

Article

Craft Product Export Promotion Competitiveness: The Mediating Effect between Niche Differentiation Strategy and Export Performance

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Abstract: Export competitiveness is an important factor for national development and economic growth. The craft product market is one of the commodities with high growing value. Thus, many craft product companies are encouraged to export their products to foreign markets. This study aims to examine the strategies and competitiveness of exporting craft products. The sample of 400 respondents who completed the questionnaires represents people working in craft product export companies using marine transport in Thailand. The data analysis was conducted using structural equation modelling (SEM). The findings show that the niche differentiation strategy of craft products positively relates to export promotion competitiveness. Moreover, a niche differentiation strategy positively affects export performance. The results indicate that export promotion competitiveness partially mediates the relationship between niche differentiation strategy and export performance. This study contributes to the craft product export business using marine transport and helps the companies to improve their competitiveness and export performance.



Citation: Traiyarach, S.; Banjongprasert, J. Craft Product Export Promotion Competitiveness: The Mediating Effect between Niche Differentiation Strategy and Export Performance. *J. Mar. Sci. Eng.* **2022**, *10*, 999. <https://doi.org/10.3390/jmse10070999>

Academic Editors: Tomoya Kawasaki, Yui-yip Lau and Dong-Sheng Jeng

Received: 1 June 2022

Accepted: 16 July 2022

Published: 21 July 2022

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Keywords: export competitiveness; niche differentiation strategy; export performance; marine transportation; craft product

1. Introduction

Craft products are important for many countries' economies and have been promoted to access the international market [1]. For example, craft products based on functional and cultural importance in the Eastern Cape Province of South Africa have promoted trade development [2]. In addition, small craft producers in South Africa use marketing strategies to promote trades [3]. Craft products in Thailand are well known and important to the Thai economy, can create jobs and career development for people in villages and develop local competency [4]. The craft product industry in Thailand is ranked in the top ten among developing economies [5,6]. The craft product category is valued at THB 30.83 billion (approximately USD 78 million). Well-known Thai craft products include clothes, jewelry, dressing accessories, and leathers. However, the Thai craft product industry encounters many crucial issues, including market knowledge, technology development for local companies, investment ability, product design, development, and an appropriate business strategy. Thus, various studies have attempted to identify factors and strategies to improve the craft product industry. For example, Krasae-in [7] studied consumers' ideas to improve product development for a handicraft business in Thailand. Meanwhile, Kawkamsue and Kritsanaphan [8] looked at crafting latex-coated fabrics with local materials in southern Thailand in order to find new ways to create added value. Another example is the study carried out by Suntrayuth [9] related to creative craft product design and development. However, this study focused only on an appropriate strategy for craft product export companies to improve export performance. The study emphasized domestic companies but did not take into account international companies.

The term “business strategy” is well known for increasing business competitiveness. Porter [10] classified business strategy into three main categories: product differentiation, cost leadership, and focus or niche market. Product differentiation aims to create product uniqueness and be specified or customized for the target market. Wang [11] revealed that product differentiation could link business economics, environmental, and social sustainability issues. Meanwhile, cost leadership provides the benefits of having a low cost of production, which can lead to low prices or a competitive product effort for the customers and gain business performance and profitability [12]. The last type of business strategy is focus or niche strategy, which refers to the use of specified needs from the customers as the main consideration to provide product satisfaction [13,14]. The niche strategy can apply with cost competitiveness and differentiation to become a low-cost niche and niche differentiation strategy [10]. Cannatelli et al. [14] describe how companies pursue niche strategies using brand management. For example, good communication with internal and external customers can link to product quality and company performance. In order to create an appropriate niche differentiation strategy, Maulina [15] suggests that a SWOT analysis should be used when developing a strategy. In addition, Chang [16,17] suggests making improvements in traditional and innovative craft products in Taiwan to gain business competitiveness.

Much research has studied export competitiveness, especially export promotion competitiveness. Geldres-Weiss [18] revealed the effect of export promotion programs (EPPs) on Chilean companies’ export activity during trade shows and trade missions. Freixanet and Churakova [19] studied the impact of export promotion programs on companies’ export competencies and performance in a transition economy in Russia. The author found that awareness, use, the perception of usefulness, and different intermediate export marketing play a significant role in companies’ export competencies and performance. Herewith, export promotion refers to the way to foster the potential to export products to other countries [20]. Export promotion can be government and related agencies’ information provision, accessible investment budget and interest for small enterprises, marketing consultancy, law, and policies [17–22]. Competitive export promotion leads to successful business performance from financial and non-financial perspectives, such as market reputation, profitability, customer satisfaction, and internal business improvement [19,22]. However, the existing literature shows limited studies on the competitiveness of export promotion of craft products which link significantly to establish exporting business success.

