



Feasibility Study and Business Plan for Sofa Glue Imported from China

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Abstract

Background and Aims: The growth of Thailand's furniture industry, particularly after the COVID-19 pandemic, has increased the demand for raw materials such as sofa adhesive. This study aims to evaluate the feasibility and develop a business plan for importing sofa adhesive from China to Thailand.

Methodology: The study involves economic, market, and financial feasibility analysis using data from surveys of furniture factories in Bangkok and surrounding areas, as well as secondary data from industry sources. It also includes business plan development covering product strategy, target groups, distribution channels, and promotional activities.

Results: The findings indicate high feasibility for importing sofa adhesive due to lower costs and acceptable product quality. A survey of 36 factories shows demand for quick-drying, odorless, single-spray adhesives sold via B2B channels. The financial analysis reveals a payback period (PB) of 4 years and 3 months, a net present value (NPV) of 2,139,929.59 baht, an internal rate of return (IRR) of 3.10%, and a benefit-cost ratio (BCR) of 1.20.

Conclusion: Importing sofa adhesive from China is a viable business opportunity with promising financial returns. The study provides practical insights for entrepreneurs and investors seeking to enter or expand in Thailand's furniture industry.

Keywords: Business Plan; Import; Sofa Adhesive; Furniture Industry

Introduction

Thailand's furniture industry shows continuous growth trends, particularly in Bangkok and surrounding areas, which serve as the center of production and the primary consumer market for upholstery furniture (Department of Customs, 2022). Among essential raw materials, sofa adhesive plays a critical role in the manufacturing process due to its required properties of strength, flexibility, and consumer safety. However, high-quality sofa adhesive produced domestically is often expensive, prompting entrepreneurs to explore alternative sources. China has become a competitive supplier, offering lower costs, consistent product quality, and benefits from free trade agreements (Department of International Trade Negotiations, 2022).

At the macro level, the global adhesive industry has shown consistent growth due to the expansion of the construction, automotive, and furniture sectors. In Southeast Asia, increasing demand for quality adhesive products—particularly those with low toxicity and environmentally friendly properties—has positioned the region as both a growing market and a competitive production base. However, challenges such as rising international logistics costs, currency volatility, and geopolitical tensions, especially involving major trading partners, present uncertainties that must be managed carefully.

This research aims to assess business feasibility and develop a business plan for importing sofa adhesive from China to Thailand. The study employs economic, market, and financial feasibility analysis based on a structured feasibility analysis framework (Anonymous, 2017). Data were collected through in-depth interviews with 10 upholstery furniture factory entrepreneurs in Bangkok and surrounding areas, 30 questionnaire sets, and analysis of secondary data from the Department of Customs, trade reports, and related documents. Business plan development includes product strategy, target groups, distribution channels, and marketing promotion, with analysis using the Five Forces Model, SWOT, and TOWS Matrix (Chaikhan, 2017).

The study findings indicate that importing sofa adhesive from China has high economic feasibility due to its lower costs per unit and sufficient quality, which meets the expectations of furniture manufacturers. A survey of 36 factories revealed a preference for single-sided spray adhesives that are quick-drying, odorless, and competitively priced. B2B marketing strategies—such as direct factory sales, promotions, product samples, and demonstrations—are favored (Patcharapinyopong et al., 2001). Financial analysis results show a payback period (PB) of 4 years and 3 months, a net present value (NPV) of 2,139,929.59 baht, an internal rate of return (IRR) of 3.10%, and a benefit-cost ratio (BCR) of 1.20, suggesting strong investment potential.





Importing sofa adhesive from China thus represents a business opportunity with promising returns and the potential to enhance competitiveness in Thailand's furniture industry. Nonetheless, entrepreneurs must remain cautious of shifts in trade policy, fluctuations in tariffs, and intensified regional competition. The business plan and strategic guidelines developed from this research offer a practical foundation for informed investment decisions and adaptable operations in a dynamic economic environment.

Objectives

1. To assess the business feasibility of importing sofa adhesive from China to Thailand.
2. To develop a business plan for importing sofa adhesive from China that can be used as a practical guideline for entrepreneurs in Thailand's furniture industry.

Literature Review

1. International Trade International trade plays a crucial role in the economic development of each country by enabling efficient division of labor and serving as a channel for exchanging resources and technology (Anonymous, 2017). Smith's theory of Absolute Advantage and Ricardo's theory of Comparative Advantage both emphasize that countries can benefit from trade even without an absolute advantage in all goods, by relying on opportunity costs and efficient resource utilization (Ricardo, 1817). However, critics have pointed out that over-reliance on imports may expose domestic industries to external vulnerabilities, such as price volatility and supply disruptions (World Trade Outlook Report, 2022).

