

# Market Expansion Strategies for Thai Frozen Fruit Exporters in the Chinese Market: A Study of Entrepreneurial Approach

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## ABSTRACT

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This research examines success mechanisms of Thai frozen fruit exporters in the Chinese market through social capital theory. The mixed-methods approach reveals connections between environmental factors, marketing strategies, trust, and export competency. Structural equation modelling confirms that environmental factors ( $\beta=0.56$ ) and marketing strategies ( $\beta=0.44$ ) positively influence trust, with trust functioning as a crucial mediator ( $\beta=0.90$ ) between strategic actions and export success. The findings provide a fresh perspective on Chinese market competition, demonstrating that success depends not merely on price competition but on systematic social capital development across structural, relational, and cognitive dimensions. This study extends social capital theory by revealing specific mechanisms through which environmental analysis and marketing adaptation transform into trust and lead to sustainable competitive advantage. This research presents concrete implementation guidelines for Thai exporters, emphasizing consistent quality, business transparency, and cultural adaptation as key trust-building mechanisms within China's Guanxi-oriented business context. Integrating social capital concepts into export strategies will enhance the competitive capabilities of Thailand's frozen fruit industry in the Chinese market sustainably.

**Keywords:** China Market, Market Expansion, Thai Frozen Fruit Exports, Structural Equation Modelling (SEM), Thai Frozen Fruit Exports

## INTRODUCTION

In the global fruit market, Thailand attempts to maintain its competitive advantage, especially in exporting frozen fruits to China, a cornerstone of the Thai economy. In 2023, Thai frozen fruit exports to China increased by 12%, reaching \$7.06 billion, although they lagged Vietnam's remarkable

growth (Table 1). Thai exporters face significant challenges, including heightened competition from Vietnam and China's enforcement of strict trade standards, as well as trade barriers such as customs regulations.

**Table 1:** Comparison of Fruit/Frozen Fruit Exporters to China between 2022 and 2023

Rank	Country	Export Value (2022)	Export Value (2023)	Year-on-Year Change Percentage
1	Thailand	\$6.28 billion	\$7.06 billion	+12%
2	Chile	\$3.35 billion	\$3.2 billion	-45
3	Vietnam	\$1.27 billion	\$2.84 billion	+123%
4	Philippines	\$0.67 billion	\$0.64 billion	-4%
5	New Zealand	\$0.63 billion	\$0.60 billion	-5%
6	Peru	\$0.57 billion	\$0.50 billion	-12%
7	Australia	\$0.21 billion	\$0.28 billion	+33%
8	Malaysia	N/A	\$0.27 billion	N/A
9	South Africa	\$0.26 billion	\$0.25 billion	-4%
10	Indonesia	\$0.21 billion	\$0.22 billion	+5%

Ministry of commerce people's republic of China (2023)

While free trade agreements, particularly the Regional Comprehensive Economic Partnership (RCEP), offer increased export opportunities, they also intensify competition. Therefore, Thai frozen fruit exporters need to develop market strategies, especially expanding into the Chinese market. In the context of international trade with China, Social capital theory offers a valuable framework for understanding the complexities of building business relationships, particularly in Chinese culture which emphasizes "Guanxi" or personal relationship networks and trust (Dong et al., 2020). Social capital in the form of trust plays a crucial role in reducing uncertainty and risk in international business, especially in emerging markets with cultural and linguistic challenges (Mahmoud et al., 2020). For Thai exporters, developing social capital may be a key strategy in gaining competitive advantage against countries like Vietnam, which showed a remarkable growth rate of 123% in 2023. Understanding the factors that influence trust-building and relationship networks in the context of Thai frozen fruit exports to China is therefore vital for developing effective market expansion strategies. This is crucial to enhancing Thailand's export competitiveness. Previous research on Thai agricultural exports to China has identified limitations, particularly in understanding factors influencing the export of frozen fruits to China. Current research primarily focuses on studying either general issues or specific products within the fruit export industry. Consequently, there's limited research on strategic management and marketing strategies affecting frozen fruit exports to China (Soonthornpipit, Kortana & Aunyawong, 2020; Suwannarat, 2023). These research gaps raise questions such as the impact of market analysis capabilities and Chinese market demands on Thai frozen fruit exports. Additionally, it questions the relationship between market strategy determination and exporters' trust, or which export business management strategies can align production with market demands, enhancing efficiency in exporting frozen fruits to China.

The practical aim of this research study is to provide actionable insights for stakeholders in Thailand's frozen fruit export industry. For instance, Thai frozen fruit exporters could efficiently strategize marketing and market expansion into China. The government could formulate effective policies to promote Thai entrepreneurs' export competency, while Thai farmers could increase their income through expanded exports.

## **RESEARCH OBJECTIVES**

This research aims to study the factors influencing the export competency of Thai frozen fruit exporters to guide the development of market expansion strategies for the Chinese market.