For the export of products, one of the important transport modes is marine transport. Marine transport is widely explored in the literature, and many articles on a variety of maritime transport-related issues have been published in recent decades [23]. Marine transport encompasses a vast array of operations and, in conjunction with port activities and logistic hubs, has a significant influence on the growth of the maritime industry and commerce. Hence, it fosters economic expansion and job creation [24]. In Malaysia, the marine industry contributes significantly to the local economy, accounting for 40% of GDP. The industry also facilitates other sectors, such as transportation, tourism, shipbuilding and ship repair, and port services [25]. At the same time, most of New Zealand’s exporters export their products via maritime transport, accounting for 99.5% of the country’s total export volume [26]. It is known that the marine transport mode is vital for Thailand since more than 2800 km of coastline can be found in Thailand. On each side of the country lie bodies of water, including the Gulf of Thailand, a part of the South China Sea, and the Andaman Sea, a part of the Indian Ocean [27].

In creating service quality in maritime transport, Thai [28] revealed six-dimensional constructs comprised of resources, outcomes, process, management, image, and social responsibility (ROPMIS). In addition, the criteria pertaining to the results and processes of service delivery and management aspects are centered on customer satisfaction, which obtained high rankings. Process and management-related issues comprise the core of all quality management systems (i.e., the human element). Agatić and Kolanović [29] stated that maritime transport’s service quality includes reliability, adaptability, security,

infrastructure, superstructure based on digital technology, and digital talents. Digital technologies used in different parts of seaport operations include logistics infrastructure, freight handling, intermodal transportation, customs clearance, data collection, transport safety and security, energy concerns, and environmental issues. There are many digital technologies that seaports can use. Companies will choose such technologies based on their operations and goals.

As maritime transport is the most important and most used mode of transport compared to other modes of transport, as well as having low transportation costs and the ability to transport large quantities of goods at a time, most craft products are transported by sea [30]. Gu and Gu [31] suggested that the convenience of maritime transportation was the favorable factor for the expansion of the export of handicraft products. Craft products exported through maritime transport can include both expensive things such as silk and cheaper ones [32,33]. Craft products to be transported have to be packed in containers and the containers are loaded onto a container ship which is specially designed, according to Haralambides [34]. Successful handicraft exportation via maritime transportation requires the involvement of many associations such as banking institutions and shipping agencies in the exporting country [35].

Consequently, this research analyzes the impact of niche differentiation strategy on export competitiveness, which is export promotion competitiveness. The study also examines the influences of niche differentiation strategy on export performance. Additionally, this study investigates the effect of export promotion on the relation between niche differentiation strategy and export performance. The findings of this study contribute to the craft product export business using marine transport and help companies improve their export performance. The paper is structured as follows: the introduction section describes the research background and research objectives; Section 2 presents the material and research methods, while Section 3 provides analysis results and discussion. The last section presents the conclusion, research contribution, and suggestions for future research.

2. Materials and Methods

2.1. Research Materials

2.1.1. Niche Differentiation Strategy and Export Promotion Competitiveness

Eddleston [13] defined the niche strategy as the use of specified needs from the customers as the main consideration to provide product satisfaction. Other researchers also define niche differentiation strategy as the way to customize products for the specific needs of both domestic and international markets where there are few competitors. In addition, it emphasizes product personalization and specialization [31–40]. This can be applied to create differentiation as well as to help understand the competitive situation faced by today's organizations [10]. Niche differentiation has a significant impact on export promotion competitiveness, encouraging the exporters to have unique and specialized goods. When firms have unique and desirable craft products responding to the customer's needs, they will receive more competitive export promotion programs such as the opportunity to access government subsidies, financial support, market information support, and others, compared to the other competitors. Supportively, the study from Maina and Kagiri [41] demonstrates that product differentiation strategies can influence business competitiveness; meanwhile, Safrianti et al. [42] illustrate that differentiation strategy for product innovation can influence competitiveness in the global market. In addition, accordingly, the hypothesis can be developed as follows:

Hypothesis 1 (H1): *Niche differentiation strategy has a positive impact on export promotion effectiveness.*

2.1.2. Export Promotion Competitiveness and Export Performance

Export promotion competitiveness refers to the way to foster the potential to export products to other countries [19]. It can encompass government and related agencies' information provision, accessible investment budget and interest for small enterprises,

marketing consultancy, and law and policies [18–22]. Geldres-Weiss and Monreal-Perez [18] studied the influence that export promotion programs have had on trade fairs, and trade missions connected to export activities for Chilean companies and revealed the effect of export promotion programs on Chilean firms' export activity at trade shows and trade missions. Competitive export promotion can influence export performance, including market reputation, profitability, customer satisfaction, and internal business improvement. Malca et al. [22] studied export promotion programs as export performance catalysts for SMEs (small and medium enterprises) in the emerging economy. They found that the government supported the promotion program, including trade mobility-, information-, education-, and training-related programs, which can provide the resources for SMEs oriented towards export activity and current export performance. In reference to Malca et al. [22], it is necessary for a subsequent study to evaluate the efficiency and design of export promotion programs, taking into account the resources at the disposal of SMEs and the internationalization theories of the firm. This will increase the impact that export promotion programs have on SMEs' international development and export performance. Accordingly, the hypothesis can be developed as follows:

Hypothesis 2 (H2): *Export promotion competitiveness positively impacts export performance.*

2.1.3. Niche Differentiation Strategy and Export Performance

Based on a literature review related to niche differentiation strategy, Eddleston et al. [13] defined that the niche differentiation strategy focuses on the customers' needs to create their satisfaction. Solberg and Durrieu [38], Vorhies et al. [40], and Yarbrough et al. [40] explain that niche differentiation strategy is the way to customize products for the specific needs of the foreign market, to focus on a specific target market with few competitors and a particular type of customer or geographic area. Cannatelli et al. [14] stated that firms pursuing niche strategies could link product quality and performance. Indeed, Geldres-Weiss and Monreal-Perez [18] studied the export performance of Chilean companies and revealed that export performance could be measured by market reputation, profitability, customer satisfaction, and internal business improvement. Freixanet and Churakova [19] measured export performance using various intermediate and ultimate export marketing outcomes and performance metrics, such as awareness, usage, and the sense of usefulness. Accordingly, the hypothesis can be developed as follows:

Hypothesis 3 (H3): *Niche differentiation strategy has a positive impact on export performance.*

2.1.4. Niche Differentiation Strategy, Export Promotion Competitiveness and Export Performance

According to the literature review on export promotion competitiveness and export performance, it should be mentioned that niche differentiation strategy plays an important role in creating export promotion competitiveness and export performance. Porter [10] pointed out that a niche differentiation strategy links to creating organizational competitiveness and helping to understand the competitive situation organizations face. Freixanet and Churakova [19] applied export promotion using information acquisition, export consultancy, and export investment support to create export promotion competitiveness and competency, which links to export performance. Furthermore, Cannatelli et al. [14,15] suggest that firms implementing niche strategies can improve product quality and firm performance. Accordingly, the hypothesis can be developed as follows:

Hypothesis 4 (H4): *Export promotion competitiveness mediates the relationship between niche differentiation strategy and export performance. All purposed hypotheses are shown in Figure 1.*

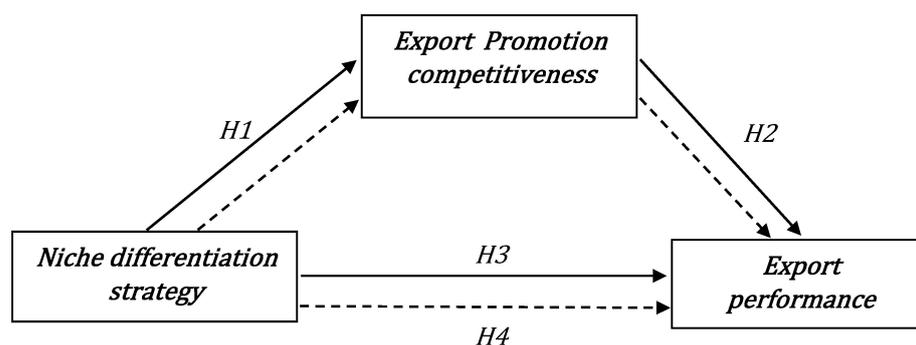


Figure 1. Hypothesis framework.

