Competitive Advantages of Production and Marketing of Small and Medium Enterprises in the Northeast of Thailand: A Case Study of Food Industry

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This research aims to study factors affecting success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand. The samples of the study were 1,047 small and medium food industry enterprises in the northeast of Thailand. The research tools include statistical approaches in data analysis were percentage, mean, standard deviation, and multiple regression analysis for hypothesis testing. The research findings are as follows:

(1) Quality of service, improving existing products, customizing products, answering customers question, completeness of product and reputation had a positive relation on the success in competitive advantages through increased sales.

(2) Improving existing products, quality of services, customizing products, answering customers question, technology, product features and completeness of product had a positive relation to the success in competitive advantages through increased net profits.

(3) Reputation, product features, delivery of ordered products, improving existing products, customizing products, technology and after-sales services had a positive relation to the success in competitive advantages through standard certification and famous awards.

Therefore, the food industry can apply the research findings as a guideline in developing competitive capability for small and medium

enterprises in Thailand, this can make the food industry survive and sustainably grow.

Key words: *Competitive Advantages, Production, Marketing, Small and Medium Enterprises, Food Industry.*

Introduction

The Food industry is the first industry to be supported since Thailand started using the first national economic and social development plan in 1961. As a type of industry which has small costs, uses a large amount of domestic raw materials and develops the country's abundant resources into industrial benefits, it is easy to develop for investment. Besides the, the food industry is associated with other production activities including supportive industries, such as packaging (cans), which promotes employment and grows higher national income. The food industry in Thailand has high effectiveness in production for domestic consumption and export due to its stability and prosperity in production based on agriculture which uses raw materials for various and continuous processing. It also uses high-quality labour, modern production technology, and develops products to better meet market's need. Moreover, entrepreneurs of the industry have more expertise in production and technology than other competitors in other countries in the same regions. They are able to quickly produce in line with customers' needs and import raw materials to increase the value in processing. Also, the entrepreneurs are adept in managing production procedure and quality control with knowledgeable and experiential personnel. Further, they are respected by overseas customers for product delivery of a variety of quality products which satisfy the international market. (Food Network Solution Company Limited, 2014; Bugador, 2015).

Thailand has competitive potential for several reasons as follows:
(1) Factor Conditions: Thailand has a large amount of raw materials both in quantity, quality and variety. The other countries in ASEAN having similarly large quantities of raw materials are Vietnam and Indonesia. While for Myanmar, despite possessing a lot of raw materials, it has to take time in elevating the standards. In cost of labour, Thailand has a better advantage ove Singapore and Malaysia due to its cheaper hiring rates. However, Thailand's hiring rates are much higher than the CLMV countries because of the compensation in long-term skill accumulation of Thailand's labourers. In production technology including capital, Thailand is more advantageous than the CLMV countries while much less advantageous than Singapore and Malaysia. In the basic structural system,

Thailand has a better advantage than the CLMV countries but an inferior advantage to Singapore and Malaysia.

(2) Demand Conditions: The size of Thailand's market is large, but its purchasing power is at the same level as Indonesia and the Philippines. Compared to other countries, Singapore, Brunei, and Malaysia are countries with greater purchasing power. However, these markets have some limitations such as their small size and low consumption expansion rates. Products that are able to grow in these markets have to be new and creative. Most of the CLMV markets have very low purchasing power, and the markets are gradually expanding, except for Vietnam in which the market is as large as in Thailand, whereas its purchasing power also rapidly increases according to Vietnam's expansive economy. Furthermore, Thailand has been as good as other ASEAN countries in expanding to overseas markets, especially for quality of products and standards which promote Thai food to the world's market. In related and supporting industries, Thailand has better supporting industries than the CLM countries, since Thailand's food industry is quite varied. However, the weakness is that the cooperation of the production network is not strong and small entrepreneurs have far less potential than big ones. In the CLM countries', there are very few supporting industries and a lack of continuity in supply chains. There is not a favourable environment for investing in the food industry because there is a strong need for other production factors from abroad such as raw materials and packages (Makatjane, Moroke & Xaba 2018). Meanwhile, investing to expand processing plants to improve product quality, to achieve universal standards, by using production factors in the market, is not easy.

