



Thai Traders' Competitive Competency and Strategies along the East-West Economic Corridor: The Case of Thai-Lao PDR

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Abstract— *The objective of this research was to study the competitive competency and strategies of Thai border trade businesses along the East-West Economic Corridor, the border trade between Thailand and Lao PDR on the border of Mukdahan Province. The research methods comprised of both qualitative and quantitative research. It was started with compiling qualitative data from various sources and activities prior to operationalizing the qualitative findings. Its qualitative endeavours included archival data investigation, in-depth interview with practically experts of the field, successful border traders, and government officers in charge of border trading activities, and focus group discussion with active border traders from various trading sectors. Then, quantitative research, the field survey method, was conducted by using questionnaire as a tool for collecting data from 37 Thai border traders. Descriptive statistical analysis method was employed for analyzing the surveyed data to validate and confirm its qualitative results. It was found that Thai border trade businesses have developed competitive competencies which then turned into competitive advantages, comprised of five major advantages which are local advantage, marketing management advantage, financial management advantage, strategic management advantage, and personnel management advantage. It can be concluded that there are five important strategies which are product strategy, customer relationship management strategy, service & product quality differentiation, pricing strategy, and cost leadership strategy. Suggestions are thus proposed to improve border trading strategies of Thai border trade businesses.*

Keywords— **Border trade, East-West economic corridor (EWEC), competitive competency, strategies.**

1. INTRODUCTION

As a result of the increasing tendency towards a global economy and the severity of many countries' trade deficit pressures, by many countries specifically developing countries, exporting has received considerable attention over the past decades. Exporting is extremely attractive in the point of view of most national governments, because it allows the accumulation of foreign exchange reserves, enhances societal prosperity, and helps national industries develop and improve productivity [1]. Border trading is one of an exporting form, it is buying and selling that happens across international borders. Though literature provides substantial contribution to our understanding of exporting and border trading impediments, review results show that literature has consistently ignored investigating border trading activities in South East Asian economies, specifically Greater Mekong Sub-region (GMS), a region where border trade has flourished and continued at least for a few centuries based on written record. This paper aims to explore the competitive competency and strategies of Thai traders, the border trade between Thailand and Lao PDR on the border of Mukdahan Province, and the recommendation for traders and authorities to improve Thai trading

system and operations in the future. **East-West Economic** is an economic development program initiated in 1998 by the Ministerial Conference of Greater Mekong Sub-region organized in Manila, the Philippines in order to promote development and integration of four countries, namely: Laos, Burma, Thailand and Vietnam. This corridor became operational in December 12, 2006. The economic corridor is created based on a road of 1,450 kilometres with the west end at port city of Mawlamyine (Myanmar), crossing Kayin Division, Thai provinces of Tak, Sukhothai, Phitsanulok, Phetchabun, Khon Kaen, Kalasin and Mukdahan and Laotian provinces of Savannakhet, Vietnamese provinces of Quang Tri, Thua Thien-Hue Province and Da Nang city as the east end [2].

The East-West Economic Corridor is both a transport system and a framework for cooperation which connects four countries in the GMS. The main objectives of the EWEC are: to further strengthen economic cooperation between and among the four countries; reduce transport costs in the corridor and make the movement of goods and people more efficient; and reduce poverty in the corridor by supporting the development of rural and border areas, increasing earnings of low-income groups, providing employment opportunities, and promoting tourism [3].

The EWEC is the first transportation corridor running the entire width of mainland Southeast Asian. Major components of the East-West Economic Corridor have been completed by 2007 including the second Thai-Lao Friendship Bridge at Mukdahan border checkpoint. Mukdahan is located on the bank of the Mekong River and is a crucial part of the East-West Economic Corridor. The Second Thai-Lao Friendship Bridge was opened to

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traffic in January 2007. It links Mukdahan with Savannakhet province in Laos and serves as part of the road network linking four countries in accordance with the EWEC development initiative. It will also foster economic development, trade, and investment in the region [4]. In 2007, following the opening of the Second Friendship Bridge to traffic, cross border trade between Mukdahan and Savannakhet rose by 100 percent over that of the previous year, and in August 2008 trade amounted rose to 2.26 billion baht, an increase of 19 percent over that of the same period in 2007. Out of this amount, 860 million baht involved Thai exports to Laos, while 1.4 billion baht involved imports from Laos.

