

THE SUCCESS OF SMALL AND MEDIUM ENTERPRISES IN CREATING COMPETITIVE ADVANTAGES IN BANGKOK AND ITS VICINITY

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ABSTRACT

Small and medium-sized enterprises play an important role in economic development, job creation, employment, linkage with large enterprises, and other manufacturing sectors by adding value to domestically produced raw materials. It creates foreign currency and is an important foundation for the growth of the Thai economy. The objectives of this research were: 1) to study the level of success of small and medium enterprises in order to gain competitive advantages in Bangkok and its vicinity; and 2) to study factors affecting the success of small and medium enterprises in order to create competitive advantages in Bangkok and its vicinity. A questionnaire was used to collect data from 400 small and medium enterprises registered in the service business sector. Statistics were used to analyze the data, including frequency, percentage, mean, standard deviation, and multiple regression analyses. The results showed that 1) the overall success of small and medium enterprises was found to be the most important level. When considering each aspect, it was found that the internal management process had the highest average, followed by finance, stakeholder, and learning and growth, respectively. 2) The external organizational environment, organizational management, strategic management, and innovation influence the success of 60.5 percent of small and medium enterprises.

Keywords: Success, competitive advantage, small and medium enterprises

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INTRODUCTION

In 2022, the economy of small and medium enterprises will have improved. From the situation of the spread of the COVID-19 virus, although there are increasing numbers of people infected with COVID-19, the severity of the disease is not much. In addition, there are no epidemic control measures that significantly affect business operations. causing people to walk out to organize more economic and tourism activities. As a result, there is an expansion of Thai and foreign tourists. together with measures to stimulate tourism from the government that help stimulate people's spending, positively affecting the domestic economy and gradually recovering. However, the impact of the epidemic situation of COVID-19 has accumulated for a long time, affecting the purchasing power of consumers who are still weak. Including the condition of raw material prices, product prices, and transportation costs from the indirect effects of the Russian-Ukrainian war. In addition, inflation in the country has resulted in an increase in the cost of living, which may affect the business sector in the future (Office of Small and Medium Enterprises Promotion, 2022).

The COVID-19 epidemic has transcended into a serious health-impacting epidemic. become an epidemic that affects the overall economy. Whether large enterprises or small and medium enterprises (SMEs) have been more or less affected by this crisis. According to the regulations of the Ministry of Industry, the characteristics of small and medium enterprises (SMEs) in Thailand regarding employment in business have been defined. These characteristics affect the limitations of human resources and assets that are limited in size. When businesses with such limited resources have to face the crisis of the COVID-19 epidemic. This is the beginning of a halt in the turnover of economic activity, leading to an economic recession, according to the International Monetary Fund (IMF) forecast for the year 2021, beginning of an economic recession.

The impacts of the COVID-19 epidemic crisis on small and medium enterprises (SMEs) include: 1) a decrease in demand for goods and services; certain types of businesses were affected more than other businesses. Especially in the current large volume of service businesses such as tourism-related businesses. Hotels and accommodations restaurants and restaurants Affected before other businesses, and Thai SMEs in these businesses are clearly affected from early 2021 onwards. country In the case of small and medium enterprises (SMEs) that rely on raw materials or products that must be imported from abroad, the country's lockdown policy to reduce COVID-19 infections has affected airport production. The turbulent sailing route. The decrease in production capacity in the manufacturing countries has resulted in appropriate adjustments to inventory management during the COVID-19 pandemic crisis. 3) Changes affecting the management of the working environment Safety of employees and those involved in doing business First priority and necessity In response to the rapidly evolving global epidemic Changing working environments in the wake of the COVID-19 pandemic, despite the difficulty of adapting to social distancing, the method of working in the part that is not designed to be able to work from home 4) sudden changes in government policy The government needs to deal with the COVID-19 epidemic to keep pace with the changes that occur on a daily basis. which the government policy announced affected the management of small and medium enterprises (SMEs) by not being able to operate. Unable to respond to government announcements (Kom Pantarak, 2020)

