Product Innovation and National Image of Chinese Products in the Eyes of Thai People

Qiuxue Luo¹ and Mayuree Suacamram¹

Abstract
This paper developed products from Guangxi, China, for customers in Bangkok, Thailand, and investigates the influence of country image and product innovation on purchasing eight products: a tea shop, flower tea, traditional Chinese dress, Chinese language lessons, an instant hotpot, Chinese noodles, jujube, and Chinese jewelry. The study followed four steps: (1) researching the demand of product development from documents and interviews with Chinese entrepreneurs; (2) developing a product concept and presenting it to two business experts; (3) selecting five products with the highest expert ratings and conducting a survey to collect data about the products from Thai customers; and (4) analyzing the level of buying decisions and influence of product country image and product innovation on each of the five products. Content analysis, path analysis, and multigroup techniques were used for data analysis. Results revealed that products with a high level of product innovation and buying decisions that introduced technology provided better value and that product innovation influenced buying decisions in all product categories. Product country image, however, only influenced buying decisions for Chinese jewelry and Chinese language lessons.

JEL Classification: M01, M03

Keywords
product development, product country image, product innovation, China-Thailand trade

Introduction
Many scholars agree that the global market plays a vital role in defining business practices (Zou and Cavusgil, 2002). China, a world trade leader in 2018 (Is China the world’s top trader?, 2020), recognizes the importance of global trade links (World Trade Organization, 2019), underscored by the Belt and Road Initiative. China designated Guangxi Province (GP) as a gateway to ASEAN countries for trade and investment. Beginning in 2015, the Chinese government established a budget of 50 billion yuan for this project (China to set up 50 bln yuan funds to support B&R projects in ASEAN, Guangxi, 2017). Thailand is one of the ASEAN countries that GP is interested in pursuing trade and investment, and a Thailand–Guangxi working group was established in 2015. Over the past 5 years, three meetings have been held under the framework of connectivity, economic, and people-to-people cooperation (Meeting of Thailand-Guangxi, 2020) to effectuate trade.

Products from GP to be sold to Thailand need to be developed as new products that meet the needs of Thai customers. Wu and Parkvithee (2017) surveyed the problems of Chinese medium-size enterprises (SMEs) in Thailand. Problems related to Chinese products were identified, such as brand management and product innovation. In addition, Tang et al. (2020) analyzed the strengths, weaknesses, opportunities, and threats of Sichuan Cuisine Enterprises in Thailand and found a major weakness—namely, the production of Thai food standards and maintaining the original or local taste. The New Product Development (NPD) process begins with the creation of a new idea for commercializing a new product. This process involves identifying new product ideas, market opportunities, manufacturing, selling, and delivering products to customers (Cheng and Yang, 2019; Menon et al., 2002). Therefore, entrepreneurs from GP need to understand this process to successfully bring local products to Thailand. When new products are developed to better meet consumer needs, consumers are more likely to make the decision to buy that product.

Consumers analyze and evaluate both before and after making a purchase. We can summarize the buying decision

¹Baise University, China

Corresponding Author:
Mayuree Suacamram, Baise University, School of Foreign Language, China, Western University, 4 Hathai Rat Road, Lam Luk Ka District, Pathum Thani 12150, Thailand.
Email: m.suacamram@gmail.com
process with five steps ranging from problem/need recognition, information search, evaluation of alternatives, buying decision, and post purchase (Comegys et al., 2006; Pappas, 2016). Utami (2010), along with others, has instead found that consumers may make an impulse purchase or an unplanned purchase. Therefore, the study of factors influencing consumers’ purchasing decisions is extremely important because it explains which factors are important for consumers when making buying decisions.

In this research, we investigated product development in GP about product innovation and a product country image (PCI). Lahindah et al. (2018) found that innovative products and the PCI both affect consumers’ buying decisions. Products marked “made in” followed by country names influence buying decisions for those products (Cheah and Phau, 2015; Elarbah and Shebli, 2020). Therefore, in addition to the study of product development and the buying decisions of products from GP, China, the study of the influence of product innovation and PCI on such buying decisions is also important.

