

The Causal Variables Influencing the Affecting Marketing Innovation and Competitive Advantage

Pattarapon Chummee

Valaya Alongkong Rajabhat University, Under the Royal Patronage, Thailand,
atta9899@hotmail.com.

Abstract: Innovation affects the transformation of organizational characteristics or organizational behavior. In addition, the food industry is an important part of Thailand's economic and social system because it is a connected industry. With many consecutive industries and incomes, GDP ranks first. The purpose of this study is to study the marketing innovation factors that affect competitive advantage Innovation diffusion theory. The sample was a targeted population of the food and beverage sector, and 400 samples of SMEs in Bangkok and metropolitan areas were found. The results of the exploratory factor analysis of the parameters of marketing innovation and competitiveness passed the minimum threshold of not less than 0.50, consistent with the corroborative confirmatory factor analysis.

When analyzing the causal influence between the latent external variables of marketing innovation and the latent variables in the competitiveness, they were found to have a component weight of 0.31 and a t-test value of 5.25, there was statistically significant.

Suggestions for research and development of marketing innovations such as promoting marketing through social media Promotion of new marketing, including creating more innovative products to create added value. as well as packaging that can add value and attract the attention of consumers. The important thing is to develop products that are suitable for consumers in each age.

New knowledge found that small and medium-sized community enterprise entrepreneurs found that they had created innovations by developing traditional marketing channels and through social media, including the development of standardized product quality.

Keywords: Market Innovation, Competitive advantages

1. Introduction

If considering the importance of the global economy A study by Charoenwongsak (2018) found that due to the economic slowdown in developed countries, innovation is necessary. to stimulate economic expansion Moreover, the world is facing intense trade competition. Due to the development of new knowledge and technology as a result, traditional businesses continue to adapt and innovate to survive. It is also found that consumers have different and more diverse demands for products and services. As the middle class expands to 4.9 billion by 2030, demand for goods and services is more differentiated. the quest for meaning Therefore, this must rely on innovation in the production and creation of new products and services. When studying the change in the global population structure, it is found that the elderly population to the working-age population will increase. will affect the entry into an aging society. Therefore, innovation is needed to increase productivity.

For Thailand, according to the report of Prachachat (2020), the epidemic of the Covid-19 virus affecting various sectors when considering research and development It was found that the investment was 1.21 of GDP. In 2020, NHSO (2020) also found that Thailand ranked 44th in innovation capability and the innovation resource index dropped to No. 48 of the world.

From the SME. (2020) found that Thai food exports to the world market in Thailand ranked 13th in the world. However, today's competition requires innovation in food production processes or creating suitable innovations to create value. increase and increase efficiency in production and management

For this reason, the researcher is interested in studying the innovation model that affects the operations of small and medium-sized businesses in the food sector to develop suitable innovations to be able to compete internationally. Create added value and improve the image of Thai products that have a food production base for quality to meets international standards.

2. Objective

To study the factor of marketing innovation that affect competitive advantage.

3. Related Theories and Research

A. The entrepreneurial value creation theory

Olanrewaju et. al. (2018) and Chummee et al. (2021) describes the entrepreneurial experience of entrepreneurial intention and the discovery of opportunities to develop start-up talent and reward allocation. The process of starting a business is not an independent process. Entrepreneurs are an indispensable part of

starting a business. Hence, the intent to start the business and the resources that are the real components of the business start-up process. The process involves the entrepreneur identifying external opportunities. In order to meet the opportunity to realize the ability to start a business Get external resources if needed. create sustainable value and the allocation of rewards for starting a business entrepreneurial value creation theory uses a two-step value creation and distribution framework to examine within the process of starting a business.

B. Related research

When studying SMEs in the food industry in the European union found that there are obstacles in the operation related to marketing innovations as follows: There is not enough time for innovation activities. Difficulty accessing funding for innovation activities and activities that costly compared to limited resources improper market size (often too large) and high cost to purchase new processing equipment needed to deliver innovative products. Problems in building an adequate production and distribution network and in entering the retail space This includes low awareness of innovation due to a lack of information about new technologies, services, materials, and consumer solutions. Moreover, the lack of the business and management skills required to carry out innovative activities in parallel with ongoing operations (National food technology platform, 2021).

