

MODEL OF SUCCESS OF SMEs IN THAILAND BEVERAGE CATEGORY: COFFEE

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ABSTRACT

SMEs successfully have higher turnover due to customer popularity and market competitiveness. Entrepreneurs must have creative potential. Differentiate business from vision, knowledge, ability to operate efficiently, and solve problems that affect business operations. Entrepreneurs' potential in terms of vision to make a difference, the ability to operate the business efficiently, and managing problems in the business to minimize the impact on the business performance will enable the business to grow and be popular with customers. Entrepreneurs must incorporate novelties into their marketing processes. This can give customers confidence in products and services, leading to a good image of the business that will lead to higher turnover.

INTRODUCTION

Today's business operations, especially SMEs, have also been affected by the crisis of the coronavirus disease (COVID-19) pandemic. Global business disruption is enormous. In order to develop or recover a business to be able to achieve average operating results, it faces many problems. Problems encountered include safety, confidence in business operations, customer feedback, and business funds. Thai SMEs have grown to 95 percent of all businesses in the country. SMEs, therefore, contribute significantly to job creation. Generate income and be the basis for developing large businesses (Office of Small and Medium Enterprise Promotion, 2022). Problems in SME business include a lack of entrepreneurial potential, ability to manage and manage finances (accounting, marketing), and lack of personnel, which is the core of SMEs (Weerasekara, S., and Bhanugopan, R. (2022). In SMEs, the need for more skilled workers causes the quality of goods not to meet market demand and has a high cost of production.

Innovative and technological tools are not used in the business, which makes it lack market power. Coffee is a popular product that customers consume in their daily lives. As a result, the demand for coffee has increased continuously, with 2017-2018 continuously expanding. The countries with the most significant demand for coffee are the European Union, the United States, Brazil, and Japan, accounting for 64 percent of the total demand (Kasikorn research center, 2018). The domestic and international coffee market can continue expanding to create added value. The coffee production business is expected to grow in line with the country's steadily increasing coffee consumption. The expansion of the coffee shop business is rapidly increasing. Thailand aims to be one of the leading producers and traders in the ASEAN region. Coffee is also being pushed to become Thailand's new cash crop that generates income for farmers. Rapid modification of marketing strategies can meet the needs of more customers and markets. The development of more digital marketing has left existing entrepreneurs or new entrepreneurs needing more business skills. Therefore, SMEs in Thailand in the category of coffee drinks are not possible to continue the business. Therefore, we are interested in finding success models for SMEs in Thailand in the beverage category: of coffee to develop the business capability for SMEs in Thailand's coffee beverage category to compete sustainably in the market.

LITERATURE REVIEW

This section provides a brief literature review of the variables used in the current study.

The success of small and medium enterprises (SMEs) in Thailand - Operating a thriving SME specializing in coffee-based beverages. Entrepreneurs must have the knowledge, abilities, and skills to run a coffee beverage business. Both the introduction of innovation in the management of the business. They were formulating an effective business plan and adopting digital marketing strategies to reach modern customers' needs and build market power. This includes the agility of the organization to adjust its business strategy in line with market changes. Tao, S. and Kim, H.-S. (2022) have commented on the success of the coffee business as an enhancement of market competitiveness due to customer acceptance of the quality of coffee products with various flavors. Make customers impressed when drinking and gain confidence and trust in the product. While Radulovich, Chan, J.I.L., and Muthuveloo, R. (2020) are seen that the potential of SMEs can lead to success from the vision of bringing new things to make a difference that will make the business successful and have higher turnover from customer confidence.

Business executive potential - Business executive competence is the knowledge and ability of business leaders to create quality products and services to make their business more effective in meeting customer needs. Dung, L.T. and Giang, H.T.T. (2021) commented that entrepreneurs who can use their vision to differentiate themselves with business strategies could make their businesses successful. Business planning can make efficient business operations lead to market advantage. The ability of business executives to apply digital marketing strategies to reach customers' needs and respond to customers directly can satisfy customers and create a good image for the business. SMEs type coffee drinks towards greater acceptance.

Management innovation - Management innovations applied in SMEs' business operations can create efficiency for businesses regarding products, processes, and services, resulting in customer satisfaction and preference for products and businesses. In line with the findings of Ahmed et al. (2020), innovations introduced by SMEs in the category of coffee beverages can satisfy customers in the quality of taste, variety, easy service, quick, and convenience. This affects the excellent image of SMEs in the category of coffee drinks. Moreover, thus, there is an increase in turnover to the popularity of customers.

Business plan performance - Business management is the guide to running a successful business. Workforce and compensation planning and business plans must be flexible and ready to adapt to market changes and customer responses. Kadam, R., Rao, S., Kareem Abdul, W. and Jabeen, S.S. (2019) said that provide feedback on how the effectiveness of the business plan will affect the business operations of entrepreneurs because of the formulation of plans in terms of investment budget and organization management. Business operations and workforce management will impact the success of a business. The business plan is management within the business to run it towards its goals smoothly. By defining the necessities for the operation of the real money. People and processes to achieve efficiency and make the business successful.

