MANAGEMENT MODEL FOR TOURISM COMMUNITY ENTERPRISES OF OTOP NAWATWITHI IN CHIANG MAI PROVINCE, THAILAND

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Abstract: The objectives of this research are 1) to study the importance levels of management of the OTOP Nawatwithi tourism community enterprises, 2) to study the influence of good practice management, finance, investment, production and marketing on the management of the OTOP Nawatwithi tourism community enterprises, and 3) to obtain a management model for the OTOP Nawatwithi tourism community enterprises. The research findings reveal that 1) the management of the OTOP Nawatwithi tourism community enterprises, production, good practice management, finance, investment, and marketing are all at the level of high importance, 2) marketing had the greatest influence on the management of OTOP tourism community enterprises followed by finance, investment, production, and good practice management, and 3) a management model for the OTOP Nawatwithi Tourism community enterprises has been obtained. The model is a visual chart displaying marketing with its greatest overall influence as the change-driving foundation. Production, finance, and investment, which have the second greatest overall influence, are shown in the middle as supporting factors. Good practice management, in the upper level, also helps. In addition, the management of the OTOP tourism community enterprises must be of good quality and standard. This would result in a larger number of tourists and increasing income.

Keywords: Management Model, Tourism, Community Enterprises, OTOP Nawatwithi, Thailand

I. Introduction

At present, Thailand has stipulated the 20-year national strategy (2018-2037) with the conceptual framework for building competitiveness that focuses on the development of the manufacturing and service sectors to be competitive. The aim is to create sustainability for people to have better quality of life and income. This includes the National Economic and Social Development Plan No. 12 (2017-2021), Strategy 3, building economic strength and sustainable competitiveness. There are guidelines for enhancing the business competitiveness of the service sector and the Ministry of Interior’s mission, Article 4, is to strengthen the community and the basic economy with the participation of all sectors under the sufficiency economy philosophy. The duties, powers and responsibilities of the Community Development Department are to promote the learning process and public participation as well as promoting and developing the community-based economy to be strong and stable. The ability and strength of the community are increased to reduce the inequality of society that focuses on income and economic prosperity allowing the private and public sectors to take part in working with the government to achieve the vision of stability, prosperity, and sustainability. It is consistent with the One Tambon One Product (OTOP) project starting from 2001 in all regions across the country. The committee is appointed at the national level, namely, the One Tambon One Product National Management Committee, being appointed as the driving force. The Community Development Department is assigned with
the main responsibility in promoting OTOP operations with various agencies to support, promote and upgrade products and develop various marketing channels to be able to sell aiming to adapt to international trade (Bureau of Local Wisdom and Community Enterprise Promotion, 2017). The implementation of the above model renders many of the community’s products unable to compete. The products have to be sold in various places making people unhappy. The income goes to the entrepreneur alone or some small groups not truly spreading to large groups of people in the community. It affects the economic development of the community foundations not to be as successful as they should be. As the income is not distributed to the community, it is necessary to change the era of pushing OTOP products out of the community only one side to increase the channel to generate income with the demand-driven local economy by selling products in the community using charm, wisdom, lifestyle, culture and creativity. This can be converted to income. The family and grandchildren can still be altogether without the need to compete in bringing the products to sell outside the community. The good host tourism community will persuade one another to think, to do, to produce the products and services as well as connecting to community-level tourism attractive routes. There is enough value for tourists to visit and spend money on all community activities. The income will be distributed among people in the community for everyone to be happy and for strengthening the community (strength with in) as well as truly developing the fundamental economy. However, the development of the OTOP Nawatwithi tourism community enterprises has been both successful and unsuccessful in the past. This is because community enterprises face problems and obstacles in their operations. It lacks knowledge and understanding of marketing. The problems are encountered in accounting and finance, production problems, problems in the use of information technology, product design issues, and problems in the production costs (Thongphon Phromsakha Na Sakon Nakhon and Uthit Sangkharat, 2013, p. 99).

