
KEY SUCCESSES STRATEGY OF ORGANIZATION EFFICIENCY IN FROZEN SEA FOOD BUSINESS FOR EXPORTING

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ABSTRACT

This research aimed to 1) Current state of Frozen Sea food Business for exporting in Thailand. The research was conducted by mixing quantitative research with qualitative research. The populations were the company in Thailand. Systematic simple random sampling was applied to the selection of the sample by dividing the sample 226 organizations. The data were collected from the executives and the directors of the 144 organizations. The tools used for this research include questionnaires and interviews. The statistics used in this research comprised descriptive statistics and inferential statistics. Meanwhile, the path analysis model was used for data analysis.

According to the results of the study, the performances were directly affected by the efficiency and indirectly affected by business strategy, marketing strategy, innovation management through the performance, indicating that apart from the competitive advantages, the good performances relied on the good marketing strategy, innovation management of the corporate reputation and the innovation management.

INTRODUCTION

The market of a Frozen Seafood Business for exporting is now booming, so the business competition becomes harsher. There is a competition in developing the quality of seafood business for exporting to make sure they are better than those of competitors and attract groups of existing and new clients. Not only do the tourism programs have a good quality, but they also need good service procedures to satisfy and impress the clients. In addition, these seafoods business must be developed, reliable and trustful, so that they are more advantageous than those of the competitors. A large number of new seafood businesses are being developed, and business operators thus need to find the new ways for business administration and management to make sure their businesses are well recognized by consumers, resulting in sufficient income and business sustainability

Additionally, consumers' different needs must be taken into account by the business operators, so that seafood business can be developed to make them different from those of the competitors. Most of the consumers always have higher expectation from the products that they buy; therefore, the business operators who can expect the consumers' needs more quickly and can develop their products more efficiently and effectively will be able to respond to the consumers' needs before their competitors will, and the consumers will turn to those business operators' products and services.

The business operators who can strengthen their relationships with their clients or their business counterparts will tend to become successful. Personal relationships help the businesses to expand more quickly as a result of mutual recognition. In buying products and services, although there are problems with the products and services, buyers and sellers can overlook such problems if they have a good connection. Thus, the personal relationships are highly important, and they must be taken into account by the business operators.

Consequently, this study aims to seek and analyze the major factors that enable the seafood businesses to differ from and compete with their competitors by seeking and analyzing ways to satisfy consumers and making sure the consumers continue choosing their services.

At present, the export frozen seafood industry is a rapidly expanding and highly competitive business. It is of paramount importance that firms quickly actualize their potentialities by constantly keeping a keen eye on operational costs. Nevertheless, at the same time, it is essential that products should be of the

highest quality and services provided are responsive to customer needs. Very close heed must be paid to enhancing efficiency or otherwise businesses such as these can fail at the basic operational level. In this light, therefore, it well behooves us to examine the principles governing the supply chain in an alternative fashion leading to augmenting firm efficiency, and thus leading to the development of a more successful firm overall provided that they are actually applied. Nowadays this approach is receiving a great deal of attention. In its increasingly wide acceptance, this approach is taken as one which—if adopted—will enable firms to become much more successful than was previously the case. [11,5]

REVIEW OF THE LITURATURE

Competitive Theory

Porter has proposed two forms of competitiveness that enable the industry to have advantages as follows:

Cost advantage means the business must have lower costs than other business entities in terms of production capacity, product innovation as well as quicker delivery. Besides, customers will receive a higher added value from low-costs [19, 20, 21].

Low-cost leadership strategy requires the business potential to produce products and services with lower costs than those of the competitors. Meanwhile, customers' satisfaction remains the same. Although the products are sold at the same prices, the profits from sales remain unchanged. The low-cost leadership strategy focuses on three factors including 1) lower logistic costs for all activities 2) lower raw material costs by acting as a major sales distributor 3) lower location costs by locating near sources of raw materials called just-in-time cost reduction [20, 21].

Differentiation advantage means the creation of the cultural unique value in terms of quality, style and after sales service. These differences are so unique for the culture that makes it far beyond their competitors, enabling the business to have a higher advantage (Barney, 1991, 2001a, 2002).

Differentiation strategy focuses on the competition effectiveness of successful businesses. The differences consist of product quality and response to customers' different needs. Delivery and service activities must be able to compete with competitors. Unfortunately, the cultural tourism business has insignificantly focused on this service activity (Porter, 1980, 2001,2008).

The competitive advantage of product quality differences will focus both on the style and the benefit that should differ from competitors. Moreover, the services, include the credit policy, the delivery policy, the sales policy, and the sales promotion are different from competitors (Porter, 2001, 2008)

Efficiency

Most businesses look at a long-term picture to ensure an acceptable outcome. It means that businesses, the marketing share of which continues increasing, find that the clear goal and outcome must be obviously stated. According to the competition theory, successful businesses having a high market share must focus on their continued development strategy. The strategy must be appropriately applied. The result of the strategy implementation must derive from the good internal process analysis of the business. The business must have a clear working goal, leading to the expected outcome. Additionally, the business must focus on the result of the continued relationships. The sales increase of the business must come from the development and the improvement of various aspects of activities, considering customers' views as a main factor, consisting of trust strengthening, communication to customers regarding the business and its products. Moreover, the market must be expanded to reach new customers to ensure the sales increase. The assessment of the sales and the revenue increases must be averagely conducted every three years for apparent results (Barney, 1991, 2001; Porter, 1980, 2001, 2008; Dyer & Singh, 1998; Ellinger, Daugherty & Keller, 2000)

