

Factors affecting the performance of advertising media companies in Thailand

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ABSTRACT

The advertising media industry in Thailand plays a vital role in both economic growth and social development. Amid the rapid technological advancement and dynamic consumer behavior, advertising media companies—particularly small and medium-sized enterprises (SMEs)—face increasing pressure to remain competitive. This study aims to develop a conceptual framework for analyzing factors affecting the business performance of advertising media companies in Thailand using Structural Equation Modeling (SEM). By systematically reviewing and synthesizing academic literature, the study identifies six key constructs: organizational reputation, innovative management, organizational agility, organization resilience, and business performance. The findings suggest that these factors are interrelated through direct and indirect causal relationships. Organizational reputation and innovative management serve as foundational elements that enhance agility and resilience, which in turn directly influence business performance. The proposed framework provides a theoretical basis for future empirical research and offers practical insights for industry practitioners and policymakers seeking to enhance the sustainability and competitiveness of Thailand's advertising media sector.

Keywords: Corporate Reputation, Organizational flexibility, Advertising media company, Performance Results, Thailand

INTRODUCTION

The advertising services industry in Thailand plays a significant role in both economic and social aspects of the country. Economically, it employs over 46,000 people and connects with other industries, contributing to value creation for products and services across markets. Socially, it influences public awareness and contributes to social development through creative campaigns. This includes public health advertisements supported by the Thai Health Promotion Foundation (ThaiHealth) and commercial advertisements by the private sector that consistently promote social issues. Due to its impact, the advertising services industry has become an essential tool for sustainable social change (Vithayasamrit, 2022; Mangkonatsawakul, 2022). In 2024, the advertising media production sector in Thailand increased in value by 2.6% compared to the previous year, reaching 114.447 billion baht. This growth highlights the industry's important contribution to the national economy.

Digital media grew by 10%, while out-of-home (OOH) media and transit media, such as advertising in the BTS and MRT systems, each increased by 8%. These figures reflect a rising opportunity for digital advertising in public transportation networks. In terms of media spending, television remained the most influential medium in 2024, attracting 46% of total investment, valued at 53.214 billion baht. Digital media followed, with a 29% increase in spending, amounting to 33.679 billion baht. This expansion mirrors the shift in consumer behavior toward the internet and digital platforms (The Standard, 2024; Media Agency Association of Thailand [MAAT], 2024). OOH and transit media accounted for 16% of the advertising market, worth 17.878 billion baht. This trend demonstrates changes in media consumption behaviors as people resume outdoor activities. Such shifts encourage advertising and public relations companies to update their media strategies and organizational

management in response to dynamic societal changes (MAAT, 2024). The prevailing advertising trend in 2024 reflects a convergence between traditional television and online platforms. This integration enhances advertising efficiency and opens new opportunities for engaging with consumers. Influencer performance is now evaluated not only by follower count but also by actual sales impact. Sports marketing, including E-sports and the use of sports influencers, helps brands reach diverse audiences. These include consumers who value gender equality and diversity, such as LGBTQIA+ travelers from abroad. The use of artificial intelligence (AI) for data analysis and strategic planning also improves marketing performance through ongoing innovation. Additionally, OOH media no longer serves merely to raise awareness. With the integration of data and technology, it now contributes to effective sales growth (Fusricharoen, Siriprasertsil, Yooyen & Ruangnapakul, 2020; MAAT, 2024; Krungthep Turakij, 2024; The Standard, 2024).