Consistent with a study by Toth et al. (2020), Hungarian food business leaders were positively correlated with positive attitudes towards food innovation. When evaluating innovation and strategic intentions to promote innovative products. However, the lack of adequate research skills and specific knowledge and skills hinder the development of the positive evaluation process of innovative products. and processes together with the intention to market new products. There is a positive correlation with the efficiency of innovation, current efforts to improve quality. company design and the technological conditions are very low. It also found in a study by Davick et. al. (2021) five Italian companies recognized as particularly innovative in their sector. To identify the factors driving the success and efficiency of their international R&D efforts. Research results show that SMEs' technological and market capabilities have a remarkable and positive impact on their efficiency in international markets. In addition to expanding the literature on the internationalization of R&D by SMEs, these findings highlight significant challenges and opportunities for managers of internationally deployed SMEs.

The research results of Phanomupatt (2020) and Chummee (a) (2021) suggest that small and medium-sized enterprises in Thailand should promote and focus on market innovation, supporting technology work from the private sector. and technological innovations, respectively, as follows: 1. market innovation by designing the product to be useful, can be recycled, can be reused, packaging can be used again, increasing the safety of the use of the product. and has continued to develop useful products. 2. to seek support for technology work of the business from the private sector mainly to promote the use of technology in product design. or use technology to help in production by studying and learning from other private sectors and applying them to their own business by designing products with computer programs, using technology to help reduce production costs and production time and increase the amount of product.

Competitive Advantage can be used to analyze and create competitive advantage strategies in accordance with business operations such as selling products and providing better services, which is selling products or providing different services may differ in quality raw materials used, etc., selling cheaper products by having to produce them at a lower cost. by choosing to use innovation in operation Reducing unnecessary expenses, meeting customer needs to be able to create products that are right for the target group and meet the needs of consumers as much as possible means that products and services must be special from the products and services of other competitors in one way or another. This will result in consumers being aware and choosing a product or service and being willing to pay for that product at a higher price than other products. (Lalitsasiwimol, 2020, andChummee andKhammadee, 2021)

4. Research Methodology

In this research, the researcher analyzed the conceptual framework of structural equations to find the relationship between various variables together with the use of descriptive statistics.

A. Target Population and Sample size

The target population in the food and beverage manufacturing sector found that SMEs in the food category had the largest number, with a total of 58,707 cases (Office of Small and Medium Enterprises Promotion, 2020). Yamane, 5% expectancy, received a sample of 397 cases and was based on the Ataly (2013) guidelines that propose a sample size of at least 100 samples or a sample size ratio of at least 10-20 times the observable variable Therefore, in this research, there were 35 observable variables when multiplied by 10 times the observable variable. A total of 350 samples were obtained. Moreover, Azzouzi (2021) suggested that the ideal sample should be 400 sample sizes. For this reason, in order to prevent missing data errors, the investigator proceeded to collect all of them. The 400 samples by collecting samples in Bangkok and its vicinities.

B. research tools

This research uses questionnaires to collect data. It consists of a 7-part questionnaire structure.

C. Validity Test

The results of the questionnaire quality examination in terms of content validity, questionnaire coverage suitability and clarity of use Language from 5 experts found that the consistency value is between 0.60 – 0.97 which meets the criteria. Therefore, every question in the questionnaire is consistent between the question and the objectives of the research to be measured are accurate in the content and have clarity of language and cover the content that the researcher wants to study can therefore be used to collect data for both researchers Has made improvements to the questionnaire according to the issues that experts advise, such as adding a subject to the question sentence. Fixed unofficial language Correct the words to be appropriate. The confidence value of the whole questionnaire was 0.97.

5. Research Results

A. Descriptive Statistics

From a sample of 400 sample sizes, the researcher selected descriptive statistics such as percentages. and inferring statistics by causal influence analysis, it was found that small and medium-sized businesses in the food sector found that the top two employees had the highest number of employees from 201-300, the same number of employees was 161, followed by the number of employees. Employees from 1-100 people, 15 people, representing 3.8%, and the final ranking is that there are 6 employees from 401-500, accounting for 1.6 percent.

In terms of education, it was found that there were 330 graduates (82.5%), followed by 66 graduates (16.5%), and graduated. Below bachelor's degree, there are 4 persons, representing 1.0 percent.

The analysis of the percentage of age found that the sample was aged 41-50 years, the largest number reached 255, representing 63.7 percent, followed by the age between 31-40 years, with 68 cases, representing 17 percent. The third was aged 51-60, with 58 cases, accounting for 14.5 percent, fourth was aged 20-30, with 16 cases, accounting for 4 percent, and third was aged over 61, with 3 cases. accounted for 0.8 percent.

