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TRANSFER OF MARKETING KNOWLEDGE IN THAI INTERNATIONAL JOINT VENTURE FIRMS

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ABSTRACT

The focus of this study is the transfer of marketing knowledge within Thai joint venture firms. The perspectives of Thai managers were surveyed using a structured instrument. The analysis identifies seven dimensions of marketing management knowledge: promotion management, price management, logistics management, product innovation management, strategic marketing management, cross-cultural management, and target marketing management. The incidence of transfer is highest for activities in strategic marketing management, followed by price management. Transfer in product innovation management and target marketing management tends to vary with the age of the joint venture. Joint venture firms with foreign partners originating from Western, advanced, industrialised nations recorded the highest incidence of knowledge transfer occurring within product innovation management. This trend also holds true for the management of promotion activities. The incidence of transfer in target marketing management is lowest among firms with foreign partners from neighbouring nations. The incidence of knowledge transfer within product innovation and target marketing also tends to vary with the age of the joint venture. An analysis based on industry classification revealed that the transfer of knowledge regarding logistics management occurs most for firms in the manufacturing sector. In the service sector, the highest incidence of knowledge transfer within the areas of promotion management and target marketing management occurred in the agricultural sector.

Keywords: acquisition, marketing knowledge, transfer, International Joint Venture (IJV), Thailand

INTRODUCTION

When economic planners decided to emphasise marketing and value-added economic development rather than making it commodity-based, the role of marketing became crucial. In a developing country, marketing knowledge is one aspect of management that is usually neglected, as this factor is little understood by many business proprietors and managers. It is widely acknowledged in the literature that foreign companies have adopted advanced management techniques. Policy-makers in developing nations are receptive to the idea that knowledge about technology, management and marketing can only be acquired by inviting foreign companies to invest in a country. Foreign direct investment (FDI) is one of the mechanisms that can spur economic transformation, increasing the productivity and competitiveness of a nation. Ultimately, it should lead to the transfer of knowledge among the members of the alliance. Based on the importance of foreign companies in the local economy, the 1972 Alien Business Law was amended in 1999. Prior to this amendment, the Board of Investment (BOI) was formed in 1977 to facilitate foreign direct investment. These initiatives paved the way for higher foreign equity participation and the greater involvement of foreign companies in various sectors of the Thai economy. They also encouraged the establishment of international joint ventures between local and foreign firms. Through various incentives, the Thai authority hopes to enhance the competitiveness of local companies via the transfer of technology, management expertise and marketing knowledge.

Because marketing knowledge is an intangible asset and the source of competitiveness, few firms will be willing to share such knowledge with their foreign partners. This is often cited as the main point of contention that eventually leads to the dissolution of joint ventures (Millington and Bayliss, 1999). However, studies investigating the transfer of various types of marketing knowledge and skills to the local partner are still lacking. This study fills that gap. The focus of this study is joint venture firms in southern Thailand.

KNOWLEDGE TRANSFER

The knowledge gap between firms from industrialised nations and those from newly industrialised nations often leads to the formation of alliances (Tsang, 1999; Julian, 2005). These alliances between firms provide a platform for organisational learning, giving firms access to the skills and competencies of their partners (Kogut, 1988; Westney, 1988). Foreign partners, particularly from industrialised nations, normally bring technology and management know-how with them; they are a vital source of useful knowledge.

Knowledge is an important resource for any organisation (Nonaka, 1994; Grant, 1996; Lyles and Salk, 1996). The ability to acquire and apply knowledge will enable an organisation to build and sustain competitive advantage. The meta-analysis performed by van Wijk, Jansen and Lyles (2008) has established the positive effects of knowledge transfer on both performance and innovativeness.

One of the early studies of knowledge acquisition by Thai firms was undertaken by Erskine (1991). The World Bank Asian Productivity Centre is credited with helping the Thai canned food processing industry penetrate the US and European markets. The center engaged a Taiwanese expert and a retired American executive to provide weekly advice and technological know-how to help firms to meet foreign food standards.