Small and medium enterprises, which play a huge role in the development of the economy by creating careers and employment, linking with large businesses and other manufacturing sectors, adding value to domestically produced raw materials, creating foreign currency, and also preventing a monopoly in the economy, especially small businesses with the largest number of It is an important foundation for the growth of the Thai economy. Small and medium enterprises include production, trade, and service in Thailand. Looking at gross product (GDP) value, it is clear that the service sector plays the largest role. Therefore, entrepreneurs must pay

attention to organizational changes in order to add more value to their service products. However, with the limitations of small and medium-sized enterprises that are disadvantageous to many large businesses, entrepreneurs must develop themselves to be well-versed in business. There is preparation for business planning. Good management of financial resources In order to be able to solve various problems and run a successful business (Suteera Athavongsa, 2017). Due to the COVID-19 epidemic, small and medium enterprises have been affected by the situation. Therefore, there is a change in the organization. in order to be able to drive the organization towards the goal of success. The indicators that most executives use to assess the success of the organization include finance, customers, and management within the organization. And learning and growing (Kaplan & Norton, 2020), in line with Cope (2018), who has presented indicators for the success of organizational management that consist of 1) Cash means that the organization must have stable cash flow and liquidity. 2) Profits include doing business with higher gross profits and net income. 3) Assets mean the organization must have asset security. And have income and a return on assets from continuing. 4) Growth. That is, the organization must grow and generate profits continuously. 5) People means that the organization must be managed by employees. Customers and stakeholders were satisfied. In addition, Somjai Lucksana (2017) and Kanjana Intrak (2019) stated that the success of the organization can be measured mainly in 4 aspects: 1) goal achievement Success (goal accomplishment), 2) procurement and resource use, 4) operation process, and 4) participant satisfaction Critical to the success of small and medium enterprises in 4 aspects: finance, stakeholders, the internal management process, and learning and growth, the success of the organization will occur. Must rely on factors to support the organization's success. The external environment of the organization is one of the factors that are important to business operations. Because the organization is currently faced with changes in the environment. That may result in the organization being given the opportunity to conduct business or being exposed to obstacles from the changing external environment (Rewat Chatriwisit et al., 2011). To bring innovation in products and services, processes, marketing, and strategic management capable of turning many bad situations into good ones. And can also transform strategies into strategies for doing business appropriately (Boal, K. & Hooijberg, R, 2019), and the organization must have strategy management. The continuous process of determining the mission and goals of the organization within the context of the external environment of the organization. Defining the right strategy Operations according to the specified strategies Using authority to control strategies To ensure that the organizational strategies used can lead to the achievement of the goals set (Nontakorn Atwichai and Marisa Kairerk, 2021).

Management of the organization to achieve the goals the organization sets. which management It is the process of coordinating and joining various activities in the work of personnel together to be efficient and effective. Such processes, which are the main primary duties of executives or managers of the organization, include planning, organization command, order, coordination, and control because management It's a process of planning, organization participation, and controlling the efforts of members of the organization. and the use of other resources for the achievement of the organization's goals (Somyot Navykarn, 2015: 18), while Robbins and Coulter (2016, p. 8) stated that management is a process of activities that causes efficiency and effectiveness in the organization based on the participation of all members in the organization given the importance of the above problems. Small and medium enterprises, which are the main economic drivers of Thailand, are facing the problem of an economic downturn caused by the outbreak of COVID-19. As a result, every business sector has been affected by this situation. especially in Bangkok and its vicinity, which is home to 344,118 small and medium-sized enterprises. The number of juristic persons registered in 2021 was 50,178, a decrease of 12.9 percent from the same period last year, while there were 10,393 canceled businesses. 14.5% increase from the previous year (Office of Small and Medium Enterprise Promotion, 2021).

From the aforementioned situation, the researcher is aware of the above situation. and chooses to study in Bangkok and its vicinity. Because it is the location of many small and medium enterprises and has been affected widely. In addition, the number of business termination situations increased from the previous year. Therefore, the researcher is interested in studying the subject. The Success of Small and Medium Enterprises to Create Competitive Advantages in Bangkok and its Vicinity" to bring the information and results from the study to be proposed as guidelines for setting policies for the successful development of small and medium-sized enterprises to successful in accomplishing more.

