Success Factors for the Transportation Business Strategy During Economic Crisis of SMEs in Thailand

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Abstract. The objective of this research was to study the factors of success that affect the operating strategy of the transportation business during the economic crisis of Small and Medium-sized Enterprises in Thailand. In-depth interviews with predefined questions were conducted on a sample of 10 small transport businesses that were selected as successful from the SMEs searching radio program. The results of the study revealed that every entrepreneur decided to start their own business voluntarily. In terms of products and services, each were in different formats and were distinctive and unique. In addition, every small business was affected by the economic crisis. The factors that made them successful were doing things that they were good at, having adaptability, having ability to plan and solve problems, giving importance to their personnel and customers as well as the quality of products and services, not imitating others, and their determination in the business. It was found that most successful small businesses used the top priority planning strategies, followed by complete pre-planning strategies. They also were found not using opportunity-seeking and defensive strategies. Therefore, the interested parties should pay attention to study and develop specific planning strategies which are essential strategies that lead to success. In addition, the success factors of entrepreneurs should be considered as indicators of success and should be made available as information to the general public for improving small Thai enterprises into bigger businesses that can compete at the global level.

1. Introduction

The economic crisis of Thailand became apparent in 1997, due to the instability of the Baht currency resulting in severe and widespread effects from the government to private and public sectors. Various businesses began shutting down more and more, including financial institutions as damage in the financial system spread to almost all branches of business.[1] Small and Medium-sized Enterprises (SMEs), especially industrial sectors, or the real manufacturing sectors, were affected by the economic crisis as well. SMEs in general all faced the problem of a lack of financial liquidity that was spreading throughout the economy. Due to the economic downturn, purchasing power and consumption of the people decreased, and as a result, SMEs had to slow down and reduce production and sales, or eventually shut down their business. The most affected SMEs were the group of businesses that took over production from supporting industries, which are medium-sized industries that use technology from foreign countries, such as the automobile industry. Without a proper solution, these SMEs might gradually continue to close down, until it becomes a chronic economic problem, and eventually results in social problems [2].
However, there are still a small number of SMEs that can adapt to survive, be able to thrive, and create a large profit in contrast to this economic crisis. These self-reliant SMEs often use Thai wisdom from their families as the basis for business operations. This group of SMEs are often found with agility in management, production techniques, and distribution, which tend to be more flexible to adapt to cope with the economic crisis better than SMEs that take over production from large and medium-sized industrial companies. It is intriguing especially for new fully Thai entrepreneurs who have not inherited their business from their family but built it up by themselves until theirs became successful. [3] It is very interesting to study what strategies these entrepreneurs use that may have an effect on their success which will be useful information in the improvement of entrepreneurs in the future. The aforementioned reasons led to this research on the factors of success in business strategy in the economic crisis of SMEs in Thailand, the objective of which is to study the success factors that influence business strategy during an economic crisis. The findings will be beneficial to new entrepreneurs, in giving insight into ways to develop and improve on various basic factors as well as making suitable strategies for doing business which lead the business to success, excellence, and potential to compete at the global level.

2. Methodology
2.1 Study model
This study was a qualitative research conducted by gathering data using an interview guide in order to study the success factors that influence the business strategy of transportation business operations under the conditions of an economic crisis.[4]

Table 1 Main Key Informants; Transport SMEs Classified by Business Type and Qualifications

