Environment. It Is, Therefore, Necessary To Produce Environmentally Conscious Products In Order To Gain Market Acceptance And To Create Innovations To Continuously Develop And Improve Products That Are Modern In The Market.

The Public Sector Promotion That Affects Entrepreneurs' Competitiveness In The Mekong Sub-Region In The Northeastern Region Of Thailand Is: Benefit From The Government's Mekong Subregional Economic Corridor Cooperation Policy Resulting In The Expansion Of Agro-Industry, Trade, Investment, And Services. Benefit From Trade And Investment Measures Such As Tax Cuts, Regulatory Easing, And All Levels Of Investment Promotion, Resulting In A Greater Trade And Investment Climate. Benefit From Business-Related Cooperation From Local Government Agencies With Relevant Departments Of Each Country In The Mekong Sub-Region. Received Trade Privileges From Government Agencies Of Thailand And Countries In The Mekong Sub-Region. Businesses Have Access To Opportunities From Promotion And Support In International Trade, Both Thai Government Agencies And Countries In The Mekong Sub-Region.

This Is Consistent With The Research Of Grilo Et Al. (2006: 172) Found That The Production Capacity Of Operators Is A Key Factor Affecting Economic Growth, Which Complicates Management. The Eu's Support Of Financial Readiness And Economic Stimulus Measures Allows For More Stable And Better Business Operations Than Entrepreneurial Management Alone.

### **Recommendations**

The Entrepreneurs In The Northeast Of Thailand Who Trade With Countries In The Greater Mekong Sub-Region Should Apply Their Knowledge And Skills To Develop And Apply Them In Their Business Operations By Continually Pursuing International Business Knowledge Such As Organizing Export Activities That Will Provide Entrepreneurs With New Business Knowledge And Skills In Their Operations In International Markets. To Keep Up With The Ever-Changing Situation, Entrepreneurs Should Focus On Practicing Communication Skills To Coordinate With External Agencies Such As Suppliers, Distributors, Which Will Allow Operators To Benefit From Cooperation To Conduct International Business, As Well As Help Businesses To Expand And Expand Their International Customer Base. The Entrepreneurs Should Develop Business Management Skills In All Dimensions And Have A Clear Overview Of The Organization, Whether In International Marketing Or International Finance. The Application Of Technology To Benefit And Transportation And Logistics Management To Be Able To Plan Business Operations In Each Dimension To Have An Advantage Over Competitors. In Addition, The Relevant Government Sectors Must Promote And Support The Development Of Entrepreneurial Potential Following The Changes That Occur By Emphasizing Investment Knowledge, Developing Skills In Applying Innovations In Product Production, Integrating Group And Business Networking To Provide Commercial Bargaining Power And Create Value For Products And Support And Access To Entrepreneurial Funding. To Expand The Business And Solve Problems Arising From The Operation.

### **References**

1. Department Of Foreign Trade. (2019). Statistics Of Border Trade And Border Trade In Thailand 2016-2018. Retrieved April 20, 2019, From [Http://Www.Dft.Go.Th/Bts/Trade-Report](http://www.dft.go.th/bts/trade-report)
2. Grilo, I. And Irigoyen, J. M (2006). Entrepreneurship In The Eu: To Wish And Not To Be. *Small Business Economics*, 26(4), 305-318.
3. Hair, J. F., Black, W. C., Babin, B. J., And Anderson, R. E. (2018). *Multivariate Data Analysis* (8th Ed.). Boston: Cengage.
4. Hui-Shung (Christie) Chang And Paul Kristiansen. (2004). Selling Australia As 'Clean And Green'. *The Australian Journal Of Agricultural And Resource Economics*, 50(2004), 103-113.

5. Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size For Research Activities. *Educational And Psychological Measurement*, 30(3), 607-610.
6. Office Of The Permanent Secretary Ministry Of Commerce. (2019). List Of Export-Importers. Retrieved From: [Http://Www2.Ops3.Moc.Go.Th/Ie/Manage\\_User.aspx](Http://Www2.Ops3.Moc.Go.Th/Ie/Manage_User.aspx)
7. Sincharu, T. (2014). *Statistical Research And Analysis With Spss And Amos*. Bangkok: S.R. Printing Mass Products Co., Ltd.
8. The World Bank Group. (2019). Gdp Thailand. Retrieved April 20, 2019, From <Https://Data.Worldbank.Org/Country/Thailand>
9. Wirakul, W. (2021). Factors Affecting The Competitiveness Of Large Rice Plots, Khon Kaen Province. *Neu Academic And Research Journal*, 11(2).