Subsequent studies (Chandprapalert, 2000; Wisarn and Bunluasak, 1994) have revealed that some aspects of technology transfer have taken place. These foreign companies have invested in human resource training and increased the capabilities of Thai workers. Although foreign companies support local suppliers through training programs, the level of technology transferred is rather limited. A neglected area of study is the transfer of soft technology, particularly management knowledge and marketing knowledge (Wong, Maher & Luk, 2002).

Marketing is fundamental to organisational success. Strategic and tactical marketing activities include planning, product development, pricing, distribution, personal selling, promotion and a host of other activities that will create value for customers. Because marketing has its origin in the buyers' market economies of the US and western European countries, firms from these nations possess a stock of marketing knowledge. The generally accepted view is that firms from advanced, developed nations boast superior marketing. (Danis and Parkhe, 2002; Tsang 2002).

In the context of Thailand, Fongsuwan (1999) has highlighted the superiority of foreign firms in managing marketing activities. His study also revealed that American and European companies are perceived as having better marketing capabilities than the Japanese. The Japanese dominate the manufacturing sector but have less confidence in marketing. The superiority of foreign firms is also attributable to their ability to manage new product development activities (Prisana and Speece, 2000).

Economic transformation is not solely dependent on the transfer of hard technology, but also requires the transfer of soft technology. The openness of the Thai economy has encouraged foreign firms not only to use Thailand as a production base but also to tap the market potential of its domestic and regional markets. Accordingly, this study is designed to investigate the transfer of marketing knowledge among joint venture firms in the southern region of Thailand.

Foreign firms are heterogeneous in the knowledge that they possess and are not equally adept at transferring this knowledge (Wang, Tong & Koh, 2004). It is therefore hypothesised that the acquisition of knowledge by Thai managers will vary according to the foreign partner's origin, the age of the joint venture and the industry sector.

METHODOLOGY

This study employed the survey method, using a structured questionnaire that gathered background information on companies and investigated the marketing knowledge that they had acquired.

Measurement Instruments

A total of forty-two items measuring marketing knowledge were adopted from Akaah and Riordan (1984), with additional items on conducting marketing at the international level from Lyles and Salk (1996) and Si and Bruton (1999). The English version of the questionnaire was reviewed and translated into Thai by a scholar in the language department of a university in southern Thailand. It was also reviewed by industry experts, and a back-translated version was reviewed before the final version was administered. Responses were provided using a 5-point scale ranging from 1 (not at all) to 5 (to a large extent).

Data Collection

A total of 202 questionnaires were distributed to the respondents listed in the Thailand Board of Investment Directory & Index 2001 and the BOI database. The respondents were only those firms operating in Southern Thailand. Four weeks after the survey questionnaires were mailed, the first follow-up letter was sent to those who had not responded. The second letter was mailed at the end of the fourth week. A total of 116 survey questionnaires were returned, and 6 were discarded because they contained incomplete responses. Thus, a total of 110 questionnaires used for the analysis. A response rate of 54.45% was achieved, although the respondents were top managers.

THE FINDINGS

Profile of Respondents

The profile of the Thai joint venture firms (TJVs) is presented in Table 1. The sample involved 41% small, 40% medium-sized, and 19% large firms. The small firms were those with 100 employees or fewer and assets of fewer than 50 million baht. The firms were considered medium-sized if they had between 101 and 500 employees and assets between 50 and 499.99 million baht. The firms with more than 500 employees were assumed to be large and have assets of more than 500 million baht. The majority (57%) of the responding firms were relatively new (less than 5 years), having begun operating between 1996 and 2000; 30% were 5–10 years old, and only 14 companies (13%) had been in existence for more than 10 years.

The majority (58%) of the respondents had less than 50% of their equity held by foreign partners and more than 50% held by Thais. Approximately 60% of the companies originated in Asian countries (Malaysia, China, Taiwan, and Hong Kong), followed by the West (15%), Japan (11%), and the Middle East (11%). Among the TJVs, almost 48% were engaged in agriculture and agricultural production, making products such as rubber and frozen seafood; 32% were in the manufacturing sector, and the remaining 20% were in the services and infrastructures sector. About 54.5% of the TJVs were consumer goods producers, and the remaining firms produced industrial goods.

