



SUIC's 15th Anniversary  
Conference & Exhibition

The Integration of Art, Creativity, & Management  
19-20 October 2017

## Message from the Dean, Silpakorn University International College (SUIC)



It is my pleasure to welcome our honorable guests, academic partners and lecturers to SUIC's Anniversary Conference: the Integration of Art, Creativity and Management. From the very beginning, SUIC has received exceptional support from our partners in developing curricula, academic activities and exchange programs for students and staff. This conference will therefore feature a forum for exchanging knowledge and experience among lecturers and researchers in the field of Tourism & Hospitality, Art & Design and Management. Importantly, in addition to paper presentations, this event also provides SUIC students and lecturers an opportunity to demonstrate their innovative ideas and creative work at an exhibition.

Last but not least, I would like to express my sincerest gratitude to our honorable keynote speakers and guests, H.E. Mr. Vira Rojpojchanarat, Minister of Culture of Thailand, Mr. Alain Sebban, President of Vatel Group, Pro Vice Chancellor Professor David Roberts from Birmingham City University. My gratefulness also goes to peer-reviewers, conference committee members, and all honorable participants. Thank you for your kind support and your insightful collaboration.

Assistant Professor Dr. Sompid Kattiyapikul  
Dean, Silpakorn University International College



## **Silpakorn University International College**

Silpakorn University International College (SUIC) was established in 2003 to offer high quality programmes conducted in English, and to prepare students for success in this highly demanding and competitive world. SUIC created collaborations on double-degree programmes with renowned colleges and universities focusing on teaching methods, exchanging ideas, educational development, study tours and internships. Central to the philosophy of the College is to provide students with the opportunity to learn both in theory and practical courses, with our distinguished Thai and international professors.

SUIC has established a variety of collaborative agreements with renowned international Business Schools from France at the undergraduate level such as Rennes School of Business and Paris School of Business. In addition, SUIC partners in design with Birmingham City University (BCU), a leader of art and design education in the UK since 1843. SUIC also empowers its students by providing hands-on practical experience inside and outside of the campus, in Thailand and abroad.

Apart from the bachelor degrees, SUIC offers three graduate programmes, an M.B.A. in Hotel and Tourism Management with Vatel International Business School from France, an M.B.A. in International Business, and a PhD in International Business. As part of their studies, students are able to join study tours and visit SUIC's institutional partners. This provides students with the opportunity to learn about different working environments, join international conferences to present papers and develops their cross-cultural awareness which is something that SUIC specializes in across all academic programmes.

Today, in the ever changing, competitive, fast paced globalised world, education needs to keep up to date with the real world and this means that learning should not just be limited to a classroom setting. SUIC students are therefore given opportunities to participate in national, regional, international conferences and competitions. Moreover, SUIC provides a wide range of activities through Student Affairs and Clubs to develop their leadership potential, communication and teamwork skills.

SUIC's successful development throughout the last 15 years is a result of all the dedication and cooperation between SUIC employees, students, parents / guardians, alumni, Silpakorn University, international and industry partners. SUIC's management team is extremely proud of being part of such a highly respected university and it is fully committed to developing SUIC further as a leading international institution of Higher Education.





## **Organising Committee of SUCI's 15<sup>th</sup> Anniversary Conference and Exhibition: the Integration of Art, Creativity and Management**

### **1. Board of Control**

|                                                                            |         |
|----------------------------------------------------------------------------|---------|
| 1. Asst. Prof. Dr. Sompid Kattiyapikul<br>Dean of International College    | Advisor |
| 2. Ms. Chombhak Klangrahad<br>Deputy Dean                                  | Advisor |
| 3. Mr. Wissawas Thongteerapharb<br>Deputy Dean for Corporate Communication | Advisor |
| 4. Dr. Parinya Roonpho<br>Deputy Dean for Student Affairs                  | Advisor |

### **2. Board of Operation**

|                   |                     |                    |
|-------------------|---------------------|--------------------|
| 1. Dr. Sudawadee  | Chanpiwat           | Committee Chairman |
| 2. Dr. Jantima    | Banjongprasert      | Committee          |
| 3. Aj. Papangkorn | Kongmanwatana       | Committee          |
| 4. Aj. Nethchanok | Riddhagni           | Committee          |
| 5. Aj. Ariyaporn  | Nunthiphatprueksa   | Committee          |
| 6. Ms. Chamaiporn | Padsri              | Secretary          |
| 7. Ms. Nopparat   | Rungsiyaphornratana | Secretary          |

### **3. Subcommittee for Registration and Reception**

|                   |                     |                       |
|-------------------|---------------------|-----------------------|
| 1. Aj. Nethchanok | Riddhagni           | Subcommittee Chairman |
| 2. Dr. Sudawadee  | Chanpiwat           | Subcommittee          |
| 3. Aj. Ariyaporn  | Nunthiphatprueksa   | Subcommittee          |
| 4. Ms. Nopparat   | Rungsiyaphornratana | Subcommittee          |
| 6. Ms. Sasirin    | Rattanachai         | Secretary             |

### **4. Subcommittee for Venue, Food, and Transportation**

|                   |               |                       |
|-------------------|---------------|-----------------------|
| 1. Aj. Papangkorn | Kongmanwatana | Subcommittee Chairman |
| 2. Aj. Amara      | Verawat       | Subcommittee          |
| 3. Mr. Jaturon    | Kupattananon  | Secretary             |

### **5. Subcommittee for Financial, Documentation and Evaluation**

|                  |                   |                       |
|------------------|-------------------|-----------------------|
| 1. Aj. Ariyaporn | Nunthiphatprueksa | Subcommittee Chairman |
| 2. Aj. Suksit    | Pethampai         | Subcommittee          |
| 3. Ms. Montira   | Samouang          | Subcommittee          |
| 4. Ms. Rinyarat  | Wongthitipat      | Secretary             |

### **6. Subcommittee for Public Relations**

|                   |                 |                       |
|-------------------|-----------------|-----------------------|
| 1. Aj. Wissawas   | Thongteerapharb | Subcommittee Chairman |
| 2. Aj. Nanpaskorn | Lumpakorn       | Subcommittee          |
| 3. Ms. Wanchanok  | Sriaroon        | Secretary             |

### **7. Scientific Subcommittee**

#### **Tourism and Hospitality**

|                 |               |                       |
|-----------------|---------------|-----------------------|
| 1. Dr. Sippanan | Nuanla-ong    | Subcommittee Chairman |
| 2. Dr. Pichet   | Teeranuson    | Subcommittee          |
| 3. Dr. Somnuck  | Jongmeewasin  | Subcommittee          |
| 4. Dr. Thanya   | Lunchaprasith | Subcommittee          |

#### **Business**

|                    |                |                       |
|--------------------|----------------|-----------------------|
| 1. Dr. Chalernporn | Siriwichai     | Subcommittee Chairman |
| 2. Dr. Jantima     | Banjongprasert | Subcommittee          |
| 3. Dr. Ardiporn    | Khemarangsarn  | Subcommittee          |

#### **Art & Design**

|                   |             |                       |
|-------------------|-------------|-----------------------|
| 1. Aj. Nanpaskorn | Lumpakorn   | Subcommittee Chairman |
| 2. Aj. Nalinnath  | Deesawadi   | Subcommittee          |
| 3. Aj. Jonathan   | Narachinron | Subcommittee          |



## Peer-Reviewers

| Name                                             | Institute                                                               |
|--------------------------------------------------|-------------------------------------------------------------------------|
| Dr. Ardiporn Khemarangsarn                       | Silpakorn University International College                              |
| Dr. Chalernporn Siriwichai                       | Silpakorn University International College                              |
| Dr. Keatkhamjorn Meekanon                        | Silpakorn University International College                              |
| Dr. Jantima Banjongprasert                       | Silpakorn University International College                              |
| Dr. Somnuck Jongmeewasin                         | Silpakorn University International College                              |
| Dr. Sippanan Nuanla-ong                          | Silpakorn University International College                              |
| Dr. Pichet Teeranusorn                           | Silpakorn University International College                              |
| Dr. Thanya Lunchaprasith                         | Silpakorn University International College                              |
| Mr. Chris De Boer                                | Silpakorn University International College                              |
| Dr. Pramaporn Sirikulchayanont                   | Faculty of Painting Sculpture and Graphic Arts,<br>Silpakorn University |
| Dr. Phukrirk Buasorn                             | Bangkok University                                                      |
| Assistant Professor Dr. Sid Suntrayuth           | National Institute of Development<br>Administration                     |
| Assistant Professor Dr. Nantarath Tangvitoontham | Srinakharinwirot University, Thailand                                   |
| Dr. Lavanchawee Sujarittanonta                   | Stamford University                                                     |
| Professor Diah Tyahaya                           | Andalas University, Padang West Sumatra<br>Indonesia                    |
| Ms. Jacqueline Norton                            | Birmingham City University, England                                     |
| Mr. Nathan Tromans                               | Birmingham City University, England                                     |
| Professor Thomas Diefenbach                      | Charles Darwin University, Australia                                    |
| Professor Corazon Catibong-Sinha                 | Enbiotics Environment & Tourism Consultancy<br>Services, Australia      |
| Associate Professor Ian James Bisset             | Department of International Economics,<br>Fukuyama University           |
| Professor Laurent Botti                          | Université Perpignan, France                                            |
| Professor Nicolas Peypoche                       | Université Perpignan, France                                            |



## Programme of the Conference

### SUIC's 15th International Conference and Exhibition: The Integration of Art, Creativity and Management Silpakorn University International College