Thailand's advertising industry possesses several strengths. These include strong production skills, particularly in computer graphics (CG) and animation, recognized internationally for their quality and cost-effectiveness. The country also has a highly creative workforce. Given these competitive advantages, government agencies have provided ongoing support through various strategies. These include promoting the industry's potential abroad, conducting training and seminars to improve skills and production techniques, and raising production standards to increase export competitiveness. Public sector efforts also involve supporting related associations, fostering trade partnerships, encouraging international collaboration, and inviting global advertising companies to establish regional headquarters in Thailand. These initiatives enhance Thailand's outsourcing capabilities, generate employment, and stimulate the national economy (Department of Business Development, 2018; Creative Economy Agency, 2022). The advertising ecosystem includes clients or advertisers, advertising agencies, production houses, media distributors, and external facilitators such as equipment rental services and talent agencies (Creative Economy Agency, 2022; Vithayasamrit, 2022). However, several challenges affect the operational process and ecosystem. These include difficulties in evaluating advertising performance and ensuring transparency, especially in digital and social media investment, where it is difficult to measure the actual return on investment (Goldfarb & Tucker, 2011). Moreover, rapid technological advancements and changes in consumer behavior require companies to adapt constantly. Privacy concerns have also grown due to the use of personal data in digital marketing (Draganska, Hartmann & Stanglein, 2014). The increasing diversity of advertising service providers and tools poses difficulties in maintaining consistent quality and production standards. Some companies adopt unprofessional methods or inappropriate cost-saving techniques that affect advertisement quality (Rossiter & Bellman, 2005). Furthermore, the industry faces intense competition and market concentration. In the fast-growing digital space, dominant players may limit opportunities for new or smaller companies that lack sufficient resources (Goldfarb & Tucker, 2011; Draganska et al., 2014; Ferrucci & Schauster, 2024).

As of 2024, there are 10,293 advertising media companies in Thailand, with 6,365 located in Bangkok (Krungthep Turakij, 2024). While large firms tend to have adequate financial resources, skilled personnel, and advanced technology, small and medium-sized enterprises (SMEs) often serve niche markets. These include online advertising, targeted media, and influencer marketing. However, SMEs face several challenges, such as limited budgets, staff shortages, outdated tools, and the difficulty of standing out in a highly competitive market. Building a unique and recognizable brand remains difficult, particularly when there are many alternatives available to consumers. Additionally, attracting and retaining skilled workers is a challenge because SMEs often cannot offer salaries as competitive as those provided by larger companies (Draganska et al., 2014; Ferrucci & Schauster, 2024). To address these challenges, SMEs must adapt by adopting strategic approaches. These include investing in new technology, developing employee skills, and introducing service innovations to differentiate themselves. Collaboration among stakeholders, from advertisers and agencies to legal and ethical regulators, is also essential to promote transparency and sustainability in the advertising industry (Sahni, 2016; Department of Business Development, 2018; Creative Economy Agency, 2022; Vithayasamrit, 2022; Mangkonatsawakul, 2022). The advertising media sector plays a critical role in driving Thailand's economy. It promotes economic growth not only by generating employment and increasing the value of goods and services, but also by influencing consumer behavior in highly competitive markets. The government continues to support the development of this sector through relevant policies and by creating

a growth-enabling environment (Creative Economy Agency, 2022; Vithayasamrit, 2022; Mangkonatsawakul, 2022). Nonetheless, the industry faces significant challenges that affect its competitiveness. These include rapid technological shifts, changing consumer behavior, economic uncertainty, and increasingly complex market dynamics. Such challenges are especially difficult for SMEs, which must adjust strategies and effectively utilize digital channels to survive and succeed in this evolving landscape (Goldfarb & Tucker, 2011; Draganska et al., 2014; Ferrucci & Schauster, 2024).

The objective of this research is to develop a conceptual framework for studying the performance of advertising media companies in Thailand, particularly focusing on small and medium-sized enterprises (SMEs). The study seeks to provide a deep understanding of the current industry landscape and to examine whether the proposed framework is consistent with empirical data in the Thai context.