2. Thailand-China Trade Agreements The Thailand–China Free Trade Agreement (FTA) is a significant factor facilitating imports from China, especially adhesives and raw materials for the furniture industry, as it helps reduce import tax burdens and trade barriers (Department of International Trade Negotiations, 2022). However, importing goods from foreign countries must also consider regulatory constraints, fluctuating tariff policies, and differences in culture and business practices (Chen, 2019). Recent trade analyses have further noted growing concerns over Thailand's trade imbalance with China, suggesting the need for strategic planning to manage dependency risks (ASEAN+3 Macroeconomic Research Office, 2023).

3. Feasibility Analysis Concepts Business feasibility analysis is essential for evaluating investment potential, consisting of economic, market, and financial assessments (Anonymous, 2017). Economic analysis helps assess costs and returns, while market analysis evaluates demand, competition, and consumer behavior. Financial analysis focuses on long-term profitability and cash flow generation (Chen, 2019). Nonetheless, traditional feasibility studies may underestimate external shocks, such as pandemics or global supply chain disruptions, which are now increasingly considered in modern feasibility frameworks (World Bank, 2021).

4. Business Planning A business plan serves as a strategic tool for defining direction and business operations, encompassing market research, marketing strategies, operational and production planning, and financial planning (Chaikhan, 2017). Chen (2019) emphasized that risk management, product differentiation, and long-term competitive advantage are essential in dynamic markets. Recent case studies from SME sectors during the COVID-19 recovery period underscore the need for flexibility in business plans and rapid adjustment to shifting market demands (OECD, 2022).

5. Competitive Strategy The sofa adhesive industry in Bangkok and surrounding areas operates under monopolistic competition, where product differentiation plays a key role (Patcharapinyopong et al., 2001). Effective strategies include competitive pricing, brand development, and after-sales services. However, rising competition from imported brands and increasing customer expectations for eco-friendly and certified products have intensified the pressure on local manufacturers (Stock News, 2023).

The above literature review highlights the significant roles of international trade, feasibility analysis, business planning, and competitive strategies in shaping opportunities for importing sofa adhesive from China to Thailand. Nonetheless, it also underscores the importance of balancing trade advantages with strategic risk mitigation. Integrating insights from both classical and contemporary studies provides a solid foundation for developing a comprehensive research framework and practical business plan to enhance entrepreneurial competitiveness in the Thai furniture industry.

Conceptual Framework

This study employs the concept of a business feasibility study combined with business planning as the main conceptual framework to assess the feasibility of importing sofa adhesive from China to Thailand and to develop an appropriate business plan for investment. The feasibility analysis covers 3 aspects:



Economic Feasibility → Analysis of economic environment, costs, and competitive capability.
 Market Feasibility → Analysis of market size, consumer behavior, market structure, and demand trends.
 Financial Feasibility → Analysis of financial worthiness by considering NPV, IRR, PB, and BCR.
 The analysis results are used as data for developing business plans in various areas, including product strategy formulation, target groups, distribution channels, marketing promotion, and risk management.

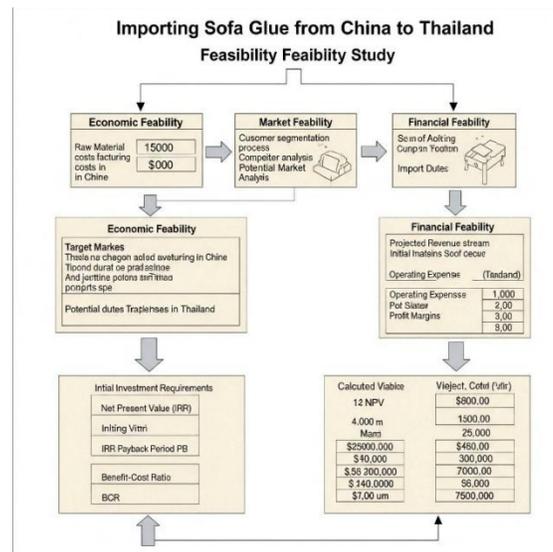


Figure 1 Conceptual Framework

Methodology

This research is an applied study using a business feasibility study and business planning as the main approaches to assess the feasibility and develop a business plan for importing sofa adhesive from China to Thailand. The details are as follows:

Population: Upholstery furniture manufacturing factories in Bangkok and surrounding areas, as this group of factories uses sofa adhesive as an important raw material and has experience in selecting such products.

Sample Group: Executives or decision-makers responsible for purchasing sofa adhesive from furniture manufacturing factories, consisting of 10 individuals for in-depth interviews and 30 questionnaire respondents selected using purposive sampling.

Research Instruments The instruments used for data collection include:

1. **Semi-structured interviews** with open-ended guiding questions to explore participants' views on product demand, usage behavior, import preferences, and perceived market trends. Sample questions included: "What key features do you require in sofa adhesive products?" and "How do you evaluate suppliers of imported adhesives?"