19 - 20 October 2017

The Postal Theatre, The Grand Postal building

| Thursday, 19 October 2017 |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                      |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plenary Session           |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                      |
| 08.00 – 09.30             | Registration                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                      |
| 09.30 – 10.00             | Opening Ceremony by H.E. Mr. Vira Rojpojchanarat, Minister of Culture of Thailand                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                      |
| 10.00 – 10.05             | Conference briefing by Assistant Professor Dr. Wanchai Sutananta President of Silpakorn University                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                      |
| 10.05 – 10.10             | Opening Speech by H.E. Mr. Vira Rojpojchanarat, Minister of Culture of Thailand                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                      |
| 10.10 – 10.20             | Speech by Mr. Alain Sebban (Founder of Vatel Group)                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                      |
| 10.20 – 10.30             | Speech by Professor David Roberts (Pro Vice Chancellor and Dean of the Faculty of the Arts, Design and Media)                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                      |
| 10.30 – 11.30             | <div>- Special Keynote Speech by H.E. Mr. Vira Rojpojchanarat, Minister of Culture of Thailand</div> <div>- Minister of Culture presents tokens of appreciation to Mr. Alain Sebban and Professor David Roberts</div> <div>- President of the University Council Mr. Pradech Payakwichien presents a token of appreciation to the Minister of Culture.</div> <div>- Group Photo</div> |                                                                                                                                                                                                                                                      |
| 11.30 – 12.30             | Luncheon                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                      |
| Plenary Session           |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                      |
| Room                      | The Postal Theatre                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                      |
| 13.30 – 14.20             | Keynote Address by Professor David Roberts, Birmingham City University                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                      |
| Break out Session         |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                      |
| Rooms                     | The Postal Theatre<br>(Tourism and Hospitality)                                                                                                                                                                                                                                                                                                                                       | The Letter<br>(Business and Management)                                                                                                                                                                                                              |
| 14.20 – 14.45             | <div>Paper 1</div> <div>Competencies for Management Trainees in the Hospitality Business, through the Lens of Educators in Universities: An Exploratory Research in Thailand</div> <div>Suwadee Talawanich</div> <div>Tourism and Hospitality Management Division,</div> <div>Mahidol University</div> <div>International College</div>                                               | <div>Paper 1</div> <div>High in Empowerment, Low in Moral Development - Why Many People in Empowering Organisations are not Empowered</div> <div>Thomas Diefenbach</div> <div>Charles Darwin University,</div> <div>Business School, Australia</div> |

| Rooms                  | The Postal Theatre<br>(Tourism and Hospitality)                                                                                                                                                                                    | The Letter<br>(Business and Management)                                                                                                                                                                                                                                    |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14.45 - 15.10          | <p>Paper 2<br/>Increasing Road Safety in Thailand;<br/>Research Data of Traffic Safety<br/>Measures in Other Countries</p> <p>Chris De Boer<br/>Silpakorn University<br/>International College</p>                                 | <p>Paper 2<br/>The Role of Language in Data<br/>Collection from Qualitative International<br/>Business Research: An Under-explored<br/>Issue</p> <p>Keatkhamjorn Meekanon<br/>Silpakorn University<br/>International College</p>                                           |
| 15.10 – 15.35          | <p>Paper 3<br/>Architectural Heritage at 'Si Thep' is<br/>Tentatively a Center of 'Dvaravati,'<br/>which is Perfect for Excursion or<br/>Sojourn</p> <p>M.R. Pumin Varavarn<br/>Rangsit University</p>                             | <p>Paper 3<br/>Adapting Theory of Planned Behavior to<br/>Study Social-Media-based E-Tailer<br/>Drop-Shippers' Performance Drivers</p> <p>Tiparin Sinsoponkit<br/>and Chai Ching Tan<br/>School of Management,<br/>Mae Fah Luang University</p>                            |
| 15.35 – 16.00          | Coffee / tea Break                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                            |
| 16.00 – 16.25          | <p>Paper 4<br/>Authenticity of the Staged Cultural<br/>Attractions: Case Studies of Ayothaya<br/>Floating Market and Pattaya Floating<br/>Market</p> <p>Thanya Luchaprasith<br/>Silpakorn University<br/>International College</p> | <p>Paper 4<br/>Value-based Economy in Thailand's<br/>MICE Cities: The Case Study of Airbnb<br/>Markets</p> <p>Chalermpon Siriwichai,<br/>Silpakorn University<br/>International College</p>                                                                                |
| 16.25 – 16.50          | <p>Paper 5<br/>Motivation in Producing Craft Beer in<br/>Thailand</p> <p>Rangson Chirakranon<br/>Tourism and Hospitality Management<br/>Division,<br/>Mahidol University<br/>International College</p>                             | <p>Paper 5<br/>The Effect of Destination Image On<br/>Satisfaction And Loyalty: A Study of<br/>Foreign Tourists In Bangkok</p> <p>Chuthin Thanasarnaksorn<br/>Assumption University<br/>Ariyaporn Nunthiphakprueksa<br/>Silpakorn University<br/>International College</p> |
| 16.50 – 17.15          | <p>Paper 6<br/>The Commodification Process of<br/>Cultural Tourism in Nan District: The<br/>National Museum of Nan and Phumin<br/>Temple</p> <p>Orathai Srisilp<br/>Faculty of Social Science,<br/>Naresuan University</p>         | <p>Paper 6<br/>Business Level Strategies of Premium<br/>Brand Car Dealers and Competitive<br/>Advantage from Executive's Perspective</p> <p>Sookchok Thongsookularn<br/>Silpakorn University<br/>International College</p>                                                 |
| Presenters Group Photo |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                            |

| Friday, 20 October 2017 |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                               |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 08.00 – 09.00           | Registration                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
| Break out Session       |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                               |
| Rooms                   | The Postcard<br>(Tourism and Hospitality)                                                                                                                                                                                                  | The Letter<br>(Business and Management)                                                                                                                                                                                                                                                       |
| 09.00 – 09.25           | <p>Paper 1</p> <p>Measuring the Museums Performance in the United Kingdom by using the Data Envelopment Analysis SSBM</p> <p>Papangkorn Kongmanwattana et al.<br/>Université Perpignan &amp; Vatel Business School</p>                     | <p>Paper 1</p> <p>A Practice-based View Approach to Explain the Dried Longan Industry Performances in Chiang Rai: A Case Study</p> <p>Saowalak Tankam and Chai Ching Tan<br/>School of Management, Mae Fah Luang University</p>                                                               |
| 09.25 – 09.50           | <p>Paper 2</p> <p>The Development of Creative Tourism Activities for Candle Festival in Ubon Ratchathani Province, Thailand</p> <p>Suwaphat Sregongsang and Khemchira Nongped<br/>Faculty of Liberal Arts, Ubon Ratchathani University</p> | <p>Paper 2</p> <p>A Resource-Based View of the Chili-Paste Industry in Chiang Rai, Thailand: A Preliminary Study</p> <p>Phitsinee Jongwanapitakkul and Chai Ching Tan<br/>School of Management, Mae Fah Luang University</p>                                                                  |
| 09.50 – 10.15           | <p>Paper 3</p> <p>Data Envelopment Analysis, Super-Efficiency: UK Regional Rankings</p> <p>Papangkorn Kongmanwattana et al.<br/>Université Perpignan &amp; Vatel Business School</p>                                                       | <p>Paper 3</p> <p>Key Success Factors of Digital Marketing: A Case Study of Cosmetic Brands in Thailand</p> <p>Penpattra Tarsakoo<br/>International College, National Institute of Development Administration, Ariyaporn Nunthiphakprueksa<br/>Silpakorn University International College</p> |
| Presenters Group Photo  |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                               |
| 10.15 – 10.40           | Coffee / tea Break                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                               |
| 10.40 – 11.05           | <p>Paper 4</p> <p>The Development of Bicycle Routes to Promote Cultural Tourism at Ubon Ratchathani Province</p> <p>Yuvadee Jitgosol<br/>Faculty of Liberal Arts Ubon Ratchathani University</p>                                           | <p>Paper 4</p> <p>Conceptualizing Knowledge Acquisition and Networking in International Trade Show: The Impact on Market Selection and Market Entry Modes</p> <p>Somcanae Yodpram and Jantima Banjongrasert<br/>Silpakorn University International College</p>                                |



| Rooms         | The Postcard<br>(Tourism and Hospitality)                                                                                                                                                                                                                                       | The Letter<br>(Business and Management)                                                                                                                                                                                                                                                 |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11.05 – 11.30 | <p>Paper 5<br/>Interpreting the Evolution of History and Culture of “Siam - Lawo and Srivijaya” to Support Historical and Cultural Tourism around Ban Don Bay in Chaiya District, Surat Thani</p> <p>Sippanan Nuanla-Ong<br/>Silpakorn University<br/>International College</p> | <p>Paper 5<br/>European Union Ranking Using RITCHIE and CROUCH Model, ELECTRE III and Benchmark by a Super-DEA Projection</p> <p>Papangkorn Kongmanwattana et al.<br/>Université Perpignan &amp; Vatel Business School</p>                                                              |
| 11.30 – 11.55 | <p>Paper 6<br/>The Suitable Model of Accommodations for Tourism in the Songkhla Old Town Landscape</p> <p>Yingrak Chakcharoen,<br/>Sippanan Nuanla-on and<br/>Pichet Teeranuson<br/>Silpakorn University<br/>International College</p>                                          | <p>Paper 6<br/>The Value of GPS-based Fleet Management in Enabling Sustainable Performance of Businesses in Northern Thailand: Case of Chiang Rai, Chiang Mai, and Lampang</p> <p>Kwansirin Tungchaiwanna and Chai Ching Tan<br/>School of Management,<br/>Mae Fah Luang University</p> |
| 12.00 – 13.00 | Luncheon                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                         |

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# Business Level Strategies of Premium Brand Car Dealers and Competitive Advantage from Executive's Perspective

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## Abstract

The objectives of this qualitative research are to find the optimum business level strategies highly valued by executives of car dealers and to find the most suitable approach of business level strategies in order to acquire competitive advantages in the concrete forms. The targeted group is consisted of 60 management leveled officers with more than 3 years of experience from 20 European brand car dealers. Regarding to business level strategies, it is found that the most valued strategy is marketing strategy, 51.66%, followed by financial strategy, 25%, and human resource strategy, 13.33%, respectively. According to the suitable business level strategy approach, it is found that the most frequent strategy used was launching promotional campaign, 63.33%, followed by recruiting and training qualified staff, 23.33%, and increasing car showrooms and including wider range of services and products than the competitors, 13.33%, respectively. It is recommended that car dealers business should value the importance of business level strategy identification in their market areas. The marketing strategic element and concrete business operation are the most important approaches. The company should also segment their markets in order to identify its targeted customers precisely. Analyzing the customers' demands will help the company to offer the right service or product with the competitive price that matches the customers' expectation. Valued adding on the product or service will help the company differentiate itself among its competitors in the aggressive environment. Moreover, the company should initiate the proper campaign anticipating customers' demands by communicating through the specific channels in order to activate the purchasing repetition among existing and new customers.