## **LITERATURE REVIEW**

### **External Environmental Factors**

PEST analysis functions as a strategic implement for understanding business environments by examining political economic social and technological factors that influence organizational success. Research demonstrates that PEST analysis enhances strategic decision-making by enabling firms to identify emerging opportunities mitigate risks and formulate appropriate response strategies (Miles, Miles & Snow, 2005). However traditional PEST applications often neglect the social capital dimensions crucial for international market expansion particularly in relationship-oriented economies like China. The literature inadequately addresses how these external factors specifically contribute to trust-building processes essential for market penetration. When examined through social capital theory PEST factors serve as antecedents to relationship development in cross-cultural business contexts. Political stability and supportive trade policies create institutional environments conducive to long-term relationship investments. Economic indicators signal market viability while social factors including cultural compatibility determine relationship quality potential. Technological infrastructure facilitates communication essential for maintaining social capital across borders (Ellis & Pecotich 2001). This integrated perspective reveals how environmental analysis contributes to relational asset development rather than merely identifying market conditions.

For Thai exporters navigating Chinese markets a critical research gap exists regarding how systematic PEST analysis translates into actionable relationship-building strategies that enhance trust formation. This study addresses this limitation by examining the relationship between comprehensive environmental analysis and trust development as a form of social capital necessary for export competency development.

### **Social Capital Theory**

Social capital encompasses resources embedded within networks of relationships that individuals or organizations possess and utilize (Yang & Zeng, 2024). This theoretical framework offers significant value for examining international business relationships particularly within Chinese market contexts. The concept proves especially relevant when studying Thai frozen fruit exporters seeking to expand in China where relationship-based business environments predominate. Ripollés & Blesa (2020) conceptualizes social capital as networks along with associated norms of reciprocity and trustworthiness that facilitate coordination and cooperation for mutual benefit. These elements become crucial factors in cross-border trade scenarios. Social capital theory identifies three interconnected dimensions that shape business relationships. The structural dimension involves network configurations and connection patterns among actors. The relational dimension focuses on trust obligations and expectations developed through repeated interactions. The cognitive dimension encompasses shared interpretations and systems of meaning between trading partners (Yang & Zeng, 2024). Among this trust represents a central component in the relational dimension with particular significance for international trade as it reduces uncertainty and mitigates opportunistic behaviors in business transactions.

Research demonstrates strong linkages between social capital development and export performance. Manfredi & Capik (2022) found that firms actively investing in relationship building achieve superior market penetration and adaptation to local requirements in emerging economies. Similarly, Ju, Zhou & Wang (2019) established that understanding guanxi networks significantly impacts foreign business success in China. These networks facilitate access to market information regulatory knowledge and business opportunities otherwise difficult to obtain. Despite these insights current literature lacks comprehensive understanding regarding how external environmental factors

and marketing strategies contribute to social capital formation specifically within Thai frozen fruit exports to China. This research addresses this gap by examining how trust serves as a mediating mechanism between PEST factors marketing mix and export competency.

### **Marketing-Mix (4Ps)**

The marketing mix provides a fundamental framework for strategy development encompassing Product Price Place and Promotion as essential elements of business planning. Traditional marketing mix literature primarily focuses on transactional aspects of these elements with limited consideration of their relationship-building potential (Dolatabadi et al. 2013). This conventional perspective inadequately addresses how marketing strategies contribute to social capital formation particularly in relationship-oriented markets such as China. When reconceptualized through social capital theory the marketing mix elements transform into relationship investment mechanisms rather than merely transactional tools. Product attributes and quality consistency establish cognitive legitimacy while pricing strategies demonstrate commitment and fairness toward partners (Ruzo, Losada, Navarro & Diez, 2011). Distribution channel management facilitates structural network development and promotion activities build shared narratives and meaning systems essential for cognitive social capital development (Ali & Anwar 2021). Existing research inadequately explores this transformative perspective particularly in cross-cultural export contexts.

For Thai frozen fruit exporters to China a significant knowledge gap exists regarding how marketing mix elements specifically contribute to trust accumulation as a form of social capital. While Eid, Abdelmoety & Agag (2020) examine promotion strategies in export contexts they neglect the integration of all marketing elements into comprehensive trust-building frameworks. This study addresses this limitation by investigating how each marketing mix component contributes to relationship quality and trust development resulting in enhanced export competency for Thai businesses navigating culturally distinct Chinese markets.

### **Entrepreneurial Trust**

Trust represents a critical element in social capital theory manifesting as a relational dimension that facilitates cross-border business operations. Current literature acknowledges trust importance but inadequately explores its formation mechanisms within specific export contexts. De Anda, Baker & Tovar-García (2023) identify trust as influencing investment decisions and market expansion yet fail to examine how environmental factors and marketing strategies specifically converge to build this essential social capital component.

When studied through social capital theoretical lens trust functions not merely as bilateral confidence but as a collective resource embedded within business networks that reduces transaction costs and uncertainty. Trust building requires systematic cultivation through continuous demonstration of competence benevolence and integrity across cultural boundaries. Current studies insufficiently address how trust develops uniquely in Chinese market contexts where guanxi networks demand distinct relationship investment approaches (Manfredi & Capik 2022).

For Thai frozen fruit exporters significant knowledge gaps persist regarding how trust functions as a mediating mechanism between strategic actions and performance outcomes. While Mahmoud et al. (2020) explore trust roles in export contexts they neglect examining cultural specificity in trust development processes. This research addresses this limitation by investigating how trust mediates between strategic initiatives and export competency specifically for Thai exporters navigating culturally complex Chinese markets.