This study developed original products from GP and introduced them to the Thai market. Product development was assigned to fourth-year undergraduate students at Baise University, GP. These students were selected using purposive sampling; all were enrolled in business studies in Thai subjects. Although product developers were students, the product development process was conducted in consultation with business experts and through interviews with business entrepreneurs. The process included a final step in which said products were brought to consumers in Bangkok to evaluate their purchasing decisions. Our findings provide an overview of opportunities for products from GP, from the point of view of both Chinese entrepreneurs and Thai consumers. Moreover, we also found the size and direction of influence of PCI and product innovation on the purchasing decisions of Thai consumers for several product categories. Our results can be used as a guideline for Chinese entrepreneurs to help them make investment decisions in Thailand. This current work also is useful for businesspeople who are interested in selling products in Thailand and in designing products that better meet the needs of Thai customers.

Our research objectives are:

1. To develop products from GP for consumers in Bangkok.
2. To investigate the influence of product country image and product innovation on the buying decisions of consumers in Bangkok for each product category.

### Theoretical Background

#### New Product Development

New product development (NPD) is a complicated process that includes different functions for design (planning, conceptualization, and presentation), production testing, and marketing (Kratzer et al., 2010). Cooper (1994, p. 3) defined NPD as “a formal blueprint, roadmap template, or thought process for driving new products project from the idea stage through to market launch and beyond.” The seven drivers for successful NPD are: (1) a unique superior product: a differentiated product that offers unique benefits and attractive value to customers or users; (2) building in the customer voice: driving a market that focuses on customers’ needs; (3) pre-work: doing the necessary homework on products before product development can be performed; (4) definition: a sharp and easy-to-understand product definition leads to a fast entry to the market; (5) iterations: re-development by correcting the product using stakeholder opinions; (6) global orientation: concept of being a world-class product; and (7) launch: a launch that has been well thought out and performed properly (Cooper, 2019).

Today, many companies involve their customers in the NPD process. For example, Unilever selected knowledgeable customers to develop new products while working with experts (Cui and Wu, 2016).

The ability to create an advantage over existing products by using marketing information from customers can be divided into the following four areas (Griffin and Hauser, 1995):

1. **Idea generation:** The best ideas come from the customer. Unexpected demands or problems lead to superior ideas (Cooper and Dreher, 2010).
2. **Product design:** Product design should be considered based on information from customers, specification, and product specifics. Marketing research for users’ needs is applied in design decisions.
3. **Testing:** Before pursuing development, test the product concept by presenting it to customers and assessing customers’ preferences and purchasing decisions.
4. **Feedback:** Throughout the entire project, feedback from customers should be included.

### Buying Decision

The purchase decision involves the selection of two or more options. The purchase decision is especially important when there are a large number of options (Amron, 2018). Consumers may re-purchase the product or share a product’s story with other consumers. All of this leads to consumer loyalty (Comegys et al., 2006; Pappas, 2016) or to the opposite. The consumer purchasing decision process has five steps: problem/need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase (Comegys et al., 2006; Pappas, 2016). Some scholars agree that consumers must go through the five-step purchasing decision-making process, but the steps will change according to the situation and the needs intended to be met by the purchase (Comegys et al., 2006; Sharma and Sonwalkar, 2013).
It is not necessary, however, that consumers go through all five steps every time they make a purchasing decision. The purchasing decision may depend on the nature of the purchase, especially when deciding to buy things for daily life, which consumers tend to buy directly without looking for detailed information or choosing between options (Giampietri et al., 2016). According to Utami (2010), an impulse purchase or an unplanned purchase is another form of consumer purchase. This occurs when consumers have a strong and stable desire for an immediate purchase, which can be triggered by many factors, such as mood, attractive prices, shopping environment, product promotion awareness, and consumer income.

Factors Affecting Buying Decisions

The variables that affect buying decisions are divided into two groups which are (1) personal factors, which include emotion, values, engagement, and innovation (Aryani et al., 2018; Gnoufougou, 2019; Jamil et al., 2017; Kotler et al., 2009; Plotkina and Munzel, 2016); and (2) organizational factors, which include product characteristics, product innovation, service quality, social responsibility, and country of origin (Carlson, 1970; Cheah and Phau, 2015; Elarbah and Shebli, 2020; Kotler et al., 2009; Plotkina and Munzel, 2016; Qalati et al., 2019).