**Key words:** Business level strategy, Car dealer, Marketing strategy, Sales promotion,

## 1. Introduction

According to the global uncertainty, most businesses have to adapt themselves to survive, especially the car dealers. Kasikorn Research Center (2016) has assumed that the automotive markets in Thailand could become shrunk; however, the markets of Multi-Purpose Vehicle (MPV) and Pickup-based Passenger Vehicle (PPV) maintained dramatic growth. The factors that affect to the surge of sales revenue during the second half of the year can be the increase of farming income, the expiration of first car policy, the low interest rate which could be extended until the end of 2017, and the launch of new models of vehicles into the markets. Nonetheless, the car dealers may encounter some risks which are the inefficient growth of Thai economy and the high level of household debt. It is estimated that 368,830 units may be sold during the first half of the year and 391,000 units to be sold during the other half of the year with 65,000 units per month. All in all, it is predicted that automotive sales by the end of 2017 might be 750,000 – 760,000 units sold this year with -5% year on year. However, if Thai economy gradually grows as expected, the auto-sales of non-premium cars by the end of 2017 may reach 800,000 units. Vice-President of Nissan Motors Thailand (car dealership) has also supported this claim that the unusual external major challenge in automotive markets is resulted from the first car policy which had dissolved the purchasing power later on (IM2 2015).

In contrast, the sales revenue of premium branded cars has raised steadily since 2012. It is reported that the sales has grown from 13,330 units (+35%) in 2012, 18,803 units (+41%) in 2013, 20,234 units (+8%) in 2014 and 22,441 units (+11%) in 2015, respectively. Thai Automobile Dealer Association has added that the cumulative automotive sales have been well over 20 billion THB per year which can be calculated as 15% of GDP (Kasikorn Research Center 2016).

Based on information above, despite political and economic instability in Thailand, the sales performance of premium branded car has grown steadily while non premium branded car sales have experienced a negative sales

impact resulting in business termination. Therefore, to explore the specific business strategies and approaches that are particularly utilized by the executives of premium branded car dealers can be another solution to improve the sales revenue.

### **Objectives**

1. To find the most important business level strategies highly valued by premium branded car dealers in executives' perspectives.
2. To find an approach of business level strategies applied by premium branded car dealers in order to acquire more competitive advantages.

## **2. Review of Literature**

What is business level strategy?

Business management strategies can be generated into three types: corporate level strategy, business level strategy, and operation level strategy. This research will look into business level strategy which involves basic activities leading to company's success, positioning strategy and procedures to achieve company's goals. Apart from SWOT analysis, prioritizing products and services, targeting the consumers, selecting the targeted customers, positioning the company itself in the market, and identifying competitive advantages of the company are also essential elements. As well as this, policy of branding and pricing is as important as product distribution channel (marketing mixed strategy). Human resource strategy, budgeting and setting short term and long term goals are also successful keys to the company. Business strategy is also closely related to human resource strategy (BMW Service 2009, p.4-5).

As far as business level strategy is concerned, Hill and Jones (2007, p.180-182) have conceptualized that the business can achieve a competitive advantage over its competitors in the market through well developed business level strategy which is centralized in the three basic decisive elements: customers' needs and product differentiation, customers' groups and market segmentation, and distinctive competencies.

### **1. Customer's needs and product differentiation**

Customer's needs are desires some products or services to fulfill their satisfaction whose decision making is based on two elements: prices and product differentiation. In terms of product differentiation, a company can outperform its competitors by designing some products or service in a special way to better serve the customer's needs. Thus, applying these two elements onto the purposed products or services will result in an increase in demands and company profit.

### **2. Customer groups and market segmentation**

Market segmentation is a way the company decides to group customer based on their different needs or preferences. Those customers can be categorized into two segments according to their purchasing power based on competitive price on a particular product, and specific products that can be satisfied their needs.

### **3. Distinctive competencies**

Distinctive competencies can assist company to acquire a competitive advantage in satisfying particular customer needs and customer groups. The company can pursue a competitive advantage by four crucial ways: superior efficiency, quality, innovation and responsiveness to customers.

### **Porter's Generic Strategy**

According to Porter (as cited in David 2001), businesses can secure their competitive advantages by three difference bases generic strategies: cost leadership, differentiation and focus. Cost leadership strategy can be best applied for those who are priced sensitive as the cost per unit is very low. Differentiated strategy is aimed for those who demand unique product and service but they could be relatively priced sensitive. Focus strategy can be best practice for some small groups who need particular products and services to consume.

The management of the company needs to apply business strategies wisely on company's existing resource and business capability in order to maintain the competitive advantages amid the fierce marketing competition (Hill

& Jones 1998). Most businesses have to strive hard to maintain their competitive advantages so as to achieve long term success. This could be reflected by providing better service and products to meet the customers' satisfaction with more reasonable price and faster service response. For example, Rolls Royce has applied differentiation strategy by offering unique service and incompatible products to their customers who would feel more than satisfied and money valued when owning the dearly priced products. Cost leadership strategy could help the company survive in the market. For instance, Wal-Mart, the retail business in the USA has offered the low priced products to meet the consumers' needs but the profit per product is very marginal. On the other hand, some businesses have endeavored themselves to provide faster service with focus strategy. Pizza Hut is one of the examples of Focus Strategic delivery. This food service has adapted itself to cater the customer's needs by offering faster delivery service than its competitions. Their pizzas will reach the customers' houses within 5 minute time. If the Pizza Hut fails to commit the promise, the customers do not need to pay for the meal. Thus, the art of strategic selection is crucial for the business to excel their competitive advantages (Miller & Dess 1996). Financial strategy is also vital for business because the business needs to search for the low cost cash flow to support their financial budget and help the business run smoothly. This strategy will increase the value of financial statement of the company (Naveekarn 2000). In addition, business strategy can be defined as marketing segment strategy could be an option to access the targeted customers. As well as this, cost leadership strategy or focus strategy can be practiced to delivery more suitable product or service by the time being than the competitors including technology developing (Phagaphasvivat 2010).

The sales representatives may include some extra services, such as, home delivery or financial aid. Such additional services can be partial component of product strategy that can elevate consumers' satisfaction. Product strategy in corporate level can drive the rest of the marketing strategies; otherwise, there would not be anything to distribute, to promote, to price and to satisfy the customers. Product strategy in divisional level is as important as divisional marketing strategy and activities. Hence, product offering is an essential key to determine the remainder of the marketing mixes: distribution, pricing and communication plans, and action (Anderson and Vincze 2004).

It can be concluded that businesses have orchestrated various strategies: financial strategy, human resource strategy, marketing strategy, cost leadership strategy, differentiation strategy and focus strategy to maintain and optimize their competitive advantages.

#### **Type of Research.**

This research is qualitative research.

**Scope of data collecting period:** The data was collected from June 2016 to February 2017.

**Scope of research;** In order to achieve the research objectives, the scope of this research has been listed as followed:

- 1) Regarding to the scope of contents, this research has covered the business strategic theories consisting of differentiation strategy, focus strategy, cost leadership strategy, human resource strategy, marketing strategy and financial strategy.
- 2) Regarding to the scope of population, twenty companies of European branded car dealers in Bangkok and vicinity were selected as targeted group of this research.

### **3. Research Methodology**

#### **Population and Samplings**

This qualitative research has studied the business level strategies utilized for business competition. The data has been collected from the management leveled officers of premium branded automotive dealers.

#### **Qualification of Targeted Group**

Sixty management leveled officers has been selected by purposive sampling method from twenty European branded car dealers (two or three officers have been selected from each company). They have worked in European car dealers companies for more than three years with strong background experience about developing business strategies, setting company's target and objective and creating company activities. They should be willing to provide information for the interview.



### Research tools

Research tools were questionnaire consisted of

- 1) Personal questionnaires
- 2) Content questionnaires which were semi-structured interview

### Data collecting methods

From June 2016 to February 2017, an appointment had been made with the targeted groups by sending an email and telephone calls. After appointment confirmation had been finalized, the interview conversation had been started and recorded until all information is required. All information related to interviewees was treated confidentially. The data was presented as a whole picture of the industry and could be discontinued under the condition that the interviewees refuse to answer the questionnaires. This would not affect to the research due to the refusal.

These interview data had been transcribed word by word in order to analyze the information given. To avoid the unexpected effect after giving the information, the names of the interviewees had been encoded for the interviewee's comfort.

## 4. Research Results

**Table 1:** Personal information of the interviewees (N= 60)

| Information                                                          | Number    | Percentage |
|----------------------------------------------------------------------|-----------|------------|
| <b>Officers in management levels of Premium European car dealers</b> |           |            |
| Working experience                                                   |           |            |
| 3-9 years                                                            | 10        | 16.66      |
| 10-15 years                                                          | 42        | 70         |
| More than 15 years                                                   | 8         | 13.33      |
| <b>Education level</b>                                               |           |            |
| Bachelor's degree                                                    | 22        | 36.66      |
| Master's degree                                                      | 38        | 63.33      |
| <b>Interviewees</b>                                                  | <b>60</b> | <b>100</b> |

**Objective 1:** To find the most important business level strategies highly valued by premium branded car dealers in executive perspective. Set of questions related to cost leadership strategy, differentiation strategy, focus strategy, marketing strategy, human Resource strategy, financial strategy and other strategies.