### **Export Competency**

Export competency involves capabilities enabling firms to navigate international markets effectively through specialized knowledge cultural understanding and operational expertise. Traditional perspectives view export competency primarily as organizational capability without adequate consideration of its relational foundations (Suwannarat 2023). When examined through social capital theoretical lens export competency emerges not merely as internal capability but as relationally embedded resource developed through network interactions and knowledge transfers.

Effective exporters demonstrate multidimensional competencies including deep product knowledge market understanding negotiation skills and stakeholder relationship development. These competencies gain enhanced significance when conceptualized as mechanisms for accumulating and leveraging social capital across markets (Sitabutr & Pimdee 2017). Successful navigation of international trade barriers requires social capital mobilization transforming market knowledge into relationship assets essential for sustained competitive advantage.

Critical research gaps exist regarding how export competencies specifically develop through social capital accumulation processes in culturally distinct markets. While Dong et al. (2020) examine entrepreneurial relationships they inadequately address how trust specifically mediates between strategic initiatives and competency development. The present research addresses this limitation by investigating the mediating role of trust between external factor analysis marketing strategy implementation and export competency development specifically within Thai-Chinese frozen fruit trade contexts where cultural distance and relationship importance significantly impact business outcomes.

## RESEARCH METHODOLOGY

This study employs a mixed methods approach, specifically an exploratory sequential design, comprising qualitative and quantitative phases. The qualitative phase explores factors influencing Thai frozen fruit exporters' export competency, while the quantitative phase validates these findings. Following Creswell & Plano Clark (2023) framework, this mixed methods approach offers comprehensive insights into the research problem.

### Step 1: Qualitative Research

The qualitative phase explored factors influencing Thai frozen fruit exporters' export competency through semi-structured interviews based on PEST analysis, social capital theory, trust theory, and international marketing literature (Creswell & Plano Clark, 2023). Key informants were selected using purposive and snowball sampling techniques to identify participants meeting specific criteria including senior management positions with minimum 5 years of Chinese market experience, annual export volume exceeding 100 million baht, and established Chinese business networks. This rigorous selection process ensured participants could provide rich, experiential data about Thai frozen fruit exports to China.

The interview questions (Table 2) were systematically developed from established theoretical frameworks and research. Questions examining political and economic factors were adapted from Agarwal & Feils (2007) and Rahman, Nepal & Alam (2021), while those addressing sociocultural aspects drew from Ellis & Pecotich (2001). Questions about technological considerations were based on Edeh et al. (2020), and trust-building practices were derived from Mahmoud et al. (2020). Table 2 presents the complete framework of interview questions and their theoretical sources.

**Table 2:** Qualitative research questions: Factors influencing export competency of Thai frozen fruit exporters

Title	Question	Sources of Question Adaptation
Political Factors	How do you perceive political stability and government regulations in your target export markets, particularly in relation to the frozen fruit industry?	Agarwal & Feils (2007)
Economic Factors	What are the major economic trends and market growth opportunities that you have observed in your export destinations, and how do they impact your export decisions?	Malca, Peña-Vinces & Acedo (2020)



Title	Question	Sources of Question Adaptation
Social Factors	Can you describe the cultural preferences and consumer behaviors in your target export markets that influence your product offerings and marketing strategies?	Edeh, Obodoechi & Ramos-Hidalgo (2020); Ellis & Pecotich (2001)
Technological Factors	How have technological advancements and infrastructure developments in your export destinations affected your export operations and market penetration strategies?	Edeh, Obodoechi & Ramos-Hidalgo (2020); Ellis & Pecotich (2001)
Marketing Factors	Drawing from international marketing, how do you perceive the role of branding, promotion, and market segmentation in enhancing your export competitiveness, particularly in the frozen fruit industry?	Leonidou, Katsikeas, Paliawadana & Spyropoulou (2007)
Trust Factors	How do you establish and maintain trust with your business partners, customers, and stakeholders in your export ventures, especially in unfamiliar international markets?	Mahmoud et al. (2020)
Export Competency	1. In your experience as a Thai frozen fruit exporter, what specific skills or qualities do you believe are essential for achieving success in international markets? 2. Can you describe a particular challenge or obstacle you have encountered in your export ventures, and how did you navigate or overcome it?	Julien & Ramangalahy (2003)

Data collection involved in-depth interviews with 15 key informants who shared insights on market dynamics, opportunities, and challenges in the Chinese market. Thematic analysis was employed to analyze the interview data following Creswell & Plano Clark (2023) methodology through six systematic steps (Soonthornpipit, Kortana & Aunyawong, 2020). First researchers familiarized themselves with data through multiple readings of interview transcripts and noting key points. Second, they created initial codes using both data-driven and theory-driven approaches informed by social capital theory which helped discover both expected patterns and new insights. Third, researchers grouped codes into themes based on conceptual relationships. Then, Fourth and fifth steps involved reviewing defining and naming themes clearly. To ensure trustworthiness two researchers analyzed the same data independently achieving 87% agreement in their coding. The team validated findings through member checking with five key informants and compared results with industry reports and relevant literature.