OBJECTIVE

(1) To review the literature from related research in order to identify variables that are likely to influence the business performance of advertising media companies in Thailand

(2) To develop a conceptual framework for studying variables that are likely to influence the business performance of advertising media companies in Thailand in the form of relational or causal relationships

METHODOLOGY

This research adopts a documentary analysis approach, concentrating on the study of literature related to innovative sustainable tourism initiatives for the elderly in Thailand. The scope spans from historical developments to contemporary applications, providing a comprehensive view of the subject. The data collection process involved a thorough review of diverse textual materials, including government reports, academic books, peer-reviewed articles, theses and dissertations and other relevant publications. These resources were selected for their relevance and credibility, forming the foundational evidence upon which the analysis is based. To gather the data, the researcher accessed a variety of sources such as digital databases, academic libraries, and specialized information centers. Materials were selected and compiled according to the objectives and research questions set out at the beginning of the study. The analytical process began with categorizing the collected information into key thematic areas. This was followed by descriptive analysis aimed at interpreting the significance and implications of the findings. To ensure systematic synthesis, the study employed content analysis techniques, ultimately presenting the insights in essay format to support a coherent discussion and well-substantiated conclusions.

RESULTS

redibility among stakeholders. A strong reputation enables organizations to operate more efficiently and respond swiftly to internal and external demands. When a company is perceived positively, employees are more confident in supporting strategic shifts and necessary transformations in response to market dynamics. Furthermore, a reputable organization often gains quicker trust from customers and partners regarding its products or services, minimizing concerns over potential loss of relationships or credibility (Aaker, 2010; Brown, Peter, Michael & David, 2006; Camaron, Wilcox, Reber, B.H., & Shin, 2008). In addition, organizational reputation contributes significantly to the development of long-term relationships with customers and business partners. These relationships enhance business agility and allow the organization to attract and retain stakeholders more effectively. During times of change or crisis, a well-regarded organization is more likely to receive support from its

partners and customers, facilitating a faster return to normalcy. This responsiveness, in turn, promotes adaptability and organizational learning, enabling the company to craft new strategies or resolve emerging issues promptly (Julia & Andree, 2023; Martín, de Castro, Navas López & Sáez, 2006; Mishra & Mohanty, 2013). Research by Nareuporn, Trin, and Mat (2023), as well as Owen, Ke, and Rachel (2022), supports this view, finding that organizations with strong reputations tend to react more effectively to both opportunities and crises. These entities typically possess robust resources and networks, which they leverage to maintain stability and recover quickly. By capitalizing on external trust and solid relationships, they preserve their public image, retain customer loyalty, and avoid long-term reputational damage. Moreover, studies by Serkan (2020) and Simone, Alessandra, and Francesco (2021) further indicate that well-regarded organizations often gain external support from investors and business partners. A positive reputation increases flexibility in accessing funding or forming strategic alliances when needed. External trust, rooted in the organization's image, facilitates timely and effective adaptation across industries. In addition, a reputable company is generally more successful in attracting high-caliber talent, further reinforcing its competitive advantage.

H:1 Organizational reputation has a direct influence on organizational agility

The synthesis of academic literature suggests that organization reputation plays a critical role in building customer trust. A reputable organization is perceived by customers as credible and capable, both in terms of product and service quality. This perception fosters customer loyalty, which leads to repeat purchases and positive word-of-mouth referrals, ultimately contributing to increased sales and stable revenue generation. A strong reputation also enhances customers' willingness to pay for high-quality products or services (Fombrun & van Riel, 1997; Jeremy & Paul, 2012).

Organizations with strong reputations are also more likely to attract talented employees compared to those with weaker reputations. Talented employees are generally more productive and committed to driving the organization's growth, which in turn enhances the organization's competitiveness and positively impacts its business performance (Jeremy & Paul, 2012; Martín, de Castro, Navas López, & Sáez, 2006). Moreover, organizations with good reputations are better positioned to attract investment from various sources. Investors are more likely to believe they will receive long-term returns from reputable firms. Reputation also facilitates better relationships with business partners, expands distribution channels, and supports market expansion. These advantages contribute to increased revenue and profitability, as well as easier entry into international markets, due to the trust already established among customers and partners. Furthermore, reputable firms are more likely to receive support from local partners or government agencies in host countries, which reduces the risks associated with international expansion and accelerates revenue generation from new markets (Afriyie, Du & Musah, 2019; Rauch, Wiklund, Lumpkin & Frese, 2009; Natarajan & Vijayalakshmi, 2016).