2.2. Research Methods

In response to the study objectives, the study adopts a quantitative approach. The population in this study were craft product companies using marine transport, but the numbers of the population are unknown. Therefore, the study samples were drawn using Cochran’s method [43]. Consequently, 400 employees from 46 craft product companies exporting using marine transport were selected at a confidence level of 95%. The research tool was a questionnaire survey. Prior to data collection, a systematic item-objective congruence (IOC) with five experts from marketing and international business was used to indicate content validity; Cronbach’s alpha drawn from 50 sets of the pre-test was also employed to test the item reliability. The analysis indicated that the IOC was equal to 0.942, and Cronbach’s alpha for niche differentiation strategy, export promotion competitiveness and export performance was 0.964, signifying that the research instrument, based on Hair et al. [44], was appropriate.

In terms of the measures used in this study, there were three main constructs: niche differentiation strategy, export promotion competitiveness, and export performance covering financial and market performance. For niche differentiation strategy, the items adopted from Ibrahim [36], Dalgic and Leeuw [37], Solberg and Durrieu [38], Vorhies et al. [39], and Yarbrough et al. [40] involved product customization, differentiation, specialization, high quality, and market specification. The measure of export promotion competitiveness adopted from Freixanet [45] consisted of direct promotion, consultancy, investment support, information acquisition, and entrepreneurs with an international orientation. The measure of export performance comprising financial and market performance was derived from Solberg and Durrieu [38], focusing on profitability, sales volume, operation growth, market share increase, export opportunity, export awareness, and strategic market position. The items used in the questionnaires can be seen in the Table 1.

The questionnaire with 7 scales was used to collect data from 400 employees working in 46 exporting craft product companies by employing the purposive sampling method. Cronbach’s alpha with 0.967 indicates the data reliability. Confirmatory factor analysis (CFA) was used to assess the model fitness and convergent and discriminant validity, as shown by factor loading (FL), composite reliability (CR), average variance extracted (AVE), correlation matrix, and the square root of AVE. It was predicted that the examined model gives satisfactory goodness-of-fit indices. However, when the model was determined to be unfit, it was permitted to be altered using modification indices [49]. For hypothesis testing, structural equation modeling (SEM) with bootstrapping technique was employed. After the results of the study were drawn together, the findings were explained and discussed.

Table 1. The items used in the questionnaires.

Items	Adopted From
STRN1: Our company customizes products for the specific needs of foreign markets.	
STRN2: Our company focuses on a specific target market where there are few competitors.	
STRN3: Our company focuses on a particular type of customer or geographic area	[36,38–40]
STRN4: Our company develops specific craft markets.	
STRN5: Our company’s products are so specialized.	
STRN6: Our company differentiates our products from our competitors.	
STRN7: Our company maintains a high-quality standard for our crafts.	
STRN8: Our company maintains the high quality of our craft skills.	
EXCP1: Our firm gets direct promotion.	
EXCP2: Information acquisition (includes information on markets, programs or export know-how, and use of foreign trade offices.	
EXCP3: Our firm gets consultancy from an outsourcing company.	[19,45]
EXCP4: Our firm gets investment support from the financial institution.	
EXCP5: Our firm aims to obtain sales leads in the market.	
EXCP6: Improvements in Marketing Managers’ international orientation.	
PER1: Our international operations have been very profitable.	
PER2: Our international operations have generated a high volume of sales.	
PER3: Our international operations have achieved rapid growth.	
PER4: Actions were taken to increase profitability.	
PER5: Our international operations have improved our international competitiveness.	
PER6: Our international operations have strengthened our strategic position.	[38,46–48]
PER7: Our international operations have significantly increased our international market share.	
PER8: The goal is to attain a firm foothold in a new market.	
PER9: The goal is to gain knowledge opportunities.	
PER10: The goal is to acquire knowledge of export practices.	
PER11i: Increased awareness of products in export markets.	