Table 1
Background information on the respondents (N=110)

Demographic Variables	Categories	Frequency	(%)
Period of operation	Less than 5 years	63	57.3
	5–10 years	33	30.0
	More than 10 years	14	12.7
Assets	Fewer than 100 million baht	45	40.9
	100–499.99 million baht	50	45.5
	More than 500 million baht	15	19.6
Number of employees	50 < =Small	45	40.9
	100 < Medium-sized < 500	44	40.0
	500 < =Large	21	19.1

(*continued*)

Table 1 (*continued*)

Demographic Variables	Categories	Frequency	(%)
Exports	Non-exporter	39	35.5
	Less than 50%	14	12.7
	More than 50%	57	51.9
Country of origin	Japan	13	11.8
	NIEs (i.e., Taiwan, Hong Kong)	33	30.0
	Western (i.e., US, UK)	17	15.5
	Asian (i.e., China, Malaysia)	34	30.9
	Others	13	11.8
Foreign equity	Less than 50%	64	58.2
	More than 50%	46	41.8
Industry categories	Agriculture and agricultural products	53	48.2
	Manufacturing	35	31.8
	Service and infrastructure	22	20.0
Industry sector	Consumer goods producers	60	54.5
	Industrial goods producers	50	45.5

Goodness of Measures

The forty-two items measuring marketing knowledge were adopted from Akaah and Riordan (1984) and were subjected to factor analysis and reliability analysis.

Factor analysis on marketing knowledge

A factor analysis with varimax rotation was conducted to determine whether the respondents perceived the transfer of marketing knowledge construct to be uni-dimensional or multi-dimensional (Hair, Black, Babin & Anderson, 2010). The results yielded an eight-factor solution with eigenvalues greater than 1.0, and the total variance explained was 74.65% of the total variance. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.854, indicating sufficient intercorrelations. Based on Kaiser (1970) and Kaiser and Rice (1974), this figure can be considered more than adequate. Bartlett's Test of Sphericity was also significant ($\chi^2 = 4197.889$, $p < 0.01$). The criteria used by Igbaria et al. (1995) to identify and interpret the factors were as follows: each item should load 0.50 or greater on one factor and 0.35 or lower on the other factor. The sixth factor was dropped due to high cross-loadings and also there was a mixture of items from the two factors which already has been extracted. The remaining seven factors were promotion activities, price activities, logistic activities, market strategy, foreign interaction and customer orientation. The reliability values of these factors all exceeded the 0.70 value suggested by Nunnally (1978) with the exception of customer orientation, which was slightly lower at 0.63. Thus, the instrument used in this study can be considered reliable and valid. Table 2 shows the results of the factor analysis.

Table 2
Results of the factor analysis using varimax rotation

	1	2	3	4	5	6	7	8
Promotion Activities								
Selection and scheduling of advertising media	.893	.088	.103	.000	–.054	–.000	.067	.028
Formulation of compensation program	.888	.124	.105	.043	.136	–.021	.013	–.057
Evaluation of advertising effectiveness	.886	.085	.062	.091	–.022	.124	.196	.125
Development of advertising message	.886	.083	.013	.013	–.085	.074	.109	.214
Determination of major types of promotion	.868	.160	.076	.098	.149	.020	–.013	–0.15
Recruitment and training of salespersons	.867	.061	.125	.102	.178	.064	.016	–.172
Setting of promotional objectives	.843	.077	.068	.088	.035	.107	.114	.081
Planning and implementation of sales	.766	.039	.179	.093	.110	.080	–.020	–.172
Promotions	.522	.099	.399	.181	.124	.409	.013	–.088
Establishment of distribution centres **	.510	.126	.465	.216	–.022	.319	.133	.143
Analysis of possible locations **								
Price activities								
Actual price-setting	.001	.840	.214	.159	.067	–.015	.088	.122
Formation of policies and methods for the	.089	.821	.154	.176	.207	–.012	.092	.197
establishment of conditions and terms of sales	.232	.732	.114	.264	.174	.024	–.047	.026
Determination of buyer discounts	.256	.706	.083	.057	.199	.279	.105	–.125
Analysis of competitor prices	.112	.698	.146	.154	.114	.237	.035	.135

(*continued*)

Table 2 (*continued*)