2. **Questionnaire** consisting of closed-ended questions using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) to measure factors such as satisfaction with current suppliers, interest in imported adhesives, price sensitivity, and brand loyalty.

Data Collection Data collection was conducted through in-depth interviews with 10 executives or decision-makers in target factories and the distribution of questionnaires to 30 upholstery furniture factories in Bangkok and surrounding areas. All participants were informed of the research objectives, and informed consent was obtained before participation. Anonymity and confidentiality of responses were ensured throughout the study.

Data Analysis Data from questionnaires were analyzed using descriptive statistics, including frequency distribution and percentages, to present general information about the sample group and sofa adhesive usage behavior.



Data from in-depth interviews were analyzed using content analysis to synthesize key issues regarding market demand, consumer behavior, and import trends.

Results

Thailand's furniture industry, particularly in Bangkok and surrounding areas, shows continuous growth trends from domestic market demand and export opportunities (Department of Customs, 2022). Sofa adhesive is a crucial raw material in the sofa manufacturing process, requiring properties of strength, flexibility, and consumer safety. However, the price of high-quality sofa adhesive produced domestically remains at a high level, leading entrepreneurs to be interested in importing sofa adhesive from China, which has advantages in terms of cost and product quality (Department of International Trade Negotiations, 2022). This research, therefore, aims to study business feasibility and develop a business plan for importing sofa adhesive from China to Thailand. The research results are as follows:

Part 1: Assessment of Business Feasibility for Importing Sofa Adhesive from China to Thailand

Economic Feasibility: Bangkok and surrounding areas are strategic locations for furniture production, with factories concentrated in Samut Prakan, Samut Sakhon, Pathum Thani, and Nonthaburi. These areas offer good infrastructure, proximity to raw material sources, and convenient transportation. Cost analysis indicates that importing sofa adhesive from China yields a lower cost per unit compared to domestic production, while maintaining acceptable quality standards.

Market Feasibility: A survey of 36 furniture factories revealed strong demand for adhesives with the following characteristics: single-sided spray application, quick-drying, odorless, and reasonably priced. Entrepreneurs prefer B2B (Business-to-Business) marketing approaches, including direct factory sales, promotions, volume discounts, and product demonstrations to build trust. The sofa adhesive market shows signs of ongoing growth due to expansion in both domestic and international furniture sectors (Stock News, 2023).

Part 2: Business Plan for Importing Sofa Adhesive from China that Can Be Used as a Practical Guideline for Entrepreneurs in Thailand's Furniture Industry

1. Marketing Plan
2. Operations Plan
3. Financial Plan
4. Organizational and Human Resource Management Plan
5. Contingency and Future Plans

Marketing Plan: Target customers are upholstery furniture manufacturers in Bangkok and nearby provinces. The plan adopts market segmentation by geography and usage behavior. The imported adhesive will be quick-drying, odorless, single-spray, and certified to Chinese standards. A penetration pricing strategy will be employed, offering lower prices than competitors to attract early adopters. Distribution will follow a direct B2B model with a centralized warehouse. Promotional strategies include product sampling, demonstrations, "buy-and-get" promotions, and endorsements using real customer reviews.

Operations Plan: Operational strategies begin with market research and internal resource assessments. Prototypes will be tested in selected factories. Logistics planning includes warehouse setup and inventory control to fulfill orders efficiently.

Financial Plan: The financial projection estimates sales of 40 barrels (160 kg) and 828 drums (13 kg) in Year 1 (2024), with a 15% annual growth rate in subsequent years. Key financial metrics are summarized below:

Table 1 Financial Indicator

Financial Indicator	Value	Interpretation
Payback Period (PB)	4 years 3 months	Time required to recover the initial investment. Acceptable in SME settings.
Net Present Value (NPV)	2,139,929.59 THB	Indicates a positive return over the project lifespan.
Internal Rate of Return (IRR)	3.10%	May indicate a modest return compared to typical industrial benchmarks.
Benefit-Cost Ratio (BCR)	1.20	Every 1 baht invested yields 1.20 baht return—considered viable.





While the IRR is somewhat lower than the average return for medium-scale industrial projects (typically 5–8%), the project remains feasible due to low entry costs, steady demand, and long-term growth potential.

Organizational and Human Resource Management Plan: A compact organization is proposed, covering core functions: import, storage, sales, and customer service. The plan includes workforce development and KPIs for each team function.

Contingency and Future Plans: Risk mitigation strategies are outlined for currency fluctuation, logistics delays, and regulatory changes. Future expansion includes entering other economic zones and diversifying into related adhesive products.