The growth rate is likely to continue to increase with more foreign investment, some possible barriers were expected to be found because of an inconsistency of governmental policy of both countries and there are many types of border trading in this subregion, i.e., formal trade, informal trade, transit trade and barter trade [5]. Thus, border traders have had to seek for appropriate strategies as well as competitive competencies themselves to overcome those barriers.

This research has been conducted under the attempts to find out competitive advantages or competencies and strategies of Thai-Laos border traders. It is focused on the impediments pertaining to the border trade activities of trading firms. The findings are presented and discuss in the context of the international marketing literature. The implications are drawn for government, authorities to improve border trading system and procedures and also for traders to improve their trading strategy.

2. LITERATURE REVIEW

International trading competency and strategy has been of considerable interest for the past decade. The strategy literature provides a theoretical foundation for including strategy as a determinant of firms' trading performance.

2.1 The Concept of Strategy

Strategy refers to a plan of action designed to achieve a particular goal. The strategy should reflect the firm's environment and the resource allocation should reflect the strategy [6]. Strategy at a corporate level represents the cumulative direction of the organization given the nature of the industry, the competitive environment and internal factors related to production, finance, marketing and personnel [7]. The determinants of firms' trading performance can be classified into two main groups, internal and external determinants, and strategy is one of the internal determinants. It is comprised of general strategy, product quality, product line, product adaptation, price adaptation, dealer support and promotion adaptation [8].

The researcher who proposed the first model of export marketing was Cateora, who developed a model of international marketing and proposed that an uncontrollable international market environment influenced firms' controllable international marketing strategies [9]. Cateora's (1983) model postulated that international marketing involved creating a marketing mix, which was optimal to the business environment of

each country to which a firm's product was sold. Bilkey (1987) identified the determinants of a successful export marketing mix strategy and found that firms that exercised the best marketing practices experienced roughly 20 percent higher profit than firms that did not [10]. Bilkey (1987) developed his theoretical model by modifying Cateora's (1983) to include organizational short-run uncontrollable factors and controllable export marketing mix strategy and came up with the export marketing mix strategy model.

Bilkey (1987) indicated that a successful export marketing mix was contingent upon contextual factors in such a way that, in order to be successful in exporting, firms had to adjust their export marketing mix to fit their environmental and organizational factors, and that there were not any export marketing strategies that were successful in every context. The legitimacy of the theoretical paradigm underpinning Bilkey's (1987) model is provided by Cavusgil and Zou (1994). They argued that exporting can be conceptualized as a management strategic response to the interplay of internal and external forces [11].

2.2 Components of Export Strategy

Export strategy is comprised market selection, product and product line, pricing, distribution, and promotion [12]. Zou and Stan (1998) revealed that export marketing strategy involves strategic factors such as: 1) general export strategy 2) marketing research utilization, 3) export planning, 4) export organization, 5) product adaptation, 6) product strengths, 7) price adaptation, 8) price competencies, 9) price determination, 10) promotion adaptation, 11) promotion intensity, 12) channel adaptation, 13) channel relationships, and 14) channel types [13]. All variables of border trading strategy of this research were developed by combining grounded knowledge of export strategy and all information from the results emerged from conducting the qualitative research.

2.3 The Concept of Competitive Competency

Competency is a condition of being sufficiently qualified to perform a particular action. To achieve this condition, one must possess the proper knowledge, skills, training, and professionalism. Competencies are those capabilities that are critical to a business achieving competitive advantage. The starting point for analysing competencies is recognising that competition between businesses is as much a race for competence mastery as it is for market position and market power. Management cannot focus on all activities of a business and the competencies required to undertake them. So the goal is for management to focus attention on competencies that really affect competitive advantage [14].

Core competencies are the most significant value creating skills within corporation and key areas of expertise which are distinctive to firm and critical to the firm's long term growth.

A competence which is central to business's operations but which is not exceptional in some way should not be considered as a core competence, as it will not generate a differentiated advantage over rival businesses. It follows

from the concept of core competencies that resources that are standardized or easily available will not enable a business to achieve a competitive advantage over rivals.

2.4 How to Created Competitive Advantages

When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage or competitive competency over its rivals. The goal of much of business strategy is to achieve a sustainable competitive advantage. Michael E. Porter identified two basic types of competitive advantage; cost and differentiation advantage [15]. The details of those competitive advantage are as follows:

- Cost advantage
- Differentiation advantage

A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself.

Cost and differentiation advantages are known as *positional advantages* since they describe the firm's position in the industry as a leader in either cost or differentiation.