	1	2	3	4	5	6	7	8
Logistic Activities								
Formulation and implementation process	.202	.199	.782	.150	.085	.260	–.063	–.010
Analysis of transportation methods	.177	.153	.771	.020	.148	–.010	.324	.064
Minimisation of total distribution cost	.197	.209	.763	.201	.130	.078	.184	.052
Implementation of inventory control**	.084	.082	.702	.047	.048	.425	.178	–.061
Evaluation of various types of distribution **	.098	.405	.527	.039	.372	.383	.120	–.010
Product Innovation								
Modification of existing products	.157	.202	.822	.822	.057	.193	.118	.172
Development of new products	.233	.193	.138	.800	.168	.053	.193	.125
Elimination of unsatisfied products	.149	.229	.120	.758	.184	.152	.169	.079
Commitment to improvement and innovation	.027	.151	.120	.715	.264	.202	.184	.182
Market Strategy								
Formulation of marketing planning process	.095	.271	.214	.103	.790	–.010	.200	.087
Building customer focus	.103	.214	.051	.256	.765	.278	.087	.051
Measuring and managing customer expec.**	.038	.313	.039	.376	.575	.172	.071	.346
Control and evaluation of marketing ac.**	.264	.049	.157	.178	.560	.403	.170	.275
Positioning of company products **	.057	.233	.317	.408	.500	–.032	.134	.347
Dropped								
Import and export procedures	–.081	.061	.243	.115	.072	.713	.055	.081
Design and implementation of effect	.192	.058	.224	.206	.204	.682	.013	.088
Preparation of product warranties	.297	.333	.198	.076	.043	.510	.313	.155

(*continued*)

Table 2 (*continued*)

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Formation of brand names and brand*	.431	.333	–.043	.198	.189	.465	.381	.044
Planning of product packages*	.322	.415	.082	.306	.130	.453	.218	–.076
Foreign Interaction								
Foreign business culture	.183	.045	.180	.352	.118	–.050	.760	–.003
Negotiation style	.085	.184	.243	.173	.334	.147	.738	.010
Foreign communication skills	.085	.033	.183	.158	.035	.235	.737	.265
Customer orientation								
Managing profitability	–.168	.152	–.011	.356	.099	.060	.103	.643
Precise customer targeting	.002	.286	.125	.325	.347	.059	.065	.604
Reliability	0.96	0.88	0.85	0.90	.080	–	0.82	0.63
Eigenvalue	15.69	5.32	2.74	2.26	1.53	–	1.30	1.08
Percentage of Variance Explained	37.36	12.66	6.52	5.38	3.66	–	3.10	2.57

Note: * Low or items loading significantly on another factor, ** Cross-loading between the factor deleted at cutting point of 0.35

Table 3 displays the means and standard deviations for the extent of the marketing knowledge transfer from foreign partners to local Thai partners from among the responding firms. The mean score for marketing knowledge transfer ranges from 2.39 to 3.90. Knowledge related to developing marketing strategy (3.90) displayed the highest incidence of transfer, followed by knowledge of managing price activities (3.73), foreign interaction (3.62), product innovation (3.55), customer orientation (3.51), logistical activities (3.41), and promotion activities (2.39). Overall, the results of the analysis show that the extent of marketing knowledge transfer among TJVs firms is high. With the exception of promotion activities (2.39), the respondents reflected a high level of marketing knowledge transfer.

Table 3
Extent of marketing knowledge transfer

Marketing Knowledge Acquired	Mean	Standard Deviation	Rank
Strategic Marketing Management	3.90	0.81	1
Price Management	3.73	0.80	2
Cross-Cultural Management	3.62	0.87	3
Production Innovation Management	3.55	0.97	4
Target Marketing Management	3.51	0.76	5
Logistical Management	3.41	0.91	6
Promotion Management	2.39	1.11	7

Note: Scale 1 (not at all) to 5 (a large extent)

The extent of marketing knowledge transfer

The purpose of this paper is to determine if there are differences in the incidence of the transfer of marketing knowledge in Thai joint venture firms arising from differences in the origin of the foreign partner, the age of the joint venture, and the industry sector. A one-way ANOVA was used to analyse the data. The results are presented in Tables 4 to 6.