Digital marketing strategies - Implementing digital marketing strategies to reach customers using social media marketing that aligns with today's customer behavior that is convenient and fast anytime, anywhere. Own branding for customer recognition in using the service. Compliant with Busser, J.A., and Shulga, L.V. (2019) said digital marketing strategies by engaging consumers with consumer-generated ads positively impact customer loyalty and trust. The opinion is that using responsive marketing strategies and customer service in coffee shops will impress customers more with the product and business.

Organizational agility - Entrepreneurs who can use organizational agility to detect market changes and adjust their business strategies. SMEs type coffee drinks will be able to gain more competitive advantages. Goswami, M. and Kumar, G. (2018) said that the organization's agility could make the business more efficient in terms of product production, Employee management, and the use of technology. Organizational agility is mentioned as being able to increase the productivity of the organization to have the ability to meet the needs of more coffee shop customers.

RESEARCH METHODOLOGY

This study applies qualitative research. Studying related literature consists of national and international literature reviews. Data were analyzed by using the inductive method.

FINDINGS

According to Figure 1, a model for enhancing the Success of SMEs in Thailand consists of Business executive potential, Management innovation, Business plan performance, and Digital marketing strategies that affect Organizational agility. Furthermore, all five variables can be variables that can be used to create a model—the success of SMEs in Thailand. The research will continue to conduct studies to test the variables.

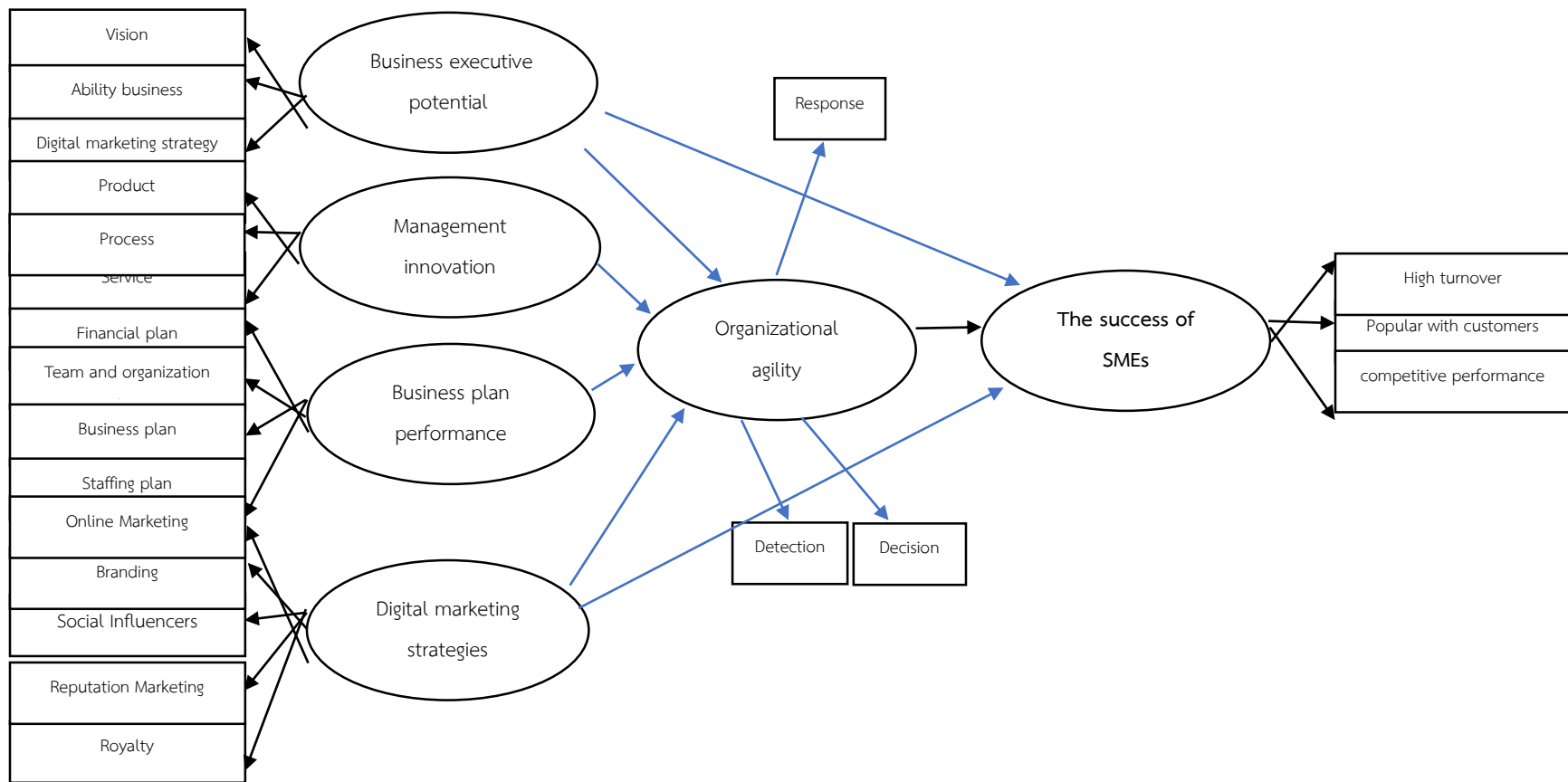


Figure 1 MODEL OF SUCCESS OF SMEs IN THAILAND BEVERAGE CATEGORY: COFFEE

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