**Table 2:** Business strategies utilized by European car dealers in executive perspectives

| Business strategies      | Frequency of use | Percentage |
|--------------------------|------------------|------------|
| Marketing Strategy       | 31               | 51.66      |
| Financial strategy       | 15               | 25         |
| Human Resource strategy  | 8                | 13.33      |
| Differentiation strategy | 3                | 5          |
| Focus strategy           | 2                | 3.33       |
| Cost leadership strategy | 1                | 1.66       |
| <b>Total</b>             | <b>60</b>        | <b>100</b> |

It is found that the strategy most valued by the management levels perspective is marketing strategy 51.66%, followed by financial strategy 25%, human resource strategy 13.33%, differentiation strategy 5%, Focus strategy 3.33%, and Cost leadership strategy 1.66% respectively.

## 5. Discussion and Conclusions

After the interviews with management officers, marketing strategy is highly valued because it is a successful indicator for the sales revenue and their own dealership. Failure to do so would result in the loss of market share abruptly. The prolific marketing strategy will contribute company's profit growth, extend its marketing share, increase customer's perception, maintain the existent customers, and raise the number of new ones. This correlates

to IM2 (2015) which claimed that with the productive marketing strategy, the profit of those company will go up. Besides, employing good marketing strategy will generate reversed income returning to the business. This will lead to extra investment and higher profit as well as generating new trading circles. Moreover, good marketing strategy can create assorted kinds of businesses: retail shops, agencies, traders, logistic, insurance, and etc. Through numerous types of business, there will be number of entrepreneurs entering into the markets to serve needs of the main businesses and consumers leading to the expansion of the market system. Furthermore, Kotler et al. (1999) agreed that business unit needs to develop a marketing plan to achieve its goals. The good marketing plan is one of the most important outputs of the marketing process. Thus, to avoid the unexpected loss in business, the company needs to study the consumer's behavior comprehensively. Through studying in depth, the company will be able to embed some value with the existing products so as to activate surplus purchase. If the large numbers of demands have been fulfilled, the cost per unit will be decreased because of the appropriate marketing strategy. Product development, pricing, and marketing campaign strategies have to be taken into account to level up the profit of the company including channel of distribution management.

**Objective 2:** To find an approach of business level strategies applied by premium branded car dealers in order to acquire more competitive advantages.

Questions have been set regarding to the decision making to the selection of concrete strategic approach to enhance the competitive advantages.

**Table 3:** Selection of concrete strategic approach

| Selection of concrete strategic approach                                                                 | Frequency | Percentage |
|----------------------------------------------------------------------------------------------------------|-----------|------------|
| Marketing promotional campaign                                                                           | 38        | 63.33      |
| Recruit and train appropriate qualified officers                                                         | 14        | 23.33      |
| Set up more car showrooms covered larger areas than the competitors and increase wider range of service. | 8         | 13.33      |
| <b>Total</b>                                                                                             | <b>60</b> | <b>100</b> |

It is found that the most frequent concrete strategic approach in executives perspective has been applied was marketing promotional campaign 63.33%, followed by recruiting and training appropriate qualified officers 23.33%, and setting up more car showrooms covered larger areas than the competitors and increasing wider range of service 13.33% respectively.

## 6. Discussion and Conclusions

According to the interview, it is essential to launch suitable marketing campaign as this can arouse the intense intention of the targeted customers to own a car. The advertisement through any kinds of media will cause the higher level of perception of the customers. Moreover, it is important to segment and identify the promising market so as to embark successful marketing strategy related to the car models and the targeted customers. After studying targeted customers' behavior, the company will be able to launch products with appropriate marketing and positioning strategies which match the lifestyle of the customers. Importantly, the company needs to design the marketing and promotional activities stimulating the customer's demands. Then, proper communicative channel plays a significant role to deliver the information to the right markets identified by the company. Craven (2000) also supported this claim that the marketing strategic plan is initiated from marketing strategy analysis, plan, implementation, and management process, respectively. Situational analysis is to analyze the targeted markets and their competitors in order to segment the market and to continue researching about customers' demand. This will allow the company to design marketing strategy and position of newly launched products. To develop marketing campaign, it is needed to consider these elements: products, distribution channel, pricing, and promotion, which will be implemented catering for the demands of the market. Apart from these, flourishing strategic implementation and management need to be based on organizational structure, strategic marketing implementation and administration. An effective factor among successful elements is to understand the marketing demand and competitive situation. Jain and Haley (2009) proclaimed that to be customers' oriented could be defined as critical assessment to the company, so to optimize marketing strategy and to offer better solutions than the others in order to serve the customers' demand are crucial for the organization. Additionally, competitive atmosphere is another factor to help define the marketing strategy in the present time. Therefore, the management

of the company needs to gain insight of the uncontrollable factors in the short period of time and chaos in the market competition since they can affect to marketing mix which needs to be applied appropriately. Grewal and Levy (2008) also asserted that the insights of the market and customers' demand are the basic elements of the key marketing success. Although the company tries to offer their products and services to everyone, it is practically impossible to accomplish because the cost of financial budget is very limited. In order to achieve the goal, the marketing team and the management need to carefully select the promising market whose purchasing power is available.

This finding can be concluded that the business level strategies highly valued and most frequently applied to acquire more competitive advantages is marketing strategy. This is because the decisive marketing strategy can increase the sales revenue. Moreover, promotional activity corresponding to the demand of the targeted market is another powerful approach to raise company's profit.

## 7. Summary

Automotive dealers should focus on effective marketing strategies especially in its business area. To create marketing strategy, the dealers should start to define the targeted market clearly. Then, the demands and lifestyles of the targeted market should be taken into an account in order that the company can propose the right model of cars which respond the targeted customers' demand because each group has different demands. It is unlikely for business to focus every group of the customers as the marketing budget could be insufficient. The price should be set competitively when compared with the competitors. Furthermore, the car dealer should position itself so distinctively that the customers become better acknowledged of the differences between the company and the others. Another factor that affects to the purchasing decision is the company's value which can serve the customers' demand. After examining all factors, the company will be able to design marketing promotions to meet the need of target market. Notably, some company chose the suitable communicative channels to the targeted customer in order to increase their sales revenue. Some may inform the promotion through personal specific channels which could be some applications on an IT network, such as, e-mail , WhatsApp, Line or Facebook, and face-to-face events: automobile events or road-show. This could assist the company better reach its targeted customers than the rivals.

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# **The Value of GPS-based Fleet Management in Enabling Sustainable Performance of Businesses in Northern Thailand: Case of Chiang Rai, Chiang Mai, and Lampang**

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## **Abstract**

TAM (Technology Acceptance Model) and TPB (Theory of Planned Behaviours) are adapted to study the factors that drive the continuing intention of the GPS-based fleet management owners to expand the usages and build the various domains of performances. Based on exploratory factor analysis, the performance areas perceived of vital significance to the fleet management owners are shown in market development, business, service, risk and cost control. As the operationalization details of the relevant constructs are not easily available in the extent literature, a mixed method is employed. While the in-depth interviews serve to identify the contents that match the key constructs of TAM and TPB, which establishes the content validity and reliability, questionnaire-based survey has enabled this research to confirm the validity of the proposed theoretical model that intercepts both TAM and TPB. Besides, practical implications to both GPS-fleet management systems sellers and the owners would be delineated to help them identify the areas of challenges and significance that need particular attention and strategic investments.

**Keywords:** Fleet Management System, GPS, Northern Thailand, Sustainable Performance, Technology Acceptance Model, Theory of Planned Behaviour

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## **1. Introduction**

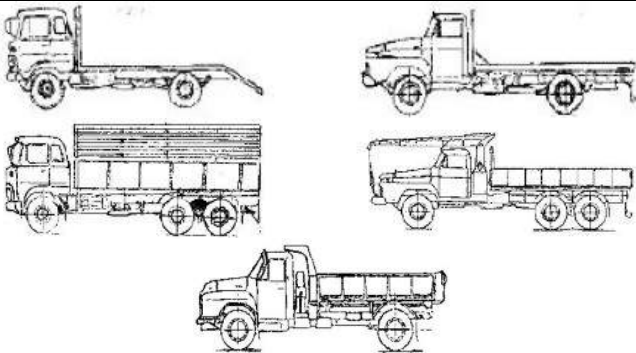
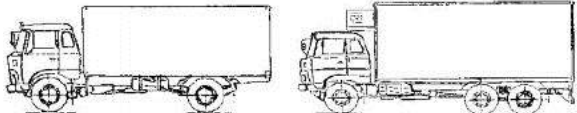
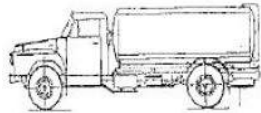
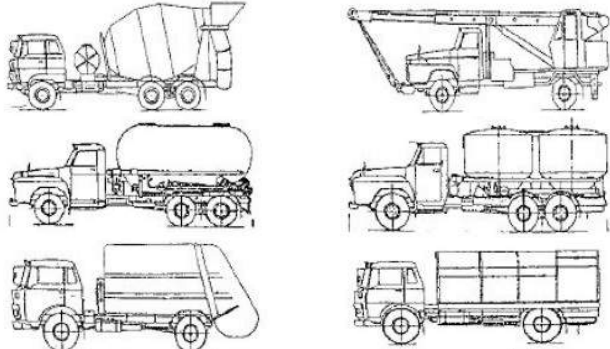
In a recent keynote speech by Dr. Tan (2017) to the IEEE International Conference on Advances in Mechanical, Industrial, Automation and Management Systems (AMIAMS-2017), in India, he clearly demonstrated the significant role of transportation and logistics services, including the logistics infrastructure investment, in driving the global competitiveness of nation, and together with the influence of cultural norms, can statistically significantly explain the variance of national competitiveness to 78.8% of the variance. Kumar, Zhalnin and Beaulieu (2016) states also the inevitable role of transportation and logistics played to develop the competitiveness in the national and global markets. Professor Michael Porter (1990), in his Diamond model, describes the role of logistics and transportation as supportive, but nevertheless, can lead to nation competitiveness. In other words, logistics and transportation services provides the strategic linkages among resource conditions, related and support industries, demand condition, and industry structure and enterprise strategy.