3. Results and Discussion

3.1. Respondents’ Profiles

Most employees responding to the questionnaires were female (188 persons or 47.0%), male (184 persons or 46.0%), and others (28 persons or 7.0%). In terms of age, there were 165 persons (41.3%) aged 31–40 years old, 121 persons (30.3%) aged 21–30 years old, 69 persons (17.3%) aged 41–50 years old, 18 persons (4.5%) aged below 20 years old and three persons (0.8%) aged above 60 years old. In terms of education level, nearly 50% of respondents graduated with below a bachelor’s degree (188 persons), 154 persons with a bachelor’s degree (38.5%), and 58 persons with an above bachelor’s degree (14.5%). Regarding their position, 239 persons (59.8%) worked in operational positions, while 161 persons (40.3%) worked in managerial positions such as business owners, executives, and department and divisional managers. Lastly, 187 persons (46.8%) had completed less than ten years working experience in exporting companies, 155 persons (38.8%) with 10–20 years, and 58 persons (14.5%) with more than 20 years.

3.2. Niche Differentiation Strategy, Export Promotion Competitiveness, and Export Performance

From Table 2, the study revealed that niche differentiation strategy, export promotion competitiveness, and export performance had mean scores ranging from 4.428 to 5.428 and standard deviations ranging from 0.837 to 1.280. In addition, the study found that the studied variables gained acceptable skewness values ranging from −0.545 to 0.224 and

kurtosis values from -1.061 to -0.021 which were under ± 3.00 meaning that all variables were appropriate for further analysis.

Table 2. Descriptive statistics for niche differentiation strategy, export promotion competitiveness, and export performance.

Variables	Max	Min	Mean	Std. Deviation	Skewness	Kurtosis
STRN1	3	7	4.518	0.801	-0.175	-0.443
STRN2	3	7	4.700	0.929	-0.181	-0.757
STRN3	2	7	4.458	0.860	0.061	-0.410
STRN4	2	7	4.963	0.937	-0.494	-0.411
STRN5	3	7	5.160	1.038	-0.500	-0.655
STRN6	3	7	4.958	1.004	-0.213	-0.560
STRN7	3	7	5.428	1.142	-0.454	-0.630
STRN8	2	7	4.965	1.180	0.224	-0.775
EXCP1	3	7	4.778	0.906	-0.299	-0.517
EXCP2	3	7	4.963	1.073	-0.236	-0.923
EXCP3	3	7	5.150	1.213	-0.121	-0.916
EXCP4	3	7	5.208	1.280	-0.220	-1.061
EXCP5	2	7	4.575	0.947	-0.057	-0.527
EXCP6	3	7	4.740	0.992	-0.063	-0.679
PERF1	3	7	4.920	0.837	-0.545	-0.021
PERF2	3	7	4.578	0.925	0.000	-0.695
PERF3	3	7	4.980	1.013	-0.439	-0.827
PERF4	3	7	4.948	0.965	-0.365	-0.482
PERM1	2	7	4.625	0.842	-0.366	-0.316
PERM2	2	7	4.910	0.985	-0.468	-0.663
PERM3	2	7	4.783	0.953	-0.217	-0.439
PERM4	2	7	4.958	1.072	-0.419	-0.710
PERM5	2	7	4.880	0.952	-0.384	-0.451
PERM6	2	7	4.700	0.932	-0.168	-0.609
PERM7	2	7	4.930	0.896	-0.497	-0.296

3.3. Model Development, Convergent Validity, and Discriminant Validity

Confirmatory factor analysis was conducted to investigate convergent and discriminant validity of niche differentiation strategy, and the export promotion competitiveness and export performance of craft products. Goodness-of-fit indices show $\chi^2/df \leq 3.00$, $GFI \geq 0.90$, $CFI \geq 0.90$, $NFI \geq 0.90$, $AGFI \geq 0.90$, $RMSEA \leq 0.07$, and $RMR \leq 0.08$ were considered both before and after model adjustment. The initial model revealed unacceptable values with $Cmin/df = 6.198$, p -value = 0.000, $GFI = 0.693$, $AGFI = 0.634$, $RMR = 0.067$, $RMRSEA = 0.114$, $TLI = 0.842$, $CFI = 0.856$, and $NFI = 0.834$. However, the values of goodness-of-fit indices were improved when the adjusted model was tested, with $Cmin/df = 1.186$, p -value = 0.054, $GFI = 0.963$, $AGFI = 0.925$, $RMR = 0.030$, $RMRSEA = 0.022$, $TLI = 0.994$, $CFI = 0.997$, and $NFI = 0.981$. The adjustment was made by correlating the variables indicated by modification indices with the threshold of 0.4 [44]. In addition, the factor loadings, composite reliability, and average variance extracted from studied variables were considered, which should be greater than 0.05 in order to explain unidimensional measures [49], as shown in Table 3. All the variables' factor loadings are shown in Table 4.