(3) Firm Strategy, Structure and Rivalry: Almost all ASEAN countries still have problems in markets controlled by the government. Also, there are lots of rules and a lack of true freedom, such as product price control and standard restrictions, leading to obstruction in trading and investment. Nevertheless, many industries tend to recover as most of the ASEAN countries adjust to regulations imposed by the WTO, AEC as well as the FTA, together with partner countries. Moreover, the quality of Thailand's food products, in consumers' views, is better when compared to CLMV, since they are partly produced for export and the manufacturers still need to elevate production to meet international standards. Additionally, since some parts of Thailand's industry is owned by foreign countries, production technology has been transmitted to meet the high standard. In capability, Thailand has improved, but not very much, in making different products with branding for marketing opportunities. Most products are produced following OEM.

(4) The Role of Government: Malaysia and Singapore are the two ASEAN countries which focus on the role of government in improving business the environment, supporting

entrepreneurs' competition, through secure politics, which sustains longstanding economic policies. Aside from enhancing the capability of the domestic industry, both countries' governments are outstanding in supporting industry. In ASEAN, only Vietnam has become outstanding in supporting investment in the country; elevating basic infrastructure to increase competition.

From various factors, it can be summarized that the capability of Thailand's industry is considered in the top list of ASEAN countries, according to strength in production factors such as raw materials with quality and variety, skilled labour, fitting wages, and domestic markets with the capability to support future needs. In export markets, Thailand is still needed by the world market due to the need for products with standard quality. If production network can be developed to be more capable, both at the national and international levels, as well as supporting interdependent cooperation, branding and empowering the government sector to elevate industrial competitive capability, it can conveniently enlarge opportunities and strengths for Thailand's food industry.

However, since most ASEAN countries generally overproduce food, these products are exported to gain income each year; agricultural products and foods are major sources of income for the population in this region. With similar climates, agricultural products and food are undoubtedly competitive. This makes it difficult in the opening of ASEAN food markets due to the fact that every country also needs to protect its own agriculture and food industries, which are strategic industries. Moreover, Thailand's entrepreneurs' face major problems in entering ASEAN market. These problems can be summed up as follows:

 (1) ASEAN market overall has low purchasing power when compared to major markets in developed countries, such as the U.S., Japan or Europe. This means that Thailand's exported food products are not worth-marketing, especially value-added products.

 (2) Thai entrepreneurs still have low levels of understanding in the ASEAN market. This lowers the creation rates of food products that truly meet market demand.

(3) Basic structure is inconvenient particularly for transportation. Developing transportation systems with supporting connections within the region has just begun. Insufficient capability is the main obstacle in transporting and distributing products.

(4) Although problems related to tariff have become much less influential, many ASEAN countries still encounter a number of obstacles in non-tariff barriers (NTBs); each country has

not found a point of agreement in lowering the obstacles of NTBs (Food Network Solution Company Limited, 2014).

Therefore, in establishing the ASEAN Economic Community (AEC) in 2015, more than 4,000 small enterprises in Thailand have been impacted. They cannot compete due to the fact that most of them produce for local distribution, are contractors and cannot access ASEAN's benefit in using raw materials (Tien and Hung Anh, 2018). As most of the ASEAN countries overproduce food and these products are exported to other countries, it is difficult to promote the opening of ASEAN markets because every country needs to protect its agricultural and food industries, which are strategic industries. Consequently, Thailand's food entrepreneurs have encountered obstacles in entering ASEAN markets. (Department of Trade Negotiations, 2014).

From the reasons above, this research is motivated to study how to build the competitive advantages of production and marketing, of small and medium enterprises in the Northeast of Thailand, focusing particularly on the food industry. This study is designed to develop new knowledge for the academic society. This knowledge can be applied in developing competitive potential in production and marketing of small and medium enterprises in Thailand to promote the country's capability, support small and medium enterprises to meet consumer needs and economic conditions, get ready for trade liberalization, and to make small and medium enterprises in Thailand developed to the standard level; reliable and capable for international competition (Onyusheva, 2017).

