GUIDELINES FOR DEVELOPING COMPETITIVENESS OF CONSTRUCTION MATERIAL BUSINESS ENTREPRENEURS IN METROPOLITAN AND EASTERN REGIONS

Krit PETCHSANGNGAM[1], Tawee JAMJUMRUS[1] and Kanchana PHOTIWICHAYANON[1]
1 Graduate School, Suan Sunandha Rajabhat University, Thailand;
s66584917014@ssru.ac.th (K. P.); tawee.ja@ssru.ac.th (T. J);
kanchana.ph@ssru.ac.th (K. P.)

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ABSTRACT
The development of competitiveness of construction materials business entrepreneurs will help entrepreneurs adapt to economic and technological changes, increase operational efficiency, reduce costs, create innovative services, and build sustainable competitive advantages. This research aims to study guidelines for developing the competitiveness of construction materials business entrepreneurs in the metropolitan and eastern regions. This study employs qualitative research methods, collecting data through in-depth interviews with key informants: 1) Construction materials business entrepreneurs registered as limited companies or limited partnerships in the metropolitan and eastern regions 10 people, 2) Officials or senior executives from government agencies directly related to construction materials business, including Provincial Industry and Provincial Commerce offices 4 people, and 3) Non-profit private sector organizations responsible for promoting and directly involved with construction materials business, including Provincial Chambers of Commerce (2 people), totaling 16 key informants. The research findings reveal that guidelines for developing competitiveness of construction materials business entrepreneurs in Thailand include: creating specialized expertise, developing technology and digital systems such as ERP and IoT, continuous human capital development, building business partnership networks, and providing comprehensive services such as design, material calculation, and product installation. Supporting agencies such as Provincial Commerce offices promote group formation to increase bargaining power and support access to funding sources and digital platforms. Meanwhile, Provincial Chambers of Commerce propose personnel development, information technology utilization, and supply chain partnership creation with manufacturers, engineers, and contractors. All of this indicates that competition in the modern construction materials market requires integration of technology, knowledge, networks, and government support to enhance potential and create long-term business sustainability.
Keywords: Competitiveness, Entrepreneurs, Construction Material

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INTRODUCTION

The construction materials industry is considered a crucial foundation of Thailand's economy, serving as a main driver in the construction and real estate sectors, which play important roles in job creation, income generation, and quality of life improvement for the population (Loonkham, 2021). It is also a business with high economic value and cash flow circulation worth trillions of baht annually. In 2023, the total sales of construction materials business in Thailand amounted to 1.07 trillion baht, growing 1.8% compared to 2022, which had total construction materials sales of 1.05 trillion baht nationwide. However, overall, this represents declining growth, as 2022 saw growth of up to 3% compared to 2021, which had total construction materials sales of 1.02 trillion baht nationwide. This is partly due to the price trend of steel bars, which are main construction materials, showing a downward trend from the previous year (Kasikorn Research Center, 2023).

The growth trend of the construction materials industry varies according to the growth rate of the real estate market and overall construction investment in the country, following investment in large government projects (Loonkham, 2021). Additionally, private residential construction projects tend to expand according to economic direction, receiving positive effects from economic recovery after the COVID situation, which will result in increased revenue for construction materials manufacturers and distributors amid intense competition (Sritongterm, 2023).

Furthermore, construction materials businesses face risk factors in terms of rising costs of construction materials due to market demand fluctuations, exchange rates, inflation rates, and geopolitical conflicts, which result in higher costs for imported construction materials (Bureau of Trade and Economic Indice, 2023; Kasikorn Research Center, 2022; 2023), including higher operational costs from potential minimum wage increases, which are significant costs for entrepreneurs. Additionally, past situations have included temporary closure of several steel furnaces in Europe and Japan, causing steel and steel products to adjust to much higher prices, leading to price increases in other categories of construction materials (Bureau of Trade and Economic Indice, 2023). This includes situations where diesel and gasoline prices have increased significantly and tend to remain at high levels, greatly impacting transportation costs in construction materials business. All these factors require entrepreneurs to establish tight organizational management strategies, including budget planning (Etlegar & Sundari, 2023), human resource management (Riyadh, Zaman, & Hasan, 2015), technology management (Schwab, 2016), and risk management for various risks that may occur in the future (Virglerova, Panic, Voza, & Velickovic, 2022).

Construction materials businesses also face long-term challenges according to environmentally friendly product concepts, which will significantly affect social efficiency, costs, performance, and competitiveness of construction materials business entrepreneurs in the future (Kasikorn Research Center, 2023). On another front, this also means preparing for technology and production innovation readiness to respond to and accommodate changes according to construction materials market trends timely and efficiently, which will enable construction materials businesses to maintain long-term competitiveness (Mukail & Yusuf, 2020).

