

The Structural Relationship Analysis between Innovation and Export Performance of Food Industries, Thailand

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Abstract: Export performance is very important for the development of the country. Can be concluded that exports promote growth, economic growth rate and domestic income. However, exports need innovation. The purpose of this research was to study the causal influence of innovation and export capacity. Contains innovative theory of entrepreneurship, export behavior theory and competitive advantage theory and conducting a literature review according to the research conceptual framework. The objective of this is the study the casual relation between innovation and export performance.

The sample group used in the study was 400 SMEs in food business in Thailand. Research result found that organizational innovation had a positive direct correlation with export performance ($t=6.47$), marketing innovation was also found to have a positive direct correlation with export performance ($t=6.74$). At least, the process innovation was directly positively correlated with statistically significant ($t=14.04$) with export performance. when assessing the fit index found that the valuable Chi-square=248.13, $df=222$, $chi-square/df=1.11$, $RMSEA=0.055$ can be concluded that there is a good consensus.

Recommendations developing innovations suitable for small and medium-sized enterprises in Thailand by increasing marketing innovation including various innovations suitable for every production and export process Connecting entrepreneurs to social media to reach global consumers It can be said that entrepreneurs must add new innovations that can create additional value, such as history. Various stories in the product Moreover, the same product should not be produced repeatedly, it should be unique to each locality. Create packaging that looks good and is environmentally friendly.

Keywords: Export performance, Innovation, Small and Medium Enterprise

1. Introduction

From the study of Nygårdh-Brändström (2005) has a close relationship between export efficiency and innovation. This is because a high level of competitiveness in the export market is determined by innovation capability. Moreover, it consists of the quality of capital and labor, price competitiveness and technology, which is also included in the concept of innovation. For example, Sweden is a country with export capacity and is able to penetrate new markets effectively through the development of export efficiency, complemented by the promotion of innovation.

There are four new food innovations that are likely to change the food industry: organic products produced indoors with hydroponic systems, authentic foods, exotic food and foods that help the functioning of the intestines and digestive system which is a product that is gaining popularity among consumers in the world market and is growing steadily It is an opportunity for manufacturers Thai exporters to use this opportunity to study and learn the direction of food production to be used in Thai food production and exported to the world market (Department of Export Promotion, 2019)

Thai food exports in 2020 were valued at 980,703 million baht, a decrease of 4.1 percent or in dollar terms, with an export value of USD 31,284 million, a decrease of 5.1 percent, while Thailand's global market share declined to 2.32% from 2.49% in 2019, and Thailand's ranking of food exporting countries dropped to 13th in the world from 11th last year (Food Institute, 2021).

Overall, global agricultural and food trade in 2020 is worth \$1.35 trillion. Foodstuffs with the highest trade value were vegetables, fruits, grains and meat, and the United States remained the world's No. 1 food exporter, while Brazil moved up to No. 3 in the world, the world from 5th place last year, while Indonesia. The world rankings improved two places, moving up to 11th place thanks to higher palm oil prices, and other food exports that expanded well, such as frozen shrimp, canned tuna, coffee, and cocoa. (Food Institute, 2021)

For that reason, the researcher is interested in researching the export innovation of the food industry in order to create innovation for the industrial group, which will create added value Create more quality income for entrepreneurs and to the nation as well as helping to create new opportunities for the country and open new markets and consumer groups to be more efficient.

2. Theories and Literatures

A. Theories

Schumpeter innovation theory of entrepreneurship, a study by ŚLEDZIK (2013) found that although since the late 1880s there have been reports of the use of the word "innovation" to refer to unusual but there were no

early innovation pioneers. As influential as Schumpeter (1934), according to him, consumer preferences have been acquired and are not spontaneous. This means that it cannot bring about economic change. In addition, consumers in the process of economic development play a passive role. In economic development theory and continuing to work, Schumpeter describes development as a historical process of structural change, which is driven greatly by innovation.

An export behavioral theory was developed by Cyert and March (1963). Later, Cavusgil and Nevin (1981) developed a conceptual framework for studying the export behavior of companies that affect variables. The structure of this conceptual framework has been widely used in literature reviews. This conceptual framework variables were divided into 3 groups: (1) The first group of independent variables was the advantage of each organization, and what piqued the interest of the company (2) The medium variable (intervening) is the degree of cooperation commitment in the export of the organization, and expectations about business operations or goals; and (3) dependent variables, namely the company's export behavior. Moreover, this export behavior theory from Smith (1999) study forms the basis of export theory. And strongly support the idea of internationalization. This theory will be a driving force in efforts to explain business and economic decisions.