The Analysis of Marketing Knowledge by Foreign Partners' Countries of Origin

Firms from developed nations possess a larger stock of knowledge than do firms from newly industrialised nations. Nevertheless, the transfer of knowledge may be hindered by cultural differences and other factors affecting the relationships between the partners. Wang et al. (2004) contend that foreign firms are heterogeneous in the knowledge that they possess and that they are not equally adept at transferring this knowledge. Therefore, it is anticipated that the extent of the marketing knowledge acquired by the local partner will differ based on the origin of the foreign partner. The following hypothesis is proposed:

> H_1: The origin of the foreign partner is expected to contribute to differences in the transfer of marketing knowledge among the Thai joint venture firms

There are five categories of foreign partner nations: Japan, the ASEAN group, the Far East group, the Western industrialised nations and other nations. Japan is not included in any of the other categories because it is the largest source of foreign direct investment in Thailand (Julian, 2001; Thailand Board of Investment, 2009). Furthermore, because a sufficient number of Japanese firms responded to the survey, it is appropriate to analyse Japan as a single group by itself. The ASEAN nations are the neighbouring nations of Malaysia and Singapore. The Far East nations are Korea, China and Taiwan.

Descriptive statistics show that the transfer of knowledge on strategic marketing management is most prevalent across four categories of foreign partners, all those except the ones classified as "Other". In the latter group, the transfer of knowledge related to relational skills was ranked ahead of the transfer of knowledge related to strategic marketing management. The transfer of knowledge regarding managing pricing strategy is the second most common for joint venture firms with foreign partners from the neighbouring ASEAN countries the Far East, whereas target marketing and production innovation is ranked second by firms with Japanese and Western partners.

Table 4
Comparison of marketing knowledge by foreign partner origin

	Japan (Mean)	ASEAN (Mean)	NIE (Mean)	Western (Mean)	Other (Mean)	F-value
Promotion Mgmt	1.95	2.14	2.18	2.87b	2.57	2.81*
Pricing Mgmt	3.54	3.75	3.98	3.78	3.63	1.20
Logistics Mgmt	3.05	3.44	3.35	3.56	3.49	0.69
Product Innovation Mgmt	3.46	3.14	3.96b	3.87b	3.44	3.53**
Strategic Marketing Mgmt	3.73	3.84	4.32	3.89	3.73	1.51
Cross-Cultural Mgmt	3.41	3.47	3.78	3.73	3.77	0.80
Target Marketing Mgmt	3.65b	3.18a	3.79b	3.64b	3.62b	2.79*

Note: Means with the same superscripts are not significantly different; means with different superscripts are significantly different ** $p < 0.01$, * $p < 0.05$.

The results of the one-way ANOVA shown in Table 4 reveal that the variations in the incidence of the transfer of marketing knowledge are peculiar to only three of the seven types of marketing knowledge. They are promotion management ($F = 2.81$, $p = 0.045$), product innovation ($F = 3.53$, $p = 0.015$) and target marketing ($F = 2.79$, $p = 0.040$).

The transfer of knowledge regarding promotion management scored the highest mean value, and there was a particular difference between joint venture firms with Western partners and those with partners from other regions/nation. The lowest mean values (1.95) were for firms with foreign partners from Japan.

The transfer of knowledge on product innovation is highest among firms with partners from the Far East (M = 3.96), followed by firms with partners from Western nations (M = 3.87). The Duncan range tests show that the two groups are significantly different from the remaining three groups of foreign partners (Japan, the ASEAN nations, and other nations).

The incidence of the transfer of knowledge on target marketing is highest among firms with foreign partners from the Far East (M = 3.79). The incidence of this type of is equally high for firms whose foreign partners are from Japan, the Far East, Western nations and other nations. The figures are significantly different from those of the joint venture firms with ASEAN partners.

The Analysis of Marketing Knowledge by Age of Joint Venture

Partner incompatibilities can lead to instability within joint venture firms, which will slow the transfer of knowledge (Parkhe, 1991; 1993). The sharing of knowledge may also be inhibited by cultural boundaries (Hanvanich, Richards, Miller & Cavusgil, 2005). The stability of the joint venture is postulated to be a function of time. It is anticipated that the longer the joint venture has been in existence, the more stable the relationship is between the partners. This sort of stable relationship leads to trust, commitment and less-opportunistic behaviour. Such an atmosphere should be conducive to learning and knowledge transfer. Thus, the second hypothesis is postulated as follows:

> H_2: The extent of the transfer of marketing knowledge will vary according to the age of the joint venture firms.