Chiang Mai Province is another province in the OTOP Nawatwithi tourism community enterprise group. 42 tourism communities passing the selection criteria are divided into 3 zones; 1) North Zone for 13 communities, 2) Central Zone for 14 communities, and 3) Southern Zone for 15 communities. The OTOP Nawatwithi tourism community enterprise group, Chiang Mai Province, is another province group that are outstanding in product development raising the standard to a higher level. The point of sale is created with creativity, charm, identity, and way of life of the community to be valuable. The communities can be strengthened bringing charm, wisdom, way of life, culture and creativity to be converted into income. This includes proper community management enabling villagers to sell more products and services with sustainability. This is important for driving the community economy at the provincial and national level (Community Enterprise Promotion Division, 2020).

The success of the OTOP Nawatwithi tourism community enterprises mentioned above is something that should be promoted or encouraged to be further educated to other OTOP Nawatwithi tourism community enterprises all over the country. This is expected to be beneficial to drive the economy in small, medium and large sizes. With the factors mentioned above, the researcher is interested in studying the management of OTOP Nawatwithi tourism community enterprises in order to know 1) the importance of OTOP Nawatwithi tourism community enterprise management and 2) the influence of good management practices, finance, investment, production and marketing towards the management of OTOP Nawatwithi tourism community enterprises in order to have a model for the management of the OTOP Nawatwithi tourism community enterprises.
II. Literature Review

**Good practice management:** With the operation to achieve the availability of plans, people, and time, it is the good practice management in OTOP Nawatwithi tourism community enterprises. The concept (Paphon Bussayamal, Sarinya Jungjing, Suwimon Sae Kong, Isayat Makeng, Mapari Kamuning, Suwimol Issarathanachaikul et al., 2019, p.15-20) discusses the characteristics of good management practices referring to the processes that enable communities to achieve their goals efficiently and effectively through the planning process, organization, induction and control of all community resources. It involves community management such as preserving culture and the environment, public relations, knowledge management and management of teams, leaders, and the community members. It is the management of the local community in terms of facilities, utilities and the environment within tourist attractions. Nanthiphak Ruangpradit and Muhammad Ilyas Yaprang (2019, p. 7-11) discussed the characteristics of good management practices of OTOP Nawatwithi tourism community enterprises in the guidelines for sustainable development of OTOP Nawatwithi tourism community enterprises. Ten good characteristics have been identified including 1) conservation with the proper use of resources, 2) reduction of consumption and excessive use of resources to reduce waste, 3) preservation and promotion on the diversity of nature, society, and culture, 4) coordinative tourism development, 5) tourism expansion for local economic base, 6) participation by building a network of tourism development with the locality, 7) meeting arrangement with relevant stakeholders, 8) development of personnel, 9) preparation of information and manuals for tourism information services, and 10) assessment and inspection. In addition, according to the data, the problems and obstacles related to OTOP Nawatwithi sustainable tourism development can be summarized into 3 issues; 1) lack of knowledge in various matters, 2) public participation, 3) community management. The solutions to the problem of sustainable tourism development of OTOP Nawatwithi tourism community enterprises are suggested into 3 issues; 1) the government should promote and support in educating people; 2) promotion of participation and 3) increase of systematic management. It can be seen that the overall summary is related to personnel, teams, knowledge management, public relations, environment and cultural preservation which are very important to the development and promotion of OTOP Nawatwithi tourism community enterprise management.

