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Enhancing the Competitive Advantage of the Germinated Parboiled Rice

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ABSTRACT

Objective - This research aims to; 1) study the competitive advantage and firm performance of the geminated parboiled rice community enterprise group, 2) investigate the differences in competitive advantage and firm performance when classified by organizational factors, 3) study the difference in the influence of competitive advantage on firm performance, and 4) determine proposals to enhance competitive advantage.

Methodology – This research uses mixed research methods. The quantitative method was used to study the influence of competitive advantage on firm performance of community enterprises, and a qualitative method was used to determine proposals to enhance competitive advantage. In Step 1, a quantitative research method was used to identify the population which includes management groups of 36 geminated parboiled rice community enterprises consisting of a chairperson, a vice-chairperson and a supervisor of 208 people, and 137 samples. Proportional sampling and simple random sampling were used in this process. Data was collected using questionnaires. The statistics used for data analysis was frequency, percentage, mean, standard deviation, F-test (one way ANOVA), Pearson's correlation coefficient, and hierarchical regression analysis. In step 2, data was collected from in-depth interviews with key informants, using a purposive sampling method. Data analysis from the interviews using the information obtained from the interview into categories and using content analysis to determine proposals.

Findings - The research results found that competitive advantage and firm performance was high. The hypothesis testing results show that only the age of the community enterprise has an effect on the image of the community enterprise with the statistical significance of 0.05. All 3 independent variables composed of cost leadership, differentiation, and market focus had an influence on firm performance, by standardized coefficients (β) was .398, .426, .654 respectively.

Novelty – The proposals from this research include the establishment of newly geminated parboiled rice community enterprises to accelerate the creation of the organization image to be known and accepted by consumers. Further, community enterprises should focus on developing a competitive advantage that comes from a market focus strategy. This will have a positive impact on firm performance.

Type of Paper: Empirical.

JEL Classification:

Keywords: Geminated Parboiled Rice; Community Enterprise; Competitive Advantage; Firm Performance

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1. Introduction

The Constitution of the Kingdom of Thailand section 65 stipulates that the State shall provide a national strategy for a goal of sustainable national development.

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In accordance with good governance, a framework for making various plans to drive towards these goals has been established. Thailand's 20 Year National Strategy goals and issues include:

1) National strategy on security.
2) Building national competitive advantage goals, which focuses on increasing the country's potential in many dimensions based on 3 concepts; "Continuing the past" by looking back at its economic roots, identity, culture, traditions, way of life and various natural resources, "Adjust the present" to pave the way for the future through structural development, the basis of the country in various dimensions, and "Create new value in the future" by increasing the potential of entrepreneurs, adjusting the business model to respond to market demand;
3) National strategy on human resource development to develop people in every dimension and in every age to become talented and quality people, with good health at all ages, public mind, social responsibility and others;
4) National strategy for changing values and culture creating opportunities and social equality to have developmental goals that focus on the empowerment of various sectors.
5) National strategy for creating growth and quality of life that is environmentally friendly; and
6) National strategy on balance and development of public management systems; the government sector must have the appropriate size for the role, mission, distinguishing between the role of government agencies responsible for supervising or providing services in a competitive economy with high performance, and adhering to good governance principles.

Further, the Thai Rice Strategy 2020 - 2024 adopts the strategy known as "Production lead market" which is the first time this strategy has been used in the Thai rice sector. In the next 5 years, the goal is to make Thailand the leader in the production and export of rice and quality rice products of the world. The focus is on producing rice to meet market demand, which includes production of 7 types of rice:

1) Jasmine rice;
2) Thai fragrant rice;
3) Soft ground rice;
4) Solid ground rice;
5) Parboiled rice;
6) Glutinous rice; and
7) Special quality rice that has a specific market.

These 7 types of rice are divided into 3 markets as follows:

1) the premium market, consisting of jasmine rice and Thai fragrant rice.
2) the general market, consisting of soft rice, hard rice, and parboiled rice; and
3) The specific market, consisting of sticky rice and special quality rice is a systematic overview of rice production using strategies market leading production (Ministry of Commerce, 2019).