The Competitive Advantage Theory, developed by Michael Porter, describes how a country's competitive advantage depends on the development of new products and industry innovation, can make the company compete in the world market including having an advantage in the country including having resources and domestic demand for products.

B. Literature Reviews

According to a study by Sawasdipaket., al. (2020), organizational innovation depends on employer support, which can explain the variation of organizational innovation by 87%, while the ability of the organization and organization management has no direct effect on corporate innovation. However, according to a study by Chuenchoksant., al. (2019), the results of corporate culture studies innovation and competitiveness. When checking the average standard deviation. After interpreting the results, it was found that the total mean of all aspects were at high, moderate, and high level respectively. It can be explained that the organizational culture has a large influence on the organization's performance. The organization's self-innovation in new products was at a moderate level.

Suwancharoen et al. (2016) Moreover, from the study of subvariables of transformational Leadership product innovation, process innovation and all the marketing innovations were averaged at a high level. Variables of the change leader model and innovations that influence the business operations of the food industry for exports of Thailand. It is consistent and harmonious with empirical data, with leadership having a positive indirect effect on business performance through process innovation, product innovation and marketing innovation. It was found that product innovation and marketing innovation had a statistically positive direct effect on business performance at a statistically significant level of 0.05.

Process innovation is a new element used in the operation of in-house products and services, such as materials, mechanical specifications, or equipment used to produce products or provide innovative service processes, as well as methods for maintaining and improving quality. And innovation processes change the way products or services are created and delivered. Innovative processes are needed to improve productivity related to increasing employee job satisfaction, including improving the delivery of products or services to customers. Inspection and Waste Reduction Monitoring and reducing processes in production and reducing processing time and costs (Ismanu and Kusmintarti, 2019). This is supported by a study by Tsuji et. al. (2017), which states that new elements introduced in the production or service operations of material organizations job specification Mechanism and flow of information and equipment used in the production of products or services as well. The goal of achieving lower cost and/or higher product quality. Including the use of new or significantly improved manufacturing methods and techniques may involve a change in equipment or manufacturing organization or both. Marketing methods to increase organizational efficiency are also a component of process innovation.

Export performance a study by Chummee(a), (b) (2021) found that export capacity has a positive effect on economic growth and provides additional market opportunities. Moreover, in terms of foreign government regulations and Muslim consumption principles, when considering the confirmation component analysis, it was found that the Islamic consumption rule question had the highest component weight of 0.92 in the study. This suggests that food accreditation credibility contributes to increased export capabilities.

C. Objective

To study the relationship between innovation and export performance.

3. Research Methodology

A. Populations

The target population in the food and beverage manufacturing sector found that SMEs in the food group had the highest number, with a total number of 58,707 cases (SME, 2019). Yamane with a 5% expectancy of 397 samples was obtained and was based on the Hair (2010) guidelines suggesting a sample size of at least 100 samples or a proportion of sample size 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 will be obtained. Moreover, Wiratchai (1999) suggested that the ideal sample should be 400. For this reason, in order to prevent missing data errors, the researcher proceeded. A total of 400 samples were collected by collecting samples in the central region and perimeter.

B. Questionnaires Design

This research uses questionnaires to collect data. It consists of a 7-part questionnaire structure, a 2-step questionnaire formation process, and a review of the research tool quality.

C. Validity Test

The results of the questionnaire quality examination in terms of content validity, questionnaire coverage Suitability and clarity of use Language from 3 experts found that the consistency value is between 0.50 - 1.00 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 1.00.