Accordingly, the research questions are "What are the factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand?" and "How do you form strategies in building competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand?". In this study, the researcher defined the objectives as following: (1) to study problems, obstacles and limitations affecting competitive advantages, (2) to study factors affecting the success in competitive advantages of production and marketing, and (3) to determine forms of strategies in building competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand.

Research Methodology

The research studied factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand, in the food

industry. The researcher has defined the guideline in this study to answer the research objectives by using three methods.

Documentary Research

In this paper, the researcher applied documentary research by adapting ideas from related theories and literature review to revise knowledge associated with factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand, such as competitive advantage strategy. This is a universal strategy for competitive advantages which is called the Generic Strategy, proposed by Michael E. Porter, it suggests that business should first build competitive advantages so that it can enter to compete in the trading market (Porter,1998:35). A Competitive Advantage will make a business successful (Pearce & Robinson, 2005: 229). Organizations should be developed to build these strategies: (1) Cost Leadership Strategy, which is a competitive strategy focusing on capability in investment to be more effective than competitors through cheaper costs per unit, (2) Differentiation Strategy, which is a strategy focusing on producing products and services different from competitors by convincing customers that their products are superior to the competitors, and (3) Focus Strategy, is a strategy using resources and capability in production to meet particular customers' needs. (Praneetpolkrang, 2004: 35-36 ; Theepapan, 2003: 150-163 ; Poocharun, 2004: 70-75; Sereerat, 1999: 178-191, 197; Tiyao, 2003: 87-94; Miller, 1998: 17-19 ; Pearce & Robinson, 2005: 229-236, 238-240; Heizer & Render, 2006: 34) These three strategies have been widely applied in developing competitive advantages. (Poocharun, 2004: 75)

Furthermore, business organizations should have additional strategies to make sustainable competitive advantages (Malimi, 2017). One of strategies broadly used is the Quick Response Strategy, which is involves capability in adjusting cognition and responding to customers' needs faster than competitors. Those organizations advantageous in speed will be successful and able to survive. (Praneetpolkrang, 2004: 36-37 ; Tiyao,2003: 94-96 ; Pearce & Robinson, 2005: 236-238 ; Heizer & Render, 2006: 35).

