

Influencing success factors of a ceramic industry cluster in the North of Thailand

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Keywords

Success Factors, Ceramic Industry, Efficiency

Abstract

Ceramic industry has a high potential to be developed for domestic usage and exporting to all over the world. The purposes of this research were to study the level of business success such as total sales, profit, return on investment, and sales volume as well as to develop marketing plan to ensure the success of ceramic industry. Questionnaire was developed to survey 210 ceramics factories in the north of Thailand in order to obtain data information. An in-depth interview was conducted with 17 informants who were the expert in the knowledge of ceramic. A focus group of 10 experts was conducted to elicit their insight information. The research finding revealed that the business success was rated at a medium level with a mean of 3.50. When evaluated in detail, it found that the purchasing orders was very high with a mean of 3.75 whereas sales volume profit and return on investment were rated with a mean of 3.49, 3.30, 3.45 respectively and standard deviation were in the range of 0.58-0.72.

1. Introduction

Modern Thai economy has been developed for many decades. Ceramic industry is one of the most important industries that has been promoted and supported from household handcraft into small industry by the Thai government from the first national economic and society plan to the present national economic and society plan. Moreover, it is one of the first industries that has been promoted for exporting to Asian market first and then to international market all over the world. Up until the ninth national economic and society plan, there was a campaign from the Thai government to promote small and medium business enterprises (SME), ceramic industry has been revived again by grouping it into cluster in order to exchange skill, knowledge, and allow the industry to grow with quality and better management system. The training from the government was aimed to increase skill and knowledge for local villages to better develop the ceramic products to compete in the world market. From the survey of the government by using SWOT analysis, it found that the strength of the ceramic industry include high skill labors, good culture, local wisdom, and good atmosphere for investment and reinvestment. The weaknesses of ceramic industry included poor design, lack of knowledge in marketing and management, and poor technology. The opportunities of ceramic industry include the entering of ASEAN Economic community, and work market. The Threats of ceramic industry include the competition from China. The fact is China has been exporting ceramics with huge volumes and low prices.

2. Research Methodology

In order to find the answer for the research questions, a mixed method of quantitative and qualitative techniques were utilized. The main purposes of this research were to investigate the level of business success of ceramic industry such as total sales, profit, return on investment, and sales volume as well as to develop and improve marketing plan to ensure the success of ceramic industry in the long run. A Likert five scales questionnaire was designed and developed in order to survey 210 ceramics factories in the north of Thailand in order to obtain data information and use statistics program of LISREL to perform to obtain data analysis. An in-depth interview was conducted with 17 informants who were the expert in the knowledge of local ceramic industry in the north of Thailand. A focus group of 10 experts was conducted many rounds in order to elicit their insight information. A three-part- questionnaire was designed to collect data. Part one was about demographic information

of the local ceramic employees and management, part two was about market factors of ceramic industry, and part three was about general comments. Statistics analysis included percentage, means, standard deviation and t-test.

3. Findings

From the findings, there is an important factor of logistics and business success that logistics management has a positive relationship with business success. While leadership has direct effect to business ability and business ability has direct effect to logistics management, and logistics management had a direct effect to business success.

Fig. 1

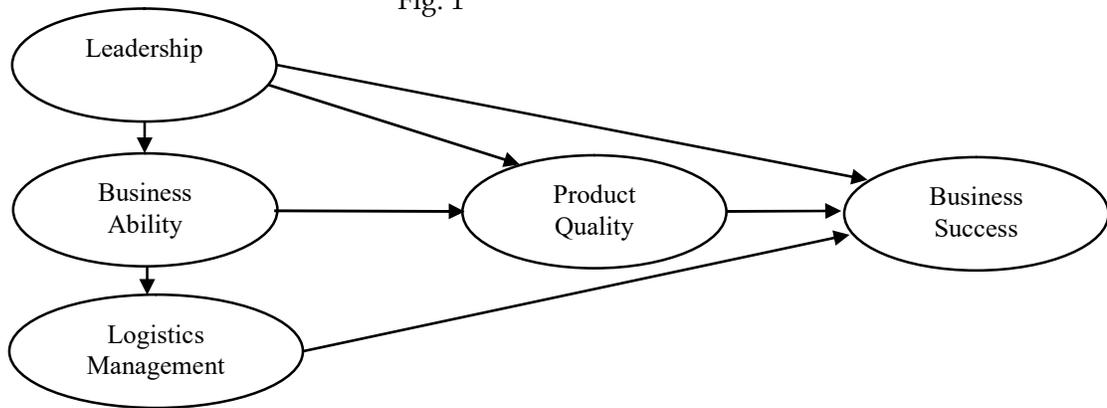


Table 1. Gender

Data	Number	Percent
Gender		
Male	132	62.65
Female	78	37.35
Total	210	100.00

Table 2. Age

Data	Number	Percent
Age		
<35 years	65	30.92
35-50 years	82	38.96
>50 years	63	30.12
Total	210	100.00

Table 3. Work Experiences

Data	Number	Percent
Experiences		
< 5 years	69	32.93
6-10 years	92	43.78
>10 years	49	23.29
Total	210	100.00

Table 4. Income

Data	Number	Percent
Income/Month		
< 150,000 Bath	60	28.51
>150,001 Bath	150	71.49
Total	210	100.00

Table 5. Business Success

Data	Mean	SD	Mean
Sales Volume	3.49	0.65	Medium
Profit	3.30	0.72	Medium
Investment	3.45	0.63	Medium
Purchasing Order	3.73	0.68	High
Business Success	3.50	0.58	Medium

From the finding, table 1 revealed that there were male respondents more than female respondents with the ratio of 62.65:37.35. Table 2 revealed that the majority of the respondents had the age between 35-50 years old. Table 3 revealed that the majority of the respondents had the work experiences between 6-10 years. Table 4 revealed that the majority of the respondents had the income more than 150,001 baht. Finally, the overall mean of business success was 3.50 with 0.58 standard deviation and it was rated at a medium level.

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