Khao Hang is a kind of germinated parboiled rice; it is famous rice product of the Phu Thai Sakon Nakhon people. It has various names such as "Hom Thong Rice" or "Khao Hang Hom Sakonthawapi Rice", which have higher nutritional value than all grains. Khao Hang is a local wisdom that has been around for over a hundred years in the north-east of Thailand, which most people may misunderstand that it is only one species of rice. In fact, the geminated parboiled rice is just normal rice but is processed, adding value by soaking the rice paddy to stimulate the nutrients from the rice husk to penetrate into the seeds, which are then

incubated for germination creating a GABA substance. Because it is rich in vitamin B1, B2, niacin, iron, calcium, GABA (Gamma Amino Butyric Acid), this rice helps to lower blood pressure and cholesterol, control weight and reduce the risk of Alzheimer's disease.

It also contains a high level of manganese, which helps fight free radicals which cause cancer. Germinated parboiled brown rice also has a low conversion to sugar in the bloodstream, and is an important neurotransmitter used to control the nervous system. Hence, germinated parboiled rice is a good option for consumers who are concerned about their health, especially those with diabetes, high cholesterol, heart disease, obesity, rheumatoid arthritis and kidney disease. Geminated parboiled rice can be made from all varieties of rice, but north-eastern people like to use Jasmine rice 105 and glutinous rice RD6. It is regularly sticky, soft and appetizing, and is in high demand.

Processing the transformed rice paddy into the geminated parboiled rice is achieved using the following process; 1) put the rice paddy in a bag and cover the bag to soften for 2 nights, 2) put the rice paddy in water for 12 hours and separate the withered seeds, 3) steam for 40 minutes, 4) use parboiled rice to wet all seeds, set aside for 20 minutes, pour the cold water again, 5) air dry or sun-dry for steamed and dried rice, 6) rice milling without polishing the rice grain, which will keep the nutritional value of the rice seeds, and 7) packing.

At present, geminated parboiled rice is produced in large quantities, and it is in demand from both domestic and international markets. It is also one of the famous products of the Sakon Nakhon Province. Therefore, a group of geminated parboiled rice community enterprises were established in Sakon Nakhon Province, receiving support from the government agencies to promote the community's income and preserve local wisdom. Currently, there are 36 groups of geminated parboiled rice community enterprises, and a total of 920 farmers are members of the group (Sakon Nakhon Province Office, 2020).

These enterprises have had various problems such as insufficient production and insufficient inventory management because the production process depends on the receipt of orders for production. No advanced production is undertaken because this can cause the rice to lose its taste. In addition, some rice paddies are stored for production but not enough for market demand, non-standard production processes including cleanliness in the production process. Further, there is no clear account separation between groups and there is no clear revenue and cost analysis. The packaging is not unique, the colour and package design is not appealing. There is still no website for publicizing the product. It was also found that community enterprise groups have a shortage of labor because the geminated parboiled rice has not yet reached new generation (Kongsap, 2016). This research aims to identify ways to enhance the competitive advantage and firm performance of geminated parboiled rice community enterprises of Sakon Nakhon province.

2. Literature Review

2.1 Competitive Advantage

The pursuit of competitive advantage is an idea very much at the heart of strategic management literature. Competitive advantage is a property that a business can have over its competitors. This can be gained by offering clients better and greater value, advertising products or services with lower prices or higher quality interest consumers. Target markets recognize these unique products or services. This is the reason behind brand loyalty, or why customers prefer one particular product or service over another. Porter (1990) says that competitive advantage comes from 3 main strategic objectives: 1) cost leadership, 2) making a difference, 3) focusing on organizational skills. To gain a competitive advantage, a firm must take advantage of the various resources over which it has direct control (Reed & Fillippi, 1990).

Barney (1991) says that a firm has a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player. Lau (2002) says that

superior performance outcomes and superiority in production resources reflect competitive advantage. Raza (2019) says that competitive advantage by definition refers to the conditions that enable a company to outperform its rivals in terms of profitability, productivity, market share and growth. The advantage may be attributed to the organization's lower cost to deliver products and services, strategic focus toward fewer but more profitable target markets or a product or service differentiation that attracts greater market interest. Competitive advantage refers to factors that allow a company to produce goods or services better or more cheaply than its rivals. These factors allow the productive entity to generate more sales or superior margins compared to its market rivals.