The age of the joint venture is the number years during which the joint venture firm has been in operation. The responding firms were classified into 3 groups. The first group was composed of joint ventures that have been in operation for less than 5 years. The second group was made up of those joint venture firms that have been established for between 5 to 10 years. Joint venture firms that have been around for more than 10 years made up the third group.

Descriptive statistics and the results of the one-way ANOVA are presented in Table 5. The incidence of the transfer of knowledge on strategic marketing management in joint venture firms that have been established for between five and ten years is the highest, followed by that of joint venture firms formed more than ten years ago. The latter reported the transfer of more knowledge on product innovation than knowledge regarding strategic marketing management.

Table 5
Marketing knowledge transfer by age of joint venture

	< 5 years (Mean)	5 – 10 years (Mean)	> 10 years (Mean)	F-value
Promotion Mgmt	2.37	2.21	2.93	2.08
Pricing Mgmt	3.60	4.00	3.69	2.79
Logistics Mgmt	3.42	3.40	3.43	0.01
Product Innovation Mgmt	3.39a	3.69a	4.02b	2.93*
Strategic Marketing Mgmt	3.81	4.12	3.82	1.69
Cross-Cultural Mgmt	3.55	3.74	3.69	0.54
Target Marketing Mgmt	3.34a	3.74b	3.79b	4.21**

Note: Means with the same superscripts are not significantly different; means with different superscripts are significantly different. ** $p < 0.01$, * $p < 0.05$.

The incidence of the transfer of knowledge on product innovation appears to vary directly with the age of the joint venture. It is highest (M = 4.02) among joint venture firms that were established more than ten years ago. Their counterparts that have been in existence for between five to ten years and those that began operations less than five years ago rate the transfer of this knowledge lower (M = 3.69 and M = 3.39, respectively), and this difference is statistically significant.

Similarly, the transfer of knowledge regarding target marketing directly varies with the age of the joint venture. The mean value for joint venture firms less than five years old is M = 3.34; this figure is significantly lower than the figures for the other two groups of joint venture firms: for the joint venture firms established between five to ten years ago, the figure is M = 3.74, and for those more than ten years old, it is M = 3.79.

The transfer of knowledge regarding two of the seven marketing knowledge dimensions is statistically significant at $p < 0.05$ or better. These dimensions are the transfer of knowledge regarding product innovation and target marketing.

The Analysis of Marketing Knowledge by Industry Category

The liberal policy adopted by the Thai policy-makers created an increase in foreign equity participation in various sectors of the economy. The degree of exposure to foreign influence experienced by a specific industry sector will affect the capacity of that sector to learn and absorb new knowledge. For the purpose of this study, the responding firms are sorted into 3 major industry categories: the service sector, the manufacturing sector, and the agricultural sector. The following hypothesis is proposed:

> H_3: The extent of the transfer of marketing knowledge differs for the three different industry categories.

The descriptive statistics and the results of the ANOVA are presented in Table 6. The incidence of the transfer of knowledge regarding strategic marketing management is highest among the joint venture firms in the manufacturing and agricultural sectors. In contrast, the joint venture firms in the service sector rated the transfer of knowledge regarding product innovation ahead of that regarding marketing strategy in terms of frequency.

Table 6
Marketing knowledge by industry category

	Services (Mean)	Manufacturing (Mean)	Agriculture (Mean)	F-value
Promotion Mgmt	3.01b	2.61b	1.99a	8.43**
Pricing Mgmt	3.64	3.71	3.78	0.28
Logistics Mgmt	3.03a	3.64b	3.43b	3.01*
Product Innovation Mgmt	3.67	3.46	3.58	0.32
Strategic Marketing Mgmt	3.57	4.07	3.93	2.73
Cross-Cultural Mgmt	3.41	3.58	3.74	1.20
Target Marketing Mgmt	3.57b	3.24a	3.68b	3.68*

Note: Means with the same superscripts are not significantly different; means with different superscripts are significantly different ** $p < 0.01$, * $p < 0.05$.