The analysis synthesized insights from both the interview data and existing literature to develop a comprehensive understanding of factors influencing export competency. Reliability was enhanced through triangulation, comparing findings across multiple data sources and consulting experienced scholars in Thai-China trade relations (Suwannarat, 2023). The qualitative findings subsequently informed the development of constructs and hypotheses for the quantitative phase, demonstrating the sequential nature of this mixed methods approach.

## **Step 2: Quantitative Research**

Building on the qualitative findings, the quantitative phase employed an online questionnaire survey targeting Thai international marketing officers registered with the Department of Export Promotion of Thailand. The research instrument assessed exporters' attitudes using a 5-point Likert scale across five sections totaling 25 questions measuring PEST analysis, marketing-mix, trust, and

export competency. Measurement items were adapted from validated scales in previous research including Rahman, Nepal & Alam (2021), Leonidou, Katsikeas, Palihawadana & Spyropoulou (2007), Mahmoud et al. (2020), and Suwannarat (2023).

The instrument development process ensured both content validity and construct reliability through systematic procedures. Each construct received clear operational definitions based on theoretical foundations and qualitative findings. PEST analysis items assessed perceptions of political stability economic conditions social trends and technological developments affecting exports. Marketing mix measurements evaluated product quality pricing approaches distribution effectiveness and promotional tactics for Chinese markets. Trust items measured relationship quality with stakeholders while export competency assessment focused on market knowledge cultural adaptability and relationship building capabilities. The instrument underwent refinement through expert reviews reducing an initial pool of 46 questions to 25 items with strongest conceptual alignment. Content validity was confirmed by three experts in international business and marketing while pilot testing with 30 respondents yielded satisfactory Cronbach's alpha coefficients exceeding 0.7 across all constructs. The sampling approach employed stratified random sampling based on export volume and company size. Data collection over three months yielded 376 initial responses with 82% response rate. Data screening using Mahalanobis distance analysis identified nine multivariate outliers which were retained to enhance dataset validity resulting in 367 valid responses. Skewness values ranged from -1.1 to -0.43 and kurtosis from -0.3 to 1.2 suggesting some non-normality in the data. However as noted by Hancock & Mueller (2001) SEM demonstrates robustness to non-normality with large sample sizes exceeding 200 observations.

Statistical analysis assumptions were carefully considered throughout the research process. While SEM typically assumes multivariate normality Maximum Likelihood estimation demonstrates robustness against moderate normality violations with adequate sample sizes (Kline, 2011). Linearity was confirmed through scatterplot matrix examination while multicollinearity assessment via Variance Inflation Factor showed values below 3.0 indicating acceptable independence among predictors. Homoscedasticity examination through residual plots and sample adequacy testing via Kaiser-Meyer-Olkin measure yielded values above 0.8 confirming sampling sufficiency. The research design minimized common method bias through counterbalanced question ordering and diverse scale anchors with Harman single factor analysis confirming acceptable common method variance levels. Structural Equation Modeling was selected as the primary analytical technique due to its advantages in analyzing complex relationships among latent variables within social capital theoretical framework. Unlike traditional regression techniques SEM simultaneously examines all variable relationships while accounting for measurement error which proves essential when investigating trust as a mediating mechanism between environmental factors marketing strategies and export competency. This method aligns with social capital theory by enabling assessment of how relational assets develop from strategic actions and influence performance outcomes. The measurement model was assessed through confirmatory factor analysis using multiple fit indices including  $\chi^2/df$  CFI and TLI while the structural model was evaluated using RMSEA following guidelines by Hair et al. (2017).

This comprehensive quantitative analysis complemented the qualitative findings by providing statistical validation of the proposed relationships between PEST factors, marketing mix elements, trust, and export competency. The sequential mixed-methods approach strengthened the research findings through methodological triangulation as recommended by Creswell & Plano Clark (2023).

## **RESEARCH FINDINGS**

### **Qualitative Findings**

In terms of qualitative findings, four significant themes emerged from the analysis. Key informants suggested that these themes represent important factors leading to an efficient market expansion strategy. The themes include external factors, marketing factors, entrepreneur trust, and export competency. These themes will be explained in more detail.