Nowadays, with the advent of satellite technologies and Internet, GPS has gradually become common (Jing & Cai 2010; Limao & Venables 2001), and the functions of logistics and transportation have transcended, for instance, GPS (Global Positioning System) which provides the so-called space-, time- and information-utilities can help logistical fleets to better manage their businesses and thus improve the tracking and efficiency (Chung 2016). In Fleet Boss (2017), GPS systems enables the business owners to “evaluate, measure and assess” their operations. Fleet Boss (2017) cites an oft-quoted maxim, “You can’t manage what you cannot measure”. GPS technology, “when combined with analysis and mapping software, provides a bird’s eye view of the fleet vehicle activity, instant locations, and graphic annotation of key events, such as: service stops and customer locations, vehicle speeding infractions, onboard equipment usage, route tracking, geo-fencing verification to ensure vehicles stay within a defined geographical area, and fleet vehicle location” (p. 5). Thus, GPS provides the measurements needed for the business owners to better manage through altering the behaviours of employees (Tan 2004), stimulates learning (2016), and improve business performances.

For this research, transportation is emphasized and it neglects other aspects of logistics such as warehousing, inventory management, etc. In certain industry, the transportation cost is as high as 10% of the total cost of products (Rodrigue, Comtois & Slack 2016). It's an unavoidable cost that can directly affect business

performance and its sustainability i.e. the ability to maintain the competitiveness and advantage in comparison to competitors. Although there are multi-modal transportations such as in terms of air, road, rail and sea transports (Basu, Bai & Palaniappan 2015), this research focuses on truckload transportation services, provided either by firms or logistics service providers. Many businesses bring the technology called "Global Positioning System (GPS)" (Elliott & Christopher 1996) in their truck-fleet management system to reduce the transportation problem to help reduce costs of operations and to improve business performances. In a recent Thai Road Safety Control (2017) report, there is an increasing number of accidents deriving from transportation in Thailand which has resulted in the loss of life and loss of businesses, and competitiveness when compared to countries with better logistical infrastructure and stringent safety controls and traceability. The cause of most accidents is caused by drivers violating or disobeying the law. These, and other reasons, prompted the Thai government to install national policy to impose stricter laws by requiring truck fleets of animals and goods to install GPS devices (Department of Land Transport 2016). For clarification, the Ministry of Industry (2010) defines a truck as a vehicle being used to transport animals or goods for item without a route, or to trade, with weights more than 1,600 kg. Based on the Land Transport Act, BE 2522, Thailand, there are nine categories of trucks: 1. Pickup truck, 2. Van trucks, 3. Liquid trucks, 4. Hazardous Material Trucks, 5. Specialized trucks, 6. Trailer truck, 7. Tractor with semi-trailer, 8. Low loader-semi-trailers, and 9. Tractor truck. The current laws demand categories 1, 2, 3, 5, and 9 with more than 3 axles, 6 wheels, and 10 tires to install the GPS, shown in Table 1 and Table 2.

**Table 1:** Truck Categories (Ministry of industry 2010).

| Trucks Categories            | Trucks Picture                                                                       |
|------------------------------|--------------------------------------------------------------------------------------|
| 1. Pickup truck              |   |
| 2. Van trucks                |  |
| 3. Liquid trucks             |  |
| 4. Hazardous Material Trucks |  |
| 5. Specialized trucks        |  |



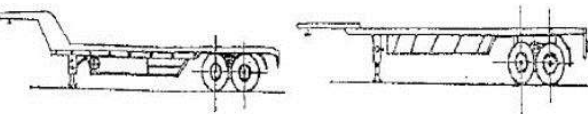
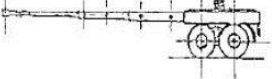
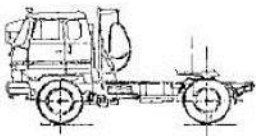
|                              |                                                                                    |
|------------------------------|------------------------------------------------------------------------------------|
| 6. Trailer truck             |  |
| 7. Tractor with semi-trailer |  |
| 8. Low loader-semi-trailers  |  |
| 9. Tractor truck             |  |

**Table 2:** Maximum Total Weight and Weight down the Shaft (Ministry of industry 2010).

| Truck categories | Number of Axles, Wheels, and Tires | Size ratio    |                | Maximum weight (kg)                       |                      |
|------------------|------------------------------------|---------------|----------------|-------------------------------------------|----------------------|
|                  |                                    | Width (Meter) | Length (Meter) | Weight down the rear axle or double shaft | Maximum total weight |
| 1,2,3, and 5     | 3 axles, 6 wheels, 10 tires        | 2.55          | 12             | 20,000                                    | 25,000               |
|                  | 4 axles, 8 wheels, 8 tires         | 2.55          | 12             | 13,000                                    | 23,000               |
|                  | 4 axles, 8 wheels, 12 tires        | 2.55          | 12             | 20,000                                    | 30,000               |
| 4                | 2 axles, 4 wheels, 6 tires         | 2.55          | 12             | 11,000                                    | 15,000               |
|                  | 3 axles, 6 wheels, 10 tires        |               |                | 20,000                                    | 25,000               |
| 6                | 1 axles, 2 wheels, 4 tires         | 2.55          | 8              | 11,000                                    | -                    |
|                  | 2 axles, 4 wheels, 8 tires         | 2.55          | 8              | 20,000                                    | -                    |
| 7 and 8          | 2 axles, 4 wheels, 8 tires         | 2.55          | 13.6           | 20,000                                    | -                    |
| 9                | -                                  | 2.55          | 12             | -                                         | -                    |

As there is a dearth of informed knowledge about how the GPS-based fleet management helps to improve the business performance, including the types of performances that are impacted, the following research objective is established:

First, this research is to study how the owners of business who have used GPS-based fleet management, in Northern Thailand, perceive the use of GPS-based fleet management in helping them to sustain business performance. Second, what GPS-based fleet management systems-induced psychological factors are in play to influence the perceived actual uses of the GPS-fleet management systems, in which TPB (Theory of Planned Behaviours) and TAM (Technology Acceptance Model) would be exploited.

To realize the two-fold research objective, this research exploits mixed method approach. First, snowball sampling interview method is employed to collect data from owners of transport business who had installed GPS in their truck fleets, which seeks to help identify GPS-relevancy for the businesses of different owners. The in-depth interviews provide the rich themes and variables which guide the item-content development of the measurements needed for conducting a questionnaire-based survey. Second, this research exploits the concepts of TAM (Technology Acceptance Model) and TPB (Theory of Planned Behaviours) to structure the themes revealed, which skilfully study psychological factors, attitudes, norms, behavioural intentions and behaviours in the context of logistical knowledge pertaining to fleet management system.

There is a major limitation and delimitation. No specific industry is targeted, which may spread and increase the randomness of measurements, but nevertheless, this can be delimited through a well-designed research process that combines both in-depth interviews, self-developed questionnaires, and questionnaire-based surveys. In this way, the randomness and uncertainty of the phenomenon can be minimized while at the same time the method improves the power of explanation of the research phenomena studied, indicated by high R-squared in the multiple regression analysis.

## 2. Literature Review

### *GPS and Fleet Management System*

GPS stands for Global Positioning System (Elliott & Christopher 2005). The GPS not only can limit the driving speed and prevent accidents but also has many additional values that benefit the performances of business. The

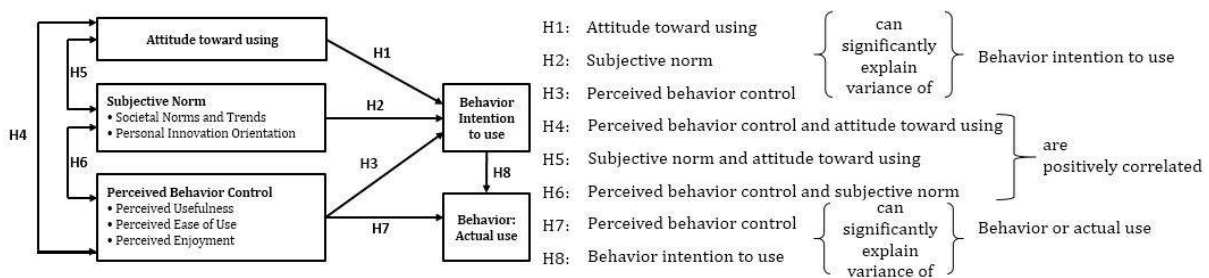
values of GPS-based fleet management can take many forms, such as it can trace position vehicles on real-time basis, and the customers can obtain real-time information (a value-added from pure geometrical data, etc.), through, for instance, mapping the transportation systems such as rail and road to minimize costs of transportations and hire truck costs by routing (Leung, Wu & Lai 2006), and increase of productive speed (Mintsis et al. 2004). In short, GPS-based fleet management is an effective new application and technological means to help define the driver performance in transporting goods and delivering services on just-in-time quality basis, and which can improve and control actions effectively to improve the safety and reduce losses that are caused by ineffective fuel consumption, accidents, and others problems that may arise during transportation (Şimşek et al. 2013). Ultimately, GPS-based fleet management aims to deliver the right quantity and quality of goods at the right time (Ohno 1982) to the right place and the right speed.

According to Chang and Lu (2000) "Fleet management system is the intelligent transportation systems that are defined to apply computer, information technology, and communications to solve problem during transportation" which can increase transportation effectiveness, support safe driving, avoid accidents, and increase industry productivity (Hu et al. 2015). With use of GPS, capable of transmitting real-time data to a base station for analysis and further strategic and operational actions by firms (Theiss, Yen & Ku 2005), the benefits of fleet management systems become irresistible.