This research studies buying decisions of Thai consumers for products from GP developed by Chinese students. We set a specific scope of study, particularly for the organizational factors, which are variables that can be changed and managed by an enterprise. Because we were evaluating new products from GP, China, we selected the most relevant variables for product characteristics, which are product innovation and country-of-origin or product country image (PCI). When choosing a new product from a new company, consumers do not know service quality, social responsibility, or in-store promotion variables.

Product country image. PCI is a multidimensional concept. Not only is it related to products made in a country, but consumers connect the basic aspects of a country and later generate various beliefs regarding that country (Elarbah and Shebli, 2020). PCI is the reputation and image that business owners and consumers attach to products of a particular country (Bilkey and Nes, 1982). PCI is rooted in four dimensions, which are innovativeness, design, prestige, and workmanship. These elements are built on the perception of consumers who use knowledge of a product in that country to identify their own beliefs (Bloemer et al., 2009).

PCI directly affects consumers’ perceptions of product quality and purchasing intentions (Baker and Ballington, 2002; O’Cass and Lim, 2002). The decision of a customer to purchase any products depends on the place or country where the product was made (Cheah and Phau, 2015; Elarbah and Shebli, 2020). Product origin bias can occur with both general products and specific products. This bias is evident in both industrial and emerging countries and with both end users and industry buyers (Nisco et al., 2016).

Hypothesis 1 (H1): Product country image of products from GP influences the buying decisions of consumers in Bangkok, Thailand.

Product innovation. Product innovation is the development of product designs to meet customer specifications or to add value by creating new products or services (PPID, 2019). Most innovation focuses on improving technology or product development. Innovation must use production and marketing technology to create new products or services for consumers (McKeown, 2002; Yeşil et al., 2013). A radical innovation is an innovation that is completely different from the original product and that changes almost everything about a product, process, or organization to make it more efficient (Johnne, 1996).

Product innovation is used as an important strategy to generate new product ideas and to gain a sustainable competitive advantage (Danneels, 2002; Polder et al., 2010). Innovation strategy consists of new technology development, including research and development, and inventions in manufacturing and commercial use (Statistical Office of the European Communities, 2005). Product innovations can add value to products and satisfy consumers’ needs and tastes, which will increase consumers’ buying decisions and ease entry into a new market (Vaona and Pianta, 2008). Moreover, product innovation also can positively affect a company’s performance (Prajogo, 2016; Varis and Littunen, 2010).

Hypothesis 2 (H2): Innovation of products from GP influences the buying decision of Thai consumers.

Research has examined the role of product type and product novelty in affecting the relationship between variables. Plotkina and Munzel (2016) found that product types directly influenced the intent to purchase. Ansary and Hashim (2018) found that product type influences the relationship between brand image, brand equity, and brand value. García et al. (2008) found that product newness moderates the positive association between time goals and market success. In the development of Guangxi products in this research, students thought of different products; therefore, in addition to studying the influence between variables, they also compared those influences among product groups.

Hypothesis 3 (H3): The influence of product country image and product innovation toward buying decisions vary according to product types.
Research Methodology

Our research included the following steps consistent with the concept of Griffin and Hauser (1995):

1. Idea generation and product design: Eight student groups researched product development from relevant documents. They chose a reputable GP that was preferred by Thai working-age females from Bangkok. They are a group of customers with purchasing power. The students decided to sell products with them. The GP included the beverages sold at a tea shop, flower tea, a traditional Chinese dress, Chinese language lessons, an instant hotpot, Chinese noodles, jujube, and Chinese jewelry. They later interviewed Chinese entrepreneurs about their product development ideas and the possibility of selling products based on these ideas in Thailand. Students developed product ideas by presenting them to experts. Experts evaluated the potential levels of the 8 GP by using seven drivers for successful NPD (Cooper, 2019).

2. Testing: We selected five products with the highest expert ratings to survey the opinions of Thai consumers. We analyzed the level of buying decisions and influences of PCI and product innovation across product groups.

3. Feedback: Our research presented the finding that resulted in the development of new products from GP based on feedback from Thai working-age females, and the level of decision making to purchase such products, including the influences of PCI and product innovation on consumer buying decisions.