**1) External Environmental Factors Influence Market Expansion Strategies**

The study findings revealed that key informants provided comprehensive perspectives on four interconnected categories of external factors that shape their potential for exporting frozen fruits and strategies for market expansion in China. These factors can be explained through systematic analysis of political, economic, social, and technological dimensions. Political factors emerged as foundational, with key informants emphasizing the significance of China's political stability and its strategic involvement in regional trade agreements such as RCEP and ACFTA. These circumstances have fostered increased confidence among Thai exporters regarding market access and trade facilitation. These findings align with Guriev & Papaioannou (2022) research, which demonstrated how China's stable political landscape, particularly through active participation in regional trade agreements, creates a conducive environment for international commerce. Economic factors proved equally influential, as key informants indicated that GDP growth rates, consumer purchasing power, and the expanding population serve as crucial data points for planning market expansion strategies. The research findings strongly correspond with Das, Sen & Srivastava's (2016) study, which emphasized how China's strong economic growth, increasing consumer spending capacity, and progressive urbanization trends critically shape export strategies. These economic dynamics, coupled with the facilitative effects of trade agreements, were identified as key drivers influencing exporters' strategic decisions. In terms of social factors, primary informants provided evidence of increasing Chinese consumer interest in Thai frozen fruits, attributed to Thailand's diverse product range such as durian, mangosteen, longan, and mango. Thai fruits have established a strong reputation for safety controls, reasonable pricing, and consistent market availability. These factors collectively present significant opportunities for Thai frozen fruit exporters considering market expansion. The analysis aligns with Sitabutr & Pimdee (2017) findings, which documented positive consumption trends and high growth potential for Thai frozen fruits in China due to evolving social preferences. Technological advancements emerged as a critical enabler, with findings showing how the growth of online marketing in China has significantly improved access to both Thai and domestic frozen fruits. Additionally, innovations in preservation technology have enhanced product quality while reducing transportation and storage costs, benefiting Thai exporters. This research corresponds with Eid, Abdelmoety & Agag's (2020) study, which identified China's expanding online market as a major factor in economic growth, particularly in reducing operational costs for businesses adapting to new technologies.

The findings highlight the importance of understanding China's complex political, economic, social, and technological landscape when developing effective export strategies. When analyzed through social capital theory, external factors serve as essential structural conditions that support trust development between international trading partners. Political stability and favorable trade agreements create institutional contexts where relationship investments become strategically valuable, while economic growth signals market opportunity, encouraging long-term commitment. This research builds upon previous studies (Soonthornpipit, Kortana & Aunyawong, 2020) by showing how environmental analysis contributes directly to social capital formation. This theoretical connection helps Thai frozen fruit exporters successfully navigate market dynamics and achieve sustainable competitive advantage in Chinese markets.

**2) Marketing Factors Contribute to The Development of Market Expansion Strategies**

The research findings revealed critical marketing factors influencing Thai frozen fruit exports to China. Key informants identified product differentiation as an essential marketing strategy, covering comprehensive approaches to product development, pricing, distribution channels, and promotion. These results align with Jothi, Neelamalar & Prasad (2011), who demonstrated the importance of adapting products to meet specific Chinese consumer preferences in taste, packaging, and presentation that drive purchasing decisions. A significant finding emerged regarding pricing strategies, where informants emphasized the need for competitive pricing approaches for effective market entry. Despite diverse Chinese consumer market segments, Thai products maintained strong market acceptance even at premium price points. This reflects Chinese consumers' strong appreciation for Thai product



quality, supporting Miles, Miles & Snow (2005) research showing that quality remains a priority among Chinese consumers across different market segments. Distribution channel selection emerged as another critical factor, with key informants stressing the importance of efficient pathways to reach target customers. Online marketing has become particularly important in China, as supported by Ali & Anwar's (2021) research highlighting the effectiveness of e-commerce platforms and online marketplaces for product distribution. This shift toward digital channels reflects the growing trend of online shopping among Chinese consumers, creating new opportunities for market entry. Promotional activities also played a vital role in market expansion strategies. Informants emphasized the importance of building brand awareness and driving sales through targeted promotional efforts. This finding aligns with recommendations from Eid, Abdelmoety & Agag (2020), who advocate using social media platforms, influencer marketing, and targeted advertising to effectively promote products in the Chinese market.

These marketing insights highlight the critical role of marketing mix elements in shaping successful export strategies for Thai frozen fruit exporters. Through social capital theory, marketing mix elements transform from tactical tools into strategic mechanisms for building relational assets. Product quality consistency builds cognitive legitimacy, pricing fairness demonstrates mutual respect, distribution partnerships create structural network connections, while promotional activities develop shared meaning systems. These findings extend marketing literature by showing how carefully crafted marketing approaches considering both traditional and digital channels function as investments in social capital development. This allows Thai exporters to enter and expand their presence in Chinese markets while maintaining premium positioning through relationship-based differentiation.

### **3) Entrepreneur Trust Influences Market Expansion Strategies**

Key informants emphasized that trust plays a paramount role in achieving success in exporting products to China. The study revealed how trust-building efforts must focus on maintaining strong relationships with trade partners customers and stakeholders in China with particular emphasis on transparency and honesty. These findings align with De Anda Baker & Tovar-García (2023) who demonstrated how trust fundamentally shapes investment decisions and market expansion capabilities in international trade. The research revealed that successful trust-building requires exporters to overcome significant cultural language and competitive barriers. Key informants highlighted how building strong trust relationships with Chinese partners helped them compete effectively against exporters from other countries. Mahmoud et al. (2020) similarly found that trust serves as a crucial mechanism for mitigating risks associated with international trade including challenges like late payments regulatory compliance and contract fulfilment. Business reputation brand strength and consumer trust emerged as critical factors in the Chinese market. Key informants emphasized the importance of continuously developing product quality maintaining ethical business practices and providing responsive customer service. These practices support successful market expansion by building long-term trust relationships as confirmed by Manfredi & Capik (2022) who found that trust significantly influences business sustainability and leads to enhanced brand loyalty repeat purchases and positive word-of-mouth among Chinese consumers. The study further revealed that achieving success in trust-building requires exporters to analyze both internal and external environmental factors comprehensively. For the external environment exporters must employ PEST analysis tools to examine political economic social and technological factors affecting Chinese business operations. Regarding internal factors exporters need to develop appropriate marketing strategies particularly focusing on the marketing mix elements adapted to Chinese consumer preferences. These findings support previous research by Sitabutr & Pimdee (2017) and Suwannarat (2023) which demonstrated how building business trust results from effectively analyzing and responding to both internal and external business environments.