For this reason, the researcher is interested in studying guidelines for developing competitiveness of construction materials business entrepreneurs in the metropolitan and eastern regions, to respond to government projects aimed at developing metropolitan areas according to urbanization expansion, where people flow from Bangkok to surrounding peripheral areas of Bangkok and nearby metropolitan provinces. This research aims to study guidelines for developing competitiveness of construction materials business entrepreneurs in the metropolitan and eastern regions.

LITERATURE REVIEWS

Barney (2001) and Schoemaker (1990) stated that competitiveness occurs when organizations can create economic value superior to other competitors in the market, where the returns must have average value and returns higher than the value of invested resources. This aligns with Ansoff (1965), who explained that competitiveness is the ability to find unique product characteristics that help strengthen competitive strength for the organization.

On another aspect, competitiveness means creating competitive advantage from the organization's ability to deliver superior value to its customers (Porter, 1985). This corresponds with Winter (1995), who proposed that competitiveness is the result of performance superior to other competitors in the market. This may mean higher returns, higher rents, or in other words, helping promote the organization's ability to develop innovation or create new products (Dess & Robinson, 1984), including other factors related to operations that are more efficient than competitors, both financial efficiency and marketing efficiency, because organizations with high competitiveness can reach new customer groups (Polychroniou & Trivella, 2018), create sales, and continuously receive higher returns than other competitors (Vickery, Droge, Setia, & Sambamurthy, 2010).

From the above, it can be seen that competitiveness is organizational operational efficiency superior to competitors by delivering superior value to customers. However, competitiveness often arises from several combined components, such as advertising products and services at lower prices or better quality, which helps attract customer interest. Additionally, products and services with unique characteristics are important factors that create brand loyalty, which explains why customers choose products and services from one organization over others.

Theories related to competitiveness are diverse, with each theory often presenting different concepts and analytical frameworks according to study contexts and environments. One important main theory is Porter's (1980) Competitive Advantage Theory, as mentioned above. There is also Barney's (1991) Resource-Based View (RBV) concept, which proposes that organizational competitiveness depends on unique and inimitable resources and capabilities. These resources can be divided into tangible resources and intangible resources, where resources with VRIO characteristics (value, rarity, imitability, organization) are important factors that help strengthen organizational competitiveness. This aligns with Day & Wensley's (1988) Strategic Competitive Advantage Theory, which proposes that creating strategic competitiveness depends on analyzing and developing value advantage and cost advantage, where organizations must create differentiation in products or services and reduce costs to compete in the market.

From the literature review, it can be concluded that competitiveness of construction materials business entrepreneurs means the ability of construction materials entrepreneurs to conduct business and grow sustainably in the market by being able to respond to customer needs better than competitors, having the ability to develop innovation, create business growth, and have adequate financial and marketing status for long-term survival. Observable variables include innovation capability and business growth capability, marketing capability, financial capability, and social capability.

RESEARCH METHODOLOGY

This research uses qualitative research methods through in-depth interviews with key informants: 1) Construction materials business entrepreneurs registered as limited companies or limited partnerships in the metropolitan and eastern regions (10 people), 2) Officials or senior executives from government agencies directly related to construction materials business, including Provincial Industry and Provincial Commerce offices (4 people), and 3) Non-profit private sector organizations responsible for promoting and directly involved with construction materials business, including Provincial Chambers of Commerce (2 people), totaling 16 key

informants. The number of key informants follows the principle of theoretical saturation, meaning the researcher will stop interviewing new key informants when no additional emerging issues are found (Hennink & Kaiser, 2022), studied in conjunction with documentary research.

The research instrument is a semi-structured interview form that has undergone content validity testing. Data collection was conducted through in-depth interviews and study of related documents, with data analysis using content analysis.

RESEARCH RESULTS

Guidelines for Developing Competitiveness of Construction Materials Business Entrepreneurs in Thailand

1) Creating Specialized Expertise and Competitive Differentiation

Entrepreneurs agree that specialized expertise in products, services, or specialized consulting helps create differentiation and increase market credibility. An entrepreneur from Samut Prakan stated: "Creating specialized expertise, such as being an expert in a particular product group, so that customers remember and trust us."

2) Investment in Technology and Digital Systems

Many entrepreneurs mentioned adopting new technologies such as ERP, CRM, IoT, AI in business operations to increase efficiency. An entrepreneur from Nakhon Pathom stated: "Implementing ERP systems for business management, developing applications for customers, and using IoT technology."

3) Continuous Human Capital Development

Entrepreneurs from almost every province mentioned the importance of personnel, such as training, promoting new knowledge, and creating organizational culture conducive to learning. For example: "Having a team with high knowledge and capability will be an important strength in competition" (Construction materials business entrepreneur, Samut Sakhon).

4) Creating Networks and Business Partnerships

Grouping with other entrepreneurs to increase bargaining power and share costs. For example: "Creating strategic partnerships with supply chain entrepreneurs... to build a strong business ecosystem" (Construction materials business entrepreneur, Chachoengsao).

5) Developing Modern Sales Channels and Marketing

Expanding channels to the online world and using digital marketing tools. For example: "Developing omnichannel sales channels that connect storefronts, online, and mobile applications" (Construction materials business entrepreneur, Rayong).