Interviewees, Population, and Sample Size

Step 1 involved the product development interviewees, including operators involved in the products in GP. This step included the following eight products: a tea shop, flower tea, traditional Chinese dress, Chinese language lessons, an instant hotpot, Chinese noodles, jujube, and Chinese jewelry. Each product had 12 operators for a total of 96 people. Interviewees included two experts, both of whom were lecturers and taught business studies as well as conducted business (one did business in China and the other in Thailand). In step 3, we studied the influence of product country image and product innovation on the buying decisions of the population of working-age female consumers ages 25 to 54 years old who lived in Bangkok. All five products were suitable for working women. In 2019, 1,387,427 people were in this consumer category (National Statistical Office, 2020).

We determined the quota sample size for each product category that was selected by the experts. There were five products. Each sample included 150 people for each product, divided into three age-groups (25–34 years old, 35–44 years old, and 45–54 years old). Each age group had 50 people. We obtained a total of 750 samples. 77.334% of the people had a middle income (10,001–30,000 baht per month) and held an occupation as a worker or officer (Table A1 in the Appendix).

Measurement

Buying decisions were defined as self-purchases for which a consumer was not planning or seeking information before making a decision. Consumers may re-purchase the same product when they must make the same decision or share stories about the product to other consumers. We measured buying decisions on a five-level rating evaluation form, ranging from strongly agreeing to strongly disagreeing. We applied four questions from Ngo et al. (2019). The Cronbach’s alpha of the buying decision variable for each product group, which were jewelry, noodles, jujube, Chinese language lessons, and instant hotpot, were 0.811, 0.806, 0.715, 0.625, and 0.583, respectively.

Product innovation, that is, the design of products from GP, created new and different products from existing products in Thailand by using technology to provide quality products and to offer a superior advantage over the Thai competition. Product innovation was measured according to a five-level evaluation form, ranging from strongly agreeing to strongly disagreeing, and using seven questions from Paladino (2007). The Cronbach’s alpha of the buying decision variables for each product group, that is, jewelry, noodles, jujube, Chinese language lessons, and instant hotpot, were respectively 0.839, 0.786, 0.564, 0.713, and 0.503.

PCI was defined as consumers’ attitude toward products in China that arose from their connections to country fundamentals, which formed their beliefs about those products. We measured PCI by giving a score of six levels, ranging from −3 to +3, to the image of products from China according to five aspects. Gorostidi-Martinez et al. (2017) to examine the five aspects of products: (1) price and value, (2) service, and engineering, (3) advertising and reputation, (4) design and style, and (5) consumer profile. The number of items was in the following order: 3, 3, 5, 6, and 3.

Data Analysis

We analyzed the findings from interviews with Chinese entrepreneurs and experts using content analysis. We used
the results of the Thai consumer opinion survey using the AMOS program to analyze the structural equation modeling with the path analysis technique. The program was used to analyze the influence of PCI and product innovation on the consumer buying decision in each product group and to compare the influence of such variables among the product groups using the multigroup technique.

Research Results

Development of Products From Guangxi, China, for Sale in the Capital of Thailand

The students’ product development process had four steps:

1. Each week, the instructor gave an example of doing business in Thailand and explained the principles of 6W1H (Customer Behavior analysis), PEST (Environmental analysis), and STP (Segmentation-Targeting-Positioning). Students were divided into groups to think of products.
2. Every 2 weeks, students presented their products under the instructor’s guidance.
3. Students interviewed the opinions of entrepreneurs (Table A2 in the Appendix).
4. Students presented their products using the CANVAS Model to the experts who then rated the feasibility of the product (three for a full score), while giving suggestions to improve the product.

We selected five products with a probability score of 2 or more. These products were used to survey the opinions of working-age female consumers in Bangkok. The survey was conducted by giving an example of the product, a product description, and highlights (see Figure A1 in the Appendix). Then, product image country, product innovation, and buying decision were rated.

The product with the highest level of PCI was the Chinese noodle. The three products with a high level of product innovation were instant hotpot, Chinese language lessons, and jujube. The three products with high purchasing decisions were instant hotpot, Chinese language lessons, and jujube (Table A3 in the Appendix).