Within social capital theory trust represents the core relational dimension that transforms structural connections into productive business relationships. The findings reveal trust development as a deliberate strategic process rather than an incidental outcome thereby extending previous

research. Thai exporters actively cultivate trust through consistent performance demonstration of cultural understanding and transparent business communications which accumulate as valuable social capital over time. This accumulated trust functions as a protective mechanism against competitive threats particularly from rapidly growing competitors like Vietnam as indicated by trade statistics showing Vietnamese growth at 123% compared to Thailand's 12%. Trust therefore serves as a critical mediating mechanism through which environmental analysis and marketing strategies translate into sustained export competency a relationship subsequently confirmed in the quantitative findings.

#### **4) The export competence influences market expansion strategies**

The findings revealed eight essential competencies critical for success in the Chinese export market. First exporters must possess deep product knowledge covering quality standards shelf life and logistics limitations alongside comprehensive understanding of Chinese market dynamics consumer demands and regulatory requirements. Suwannarat (2023) demonstrated how this dual expertise enables efficient strategy development and cost optimization in export operations. Strong negotiation and communication abilities emerged as crucial competencies with De Anda et al. (2023) emphasizing how trust familiarity and demonstrated capability significantly influence successful business negotiations. The research highlighted relationship building as another vital skill particularly in cultivating connections with customers business partners and government agencies. Dong et al. (2020) attributed Thailand's export success largely to effective networking with private entities and skillful navigation of regulatory requirements. Additionally, successful exporters demonstrated resilience toward market challenges adaptability to changing conditions and unwavering commitment to transparent and ethical business practices. Suwannarat (2023) noted that Thailand's sustained export success stems from this ability to effectively manage various external factors from exchange rate fluctuations to policy changes and market volatility. These integrated competencies collectively enhance Thai frozen fruit exporters' capacity for successful and sustainable market expansion in China.

From social capital theoretical perspective export competency represents the operational manifestation of accumulated social capital within international business contexts. The eight competencies identified reflect capabilities developed through sustained relationship investments and knowledge exchanges that occur within trust-based networks. Unlike traditional competency views that emphasize internal organizational capabilities this study reveals how export competencies develop within and through social relationships particularly in relationship-oriented markets like China. The findings suggest that export competency functions as both an outcome of social capital development and a reinforcing mechanism that further strengthens network relationships creating a virtuous cycle that enhances competitive advantage. This reconceptualization offers new theoretical insights regarding how social capital translates into tangible business performance extending both export competency and social capital literature.

After validating the qualitative findings through thematic analysis and triangulation techniques with existing literature and expert consultation (Creswell & Plano Clark 2023) these insights guided the development of a research framework comprising PEST analysis marketing mix trust and export competency constructs. The analysis created three research hypotheses include

- 1) PEST has a positive influence on trust
- 2) The marketing mix has a positive influence on trust
- 3) trust acts as a mediator between PEST analysis and marketing mix concerning export competency.

This framework provided the foundation for subsequent quantitative analysis using SEM to examine relationships between these constructs.

#### **Quantitative Findings**

The primary dataset for this study comprises a total of 376 responses, with 367 valid datasets retained for analysis after conducting data cleaning and outlier examination. The removal of outliers was deemed necessary to ensure data quality, as these data points may have resulted from incomplete

questionnaires, potentially impacting the analysis process negatively. However, 9 outliers that did not meet the analysis criteria ( $P$ -value  $< 0.05$ ) were retained to enhance the validity and reliability of the dataset, as some of these data points may provide valuable insights for the SEM analysis (Hair et al., 2017). Skewness and kurtosis tests for normal distribution indicated estimated values ranging from -1.1 to -0.43 for skewness and -0.3 to 1.2 for kurtosis, suggesting some non-normality in the data. However, SEM does not require a normality assumption due to the robustness of the ML estimator, especially with large sample sizes ( $>200$  samples), as suggested by Kline (2011). Furthermore, studies have shown the ML estimator's accuracy even with severely non-normal data (Hancock & Mueller, 2001). Therefore, the assumption of normality is unnecessary, and the dataset of 376 samples is suitable for SEM analysis.

The primary statistical analysis revealed the demographic characteristics of the population, with a total of 376 respondents. Most respondents were female (58.9%) and aged between 41 and 50 years old (34.1%). Additionally, most respondents held a bachelor's degree (53.7%) and earned between 50.1 to 100 million Baht annually (approximately 1.5 to 3 million USD in 2022), accounting for 52.3% of the sample. Furthermore, many respondents had 5.1 to 10 years of experience in the export business. These findings offer valuable insights into the demographics and preferences of entrepreneurs in the Thai frozen fruit export industry, which can be utilized to develop targeted business strategies aimed at enhancing the export competency of Thai exporters.