Figure 1: Competitive Advantages of Production and Marketing of Small and Medium Enterprises in the Northeast of Thailand: A Case Study of Food Industry
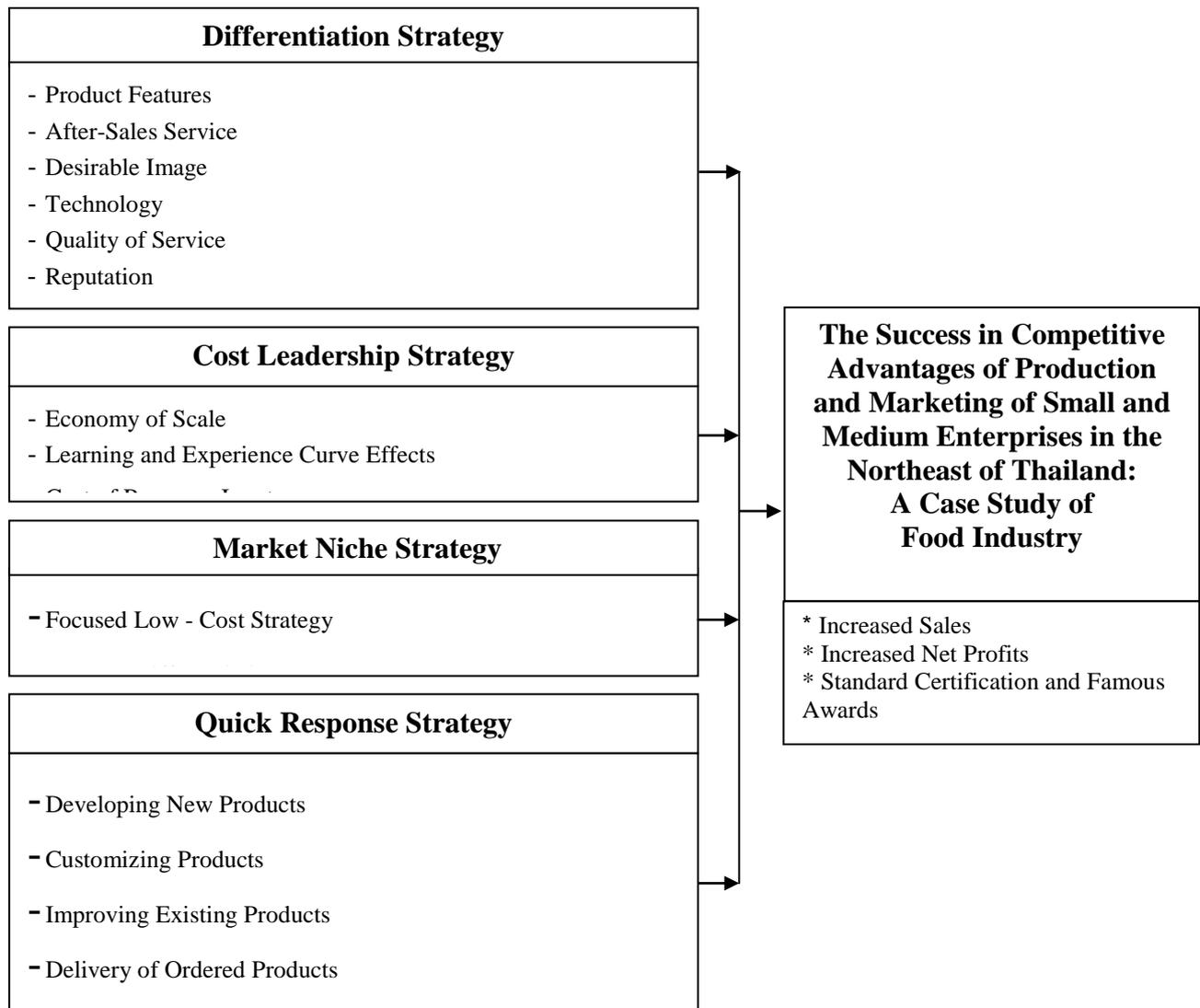
Qualitative Research

In this paper, the researcher applied qualitative research by studying the food industry to understand guidelines in developing competitive advantages. This promotes capability in competitive advantages in producing and marketing by participant observation together with structured interviews, interviewing with definite questions specified for use in advance (Chantavanit, 2004: 75-76). The interviewing focused on only important issues such as problems, obstacles and limitations affecting the competitive advantages of production and

marketing of small and medium enterprises in the Northeast of Thailand, as well as important topics within the scope of the research framework.

The researcher applied Simple Random Sampling, by Lottery Method (Tirakanan, 2003: 164), to get 19 samples from the food industry. The sample population was then interviewed by using a Structured Interview. After the structured interview, the researcher summarized significant content explaining guideline to competitive advantages, and then applied the data to use with theoretical knowledge from the related literature review as well as previous studies. The researcher then descriptively wrote, interpreted reasonable discussion and applied the in-depth data to use as a guideline for defining questions in the questionnaire conforming to the research frameworks, and finally applied the quantitative research in the next phase.

Quantitative Research

In this paper, the researcher applied the qualitative research methodology, used after the structured interview. The researcher summarized significant content, applied the in-depth data to use as a guideline for defining questions in the questionnaire, together with the knowledge from the related literature review as well as previous studies. The data was then used to form questions in the questionnaire, to confirm the research findings collected from the structured interviews and to ask questions based on the food industry as follows:

Population, samples, and sampling selection

Population and samples in the study are 1,047 small and medium enterprises in the Northeast of Thailand, only food industry as reported by Department of industry, Ministry of Industry (The Office of Industrial Economics, 2014). The researcher defined the sample by using Purposive Selection and collected data from 100 percent of the target population.

Research Tools

The research tool used was a questionnaire, based on factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand.