| Type/Name of business | Entrepreneur | Operational format | Location | Goods / Services |
|-----------------------|--------------|-------------------|----------|-----------------|
| Production            |              |                   |          |                 |
| 1.Alfredo Enterprise  | Wirat Kunarattana-angkul | Company | Bangkok | (a)Pizza Bar (Bar & Restaurant) Dessert |
| 2. Snakefish cake     | Ketsara Thepprasit | Sole proprietorship | Sing Buri | Dessert |
| 3. Thawanch System    | Thawatchai Limpisutee | Company | Nonthaburi | Handicraft Eichhornia Crassipes Furniture Jewelry |
| 4. Pattaya Cane Fabric| Jatuporn Phaisanwalert | Company | Chonburi | Eichhornia Crassipes Furniture Jewelry |
| 5. Jewelry of Fay     | Pornpilai,Ponpilai Kanchanasak | Company | Bangkok | Jewelry |
| Service               |              |                   |          |                 |
| 6. A.B.P Entreprises  | PraneeWudhikanakorn | Company | Prachin Buri | Tourist Attractions Beauty Salon |
| 7. Success House      | Matana Loha-Vej | Sole proprietorship | Bangkok | Beauty Salon |
| 8. Sugar Beet         | Phongsri Bunnag | Company | Bangkok | Restaurant & Entertainment |
| 9. CyberMage          | Pitinont Phunrungsathit | Company | Bangkok | Web Design |
| Trade Transportation  |              |                   |          |                 |
| 10. Direct Sale Trading| Thaweepol Charoenkittikhonpaisarn | Company | Bangkok | Delivery Supermarket |
2.2 Determination of population and sample
The studied population in the study was small businesses in the category of trade, manufacturing, and service businesses with a number of 1-49 workers and net assets of no more than 20 million Baht, which began operating during 1996-1997 and were still operating until today. The sample selected as key informants was a group of business executives in transportation, manufacturing, and service industries. The entrepreneurs were chosen using purposive sampling from the those who participated in a SMEs searching radio program in their episode for the top 10 SMEs.[5] The selection criteria of the program were as follows;
1. Being a Thai entrepreneur who has not inherited the business from their family
2. Having operated the business for no more than 5 years (2013-2018)
3. The initial investment did not exceed 20 million Baht.
4. Having received profits of not less than 1 million Baht per month.

According to the Department of Industrial Promotion data, 10 entrepreneurs were selected as the sample group in the interview, as follows;

2.3 Research tools
The tools used in the study were in-depth interviews that were conducted using an interview guide which helped in creating systematic data. There were 4 major question sets asking about general business conditions, the severity level of the impact from the economic crisis, success factors, and operational strategies during the economic crisis. The interviews were ensured with reliability and validity, and the informants were interviewed several times on the same subjects using different methods. The intervals between the 1st and 2nd interviews (or the 3rd in some cases) were approximately 15 days apart. Before the interviews, the created interview guideline had been examined by the advisor, for editing of content, language, and expressions used, for the interviews to be clear and easy to understand.[6]

2.4 Analysis and conclusion
The data gathered from the interviews was analyzed for its content and then presented in the form of essays on the success factors that affect the business strategy during the economic crisis of SMEs in Thailand.

3. Result
According to the data analysis, it was found that the success factors that affect the strategy of business during the economic crisis of SMEs in Thailand consist of the following points;

3.1 Doing what you are good at and have expertise in
The key informants explained that they must practice, be patient, find experience, and learn in order to find what they were good at and specialized in. The study must be in-depth and there must be hands-on practices in the studied area for it to become their best and safest choice of business and a key for success which also depends on each individual’s opportunities and methods. For instance, Phonphilai Kanchanasakchai, a diamond production business entrepreneur knew she had a passion for gems, therefore, she went for training in gemology seriously. She also constantly studied the needs of the diamond market in order to truly understand more about gems before starting a business.

3.2 Adaptability
The key informants explained that they needed to be improved all the time both in terms of products and working methods to keep up with all situations. The products and services of these 10 operators would be designed to be up to date to meet the needs of customers. Their products also varied to respond to the preference of each group of customers. For example, Thawatchai Limpisuri, the manufacturer of handicrafts from rope and knitting said they would create products to respond to many target groups such as children and young people. They would also change the forms of their products to suit the needs of customers from different countries, such as making thicker knitting products for those with cold winter, cotton products for those with warm summer, etc.

3.3 Give importance to customers
The key informants explained that they created a long-term relationship with focus on providing the products and services that best meet the needs of their customers. For example, Pitinon Phunraengsathit, a web-site design service provider, would arrange services from other companies for his clients if their needs were beyond the capability of his company to create a good impression and relationship with his clients in a long-term.