Similar findings have been reported by Seo and Lee (2019) and Tajeddini, Martin, and Ali (2020), who concluded that a strong reputation enhances brand image. This is essential in attracting new customers and retaining existing ones, as well as in designing effective marketing strategies and utilizing marketing tools efficiently. Firms with strong reputations are also better positioned to compete in the market and generate higher revenue from product and service sales. In addition, they are less likely to face customer complaints or legal disputes from consumers or competitors. Reputable organizations are more likely to be protected by the media and public opinion in times of crisis, which helps preserve their image and maintain market confidence. Furthermore, the research of Yongjin (2022) found that a positive reputation contributes to the long-term sustainability of business performance. Organizations with strong reputations can maintain operational stability without excessive concern over internal issues or market fluctuations, which leads to consistent profitability and sustainable growth in the future.

H2: Organization reputation has a direct influence on the business performance of advertising media companies in Thailand

Innovative management plays a crucial role in enhancing organizational agility, as it enables organizations to adapt quickly to changes. By integrating new technologies and methods into management and operational processes, organizations can maintain efficiency even under uncertain or crisis conditions. A strong focus on innovation allows for strategic and procedural flexibility, enabling immediate responses to evolving external environments (Apaitan, Ananchotikul & Disyatat, 2017; Chesbrough, 2003; Sood & Tellis, 2009). Moreover, innovative management contributes to cultivating an innovation-driven organizational culture in which employees are encouraged to generate new solutions and adapt rapidly. Organizations that successfully manage innovation foster continuous learning and development, equipping staff with the necessary skills to respond to changing demands. This also accelerates decision-making and execution processes, as innovation-focused organizations often utilize advanced technologies and tools for data collection and analysis. These capabilities support faster and more accurate decision-making, which enhances organizational agility by allowing the organization to operate swiftly in response to emerging situations (Clark, 2016; Endl, Tost, Hitch, Moser & Feiel, 2021; Nguyen, Nguyen, Nguyen & Phan, 2018). Kremer, Villamor, and Aguinis (2019), along with Budden (2019), found similar results, indicating that innovative management improves an organization's ability to compete in dynamic markets. The development of new products that align with changing customer needs enables organizations to respond more effectively to external demands and enhances internal processes. Incorporating modern technologies and tools in organizational workflows helps improve efficiency and responsiveness to change.

Furthermore, research by Rakthai, Aujirapongpan, and Suanpong (2019) and Tidd and Bessant (2018) confirms that innovative management fosters more effective team collaboration, thereby improving decision-making and responsiveness to shifts in the market or operating environment. Employees are encouraged to seek creative problem-solving approaches, improve workflow processes, and manage organizational challenges proactively. Innovation empowers organizations to rapidly adapt to changing conditions and maintain agility in a competitive landscape.

H3: Innovative management has a direct influence on organizational agility

The synthesis of academic literature reveals that innovative management is a process that enables organizations to integrate new ideas into the improvement of operations, products, or services. This process promotes development that responds effectively to rapidly changing market demands and customer expectations. In today's business environment, innovative products or services can attract new customers and boost sales, directly contributing to increased revenue and profitability (Chesbrough, 2003; Wutthirong, 2011; Clemence, 2009). Incorporating innovative technologies and processes into operations enables organizations to work more efficiently and utilize resources more effectively, resulting in improved overall business performance. Innovative capabilities also support the rapid adaptation or transformation of marketing strategies in response to changing customer behavior and market trends. The ability to develop and deliver innovations that align with customer needs helps organizations maintain strong customer relationships and increase customer engagement, both of which drive business growth and ensure the sustainability of business performance (Hadi & Baskaran, 2021; Amaratunga, Baldry & Sarshar, 2001; Harlem, 2003). Consistent findings have been reported by Aruldoss, Kowalski, and Parayitam (2020) as well as Brohi, Jantan, Quereshi, Bin, and Bin (2018), who concluded that organizations with strong innovative management tend to be more competitive than their rivals due to their greater responsiveness to change. Product, process, or service innovations help organizations differentiate themselves from competitors, sustain existing markets, and expand into new ones. Innovation also fosters a more open organizational culture, which strengthens employee commitment and motivation, leading to increased operational efficiency.