D. Statistics

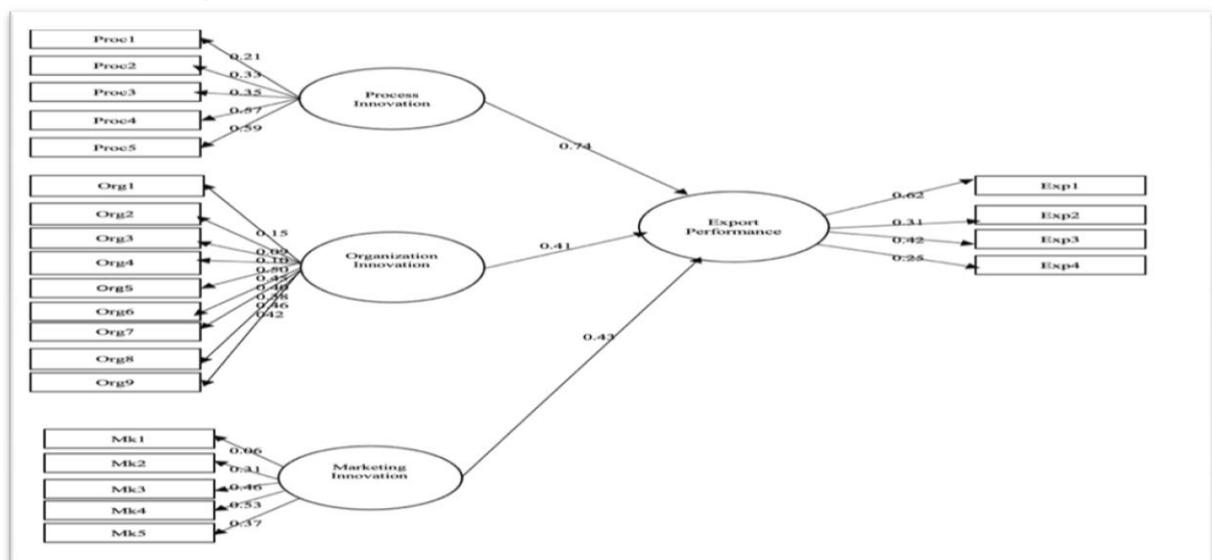
The researchers set out to use descriptive statistics. and analysis of causal influence in this research.

4. Research Results

A. Descriptive Results

From a sample of 400 samples size, the researcher selected descriptive statistics such as percentages. And inferential statistics by causal influence analysis, it was found that small and medium-sized businesses in the food sector found that the top two numbers of employees were 201-300 employees, with a number of 161 employees, followed by Employees from 1-100 people, 15 people, representing 3.8%, and the last rank is 6 employees from 401-500, accounting for 1.6 %.

C. Casual Analysis



Chi-square=248.13, df=222, RMSEA=0.055

Figure 1: Casual Analysis

From figure 1:Research result found that organizational innovation had a positive direct correlation with export performance (t=6.47). Moreover, marketing innovation was also found to have a positive direct correlation with export performance (t=6.74).At least, the process innovation was directly positively correlated with statistically significant (t=14.04) with export performance. when assessing the fit index found that the valuable Chi-square=248.13, df=222, chi-square/df=1.11, RMSEA=0.055 can be concluded that there is a good consensus.

5. Conclusion and Discussion

From the research results, it was found that Organizational innovation had a positive direct correlation with export performance, consistent with a study by Koffi, et. al. (2021) that influenced the relationship between organizational innovation and SME productivity in 320 samples of Ivory code. were statistically significant in a

positive way. Because corporate innovation affects the ability to export, it helps to promote exports create added value and can expand the export base even more.

Marketing innovation was also found to have a positive direct correlation with export performance. According to a study by Murray, et. al., (2010), a study of 491 Chinese companies found a correlation between productivity and export performance. statistically significant positive market and competitive advantage Supported by the results of a study by Chumme (a) (b) which studies the transmission of agro-industry operators in Thailand. It was found that there was a statistically significant relationship between the paths. Because if there is marketing innovation, it will help promote and develop new products that affect the ability to export, create value, generate income, and profit that is good for the business. Expanding production to more countries.

Finally, process innovation was found to be related to export capability. This is consistent with the study by Chumme et al. (2021) that found a positive correlation between such relationship pathways. because if there is a modern production process new elements are added, innovations in the product will greatly enhance the export capability. Resulting in the ability to export more Therefore, entrepreneurs must focus on innovation in this area very much.

6. Recommendations

Developing innovations suitable for small and medium-sized enterprises in Thailand by increasing marketing innovation including various innovations suitable for every production and export process Connecting entrepreneurs to social media to reach global consumers It can be said that entrepreneurs must add new innovations that can create additional value, such as history. Various stories in the product Moreover, the same product should not be produced repeatedly, it should be unique to each locality. Create packaging that looks good and is environmentally friendly.

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