Competitive advantages are attributed to a variety of factors including cost structure, branding, the quality of product offerings, the distribution network, intellectual property, and customer service (Investopedia, 2020). Competitive advantage is defined as a property that a business can have over its competitors or superior performance outcomes and superiority in production resources. The advantage may be attributed to the organization's lower cost to deliver products and services, strategic focus toward fewer but more profitable target markets or a product or service differentiation that attracts greater market interest. Competitive advantage can be classified into the following 3 factors:

1) Cost leadership: Cost leadership is when a business provides a reasonable value at a lower price. Firms do this by continuously improving operational efficiency.
2) Differentiation: Differentiation means when companies deliver better benefits than anyone else. A firm can achieve differentiation by providing a unique or high-quality product. Another method is to deliver it faster. A third is to market in a way that reaches customers better.
3) Focus: Focus means the company's leaders understand and service their target market better than anyone else. They either use cost leadership or differentiation to do that. The key to a successful focus strategy is to choose a very specific target market.

2.2 Firm Performance

Most business firms are seeking to improve their performance in any way possible. The winning card can be held by those who endeavour to innovate, to obtain and sustain performance. However, due to the absence of any operational definition of firm performance upon which the majority of scholars consent, from the 1950s to the end of the 20th century, firm performance was considered as the equivalent of organizational efficiency, which represents the degree to which an organization, as a social system with some limited resources and means, achieves its goals without an excessive effort from its members. The criteria used for assessing performance are productivity and flexibility (Georgopoulos & Tannenbaum, 1957). In the first decade of the 21st century, the definition of firm performance principally focused on the capability and ability of an organization to efficiently exploit the available resources to achieve accomplishments consistent with the set objectives of the firm, as well as considering their relevance to its users.

Verboncu and Zalman (2005) appreciate that performance is a particular result obtained in management, economics, and marketing that gives characteristics of competitiveness, efficiency, and effectiveness to the firm and its structural and procedural components. A measure of performance of a business may not only depend on the efficiency of the firm itself but also on the market where it operates. In the financial sector, it is also known as financial stability or financial health, and there are different financial measures that can be used in order to evaluate the performance of a firm. Some of the common financial measures are: revenue, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, and stock prices, among others (Delen, Kuzey & Uyar, 2013). Taouab and Issor (2019) state that the business environment of this new century has undertaken several changes, creating more and more complexity and

uncertainty. In this changing environment, which characterizes the global economy today, firms face severe competitive pressure to do things better, faster, and cheaper.

Nowadays, continuous performance is the objective of any firm. Consequently, assessing and measuring firm performance is of significant importance, since companies are constantly seeking effective and efficient results. A well performing firm can bring high and long-term profits, which will generate employment opportunities and improve the income of individuals. Furthermore, financial profitability of a firm will enhance the returns of its employees and will increase the quality of the products being sold.

Finding a measurement for the performance of the firm enables the comparison of performances over different periods. The Balanced Scorecard (BSC) model was developed in the early 1990's by Robert Kaplan and David Norton. It is a tool used for describing, elaborating, and implementing a vision and the strategy of a firm into fixed targets and clear set of financial and non-financial performance indicators. The introduction of BSC means that the goals, the indicators, and the strategic actions are assigned to concrete perspectives (Horvath et. al., 2004). The Balanced Scorecard translates the mission and the organization strategy into a set of performance indicators that offers a model for the performance measurement system.

The model below shows the organizational performance through 4 perspectives: financial, customers, innovation and learning, and internal processes. In Thailand, the Community Development Department (CDD) has major responsibilities for formulating strategies and policies for national development, enhancing government agencies and private stakeholders in the development and strength of the community. Hence, the Community Development Department (2015) has developed key performance indicators to measure the community enterprise performance comprised of: 1) customer satisfaction, 2) profit of members, and 3) the image of the community. In this study, the criteria used to measure the performance of the Jasmine Rice community enterprises follow the criteria of the Community Development Department.