Additionally, studies by Chahal and Rani (2017), and Kamble, Gunasekaran, and Gawankar (2019), support the view that innovative management enhances an organization's ability to anticipate and manage risks arising from market or environmental changes. Having a clear innovation plan enables the organization to adapt quickly and solve problems effectively, which contributes to higher business performance. Furthermore, innovation improves customer experiences, leading to greater customer satisfaction, increased sales, and sustainable customer retention.

H4: Innovative management has a direct influence on the business performance of advertising media companies in Thailand

The synthesis of academic literature indicates that organizational agility and organization resilience are two interrelated and mutually reinforcing capabilities essential for organizations operating in rapidly changing business environments. Organizational agility directly influences organization resilience, as organizations that can adapt swiftly are more capable of responding effectively to crises or uncertain situations without disrupting their core operations (Cooper & Sommer, 2016; Hong, Doll & Revilla, 2011; Renzl, Matzler & Kerschbaumer, 2021). Highly agile organizations are able to make timely decisions and take rapid actions in response to uncertainty. They can efficiently reallocate resources and implement changes, which strengthens their resilience in confronting challenges. Through strategic and procedural adjustments based on test results or feedback, agile organizations are better equipped to learn from past failures and experiences, thereby improving operations and enabling effective recovery from crises or disruptions (Hitt, Hoskisson & Ireland, 2007; Mehrabi, Siyadat & Allameh, 2013; Sharifi & Zhang, 2001). Research by Moran and Mallak (2016) and Bardoel and Drago (2021) supports this perspective, highlighting that enhancing individual and team-level resilience through training in diverse skills, cross-functional collaboration, and the ability to perform in uncertain environments can significantly contribute to overall organization resilience. Agile organizations empower employees who can adapt and perform effectively under pressure. This, in turn, improves the internal management of resources, such as the adoption of new technologies and flexible organizational structures to cope with unexpected challenges. Efficient resource allocation, integration of modern technologies, and the development of adaptable workflows all contribute to enhanced organizational resilience. Similarly, studies by Bhattacharyya, Jena, and Pradhan (2019); Bowers, Kreutzer, Cannon-Bowers, and Lamb (2017); and Brykman and King (2021) confirm that maintaining a flexible network of internal and external relationships allows organizations to respond more effectively to change or crisis. Agility in managing these relationships supports adaptive capacity under uncertainty and promotes long-term organizational resilience. Additionally, fast and efficient communication is a critical component of agility that enhances resilience. Clear and rapid communication ensures that all members of the organization understand the situation and can make timely decisions or adjustments in response to crises.

H5: Organizational agility has a direct influence on organization resilience

The synthesis of academic literature suggests that organization resilience can have a direct impact on business performance. Resilient organizations are better equipped to respond to and recover from crises more quickly, ensuring that business operations and workflows are not significantly disrupted. This capacity enables organizations to maintain operational continuity, which contributes to stable and high-performing business outcomes over the long term (Boin & Eeten, 2013; Boin & Lodge, 2016; Allenby & Fink, 2005). Organizational resilience also allows businesses to respond efficiently and effectively to emerging opportunities. In the face of market changes or new business prospects, resilient organizations can promptly adjust their strategies and allocate resources appropriately. This adaptability enhances business performance and helps maintain competitiveness in fast-changing markets. Organizations that are capable of adapting are less likely to fall behind during periods of change and are more likely to develop and offer new products or services that align with market demands, directly impacting performance and organizational growth (Birkie, Trucco & Fernandez, 2017; Brueller et al., 2019; Caza, Barton, Christianson & Sutcliffe, 2020). Research by Raetze, Duchek, Maynard, and Kirkman (2021) and Dimitrijevska-Markoski, Nukpezah, and Azhar (2024) further confirms that organization resilience supports long-term business performance by preserving strong relationships with customers, suppliers, and employees. This trust enhances stakeholder confidence, which reinforces organizational outcomes. Moreover, resilient organizations can utilize existing resources more