### **1) Confirmatory Factor Analysis (CFA)**

In this phase, we assessed the reliability and validity of the measurement model. Cronbach's Alpha coefficient was utilized to evaluate data reliability, yielding acceptable values ranging from 0.70 to 0.78 for all constructs. Specifically, PEST analysis (PEST) achieved 0.77, marketing mix (MIX) obtained 0.71, trust (TRUST) scored 0.70, and export competency (COMPE) obtained 0.78. These coefficients affirm the measurement model's reliability in evaluating the constructs. Subsequently, the model's fit was assessed using Maximum Likelihood estimation and various fit indices, including the Chi-square to degrees of freedom ratio ( $\chi^2/df$ ), Comparative Fit Index (CFI), and Tucker-Lewis Index (TLI). The analysis indicated a favourable fit for the model, with  $\chi^2/df=2.10$ , RMSEA=0.05, CFI=0.92, and TLI=0.91. Additionally, the Construct Reliability (CR) analysis demonstrated overall good reliability, with values ranging from 0.83 to 0.94. Furthermore, the convergent validity analysis, measured by average variance extracted (AVE), yielded acceptable levels ranging from 0.51 to 0.53, affirming the reliability and validity of the measurement model in capturing the constructs' latent variables (Hair et al., 2017).

Moreover, discriminant validity analysis utilized the Heterotrait-Monotrait ratio of correlations (HTMT) to examine associations among the latent variables within the structural equation model. The results indicated relatively low to moderate values ranging from 0.25 to 0.58, suggesting that the constructs are distinct from each other, thus capable of measuring separate and unique aspects of the variables under scrutiny. These findings are further supported by the comprehensive data presented in Table 3, providing compelling evidence for the validity and reliability of the measurement model. In summary, the measurement model exhibits good reliability and fit, and the outcomes endorse its accuracy and dependability for further analysis and comprehension.

The analysis of factors affecting the export competency of Thai frozen fruit exporters yielded significant insights by 1) PEST demonstrates a positive impact on Trust, evidenced by a noteworthy, standardized coefficient ( $\beta$ ) of 0.56 at a  $p$ -value $<0.05$ . 2) Similarly, the Marketing mix exerts a positive influence on trust, with a substantial standardized coefficient ( $\beta$ ) of 0.44 at a  $p$ -value $<0.05$ . 3) Notably, trust emerges as a crucial mediator between PEST analysis and marketing mix concerning export competency, indicated by a substantial standardized coefficient ( $\beta$ ) of 0.09 at a  $p$ -value $<0.05$ . These pivotal findings are graphically depicted in Table 4 and succinctly summarized in Figure 1. The outcomes gleaned from this analysis offer invaluable insights into the determinants of export competency among Thai frozen fruit exporters, shedding light on key factors driving their success in international markets.

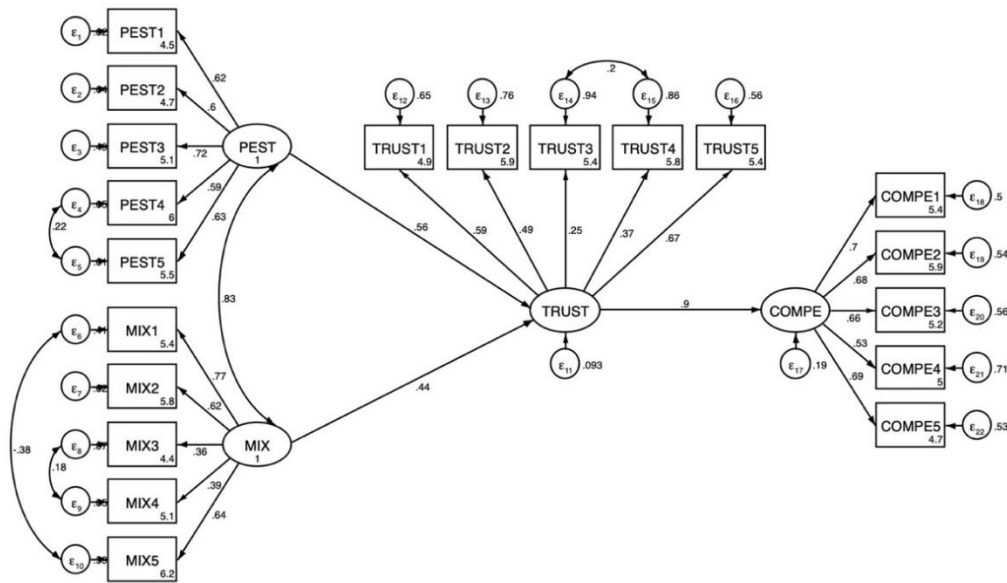
**Table 3:** The Result of Cronbach's Alpha–CR–AVE–Discriminant Validity

Construct	Factor	Factor loading	Cronbach's Alpha	CR	AVE	Discriminant Validity (HTMT)			
						PEST	MIX	TRUST	COMPE
PEST	PEST 3	0.87	.77	.84	.52	1			
	PEST 5	0.81							
	PEST 1	0.72							
	PEST 2	0.63							
	PEST 4	0.54							
MIX	MIX 1	0.81	.71	.85	.53	.32	1		
	MIX 5	0.76							
	MIX 2	0.73							
	MIX 4	0.71							
	MIX 3	0.65							
TRUST	TRUST 3	0.79	.70	.83	.51	.51	.58	1	
	TRUST 1	0.74							
	TRUST 3	0.72							
	TRUST 4	0.69							
	TRUST 5	0.61							
COMPE	COMPE	0.85	.78	.94	.51	.42	.25	.43	1
	5								
	COMPE1	0.83							
	COMPE	0.66							
	3								
	COPME4	0.64							
	COMPE	0.58							
	2								

