DETERMINANTS AFFECTING ORGANIZATIONAL PERFORMANCE BY THAI ELECTRICAL APPLIANCE AND ELECTRONICS INDUSTRY: A CONCEPTUAL PERSPECTIVE

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Abstract - The electrical appliance and electronics industry is important to the world and continues to see growth. The industry in Thailand manufactures products for export and serves as one of the main production bases for electrical appliances and electronics globally. This study aimed to examine the influence of creating brand equity and socially-responsible marketing, which positively affect the efficiency of organizational performance for operations in the electrical appliance and electronics industry in Thailand. Enhanced performance results in more advantages in the region. It was found that organizations focusing on creating brand equity and socially-responsible marketing were more able to create and utilize competitiveness, causing the organizations to have more beneficial performance in the electrical appliance and electronics industries in Thailand while stipulating the policies and planning of operational strategies in order to further develop the industries.

Keywords - Brand equity, Socially-responsible marketing, Organizational performance

INTRODUCTION

The electrical appliance and electronics industry is important to the economic system of Thailand. The industry is quickly and continuously expanding. It is an industry generating income for the country that has been in the 1st rank consecutively for several years. There are more than 500,000 workers in the industry, with the total proportion of export for the country valued at more than 30% [1]. As Thailand has potential in terms of production factors, whether in human resources and knowledge or geographical conditions, it is apparent that there are potential commercial advantages and the capacity to be a center of industry in the Indo-China region. Therefore, this is the factor positively influencing transportation and fueling the growth rate of the electrical appliance and electronics industry in Thailand, causing dramatic expansion and enhanced benefits for the economic system of the country in the form of increased employment and investment [2]. The export value of electrical appliances and electronics in the 2rd quarter of 2016 was 12,771.76 million USD, which was a reduction of -4.29% (%yoy) in every export market, especially the Chinese market. The highest reduction of -9.97% (%yoy) with the export value of electrical appliances was 5,535.23 million USD, a reduction of -3.18% (%yoy), while the export value of electronic products was 7,236.53 million USD, a reduction of -5.11% (%yoy) [3]. It can be said that the electrical and electronics industry is an important industry for the world in terms of its usefulness, the varied function of its products, and its role as the foundation of development for other industries as there is a link to them. There is also the impact from globalization, causing change in the quality of living and demands of consumers. This fact requires the electrical and electronics industry to change as well. At present, Thailand has a major role in the industry with outstanding potential for the production of electrical appliances. For the electronics industry, it is found to depend on the level of investment and the use of advanced technology. Thus, this is a mutual investment between Thai and foreign operators, though the Thai operators act as the producers since they have particular strength in competence in terms of the manufacture of products that are small and highly accurate. These lead to the preparation of vision for Thailand in "becoming the leader of ASEAN and the first ranked in Asia for producing and exporting electrical appliances with the innovation and design of products that are energy conscious and friendly to the environment". For the electrical industry, Thailand will be the production and development base for electrical appliances to meet the demand for the market group comprising China, the USA, and ASEAN members. Later, it will be expanded to the new market group. This is an opportunity for Thailand to take advantage of its efficiency in developing in order to maintain its lead in the industry.

Research Objectives

This study aimed to identify the influence of creating brand equity and socially-responsible marketing, which have a positive influence on the efficiency of organizational performance by operations in the electrical appliances and electronics industry of Thailand.

II. CONCEPTUAL DEVELOPMENT

2.1. Organizational Performance

Organizational performance means success in operation to achieve the goals set by the organization,

which requires administrative and management tools as well as implementing the strategies of the organization into practice by using measurement or evaluation as the significant indicator. It is what allows the organization to acknowledge success in operation [4, 5, 6, 7].

Organizational performance is the element used for determining the success of the organization. Academicians in nearly every field have placed attention into the study, analysis, and proposal of ideas, theories, and models of organizational efficiency, though following the distinct ideas of each field. However, it is accepted that organization performance can be used as a guideline for further application since performance is important for organization success. The ideas and policies related to organizational performance have been developed starting from Aguinis [8], stating that organizational performance has effectiveness depending on 4 groups of factors, including: 1) organizational characteristics, 2) environmental characteristics, 3) employee characteristics, and 4) managerial policies and practices.

Aude Deville et al., [5] found relations between the decision making of top executives (as proven by the plan to create motivation) and the operation of the branches of banks (as proven by total sales). The entire operation of the banks will depend on the operational performances of both levels. The first aspect is the competence to avoid the "waste" of resources allocated to the branches by the proven efforts of top executives. The second method is in the evaluation of competence of the top executives in designing and creating the motivation suitable for the branches.

