

The Analysis Model Of The Causal Influence Factors Of Attractiveness And Commitment To Export Affecting Export Capability

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Abstract: The objectives of this research aim 1) to investigate factors which are related to the attractiveness and commitment of food exporting industry and 2) to develop a model of causal influence of attractiveness and commitment on food exporting industry. The researcher collected samples from a specific target group of 145 companies. Data were analyzed by using descriptive statistics. Moreover, the researcher also analyzed information by descriptive statistics. In the part of analytical statistics analyzed, researcher using factors analysis and the causal influence analysis between variables according to the conceptual framework by LISREL program. The results revealed that attractiveness of export had influence on export capability. On the contrary, the analysis showed that export commitment had positive influence on the capability of exporting. Assessment on goodness of fit from the model found that export capability was consistent with the empirical data, the chi-square = 185.57, the degrees of freedom = 99, chi-square relative (χ^2/df) = 1.87, the probability (P-value) = 0.00, goodness of fit index (GFI) = 0.98, comparative fit index (CFI) = 0.98, Root mean square error of approximation (RMSEA) = 0.50..

Keywords: attractiveness, commitment to export, export capability, casual influence factor

1. Introduction

Economic volatility has forced the business sector to continually adjust to maintain operational stability. In particular, exports and international trade have been the main drivers of each country's economy in recent times. Even for countries that use traditional production systems, exports have helped drive those countries to adopt modern manufacturing processes and technologies in a more systematic and efficient way of producing goods. It also affected the movement of production bases to export products to other countries in the region, especially the relocation of production bases to countries with cheaper wages.

In order to maintain the market and create a sustainable stability for the export industry, the government has established a policy of "Food Valley "to create international food standards and production planning to be linked with various departments, for example, research and development must be linked to the university, etc. This reinforces the need for exporters to accelerate the creation of higher international standards and develop innovations to suit their own business. However, Thailand is an important resource in producing food for the world market. In addition to having raw materials for various factories, it was also found that Thailand has a higher potential to export food products and food products than other countries. In addition, the export value of food-to-total exports of Thailand has continued to increase when compared to 2014-2015, which increased by 4.9 percent or increased by 6.9 percent (Chotika Chummi, 2013, 1; Kasikorn Bank, 2015: 1-24).

Thailand therefore attaches great importance to the export of food products, which are the basis of Thailand and take advantage of the abundance of natural resources both on land and in water as a source of raw materials for production and processing into various types of food products. In addition, food is necessary goods, where demand does not vary with population income. Although countries around the world face economic and financial problems, their dietary needs have not decreased as well.

However, Thailand's exports still face various challenges and obstacles from the external environment such as requirements for production standards and product quality of leading countries in the European Union, the United States and Japan, etc. Moreover, the situation of competition is very intense from other competitors in the world market that can produce products of the same quality as Thailand but the cost of production and the selling price of the product are cheaper.

This study focuses on the study of the food industry. It was found that in 2021 has been expanded continuously from 2020 including the pharmaceutical industry and the food industry (Economic News Thursday November 19, 2020 12:30 - Info Quest News Agency IQ). Export attractiveness factors such as the baht weakening were also examined. The researcher hopes that this research will be able to find answers about planning guidelines for the food industry's export business to be more efficient.

2. Research Objectives

1. To study the factors of attractiveness and commitment in exports on export capability.
2. To develop the influence of attractiveness and commitment in exports on export capability.

3. Literature Review

Theories used in this study consist of an internationalization theory in which resource variables, export decision-making knowledge, and export experience were discussed. These variables were the fundamental concepts of this theory, that is to say, having an organization with knowledge and experience in exporting would help make export planning more successful. Moreover, exports must take into account both the domestic and international environment in terms of differences between politics, government, culture, tastes, laws and regulations. Therefore, the export must rely on the determination of the export as well to be successful. In internationalization theory also discussed the attractiveness of the output, that is, exporting to any market needs to take into account the profit, risk and growth that will be gained from the export to that market. In export attractiveness, this factor had been researched from traditional concepts in an organization's export decision, which is related to the level of awareness or understanding as well as the process of learning about the attractiveness of the export of the company. According to various research studies, most researchers agreed that the idea of export attractiveness must first start with management's attention. Moreover, exports correlated with the level of management's perception, for example, the perception of attractiveness in exports. This may have an effect on the output capability (Nguyen, 2000: 102-109 and Pak, 1991: 24-29).