Innovation Management

Innovation in Agricultural industry has used e-Commerce to send data pertaining to the uncovering of advantages and disadvantages in the industry for more than thirty years. In this period of around three decades, we have seen this form of innovation management to have been continuously improved in tandem with the advancing evolution of continuously improved software and hardware. Using this technology, messages can be readily transmitted between factories, middlemen, and agriculturalists. Consequently,

inessential and even wasteful steps in the supply chain can be eliminated, thereby fostering better outcomes for the businesses in question (Fan, 2011; Goffin, Lemke, & Szejczewski, 2006)

In addition, it has also been found that the use of information technology in transmitting data via the Internet or the Intranet brings in its wake a highly beneficial conveying of necessary information in terms of both accuracy and speed. Both extra- and intra-organizational communication is greatly enhanced by taking full advantage of modern information technology. Using information technology also generates greater rapport between workers and instills a sense of collaboration in workers in firms which make full use of this technology. Moreover, using information technology, reduces operational costs for firms which fully adopt it with overall decreases in overhead outlays. (Droge, Jayaraman and Vickery, 2004; Fan, 2011; Rawwas, Konishi, Kamise, & Al-Khatib, 2007).

Marketing Strategy

Marketing strategy of the organization is measured by overall and long-term performance. The performance of the organization can be divided into three aspects as follows: increases in market share, sales volume and sales revenue. The marketing competency of the organization must be measured for three years consecutively for information accuracy. The result is from logistics integration, trust and personal connection (Guanxi/ Connection/ Relationship) (Barney, 2002; Dyer, & Singh, 1998; Porter, M.E. 2001, 2008)

The organization, the market share of which continues to increase, must have a clear target. Competitiveness theory states that the organization with high market share must continue to focus on strategic development, cooperating with business partners [28, 29]. The result of a good cooperation comes from solid personal connection and trust. The organization must have a sensible target for a reasonable outcome. Moreover, the successful organization must consistently focus on the relationship outcomes with its business partners (Handfield, Nichols, 1999; Piercy & Rich, 2008; Porter, 1990, 1998)

METHODOLOGY

This study has been conducted using quantitative and qualitative research. Therefore, the tools can be divided into two parts comprising Part One: the quantitative research using questionnaires broken up into four main parts consisting of 1) business strategy 2) marketing strategy 3) innovation management and 4) efficiency of Frozen Sea food Business for exporting. Part Two: the qualitative research using in-dept interviews to verify the relationships among variances.

The population used in this study comprises 144 sales distributors of seafood business for exporting. The sample group has been selected by means of systematic simple random sampling. Purposive sampling has been chosen for the interviews while variance influences have been tested with the Path Analysis Technique, utilizing SPSS as a tool for data analysis.

RESULTS

An analysis of the current supply chain situation

As seen in Figure 1, the current situation can be depicted and analyzed as follows:

1. Analysis of agriculturists: At present, agriculturists who have shrimp farms do not have modern communication systems. Nor are they in possession of clear information concerning buying and selling on the shrimp market. Therefore, all selling and buying is conducted through middlemen, a state of affairs engendering unnecessary costs and wasteful delays. This untoward state of affairs causes damage to the raw materials being transported. After all, these raw materials being transported are fresh shrimps, damage to which is costly.

2. Wholesale / Middlemen: At present, middlemen are responsible for the buying and selling of the fresh shrimps. Located at designated loci, these middlemen evaluate the quality of the fresh shrimps, settle on prices, and provide transportation of the shrimps to the factory. Indubitably, at present, middlemen are essential because agriculturists are unable to make direct contact with the processing factories.

3. Processing manufacturing: At present, processing manufacturing buy raw materials—fresh shrimps—from middlemen for processing and store the shrimps they have purchased. The first stage of this operation entails waiting for the shrimps to be shipped to the factories on the basis of orders factories have received or storing the shrimps until orders are received. As is patent, production and delivery are set in motion by receiving orders. However, as we have seen, buying and selling of raw materials are only conducted through the middlemen. The shrimp farmers are without access to modern communications technology in spite of the fact that orders placed by factory customers are placed by means of information technology.

An analysis of activities in the supply chain

The researcher collected data using the method of direct enumeration for all sectors concerned. The collection period was over the interval of one month during the seasonal peak in which production is continuous.

The structure of the supply chain for the export frozen seafood industry was examined by means of an application of the principle of Value Chain. Furthermore, the method of Process Activity Mapping was used in classifying activities under the categories of steps taken in shrimp farming, transportation of fresh shrimps to the factory by middlemen, and shipping the finished product to customers. These three stages are exhibited in the table of activities shown below:

Strategies of seafood business affecting marketing strategy are as follows:

1. Low-cost strategy consisting of the reduction in the work process and improving trade systems by contact seafood business.
2. Business strategy the components of which consist in the use joint good relationship both internal and intra organization and the used improve organization policy.
3. Differentiation strategy consisting of the seafood business and sales promotion.

In addition, all businesses involve significant subsidiary factors for a total of 14 factors. Each of these should be taken into consideration by the seafood industry in solving problems in order to ensure success in marketing efficiency.

Indicators for the marketing efficiency of the business industry consist of enhanced market share, total sales and total income sales. Altogether, there are three important aspects in this connection.

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