

Trends in Competitiveness of the Thai Printing Industry

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Abstract—Since the world printing industry has to confront globalization with a constant change, the Thai printing industry, as a small but increasingly significant part of the world printing industry, cannot inevitably escape but has to encounter with the similar change and also the need to revamp its production processes, designs and technology to make them more appealing to both international and domestic market. The essential question is what is the Thai competitive edge in the printing industry in changing environment? This research is aimed to study the Thai level of competitive edge in terms of marketing, technology, environment friendly, and the level of satisfaction of the process of using printing machines. To access the extent to which is the trends in competitiveness of Thai printing industry, both quantitative and qualitative study were conducted. The quantitative analysis was restricted to 100 respondents. The qualitative analysis was restricted to a focus group of 10 individuals from various backgrounds in the Thai printing industry. The findings from the quantitative analysis revealed that the overall mean scores are 4.53, 4.10, and 3.50 for the competitiveness of marketing, the competitiveness of technology, and the competitiveness of being environment friendly respectively. However, the level of satisfaction for the process of using machines has a mean score only 3.20. The findings from the qualitative analysis have revealed that target customers have increasingly reordered due to their contentment in both low prices and the acceptable quality of the products. Moreover, the Thai printing industry has a tendency to convert to ambient green technology which is friendly to the environment. The Thai printing industry is choosing to produce or substitute with products that are less damaging to the environment. It is also found that the Thai printing industry has been transformed into a very competitive industry which bargaining power rests on consumers who have a variety of choices.

Keywords—Competitiveness, Printing Industry

I. INTRODUCTION

THE Thai printing industry has increasingly become essential to the Thai economy. The Thai printing industry has gained a good international reputation for the last decade. Many printing companies have received international awards and recognitions for high quality. One of the competitive edges that the Thai printing industry has is the low cost. This is due to a government policy that encourages the Thai printing industry to be “Printing Hub” of South East Asia. The scale of Thai printing market has been expanded by the support of this policy.

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The result of this policy has been to locate the majority of printing, ink making and packaging businesses in one area under Printing Cluster which emphasizes the cooperation among private sector, government agency and education institute. This helps to substantially reduce transportation costs enhance their potential exporting. The same policy also encourages numerous foreign direct investments to switch their base to Thailand from England and Singapore which has resulted in high domestic competition in terms of Marketing (Printing Industry of Thailand, 2008). Technological advancement as well as marketing strategy are vital to the success and survive of the printing industry. Consumers have become increasingly demand for lower prices, better quality, and faster delivery. The Federation of Thai Printing industry plays an important role in promoting new technology and new training. Technology change in printing industry has become ordinary that technology could change rapidly and has enhanced the rapid change of consumers’ preferences. To achieve high quality, there is a need to train employees in the areas of production and delivery. Printing companies need to develop a marketing plan to put marketing strategy into action.[6] Customers must be satisfied with the high quality of products and superior after sale service with a 24 hours call services (Seminar in Market Penetration of Printing Industry, USA, 2009).

To be able to compete successfully, printing companies need a proper marketing strategy. However, there is always a cost to implement a marketing strategy. Printing companies must consider implementing only the marketing strategy that increases the value of their products and services and benefits consumers as the end users. Lahachivin (2009) stated that the Thai printing industry has a high potential to develop and expand more production to export since there will be a large free flow single market of ASEAN Economic Community (AEC) in 2020. The larger the market size, the greater the demand for printing in the future. Therefore, there is a need to study closely the trends in competitiveness of Thai printing industry.

II. MATERIALS AND METHODS

The research questions are:

- What is the trend in the competitiveness of Thai printing industry in terms of marketing?
- What is the trend in the competitiveness of Thai printing industry in terms of Technology?
- What is the trend in the competitiveness of Thai printing industry in terms of being environment friendly?
- What is the trend in the competitiveness of Thai printing industry in terms of the level of satisfaction in using printing machines in production process?

The research methodology included both quantitative and qualitative approaches. A questionnaire was used as a tool for collecting data from 100 respondents from 45 printing companies. Whereas, a focus group of 10 individuals was selected for in-depth interview. Small group discussions were used as a tool for getting the group thoughts and opinions. Each individual in the focus group was selected to maximize the variety of backgrounds such as management, government officials, and personnel in printing industry.

III. RESULTS

The results from the quantitative analysis of this research are as follows.