6) Providing One-Stop Service

Expanding roles from sellers to service providers, such as design, material calculation, installation. For example: "Providing comprehensive services, not just selling products, but including technical consulting..." (Construction materials business entrepreneur, Nakhon Pathom).

7) Efficient Management

Strategic planning, inventory management, risk management. For example: "Long-term strategic planning with regular monitoring and evaluation" (Construction materials business entrepreneur, Pathum Thani).

8) Market Expansion and Reaching New Customer Groups

Looking for opportunities in new markets, such as DIY groups or exports. For example: "Expanding customer base to new groups, especially DIY (Do It Yourself) groups" (Construction materials business entrepreneur, Chachoengsao).

9) Creating Reliable Brand and Image

Creating organizational image with standards and memorability. For example: "Building strong brands through consistent communication and creating good customer experiences" (Construction materials business entrepreneur, Nonthaburi).

10) Adapting to Market Changes

Continuous market study and adaptation. For example: "Continuous market study to keep up with changes and respond to customer needs quickly" (Construction materials business entrepreneur, Samut Prakan).

Additionally, there are proposals from various agencies:

Provincial Commerce offices provide diverse policy and practical proposals to promote entrepreneur competitiveness in the area, especially in grouping and technology use. For example, Samut Prakan Provincial Commerce proposes: "Grouping into cooperatives or joint purchasing groups will help increase bargaining power with manufacturers, reduce product costs, and share business risks." They also propose using these groups to share technology, practices, and market information. Regarding digital marketing, both Samut Prakan and Pathum Thani Provincial Commerce agree that modern online platforms and sales channels must be developed, proposing entrepreneur training in online marketing, social media use, and business website development, along with funding support such as low-interest loans and subsidies for information technology investment. For value creation, Samut Prakan Provincial Commerce emphasizes that comprehensive services such as design, consulting, and after-sales service will enable businesses to comprehensively meet customer needs, while proposing network creation with contractors, architects, and government agencies to expand business opportunities and support establishment of business incubation centers for new entrepreneurs.

Provincial Chambers of Commerce play important roles in strengthening business sector potential, especially promoting strong business networks. Samut Prakan Provincial Chamber of Commerce proposes: "Establishing cooperative groups or business networks will help increase bargaining power with manufacturers and reduce product procurement costs." These networks can also be used to share technology information, market trends, and new knowledge efficiently. Prachinburi Provincial Chamber of Commerce emphasizes creating supply chain partnerships with manufacturers, contractors, designers, and engineers, proposing joint activities such as trade shows, practical training workshops, and business negotiation forums to build relationships and new business opportunities. Regarding specialized expertise, Chambers of Commerce believe entrepreneurs should clearly identify their strengths and develop them as main selling points, such as fast service, consulting quality, or specialized products. For technology, Samut Prakan Provincial Chamber of Commerce proposes accelerating online marketing channel development and establishing joint online trading platforms to help small entrepreneurs access markets equally, while Prachinburi Provincial Chamber of Commerce proposes investing in comprehensive information systems such as inventory, finance, and customer data analysis systems. For personnel development, Samut Prakan Provincial Chamber of Commerce supports having educational systems with educational institutions to develop specific curricula for construction materials business, while Prachinburi Provincial Chamber of Commerce emphasizes training in both technical and service aspects to increase efficiency and retain quality personnel long-term.

Both provincial Chambers of Commerce see the importance of financial support, such as coordinating with banks and financial institutions to establish special funds and participate in government SME support programs such as low-interest loans or future export support.

Provincial Industry offices from both provinces emphasize the importance of developing personnel potential in construction materials business, which is considered "human capital" that will be an important mechanism for driving businesses to compete long-term, and provide easily accessible financial support appropriate for business characteristics. All the above guidelines indicate that entrepreneurs can increase competitiveness if they can systematically

integrate knowledge, technology, human capital, business networks, and government support in accordance with modern market contexts.

RECOMMENDATIONS

1) Ministry of Commerce should organize programs to promote grouping of construction materials business entrepreneurs at the local level, such as cooperatives or joint purchasing groups, to increase bargaining power and reduce costs.
2) Digital Economy Promotion Agency (DEPA) should support creating online trading platforms for small entrepreneurs, along with training in digital technology use and online marketing.
3) Thai Chamber of Commerce with educational institutions should establish short-term training courses in construction materials business management, information technology, and customer service to develop human capital.
4) Ministry of Industry should establish construction materials business incubation centers to support new entrepreneurs in consulting, technology, and funding access.
5) State banks such as Government Savings Bank or SME Bank should create specific financial products such as low-interest loans for construction materials businesses wanting to invest in digital systems or expand operations.
6) Office of Transport and Traffic Policy and Planning (OTP) should cooperate with the business sector in developing logistics infrastructure such as distribution centers and transportation systems conducive to construction materials business.

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