2.3 The Link between Competitive Advantage and Firm Performance

This paper proposes to test the concept of competitive advantage to analysis its usefulness for theory building and testing in the field of Strategic Management. Ma (2000) says competitive advantage is perhaps the most widely used term in strategic management, yet it remains poorly defined and operationalized. Ariyawardana's (2003) study incorporated the resource and strategy-based views of the competitive advantage paradigm in explaining the performance of value-added tea producers in Sri Lanka. The research revealed the existence of 3 significantly different strategic groups and justified the assertion that there is significant intra-industry heterogeneity. Only one strategic group, which comprised 4 dominant firms, revealed strong mobility barriers and higher firm performance differences. However, no performance differences were evident between the other 2 strategic groups.

Acquaah amd Agyapong (2015) studied the relationship between competitive strategies and firm performance in micro and small businesses in Ghana and the moderating role of managerial and marketing capabilities. It was found that differentiation strategy is related to firm performance, cost leadership strategy does not influence firm performance, after controlling for several firm-specific factors, and managerial capability strengthens the influence of cost leadership strategy on performance, while it weakens the impact of differentiation on firm performance. Potjanajaruwit (2018) demonstrates that the causal factors of technological capability and inter-organizational collaboration have a direct positive effect on the competitive advantage of startups, and competitive advantage had a direct positive effect on the performance of startups in Thailand.

Odunayo and Akintokunbo. (2018) state that market focus strategy has a positive and significant influence on firm competitiveness. Their study recommends that firms that choose to employ market focus strategies should concentrate on a narrow segment and within that segment attempt to achieve either a cost advantage or differentiation. Islami et. al. (2020) highlight the significance of using Porter's generic strategies in firms

that operate in competitive environments is investigated. The aim is to indicate the effect of Porter's generic strategies (low-cost strategy, differentiation strategy, and focus strategy) on firm performance. The research results suggest that pursuing differentiation strategies provides higher firm performance compared to 2 other of Porter's generic strategies (low-cost strategy or focus strategy) that have a positive impact as well.

Mohamed et. al. (2020) shows that the application of cost leadership strategies by MSMs in the area led to reduced operational costs, increased production output and profitability. It is therefore recommended that MSMs pursue more competitive costs per unit of input technique which is more sustainable than just cost reduction. From past research results, we can see there is a relationship between competitive advantage and firm performance. However, if we analyze this relationship in detail, there will be differences in the results of the study. This research will explore these differences and explain them more clearly.

3. Research Methodology

3.1 Methodology

This research uses mixed research methods. The quantitative method was used to study the influence of competitive advantage on firm performance of community enterprises, and a qualitative method as used to determine proposals to enhance the competitive advantage of geminated parboiled rice community enterprise groups. In step 1, a quantitative method was used to study the level of competitive advantage and firm performance, the difference of competitive advantage when classified by organizational factors, and the influence of competitive advantage on firm performance. The target populations include management groups of geminated parboiled rice community enterprises in Sakon Nakhon province, comprised of 36 community enterprises, including a chairperson, a vice-chairperson and a supervisor of 208 people. The sample size was calculated using the formula of Krejcie and Morgan (1970). The sample size of 137 was selected using multistage sampling and the use of questionnaires. Cronbach's alpha coefficient was 0.881 of competitive advantage, and 0.835 of firm performance. The statistics used for data analysis were frequency, percentage, mean and standard deviation, F-test (One way ANOVA) and hierarchical regression analysis was used for hypothesis testing.

In step 2, a qualitative method was used to determine proposals to enhance the competitive advantage of geminated parboiled rice community enterprises. Data was collected from in-depth interviews by collecting data from key informants, using a purposive sampling method. The key informants used in this research were the chairman of the geminated parboiled rice community enterprise that received good evaluation from the Department of Community Development, staff of Sakon Nakhon Province Community Development, expert scholars in the field of geminated parboiled rice, and the geminated parboiled rice community enterprise customers. The researcher used a semi-structured interview, to construct the tools by; study of the documents, concepts, related theories, academic journals, information from the internet, various related research, and using the results of the data analysis from step 1 to create the questions in the interview on the issue of competitive advantage and firm performance. The research tool has passed content validation from experts. Data was analysed by separating the information obtained from the interview into categories and using content analysis to determine proposals.