According to Nguyen (2000: 102-109), it was clearly stated that exporting attention needs to be taken into account the risks and profits, as well as the motivation and growth prospects of the organization.

The export determination factor of the organization was the factor that helps the organization to be successful. If the organization's export commitment was low, the export would not be as successful as it should be. Therefore, it could be said that an organization's export commitment is managerial commitment, which was equivalent to trust and cooperation in the workplace. According to Papadopoulos & Martin (2010; 388-406) in Spain and Matanda & Freeman (2009: 89-107) in Africa, the level of positive export commitment towards international level and export capability was consistent with Thanthip Pojsupap's conceptual studies (2015: 35-37) said that, the work had to be planned together to study the necessary information about the export so that the operation could be more successful. The factor had a weight factor of 0.869, which is considered the highest factor loading.

4. Research scope

1) Content scope - It was the scope of the content based on concepts, theories and research work related to the factors of attractiveness and commitment to export capability.

2) Population boundaries - 316 entrepreneurs in the food industry in Thailand with their headquarters in Bangkok or metropolitan area as a member of the Department of Export Promotion.

5. Research Methods

This research focused on quantitative research to find answers to research using cross-sectional data collection with the details as follows:

The target population and population sample studied in this research were food industry executives in Bangkok Metropolitan Region based on the database of the Department of Export Promotion, the target population in the food industry was 1,415. The sample size was determined according to Yamane's calculation table at a 95% confidence level, which found that the expected shift was 0.05. After 316 samples were obtained, such sampling was selected because it had a higher resolution. Respondents could choose to answer more accurately with their opinions. The research instrument used questionnaires developed from Pak (1991: 24-29) and Nguyen (2000: 102-109).

The quality validation of the instrument was carried out using a content-validity test with a pilot study. There would be a committee of 3 external experts who were not involved in research, but had relevant research knowledge and expertise for validating data in the Index of Item - Objective Congruence (IOC) test and the structural validity test is performed to test the validity of the variables whether they were based on theory and hypothesis. The researcher selected the factor analysis method to test the preliminary data from 10 samples to test the preliminary analysis results. The preliminary test results showed no factor loading of less than 0.05. Then a reliability test was found that the value of Item-Total Correlation was greater than 0.3. The results of the preliminary examination before analyzing conceptual frameworks, structural equations with LISREL program was found that results of homoscedasticity, linearity between independent and dependent variables and multicollinearity was at the level that met the primary requirements.

6. Data analysis

The statistics used for analysis were (1) descriptive statistics which were analyzed in detail of various factors as well as describing the general condition of the collected data and explain the general characteristics of the studied population. Popular statistics used in quantitative measurement are mean, standard deviation, maximum and minimum and (2) The main objective of analytical statistics was for the researcher to prove a hypothesis and to confirm the findings that influence each other at the variable level. According to Zikmund's concept (2000), multivariate statistical analysis required both independent and dependent variables. Researchers using exploratory factors analysis found that, the factor analysis technique was an analytical technique used to categorize a large number of variables into a system. It also allowed the researcher to perform categorization of the variables. In case the researcher does not know how to categorize it (Suchart Prasit Rathasin, 2001: 50 -70), confirmatory factor analysis was used to confirm the validity of the variables from the survey factor analysis which can be analyzed by LISREL program. Then the average variance extracted of the latent variable must be greater than 0.5 and analyze the construct reliability of the latent variable, which must be greater than 0.6. Finally, the causal influence of the correlation path was analyzed with the LISREL program.

7. Benefits

1. Academic benefits - In the discovery of new knowledge, relevant departments could further utilize the findings of this research as a database of research studies, policy-making and planning.

2. Benefits to exporters - It could be used as a model for planning export decisions of the food industry in Thailand and to provide data to measure food exports to markets around the world.

3. Benefits to the nation - The Ministry of Commerce were used as information for marketing strategies, planning of exports that can compete with foreign markets. The National Economic and Social Development Council were able to formulate policy planning, export development, export policy and export competition as well as product development.