In terms of English proficiency, the data analysis revealed that the largest number of respondents did not say whether they could speak or not, at 384, representing 96 percent, followed by not being able to speak English at 12, representing a hundred. Of the 12, the last one was able to speak English, of which four were 1.0 percent.

B. Factor Analysis

Table 1: Factor Analysis

| Component | Factor loading | |
|---------------------|----------------|--------|
| Mk1 | | 0.930 |
| Mk2 | | 0.585 |
| Mk3 | 0.802 | |
| Mk4 | 0.861 | |
| Mk5 | 0.745 | |
| Eigenvalue | 2.473 | 1.217 |
| Percent of Variance | 49.468 | 24.332 |
| Cumulative Percent | 49.468 | 73.800 |

KMO. 0.608, Chi Square 654.74, df 10

The results of an exploratory component analysis of the marketing innovation variables accompanying the five measurement questions, all of which met the required minimum criteria. The analysis result can be divided into two component weights. And the question of whether there is an update on the renewal of product promotion techniques used for the promotion of current products or new products (Mk1) has the greatest element weight. When analyzing exploratory elements, the results of the analysis were consistent with the exploratory component analysis. The results of the corroborative component analysis of marketing innovation revealed that all five components met the required minimum throeshould of correlation weight greater than 0.50. It could be confirmed that the results of the analysis of all components were components of the marketing innovation variables.

Table 2:Factor Analysis of Competitive Advantage

| Component | Factor loading |
|---------------------|----------------|
| Comp1 | 0.860 |
| Comp2 | 0.905 |
| Comp3 | 0.823 |
| Eigenvalue | 2.235 |
| Cumulative Percent | 74.501 |
| Percent of Variance | 74.501 |

KMO 0.690, Chi square 473.73, df 3

Competitive Advantage component analysis revealed that the element weights of all the questions passed the minimum qualifying criteria were greater than 0.50, and the 1 component found that your company questions could make a difference in in terms of goods and services (Comp2), the component weight was the highest at 0.905 when the exploratory component was analyzed. The results of the analysis were found to be consistent with the

exploratory component analysis. The results of the Competitive advantage component assessment analysis revealed that all component weights met the required minimum criteria greater than 0.50. The results of the analysis confirmed that all components were components of the Competitive advantage variable.

C. Casual Analysis

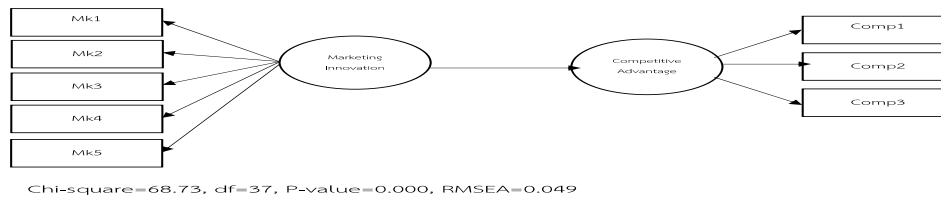


Figure 1: Casual Analysis

The results of the causal influence analysis revealed that the marketing innovation variables It consisted of five components with component weights of 0.30 to 0.54 and found a correlation (t-test) between 11.31-19.96. all the variables passed the minimum criteria as components of marketing innovation.

The results of the competitiveness component weight analysis of all three components had the element weight between 0.44-0.63 and found that the correlation path between 12.30-14.88 passed the minimum criteria for all components. When analyzing the influence paths between endogenous and end latent variables, they had an element weight of 0.31 and a statistical value of 5.25. It was said that these correlation paths had a statistically significant influence on each other.

6. Summary and Discussions

The study found the influence path between marketing innovation and competitive advantage, ($\beta=0.31$, $t=5.25$). Consistent with the Quaye (2019) and Chummee (b) (2021) study which found that marketing innovation was new product design. environmentally friendly design the entry into the digital system greatly affects the competitive advantage of SMEs because it can create advantages in various fields. It is said that market innovation is of great importance. Preparation for entrepreneurs, including adapting to new business practices digital business creating added value These things can help create a competitive advantage and contribute to internationalization.

7. Recommendations

Develop guidelines for creating marketing innovations such as promoting marketing through social media promotion of new marketing, including creating more innovative products to create added value as well as packaging that can create added value and attract the attention of consumers. The important thing is to develop products that are suitable for each age consumer.

