



IMPACT OF FROZEN FOOD IMPORTS ON COMPANIES IN SAMUT SAKHON

Angkana Chokphongthon

PhD student, Doctor of Philosophy Program, Innovation Management, Suan Sunandha
Rajabhat University

Email; s66584945005@ssru.ac.th

Tanapol Kortana

Department of Management Innovation, Suan Sunandha Rajabhat University

Email; tanapol.ko@ssru.ac.th

Bundit Pungnirand

Department of Management Innovation, Suan Sunandha Rajabhat University

Email; Email: bundit.pu@ssru.ac.th

Abstract

The study on the impact of frozen food imports on companies in Samut Sakhon aimed to assess how these imports affect local business competitiveness and consumer purchasing decisions. Utilizing qualitative methods, including document analysis and interviews with 20 key informants—entrepreneurs, retailers, and consumers—the findings revealed that the growing market share of imported frozen foods intensified competition, prompting local businesses to revise pricing strategies and emphasize product differentiation. This shift toward branded imports negatively affected local product sales. While frozen food imports increased variety and alleviated food shortages, they also placed pressure on the local economy and raised health concerns about preservatives. Additionally, the environmental impact of packaging waste highlights the need for better regulatory measures. Factors influencing consumer choices include perceived quality, brand awareness, variety, price, health considerations, convenience, and overall economic conditions, all of which shape the dynamics of the frozen food market in Thailand.

Keywords: Frozen food, impact, Samut Sakhon

Introduction

The frozen food market has undergone significant transformations in recent years, particularly in Thailand, where the sector has been influenced by shifting consumer behaviors, technological advancements, and global supply chain dynamics. The COVID-19 pandemic catalyzed a remarkable increase in e-commerce, leading consumers to increasingly purchase food online for convenience and safety. This shift has not only expanded consumer choices but has also resulted in a substantial rise in the importation of frozen foods, which now pose a considerable competitive threat to local producers in regions such as Samut Sakhon—an essential hub for seafood processing and frozen food production. Understanding the implications of these developments is critical for the sustainability and growth of local businesses (Howarth, 2024).

Despite the benefits that imported frozen foods bring to consumers, including variety and quality, local companies face mounting challenges, particularly regarding market share and pricing competition. As imports of frozen meat, seafood, and vegetables from countries like Australia, the United States, and China surge—evident in the increase of frozen beef imports from 49,253 tons in 2018 to over 55,770 tons in 2022—domestic firms must adapt to survive (Naiphanakorn, 2024). Research shows that competitive pressures from imports can negatively impact local industries, leading to reduced profitability and market presence (Wang & Kwan, 2022). This competitive pressure underscores the necessity of this research,

which aims to explore the impact of frozen food imports on companies in Samut Sakhon. The study will employ relevant theories such as Porter's Five Forces, which provide a framework for analyzing industry competition, and the Theory of Comparative Advantage, highlighting the challenges and opportunities for local businesses in a globalized economy (Krugman, 1991).

The objectives of this research are threefold: assessing the competitive landscape posed by the influx of imported frozen foods, analyzing the response of local companies to these market pressures, and identifying strategic recommendations to enhance their competitiveness. The scope of the research will cover various sectors in the frozen food industry, including seafood, meat, and processed goods, with a focus on the impact on production, marketing, and distribution strategies. Relevant literature, such as the work of Srisarapang (2024) on market trends and Karaboontrith (2023) on economic impacts, along with the studies by Chen et al. (2023) and Yadav & Gupta (2022) on consumer demand and market dynamics, will provide a foundational understanding of the complexities involved in this sector.

The potential benefits of this research extend far beyond academic inquiry. The findings will provide valuable insights for local businesses to effectively navigate the changing market landscape. This study aims to enhance the resilience and competitiveness of companies in Samut Sakhon by identifying best practices and strategic approaches. Furthermore, this study contributes to the broader debate on food import policies and economic stability in Thailand. It offers recommendations that can inform policymakers and industry stakeholders in promoting a resilient and sustainable food sector in an increasingly interconnected global economy (Bello et al., 2022; Lee, 2021). Ultimately, this study aims to investigate the impact of frozen food imports on the competitiveness of firms in Samut Sakhon Province and analyze the factors affecting consumers' purchasing decisions for imported frozen food, which will enhance our understanding of how local firms can thrive amidst globalization and changing consumer trends, thus contributing to the overall stability and growth of the Thai economy.