3.2 Conceptual Framework and Hypotheses

This research tests the following hypotheses:

1) Cost leadership has a positive influence on firm performance.
2) Differentiation has a positive influence on firm performance.

3) Market focus has a positive influence on firm performance.
4) Cost leadership and differentiation have a positive influence on firm performance.
5) Cost leadership, differentiation, and market focus has a positive influence on firm performance.

The research aims to investigate the types of competitive advantage impact on firm performance. The research conceptual framework is shown in Figure 1:

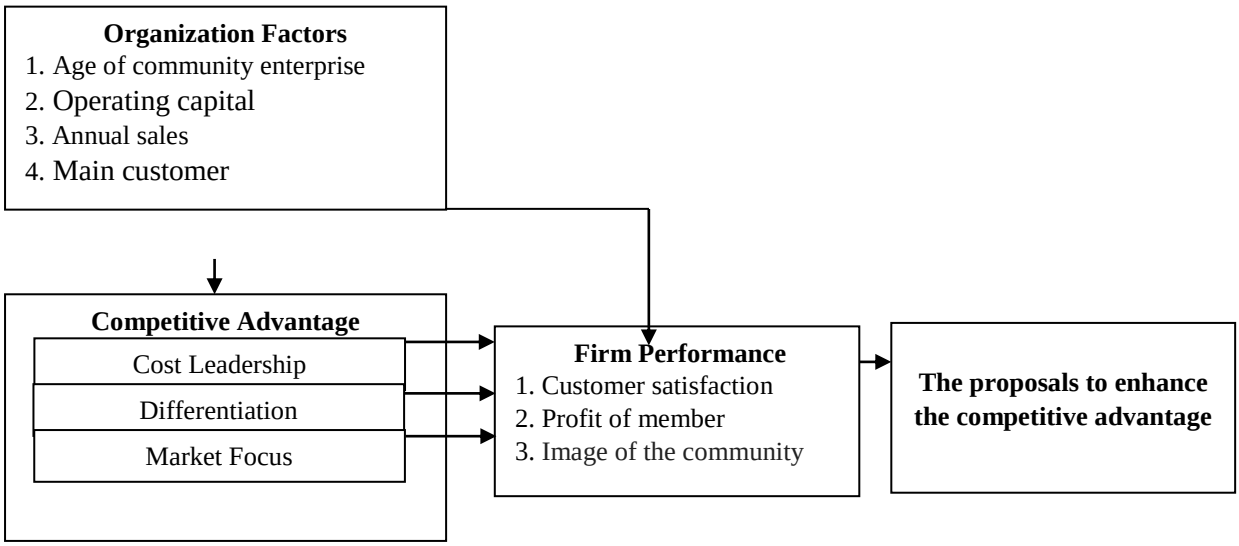

Figure. 1. A conceptual model of the enhancing the competitive advantage of the geminated parboiled rice (Khao Hang) community enterprise group

4. Results

The analysis of the research results has been divided according to the objectives into 4 parts as follows:

1. The competitive advantage and firm performance of the geminated parboiled rice community enterprise group in Sakon Nakhon province.

Overall, the competitive advantage is high. When classifying each side, it was found that the community enterprise group has the most competitive advantage in cost leadership, followed by differentiation, and market focus. As for firm performance, it was found that the overview is at a high level, when classified by each side the image of community enterprise has the highest average, second is customer satisfaction, and the third is the members' profit.

Table 1. Competitive advantage and firm performance by classification

Competitive Advantage	Mean	S.D.	Firm Performance	Mean	S.D.
1. Cost Leadership	3.544	.955	1. Customer Satisfaction	3.788	.775
2. Differentiation	3.529	.797	2. Member Profit	3.444	.942
3. Market Focus	3.453	.775	3. Image of community enterprise	3.833	.939
Total average	3.508	.766	Total average	3.688	.772

The difference of competitive advantage and firm performance when classified by organization factors including: the age of the community enterprise, operating capital, annual sales and main customers. The

hypothesis testing results show that only the age of the community enterprise has an effect on the image of the community enterprise with a statistical significance of 0.05, the community enterprise group aged less than 1 year has the average image performance, which is lower than other groups at 2.800. The results are shown in Table 2.

Table 2. The different of image of the Khao Hang community enterprise when classified by age of community enterprise.

