



**Win-Win strategic policy planning for CLMV cross border trading in wholesale  
consumer product sector : A case study of Cambodia**

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**ABSTRACT**

Cross-border trade between Thailand and neighbor countries is favorable impact to enhanced economic corridors across countries. Major income gain from international trading. Objective of this study was aim to survey routes of Thai and Cambodia cross border and compare the management strategies in each region. In case of Cambodia, daily consumer products from Thailand identified as “high quality grade”, leading separately to “Thai Supermarket Products” with the best quality, high standard and well guarantee. Major logistic ways of consumer products from Thailand were identified as 1) by ships from Trad to Koh Kong gateway and 2) by trucks from Sa Kaeo to Banteay Meanchey gateway. In Cambodia, the strategic policy of wholesale consumer product shops was categorized as “blue ocean”, which was win-win strategic policy to be controlled logistic cost, shelf-life of products, inventory management and product benchmarking, relating to the knowledge sharing and transferring from Thai expert consultation as well as cooperation with Thai’s wholesalers.

**Keywords:** CLMV, cross-border trade, high quality grade, wholesale consumer products

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## 1. Introduction

In 2017, values of cross border trade between Thailand and Cambodia are 125.36 billion THB and gained the trade surplus for 78.3 billion THB. In addition, the export values of consumer products from Thailand shared 13% [1]. Cross-border trade between Thailand and neighbor countries are favorable impact to enhanced economic corridors across countries. Major income gained from international trading has been reported. In case of Cambodia, daily consumer products from Thailand identified as “high quality grade” to be opened as “Thai Supermarket Products” with best quality, high standard and guarantee. In addition, the border trading is an alternative way to transport the products from nation supplier to neighbor countries as logistic management [2]. Promotion on cooperative activity between both sides is an alternative choice to be improved the economic conditions and to be lift-up the trading values with sustainability. In the knowledge and knowhow sharing between Thai and Cambodia supply chain of wholesale consumer products using the business matching and TQM analysis has been validated [3,4,5]. Based on this objective, the data have been collected and analyzed in wholesale consumer products in both southern and central regions of Cambodia as sampling population with preliminary data for the further implemented strategies.

## 2. Methodology

### 2.1 Survey and data collection

Two tails of survey were set to collect the data following the previous publication Self-assessment evaluation form (SAE). Six (southern region) and five (central region) provinces in Cambodia were chosen as population.

### 2.2 Self-assessment evaluation (SAE) form

In a previous publication, SAE has been well validated in wholesale consumer products population in Thailand as selective procedure for training, workshops, human development, creative thinking, innovation, and consulting processes [6]. The SAE composing of nine major criteria i.e. 1) Leadership and clustering, 2) Strategic policy, 3) Customer relationship and national marketing, 4) Information system and analysis, 5) Human resources, 6) Business

management and supply chain, 7) Logistic and inventory management, 8) Safety, risk assessment and environment and 9) Business results had been well established.

### 2.3 SAE data collection

There are a large population of wholesale consumer product shop in Southern and Central regions of Cambodia. Six wholesale consumer product shops in Koh Kong and Sihanukville (Southern region) and five wholesale consumer product shops in Siem Reap, Sisophon and Battambang (Central region), Cambodia were selected as sample, depending on the strong relationship with Thai government to lift-up the business competitiveness via training courses and workshops. Ranking score which has major and minor criteria was evaluated and compared between south and central region.

### 2.4 Statistical analysis

Analysis of variance (ANOVA) were analyzed using SPSS software (version 11.5 for Windows, Microsoft<sup>®</sup> USA). Mean comparison using t-test was validated by SPSS software (version 11.5 for Windows, Microsoft<sup>®</sup> USA).

## 3. Results and Discussion

Cross-border trades between Thailand and Cambodia via two routs i.e. Trad and Sa Kaeo have been practiced (87% of total export value to Cambodia). Survey and data collection in present study were mentioned in two routs: 1) Trad and 2) Sa Kaeo (Fig. 1). Ranking score in each major and minor criteria of southern- and central-groups of wholesale consumer products was almost similar in each criterion (Table 1), leading to identify as Blue Ocean atmospheres in this sector, which aimed to promote the cost sharing in term of logistics, inventory and pricing strategies [7]. In addition, the wholesale shopping centre in both southern and central regions were demonstrated (Fig. 2). Therefore, the overall performance improvements were implemented based on bilateral functions between Thailand and Cambodia to be lift-up the cross-border trade values in the future.

**Table 1** Self-assessment evaluation (SAE) score levels in each major criterion of Cambodia's wholesaler in both 'Southern region' and 'Central region' groups. Standard errors of means in each key performance index represent by  $\pm$ SE.