LITERATURE REVIEWS

Concepts and theories about the success of the organization

Nit Sammaphan (2017: 10) said that the success of an organization means the ability of the organization to formulate an action plan. and carry out the plan efficiently until the goal is achieved. Consistent with Phuangrat Kesornphaet (2017: 10-21), the success of the organization Refers to the ability to achieve the goals set by management. With efficient and effective operations and Nontakorn Artwichai (2016) said that success means the ability to plan operations. Set goals and objectives to achieve the results as set. In conclusion, the success of the organization refers to the ability to achieve business operations according to the management plan. Efficient implementation of plans and efficient use of resources to achieve goals effectively.

Traditional organizational executives favor organizational evaluation. By focusing only on finances, the Balance Scorecard, or BSC concept, requires all 4 perspectives to be considered, namely (Niramit Thiamtan, 2016) 1) Financial Perspective: How will financial objectives be Make the organization grow and have the ability to produce. The financial result is growth, the desire that the organization wants to achieve both current and long-term success. Measures of financial success, such as return on capital employed (ROCE) or return on investment (ROI), average cost per unit of production activity, profit, total sales, etc. 2) The customer's perspective must consider the difference in quality. by having to think of ways to attract customers. Retention of the existing customer base And what activities will build closer relationships with customers? They must find strategies to transform their status from customers to partners to achieve their financial and customer objectives. is the result of the management of the organization. But it is generally preferred to explain clearly the reasons for how to achieve it. But will change to explain indirectly in terms of finance. 3) An internal business process perspective. product appearance, trademark development and marketing, sales, services, internal administrative processes, logistics, and distribution. These must be analyzed and synthesized to create activities to create value and variety to suit the type and purchasing power of customers and 4) From a learning and growth perspective, setting up a management system. Strategic strategies must be formulated for all four aspects, including knowledge. financial capabilities, customer aspects, and internal processes, but also requires the knowledge and skills of those involved. Whether it is employees, organizational executives, or customers,

The factors that affect the success of the organization are as follows (Cope, 2018): 1) The organizational environment refers to the environment outside the organization. 2) Organizational management refers to processes or activities related to the performance of duties in order to be confident. That various activities proceed in a way that will achieve the objectives set. 3) Strategic management means systematic management that requires the vision of the leader. and relies on step-by-step planning through decision-making and assessment of whether it is suitable for the organization and can be put into practice. which will bring success to the organization and 4) Innovation means creating new knowledge and ideas to provide new business results, which focuses on improving business processes within the organization and

business structure. To create products and services that are created according to the needs of the market.

According to the literature review, the following research hypothesis can be formulated: H1 External environment, organizational management, strategic management, and innovation affect the success of small and medium enterprises to create competitive advantages in Bangkok and its vicinity.

From the literature review, the conceptual framework can be drawn as shown in Figure 1.



Figure 1 Conceptual Framework

RESEARCH METHODOLOGY

The population in this study was 344,118 registered small and medium enterprises (Bureau of Small and Medium Enterprises Promotion, 2021) and a sample of 400 people was obtained from the formula for calculating a sample of Yamane (Taro Yamane, 1973). The reliability was obtained at the 95% level with the stratified sampling.

The research tool was a questionnaire consisting of Part 1: Respondents' personal factors included gender, age, level of education, and average monthly income. The questionnaires are selective questions. Part 2: Factors that affect success. The nature of the questionnaire is Likert Scale with 5 scoring criteria, namely, the highest equals 5 points, the high equals 4 points, the medium equals 3 points, the least equals 2 points and the least equals 1 point. Part 3: Success of small and medium enterprises to create competitive advantage in Bangkok and its vicinity. The questionnaire is a Likert Scale with 5 scoring criteria with the highest equals 5 points, the high equals 4 points, the medium equals 3 points, the least equals 2 points and the least equals 1 point.

Before using data collection tools, the Index of item objective congruence (IOC) and questionnaire validity test via Cronbach's alpha were performed systematically. The examination found that the IOC was 0.813 and the Cronbach's alpha was 0.910, indicating that the research tool was of sufficient quality (Polit & Beck, 2006; Hair et al., 2012). To obtain this study data, a questionnaire was sent to registered small and medium enterprises. The descriptive statistics used to analyze the data were frequency, percentage, mean, standard deviation, and multiple regression analysis.