Table 3 shows that all factor loadings were about 0.564–0.942 for niche differentiation strategy, 0.778–0.911 for craft products' export promotion competitiveness, and 0.675–0.978 for export performance. The result also revealed composite reliability ranging from 0.908–0.939 and average variance extracted ranging from 0.633–0.939. These values were higher than 0.50, meaning that all variables could be further analyzed [49]. In addition, the correlation matrix and square root of AVE were considered for convergent and discriminant validity. Table 4 shows related values.

In Table 4, the variables are correlated at the acceptable level, all variables have correlation coefficients lesser than 0.8 as recommended by Henseler et al. [50], and the

square root of AVE was higher than the correlation coefficient matrix of the variables. This means that all variables, including niche differentiation strategy, craft products' export promotion competitiveness, and export performance were identical and appropriate to be further analyzed.

Table 3. Factor loadings and convergent validity.

Variables	STRN	EXCP	PER	CR	AVE
STRN1	0.669				
STRN2	0.750				
STRN3	0.564				
STRN4	0.861				
STRN5	0.942			0.928	0.623
STRN6	0.822				
STRN7	0.912				
STRN8	0.719				
EXCP1		0.911			
EXCP2		0.866			
EXCP3		0.893			
EXCP4		0.902		0.940	0.719
EXCP5		0.805			
EXCP6		0.778			
PER1			0.830		
PER2			0.749		
PER3			0.978		
PER4			0.827		
PER5			0.701		
PER6			0.906	0.952	0.624
PER7			0.910		
PER8			0.940		
PER9			0.791		
PER10			0.675		
PER11			0.767		

Note: STRN 1–8 = niche differentiation strategy, EXCP1–6 = export promotion competitiveness, and PER1–11 = export performance.

Table 4. Discriminant validity.

Variables	STRN	EXCP	PER
STRN	0.789		
EXCP	0.761	0.848	
PERF	0.761	0.704	0.801

Note: STRN = niche differentiation strategy, EXCP = export promotion competitiveness, and PER = export performance.

3.4. Finalized Model and Hypothesis Analysis

After assessing convergent and discrimination validity using confirmatory factor analysis (CFA), the finalized model was constructed, and structural equation modelling (SEM) was performed to investigate the hypothesis. Consequently, the final model was initially investigated, and its goodness-of-fit indices were unacceptable since they did not meet the recommended criteria: $C_{min}/df = 6.198$, p -value = 0.000, $GFI = 0.693$, $AGFI = 0.634$, $RMR = 0.067$, $RMRSEA = 0.114$, $TLI = 0.842$, $CFI = 0.856$, and $NFI = 0.834$. However, the model was adjusted based on modification indices recommendation and its goodness-of-fit indices were then improved, $C_{min}/df = 1.182$, p -value = 0.056, $GFI = 0.962$, $AGFI = 0.924$, $RMR = 0.031$, $RMRSEA = 0.021$, $TLI = 0.994$, $CFI = 0.997$, and $NFI = 0.981$ (Figure 2).