### The Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (TPB) forecasts a person's behaviour intention to use a product or/and service at a particular occasion and place, by underpinning on attitude toward behaviour, subjective norms and perceived behavioural controls, which in terms predicts the resulting behaviour (Ajzen 1991). As TAM is theoretically based on TPB, perceived usefulness, perceived ease of use, and perceived enjoyments are just different facets of the perceived behavioural control. Subjective norm can include, for instance, personal innovation, which is also illustrated in Figure 1. Together, perceived behavioural control and societal trend can be reckoned as value propositions attracting the customers to invest on GPS-based fleet management system. This is an additional insight that fills the gaps of the existing literature by qualifying perceived behavioural controls and the thrust of the current fashionable trends of GPS-based fleet management and its advantages, as manifestations of customer value propositions.

**Figure 1:** The Theory of Planned Behaviour (TPB) and an Adapted but Modified Technology Acceptance Model (TAM) and hypothesis



### Technology Acceptance Model (TAM)

FMS or Fleet Management Systems have been used in the logistics industry for a long time. Essentially, FMS is related to the use of supervision and vehicle's maintenance and associated managerial functions, including collaboration and publicizing of tasks and connected information, to solve the different scheduling and transportation routing problems. The main application of vehicle fleet management and control is GPS technology. Technically, GPS is a "satellite-based navigation system made up of at least 24 satellites, which works in any weather conditions, anywhere in the world, 24 hours a day. The U.S. Department of Defense (USOD) originally put the satellites into orbit for military use, but they were made available for civilian use in the 1980s" (Garmin 2017). And GPS uses for goods movement characterization and diagnosis, and fleet managements are rent trends that are gaining the accelerating pace. The effective use of GPS would need the technological developer to detail the "algorithms used to process the raw GPS data into meaningful travel and trip information" (Pluvinet, Gonzalea & Ambrosini 2012), and when integrated with other enterprise resource planning information, on fundamental basis, GPS-based fleet management is a technological contribution that can help organizations improve business performances. Because there is a dearth of informed knowledge about how the users or the organizations perceive the use of GPS-based fleet management systems, in sustaining their business performances, including attitudes towards GPS fleet management, both TAM (Technology Acceptance Model) (Ajzen & Fishbein 1980; Yoon & Cho 2016) and TPB (Theory of Planned Behaviours) (Ajzen 1991) are employed. Both TAM and TPB are used to examine the factors that play significant roles in influencing the

behavioural intention to use, actual use that is manifested in perceived usefulness, the different facets of performances, and also customer satisfaction.

As an inference from Davis (1989), the TAM (Shown in Figure 1) is comprised of four important constructs, namely Perceived Usefulness (operationalized as customer perceived benefit of GPS-based fleet management in this research) and Perceived Ease of use (which is customers perceiving that the GPS-based fleet management technology is easy to use), attitude toward using (which is consumers' acceptance attitude toward the GPS technology) and behavioural intention to use (which is customer intention to use GPS-based fleet management technology). In fact, TAM actually exploits TPB as its base. For instance, both the perceived usefulness and ease of use are different facets in the perceived behavioural control in TPB – to be discussed in the sequel. An extended TAM model (Chen & Chen 2011) includes perceived enjoyment (Moon & Kim 2001; Van der Heijden 2003) which is considered to also influence the user's attitude and intention to use. In Agarwal and Prasad (1998), personal innovation orientation is added which defines the orientation degree of which customers are willing to use new technology.

### Conceptual Model

By combining Figure 1 (TPB and TAM), the actual use of GPS-based fleet management would eventually lead to sustainable performance of firms, which leads to customer satisfaction and eventually forming a state of loyalty to the use of GPS the company is currently in use. The conceptual model which adapts both TAM and TPB is thus shown in Figure 2, which yields the following additional hypotheses:

**Figure 2: Conceptual Framework**

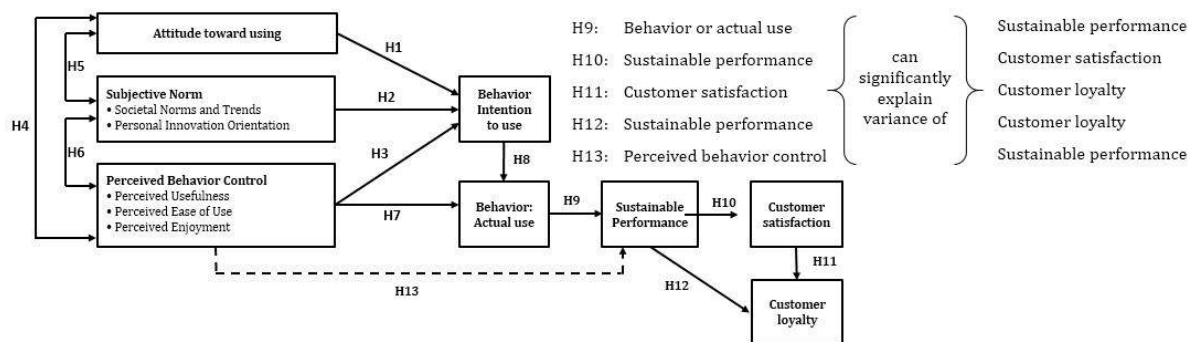


Figure 2 depicts not only the combined theories derived from TPB and TAM, but also has shown an extension that incorporates sustainable performance, customer satisfaction of the GPS-based fleet management systems usage, and customer loyalty towards the use. In this way, the value of GPS-based fleet management systems is operationalized in a theoretical structure format and this research has thus clearly provided a significant step of contribution to the disciplines intercepting supply chain and logistics, strategic management, consumer behaviours and marketing. Behavioural intention is considered as a determinant of behaviour in how hard a person will try to perform a behaviour, whereas attitude indicates “how favourable or unfavourable the individual’s evaluation of the behaviour is” (Rah et al. 2004).

Apart from addressing the stated hypotheses, multiple-regression analyses would be used to answer the following research questions:

- Which of the subjective norm, namely, societal norms and trends and personal innovation orientation, play significant weight in explaining the variance of attitude toward using, behaviour intention to use, and perceived behaviour control?
- Which aspects of the perceived behaviour control, consisting of perceived usefulness, perceived ease of use, and perceived enjoyment play significant weight in explaining the variance of attitude toward using, subjective norm, behaviour intention to use, and behaviour or actual use?
- Which factors of the sustainable performance including service performance, business performance, market development performance, and risk and cost control performance play significant weight in explaining the variance of the customer satisfaction and customer loyalty?



### 3. Research Method

A mixed method approach is based to serve both exploratory and explanatory purposes of the research. Due diligence is established during the data collection and at interpretation stage, by providing feedback to the interviewees to obtain their assurance that the report has reflected their actual perceptions in the meaning they intended to deliver.

Mixed method can allow the research to better and more comprehensively identify the detailed nature of the research investigation. The research ontology is realist knowing that qualitative nature can reveal objective truths but still are highly influenced by interpretations of researchers as well as questions prompted and the influence of mutual interactions during interviews. Based on this realist ontological position, to secure epistemological validity, this research maintains a neutral-based attitude and commitment by means of mixed method; translating the themes identified into questionnaires for value-neutral (axiological) measurements.

The sampling groups are the entrepreneurs or who are related to the GPS-based fleet management systems usage in the transportations and logistics services, such as managers, owners, and employees who have the duty to perform order fulfilments and the logistics roles, including the sellers of GPS. Two in-depth interviews were performed, and their sole purposes are to perform the exploratory role of research to obtain the possible constructs or variables that can help put a structure to the research objective stated.

- First, the business entrepreneur of an Esso gas station whose business is to transport the gasoline by its enterprise capacity.
- Second, to obtain the more marketing-enabled views, another in-depth interview was sourced from the GPS seller.

On the questionnaire-based survey, the researchers exploited the snowball sampling method by asking the GPS seller to advise additional thirty-two owners and operators of the GPS-based fleet management systems in their transportations and logistics service systems. The primary data obtained from the first two interviewees, which lasted 1 hour each, are used to develop questionnaires that are being guided by the combined theories of planned behaviours and technology acceptance model. Further guided by the structure of these two theories is the conceptual model to suggest maximizing the value of GPS-based fleet management systems through efforts of psychological factors such as innovation orientation, attitude towards the usage, perceived behavioural controls represented through ease of use and actual use, and behavioural intentions. Thus, the original conceptual model, shown in Figure 2, also is extended to incorporate customer satisfaction, sustainable performance and loyalty, which goes beyond the original versions of both TPB and TAM.

The questionnaires, shown in both Tables 3 and 4, are self-developed by the use of the qualitative data analysis, which are consisted of two columns, requiring the respondents to respond to their appropriate perceptions according to the five Likert-scale: 1=strongly disagreed, to 2=disagreed, to 3=neutral, as neither disagreed to agreed, to 4=agreed, and 5=strongly agreed. The questions asked for each statement: On the left column of response: Do you think the statement enables you to invest on the GPS? On the right column of response - Do you agree or disagree (according to the five Likert scale) that the statement reflects the current performance or reality?