8. Research Results

The results of analysis using descriptive statistics showed that the food industry group consisting of canned food could be classified into 41 canned and processed seafood (28.2 percent), canned and processed fruit, 27 places (18.6 percent) and canned and processed vegetables, 10 places (6.9 percent); meat dishes consisted of meat-based and processed meat industry, 14 places 9.7 percent), Animal feed, 8 places (5.5 percent) and instant food / seasoning sauce, 9 places (6.2 percent); grain food / beverage consisted of rice products industry, 12 places (8.3 percent), sugar products, 4 places (2.8) and beverage industry, 4 places (2.8 percent). For personal characteristics, it was found that the sample age was 38 years old, graduated with bachelor's degree (57.2 percent), used to travel abroad on average 1-2 times a year (61.4 percent), English speaking proficiency (96.6 percent), and it was also found that up to 20 people who can speak a foreign language other than English were Japanese or Chinese (13.8 percent) and have experience in exporting between 1-5 years (21.4 percent). In the survey factor analysis by Varimax rotation method of export attractiveness factor (ATX), all five factors had factors loading from 0.509 up and the profit factor of the export operation had a maximum factor loading of 0.870, which could account for the cumulative sum of all factors of 61.762percent.

Then an exploratory factor analysis of the export commitment (OCE) was found. All 9 factors had factors loading from 0.696 up and product factors that affect commitment, cooperation, factor maximum loading at level 0.886, which could describe the cumulative sum of all factors 68.378 percent

Afterwards, a factor analysis of export capacity (EXE) was found that the first export factor in the same market at the same level had a factor loading of less than 0.05 and the remaining 3 factors had factor loading more than 0.850, which could explain the cumulative sum of all factors 59.545percent.

In the field of confirmatory factor analysis with LISREL, the results of the analysis of the factor of export attractiveness found that, the influence path between the latent variable to the observable variable had a statistic of greater than 2. The results of the conformity assessment with the empirical data were found to be very high. The chi-square was 2.98, df was 3, P-value is 0.395, and RMSEA was 0.000.

When analyzing the confirmatory factor of the export cooperation commitment, it was found that the influence paths between the latent variable to all observable variables had a statistic greater than 2. The results of the conformity assessment with the empirical data were found to be highly consistent. The chi-square was 22.78, df is 17, P-value was 0.156 and RMSEA was 0.049.

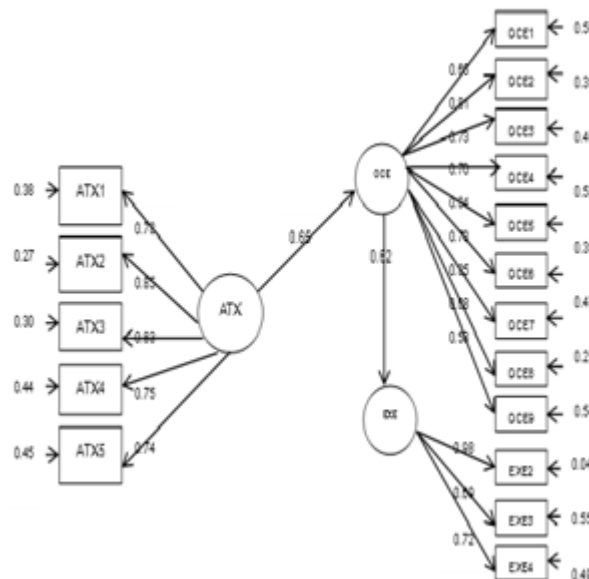
Finally, the confirmatory factor analysis of output capability found that the influence paths between the latent variable to the observable variable had statistic values greater than 2 for all paths. The results of the conformity

assessment with the empirical data were found to be very consistent. chi-square is 0.00, df was 0, P-value was 0.00 and RMSEA was 0.00.

The construct reliability (pc) analysis of the latent variable in terms of export attractiveness (ATX) was 0.894. Export Commitment (OCE) was 0.925, Output capacity (EXE) was 0.837. The Average Variance Extracted (pv) analysis result in terms of export attractiveness (ATX) was 0.629. Export Cooperation Commitment (OCE) was 0.589. Output capacity (EXE) was 0.637.

After confirmatory factor analysis, a model analysis of structural equations (Figure 1) was performed to prove the causal influence of the correlation path based on the conceptual framework established on the hypothesis. The analysis revealed that the influence path between external latent variables in terms of export attractiveness (ATX) to internal latent variables on export co-operation commitment (OCE) was statistically significant ($\beta = 0.65$, $t = 6.40$) The pathway of influence between the internal latent variables in terms of the export co-operation commitment (OCE) to the internal latent variable on export capacity (EXE) was statistically significant ($\beta = 0.62$, $t = 6.75$).