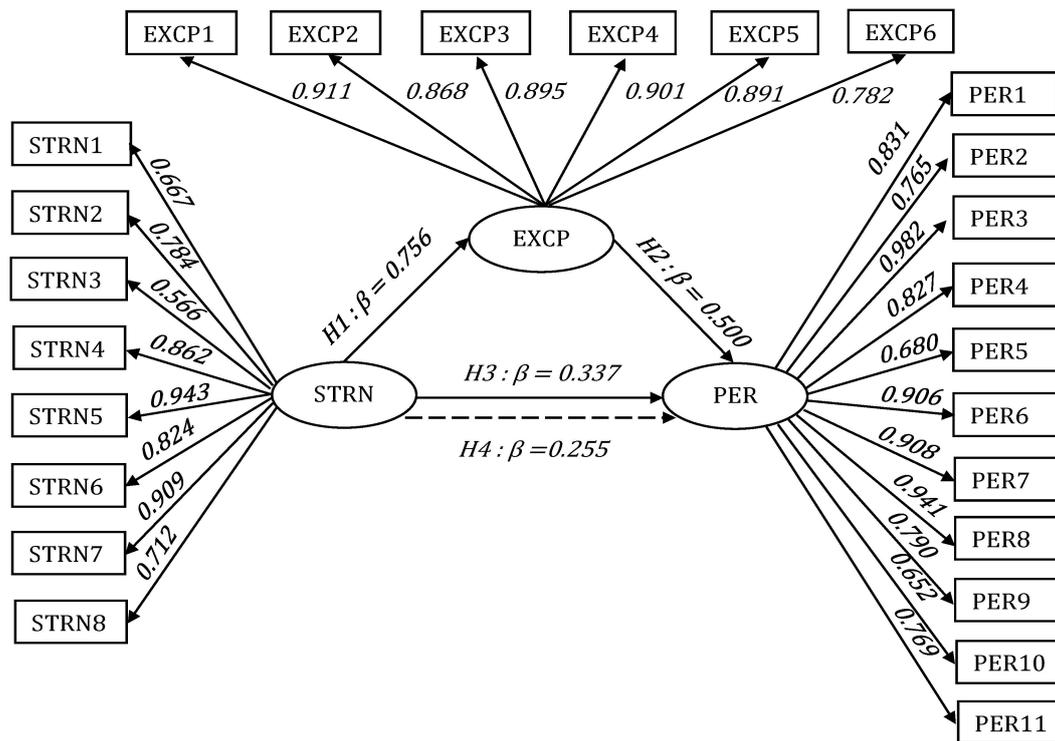


Figure 2. Finalized model.

Table 5 shows the results of the hypothesis investigation and the predictive ability of impact prediction on variables. Hypothesis 1 (H1) presents that niche differentiation strategy has a positive impact on export promotion competitiveness ($\beta = 0.756, p < 0.05$), while hypothesis 2 (H2) implies that export promotion competitiveness has a positive impact on export performance ($\beta = 0.337, p < 0.05$). Hypothesis 3 (H3) reveals that niche differentiation strategy has a positive impact on export performance, including financial performance and market performance ($\beta = 0.500, p < 0.05$) at the statistically significant level of 0.001.

Table 6 presents that the niche differentiation strategy in hypothesis 4 (H4) has a significant indirect impact with a partial mediating role on export performance through the export promotion competitiveness of craft products since the p -value from the bootstrapping technique was lower than 0.05.

Table 5. Standardized estimate, unstandardized estimate, standard error, t -value, z -value, and p -value.

Variables	Unstandardized Estimate (b)	Standardized Estimate (β)	S.E.	t -Value	p -Value
H1: STRN → EXCP	0.750	0.756	0.055	13.607	***
H2: EXCP → EXPER	0.283	0.337	0.040	7.112	***
H3: STRN → EXPER	0.417	0.500	0.046	8.974	***

Note: STRN = niche differentiation strategy, EXCP = craft products export promotion competitiveness, and PER = export performance. *** p -value = < 0.001.

Table 6. Mediating effect result.

Variables	IV-N-DV		Mediating Type
	Direct	Indirect	
H4: STRN → EXCP → EXPER	0.500 *	0.255 **	Partial Mediation

Note: STRN = niche differentiation strategy, EXCP = craft products export promotion competitiveness, and PER = export performance. ** *p*-value = < 0.01, * *p*-value = < 0.05.

4. Discussion

Based on the study results, the discussion considers the hypothesis investigation. This study showed that niche differentiation strategy positively impacts the export promotion competitiveness of craft products and export performance, including financial and market performance at a statistically significant level. This indicates that it can create uniqueness and specify products for the target market. Cannatelli et al. [14] argued that corporations following niche strategies using brand management techniques, such as effective communication with internal and external clients, might relate to product quality and company success. In addition, Wang [11] shows that product differentiation might be related to businesses’ economic, environmental, and social sustainability. To develop a suitable niche differentiation approach, Maulina and Raharja [15] suggest including a SWOT analysis. In addition, Chang et al. [16,17] reinforced that Taiwan’s traditional handicrafts be enhanced to increase corporate competitiveness.