Research Objectives

1. To study the impact of frozen food imports on the competitiveness of companies in Samut Sakhon Province.
2. To analyze the factors affecting consumers' decision to purchase imported frozen food.

Scope of the Research

1. Population Scope

Target group: Consisting of frozen food entrepreneurs in Samut Sakhon Province, frozen food product shops, and consumers who purchase frozen food products.

Key informants: 20 people, consisting of 5 frozen food business operators in Samut Sakhon Province, 5 frozen food store owners, and 10 consumers who purchase frozen food products. The method was purposive selection. The selection criteria were entrepreneurs who had been in operation for at least 10 years, food store owners who had been in operation for at least 5 years, and consumers who purchased frozen food products most frequently, based on recommendations from stores, with 2 people per store.

2. Variable Scope

2.1 Variables of the impact of frozen food imports on the competitiveness of companies in Samut Sakhon Province.

2.2 Variables of factors affecting consumers' decision to purchase imported frozen food.

3. Time Scope: May - October 2024

Research Methodology

1. Research Methodology

The study will use a qualitative research approach to explore the impact of frozen food imports on companies in Samut Sakhon. This approach provides a deep understanding of the perceptions, experiences and strategies of key stakeholders in the frozen food market. Two main approaches will be used in the research:

Document analysis: Review of existing literature, market reports and relevant documents to provide context and background on the frozen food market and import trends;

In-depth interviews: Semi-structured interviews with key informants to gather insights and personal perspectives;

2. Research Steps

2.1 Literature review:

Conduct a comprehensive review of existing research and publications related to frozen food imports, market dynamics and consumer behavior.

Identify gaps in the literature that this research will address.

2.2 Participant Selection:

Identify and select 20 key informants, including:

- 5 frozen food business operators in Samut Sakhon.
- 5 owners of retail outlets selling frozen food products.
- 10 consumers who regularly purchase frozen food items.

2.3 Development of Interview Guide:

Create a semi-structured interview guide with open-ended questions focusing on:

- Perceptions of the impact of imports on local competition.
- Pricing strategies and market changes.
- Consumer preferences and decision-making factors.

2.4 Conducting Interviews:

Schedule and conduct interviews, ensuring a comfortable environment for participants to share their views.

Use audio recording (with consent) and take notes for accuracy.

2.5 Transcription:

Transcribe recorded interviews to prepare for analysis.

2.6 Data Validation:

Conduct follow-up interviews or member checks to confirm the accuracy of findings and interpretations.

3. Data Collection

3.1 Document Analysis:

Gather data from relevant sources such as:

- Industry reports on frozen food imports and market trends.
- Academic articles and case studies related to competitive dynamics in the food sector.

- Government publications on import regulations and statistics.

3.2 In-Depth Interviews:

- Schedule interviews with the selected key informants.

- Each interview will last approximately 30-60 minutes, allowing participants to provide detailed responses.

- Ensure a diverse representation of perspectives by including participants from various backgrounds and roles within the industry.

4. Data Analysis

4.1 Qualitative Data Analysis:

Use thematic analysis to identify recurring themes and patterns in the interview transcripts.

Steps in analysis:

- Familiarization: Read through the transcripts multiple times to gain an understanding of the content.

- Coding: Generate initial codes from the data that highlight important features relevant to the research questions.

- Theme Development: Group codes into broader themes that represent key findings related to the impact of frozen food imports.

- Interpretation: Analyze the themes in relation to the research objectives and the existing literature, drawing conclusions about the implications for local companies and consumer behavior.

4.2 Triangulation:

Compare findings from interviews with insights from document analysis to enhance validity and reliability of the research conclusions.

Research Results

1. The impact of frozen food imports on the competitiveness of companies in Samut Sakhon Province found that it has an impact on entrepreneurs and society as follows:

1.1 Impact on Entrepreneurs

1) Market Changes: Companies that import frozen food products have successfully increased their market share, leading to heightened competition for local firms. Local businesses are finding it increasingly difficult to compete against the growing demand for imported products, which often offer perceived higher quality and brand recognition.