The Influence of Product Country Image and Product Innovation on the Buying Decision in Each Product Category

We divided the analysis of the influence of variables into three categories:

1. The influence of PCI on product innovation was statistically significant only in the case of Chinese jewelry; it had a negative influence of 0.53. The influence of this variable among other products was not statistically significant (Figure A2 in the Appendix).
2. The influence of PCI on buying decisions was statistically significant only for the Chinese language lessons and Chinese jewelry. PCI had a positive influence of 0.18 and a negative influence of 0.2. These results did not confirm Hypothesis 1.
3. The influence of product innovation toward buying decisions was statistically significant in every product category, which confirmed Hypothesis 2. The above influence ranged from 0.36 to 0.53 (Figure A2 in the Appendix).

Pertaining to the goodness of fit index, to further analyze the influence of variables among product types with multi-group analysis, we selected products according to the following criteria: \( p > 0.05 \), AGFI > 0.9, and RMSEA < 0.05 (Hair et al., 2019). Qualified products included the Chinese language lessons, jujube, and Chinese jewelry. The results of the influence of PCI and product innovation on buying decisions between product types showed that the influence of product types in each group was different (the structural weights model was different), which confirmed Hypothesis 3. Moreover, we found that the measurement weight model for each group of products was different (Table A4 in the Appendix).

Discussion

Product Development From Guangxi

GP products with high average levels of product innovation and buying decisions include the following: (1) instant hotpot uses technology to make foods that are easy to eat; (2) the Chinese language lessons provides superior service by tutors who are able to teach both Chinese language and culture, and (3) jujube is a healthy food that can be used in cooking with a variety of other foods. The characteristics for all three products, especially the Chinese language lessons, comported with the drivers that make the development of new products successful. These unique products offer superior benefits and are of great value to customers. Moreover, they also had built in the customer voice by focusing on meeting customer needs (Cooper, 2019). Instant hotpots are appealing to working-age customers who do not have time to cook because ready-to-eat meals can be heated immediately by opening the lid of the package. The Chinese language lessons responds to customers who want to advance their careers because of the continuing relationship between Thai and Chinese trade (Meeting of Thailand-Guangxi Working Group, 2020). Jujube appeals to customers who like healthy food because the product stimulates blood circulation and nourishes the blood. Although Chinese students who developed products did not have the opportunity to directly ask
customers what they wanted with respect to the product, the product developer analyzed the needs of the customer based on documents posted on a trustworthy website (e.g., Department of Internal Trade). A Thai instructor coached student on how to consistently create a superior advantage with new products. The design of new products should be based on the needs of the customer, as this can provide an advantage over competing products (Cooper and Dreher, 2010).

Effect of Product Innovation on Buying Decisions

Product innovation had a positive influence (effect value ranged 0.36–0.53) on the buying decisions of female consumers in Bangkok for every product type. PCI, however, had no influence on buying decisions. Product innovation positively influenced buying decisions because, as a foreign product, consumers likely expected the novelty that comes from existing products in Thailand. Therefore, if such products offered significant innovations that could meet consumer needs, it would be easier for consumers to decide whether to buy that product. This was consistent with the definition of product innovation of PPID (2019); accordingly, the development of product designs to meet the specifications that customers want will increase the value of the product by creating new products or services for customers. Vaona and Pianta (2008) found that higher product innovations could add value to products and satisfy consumers’ needs and tastes, which increased consumers’ buying decisions.

The PCI of products from GP affected buying decisions on certain product groups. Food products, such as instant hotpot, Jujube, and Chinese noodle, had market strengths that were not related to product image. They were different from food that can be sensitive to the feelings of consumers, such as Halal food. The image of Muslim countries certainly affects consumers’ buying decisions (Said et al., 2011). Pertaining to the Chinese language lessons, the image of China had little influence because it was a product related to language and culture. Being a native speaker in a country with a long culture affected the decision to buy a product that required a clear culture. Chinese jewelry items are fashion products that are not brand-name products or have unknown brands. When considering brand-name products, consumers consider the word “made in” on a product before making a purchase (Cheah and Phau, 2015; Elarbah and Shebli, 2020).

