

Chapter V

Conclusions and Suggestions for Further Study

After the analysis in previous chapter, there are many conclusions and suggestion to make in this chapter.

Starting with the conclusions of competitive advantage in silk cloth production in the model village, then there are discussions of these findings.

Next, the topic about implications of findings, are the recommended strategies both for silk cloth producers and the government to keep on developing and marketing OTOP products.

Then, topic is about limitations of study and suggestions for further study. Finally, there is the summary for this chapter and thesis.

5.1 Conclusions of Competitive Advantage in Silk Cloth Production in the Model Village

Cluster performance analysis will show the existence or absence of the internal cluster relationship, within Noanjig weaving group, and/or the external cluster relationship, with some concerned organizations, in each steps of silk weaving processes and the related activities. These analysis results are concentrated in 3 main categories.

Strong Cluster Performance, the existence in both internal and external relationship, will be the representative for Strength factor. These silk weaving processes/related activities consist of Dyeing:Natural, Preparing Warp Thread, Preparing Weft Thread, Weaving by Technigues and Managing the Noanjig Silk Weaving group by the leader.

Medium Cluster Performance is the existence or absence in either internal or external relationship. These silk weaving processes/related activities consists of Reeling-off silk yarn or buying raw silk yarn, Degumming, and Spinning.

Weak Cluster Performance, the absence in both internal and external relationship, will be the representative for Weakness factor. These silk weaving processes/related activities consist of Mulberries planting and silk worm growing, and Strong relationship with financial institution.

Then, the analysis results in the model village confirm the linkage exists and prove the hypothesis model. From Diamond's Model, Factor Conditions and Demand Conditions determinants provide the Strengths factors to become the internal environment/factors for the SWOT analysis. Then Opportunity, most created by government, provides the external environment/factors to complete the SWOT analysis. Then, these results are deployed in the process of Goal Formulation to further formulate the strategy, Differentiation Strategy, which is compatible to the National OTOP framework. There are explanations for these relationships.

First, foreign customers who have a chance to see silk products are interested to buy new, applied and better quality products combine with Opportunity factor about Promoting OTOP Brand name by government through the differentiation strategy of local product with export potential should be promoted by OTOP brand will become the first National OTOP framework of Exportable product with Brand Equity.

Second, weavers are now able to develop their skills in every aspect in silk production to improve production capability combine with Opportunity factor about Standards in silk products have been started to set up. Labels of Native Thai Silk or Thai Silk 100% will be increasingly guaranteed by related government organizations through the differentiation strategy of Higher quality and standard will become the second National OTOP framework of Continuous production process & Consistent Quality.

Third, some weavers who can improve their skills can make new type of silk weaving and new kind of silk designs and some traditional designs have been developed and applied by educational institutes and designers combine with Opportunity factor about government has promoted and supported SMEs such as OTOP scheme. There are plenty of opportunity to do business by SMEs for example privilege by SMEs bank, business consultant by related government organization and OTOP

trade fairs that often occur at Impact Arena and information gathered from customers for products improvement through the differentiation strategy of Products meet Customers' needs will become the third National OTOP framework of Product Standardization with Quality and Customer Satisfaction.

Finally, raw material used in silk production system is acquired from local area for example, Golden yarn silk combine with Opportunity factor about hand-made and natural-dyed silk cloths are still the potential market and customers who need something different from mass product will be interested in unique products through the differentiation strategy of Product with story behind will become the fourth National OTOP framework of Story of Product.

These will be the guidelines for other village which need to improve their local products.

5.2 Discussions of findings

The findings in cluster performance analysis can be further discussed in more details.

The results from strong cluster performance analysis can be explained for the strong processes in silk weaving systems which can become the core activities for the model village to develop around them.

Next results from medium cluster performance analysis can be explained for the mediocre processes in silk weaving systems which can develop to become the core activities for the model village or can deteriorate the silk weaving system.

The final results from weak cluster performance analysis can be explained for the weakness processes in silk weaving systems which can deteriorate the silk weaving system in the model village.