3.4 Giving importance to the personnel of the organization
Most entrepreneurs often have difficulty finding good people to work with, especially in small businesses that have lower pay capabilities than large businesses, making it sometimes almost impossible for them to get employees that can meet their needs. Although it is important, it is also difficult to get their employees serve their customers with impressive service. The 10 entrepreneurs were found to use different methods for selecting employees and working with them. For instance, Matthana Lohawet, a beauty salon business operator, chose to use semi-family management with her staff. She arranged for an accommodation for her employees to live together to create unity and allowed them participation in work by holding regular meetings to listen to their problems and find solutions together. In addition, the share of her business was divided among each employee for them to feel that they also shared the ownership of the business.

3.5 Giving importance to the quality of products and services
The key informants explained that the quality of the goods and services were a point that no competitors of theirs could duplicate. For example, Thaweephon Charoenkittikhunpaisarn, an owner of a supermarket delivery service managed purchasing and delivery under the concept of ECR or Efficient Consumer Response by working with certain partners to reduce production costs, stock products, and delivering their goods for their consumers to get fresh products from accurate and fast deliveries.

| Type/Name of business | Entrepreneur | Success Factors for the Transportation Business Strategy During Economic Crisis of SMEs in Thailand |
|-----------------------|--------------|--------------------------------------------------------------------------------------------------|
| Production            |              |                                                                                                  |
| 1. Alfredo Enterpris  | Wirat Kunarattana-angkul | Management commitment                                                                         |
| 2. Snakefish Cake     | Ketsara Thepprasit       | Being Leaders and not imitating other                                                            |
| 3. Thawan Ch System   | Thawatchai Limpisuree    | Adaptability                                                                                     |
| 4. Pattaya Cane Fabric| Jatuporn Phaisarnwalert  | Management Commitment                                                                           |
| 5. Jewelry of Fay     | Phnopilai Kanchanasak    | Doing what you are good at                                                                      |
| Service               |              |                                                                                                  |
| 6. A.B.P Entreprises  | Pranee Wudhikanakorn     | (a) Planning and Problem Solving Skills                                                           |
| 7. Success House      | Matana Loha-Vej          | Focused on Personnel in Organization                                                              |
| 8. Sugar Beet         | Phongsri Bunnag          | create a cooperation in business or business alliance                                                |
| 9. Cyber Mage         | Pitinont Phunrangsatthit | Customer-Focused                                                                                 |
| Trade Transportation  | Thaweepol              | Focused in goods and service quality                                                              |
| 10. Direct Sale Trading| Charoenkittikhunpaisarn |                                                                                                  |

3.6 Ability to plan and solve problems
The key informants explained the importance of the ability to plan and solve problems in each situation, whether faced with obstacles or weaknesses, and being able turn them into opportunities and strengths. For example, Pranee Wutthikanakorn, an ecotourism service provider, turned weak points such as having to work with villagers who did not know the manners of the service and inconvenient
facilities into strength by focusing on the naturalness of accommodation and naïve but unpretentious sincere services of the villagers as their selling points that became a tourist attraction.

3.7 Creating cooperation between businesses or business partners

The key informants explained that they created a sales network between suppliers to work together to create long-term profits. For example, many operators including Phongsri Bunnag, a restaurant and entertainment service provider, revealed that his company would hold various activities with special trade partners, such as making a promotional discount sale of certain products during special festivals. The events helped build collaboration with the other companies for them to reduce production costs and expand their customer base together.

3.8 Always lead and never imitate

It was found that the products and services of each operator had their own distinctive creative characteristics and were not imitation of other companies. For instance, Kessara Thepprasit, a manufacturer of desserts made from snakehead fish which is considered the first and only exotic product in the world, combined of her own aptitude for baked desserts and the use of Mae La snakehead fish which is a famous product of Sing Buri province.

3.9 Commitment of entrepreneurs

The key informants were found with commitment and intention to make their business successful. The entrepreneurs shared characteristics of being self-confident and daring to think and speak to express their opinions and daring to do things that they believed in. Although they had to face problems from the economic crisis, they did not think about giving up but endured and tried to fight with various methods until they became successful.