2.5 The component of competitive advantage

The component of competitive advantage comprises resources and capabilities, cost and differentiation advantage, and value creation [16]. Details of all components are as follows:

1) Resources and Capabilities

A resource-based view emphasizes that a firm utilizes its resources and capabilities to create a competitive advantage that ultimately results in superior value creation. According to the resource-based view, in order to develop a competitive advantage the firm must have resources and capabilities that are superior to those of its competitors. Without this superiority, the competitors simply could replicate what the firm was doing and any advantage quickly would disappear [17].

Resources are the firm-specific assets useful for creating a cost or differentiation advantage and that few competitors can acquire easily. The following are some examples of such resources:

- Patents and trademarks
- Proprietary know-how
- Installed customer base
- Reputation of the firm
- Brand equity

Capabilities refer to the firm's ability to utilize its resources effectively. An example of a capability is the ability to bring a product to market faster than competitors. Such capabilities are embedded in the routines of the organization and are not easily

documented as procedures and thus are difficult for competitors to replicate.

The firm's resources and capabilities together form its distinctive competencies. These competencies enable innovation, efficiency, quality, and customer responsiveness, all of which can be leveraged to create a cost advantage or a differentiation advantage.

2) Cost Advantage and Differentiation Advantage

Competitive advantage is created by using resources and capabilities to achieve either a lower cost structure or a differentiated product. A firm positions itself in its industry through its choice of low cost or differentiation. This decision is a central component of the firm's competitive strategy [17].

Another important decision is how broad or narrow a market segment to target. Porter formed a matrix using cost advantage, differentiation advantage, and a broad or narrow focus to identify a set of generic strategies that the firm can pursue to create and sustain a competitive advantage.

3) Value Creation

The firm creates value by performing a series of activities that Porter identified as the value chain. In addition to the firm's own value-creating activities, the firm operates in a *value system* of vertical activities including those of upstream suppliers and downstream channel members.

To achieve a competitive advantage, the firm must perform one or more value creating activities in a way that creates more overall value than do competitors. Superior value is created through lower costs or superior benefits to the consumer (differentiation).

3. METHODOLOGY

The research methods comprised of both qualitative and quantitative research. It was started with compiling qualitative data from various sources and activities prior to operationalizing the qualitative findings. Its qualitative endeavours included archival data investigation, in-depth interview with 20 scholarly and practically experts of the field, i.e. academics researching border trade, experienced or successful border traders, and government officers in charge of border trading activities, and focus group discussion with 11 active border traders from various trading sectors.

Then, quantitative research, the field survey method, was conducted by using questionnaire as a data collection tool. The sampling frame for this study consists of representatives from Thai firms who are owner or decision-makers in managerial position and directly involved in their company's Thai-Laos border trading at Mukdahan check point. The sampling frame is based on the traders' database provided by Mukdahan custom office. There were 105 border trading firms in this database. Based on this number, purposive sampling method was used by specifically focusing on only regular trading firms. Owing to the relatively small size of the sampling frame, data were collected by personal interviews in an attempt to enhance the rate of

respondent participation. Sixty firms within the sampling frame were approached and attempts made to solicit responses from each of them. A total of 37 firms consented to supply the necessary information. Descriptive statistical analysis method was employed for analyzing the surveyed data to validate and confirm its qualitative results.

Factor analysis was used to identify the minimal number of dimensions that underlie the observed variables. Results of factor analysis can be presented including factor loadings of items or correlations with the original variables and percentages of variance accounted for by individual factors. In this study, Principal Component Analysis method was used with eigenvalues set to unity. Interpretation is facilitated by rotation in which original factors are redefined using different rotation techniques. Varimax rotation technique was used in this study. The goal is to simplify factors by maximizing the variance of loadings within factors, across variables [18].

The criterion for acceptance is based on eigenvalues greater than 1. Based on factor analysis results, the reliability of each factors was assessed using Cronbach's coefficient alpha. Coefficient alpha was required a minimum of 0.70 [19].

In regard to validity, convergent validity is indicated by high correlations with other items measuring the same construct. Discriminant validity is indicated by lower correlations with items measuring other constructs. For this study, loadings of 0.40 or greater were desired for the primary factor to which an item belongs.

4. RESULTS

The key research results are as follows:

4.1 *Competitive Competency of Thai Border Trade Businesses*

The research result shows that on a four-year average, Thailand's export products to Laos were in the top five most important export categories including consumer goods, fuel, electrical appliances and equipments, walking tractors and equipments, and iron and steel pipes. These products accounted for 60% of average total annual exports. Another potential export product was tonic beverages and monosodium glutamate. However, the competition has become intense with increasing number of competitors, resulting in a decline in profit. The major trade competitors are China, Vietnam, Singapore, Japan, Germany, France, etc.