Research tools quality check

After constructing the questionnaire, the researcher presented the questionnaire to five scholarly experts to check the questions and the contents of the questionnaire, before applying the questions to the population, which is not the sampled 30 persons. Then, there was the answer analysis to analyse whether there were any problems with answering the questionnaires, by using factor analysis techniques in convergent validity by setting varimax rotation and reliability of the questionnaires by applying reliability analysis.

From the results of the questionnaire testing, the researcher cut out three items (Image 04, Complete 05 and Different 01) from the questionnaires.

Data Collection

The researcher adopted the research tool, which was the improved questionnaire, to collect data from the food industry. 1,047 places were sent the questionnaire, via post. 1,047 places in total, 1,047 documents and the researchers received 254 documents replied. This is a reply rate of 24.26% which was in a range of 10 questionnaires per 1 variable, in total of 190 documents (19 x 10) according to Hair et al. (1998). There is also a reply rate of samples of 20% according to Aaker et al. (2011).

Data analysis

Statistics used in data analysis consisted of percentage, arithmetic mean, standard deviation, and multiple regression analysis adopting Ordinary Least Square (OLS) (Kitpreedaborisoot, 2004 ; Tirakanan, 2003)

Research Results

Research could be concluded as follows;

1. The problems, obstacles and limitations affecting competitive advantages of production and marketing of small and medium food industry enterprises, in the Northeast of Thailand, were orders of rather high volumes of raw materials of minimum purchase requirement, insufficient raw materials, inefficient production management system, limited capital, insufficient data on marketing, insufficient research and development of new products, incapability of accessing to modern technology, lack of labour forces, increased wages, too many goods in stock, high expenditures in warehouse management, no sanitary and

environmental systems, and the long time spent on contacting and coordinating with government sectors.

2. The opinions on the factors affecting the success in competitive advantages as a whole was at a high level with an average score of 3.651 (X=3.651). These key factors were ranked from the highest to the lowest values as follows:

(1) Differentiation Strategy as a whole was at a high level with an average score of 3.884 (X=3.884) and when considering each dimension of the factors, they can be ranked from the highest to the lowest scores as follows:

1) Desirable Image (X=4.367), 2) Product Features (X=4.028), 3) After-Sales Service (X=3.938), 4) Manufacturing Consistency (X=3.858), 5) Technology (X=3.815), 6) Quality of Service (X=3.755), 7) Complete of Product (X=3.696), and 8) Reputation (X=3.612);

(2) Cost Leadership Strategy as a whole was at a high level with an average score of 3.771 (X=3.771) and when considering each dimension of the factors, they can be ranked from the highest to the lowest scores as follows:

1) Cost of Resource Input (X=3.945), 2) Economy of Scale (X=3.722), and 3) Learning and Experience Curve Effects (X=3.646);

(3) Quick Response Strategy as a whole was at a high level with an average score of 3.552 (X=3.552) and when considering each dimension of the factors, they can be ranked from the highest to the lowest scores as follows:

1) Delivery of Ordered Products (X=4.100), 2) Customizing Products (X=3.537), 3) Answering Customers Question (X=3.521), 4) Developing New Products (X=3.504), 5) Improving Existing Products (X=3.436), and 6) Adjusting Marketing Effort (X=3.213); and

(4) Market Niche Strategy as a whole was moderate with an average score of 3.396 (X=3.396) and when considering each dimension of the factors, they can be ranked from the highest to the lowest scores as follows : 1) Focused Differentiation Strategy (X=3.528), and 2) Focused Low - Cost Strategy (X=3.265).

Furthermore, the success in competitive advantages could be seen from an increased sales volume of 44,758,645,222 baht per year on average, an increased net profits of

4,831,123,488 baht per year on average and 1,764 annual standard certification and famous awards, on average.