Age of Community Enterprise	Mean	S.D.	F	Sig.
1. Below 1 year	2.800	1.386	4.131	.016*
2. 1-3 years	4.333	.816		
3. 4-6 years	3.444	.577		
4. More than 6 years	4.111	.671		
Total Average	3.722	.939		

3. The difference in the influence of competitive advantage when classified in 3 dimensions (cost leadership, differentiation, market focus) on firm performance, the statistical analysis for hypothesis testing to study the influence of research variables using Pearson's Product Moment Correlation Coefficient to determine the relationship of the independent variables, and Hierarchical regression analysis to investigate the influence of the competitive advantage on firm performance. The symbols used to analyze were as follows:

CA1	Represent	Competitive advantage of cost leadership.
CA2	Represent	Competitive advantage of differentiation.
CA3	Represent	Competitive advantage of market focus.
TCA	Represent	Total Competitive advantage
FPM	Represent	Firm performance

Table 3. Correlation analysis between independent variables

	CA1	CA2	CA3	CAT	FPM
CA1	1				
CA2	.778**	1			
CA3	.665**	.785**	1		
TCA	.909**	.934**	.886**	1	
FPM	.630**	.653**	.809**	.761**	1

Table 3 shows that the relationship between the variables that are related do not exceed 0.80. Hair et. al. (2015) says that the relationship between the variables must be less than 0.80, meaning a score more than 0.80 may cause multicollinearity. This research found the relationship between the independent variables the highest value was 0.778, meaning it did not exceed 0.80. The research equations to predict the quality performance were as follows:

$$FPM = \beta 1CA1 \quad \ldots\ldots\ldots\ldots\ldots\ldots (1)$$
$$FPM = \beta 2CA2 \quad \ldots\ldots\ldots\ldots\ldots\ldots (2)$$
$$FPM = \beta 3\ CA3 \quad \ldots\ldots\ldots\ldots\ldots\ldots (3)$$
$$FPM = \beta 4\ CA1 + \beta 5\ CA2 \quad \ldots\ldots\ldots\ldots\ldots\ldots (4)$$
$$FPM = \beta 6\ CA1 + \beta 7\ CA2 + \beta 8\ CA3 \quad \ldots\ldots\ldots\ldots\ldots\ldots (5)$$

The equations to analyze research results were as follows:

FPM = .*630*CA1 (R^2 = .398) …… (1)
FPM = .*653*CA2 (R^2 = .426) …… (2)
FPM = .*809*CA3 (R^2 = .654) …… (3)

Both independent variables had no statistically significant influence on the dependent variables at the level of 0.05.

…… (4)

FPM = .744 CA3 (R2 = .672) …… (5)

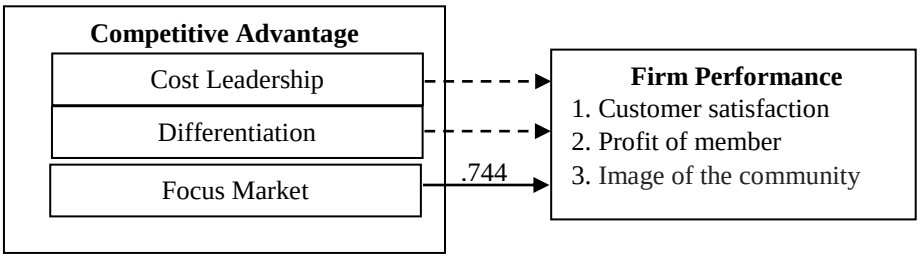

Figure 2. A hypothesis testing compared influence between Cost leadership, Differentiation, and Focus market

The results of the hypothesis testing using hierarchical regression analysis found that, when testing the influence of the independent variables one by one on firm performance (equation 1, 2, 3), all 3 independent variables had a positive influence on the statistical significance at the level of 0.05 by standardized coefficients (β) was .398, .426, .654 respectively, and had the ability to predict the dependent variables of 39.8%, 42.6% and 65.4% respectively. It was found that both independent variables (CA1 and CA2) had no statistically significant influence on the dependent variables at the level of 0.05, meaning that creating a competitive advantage strategy from cost leadership and differentiation is difficult to use at the same time.