Export promotion competitiveness can have a positive impact on business performance from both market and financial aspects. This is because assistance from related organizations and sectors, especially the government, can help the entrepreneurs increase business success. This finding was supported by the study by Geldres-Weiss and Monreal-Perez [18], who examined the impact of export promotion programs on the export activity of Chilean enterprises during trade exhibitions and missions and found that export promotion programs can increase export activity. In addition, Freixanet and Churakova [19] conducted a study in Russia on the impact of export promotion programs on firms’ export competencies and performance in a transition economy and discovered that awareness, use, perceived usefulness, and various intermediate export marketing strategies all play a significant role.

The craft products’ export promotion competitiveness had a mediating effect on the relationship between niche differentiation strategy and export performance. This is due to the fact that export promotion can help increase financial performance as well as market performance, which include profitability, sales volume, operation growth, market share increase, export opportunity, export awareness, and strategic market position. This is accomplished through an increase in export promotion competitiveness, in which the company can have direct promotion, excellent knowledge of markets, programs, export know-how, good consultation, strong investment support, and clear export vision. These are all important components for successful exportation [18,19].

This study contributes to three main perspectives: practical, theoretical, and policy. In practice, the managers of the exporting companies should emphasize good planning for the implementation of niche differentiation strategy, especially in making products more specialized, maintaining high quality, and developing specific craft markets. So, companies can achieve export promotion competitiveness and export performance from both financial and market perspectives. For the theoretical contribution, the study’s findings can confirm the effect of niche differentiation strategy and the export promotion competitiveness on export performance from financial and market performance. The authors of the study also found it interesting that export promotion competitiveness can have a role in mediating the impact of niche differentiation strategy on its effectiveness. This can guide future research to find which factors play a mediating role in bettering craft businesses’ export performance. In policy, the government and related agencies should establish and provide

policy in delivering information related to market, know-how, foreign trade offices and investment support.

5. Conclusions

This study analyzed the niche differentiation strategies and competitiveness of exporting craft products using structural equation modelling (SEM). Analysis was conducted using the data from employees working in 46 craft-product-exporting companies in Thailand. The results showed that four hypotheses were supported at a statistically significant level. Niche differentiation strategy had a positive impact on export promotion competitiveness. Export promotion competitiveness and niche differentiation strategy had a positive impact on export performance.

A bootstrapping technique was used to investigate the mediating effect of export promotion competitiveness on the factorial relationship between niche differentiation strategy and export performance. The result indicated that niche differentiation strategy positively impacts export performance partially mediated by export promotion competitiveness. Accordingly, this study can be found advantageous for a practical, theoretical and political contribution. From practical perspectives, the managers can strategize making more specialized products, maintaining high quality, and developing specific craft markets. From theoretical perspectives, the study can affirm the relationships between niche differentiation strategy, export promotion competitiveness, and export performance. From a political perspective, the study can guide the government and related agencies to establish and provide governmental services and policies to enable better craft product export performance.

This paper is subject to some limitations that can be considered in future research. This study emphasized only niche differentiation strategy, export promotion competitiveness, and export performance. Other factors, such as digitalization or global transportation and risk management during a crisis, should be considered in future research. Moreover, the study only applied a quantitative research approach. Future research should adopt quantitative or mixed-method approaches accompanying in-depth interviews or focus groups to gain insight into business strategy. Lastly, the study pinpoints only a general transportation mode, when it may be necessary to consider specific modes of transportation so that the research results can be utilized more effectively. Marine transportation is considered to be one of the important modalities. It plays an important role in more than three-quarters of all product exports and helps to promote economic growth and the development of jobs in various nations. Future research could focus on marine transportation with specific contributions from managerial, theoretical, and political perspectives. For a practical and theoretical contribution, the managers and academicians could perhaps focus on the related factors and practices influencing export performance through the marine transport mode. The government could use the study results related to marine transport to devise export promotion programs and policies to enhance the opportunities of export business entrepreneurs to optimize export promotion competitiveness and performance.

Author Contributions: Conceptualization, S.T.; writing—original draft preparation, S.T., J.B.; writing—review and editing, J.B. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Institutional Review Board Statement: Certified by the Ethics Committee for Human Research of Silpakorn University. Code: COE 65.0215-043 Date of approval 15 February 2022.

Informed Consent Statement: Not applicable.

Data Availability Statement: Not applicable.

Conflicts of Interest: The authors declare no conflict of interest during preparation and publishing of this work.

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