Create a competitive advantage such as reducing production costs Create more marketing channels, processes, and new products. including opening new markets and consumer groups.

With new knowledge discovery, entrepreneurs of small and medium-sized enterprises have created innovative marketing channel for the traditional marketing channels. Moreover, Development of product quality to meets national and international standards.

References

Ataly, Murat. and Savan, Fulya. (2013). The Relationship between Innovation and Firm Performance: An Empirical Evidence from Turkish Automotive Supplier Industry. *Social and Behavioral Sciences* 75 (2013) 226 – 235.

Azzouzi, Omar and Ulutagay, Gozde. (2021). Innovation Management in SME and Organization Development Based on Customers Satisfaction. *International Journal of Computer Science and Mobile Computing*, Vol.10 Issue.1, January- 2021, pg. 69-80.

Charoenwongsak, Kriengsak. (2018). The necessity of innovation. to the growth of the world economy. <http://www.kriengsak.com/Necessity-of-Innovation-On-the-growth-of-the-world-economy>. 26 June 2021.

Chummee, Pattarapon (a). 2021. Causal Analysis Models Influence the Business Environment of the Agricultural Industry in Thailand. *Turkish Journal of Physiotherapy and Rehabilitation (Q4)*; 32(3) ISSN 2651-4451 | e-ISSN 2651-446X.

Chummee, Pattarapon (b). (2021). A Confirmatory Factor Analysis of Domestic Market Environment Affecting to Export Decision of Food Industries in Thailand. *Turkish Journal of Physiotherapy and Rehabilitation*; 32(3) ISSN 2651-4451 | e-ISSN 2651-446X.

Chummee, Pattarapon and Khammadee, Preecha. (2021). The Development of Marketing Strategy of Community Enterprise in Sa Kaeo Province. *Turkish Journal of Computer and Mathematics Education (Q3)*, Vol.12 No. 8 (2021), 2777-2783.

- Chummee, Pattarapon, Sritong, Charcrit and Chanprasert, Sutaphat. (2021). Causal Influence Analysis Model of Foreign Environment on Export Capability. **Turkish Journal of Computer and Mathematics Education**, Vol.12 No.8(2021), 2227-2232.
- Davick, Nebojsa. et. al. (2021). Exploring the role of international R&D activities in the impact of technological and marketing capabilities on SMEs' performance. *Journal of Business Research*, Volume 128, May 2021, Pages 650-660.
- Lalitsasiwimol, Woraluck and Chinfak, Nukul. (2020). Analysis of the Competitive Advantage Components of Private Businesses in Songkhla Province. Source: <https://so01.tci-thaijo.org/index.php/ecbatsu/article/view/238575/165728>. July 16, 2021.
- National food technology platform. 2021. MAKING RESEARCH AND INNOVATION WORK FOR SMES IN THE FOOD AND DRINK SECTOR. Retrieved from: <https://etp.food-drinkeurope.eu/component/attachments/attachments.html?id=61&task=downloads>. 30 June 2021.
- Office of the Promotion of Small and Medium Enterprises (SME). (2020). The Meaning of Community Enterprise. Source: <https://www.sme.go.th/th/?>. 30 June 2021.
- Olanrewaju, A., Lim, X. Y., Tan, S. Y., Lee, J. E., and Adnan, H. (2018). Factors affecting Housing Prices in Malaysia: analysis of the supply side. *Planning Malaysia: Journal of the Malaysian Institute of Planners*, 16(2), pp. 225–235.
- Phanomupatt (2020). Marketing innovation that Effect on the performance of SMEs in the ceramic industry in Thailand. Source: <https://so03.tci-thaijo.org/index.php/jmscrnu/article/view/238741/168200> . 30 June 2021.
- Prachachat. (2020). survey of R&D budget in Thailand, the path to the target of 2% to GDP Source: <https://www.prachachat.net/ict/news-483734>. 26 June 2021.
- Quaye, Daniel, Mensah, Isaac. (2019). Marketing innovation and sustainable competitive advantage of manufacturing SMEs in Ghana., *Management Decision*, <https://doi.org/10.1108/MD-08-2017-0784>
Permanent link to this document: <https://doi.org/10.1108/MD-08-2017-0784>.
- Tóth, József; Migliore, Giuseppina; Balogh, Jeremiás M.; Rizzo, Giuseppina. 2020. "Exploring Innovation Adoption Behavior for Sustainable Development: The Case of Hungarian Food Sector" *Agronomy* 10, no. 4: 612.