**Table 3:** Questionnaires on Perceived Behavioural Control and Societal Norms and Trend

| Value of GPS-based fleet management                                                      |                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Perceived usefulness:</b> customer perceived benefit of GPS-based fleet management |                                                                                                                                                                                                                                                          |
| <b>1.1 Managing people</b>                                                               |                                                                                                                                                                                                                                                          |
| 1.1.1                                                                                    | <b>Driving time:</b> Systematic tracking of GPS system allows each driver to not exceed 4 hours in continuous driving, e.g., by prompting for change driver or parking. For long distance must have at least 2 drivers.                                  |
| 1.1.2                                                                                    | <b>Automated alert:</b> GPS tracking provides notification on driving behavior such as driving faster than the limit, detours, and overtime parking.                                                                                                     |
| 1.1.3                                                                                    | <b>Get timely Alerts:</b> Alert when vehicle goes out of your business zone to reduce driver fraud such as stolen fuel, using a car for personal benefit, prevent theft of vehicle and goods.                                                            |
| 1.1.4                                                                                    | <b>SOS Signal:</b> When push the emergency button, message asking for help will be sent to SMS or email of the entrepreneur. The software can send timely notifications in case of accidents and other mishaps so that you can take the necessary steps. |

| 1.2 Managing vehicle                                                                                       |                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.2.1                                                                                                      | <b>Identify where the car is located:</b> GPS provides latitude and longitude of the vehicle parking. Then you can see a street view from Google map.                                                                                                         |
| 1.2.2                                                                                                      | <b>1 minute updates:</b> Update vehicle GPS tracking every one minute and can be figured as required.                                                                                                                                                         |
| 1.2.3                                                                                                      | <b>Detail report:</b> Provide a summary report with comparisons old data and new data such as travel history report, speed report, mileage report, maintenance report, oil sensor. Then the data can be exported for analysis and planning.                   |
| 1.2.4                                                                                                      | <b>Historical fleet data:</b> User can browse stored history and routes for 6 months and maximum 1 year.                                                                                                                                                      |
| 1.3 Managing transportation route                                                                          |                                                                                                                                                                                                                                                               |
| 1.3.1                                                                                                      | <b>Shorter transportation route</b> for vehicle which helps to reduce operating expense, reduce consumption and unnecessary overtime costs.                                                                                                                   |
| 1.3.2                                                                                                      | <b>Traffic jam program</b> is able to guide the drivers to avoid the busy streets in real-time basis. Because time is money this program can help driver save time to delivery.                                                                               |
| 1.3.3                                                                                                      | <b>Greater route planning</b> for helping of GPS tracking data, to identify routes that save both time and money-that is, smart route planning will reduce unproductive work and eliminate unnecessary fuel expenses.                                         |
| 1.3.4                                                                                                      | <b>Increase the number of trips:</b> Fleet management systems help you plan better to assign tasks when they spot an idle vehicle and can increase the number of trips per day to your business.                                                              |
| 1.3.5                                                                                                      | <b>Viewer app:</b> Check the status of the automobile via web browser or mobile application (available 24 hours a day), i.e., able to measure the distance between driver's smartphone location and vehicle to indicate how far and can navigate the vehicle. |
| 1.3.6                                                                                                      | <b>Mobile tracking:</b> Use of GPS-based smartphone application to track external work progress                                                                                                                                                               |
| 1.3.7                                                                                                      | <b>Avoid getting loss:</b> Using GPS device lead you to reach destination without getting loss of direction                                                                                                                                                   |
| 1.3.8                                                                                                      | <b>Avoid running out of gas:</b> Using GPS device can lead you to enjoy your trip and feel comfortable without running out of gas because fleet management can provide you about distance and gas quantity                                                    |
| 1.3.9                                                                                                      | <b>Avoid lost of goods:</b> Using GPS provides traceability for you                                                                                                                                                                                           |
| 1.4 Making business competitiveness                                                                        |                                                                                                                                                                                                                                                               |
| 1.4.1                                                                                                      | <b>Be competitive:</b> You can beat your competitors by flexible management of your transportation business with GPS fleet management systems by the ability to reduce costs, provide first-class customer service and keep your employees happy as well.     |
| 1.4.2                                                                                                      | <b>Optimize resources:</b> You can utilize your resources effectively and identify key money-saving areas.                                                                                                                                                    |
| 1.4.3                                                                                                      | <b>Maximize vehicle utilization:</b> Your fleet managers are able to use the data and analysis obtained from the GPS tracking software to eliminate vehicle idle time, reduce over-speeding and decrease fuel consumption.                                    |
| 1.4.4                                                                                                      | <b>Keep your customers happy:</b> Fleet management helps you able to respond to service calls quickly and reach your customers on time.                                                                                                                       |
| 1.4.5                                                                                                      | <b>Be more predictable:</b> Providing your customers with accurate delivery times, real-time tracking info and other minute details.                                                                                                                          |
| 1.4.6                                                                                                      | <b>Improve Safety:</b> In case of incidents, the GPS fleet management systems can provide direct assistance and support to your drivers through two-way communication between drivers and fleet managers.                                                     |
| 1.4.7                                                                                                      | <b>Utilize digital time keeping:</b> With the help of GPS tracking, you can eliminate billing discrepancies by utilizing the digital timekeeping. Further, it will also reduce dispatch inaccuracies.                                                         |
| 1.4.8                                                                                                      | <b>Reduce paperwork:</b> GPS systems help your drivers, dispatchers and managers do away with all the paperwork as the system can automatically track and store the minute details and present it in a user-friendly form when needed.                        |
| 2. Perceived ease of use: customers perceive that the GPS-based fleet management technology is easy to use |                                                                                                                                                                                                                                                               |
| 2.1                                                                                                        | With the use of GPS, <b>critical information</b> such as location data, vehicle status, and driver's behavior can be accessed <b>easily</b>                                                                                                                   |
| 2.2                                                                                                        | <b>Use anywhere:</b> With the use of GPS, you are able to access the data from anywhere on mobiles, tablets and laptops <b>easily</b>                                                                                                                         |
| 2.3                                                                                                        | <b>Short time:</b> Spend short time to learn and use GPS-based fleet management                                                                                                                                                                               |
| 2.4                                                                                                        | <b>Accessibility:</b> Using GPS device is compatible with your smartphone such as using Siri voice to access to the GPS system                                                                                                                                |

| <b>3. Perceived enjoyment:</b> unique feature of entertainment provided by in-vehicle GPS |                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1                                                                                       | GPS increase the enjoyment of driving a car                                                                                                                                                                 |
| 3.2                                                                                       | GPS is fun                                                                                                                                                                                                  |
| 3.3                                                                                       | GPS helps to reduce boredom                                                                                                                                                                                 |
| 3.4                                                                                       | GPS serve as an accompanying virtual partner to make driving more relaxing                                                                                                                                  |
| <b>4. Societal norms and trends</b>                                                       |                                                                                                                                                                                                             |
| 4.1                                                                                       | Government support to use GPS, ownership can get more profit and reduce insurance cost for entrepreneur who use GPS                                                                                         |
| 4.2                                                                                       | Thai government enforce the hazardous material trucks to install GPS devices for control the behavior of the driver and prevent accidents caused by hazardous material trucks by following the law strictly |
| 4.3                                                                                       | More and more companies are now using GPS in their logistics fleet, so we need to keep up with the trend                                                                                                    |

For the attitude towards using the GPS-based fleet management: Only the actual perception of each questionnaire item statement is sourced from the responses of the participants.

**Table 4:** Questionnaires on Attitude toward using, Behavioural Intention to Use, Personal Innovation Orientation, Customer Satisfaction, Customer Loyalty, and Sustainable Performance.

| <b>5. Attitude toward using:</b> consumers' acceptance attitude toward the GPS technology                                        |                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 5.1                                                                                                                              | Using GPS help you to reduce problem during transportation                       |
| 5.2                                                                                                                              | Using GPS on your trip is beneficial for you and customer                        |
| 5.3                                                                                                                              | Using GPS help to manage your business                                           |
| 5.4                                                                                                                              | GPS has become a necessary logistical infrastructure that gives competitiveness  |
| 5.5                                                                                                                              | GPS helps with safety in life and property                                       |
| <b>6. Behavioral intention to use:</b> customer intention to use GPS-based fleet management technology                           |                                                                                  |
| 6.1                                                                                                                              | You will inquire thoroughly about the GPS and the contract of purchase           |
| 6.2                                                                                                                              | You will definitely install GPS technology in near future                        |
| 6.3                                                                                                                              | You are willing to invest on GPS as strategic element of fleet management system |
| <b>7. Personal innovation orientation:</b> the individual willingness to try out new information technology and innovative ideas |                                                                                  |
| 7.1                                                                                                                              | When you heard about new technology, you will find the way to try it             |
| 7.2                                                                                                                              | When you heard about new innovative idea, you will find the way to try it        |
| 7.3                                                                                                                              | Technology has become necessary to enable competitiveness of business            |
| <b>8. Customer satisfaction:</b> a personal feeling of pleasure or disappointment that results from perceived performance        |                                                                                  |
| 8.1                                                                                                                              | Using GPS helps you to increase profit to business                               |
| 8.2                                                                                                                              | Using GPS helps you to reduce risk                                               |
| 8.3                                                                                                                              | Using GPS helps you to reduce cost                                               |
| 8.4                                                                                                                              | Using GPS increases security                                                     |
| 8.5                                                                                                                              | Using GPS increases entertainment                                                |
| 8.6                                                                                                                              | Using GPS helps you to service customer on time                                  |
| 8.7                                                                                                                              | Using GPS helps onside service effectiveness                                     |
| 8.8                                                                                                                              | Using GPS help you to delivery on time                                           |
| 8.9                                                                                                                              | Using GPS helps you to solve problem quickly when problem occur                  |

|                                                                                                                    |                                                                             |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>9. Customer loyalty:</b> customer return to consume the product or service in long-term                         |                                                                             |
| 9.1                                                                                                                | You will continue to sign a contract with the GPS company currently in use. |
| 9.2                                                                                                                | You will suggest others to use GPS technology in future                     |
| 9.3                                                                                                                | You will buy more when company release new product and upgraded products    |
| 9.4                                                                                                                | You talk about favorably of company's products                              |
| 9.5                                                                                                                | You pays are less attention to competitor brand                             |
| 9.6                                                                                                                | You less sensitive to price of competitor brand                             |
| 9.7                                                                                                                | You talk good word of mouth about the company                               |
| <b>10. Sustainable performance:</b> our company has the ability to maintain the performance to our expectation in: |                                                                             |
| <b>10.1 Service performance</b>                                                                                    |                                                                             |
| 10.1.1                                                                                                             | Service improvement                                                         |
| 10.1.2                                                                                                             | After sale service performance                                              |
| 10.1.3                                                                                                             | Service availability to customers                                           |
| 10.1.4                                                                                                             | Delivery performance                                                        |
| 10.1.5                                                                                                             | New domestic customer                                                       |
| <b>10.2 Business performance</b>                                                                                   |                                                                             |
| 10.2.1                                                                                                             | Profit                                                                      |
| 10.2.2                                                                                                             | Quick responsiveness to customers                                           |
| 10.2.3                                                                                                             | Business growth                                                             |
| 10.2.4                                                                                                             | Transportation quality                                                      |
| 10.2.5                                                                                                             | Ease of transportation management                                           |
| 10.2.6                                                                                                             | Revenue                                                                     |
| <b>10.3 Market development performance</b>                                                                         |                                                                             |
| 10.3.1                                                                                                             | New neighboring country customers                                           |
| 10.3.2                                                                                                             | Non-expecting customers                                                     |
| <b>10.4 Risk and cost control performance</b>                                                                      |                                                                             |
| 10.4.1                                                                                                             | Risk elimination                                                            |
| 10.4.2                                                                                                             | Cost of transportation reduction                                            |

#### 4. Results and Discussion

In this section, a qualitative picture will, first, be presented, that helps provide the context for the research issue and the types of variables involved, which is then followed by questionnaire-based surveyed data analysis.