The results show that the figures for the transfer of three dimensions of marketing knowledge are statistically significant. These are promotion management, logistics management, and target marketing. Joint venture firms in the service and manufacturing sectors registered a much higher level of transfer of knowledge related to promotion management (M = 3.01 and M = 2.61, respectively) than did those in the agricultural sector (mean value 1.99). On the other hand, joint venture firms in the manufacturing and agricultural sectors received much more knowledge (M = 3.64 and M = 3.43 respectively) on logistics management than did those in the service sector (M = 3.03). For knowledge regarding target marketing, the joint venture firms in the agricultural and service sectors recorded significantly more frequent knowledge transfer (M = 3.68 and M = 3.57, respectively) than did joint venture firms in the manufacturing sector (M = 3.24).

DISCUSSION

Foreign firms' entry into Thailand is often motivated by the availability of resources obtainable at a lower cost than in the firm's home country. However, because opportunities to exploit domestic market potential abound, the landscape of FDIs has changed, and market-seeking FDI is encouraged. The formation of joint venture firms including both local and foreign partners is encouraged by policy-makers. It is anticipated that the outcome of this policy will be knowledge transfer that will be beneficial to both parties.

The transfer of each dimension of marketing knowledge is fairly common overall. Activities related to the formulation of marketing strategy are highly rated. The involvement of local partners in this area of marketing is welcome. Foreign firms are often cited as having superior knowledge of how to plan and implement market strategies. The willingness of foreign partners to pass on this knowledge is a positive indication that the skills of Thai employees will continue to improve.

There exists a relatively high level of transfer of knowledge related to pricing activities because pricing activities dominate marketing decisions. Normally, local partners are involved in the production process, and foreign partners provide access to distribution networks in foreign markets. Thus, the input of both the local partner and the foreign partner is necessary to ensure that pricing decisions are in line with the demand in the market place.

The presence of foreign firms has boosted Thai exports. Skill in handling the export business is crucial for foreign market expansion. It is encouraging that the Thai partners ranked the knowledge on foreign interaction as the third most commonly transferred type of knowledge. The low emphasis on transferring knowledge related to promotion activities as compared to the other dimensions of marketing knowledge is understandable. Most of the TJVs firms are involved in the production of semi-finished goods, where promotional activities are least somewhat important. For TJVs producing final consumer goods, chances are that foreign markets are often served by foreign partners. In conclusion, we can note encouraging evidence of the benefits that joint venture firms provide in promoting the development of Thai employees' marketing skills.

Studies of international joint ventures have emphasised the importance of market entry, the selection of local partners and access to resources and market knowledge. The formation of joint ventures is encouraged by policy-makers in industrialising nations because this is an important mechanism for local firms to use to acquire marketing expertise. It will enable local firms with limited resources to develop managerial expertise and upgrade their knowledge about state-of-the-art marketing strategies.

The incidence of the transfer of the seven types of marketing knowledge is relatively high. The findings of this study reveal that there is no variation in the incidence of the transfer of knowledge regarding strategic marketing management, pricing strategy and relational skills based on the three selected characteristics of the joint venture firms. However, the incidence of the transfer of knowledge related to the remaining four dimensions of marketing knowledge (promotion management, logistics management, product innovation, and target marketing) has been found to vary.

The incidence of the transfer of knowledge regarding promotion management is specific to the industry sector in question and the origin of the foreign partner. The joint venture firms in the service and manufacturing sectors rated the transfer of this type of knowledge as more frequent than did those in the agricultural sector. The opportunity to acquire knowledge on promotion management is greater if the foreign partner is from the West. The characteristics of the market in which foreign partners from the West operate include less regulation on the supply side and a great deal of competition. Buyers have more choice and are more aware of the available offerings. Such promotional activities are necessary to attract buyers' attention and patronage. Firms from newly industrialising nations like Thailand stand to benefit from their partners. The service and manufacturing sectors are relatively young and in need of such expertise.

It appears that foreign partner nationality has systematic effects on the extent to which certain marketing knowledge is transferred to local partners. Foreign partners from Western nations are more knowledgeable about the art of communication with the market place whether it occurs through an electronic or a non-electronic medium. The Thai partner may benefit from the aggressive marketing approaches adopted by Western firms, using advertising to stimulate demand. To complement the impersonal approach, salespersons are usually professionally trained to push products through the available channels.