As for the test results in equation 5, it is found that only the market focus competitive advantage has a statistically significant impact on firm performance at the level of 0.05 and has the ability to predict the dependent variables by 67.2%, indicating that in the context of geminated parboiled rice businesses, the strategy of creating a competitive advantage based on market focus has a very high influence on firm performance of the community enterprises.

To determine proposals to enhance the competitive advantage of geminated parboiled rice community enterprises, in-depth interviews from key informants composed of the chairman of the geminated parboiled rice community enterprises that received good evaluations from the Department of Community Development, staff of Sakon Nakhon Province Community Development, expert scholars in the field of geminated parboiled rice, and the geminated parboiled rice customers were used.

5. Discussion

The researchers used content analysis and grouping of data, in terms of cost leadership, the empirical findings of this research show that competitive advantage in the aspect of cost leadership has a positive influence on performance, consistent with the research results of Mohamed et. al. (2020). In relation to production, it is found that the production process of geminated parboiled rice is handmade, mainly using the skills of the members and relatively low machinery, therefore causing most of the cost to be waged labor, when including all costs, it is affect to high selling price also.

In relation to the financial and accounting aspects of these businesses, the problem of finding funding sources from financial institutions or working capital are sometimes caused by the organization itself, because they do not have systematic financial and accounting management, and there is no right policy or plan for money usage. Most community enterprise groups do not have cost accounting in order to plan and control costs of the production process; it is just an income and expenses recording. Therefore, there is no cost information for use in the analysis and decision making the return on investment in the production. In addition, there are still quite a number of problems with broken rice, that result in the loss of geminated parboiled rice quality, which are being sold at a lower price than usual.

In respect of marketing, the problems of distribution channels means that the newly formed or small group of geminated parboiled rice community enterprise still have limitations in finding markets and reaching customers, therefore they need to sell their products through middlemen which are purchased at a price lower than the market price. The proposal to create a competitive advantage in cost leadership are as follows:

1) Focusing on the use of process innovation and technology to increase production and reduce costs.
2) Creating a network (Cluster Development Agent: CDA) in the value chain to help reduce raw material costs and marketing costs.
3) Broken germinated parboiled rice should be processed into beverage and snack products, in order to split the product line and create more income for the community members.

Therefore, if the members of the community enterprise group have gained knowledge about quality control of production, they will be able to reduce losses and costs even more. Community enterprises must focus on low-risk management, such as not creating debt beyond the capacity of their ability to pay, not borrowing money from financial institutions or banks to expand their business or buying too much machinery or equipment. Further, community enterprises should be supported and monitored by government agencies providing training knowledge on the use of accounting data, to follow up the accounting system at least twice a year, always ensuring that the costs are kept at the minimum possible level, the government sector should be encouraged to use computer programs for simple accounting, and providing training that can be conveniently and quickly used for accounting conclusions in order to facilitate community enterprises with the potential to use technology to start the accounting system for overseeing revenue, expenditure, classifications, financial report summaries, the correct accounting system data will help tight control costs more efficiently.

Community enterprises should receive marketing advice and support from government agencies in order able to build the germinated parboiled rice brand of the community enterprises that are well-known, modern marketing knowledge such as data tracking, content marketing and distribution, search engine optimization, keeping up with new platforms, retargeting, which will help reduce marketing costs from cutting middlemen that the community enterprise group can do marketing by themselves and lead to more sustainable trade competition.

In terms of differentiation, the results of the study demonstrate the influence of competitive advantage on firm performance, which is consistent with the research results of Acquaah and Agyapong (2015) and Islami et. al. (2020). A differentiation strategy is an approach business develop by providing customers with something unique, different and distinct from items their competitors may offer in the marketplace. The main objective of implementing a differentiation strategy is to increase competitive advantage. The difference could be something concrete, speed, power, performance and better service, with the basic characteristics of geminated parboiled rice in which the paddy is soaked in water to germinate which will cause biochemical

changes in the rice seeds, especially the increase in the amount of GABA, a nutrient that is beneficial to the body in many ways, resulting in full-grain rice and rice bran, which is rich in minerals and vitamins, including high fiber food. These factors give geminated parboiled rice a competitive advantage in differentiation. However, from the interview with the key informants, there are still quality problems in the Khao Hang, because production is still in accordance with the traditional process, which results in quite a lot of broken rice problem causing loss of quantity and quality of rice.