The influence pathway was then analyzed between the external latent variables in terms of the attractiveness of the output to the external observable variables of all 5factors were statistically significant (t between 9.72 and 11.7). The pathway of influence between the internal latent variables and the cooperation commitment in the export to the observer within all 9 factors was statistically significant (t between 7.50 and 9.31). The analysis of the influence paths between the internal latent variables on the ability to export to observable variables within the 3factors was statistically significant (t between 6.44 and 6.91).



$$x^2=185.57,df=99,x^2/df=1.87,GFI=0.98,NFI=0.95,CFI=0.98, RMSEA=0.050$$

Figure showed a model of a structural equation according to the conceptual framework

Evaluation of the model's conformity index with adjusted empirical data showed that the chi-square (x^2) was 185.57, the degree of freedom (df) was 99, the relative chi-square (x^2 / df) was 1.87. Absolute Fit Index consists of Goodness of Fit (GFI) was 0.98. Adjusted goodness of fit index (AGFI) was 0.91. Relative Fit Index consists of the Normed Fit Index (NFI) was 0.95. Non-Normed Fit Index (NNFI) was 0.97. Comparative Fit Index (CFI) was 0.98. The conformance index in the form of error consists of the value Root Mean Square Error of Approximation (RMSEA) was 0.050. Root Mean Square Residual (RMR) was 0.050. From the above, it can be concluded that the results of the model analysis and the overall empirical data were consistent and appropriate.

9. Conclusion and Discussions

The results of research were summarized from factor analysis in terms of export attractiveness as a factor of the organizaion's export commitment and statistical significance. This was consistent with results from the Javalgi et al. (2010: 129 -150) study that mentions export attractiveness. If it had high export attractiveness, it was low risk and had high resources and capability, which explained the company's readiness to enter the international market.

Factors in terms of organizational export commitment to export capacity were consistent with the results of studies by Serra et al. (2012: 210-224) and Bloemer, Pluymaekers, and Odekerken (2013: 363-380), resulting in planning, cooperation and forecasting of operations.

From the analysis of the causal influence of the structural equation model, it was found that export attractiveness had a statistically significant positive influence as well as an organization's export commitment because the attractiveness of exports was the expectation of profits, rewards as well as operational risks before exporting. Therefore, it meant what the operator expects to gain from exports. Consistent with the study's results consistent with the study results of Stioian et al. (2010: 117-135), it was found that executives (companies), including in Thailand, were interested in short-term and long-term profits as well as the growth of their organization. This influenced the planning of export decisions that if the company received a high level of profit in the domestic market, it would encourage export planning as well as further increasing the profit. This was a very important factor in helping to make an export decision. However, profit expectations were the most important factor in export decisions.

The path of influence between export commitments to export capacity was found to be an element involved in joint planning. Without cooperation in the work, the work will not be successful. In line with the results of the study by Serra et al. (2012: 210-224) and Bloemer, J., Pluymaekers, M., & Odekerken, A. (2013: 363-380), once again proved the hypothesis that an organization's export commitment affects export decisions and export capabilities, resulting in planning, cooperation and operational forecasts, etc. It also proved the path of influence between an organization's export commitment and export decision-making as a path that had a positive effect. Therefore, cooperation in appropriate resource allocation in the organization could lead the organization into the export market, which must be applied to the appropriate resources for each organization as well.

10. Suggestions

Management has to consider factors affecting export planning and how to improve and develop their business such as products, domestic situation, government regulations, government assistance, etc. These are important factors that need to be considered in the first place.

Therefore, the planning of operations in the organization requires cooperation in the work, with a clear division of work, predicting product demand, production capacity, as well as developing new products and keeping the quality at the standard level. It is also necessary to consider exporting to potential markets, both new and existing. In particular, markets that do not pay much attention, such as markets in Africa, are able to export products that are not of very high standard or quality. Inexpensive items may be sent to these markets. As for the existing markets in the US or EU, it is imperative to develop a high level of product quality due to the high competition. Consumers tend to pay more attention to products than distribution channels. However, in today's consumer behavior, in addition to wanting to take care of their health, women have found a greater influence on purchasing decisions than men. This is because women tend to be the ones who choose products into the home as a housewife. Therefore, it must produce products to appeal to consumers who have the authority to decide to buy these products as well. Product label design to be attractive, writing to describe the value of the product clearly, setting the price to be suitable for competitors, the consumption of the product as well as the convenience of eating were taken into account. In addition to the importance of corporate social responsibility, nowadays, every company must be aware of this issue. In a global crisis, if aquatic animals are caught for food, they should only catch those that are in demand and seasonally. It is also necessary to find substitution measures for these fish by breeding to help increase animal and plant supply.

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