The use of an integrated promotion mix in the service sector is relatively new for service firms in newly industrialised nations like Thailand. In the manufacturing sector, firms from Thailand appear to be marketers of production capacity. To progress to a higher level of internationalisation, Thai firms must move beyond production issues. The presence of a foreign partner creates a conduit through which the local partner can acquire knowledge on promotion management, which is vital to presenting its offering in the marketplace.

Because marketing and sophisticated managing promotion mix are often associated with Western, advanced, industrialised nations, the results are not surprising. The lack of significance of the contribution of partners from other regions could be due to their motive of investing in Thailand. These firms are probably resource-seekers and not market-seekers. Thus, this important dimension of the marketing mix is taken care of by the parent company and not the joint venture company. Similar arguments can be put forth regarding the lack of significance of the transfer of knowledge regarding target marketing in the manufacturing sector. Target marketing is about servicing an identified market segment profitably. The incidence of the transfer of this knowledge is specific to the agricultural and service sectors. The use of modern marketing is probably new in these two sectors, which probably explains the great increase in the use of the concept. The high incidence of acquisition of this knowledge is correlated with the age of the joint venture. It is interesting to note that this type of transfer occurs in joint venture firms with partners from the Far East, Japan, Western nations and other nations, but not the ASEAN nations. This exception should be further investigated.

Logistics management involves activities related to the transportation and storage activities necessary to the transfer of physical products from manufacturing plants to various institutions in the supply chain. The incidence of the transfer of knowledge of this subject varies significantly based on the industry sector. Logistics management is undoubtedly important in the manufacturing and agricultural sectors. The physical movement of raw materials and finished products is critical to creating value in the supply chain.

Innovation is the key to sustainable competitive advantage. The partners from the Far East and Western nations appear to impart more knowledge to their Thai partners than do foreign partners from other regions/nation. Such transfer occurs largely in the older joint venture firms. Experience and trust develop over a long period of association and probably lead to mutual trust and commitment by both parties. This sort of commitment paves the way for the foreign partner to share information about the market and about ways to stay ahead of the competition.

Product innovation requires creativity. The skills necessary to improve existing products and the willingness to pass on that knowledge to Thai partners are specific to foreign partners from the Far East. However, Thai partners must learn knowledge related to target marketing from partners of a different origin.

Limitation and Future Research Recommendation

This study used a cross-sectional research design in which the data were collected at a single point in time. This approach was adequate to gather a large amount of data within a limited time frame. Though this approach has allowed us to provide several insights through a kind of snapshot of firm viewpoints, it does not address the continual process that has occurred as the transfer of marketing knowledge has changed and has not allowed us to detect any casual effects of the variables considered. There could be a lag in the knowledge accumulated from foreign partners, and the cumulative effects of new knowledge acquired from foreign partners may decrease over time. A longitudinal study would provide a clearer picture of how firms acquire marketing knowledge and how the organisational context influences knowledge transfer.

The questionnaires were directed to CEOs, who were considered the key informants and were seen as having the most complete perspective on IJV activities. Our use of self-reported data may have exposed the study to perceptual or attitudinal biases or even a lack of information, which could reduce the reliability and validity of the data. People in different positions may view things differently. One way that future research might improve upon our methods would be to use a multiple-informant technique to develop a more well-rounded perspective. Additionally, because the subject of this research is the transfer of marketing knowledge from one party in a Joint Venture to another, which partner is reporting becomes a question of crucial interest. It would be best if both partners (and representatives) reported their data separately and if their responses could then be compared.

This research was conducted on TJVs firms in the southern region alone, and these firms are mainly working in the agriculture and agricultural product industries. Hence, the findings of this study may not be generalisable to all Thailand joint ventures. In addition, the findings contained in these studies may not necessarily be generalisable to other industries. Further research should include IJV firms from other parts of Thailand.

CONCLUSION

In summary, the longer the joint venture has been in existence, the higher the incidence of the transfer of marketing knowledge. Thai partners should be patient and not expect their foreign partners to share their knowledge within a short time-span. They must develop a learning culture and build their capacity to absorb new knowledge.

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