**Finance and Investment:** Chanchai Manotham (2015, p. 135-136) mentioned that according to the Community Enterprise Promotion Act B.E.2548, the promotion and support on the operation of community enterprises come from the gathering of local people who have a common way of life and work altogether in a business that will generate income for members. This is the source of financial stability for members causing that community or locality to have the strength to be self-reliant and continue to operate business sustainably. The business can be run and the business efficiency can be improved. It is essential to have proper accounting system to be used as a tool for financial supervision and effective business development as well as providing support and assistance in accounting for community enterprises. This can encourage community enterprises to operate in a systematic manner able to manage their businesses to create rewards for members and to benefit the community strongly and stably. In this regard, the Cooperative Auditing Department has promoted accounting for community enterprises which has defined 7 operational procedures; 1) assessing the readiness of community enterprises in accounting, 2) planning the accounting form, 3) educating the internal control knowledge, 4) teaching and giving advice on bookkeeping, 5) monitoring and evaluating the bookkeeping, 6) continuously monitoring the accounting, and 7) monitoring and evaluating the project performance. This is in
consistent with Atchara Laothong et al. (2007) stated that the factors influencing the potential promotion of community enterprise tourism are 1) the integrity and capability of resources and tourism activities, 2) the potential of the area and its location of tourist attractions and community enterprises, 3) strength, self-reliance and community cooperation, 4) generating of income and returns of benefits, 5) budget for investment and government support. From such factors, the investment budget and government support is part of the financial investment with OTOP Nawatwithi tourism community enterprises.

**Marketing:** According to the concept of Chao Rojanasaeng (2012, p.1), marketing is the expectation, management of consumer needs making the needs of consumers met satisfactorily. It can be relied through the process of exchange. Marketing requires something in exchange as offering, anticipation of demand, management of demand, satisfaction of demand, and social responsibility. Potchana Boonkoom (2014, p. 33) said that marketing refers to the process or business activity that involves exchanging goods and services from producers to consumers to be able to meet the needs and create satisfaction for consumers. The marketing mix is used as a tool. Kotabe (2001, p.10) said that marketing is an activity related to planning, price action, marketing promotion, distribution of goods and services. The objective is to meet the needs along with creating satisfaction for customers or tourists. Kotler and Armstrong (2008, p.5) said that marketing is the process by which agency groups create value and strong relationship with customers in order to get that value back from the customers. Keegan (2009, p.2) said that marketing is a set of activities. This leads to the process of exchanging products and services between buyer and seller and must be able to meet the needs of customers by using the marketing mix as a tool.

**Production:** The production is for launching the products for sale and services to tourists who come to view the products or use the services in the community. The principle of production of goods and services of OTOP Nawatwithi tourism community enterprises according to the concept of True Plook Panya (2016, paragraph 1) mentions that production means the use of various production factors such as land, labor, capital, raw materials, and entrepreneurs to go through the production process or procedures until it comes out as a finished product or service to meet the needs of consumers. Wichit Phamadee (2016) said that production refers to the process of changing or forming inputs to production including goods and services. It can be said that production is important for creating the use of factors to produce goods and services. In the economy, the economic unit that functions in production is manufacturer or business unit. There are different types of manufacturers including sole proprietorships such as farmers, traders, merchants, etc. These partnerships and manufacturing companies try to find ways to produce as much produce as possible or try to produce at the lowest cost to get the most profits. Chaidet Changphian (interview, 15th September, 2020) said that production is the use of raw materials or existing resources that are inputs to transform through the production process in sequence of actions to come out as a product, i.e. goods and services that provide quantity and quality at the lowest cost and efficient production. The components of quantity, quality, time and price must be taken into account according to the above concept. The production can be said as the production for OTOP Nawatwithi tourism community enterprise group. It is the process of obtaining goods and services according to the needs of the producer to meet the needs of consumers or customers for quantity and quality at the lowest cost and efficient production.