Test results of stimulation by using Multiple Regression Analysis applying Ordinary Least Square can be concluded as follows:

Table 1: Multiple regression analysis on the factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand: a case study of food industry, in increased sales

	Unstandardized		Standardized		
	Beta	S.E.	Beta	t-value	Sig.
PowerFeatures	0.013	0.024	0.038	0.549	0.583
PowerService	-0.059	0.032	-0.161	-1.837	0.067
PowerImage	-0.204	0.029	-0.507	-7.078	0.000***
Techno	0.326	0.171	0.127	1.903	0.058
PowerQuality	0.223	0.035	0.528	6.442	0.000***
Reputation	0.691	0.264	0.267	2.617	0.009**
Consist	-0.683	0.217	-0.257	-3.149	0.002**
Complete	1.052	0.231	0.360	4.546	0.000***
PowerScale	-0.180	0.027	-0.492	-6.703	0.000***
LearnEx	-0.328	0.191	-0.129	-1.719	0.087
PowerLowCost	-0.016	0.024	-0.041	-0.669	0.504
PowerDifferent	-0.032	0.021	-0.098	-1.505	0.134
Develop	-1.377	0.191	-0.638	-7.210	0.000***
Custom	1.059	0.150	0.454	7.055	0.000***
PowerImprov	0.144	0.012	0.512	11.793	0.000***

PowerDelivery	-0.066	0.028	-0.198	-2.382	0.018*
Answer	0.918	0.197	0.436	4.657	0.000***

N=254, R =0.857, R^2=0.735, F=38.455, Sig=0.000

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

Hypothesis test results found that decision-making coefficient (R^2) is 0.735, which means that independent variables can explain alteration of dependent variables by 73.5%. There is a variable of quality of service (Beta = 0.528), improving existing products (Beta = 0.512), customizing products (Beta = 0.454), answering customers question (Beta = 0.436), complete of product (Beta = 0.360) and reputation (Beta = 0.267) had a positive relation to the success in competitive advantages of production and marketing, in increased sales.

Table 2: Multiple regression analysis on the factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand: a case study of food industry, in increased net profits

	Unstandardized		Standardized		
	Beta	S.E.	Beta	t-value	Sig.
PowerFeatures	0.067	0.019	0.221	3.587	0.000***
PowerService	0.010	0.025	0.030	0.391	0.696
PowerImage	-0.203	0.022	-0.573	-9.087	0.000***
Techno	0.598	0.133	0.266	4.505	0.000***
PowerQuality	0.216	0.027	0.580	8.035	0.000***
Reputation	-0.409	0.205	-0.180	-1.999	0.047*
Consist	-0.668	0.168	-0.285	-3.973	0.000***
Complete	0.473	0.179	0.184	2.637	0.009**
PowerScale	-0.139	0.021	-0.430	-6.652	0.000***
LearnEx	-0.916	0.148	-0.410	-6.185	0.000***

PowerLowCost	-0.050	0.019	-0.145	-2.653	0.009**
PowerDifferent	-0.060	0.016	-0.209	-3.636	0.000***
Develop	-1.177	0.148	-0.619	-7.945	0.000***
Custom	1.173	0.116	0.571	10.071	0.000***
PowerImprov	0.151	0.009	0.611	15.978	0.000***
PowerDelivery	0.005	0.022	0.016	0.212	0.832
Answer	0.829	0.153	0.448	5.426	0.000***

N=254, R =0.891, R^2=0.794, F=53.542, Sig=0.000

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

Hypothesis test results found that decision-making coefficient (R^2) is 0.794, which means that independent variables can explain alteration of dependent variables by 79.4%.There is a variable of improving existing products (Beta = 0.611), quality of services (Beta = 0.580), customizing products (Beta = 0.571), answering customers question (Beta = 0.448), technology (Beta = 0.266), product features (Beta = 0.221) and complete of product (Beta = 0.184) had positive relations to the success in competitive advantages, in increased net profits.