RESEARCH RESULTS

- 1) Most of the respondents were female 72% aged between 41-50 years old 69% graduated with a bachelor's degree 72% and had an average monthly income from 5,000,000 -6,000,000 baht 59%
- 2) The overall success of small and medium enterprises was found to be at the highest level. When considering each aspect, it was found that the internal management process with the highest average, followed by finance, with stake and learning and growth, respectively.

Table 1 Mean and standard deviation of success of small and medium enterprises

Aspect	Description	\bar{X}	S.D.	Interpretation of results
1)	Finance	4.42	0.88	Very Much
2)	Stakeholders	4.27	0.79	Very Much
3)	Internal management process	4.25	0.85	Very Much
4)	Learning and Growing	4.26	0.80	Very Much
Total		4.35	0.51	Very Much

3) Business environment factors are valuable β equal to 0.279 organization management is valuable β equal to 0.268 strategic management is valuable β equal to 0.249 and innovation are valuable β equal to 0.242 which showed that there was a statistically significant positive influence on the success of small and medium enterprises at the level 0.05 By value Sig. equals to 0.002,0.002,0.010 and 0.000 which is consistent with the hypothesis set when analyzing the correlation coefficient (R) is equal to 0.729. This indicates that the group of independent variables is highly related to the dependent variable and the forecast coefficient is equal to 0.605. This shows that the group of independent variables affects the success of small and medium enterprises by 60.5%.

In order, the equation can be written as follows.

$$Y = 0.793 + 0.279X_1 + 0.268X_2 + 0.249X_3 + 0.242X_4$$

From the analysis of the regression coefficients, it was found that external factors, organization management, strategic management, and innovation together have the ability to predict the success of small and medium enterprises. The external environment factors affecting the forecast the most (Beta = 0.234) followed by innovation (Beta = 0.190) organization Management (Beta = 0.172) and strategic management (Beta = 0.134). The details are shown in Table 2.

Table 2 Multiple regression analysis of factors influencing the success of small and medium enterprises

Factors	Unstandardized (b)	SE	Standardized (β)	t	Sig.
(Constant value)	0.793	0.072		7.615	0.000
Environment outside the organization	0.234	0.023	0.279	5. 816*	0.002
Management	0.172	0.103	0.268	2.314*	0.007
Strategic Management	0.134	0.056	0.249	2.223*	0.010
Innovation	0.190	0.034	0.242	3.168*	0.000
R = 0. 729			Adjusted R ² = 0.605		
R ² = 0.530			SE = 0.075		

* Statistical significance at the 0.05 level

DISCUSSION & CONCLUSION

A study on the success of small and medium enterprises in creating competitive advantages in Bangkok and its vicinity. The researcher brought up the important issues to discuss the results according to the research objectives as follows.1) The overall success of small and medium enterprises was found to be at its highest level. When considering each aspect, it was found that the internal management process had the highest average, followed by finance, stake, and learning and growth, respectively. This may be due to entrepreneurs' analyzing opportunities

and threats from the environment outside the organization. Good management There is strategic management and the application of innovation in business operations, thus resulting in greater success. This is in line with the research results of Yaowapha Pathomsirikul (2018), who studied the success model of health service business management in private hospitals in Thailand. The study found that results showed that the success of health service business management in private hospitals in Thailand was at a high level. 2) Environment outside the organization, Organizational management, strategic management, and innovation influence the success of 60.5 percent of small and medium enterprises. Entrepreneurs analyze opportunities and obstacles in the environment outside the organization. Good management with a plan for organization, coordination, and budget management has followed up and evaluated past performance. There is strategic management to develop current corporate strategies to be up-to-date with changes and to apply innovations in business operations. thus resulting in more success. In correspondence with Pinruthai Suthirapong (2021), I have studied the causal relationship model of the success of small and medium-sized businesses in Bangkok. organization management Strategic management and innovation influence success.

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