The researcher has studied related researches and literature on the indicators of organizational performance, consisting of 3 indicators:

1. Growth means the growth rate of investment and the expansion of customers. The growth rate of organizations results in financial growth by organizations [9, 10]
2. Customer Relationship means having interaction between the companies and the customers, which helps the marketing to increase total sales and generate profits [11, 12].
3. Brand Image means the images that occur in the minds of consumers by reflecting the attitudes of the brands or the properties of the brands [11, 12].

2.2. Brand Equity

Aaker [13] defined brand equity as the group of assets and liabilities linked to a brand name and symbol by increasing the value of its products and services apart from the real properties of the products and services. Kotler stated that brand equity is the added value of products and services reflecting the thinking methods, feelings, or actions of consumers paying attention to the brands, the same as prices, market shares, and profitability [14. Farquhar defined brand equity as the added value increased to the products and services, which could be divided as follows: 1. Firm-based Brand Equity, 2. Trade-based Brand Equity, and 3. Consumer-based Brand Equity. Aaker [13] proposed 5 elements of Brand Equity, which are used by the researcher as indicators in this research:

1) Brand Name Awareness

That any brand is in the minds of consumers while they are buying particular types of products means that the brand is certainly in the minds of the consumers as having good quality and reliability [15].

2) **Perceived** Quality

Perception is what makes the consumers know the difference and position of such products, and know information or feelings about the brand, which have a direct influence on brand loyalty and the decision to buy.

3) Brand Association

Brand Equity can be created from the images that consumers link to brands in various aspects, such as the properties of products, marketing positions, or even the symbols of the brand, resulting in benefits for the managers of brand equity.

4) Brand Loyalty

It represents the adherence of consumers to a brand because it will reflect whether or not consumers will change to use other products as well as whether or not consumers will repurchase brands.

2.3. Socially-Responsible Marketing

At present, Corporate Social Responsibility (CSR) in society and the nature of Corporate Social Responsibility [16] does not only make companies worried about the best method to respond to the interests of their shareholders, but the benefits of society or the large communities, which must also be considered. Aguilera et al. [17] confirmed that the significance of companies is survival by achieving competitiveness in the economic market. The mechanism of social responsibility will maintain the survival of the companies efficiently, similar to success in competition [18]. Brown and Dacin [19] found that the organizations with social responsibility must enforce the effects on the response to demands of customers who are fair and increase satisfaction for such customers [20]. Hoeffler and Keller [21] stated that the areas with marketing that also have social responsibility must be able to create a link to brands to be strong for the future. Social responsibility has the competence to increase value positively and increase the value of the brand. Jeurissen [22] and

Chahal and Sharma [23] gave the viewpoints that the grouping of concepts on social responsibility has better stakes than the brands. Eventually, there are advantages in competition. Lai et al. [24] showed that social responsibility has positive influences on industrial brands and the operational performance of brands [25, 26, 27, 28, 29].

Meanwhile, Kotler and Lee [30] classified the forms of Social Responsibility Marketing into 6 activities:

1) Cause Promotion means to procure the investment and resources of the organization for expanding acknowledgment and concern for social issues.
2) Cause-Related Marketing means to contribute or donate part of the revenue obtained from selling products to help society.
3) Corporate Social Marketing means to contribute to development or a campaign to change behaviors in public health, safety, and the environment.
4) Corporate Philanthropy means the assistance given to social issues directly in the form of donated funds or other things related to CSR activities.
5) Community Volunteering means to contribute or motivate employees or trading partners to dedicate time and labor to work for the community where the organization is located as well as respond to social issues in which the organization pays attention or has concern.
6) Socially Responsible Business Practices means the operation of business activities, both in prevention by avoiding and the joined assistance to alleviate such social problems with business procedures.

The researcher studied related content and literature on the indicators of Social Responsibility Marketing [25, 31, 32], as follows:

1) 1 Ethics: The organization is compelled to respond to the expectations of stakeholders, and adhere to the customs of society, culture, ethical norms, and morality.
2) 2 Philanthropy: The business organization makes public charity by promoting and encouraging its executives and employees to participate in community activities voluntarily, giving assistance and doing charity work for local communities and organizations, the government sector, the private sector, and academic institutions, as well as promoting projects to increase the quality of life for people in society.
3) 3 Legal: Business organizations have legal responsibilities and to obedience of laws, governmental requirements or public organizations, international law and social norms following the conditions of each society or local regulations.
4) 4 Economics: Business organizations can respond to societal consumer demands, offer fair prices for products to consumers to create satisfaction in investments in the form of reasonable and fair returns, which are given to the employees or workers, enabling all parties to live happily altogether.