**Management model of OTOP Nawatwithi tourism community enterprises:** According to the strategy to promote OTOP Nawatwithi tourism community enterprises, the community can manage community enterprises to match tourism and generate sustainable income. It should
consist of factors such as improving the efficiency of tourism community management to preserve the identity and create sustainable value. Developing and raising the standards of goods and services in the tourism community make the products and services in the tourism community developed with the added value. It can promote marketing and connect tourism business. Tourists come to travel and experience the way of life of the community people. A number of tourism communities are ready to accommodate tourists. The number of goods and services in the tourism community are of quality and standard. The number of tourists in the community increases. The indicators consist of increasing revenue from the sales of goods and services activities in tourism. It increases the happiness of people in the community and satisfaction of tourists to pass the specified criteria, etc. (Bureau of Local Knowledge Promotion and Community Enterprise, 2017, paragraph 1). Prayat Aran (interview, 12th October, 2020) discussed the guidelines for the management of OTOP Nawatwithi tourism community enterprises according to the strategy is to promote the OTOP Nawatwithi tourism community enterprises for the people in the community to come altogether to create value of products and services. The most benefit happens to their own community. The aforementioned goods and services provided to tourists should have elements such as quality products and services that meet the standards. The income is generated for the community or group of members both directly and indirectly. Such components are important fundamental factors to build confidence and attract tourists to come and visit to use products and services. At the same time, this will lead to repetitive use of the service or return to travel again. This concept is consistent with Roi Et OTOP Nawatwithi (2018) mentioned community enterprises. The important objective of the OTOP Nawatwithi Tourism Community Project focuses on the development of the basic economy to promote income for the community, improve the quality of life of the people thoroughly with economic stimulus and domestic society strengthening. The objectives of the OTOP Nawatwithi Tourism Community Project are; 1) to develop the career of people to earn more money and to strengthen the fundamental economy by connecting the OTOP tourism community with tourism routes in the main cities and secondary cities in the tourist attractions, 2) to improve quality, raise the standards of OTOP products adapted to the development (Group D), and 3) to create the community market to attract people to the village with OTOP Nawatwithi Tourism Community to distribute the income.

III. Research Conceptual Framework
IV. Research Methodology

Quantitative research
Regarding the content, the method was to collect quantitative data by surveying literature and drafting a conceptual framework. After that, the field data were collected from the sample group and analyzed by using structural equation modeling (SEM) method to study the level of the OTOP Nawatwithi tourism community enterprise management model and study the influence of good management practices, finance, investment, production and marketing that affect the model of OTOP Nawatwithi tourism community enterprise management.

Regarding the population and sample group, the target population is the members of OTOP Nawatwithi Tourism Community Enterprise Group designated the central zone, Chiang Mai Province, which has a total population of 4,167 people. A sample of 384 people was obtained using proportional calculations and using multivariate statistical analysis. The structural equation modeling (SEM) was applied.

The research instrument was a questionnaire which was verified for content validity with an IOC value between 0.67 – 1.00 and the reliability coefficient (Cronbach’s alpha) of the variables used in the research for the whole copy equal to 0.97. Statistics and data were analyzed using descriptive statistics such as mean and standard deviation. The correlation analysis by Pearson’s Product Moment Correlation Coefficient was statistically significant at the .05 level.

Qualitative research
The data on the population and sample group were collected by in-depth interviews with key informants, e.g., a total of 15 members of the OTOP Nawatwithi Tourism Community Enterprise Group, designated the central zone, Chiang Mai Province. The people included the Director of the District Agriculture Office, Director of the District Community Development Office, and the President of the community enterprise (management) related to the management of OTOP Nawatwithi Tourism Community Enterprise to confirm the quantitative results.

V. Research Findings

From Table 1, it was found that the overall production was at a high level (4.03) with more opinions on the adjustment of the production process than other aspects followed by packaging and production, respectively. The OTOP Nawatwithi tourism community enterprise management was entirely at a high level (4.00) with more quality opinions than others. This was followed by income and standard, respectively. The marketing was entirely at a high level (3.98) with more opinions on channel designation than other aspects. This was followed by targeting and pricing, respectively. The financial and investment was entirely at a high level (3.58) with more opinions on benefits than others. This was followed by accounting and borrowing, respectively. The good practice management was entirely at a high level (3.56) with more opinions on team management than others. This was followed by planning and knowledge management, respectively.
Table 1 Level of studied variables