Conclusions and Suggestions

The trade relations between Thailand and China have increased. Therefore, we were interested in studying products developed in Guangxi for Thai consumers. We found that products imported from GP to Thailand that retained their original characteristics were a tea shop, flower tea, and traditional Chinese dress rental shops. In the opinion of Chinese entrepreneurs and business professionals, these products are not attractive to Thai people. Therefore, products to be sold abroad must be developed to ensure that they are a novelty in the eye of foreigners. This is especially true for product innovation development, which is a variable affecting consumer buying decisions. Products with high buying decisions (Chinese language lessons, an instant hot-pot, and jujube) use innovation to make improvements in response to consumer demand. For example, the instant hot-pot made it easier for consumers to eat hot-cooked food instantly. Jujube met the needs of consumers who cared about their health and also could be used to cook other dishes. The Chinese language lessons met the career advancement needs of consumers who saw the increasing importance of Thai–Chinese trade. These characteristics all gave consumers the added value and benefits that could be gained from such products.

The PCI had little effect on brand-name fashion products, such as Chinese Jewelry, as well as service products, such as Chinese language lessons. The PCI, however, did not affect food products, such as the instant hotpot, jujube, and Chinese noodles. The findings that were not in line with previous research that found PCI influenced buying decision, so next study also were interesting to determine how PCI affects purchasing decisions for different types of products.

Our findings lead to the following recommendations:

1. At the annual China-ASEAN Expo in Nanning City, Guangxi, the Chinese government should encourage Chinese entrepreneurs to develop products that meet the needs of ASEAN consumers, especially Thai consumers, because the Thai market has considerable growth potential. The most important concept in developing new products was creating a value or benefit that was superior to the existing product. Because human needs are endless, customers want a good product or service that can meet their needs.

Product developers should carefully study existing products by maintaining strengths and finding flaws in order to improve it. For example, jujube, which normally is dried and eaten as a snack, be offered to Thai working-age female consumers in other types of food, such as bakery products and drinks. Moreover, it also can be used as a raw material for cooking. Thus, jujube is meeting growing consumer demands.

2. The designer or product developer must give importance to product innovation because it affects a consumer’s buying decision. Consumers will purchase products from overseas if they are innovative and are able to meet consumer’s needs, such as the instant hotpot. We found that consumers cannot eat the
currently sold ready-made foods without heating them in a microwave oven. Innovatively putting stones that are hot instantly when exposed to air in the packaging can correct product shortcomings.

3. In future research, before product development, students should first consult or interview Thai customers. The instructor should design new learning management skills by contacting teachers in Thailand who also teach business and present the topic to both Thai students to develop products and sell to Chinese teenagers, and to Chinese students to develop products and sell to Thai teenagers. Before developing the product, students in both groups should determine mutual needs and exchange ideas.

4. Because this work is a unique case study covering the Thailand-China trade pipeline, the findings may be applicable to ASEAN-China trade. The results of this work may not be fully applicable to trade with other countries. We therefore recommend new studies be performed using the conceptual framework of this work for guidance.

**Limitations and Future Research**

This research includes a survey of Thai customers during the Covid-19 pandemic. Therefore, it is difficult for the respondents to sample the actual product, which is the primary limitation of this research. In future research, new product developers should test the products with their customers. Reader of this research should be careful the findings related to the instant hot pot and jujube, because product innovation and buying decision variables in the model exhibit low reliability values.

**Appendix**

| The Chinese Language lessons has Chinese teachers who can teach both language and culture. | The instant hot pot is ready to eat with a new technology that heats food instantly. | Chinese noodles have outstanding flavor, which are consistent with the tastes of Thai people. |
| Jujube is a healthy food and is used as a side dish, drink, and dessert. | Chinese jewelry is beautiful, delicate, and has a Chinese identity. |

**Figure A1.** Highlights of products developed in GP, China.
*Source. Authors.*
Figure A2. Standard effects of product country image and product innovation on buying decisions for each product type. Source. Authors.
Table A2. Entrepreneurs' Opinions on Selling Products from GP to Thailand.