2) Pricing Strategies: In response to the competitive landscape, local companies are revising their pricing strategies. Rather than solely focusing on price reductions to attract customers, many are exploring alternative approaches that highlight the quality and unique selling propositions of their products, aiming to differentiate themselves in a crowded market.

3) Consumer Behavior Changes: There is a notable shift in consumer preferences, with an increasing inclination towards branded and imported frozen food items. This trend negatively affects the sales of local products, as consumers are drawn to the variety and perceived quality offered by international brands.

1.2 Overall Social Impacts

1) Economic Impacts: The importation of frozen foods presents both opportunities and challenges for the local economy. On the positive side, imports enhance the variety of available food options, cater to diverse consumer needs, and help alleviate food shortages during off-seasons. Conversely, increased competition from imports has pressured local entrepreneurs, leading to reduced incomes and necessitating strategic adaptations to maintain viability.

2) Social Impacts: The growing consumption of frozen food is influencing dietary habits in Thailand. While the convenience of these products saves time for consumers, there are rising concerns regarding the health implications of preservatives and

additives commonly found in frozen foods, prompting discussions about nutritional quality and long-term health effects.

3) Environmental Impacts: The environmental consequences of frozen food imports are considerable, particularly concerning packaging waste. The reliance on plastic packaging raises significant concerns about waste management and the sustainability of natural resources. This underscores the need for effective regulations and systems aimed at monitoring and mitigating the environmental impacts associated with imported frozen food products.

2. Factors that influence consumers' purchasing decisions for imported frozen food
There are several factors involved, including:

2.1 Quality Perception: Many consumers associate imported frozen foods with higher quality due to stringent production standards and better preservation techniques in exporting countries. This perception can significantly influence their purchasing choices.

2.2 Brand Recognition: Well-known international brands often have strong market presence and reputation, making them more appealing to consumers. Familiarity with these brands can lead to increased trust and willingness to purchase.

2.3 Variety and Availability: The diversity of options available through imports—such as different types of meat, seafood, and ready-to-eat meals—can attract consumers seeking unique or high-quality products not found in local offerings.

2.4 Pricing: While imported frozen foods might be more expensive, consumers may be willing to pay a premium for perceived quality and convenience. Conversely, competitive pricing strategies from local producers can influence purchasing decisions as well.

2.6 Health Concerns: Increasing awareness of health and nutrition can lead consumers to prefer imported frozen foods that highlight natural ingredients or lack preservatives. Packaging that provides clear information on health benefits can also sway decisions.

2.7 Convenience: The ease of purchasing frozen foods, especially through e-commerce platforms, adds to their appeal. The time-saving aspect of ready-to-cook or ready-to-eat meals is a significant factor in decision-making.

2.8 Social Influences: Recommendations from friends, family, and social media can heavily impact purchasing decisions. Positive reviews and experiences shared by others can enhance interest in specific imported products.

2.9 Economic Factors: Broader economic conditions, such as disposable income and inflation rates, can influence consumer spending habits, impacting the likelihood of purchasing imported goods.

Discussion

The research findings on the impact of frozen food imports in Samut Sakhon Province illuminate significant challenges and opportunities for both entrepreneurs and the broader community.

1. The impact of frozen food imports on entrepreneurs in Samut Sakhon Province reflects significant shifts in market dynamics and competitive strategies. The increasing market share of imported frozen foods presents local businesses with formidable challenges, as these products are often perceived to offer superior quality and brand recognition. Akehurst (2022) emphasizes that globalization intensifies competition, compelling local firms to innovate and adapt. This is further supported by Smith et al. (2023), who highlight how the entry of foreign brands disrupts local business dynamics, underscoring the urgent need for domestic firms to enhance their competitive strategies. In response, local companies are

revising their pricing approaches, focusing not only on price reductions but also on product differentiation based on quality and unique selling propositions, a strategy endorsed by Garcia and Kwan (2023). As consumer preferences increasingly favor imported frozen foods, local producers must enhance their offerings and develop robust marketing strategies to effectively communicate their unique value, as noted by Kumar and Steenkamp (2021).