Table 3: Multiple regression analysis on the factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand: a case study of food industry, in standard certification and famous awards

	Unstandardized		Standardized		
	Beta	S.E.	Beta	t-value	Sig.
PowerFeatures	0.059	0.007	0.612	8.597	0.000***
PowerService	0.034	0.009	0.335	3.754	0.000***
PowerImage	-0.050	0.008	-0.440	-6.049	0.000***
Techno	0.252	0.049	0.351	5.166	0.000***
PowerQuality	-0.009	0.010	-0.077	-0.927	0.355

Reputation	0.697	0.075	0.961	9.264	0.000***
Consist	0.030	0.062	0.040	0.488	0.626
Complete	-0.675	0.066	-0.824	-10.234	0.000***
PowerScale	-0.039	0.008	-0.376	-5.035	0.000***
LearnEx	0.022	0.054	0.031	0.411	0.682
PowerLowCost	-0.016	0.007	-0.141	-2.244	0.026*
PowerDifferent	-0.026	0.006	-0.282	-4.266	0.000***
Develop	-0.577	0.054	-0.952	-10.588	0.000***
Custom	0.239	0.043	0.365	5.591	0.000***
PowerImprov	0.036	0.003	0.461	10.454	0.000***
PowerDelivery	0.047	0.008	0.504	5.960	0.000***
Answer	-0.207	0.056	-0.351	-3.692	0.000***

N=254, R =0.852, R^2=0.726, F=36.830, Sig=0.000

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

Hypothesis test results found that decision-making coefficient (R^2) is 0.726, which means that independent variables can explain alteration of dependent variables by 72.6%. There is a variable of reputation (Beta = 0.961), product features (Beta = 0.612), delivery of ordered products (Beta = 0.504), improving existing products (Beta = 0.461), customizing products (Beta = 0.365), technology (Beta = 0.351) and after-sales services (Beta = 0.335) had positive relations to the success in competitive advantages in standard certification and famous awards.

3. The suggestions that the food industry could use the strategies as guidelines to competitive advantages were found as follows:

3.1 The food industry should provide the best service quality and services of a complete cycle and improve products continuously to enhance the quality of their products. Further, they should design products corresponding to customers' needs by

adopting modern technology to speed up production and increase efficiency. Additionally, they should produce various items of all-related food products to bring reputation and reliability to the organizations, which would result in the success in competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand, in increased sales.

3.2 The food industry should improve their products continuously to enhance the quality as well as offering excellent, full - cycle services to customers. Further, they should design products corresponding to customers' needs by adopting modern technology to speed up production and increase efficiency so that the products become unique, which would bring reputation and reliability to the organizations, which would result in the success in competitive advantages, in increased net profits.

3.3 The food industry should build up a reputation and organizational reliability by producing products with unique characteristics, different from other products of the same category. Moreover, they should dispatch the products as fast as possible to increase customers' satisfaction. They should also improve their merchandises continuously, to upgrade the quality and design the products to meet the needs of customers by using modern technology to enhance efficiency and speed in production and offer impressive services. This would result in the success in competitive advantages in standard certification and famous awards.

To sum up, it is suggested that the food industry, or any government sectors in charge of promoting Thailand's industries, should take the findings of this research into consideration and use it as a guideline to promote, support and develop Thai industrial entrepreneurs so that they can upgrade their products to international standards and make them known all across the country and the world. Then Thailand's industries would be more highly competitive and enter the global market with pride. Most importantly, the industries would survive all the crises and have sustainable growth.

Discussion and Conclusion

In this part, the researcher concluded and discussed the hypothesis tests and found the factors affecting the success in competitive advantages of production and marketing of small and medium enterprises in the food industry in the Northeast of Thailand.

The food industry has its own opinions on the factors affecting the success in competitive advantages. Overall, it is very important to rank the factors from highest mean to the lowest.

(1) Differentiation strategy is important; considering every variable by ranking from highest mean to the lowest as follows; desirable image, product features, after-sales service, manufacturing consistency, technology, quality of service, completion of product and reputation. From the results of the research, it can be said that, to be different makes products different from the competitors, attracting customers or satisfying the customers; (Theepapan, 2003: 156-157; Tiyao, 2003: 87);

(2) Cost leadership strategy is important; considering every variable by ranking from highest mean to the lowest as follows; cost of resource input, economy of scale and learning and experience curve effects. From the results of the research, it can be said that, making the cost of production cheaper than the competitors will make cause increased sales and profit (Theepapan, 2003: 151);