- For the trend in competitiveness of marketing, the overall mean score is 4.53 which is very good. When observed closely, the highest mean score is found to be 4.88 for the price of printing products. The second highest score is 4.86 for the variety of channel for consumer ordering and purchasing such as phone, post-office, and fax. The lowest mean score is 4.08 for public relation signs and messages that are simple or easy to understand.
- For the trend in competitiveness of technology, the overall mean score is 4.10 which is good. The analysis showed that the highest score is 4.78 for the attention to new technology. The second highest mean score is 4.35 for staffs who have sufficient knowledge of machines and are able to answer questions or recommend solutions. The lowest mean score is 3.10 for the ability to continue development.
- For the trend to be environmental friendly, the overall mean score is only 3.50. When looked at individually, it is found that the highest mean score is 4.15 for the maintenance of factory environment. The second highest score is 4.07 for the periodical six month monitoring. The lowest score is extremely low having the mean score of 1.75 for planning to work friendly with the environment.
- For the level of satisfaction in the process of using the printing machine, the overall score is 3.20 which can be considered as average. When observed closely, it is revealed that the information on the employee board and notice regarding the use of printing machines has the highest satisfaction mean score of 4.02. The second highest satisfaction mean score is 3.91 for the fairness of the order of using printing machine. The lowest satisfaction mean score is very low at 1.75 for the time waiting to use printing machine.
- For the trend in competitiveness in technology, there is a tendency to improve and develop printing products and services regularly. Most of technology improvements are imported technology. The printing companies are willing to pay if the technology improvement is linked with profit. The focus of technology improvement is a long term plan and long investment for many companies.
- For the trend to be environment friendly, there are a constant updated rules and regulations. The environmental rules and regulations were relaxed in the past. Nowadays, there is an increasingly awareness of the negative impacts of too much relaxed in environmental rules and regulations. The criteria for choosing products are now based on the impact to eco-system to promote ambient green environment. The printing products that are less damaging to the environment will be suggested to consumers.

From the focus group, the following are the recommendations of the standard guidelines for companies in the Thai printing industry to enhance their level of competitiveness.

- Companies must have a high ethical standard and practice transparent management and good governance.
- Companies must have a clear vision and their employees must be trained to have multiple skills.
- Companies must be diligent and employees must believe in hard working is a key to strengthen the core company.
- Companies must understand the corporate culture and the industry culture in order to maintain a high standard of printing industry.
- Companies must avoid conflict of interests within its company and its industry.
- Companies must give high priority to internal controls and planning at every level of management.
- Companies must manage their asset efficiently.
- Companies must have internal financial auditors.
- Companies must understand the importance of risk management.
- Companies must help preserve and maintain high standard of natural resources and the environmental according to national policy.



Fig. 1 Process of printing

The results from the qualitative analysis are as follows.

- For the trend in competitiveness of marketing, direct sales is very successful to reach the target groups in Bangkok and the vicinity. For other provinces, market expansion was due to the spread increasing of small unit agencies all over the country. Customers, on average, are very satisfied with the quality of products and services. New orders keep coming to producers. However, competition has become severe in the domestic market and each company tries to increase their capacity of production. However, the industry is still attracting new entrants as long as there is high demand for printing and there is a chance to make profit.

IV. DISCUSSION

- The overall picture of the trend in competitiveness of marketing is good. This result concurs with the Office of Economics and Industry, Ministry of Industry (2010) which found that there was an increasing in production, import and export of paper and printing products in the year of 2010 due to the expansion of the economy. Also, many events

such as national elections, the King's birthday, and the World Cup of football games stimulate the demand for printing industry. However, one of the important factors is the strong value of Thai baht caused the import printing materials to be less expensive by reducing the cost of imported printing materials. However, the strong baht often has an adverse effect to reduce the export due to the higher price of exported printed material from the currency.

- The overall trend in competitiveness of technology is also good. The result concurred with the study of Chinpasertsuk (2002) which found the Thai printing technology had improved so rapidly and becoming one the core competitive edges for Thai printing industry. Innovative technology and management had been adopted by Thai printing companies and the results were high quality products and lower costs in the long run. This is an important reason that allowed the Thai printing industry compete in international markets successfully.
- The overall trend to be environment friendly is good. There were many programs and activities that encouraged the protection and the preservation of the environment. Even though there were many problems in terms of environmental damaging, there were significant clear improved situations and examples for the last decade. As Prompasit (2006) pointed out that the printing industry is one the most destructive to the environment due to the using of enormous paper and ink. Since the time, however, there have been an increasingly awareness of this fact and the eagerness of industry to reduce the impact of pollution for its industry. However, there still a problem of water treatment that needs to be solved with technology and long term investments.
- The overall level of satisfaction in the process of using the printing machine is medium satisfaction. There were many problems that caused the level of satisfaction not to be high. There were the problems of being unable to meet customers' delivery demands, time wasted for waiting for raw materials, miscommunication between company and customers, and time wasted for too much unnecessary documentation.

RECOMMENDATIONS

- There is still a need to constantly improve and develop in specific areas of marketing, technology, and to be more environmental friendly in order to increase the level of competitiveness for Thai printing industry.
- Water treatment needs to be a long term investment plan.
- The printing industry must have a variety of technology choices for processing their products with less damage to the environment.
- There should be a full cycle to maintain ambient green environment.
- Regular trainings for employees and management to be aware of the impact to the environment.
- Support the practical use of ISO 14001 in each company.
- Allow non-profit organizations to participate in the study of the processes of production to reduce waste and lower the impact to the environment.



Fig. 2 The production of printing

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