<table>
<thead>
<tr>
<th>Latent variables</th>
<th>Number</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good practice management</td>
<td>384</td>
<td>3.56</td>
<td>0.43</td>
<td>High</td>
</tr>
<tr>
<td>Finance and investment</td>
<td>384</td>
<td>3.58</td>
<td>0.51</td>
<td>High</td>
</tr>
<tr>
<td>Production</td>
<td>384</td>
<td>4.03</td>
<td>0.46</td>
<td>High</td>
</tr>
<tr>
<td>Marketing</td>
<td>384</td>
<td>3.98</td>
<td>0.47</td>
<td>High</td>
</tr>
<tr>
<td>OTOP Nawatwithi tourism community enterprise management</td>
<td>384</td>
<td>4.00</td>
<td>0.62</td>
<td>High</td>
</tr>
</tbody>
</table>

The results of the structural equation model analysis were consistent with the empirical data. It was found that 1) the relative chi-square value ($\chi^2$/df) was 1.22, 2) the comparative fit index (CFI) was 1.00, 3) The Goodness of Fit Index (GFI) was 0.97, 4) The Adjusted Goodness of Fit Index (AGFI) was 0.95, 5) The Root Mean Square Residual (RMR) was 0.009, 6) The Root Mean Square Error of Approximation (RMSEA) was 0.024, 7) The largest standardized residual was not over 2, 8) The Q-plot has the gradient more than the diagonal line, 9) The sample size index (Critical N: CN) was 428.93 indicating that the model was relatively consistent.

As for the qualitative data, it was found that good practice management, finance, investment, production, and marketing affected the model of OTOP Nawatwithi tourism community enterprise management. It was found that most of the respondents had the same opinion for the OTOP Nawatwithi tourism community enterprises in terms of quality, standard, number of tourists and income. Such factors must be related to the origin, middle and destination in order to create sustainability. The opinion of the informants was that managing good practices were related to team management, knowledge management, planning and member satisfaction. The planning was found to be important for driving operations by relying on the knowledge of each team to create an operation that all parties agree and accept that there is mutual satisfaction for the development of community enterprises to reach the specified goals and may rely on knowledge from partner agencies that are connected to one another.

The investment finance related to borrowing, benefitting, accounting, and fraud prevention, was found that bookkeeping is important for financial management and investment. The group must have personnel with expertise or proficiency in bookkeeping. If not, it should be created by relying on cooperation from relevant government agencies. At the same time, when considering borrowing, each group should consider the potential and abilities of its members what the potential to drive work is. There is a chance of growth or a risk of failure. However, such consideration should be approved and endorsed by the majority of all members.

For the production related to raw material, handling modern production, packaging, and production process adjustment, it was found that the production of goods and services that satisfies the demands of tourists would be the attraction or motivation to use the products and choose to use the service, namely convenience, safety, and friendliness.

For pricing related to marketing, distribution channels, promotion and targeting, it was found that diversified marketing campaigns will lead to awareness, acknowledgment, access and choice to use products and services through various social media. At the same time, the group of personnel should be encouraged to have the ability to communicate and publicize about goods and services to tourists in all aspects, etc.

The OTOP Nawatwithi tourism community enterprise management with regard to quality, standard, number of tourists and income was found that creating goods and services to meet the quality standards most of the time will help to promote or gain acceptance for tourists. This will
directly and indirectly benefit tourism within the community. Operations of all parties must be linked to activities at the origin, middle and destination that provide convenience, comfort, safety and friendliness to tourists.

The total Influence Factors influencing OTOP Nawatwithi tourism community enterprise management, Chiang Mai Province, can be arranged in order as follows; 1) Marketing (MARK) equals to (0.97), 2) Investment Finance (INMO) equals to (0.91), 3) Production (PROD) equals to (0.80), and 4) Good Practice Management (COMP) equals to (0.75). For direct and indirect results, the good practice management (COMP) has the most direct impact on investment finance (INMO) (0.91) and indirect impact on marketing (MARK) (0.55). The investment finance (INMO) directly affects market (MARK) the most (0.44) and indirectly affects the OTOP Nawatwithi tourism community enterprise management (OTOP) (0.54). The production (PROD) directly affects the marketing (MARK) the most (0.66) and indirectly affects the OTOP Nawatwithi tourism community enterprise management (OTOP) (0.64). The marketing effect (MARK) directly affects the management of the OTOP Nawatwithi tourism community enterprise management (OTOP) at the most (0.97) as shown in Figure 2.