Then, there are the results from the verification through hypothesis model about the linkage of Diamond Theory and SWOT Analysis to National OTOP products framework. These results prove that the hypothesis model represent those linkages. Anyway, the factors used in the explanations of the linkages are not the whole scenarios

of the competitiveness of silk weaving process in the model village, the factors which are not used in that hypothesis model explanation, for example, weakness and threats factors described in SWOT Analysis, can be deployed later in this chapter in the topic about Limitations of Study and Suggestions for Further Study.

5.3 Implications of the findings

Those findings can be applied in many channels. First, the presences of internal cluster performance are more obvious and explicit than external cluster performance. The model village should continuously encourage and develop the relationship with suppliers, customers and the network villages.

For silk cloth producers, the recommended strategy for "Supply Side" is "Differentiation" strategy for making products. Producers have to develop their product continuously to improve product quality and standard and also improve product design to become unique products makers. This strategy will make producers surviving in harsh competitions in global market.

For government, the first important issue is a financial support for local producers through some official banks or government financial organizations. This is the major help that government can support the potential producers with exportable products.

Then, the appropriate strategy to OTOP products is to continue and marketing product by strengthening and improving the image of OTOP products to worldwide customers. This "Demand Side" strategy will improve the price and quality of OTOP products for the benefit both for customers and producers.

From Kotler, Jatusripitak, Maesincee, *The Marketing of Nations*, 1997. P.257-8, they said that government trade promotion and assistance play an increasingly important role in today's growing international competition. There are two broad categories of approach used by governments to promote exports—direct and indirect programs. The direct programs concentrate on the demand side, while the indirect

programs focus on the supply side. These two approaches are not mutually exclusive. Indeed, they are highly complementary and interactive.

To ensure that a nation's export promotion strategies are effective, two linkages should be taken into consideration: the linkage between export promotion and import penetration; and the linkage between export diversification and specialization. The former deals with short-term export efficiency, while the latter deals with long-term export effectiveness.

5.4 Limitations of Study and Suggestions for Further Study

This thesis uses 2 main theories, Diamond Model and SWOT Analysis, as the hypothesis model. Some future researches may try to use either theory to solve their hypothesis. The related economic model, for example, Learning Curve, can be considered by future researcher.

This thesis uses the methodology of descriptive explanation, there is no major economics equations and variables. The consideration of using different methodology is the other option.

The scope of this thesis is concentrated in Noanjig village, Surin province. There are silk weaving industries and experts in different techniques in every regions in Thailand which should be researched.

The scope of this thesis is concentrated in silk weaving industries. The other type of handicraft industries such as silver ware and wood carving are also interesting area for studying.

5.5 Summary

Local products in Thailand have majors problems about how to effectively penetrate the domestic and global markets.

This thesis try to conceptualize the idea that "Demand Side" force from customers is the compliment to "Supply Side" from producers to make a good product for selling in global markets, by using OTOP products framework as a mediating factor.

The model village, Noanjig village in Surin province is the case study to prove this concept.

The research's critical point is that there is linkage between the Supply Side, the Demand Side and the OTOP products framework proposing by the hypothesis model.

The analysis results in the model village confirm the linkage exists and prove the main concept. Cluster performance analysis provides strength and weakness factors for SWOT Analysis. Then, from Diamond's Model, Factor Conditions and Demand Conditions determinants provide the Strengths factors to become the internal environment/factors for the SWOT analysis. Then Opportunity, most created by government, provides the external environment/factors to complete the SWOT analysis. Next, these results are deployed in the process of Goal Formulation to further formulate the strategy, Differentiation Strategy, which is compatible to the National OTOP framework. Lastly the analysis results, Different Strategy and OTOP products framework.

The conclusion of this thesis also points out the important facts that although The National OTOP framework is the answer for local products to become exportable, the producers should develop their product quality and design to compete in global levels and government has to continue to support marketing sections and financial assistant.