(3) Quick response strategy is important; considering every variable by ranking from highest mean to the lowest as follows; delivery of ordered products, customizing products, answering customers question, developing new products, improving existing products and adjusting marketing effort. From the results of the research, it can be said that, to have a quicker response rate than the competitors helps to improve products and helps make decisions that affecting customers (Sereerat, 1999:193 ; Tiyao, 2003: 94-95). This result is somewhat consistent with the work done by Chotechoei (2018: 153); and

(4) Market niche strategy is of medium importance; considering every variable by ranking from highest mean to the lowest as follows; focused differentiation strategy and focused low - cost strategy. From the results of the research, it can be said that, selling the products that meets the needs of niche markets is the strategy of satisfying a specific group of customers, which have different needs than general customers (Tiyao, 2003: 92).

2. Hypothesis test results, based on the model by using multiple regression analysis with Ordinary Least Square (OLS), can be concluded as follows:

2.1 Quality of service, improving existing products, customizing products, answering customers question, complete of product and reputation effect on the success of competitive advantages in the food industry. According to the research results, it can be explained that excellent service and complete to customers will add value and increase sales (Tiyao, 2003:88). It is recommended that there should be service quality improvements to satisfy customers and create brand loyalty. There should be continuous improvements for better quality (Tiyao, 2003: 95). There should be quality improvement, effectiveness, and modern form improvement (Chongsathitwat tana, 2005: 125). Businesses should produce to

customers' needs or make produces faster and there should be the capability to respond quickly to the questions of customers, in order to satisfy the customers (Tiyao, 2003:95). Moreover, there must be complete in line products with good reputations and reliability (Tiyao, 2003: 88). It is also guaranteeing the product quality (Chaturongkagul Adul, 2003:165). These will effect on the success of competitive advantages of production and marketing of small and medium enterprises in the Northeast of Thailand: a case study of food industry and will help increasing sales.

2.2 Improving existing products, quality of services, customizing products, answering customers question, technology, product features and completion of products effects the success of competitive advantages. The research results show that continuous improvement of products will make them better quality, leading to increased profits (Tiyao, 2003: 95). There should be quality improvement, effectiveness, and modern form improvement (Chongsathitwattana, 2005: 125). There should be excellent service provided to customers which will add value (Tiyao, 2003: 88). It is recommended that there should be service quality improvements to satisfy customers and create brand loyalty. Business should produce to customers' needs or make products faster (Tiyao, 2003: 95). There must be the use of modern technology to create reputation and advantages. The products must be visible and more capable than the same type of products of competitors and there must be complete in line products (Tiyao, 2003: 87-88). There should be a capability to respond quickly to the questions of customers. This will lead to satisfied customers and help to increase net profits (Tiyao, 2003: 95).

2.3 Reputation, product features, delivery of ordered products, improving existing products, customizing products, technology and after-sales services will affect the success of competitive advantages. According to the research results, good reputation and reliability leads to standard certification and famous awards (Tiyao,2003:88). This guarantees the product quality (Chaturongkhakul, 2003: 165). The production must be visible and more capable than the same type of products of competitors (Tiyao, 2003: 87). It is recommended that the food industry should produce things that competitors can't copy, produce different designed products, produce a variety of products (colors, size, weight, purposes etc.), produce things that serve the needs of customers by types and occasions, produce quality products and there should be continuous improvement on products for better quality (Tiyao, 2003: 95 ; Jermsittiparsert,et.al., 2019). There should be quality improvement, effectiveness, and modern form improvement (Chongsathitwattana, 2005: 125). Busines should produce as customers' needs or make products faster (Tiyao, 2003: 95). There must be the use of modern technology to create reputation and advantages (Tiyao, 2003: 88 ; Jermsittiparsert,et.al., 2018). Furthermore, there should be fast delivery (Tiyao, 2003: 95). There should

differentiation through customer service, making everything convenient; this will be a main factor in decision making when buying products and help attracting customers (Sereerat, 1999: 179). These will effect on the success of competitive advantages of the food industry and help standard certification and achieve famous awards.

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