efficiently, even under challenging conditions. Whether by redesigning workflows, reallocating limited resources, or reducing costs during financially difficult periods, improved resource efficiency enables organizations to sustain high levels of business performance, even amid crises.

Similarly, Besley, Persson, and Reynal-Querol (2016) and Carmeli, Levim, and Peccei (2021) found that resilient organizations continuously foster innovation. This ongoing innovation helps organizations develop and refine products or services in response to evolving customer and market needs, thereby improving business performance and strengthening competitiveness in dynamic environments. Resilient organizations also prioritize the development of employee capabilities, equipping their workforce with the skills necessary to adapt effectively. This investment in human capital enhances work efficiency and contributes to improved and sustainable business performance over time. H6: Satisfaction has a direct influence on Customer Loyalty.

H6: Organization resilience has a direct influence on the business performance of advertising media companies in Thailand

Based on these hypotheses, the researcher can develop the following conceptual framework for the study.

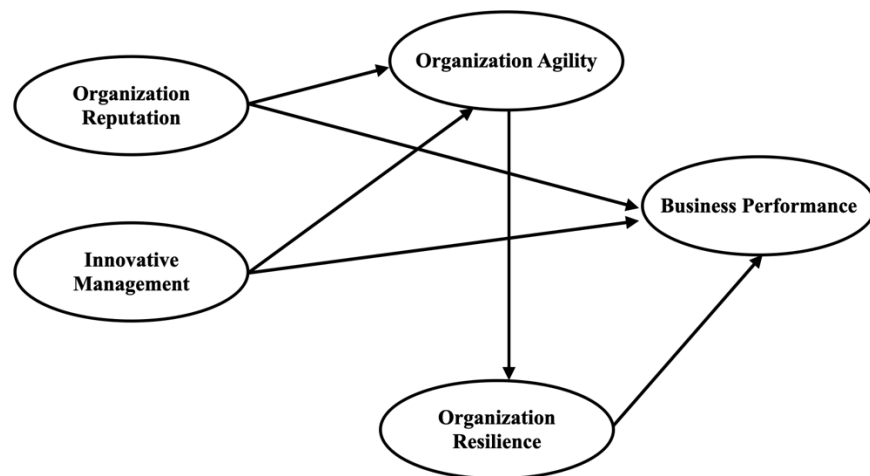


Figure 1: The Research Framework

CONCLUSION

This study reviewed and synthesized a broad range of academic literature to identify key factors influencing the business performance of advertising media companies in Thailand, with a particular focus on small and medium-sized enterprises (SMEs). In response to the rapidly evolving advertising landscape, the study developed a comprehensive conceptual framework grounded in six interrelated constructs: organizational reputation, innovative management, organizational agility, organization resilience, and business performance.

The findings suggest that organizational reputation serves as a foundational asset that builds stakeholder trust, attracts investment, and enhances both agility and performance. Innovative management was found to be a catalyst for agility and adaptability, enabling companies to integrate new technologies and respond proactively to market changes. Furthermore, organizational agility was identified as a key enabler of organizational resilience, facilitating swift and strategic responses to

uncertainty and crises. In turn, organization resilience was found to play a direct and sustained role in supporting long-term business performance by ensuring operational continuity, optimizing resource use, and enabling innovation under pressure. Collectively, the synthesized literature supports the proposed causal relationships among the constructs, forming a robust framework that can be tested empirically through structural equation modeling (SEM). The framework offers strategic insights for advertising media companies, particularly SMEs, to enhance their competitiveness in a dynamic and challenging market environment.

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