After having reviewed related researches and literature, the conceptual framework for the research can be developed, as shown in Figure 1, with the following hypotheses:

Hypothesis 1: Service quality has positive influences on organizational performance.
Hypothesis 2: The creation of brand equity has positive influences on organizational performance.

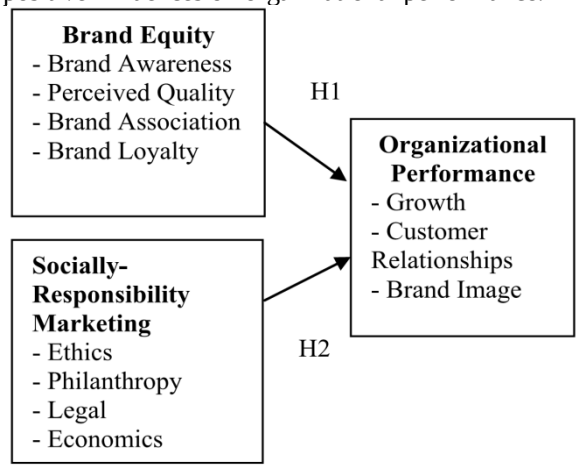

Fig.1. Proposed Conceptual Framework

III. METHODOLOGY

3.1. Questionnaire Design

The researcher generated a measurement tool following the conceptual framework and practical definitions. In creating the measurement tool or questionnaires, a 5-Point Likert Scale is used [33]. The correspondence of the questionnaires and identifying the IOC will be examined by 5 experts. Then, the items with IOC over 0.5 will be selected for use. After that, the revised questionnaires will be used for data collection from the sample group of 30 samples in order to test the scale using the method of internal correspondence with Cronbach's correlational coefficients (α-coefficient). This is for calculating the mean of the obtained correlational coefficients by using the questionnaires indicator with the value of reliability over 0.70, which is considered high reliability. Scale creation and development of questions from the research The researcher has developed the tools obtained from several research sources and generated the tools following the conceptual framework to analyze the Content Validity as follows:

For Organization Performance, the scales of certain academicians are used, including [9, 10, 11, 12]. For Brand Equity, the scales of certain academicians are

used, including [13, 14, 34]. For Socially-Responsible Marketing, the scales of certain academicians are used, including [25, 31, 32].

3.2. Data Collection and Analysis

In the data analysis and statistical hypothesis test, Chi-square-- χ 2 is used for testing the relationships among the 3 independent variables; Socially-Responsible Marketing and Brand Equity influencing the dependent variables; Organization Performance of the operational places in the electrical and electronic industry of Thailand. The applied statistics is a t-test used for testing the difference of mean for 2 groups and one-way ANOVA is used in testing the difference of mean for more than 2 groups consisting of age, educational level, and status of service users. If any hypothesis is denied, H0 will be used in the multiple comparison by applying the LSD (Least Significant Difference -- LSD) method for finding the mean with a significant difference. Therefore, the researcher has collected data for this study from a sample group comprised of executives (top or intermediate) required to have more than 5 years of experience as electrical and electronics operators in Thailand. The sample group was required to follow certain requirements consisting of a total of 341factors. The industrial factors have been selected by creating a Sampling Frame for random classification by the type of operators and using Simple Random Sampling.

RESULT AND DISCUSSION

Brand equity and the socially-responsible marketing were shown to have positive results on the efficiency of organizational performance, correspondent with other studies [13, 31, 32] that confirm that survival by achieving competitiveness requires organizations to create brand equity and socially-responsible marketing, which can help improve operational performance. The creation of brand equity and socially-responsible marketing allow the organization to maintain competitiveness and the development of financial efficiency as well as non-financial efficiency.

CONCLUSIONS

Although the electrical appliances and electronics industry in Thailand is an important industry for Thailand, there are some problems in production not covering all types. Moreover, Thai brands are only moderately accepted. They must be promoted to be able to achieve international acceptance. As the industry needs to find the answers and problem solutions for certain shortcomings, the researcher is interested in studying brand equity and socially responsible marketing, which influence organizational performance in the electrical appliances and electronics industry in Thailand. The goal is to obtain important data for promoting the development of the electrical appliance and electronics industry to be able to elevate the product quality and production to be more efficient and able to respond to market demands, leading to growth and benefits. Organizational performance will lead to competitive advantages and result in sustainable development for the future.

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