![Figure 2 Alternative relationship structure model (t-value) (after the model adjustment)](image)

The model of OTOP Nawatwithi tourism community enterprise management Chiang Mai Province, revealed that:

1) The good practice management affects the OTOP Nawatwithi tourism community enterprise management statistically significant at the 0.05 level. It can be described that the increase of good practice management results in the increase of OTOP Nawatwithi tourism community enterprise management. The investment and finance affect the OTOP Nawatwithi tourism community enterprise management with statistical significance at the 0.05 level. It can be described that the increase of financial and investment results in the increase of OTOP Nawatwithi tourism community enterprise management. When the production increases, it leads to the increase of OTOP Nawatwithi tourism community enterprise management with statistical
significance at the 0.05 level. It can be explained that when the production increases, it results in the increase of OTOP Nawatwithi tourism community enterprise management. The marketing affects the OTOP Nawatwithi tourism community enterprise management with statistical significance at 0.01 level. It can be explained that when marketing increases, it results in the increase of OTOP Nawatwithi tourism community enterprise management.

2) The good practice management, investment, finance, and production affect the marketing with statistical significance at the 0.05 level. It can be described that when the good management practice increases, it results in the increase of marketing. The finance and investment affect marketing with statistical significance at the 0.01 level. It can be described that when the financial investment increases, it results in the increase of marketing. The production affects the marketing with statistical significance at the 0.01 level. It can be explained that when the production increases, it results in the increase of marketing.

3) The good practice management, investment, and finance affect the production. From the hypothesis testing results, it was found that the good practice management affects the production with statistical significance at the 0.05 level. It can be described that when the good practice management increases, the production increases. The investment and finance also affect the production with statistical significance at the 0.01 level. It can be described that when the financial investment increases, it results in the increase of production.

4) The good practice management affects the investment and finance. From the hypothesis testing results, it was found that the good practice management affects the investment and finance with statistical significance at 0.01 level. It can be described that when the good practice management increases, it results in the increase of financial investment.

VI. Discussion On The Research Results

From the above findings, it can be explained that in leading the OTOP Nawatwithi tourism community enterprise management to sustainability, the OTOP Nawatwithi tourism community enterprise members should pay great attention to “marketing” in using the principles, concepts, and theories or knowledge of both science and art. The marketing management of the enterprise group or related personnel must have expertise and proficiency. For example, personnel can manage sales promotions with understanding on the target audience and nature of tourists. They must have knowledge about corporate public relations or public relations for products and services that are perceived through various media such as the use of internet media and the use of social media, etc. Apart from marketing, the discovery of the next issue is that relevant persons or members of the community enterprise group must understand altogether that when wanting to drive the agency forward or grow, the importance should be given in considering the “investment and finance”. However, for the investment and finance, it is noted that in the investment expansion of community enterprises, the members must think of their potential and ability to manage whether there will be risks or failures. In addition, when any one of the group members has an opinion, it should be in accordance with the resolutions of the community enterprise group. The “production” indicates the effectiveness of packaging such as convenience, comfort, cleanliness, safety, user-friendliness or tourists. The products and services should also reach the trend, the user’s needs and maintain national identity which is different from other places. The quality local ingredients are used to create value or incentivize purchasing decisions or services by relying on proper production tools, accuracy, speed and quality. Such production will be linked to marketing and related to good practice management that should focus on knowledge management scheduling and team management in order to build a strong foundation leading to
sustainable management of OTOP Nawatwithi tourism community enterprise. The aforementioned factor, the OTOP Nawatwithi tourism community enterprise management, must have a link to incorporate all elements, both directly and indirectly, aiming at linking the development of goods, services, and tourists. The consideration should be focused on the importance of generating income, quality, standards for the community for sustainability. The pattern is described as “Sustainable OTOP Nawatwithi tourism community enterprise management system” as shown in the Figure.

![Figure 3 Sustainable OTOP Nawatwithi Tourism Community Enterprise Management System](image)

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