The competitive competencies of Thai border trade businesses have developed and implemented, which then turned into their competitive advantages, comprised of 19 general aspects and by using factor analysis, they could be grouped into 5 major advantages; local advantage, marketing advantage, financial management advantage, strategic management advantage and human resources management advantage (See Table 1). From table 1, most factor loadings show an acceptable value of more than 0.40. Most items loaded on one factor alone, thus providing evidence of convergent and discriminant validity. Internal consistency was established by

calculating Cronbach's alpha for each factor. Results show that Cronbach's alpha meets the requirement of higher than 0.7. The details of each advantage are shown as follows:

1) *Local Advantage*

The competitive competency of being local comprises the ability to understand Laos trading practices and long experience in border trade business. Additionally, most of traders live in Mukdahan area, being accustomed to the border trade for many years and understanding trade practices and behavior of Laos traders. Such advantage generates business stability while fluent communication in Laos and Chinese facilitates successful negotiation, and assists in market and clients' credit history research and follow-up process. The individual data from the Thai-Laos border trade reveals that 83% of traders were able to speak and understand Laos language, resulting in the understanding of Laos culture, and good rapport with Laos, Vietnam and Thai authorities which are the key competitive advantages of the border trade.

2) *Marketing Management Advantage*

The research indicates that Thai-Laos border trade businesses were competent in being a middleman and implementing marketing strategy as they searched for market data of trading counterparts and implemented systematic marketing plans.

3) *Financial Management Advantage*

Financial management and accounting has become a strong advantage. The internal audit process is effective while source of fund is sufficient resulting in readiness in trade receivable management.

4) *Strategic Management Advantage*

The strategic management competency involves defining clear border trade policy, defining responsible party with well quality control system and sufficient resources i.e. human resources, equipment and research & development resources.

5) *Human Resources Advantage*

The border traders are well-equipped with qualified manpower who are able to manage small number of purchasing orders with effectiveness and timeliness.

Table 1 : Extracted Factors and Factor Loadings Related to Competitive Advantages

Factor and Items Loaded on Each Factor	Mean	S.D.	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Factor 1 : Local Advantage							
1. Experiences in the border trade business (no. of years in the business)	4.95	1.10	0.795				
2. Understands culture of a neighboring country	4.92	0.95	0.755				
3. Is able to speak and understand the language of a neighboring country	5.03	1.21	0.743				
4. Understand trading practices in a neighboring country	4.86	1.03	0.731				
5. Has good rapport with Thai authorities	4.57	1.34	0.639	0.600			
6. Has good rapport with Laotian & Vietnamese authorities	4.51	1.41	0.627	0.429			
Factor 2 : Marketing Management Advantage							
7. Has clear product position in a neighboring country	4.49	1.12		0.865			
8. Searches for knowledge or marketing information of a neighboring country	4.73	1.07		0.720			
9. Systematically plans for the border trade business	4.49	1.22		0.710			
10. Communicates with clients and has effective export network	4.76	1.19	0.360	0.575			
11. Is a monopolist seller to Laos	4.03	1.40	0.343	0.556			
Factor 3 : Financial Management Advantage							
12. Has sufficient cash flow for credit trading	4.76	1.12				0.803	
13. Has well checking and internal controlling system	4.59	1.19			0.458	0.656	
Factor 4 : Strategic Management Advantage							
14. Has good quality control	4.59	1.17			0.854		
15. Has clear policy of the trade border business	4.65	1.11	0.302	0.736			
16. Has sufficient resources i.e. equipment, R&D	4.35	1.30		0.725			
17. Has strong responsible units	4.30	1.31		0.566			
Factor 5 : Human Resource Management							
18. Is able to manage small number of purchasing orders with effectiveness and timeliness	4.68	1.23					0.931
19. Has qualified human resources	4.51	1.17					0.878
Eigenvalue			8.73	2.08	1.73	1.24	1.08
Percentage of variance			45.98	10.96	9.12	6.50	5.60
Cumulative variance explained			45.98	56.94	66.06	72.56	78.16
Cronbach's Alpha			0.818	0.811	0.844	0.776	0.855
Remarks: Interpretation of Mean							
	1.00-1.83 is		3.51-4.33 is		rather a strength		
	1.84-2.67 is		a weakness		4.34-5.17 is		a strength
	2.68-3.50 is		rather a weakness		5.18-6.00 is		highly a strength

