

CHAPTER 4 SUGGESTIONS ON THE DEVELOPMENT AND COMPETITIVENESS OF THE THAI COFFEE INDUSTRY

4.1 The Coordinated Effects of the Government and the Coffee Association

The government's policy could influence the development of all industries; thus, according to the different stages and conditions during the development, it is supposed to issue relevant policies to ensure the sound development. So does the coffee industry. At home, the government shall realize its functions, by which it shall promote the production and sales. It also needs to perfect the laws and regulations and enhance the supervision of the product quality. According to the current industrial characteristics of Thai coffee, the advantages and disadvantages should be analyzed so as to find out the problems and to establish a series of excellent basic industrial standards based on the actual conditions. In this way, the Thai coffee industry could be regulated and developed, conforming to the industrial standards of other countries. The Thai coffee market industry needs comprehensive development and the improvement of various indications, based on which the access mechanism should be strengthened. In the aspect of international competitiveness, the government shall enhance the trade negotiation and cooperation with the international coffee associations to learn the advanced management systems and successful brand marketing strategies.

The connection with the coffee planting association and coffee planting specialized cooperatives shall be strengthened to help the government and enterprises optimize the resource distribution. The guiding principle of organizing planting association is: establishing and completing the socialized service system of the coffee planting industry, feeding back the relevant information of coffee market and establishing the effective management system. These methods can strengthen the unified management towards the dispersed farmers. Establishing a coffee association can accelerate the management efficiency, making service more convenient and effective.

4.2 Focus on Investing in Technology and Bringing into Talent

To attach importance to the technological investment of the coffee production, first of all, the Thai coffee industry shall enhance the basic research and development

of the coffee production, cultivate the qualified seed resources and study the new antivirus cultivation technology. The industry needs to introduce the advanced processing techniques and equipment to develop a qualified, precise, commercialized industry on a large scale, from which farmers can learn and apply the techniques into practical operation to improve the productivity and quality of products. The improvement of production technology brings about the high quality of products. From the simple supply of the coffee beans to the integration of the roasting processing and selling, a one-stop service needs to ameliorate the technology of the industry.

Secondly, the Thai coffee enterprises are supposed to introduce talent, enhance innovation and advance the processing technologies to maximize the product value. These two steps can optimize the industrial structure of Thai coffee and strengthen the competitiveness to the utmost.

4.3 Comprehensive Information

Faced with the complex current changes of the coffee industry at home and abroad, the Thai coffee industry shall enhance the construction of information based on its characteristics and domestic conditions. The government and the coffee association shall be coordinated with each other, ensuring the processes from production to sales, grasping the demand and preference of the consumers in time, knowing the domestic and foreign market conditions and providing the enterprises and the farmers with more in-time and considerate services. For instance, the “special safeguard measures” issued by the WTO set up the thresholds of the quantity of import and export and the price changes based on the quantity-triggering and price-triggering principles. If the standard were broken, the measures would give the alarm asking for an adjustment to ensure the healthy operation of the country’s trade market. Meanwhile, it should develop the laws of information policies to make the market operate normally.

The professional coffee website should be established as a platform for information exchange to provide coffee practitioners and coffee lovers with sound domestic and international coffee information. The complete system for searching, releasing and feeding back the information will be established. In addition, the professionals are especially needed to search for and study the relevant regulations and technical standards of developed countries, the supply-demand situation of the products all over the world as well as organize the information to upload to the

website in time. (Chen,2013) The effective information for resource sharing could help people know the updating information of coffee industry at all times, obtain the market conditions and properly arrange the schedules.

4.4The Brand Awareness of The Enterprises

The entire coffee industry should put the transformation from the resource-based to technology-based, integrate resources, craft and market of the current coffee enterprises, employ the international cooperation, relevant financial and policy support to research and develop the new self-owned brands. Brand strategy is a must for participating in the market competition. Only by practicing the regulated production, policy leading, information service and other methods can the enterprises adopt the coffee brand strategy step by step, create the brand advertisement and establish the brand images. As for the enterprises, they should improve the requirements towards the personnel of the industry and enhance the brand awareness of the enterprises.

In the competition of the international trade, one of the methods making products gain ascendancy is to improve the popularity of the brand and design a unique trademark for the product. The brand is one of the metrics to evaluate the quality of a product, an essential symbol distinguishing the product from others, and also a special competitiveness. The development of the market and fiercer rivalry make the competition of the product market become one among product brands. Brand can be seen as the identity card of the product and is the quickest method to recognize the quality of a product. Sometimes, brands even represent the product characteristics of an enterprise or the producing area. Therefore, the brand of a product not only serves as a sign but also influences the competitiveness of the product, becoming the most vital part of the product. Considering that, it is on the top of agenda to improve the significance of the unique brand to coffee enterprises. Although Thailand is not the main coffee exporter with rather low international competitiveness at present, it must choose to produce and export the qualified coffee to raise its competitiveness and improve the status as a coffee-exporting country. Also, the industrial comprehensive capabilities should not be neglected.

Consequently, the comprehensive capabilities of Thai coffee producers need to be improved including the basic production and management ability, etc. So, by increasing comprehensive level, the Thai coffee enterprises shall create brands with the national distinctive features representing the country in the world market and

develop all-around innovative talent. The government is supposed to adopt correspondent measures to maintain the current domestic market, endeavor to expand the international market, increase the international market competitiveness and raise the international market share. Accordingly, to achieve the targets above, the Thai coffee enterprises shall establish the brand awareness, promote the quality of the enterprises' products, strengthen the market competitiveness, and build up the operation philosophy that brands lead enterprises for the purpose of building Thai coffee enterprises as the leading ones in Thailand and creating a new operation and management model. In this way, the coffee enterprises could take the lead in the international market.

The Thai coffee export enterprises should first develop the coffee products which satisfies the demand of customers, promote the product quality and technology, and lower the costs with the rising extra value, e.g. from the most basic consumers' product – instant coffee to coffee with qualified brewing ways, like hand-brewing coffee, dripping coffee, filter coffee, etc. They can learn the advanced technology abroad to develop fine coffee products with high quality, delicate package, and convenience. Besides, it is necessary to develop new products which are exquisite and delicious by combining the traditional coffee products, modern technology of processing and the packaging technology.

It is one of the important methods of developing coffee industry and improving the international competitiveness for Thai coffee companies to produce a unique self-owned brand with native characteristics.