In the terms of market focus, the research results reveal that market focus has the most influence on firm performance, which is consistent with the research result of Odunayo and Akintokunbo (2018). Market focus strategy is a market for customers with specific preferences, tastes or lifestyles. Different from most people, this niche customer may be the existing customer segment in the market. But no manufacturer has yet been able to produce products or services to meet the needs of these customers, or it could be an emerging market that results from changing social, environmental, or technological conditions, such as those who love health need the right nutritional value. For a focus market, most of the large entrepreneurs have not yet paid their attention. Competition is less than the mass market. It is a great opportunity for the geminated parboiled rice community enterprise to enter this market without having to compete with large entrepreneurs. It will have the opportunity to become a leader in that niche market.

6. Conclusion

This research aims to study the competitive advantage and firm performance of the geminated parboiled rice community enterprise in Sakon Nakhon province, and uses mixed research methods, consisting of quantitative methods and qualitative methods, to study the influence of competitive advantage on firm performance, and to determine proposals to enhance competitive advantage. The research results show that the competitive advantage and firm performance is high overall. The hypotheses testing found that the difference of competitive advantage and firm performance when classified by organization factors, only the age of the community enterprise had an effect on firm performance in the aspect of image of the community enterprise.

The competitive advantage when separately tested by each aspect every independent variable had a positive influence on firm performance, but when testing the influence together, it was found that cost leadership and differentiation did not have a statistically significant influence on firm performance at the level of 0.05, which shows that using both strategies at the same time is difficult to implement because of the competitive advantage of making up the differentiation, usually the high cost of research and innovation, which is in line with many studies that have concluded that achieving cost leadership and differentiation is usually conflicting because the internal resources and capabilities of a firm needed to support one are not compatible with the other.

Differentiation is usually costly; a differentiator intentionally raises costs. On the contrary, cost leadership frequently requires a firm to forego some differentiation by standardizing its products and lowering marketing overheads etc. When testing the influence of the competitive advantage in the 3 aspects simultaneously with hierarchical regression analysis, it was found that only the market focus strategy had an influence on firm performance, meaning that market focus is the most important factor in the context of geminated parboiled rice community enterprises. The findings from previous research reviews and this empirical research evidence conclude that competitive advantage comprising of cost leadership, differentiation, and market focus has differing influences on firm performance. It depends on the context and nature of the organization.

The proposals to enhance the competitive advantage of geminated parboiled rice community enterprises from the in-depth interviews of key informants are summarised as follows:

Newly established geminated parboiled rice community enterprises less than 1 years old should focus on creating an image of community with the following guidelines: promote the strength of the product such as environment friendly and a positive effect on health; generating engagement on social media such as Facebook and Twitter may not be enough. Geminated parboiled rice community enterprises must also communicate with consumers, holding promotional events or playing games, focusing on the activities they will share or can be forwarded to others in order to further expand their customer base, and they should pay more attention to the opinions or complaints of consumers to improve their products and services.

Relevant and supportive government agencies for geminated parboiled rice community enterprise groups should promote more market focus strategies by focusing on a specific market with a focus on efficient use of resources with specific consumer groups to meet actual needs, especially for the healthy consumer, conduct in-depth research to find the needs of real consumer groups, develop products that meet customer needs, test those products especially in the part where it is a very distinctive selling point and evaluate satisfaction from consumers after they have consumed the product. In addition, adding online marketing channels that are relevant to consumers will provide community enterprises with more comprehensive distribution channels, E-marketing goal setting and strategy planning, content planning and communicating the organization on digital platforms, using online channels to generate sales growth.

This research focused only on parboiled rice community enterprise groups in the Sakon Nakhon Province area only, in the north-east of Thailand. There are many other products which cannot be studied and researched at once due to budget and time constraints. Therefore, future research should consider different product lines, such as arts and crafts products, Thai massage service etc. Future research should also study the causal factors or antecedents of competitive advantage such as availability of organizational resources and management capabilities which help to enhance the competitiveness and performance of community enterprises even more in the future.

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