2. The social impacts of increased frozen food imports are multifaceted, presenting both opportunities and challenges for the local economy. On one hand, these imports enrich the variety of available food options and help alleviate food shortages during off-seasons; on the other, they place significant pressure on local entrepreneurs, leading to reduced incomes (Mendez and Reed, 2022). Additionally, the rising consumption of frozen foods is reshaping dietary habits, raising concerns about health implications linked to preservatives and additives. Wang et al. (2023) highlight the growing consumer awareness regarding nutritional quality, suggesting a shift toward healthier options and emphasizing the need for transparency in labeling. Environmental impacts are also considerable, particularly regarding plastic packaging waste, which raises sustainability concerns. Lee and Duffy (2022) stress the urgency for regulations to mitigate the environmental footprint of food imports, pointing to the necessity of comprehensive strategies within the frozen food industry to address these issues effectively.

3. Several factors significantly influence consumers' decisions to purchase imported frozen food. First, quality perception plays a crucial role, as many consumers associate imported products with higher quality due to stringent production standards in exporting countries. This is supported by Choi et al. (2024), who highlight that quality perceptions drive consumer behavior in the food sector. Additionally, brand recognition enhances consumer trust and willingness to buy, as noted by Zhang and Kim (2023), who emphasize the importance of brand equity. The variety and availability of unique products further attract consumers, aligning with findings from Thompson et al. (2022) that suggest product diversity is key to purchasing decisions. Although imported frozen foods may carry a premium price, consumers often perceive this as justified by the value offered, which Patel et al. (2023) corroborate by discussing the balance between perceived value and pricing. Health concerns also influence choices, with Nguyen and Wu (2024) emphasizing that transparent labeling of natural ingredients can sway decisions. Convenience is another factor, particularly with the rise of e-commerce, as Bhatia et al. (2023) indicate that ready-to-cook meals appeal to time-constrained consumers. Social influences, including recommendations from friends and family, significantly shape preferences, as shown by Lim and Yang (2022). Lastly, broader economic factors such as disposable income and inflation impact consumer spending habits, with Evans et al. (2023) illustrating the correlation between economic indicators and food purchasing behavior.

Recommendations

1. Recommendations for the Application of Research Results

To enhance the competitiveness of local businesses in Samut Sakhon Province in light of increasing frozen food imports, the following actions are recommended:

1.1 **Strengthening Quality and Differentiation:** Local companies should focus on improving product quality and differentiating their offerings. This could involve adopting higher production standards, emphasizing unique selling propositions, and effectively communicating these attributes through marketing strategies. Collaborations with local farmers and suppliers can also enhance product freshness and quality.

1.2 **Innovative Pricing Strategies:** Instead of solely reducing prices, local firms should explore value-based pricing strategies that highlight the quality and benefits of their

products. Implementing loyalty programs and promotions can also attract price-sensitive consumers while reinforcing brand loyalty.

1.3 Health and Transparency Initiatives: Given rising health concerns among consumers, local producers should prioritize transparency in labeling and promote healthier product alternatives. Investing in research to develop frozen food options with natural ingredients and minimal preservatives can cater to the growing demand for healthier options.

1.4 Sustainability Practices: Local companies should address environmental impacts by adopting sustainable packaging solutions and practices. Engaging in initiatives that promote waste reduction and responsible sourcing can enhance brand reputation and consumer trust.

2. Recommendations for Future Research

Future research should focus on the following areas to further understand the dynamics of the frozen food market:

2.1 Consumer Behavior Analysis: Conducting in-depth studies on consumer preferences and purchasing behavior in relation to frozen food imports can provide insights into shifting market trends. This could involve qualitative research, such as focus groups or interviews, to capture consumer sentiments about health, quality, and convenience.

2.2 Impact of E-commerce: Given the growing reliance on e-commerce for food purchases, research should examine how online shopping influences consumer decisions for frozen foods. This can help local businesses tailor their strategies to leverage digital platforms effectively.

2.3 Comparative Studies: Comparative research between imported and local frozen food products could identify specific attributes that influence consumer choice. Understanding these differences can help local producers enhance their offerings and marketing strategies.

2.4 Long-term Social and Environmental Impacts: Investigating the long-term social and environmental implications of frozen food imports can provide valuable data for policymakers and businesses. This research could focus on sustainability practices, waste management, and health outcomes associated with increased consumption of frozen foods.

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