| Product                     | Positive opinions                                                                 | Negative opinions                                                                 | Scores |
|-----------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------|
| Tea shop                    | Cheaper than competitors. Thailand is hot. Thai people like to drink cold drinks. Flower tea has a refreshing flavor. Thai people care about their health. Flower tea has health benefits. Flower tea from China is famous and affordable. | Transportation is expensive. The taste of Thai tea differs from Chinese tea. Afraid of sales failure. Unfamiliar with the Thai market. | 1.333  |
| Traditional Chinese dress rental shop | Thai people can accept foreign cultures. Thai women love cosmetics and they like to dress up. Thai people of Chinese descent tend to like these products. The product has a Chinese identity. It is beautiful, stylish, high quality, and sexy. Thailand has a close relationship with China, so it is easy to do business there. | Thai and Chinese cultures differ. Some people may not accept different cultures. Unknown marketing and preferences of Thai people. Do not want to work far from China. | 1.667  |
| Chinese language lessons    | Thai people want to learn the Chinese language because it is the second most important language. Thai people like teaching methods that help them learn quickly. Learning Chinese makes Thai people progress in their work. Teachers are reliable because they are native speakers. Teachers can teach both the Chinese language and Chinese culture. There are few Chinese language training institutes in Thailand. The relationship between Thailand and China continues to increase. | Not familiar with Thai society. No experience in doing business or teaching in Thailand. No funds. No time to do business overseas. Unable to speak Thai. | 2.000  |

Source. Authors.

Note. The numbers in parentheses are percentages.
Table A2. (continued)

| Product          | Positive opinions                                                                                      | Negative opinions                                                                                     | Scores* |
|------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------|
| Instant hotpot   | The number of Chinese people in Thailand is increasing. Thai people like spicy food.                   | Thai people and Chinese people have different cultures, foods, tastes and preferences. You must know the tastes of Thai people. | 2.000   |
|                  | There are many customers in Thailand, which provides a good opportunity for product development.       | Do not understand the market and the environment of Thailand.                                           |         |
|                  | Thai people already has a hotpot. The Chinese hotpot is a new product that Thai people can accept easily. | Thailand has many kinds of hotpots and different flavors. Therefore, competition is high.               |         |
|                  | Thai people are interested in Chinese culture and like to challenge different tastes.                  | Feel that investing in China is better than investing in Thailand.                                      |         |
|                  | Chinese instant hotpot is cheap and delicious. GP and Thailand are close to each other.                 | Unable to speak Thai.                                                                                  |         |
|                  | Thailand has a policy to support investment from China.                                                |                                                                                                         |         |
|                  | Convenient transportation.                                                                            |                                                                                                         |         |
| Noodles          | The number of Chinese people in Thailand is increasing. Thai people like sour and spicy food, which is consistent with the taste of the product. | Do not know Thailand.                                                                                   | 2.167   |
|                  | Some Thai people like to try new things.                                                               | Thai people and Chinese people have different tastes.                                                   |         |
|                  | It is worth investing in opening a restaurant in Thailand.                                             | Exotic products, few competitors.                                                                        |         |
|                  |                                                                                                         | People do not like the smell of bamboo shoots.                                                          |         |
|                  |                                                                                                         | Unable to speak Thai.                                                                                   |         |
|                  |                                                                                                         | No experience in investing in Thailand. Perceived as high risk.                                         |         |
|                  |                                                                                                         | High transportation cost.                                                                               |         |
|                  |                                                                                                         | The product gets wet easily and therefore is difficult to transport and store.                          |         |
|                  |                                                                                                         | Thailand is far from China.                                                                             |         |
|                  |                                                                                                         | No funds.                                                                                                | 2.333   |
| Jujube           | Thai people love to eat dessert.                                                                       |                                                                                                         |         |
|                  | Jujube in an instant food that is easy to eat and delicious.                                           |                                                                                                         |         |
|                  | Thai people care about their health and jujube is a healthy product.                                  |                                                                                                         |         |
|                  | Thailand has a policy to support investment from China.                                                |                                                                                                         |         |
|                  | Thai and Chinese people are closely related as brothers and sisters.                                   |                                                                                                         |         |
| Jewelry          | Thai people follow trends and easily accept new things. They are friendly and considerate.            | Do not understand the economy, investment conditions, and environment of Thailand. Therefore, there is high risk. | 2.667   |
|                  | There are many women in Thailand. The market in Thailand is big enough to invest.                      | Thai logistics system is developing more slowly than China.                                              |         |
|                  | Students and working women like to dress up.                                                          | It requires a lot of money and is very risky.                                                           |         |
|                  | Good quality products. Traditional Chinese handicrafts are charming, beautiful, modern, and low cost. | The Thai market is highly competitive.                                                                  |         |
|                  | Products can help boost confidence of those who wear them.                                            |                                                                                                         |         |
|                  | China promotes the culture, making Thais like the Chinese culture even more.                          |                                                                                                         |         |
|                  | Thailand has a policy to support investment from China.                                                |                                                                                                         |         |
|                  | Transportation costs are decreasing as a result of the development of the transportation system including (1) by land such as by Roads No. R9 and R12; and (2) by boat via Beibu Gulf port, Guangxi, and Laem Chabang port, Thailand. |                                                                                                         |         |