Summary of Results: The research confirms that importing sofa adhesive from China to Thailand is economically, market-wise, and financially feasible. Lower costs, acceptable product quality, and growing demand support the business opportunity. Although the IRR is modest, the combination of low risk, stable demand, and manageable operations makes the investment attractive. The business plan developed from this study provides a practical guideline for entrepreneurs looking to enter or expand within the Thai furniture industry.

Discussion

From the research study on "Business Feasibility Assessment and Business Plan for Importing Sofa Adhesive from China as a Practical Guide for Entrepreneurs in Thailand's Furniture Industry," the researchers analyzed economic, market, and financial feasibility and systematically developed a business plan using the framework of business feasibility analysis and business plan development concepts as the foundation. To ensure alignment with the research objectives, the discussion is structured accordingly:

1) Business feasibility assessment for importing sofa adhesive from China to Thailand found high feasibility in both economic and market dimensions. Bangkok and nearby provinces such as Samut Prakan, Samut Sakhon, Pathum Thani, and Nonthaburi are key furniture production zones. These areas offer advantages in infrastructure, logistics, and proximity to essential raw materials. A survey of 36 furniture factories confirmed strong demand for specific adhesive features such as single-spray application, fast drying, and odorlessness at reasonable prices. Entrepreneurs also favored B2B sales approaches, including product sampling and promotional offers.

These results align with Chen's (2019) framework, which emphasizes that entering new markets successfully requires understanding customer needs and creating product value through strategic marketing. They also reinforce the relevance of Porter's (2008) Five Forces in analyzing market competitiveness and supplier-buyer dynamics. Compared to other import-based models—such as electronic parts or specialty chemicals—sofa adhesive products benefit from stable, ongoing demand due to their link to domestic production rather than seasonal or trend-based consumption. However, unlike some high-margin import industries, adhesive importers may face tighter margins, requiring cost efficiency and differentiated service as key strategies.

2) Development of a business plan for importing sofa adhesive from China was found to be practical and implementable. The business plan includes well-defined components such as target market identification, product positioning, pricing strategies, distribution channels, promotional tactics, and organizational structure. Financial projections indicate moderate but positive returns, with a payback period of 4 years and 3 months, NPV of 2,139,929.59 baht, IRR of 3.10%, and BCR of 1.20.

These findings correspond with Porter's (2008) assertion that sustainable competitive advantage depends on clear strategic planning supported by sound financial analysis. Likewise, Chaikhan (2017) emphasizes that integrated marketing, financial, and risk management plans increase business resilience in competitive markets. Nevertheless, the relatively low IRR suggests that entrepreneurs should monitor costs closely and explore value-added services to strengthen competitiveness.

Furthermore, macro-level risks must be acknowledged. Political instability, changes in import/export policy, or environmental regulations—particularly around chemical usage and emissions—can disrupt supply chains or raise compliance costs. The global push toward environmentally friendly adhesives may also accelerate shifts in demand, prompting the need for adaptive product innovation shortly.

Conclusion of Discussion: Overall, this study supports the conclusion that importing sofa adhesive from China is a feasible business venture for Thai entrepreneurs. It integrates strategic planning models such as SWOT, TOWS, and Five Forces effectively. The business plan reflects strong alignment with market needs and financial practicality, but future implementations must also address macroeconomic risks





and remain agile in response to changing regulatory and environmental conditions. The research thus provides both a grounded and forward-looking framework for real-world application.

Recommendations

1. Recommendations for Implementation

1.1 The business plan developed by the researchers should be applied as a prototype for conducting industrial raw material import businesses, particularly among entrepreneurs operating upholstery furniture businesses, which can serve as a practical guide for systematic investment and business management.

1.2 Entrepreneurs in the furniture industry should be encouraged to study and utilize the feasibility analysis results covering economic, market, and financial aspects to support informed decision-making and reduce business risks.

1.3 Knowledge transfer sessions on business plan development should be organized for small-scale entrepreneurs through training programs or workshops, enabling them to effectively develop their business plans.

1.4 Government and private sector agencies should collaborate to promote safe import channels with low costs and streamlined logistics processes to support SME entrepreneurs who need to import raw materials from abroad.

2. Recommendations for Further Research

2.1 The sample group should be expanded to include entrepreneurs in other regions, such as the North, Northeast, and South, to compare raw material usage behavior, product demand, and decision-making factors among entrepreneurs in different areas.

2.2 Other external factors that may affect the feasibility of import projects should be studied, such as Thai baht currency fluctuations, international logistics costs, and government import-export tax policies.

2.3 Long-term impacts of business operations according to the designed business plan should be studied, including effects on profit, customer satisfaction, and business financial stability, to comprehensively evaluate the effectiveness of the plan.

2.4 A comparative study should be conducted between businesses that use business plans following this research approach and businesses that do not systematically use business plans, to empirically demonstrate the advantages and different outcomes.

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