Major criteria	Score		t-test
	Southern region	Central region	
1. Leadership, clustering and strategic policy			
1.1 Leadership and clustering	2.50 $\pm$ 0.15	2.50 $\pm$ 0.10	ns
1.2 Friendly environments and social responsibility	2.75 $\pm$ 0.10	2.75 $\pm$ 0.05	ns
2. Strategic policy			
2.1 Strategic policy development	2.50 $\pm$ 0.01	2.50 $\pm$ 0.05	ns
2.2 Strategic policy implementation	2.50 $\pm$ 0.04	2.50 $\pm$ 0.05	ns
3. Customer relationship and marketing			
3.1 Customer service and two way communication	2.75 $\pm$ 0.10	2.75 $\pm$ 0.05	ns
3.2 Customer relationship and satisfaction	2.75 $\pm$ 0.05	2.75 $\pm$ 0.10	ns
4. Information, knowledge management and implementation			
4.1 Data collection, evaluation and analysis	2.50 $\pm$ 0.04	2.50 $\pm$ 0.05	ns
4.2 Information, knowledge management and implementation	2.50 $\pm$ 0.03	2.50 $\pm$ 0.05	ns
5. Human resources			
5.1 Good organization, professional skill, learning organizational and knowledge management organization	2.50 $\pm$ 0.10	2.50 $\pm$ 0.05	ns
5.2 Happiness, motivation, awarding system, creative thinking, innovation and talent organization culture	2.50 $\pm$ 0.03	2.50 $\pm$ 0.03	ns
6. Business management and supply chain			
6.1 Design and development of novel process and services	3.00 $\pm$ 0.10	3.00 $\pm$ 0.15	ns
6.2 Measurement, standardization and data mining and analysis	3.00 $\pm$ 0.05	3.00 $\pm$ 0.07	ns
6.3 Implement innovative process and services	2.75 $\pm$ 0.05	2.75 $\pm$ 0.08	ns
7. Logistic and inventory management			
7.1 Data collection, simulation and analysis, unique logistic process and inventory management relating to the customers	3.00 $\pm$ 0.04	3.00 $\pm$ 0.10	ns
8. Safety, risk assessment and environment			
8.1 Infrastructure construction and management	2.00 $\pm$ 0.04	2.00 $\pm$ 0.05	ns
8.2 Concerning on safety, risk assessment and environment	2.00 $\pm$ 0.02	2.00 $\pm$ 0.05	ns
9. Business results			
9.1 Customer satisfaction results	2.50 $\pm$ 0.03	2.50 $\pm$ 0.05	ns
9.2 Cash flow and marketing results	2.50 $\pm$ 0.03	2.50 $\pm$ 0.05	ns
9.3 Human resource and management results	2.50 $\pm$ 0.03	2.50 $\pm$ 0.05	ns
9.4 Competitiveness results	2.50 $\pm$ 0.03	2.50 $\pm$ 0.05	ns

<sup>ns</sup> not significant difference.

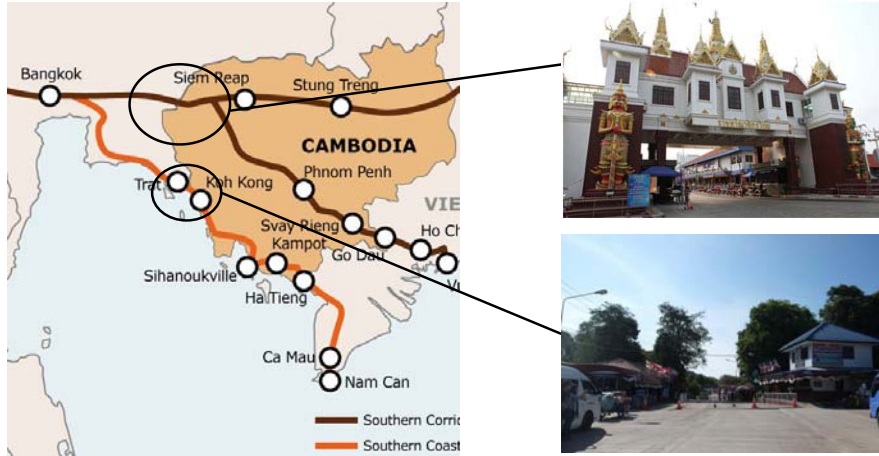


Fig. 1 Two major routes of border trade between Thailand and Cambodia



Fig. 2 Overall performances of wholesale consumer products shop in Sihanoukville Southern region (a) and Siem Reap Central region (b)

#### 4. Conclusions

In wholesale consumer product sector of Cambodia, almost major issues in southern and central regions were similar, leading to promote on not significant difference in business results. Therefore, the overall performance improvements were implemented to high standard on best practices following SAE based on bilateral functions between Thailand and Cambodia to be lift-up the cross-border trade values in the as soon as possible future.

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