**Table 4:** Analysis Table of the Path Analysis on Factors Influencing the Export Competency

Hypothesis		Std. Path Estimate ( $\beta$ )	P> z	Result
H <sub>1</sub>	PEST has a positive influence on trust.	0.56	0.01	Accepted
H <sub>2</sub>	The marketing mix has a positive influence on trust.	0.44	0.01	Accepted
H <sub>3</sub>	Trust acts as a mediator between PEST analysis and marketing mix concerning export competency.	0.90	0.01	Accepted

Significant at p&lt;0.05



**Figure 1:** The Results of the Path Analysis on Factors Influencing the Export Competency

## 2) Integration of Qualitative and Quantitative Findings Through Social Capital Theory

The integration of qualitative and quantitative findings reveals remarkable convergence that strengthens the research conclusions while offering deeper theoretical insights through social capital theory. The qualitative findings identified external environmental factors marketing strategies and trust as key elements in export competency development which the quantitative results statistically validated through significant path coefficients. This triangulation enhances both validity and theoretical understanding of how social capital functions within export contexts.

The strong positive relationship between PEST factors and trust ( $\beta=0.56$ ) confirms qualitative insights regarding how favourable political economic social and technological environments create conditions conducive to trust formation. Political stability particularly through trade agreements like RCEP establishes institutional frameworks that reduce relationship development risks while economic growth signals market viability encouraging deeper relationship investments. The significant path coefficient quantitatively validates informants' emphasis on environmental analysis as foundational for trust development within social capital formation processes.

Similarly, the positive influence of marketing mixed on trust ( $\beta=0.44$ ) supports qualitative findings that marketing strategies function as deliberate mechanisms for building relational assets rather than mere tactical tools. Product quality creates cognitive legitimacy pricing approaches signal fairness distribution partnerships establish structural connections and promotion activities develop shared meaning systems all contributing to trust accumulation. This relationship validates informants' observations about marketing adaptation for Chinese preferences as strategic investment in relationship development.

Most significantly the strong mediating role of trust ( $\beta=0.90$ ) between strategies and export competency substantiates the theoretical centrality of trust within social capital framework. This connection empirically confirms how trust transforms strategic actions into operational capabilities enabling effective market navigation. These integrated findings extend social capital theory by demonstrating specific pathways through which relational assets develop and function within cross-cultural export contexts offering both theoretical advancement and practical guidance for Thai frozen fruit exporters navigating competitive Chinese markets.



## **DISCUSSION AND CONCLUSION**

The mixed methods approach employing exploratory sequential design has revealed how social capital theory effectively explains Thai frozen fruit export dynamics to China. The quantitative analysis validated qualitative findings by demonstrating significant positive influences of PEST factors ( $\beta=0.56$ ) and marketing strategies ( $\beta=0.44$ ) on trust development. These statistical relationships extend beyond operational connections revealing how environmental assessment and marketing adaptation function as strategic investments in relationship assets within Chinese business contexts.

Trust functioning as a crucial mediator ( $\beta=0.90$ ) between strategic actions and export competency represents this study's primary theoretical contribution explaining why despite Vietnam's dramatic export growth Thai products maintain premium market positioning. This mediating effect supports Mahmoud et al. (2020) findings regarding trust's risk mitigation role while extending their application specifically to Thai-China frozen fruit trade contexts. The research contributes to social capital theory by demonstrating how relational dimensions transform structural connections into tangible business performance within culturally distinct markets.

For Thai exporters these findings suggest focusing on demonstrable quality transparency and cultural adaptation as deliberate trust-building mechanisms rather than merely price competition strategies. Industry stakeholders should recognize relationship investments as essential strategic assets particularly in Chinese markets where guanxi networks significantly impact business success Dong et al. (2020). Future research should examine digital transformation impacts on relationship building processes within Asian market contexts while policy development should integrate cultural competence alongside technical export assistance supporting Suwannarat's (2023) recommendations for comprehensive export promotion approaches.

## **IMPLEMENTATION**

This research provides actionable strategies for multiple stakeholders in Thailand's frozen fruit export industry through social capital lens. For exporters the findings suggest implementing systematic trust building activities including quality certification cultural adaptation and transparent business practices that collectively strengthen relational assets with Chinese partners. Government agencies should enhance trade facilitation programs by adding relationship-building components alongside traditional export promotion while producers should integrate quality standards with cultural sensitivity understanding. The implementation framework transforms export strategies from price-based competition to relationship-based differentiation addressing Vietnam's rapid growth challenge while leveraging Thailand's established reputation networks in Chinese markets. This integrated approach enables stakeholders across the supply chain to contribute to enhanced social capital development supporting sustainable competitive advantage in relationship-oriented Chinese business environments.

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