4. Discussion

According to the analysis, it was found that the factors of business success during the economic crisis of SMEs in Thailand consist of:

1. Working with their expertise,
2. Ability to adjust,
3. Focus on personnel,
4. The quality of products and services,
5. Focus on customers,
6. Ability to plan and solve problems,
7. Creating business alliances,
8. Leadership and uniqueness, and
9. Commitment.

This is consistent with the work of [4] that described the qualities of successful entrepreneurs that they tend to be an opportunity analyst who likes to spend time searching for knowledge and seeking for opportunities for success while having the smallest risk. These creative thinkers also tend to find better ways of working and are also problem solvers who can access problems and solve them with confidence. They are able to understand clearly what must be accomplished and solve problems quickly. They always look for alternatives to solve the problem and know how to evaluate options in order to solve the problem as easily as possible. They are also logical thinkers who are not afraid of admitting that they are wrong. When these entrepreneurs find their solution, they bring the solution to the experts for help in order to avoid judging the problems in one's favour.

They also accept improvements in better ways. They are also executives who understand each of the detailed tasks that must be completed to achieve their objectives. They also need to plan strategic decisions to find the best way all the time to achieve the goal. They are workers who like to do various activities and have to accomplish them. Their personal time is also work time and they do everything possible. [7] did a study which gathered data from 97 small entrepreneurs, and found that successful entrepreneurs have 5 important qualities:

1) Being motivated – being motivated to work successfully by responsibility, agility, originality, mental stability, and ambition.
2) Intelligent qualities – having essential capabilities such as ingenuity, creativity, and ability to analyze information. Successful entrepreneurs must have ingenuity in order to find the problems of their business, analyze the information they have, and solve the problems efficiently.

3) Human relation abilities – These abilities are essential nowadays as they affect success in working with others. Entrepreneurs must associate with their workers, employees, customers, other businesses involved in the trade, and local communities.

4) Communication – In the business world, interpersonal contact occurs all the time either verbally or in writing. When work orders are issued, they must be clarified and be able to be understood similarly by all parties to make work efficient and achieve the same goal.

5) Technical ability - Entrepreneurs wishing to invest in any business must have the ability to do well in that business. For example, for those who wish to set up a restaurant business, they should have basic knowledge first which may come from being an employee in a restaurant, such that this experience may be enough for them to be able to do the business by themselves.

This is in accordance with a work by [3] which studied successful entrepreneurs and found that their success is based on business insight and management experience. [8] also studied entrepreneurial characteristics in Indonesia using the method of in-depth interviews with 27 entrepreneurs from various businesses and used the qualitative analysis method. It revealed characteristics of entrepreneurs used as a reference frame for personal business career; environment, achievement, success motivation, originality, skills and technical knowledge, organizational management skills, and diligence. In addition, educational background is another important factor that may support entrepreneurship. [9] described the characteristics of successful leaders as those who thoroughly know the nature of their work and its scope, and who are always up-to-date with the current development trends and theories. They also know their own staff very well including their strengths, weakness, and goals. They have a shared vision with others regarding service.

Their excellence and success demonstrate inner power through their words and actions. This is consistent with [10] who defined a leader as a person that makes the organization progress and achieve success by using influence to motivate others to follow their lead [12,13]. They contribute to the vision of the organization and its employees as well as being empowering various influences both directly and indirectly to lead a group to engage in any activity [14]. Therefore, from various factors mentioned above, it can be concluded that those involved in the development of the Thai small transportation business should pay attention in terms of disseminating knowledge, such as arranging train courses for entrepreneurs, students, or interested parties. It will help start-ups or new entrepreneurs to have the opportunity to examine their own qualifications in comparison to the old entrepreneurs who are able to manage small businesses to survive and grow. This also helps them learn about their strengths and weaknesses, which will be beneficial to the development of skills and abilities and is also an important factor that makes a business successful.

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