4.2 Thai Border Trade Business's Strategies

The important strategies which traders have adopted and implemented for the border trading include 13 general strategies. By using factor analysis, all 13 strategies could be grouped into 5 business strategies (See Table 2). From table 2, most factor loadings show an acceptable value of more than 0.40. Most items loaded on one factor alone, thus providing evidence of convergent and discriminant validity. Internal consistency was established by calculating Cronbach's alpha for each factor. Results show that Cronbach's alpha meets the requirement of higher than 0.7. The details of each strategy are shown as follows:

- 1) Product Strategy** is to consistently retain brand image of the product and service and to focus on product quality instead of cutting prices.
- 2) Relationship Management Strategy**, with Laos traders, is to continuously maintain close relationship with partners and provide services based on trust and loyalty, as payment is occasionally made in cash.
- 3) Service Quality & Product Differentiation Strategy** is to respond to customers' needs in every aspect.
- 4) Pricing Strategy** is to allow credit trading with trusted partners and the adjustment of price to reflect the current competition condition.
- 5) Cost competitiveness strategy** becomes practical as most consumers have low income. A number of competitors are from China and Vietnam who compete with cost advantage by offering lower price with fine quality. Besides, the shipping service is used as distribution channel to save time and cost while inventory management is based on just in time basis to control cost effectively.

All five-group strategies resulted in successful border trade business which is well-equipped with ability to create satisfaction to clients or trading partners, ability to build relationship and develop trading network in Laos

and Vietnam and ability to build loyalty in customers or trading partners.

Table 2 : Extracted Factors and Factor Loadings Related to Business Strategies

Factor and Items Loaded on Each Factor	Mean	S.D.	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Factor 1 : Product Strategy							
1. Frequently retains product image and service	5.27	1.04	0.767				
2. Focuses on product quality rather than price cutting	5.05	1.08	0.469	0.401			
Factor 2 : Relationship Management Strategy							
3. Frequently builds good relationship with trading partners	5.53	0.91		0.905			
4. Frequently retains client base in the border region	5.45	0.95		0.903			
5. Has honesty with trading partners	5.30	0.94		0.857	0.350		
6. Frequently retains trust with trading partners	5.27	0.93		0.806	0.363		
7. Responds to clients needs in every aspect	5.24	1.04		0.758	0.383		
Factor 3 : Service Quality & Product Differentiation Strategy							
8. Focuses on service quality with trading partners	5.24	1.06	0.379			0.746	
9. Focuses on differentiation of product and services	5.00	1.03				0.703	
Factor 4 : Pricing Strategy							
10. Frequently adjusts price to reflect current economic condition	4.35	1.49					0.908
11. Provides credit terms to trusted trading partners only	5.05	1.00					0.808
12. Allows early payment in cash for new trading partners	4.84	1.21					0.661
Factor 5 : Cost competitiveness strategy and efficiency							
13. Use shipping service due to convenience	4.84	1.14					0.856
Percentage of variance			47.06	12.80	8.08	6.40	5.42
Cumulative variance explained			47.06	59.86	67.94	74.34	79.76
Cronbach's Alpha			0.846	0.817	0.866	0.796	0.843
Remarks: Interpretation of Mean							
	1.00-1.83 is		3.51-4.33 is		rather important		quite important
	1.84-2.67 is		a weakness		4.34-5.17 is		very important
	2.68-3.50 is		rather a weakness		5.18-6.00 is		most important

5. DISCUSSION AND RECOMMENDATIONS

The research finding of competitive competency is very interesting in the sense that it shows of current operations of Thai border trade businesses can benefit as possible from mega development project like EWEC.

Thai border trade businesses have strong competitiveness with efficient business functional advantages especially in marketing and finance as well as personnel activities together with local advantage. Regarding to local advantage, the finding shows a key strength in business practice is reliance on personal and business relationships and networks which it is consistent with the results found in the past research [20]. Thai border trade businesses are also competent in not only negotiating and dealing with neighboring customers, but also in managing and understanding neighboring authorities. Thai border trade businesses have learned to maintain a very high level of product quality. This competency is clearly a criteria one in developing successful marketing advantage that can be differentiated from other foreign competitors.

However, there are some aspects of competitive competency have to be improved: be monopolist seller in Laos; has strong units to responsible for all business function; and sufficient resources i.e. equipment, R&D. These results imply that Thai border trade businesses are going to gain much more from EWEC if they can strengthen themselves in all aspects.