Source. Authors.

*Average score from three experts. Each expert gives 1–3 points to assess the potential level of the GP product for sale in Thailand: 1 = Low, 2 = Medium, and 3 = High.

Table A3. Mean and Standard Deviation of Variables in Each Product Group.

| Product group            | Var | Mean  | S.D. | Level |
|--------------------------|-----|-------|------|-------|
| Chinese language lessons | PCI | 0.262 | 1.007| Medium |
|                          | PI  | 3.503 | 0.534| High  |
|                          | BD  | 3.528 | 0.618| High  |

(continued)
Table A3. (continued)

| Product group       | Var | Mean   | S.D. | Level   |
|---------------------|-----|--------|------|---------|
| Instant hotpot      | PCI | 0.128  | 0.819| Medium  |
|                     | PI  | 3.694  | 0.489| High    |
|                     | BD  | 3.588  | 0.592| High    |
| Chinese noodles     | PCI | 0.604  | 0.698| High    |
|                     | PI  | 3.116  | 0.506| Medium  |
|                     | BD  | 3.882  | 0.626| Medium  |
| Jujube              | PCI | 0.154  | 1.343| Medium  |
|                     | PI  | 3.472  | 0.547| High    |
|                     | BD  | 3.513  | 0.624| High    |
| Chinese jewelry     | PCI | 0.202  | 1.094| Medium  |
|                     | PI  | 3.380  | 0.605| Medium  |
|                     | BD  | 3.360  | 0.645| Medium  |

Source. Authors.

Table A4. Result of Invariance of Model Between Product Type.

| Model              | Model name                  | χ²   | Df  | p      | RMSEA | CFI  | AGFI  | χ²/df |
|--------------------|-----------------------------|------|-----|--------|-------|------|-------|-------|
| 1                  | Model form                  | 60.158 | 33 | .003   | 0.043 | 0.979| 0.904 | 1.823 |
| 2                  | Measurement weights         | 88.730 | 43 | .000   | 0.051 | 0.963| 0.888 | 2.164 |
| 3                  | Structural weights          | 117.610 | 47 | .000   | 0.058 | 0.946| 0.876 | 2.502 |
| 4                  | Structural covariance       | 132.051 | 49 | .000   | 0.062 | 0.936| 0.868 | 2.695 |
| 5                  | Structural residual         | 132.424 | 53 | .000   | 0.058 | 0.939| 0.878 | 2.499 |
| 6                  | Measurement residual        | 148.060 | 63 | .000   | 0.055 | 0.935| 0.889 | 2.350 |

Comparison

| Conclusion                      | χ²_diff | df_diff | χ²_table | χ²/df  |
|--------------------------------|---------|---------|----------|--------|
| Model 1: Model 2               | 28.572  | 10      | 18.307   | 2.857  |
| Model 2: Model 3               | 28.880  | 4       | 9.488    | 7.220  |
| Model 3: Model 4               | 14.441  | 2       | 5.991    | 7.211  |
| Model 4: Model 5               | 0.373   | 4       | 0.488    | 0.093  |
| Model 5: Model 6               | 15.636  | 10      | 18.307   | 1.564  |

Source. Authors.

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ORCID iD

Mayuree Suacamram https://orcid.org/0000-0002-0924-5202

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