With regard to strategies, the findings show that there are many strategies involving this border trade market. The marketing strategy is very important and received much attention from Thai trade businesses to employ for successful competition in this border market. A successful marketing mix is a way that firms adjust their marketing mix to fit changing environmental and organizational factors [21]. It also integrates marketing activities by identifying clear customers, marketing research utilization, marketing planning, marketing organization, product, price, promotion, and distribution which are consistent with the results found in the past research [22].

Moreover the findings show that maintaining good relationship, honesty and trust with trading partners are the most important strategies for business implementation which are consistent with the results

found in the past research [23]. Thus, it can suggest that establishing a strategic business unit to responsible for monitoring and managing relationship with trading partners might appropriate for business sustainability. This special's strategic business unit's task will cover knowledge creation, and dissemination, and development of border trading relationship marketing concerns. Responds to clients need in every aspect is also the most important strategies of Thai border trade businesses which is the key attribute called adaptiveness of particular importance global strategy [24]. However, all usable strategies are needed to improve and appropriated trading activities should be provided for business sustainability. Furthermore, for firm wishing to directly compete for market share in border trade market along EWEC, the development of respectable integrated strategy is potentially the most critical challenge, the heterogeneous of market demands leading to the conclusion that Thai-Laos border trade cannot be cultivated with a single strategy.

The border trade strategy leading to sustainable development of trade and investment cooperation between countries in the Mekong Sub Region should be under the philosophy of free trade and fair trade framework. The lack of one will cease a success in trade, since free trade is the condition of the removal of trade obstacles, resulting in sustainable trade (Necessary but insufficient condition for trade). In addition, the condition of fair trade, which is a condition of the allocation of commercial benefits that are mutually beneficial for partners, has originated to prevent exploitation of benefit for one's own interest. This can be enhanced through the adjustment in attitudes of those involved with trade and seeking for factors or the cause of inequity in the trade among partners. There should be studies to determine the types of products in order to increase imports to reduce the trading gap. Therefore, strategic adjustment of local administration together with international cooperation are needed, especially in potential economic activities as agriculture, trading, and tourism, if Thai and Laos were to benefit from EWEC [25].

In order to eliminate obstacles and develop the border trade system, government, customs, Ministry of Foreign Affairs and the Provincial Government should be highly involved in maintaining the continuity of the policy to support the border trade which should become a national agenda. Moreover, the structural problems among different sectors such as a development of labor and business productivity should be solved. Additionally, Ministry of Foreign Affairs plays an important role not only in maintaining good relations between countries, but also in border commercial. Meanwhile, customs and Provincial agency should support necessary trade infrastructure, and trade regulations.

6. CONCLUSION

This paper finds that there are 5 groups of competitive competency of Thai border trade businesses trade at Border of Mukdahan province: 1) Local advantage is the strongest competitive competency since they could

understand Lao PDR traditional trade system as well as Lao traders' behavior very well. Moreover ability in communication by using Lao language and Chinese in business negotiation and seeking market information; 2) Marketing management advantage, found that Thai border trade businesses on Thai-Lao PDR border of Mukdahan Province have capability in finding marketing information from neighbor countries as well as systematic planning on trading; 3) Financial management advantage, found that Thai border trade businesses have a good monitoring and internal control system as well as sufficient financial sources of credit management; 4) Strategic management advantage, consist of clear specifying business policy, having strategic business units which cover all trading functions, and excellent quality control system; and 5) Personnel management advantage, found that Thai border trade businesses have a good quality of human resources.

Regarding to the business strategies of Thai traders, the results show that there are five important strategies: 1) Product strategy, by continuously keeping good image and quality of products and services; 2) Customer relationship management strategy, by creating close relationship with Laotian entrepreneurs and doing business with sincere and trust; 3) Focusing on service & product quality differentiation by attempting to satisfy customers' needs in all areas; 4) Pricing strategy, by giving credits to reliable trading partners, and price adjustment to competitive situation; and 5) Cost leadership strategy, to gain a competitive advantage from China and Vietnam for consumer products which offer to low income and brand disloyalty segment, by offering low price with good quality.

Considering border trading competitive competencies and strategies collectively, some interesting issues are emerged. It might be able to say that Thai border trade businesses are not absolutely successful in performing their operations since they are lack of efficient strategies in supporting their trade, they do not operate well, and they do not reshuffle all business relates in time. Business sectors of the two trading countries are not quite good in term of their way of running border trading activities. Active national and local administration improvement of their roles and professional manners of Thai border traders are going to prosper sustainably as a part of trading along EWEC.

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