##### *Qualitative Data Analysis Results*

Figure 4 and Figure 5 depicts the three Northern provinces of Thailand being targeted for the interviews by snowball sampling approach and surveys, involving the following organizations (being granted for revealing their names through ethical protocol compliance):

For the Chiang Rai province which are:

- Company A is fuel transport located in Mae Chan district, they transport to others provinces.
- Company B is an oxygen company that located in Chiangrai city and transport by themselves to hospital.
- Company C is located in Maesai district, doing transportation business between Northern Thailand and Bangkok.

For Lampang province, involving the participants of:

- Company D interview with the GPS seller in Lampang city.
- Company E is a construction materials distributor located in Lampang city.
- Company F is the transportation company who transport the beverage that located in Lampang city.

For Chiang Mai province which are:

- Company G is electrical appliances centre located in Chiangmai city.
- Company H is service centres and construction materials located in Chiangmai city.
- Company I is bedding distributor that located in Chiangmai city.



**Figure 4:** Chiang Rai and Lampang Province Map



**Figure 5:** Chiang Mai Province Map

The results of the in-depth interview with the Company D (Personal communication with GPS-based fleet management systems seller, 28 March 2017) show that GPS-based fleet management systems can help the business owners to set plan for their future in at least four ways, which are managing people, managing vehicle, managing transportation route, and making business competitiveness, as already identified in the self-developed questionnaire in Table 3.

A large-size company is a Company D who had installed GPS prior to the Thai law enforcements, has indicated that there is significant usefulness of GPS fleet management information to set plan for future. On the other hand, one small-medium size company who installed GPS after law enforcing indicates that it has received some negative impact from government policy because they do not value to it:

*"Since the imposed governmental policy in requiring our transportation fleet to install GPS-based fleet management system, it has increased our expenditure. I am pretty sure there may be some types of utilities of GPS-based fleet management, but we have not enough sufficient experiences to perceive the values. On top of this, in the transportation business, we have many costs to handle, such as vehicle insurance, warranty, tax etc. and thus it is not quite logical why we have to pay additional cost for GPS." (Personal communication with owner of transportation business, 30 March 2017)*

A large fuel transportation company, their perspective about GPS-based fleet management is quite different from the previous respondents. They are perceived to appreciate the values of the GPS-based fleet management systems that can optimally help them to manage their transportation fleets, which also provides the necessary operational strengths to sustain their business performances. For instance, the Company B highlighted their satisfaction as they can predict the time to pick up the products and to maintain on-time delivery accuracy. In addition, they can reduce fuel consumption of the vehicles better than before the GPS-based fleet management systems installation, and can also help to check the parking time of each vehicle as well as preventing accidents, as measure of risks management:

*"We use GPS-based fleet management systems for tracking vehicles with accurate position, which help to reduce the risk of vehicle from deviating from the designated business zone. In addition, the system can also help us calculate the time and distance between origins and destination, and reduce accidents by preventing the drivers from driving faster than the law demanded." (Personal communication with system administrator of fuel transportation company, 3 April 2017)*

The next Company E, belonging to an oxygen and hazardous materials transportation company, has indicated that they have more than four years of experiences in using GPS-based fleet management and gained significant satisfaction and confidence in the values:

*"GPS-based fleet management systems have had helped us to set logistical plans more accurately, and flexibly, which allows us to adapt and finetune the optimal transportation routes to meet a number of customer needs. Not only that, GPS-based fleet management systems provide a control mechanism to induce better driver behaviours and thus improve safety, productivity, and cost saving." (Personal communication with owner of oxygen and hazardous material transport company, 4 April 2017)*

Similar perception is also shared by Company F as follows, which belongs to a transportation and logistics service provider to Singha beer public listed company in Thailand, as follows:

*"Ever since the installation of the GPS-based fleet management, our tracking of vehicles has brought accuracy, about the movements and order-fulfilment deliveries, to meet the demands of our customers, and to delight our customers. As a result, we have been able to expand our businesses and services, partly contributable to customers trusting our capability to deliver just-in-time and on-time." (Personal communication with system administrator of transportation company, 27 March 2017)*

GPS-based fleet management is used to serve functional purpose, such as vehicle tracking to reduce risks:

*"We are delighted on the use of GPS-based fleet management, which provides real-time organized data that can presents to our customers on the status of order-fulfilment, and thus its use is valuable, and has shown to improve our service-deliverable performance, which results in our business and market expansion." (Personal communication with system administrator of construction materials distributor company, 27 March 2017)*

*"We installed GPS for identifying the point of destination to ship products, time to delivery, calculate distance and fuel's consumption. Our company has low profits, so we must reduce cost by notifying the pathway of our drivers and planning properly before shipment." (Personal communication with system administrator of service centres and construction materials company, 16 May 2017)*

*"We use a pickup truck to deliver our products. Previously, we used GPS on mobile, then we changed to GPS-tracking which can track the vehicle, time, and plan to deliver to the next destination point, and reduce the risk of driver driving out of the destination route. Now it becomes our daily routing: before shipment we mark the destination point for facilitating the working trip." (Personal communication with manager of bedding distributor, 15 May 2017)*

Company G shares how GPS-based fleet management systems help them to improve servicing customers and for market expansion, by means of effective delivery, such as increased number of trips, speed and delivery on time, and checking driver behaviour. Significant positive motivations are obvious for company G in the use of GPS-based fleet management systems:



*"We used GPS because we want to increase coordination with our new client houses and increase the new groups of customers to use our services. GPS-based fleet management systems help us to record new customer profile to present products to customers' home, such as brochures or new items lists for customers. We generally deliver our products and services by following the original coordinates that make the shipping faster.*

*The company will plan the route before delivery, usually about 9 routes. So, we can track the work of employees in real time. When any trucks are out of the business zone, the GPS will inform promptly. When the driver face with road works ahead, the GPS systems can suggest another route for the convenience and speed of service, while inform the company of the changes taking place, and also to inform our customers accordingly.*

*Besides, the senior management brings technology to help transportation easier, such as the monthly travel summary report and Line system is another way of communicating with the driver." (Personal communication with system administrator manager of electrical appliances center, 15 May 2017)*

From the above evidences, it is clear that there are significant values to the use of GPS-based fleet management, provided sufficient time of experience is given to the operators and the firms. For firms who think there are no sufficient benefits and values, they are indeed unconscious of the values that already also in play, such as to serve functional purpose in risk reduction and real-time data management. Thus, it is clear that the questionnaire-based survey, if it can provide a structural picture into the strategic and operative advantage of the GPS-based fleet management, it would significantly alter the perceptions of the new entrants to the systems, as well as to provide a systematic and informed knowledge to help the current users and firms to leverage on the potential values of the systems.

### **Quantitative Data Analysis Results**

The qualitative results basically support the structure of the conceptual model which explains the roles of actual use or behaviour in a realization of sustainable business performance. The themes identified for representing actual use or behaviours came from behaviour intention to use and perceived behaviour control that consists of perceived usefulness, perceived ease of use, and perceived enjoyment. The themes for sustainable business performance include market development performance, business performance, service performance, and risk and cost control performance. In a case of perceived usefulness is a direct effect of actual use which is common use for this the industry, as the focal point of perceived value of GPS-based fleet management, transportation, and logistics issues are predominantly the role of the logistics and transportation management entity. As such, the actual use in term of perceived usefulness by the use of integrations with GPS seller and business owner who use GPS-based fleet management, is dominated by managing people, managing vehicle, managing transportation route, and making business competitiveness that aims to improve quality of transport, delivery performance, and set plan for current and future transportation.

### **Measurements**

From the given themes and the exploratory nature of understanding of the interviews-based results, questionnaire instrument was designed. The reliability is attempted based on, first, securing construct and content validity. In case of low reliability, at post-data determination stage, the use of exploratory factor analysis is necessary, to help re-categorize the questionnaire items into appropriate dimensions.

The measurements are shown in the questionnaires given in Table 2 and Table 3, with Cronbach's Alpha equalled to 0.512, 0.771, 0.828, 0.866, 0.606, 0.953, 0.582, 0.741, 0.872, 0.775, 0.812, 0.655, 0.848, 0.836, 0.592, 0.513, according to the sequence. The minor weakness which show in variables with Cronbach's Alpha less than 0.6 (Nunnally 1978) would certainly limit the ability of the variables to play significant roles in the multiple regression analysis. Among the constructs, only the "Sustainable Performance" items are re-organized, as the exploratory factor analysis indicates four distinctive performance domains, shown in Table 5, as service performance, business performance, market development performance, and risk and cost control performance.

**Table 5:** The Sustainable Performance Domain

|                         | Component |       |       |       |
|-------------------------|-----------|-------|-------|-------|
|                         | 1         | 2     | 3     | 4     |
| Service Improvement     | .902      | .159  | -.207 | .159  |
| After Sales Services    | .878      | .130  |       | .332  |
| Performance             |           |       |       |       |
| Service Availability to | .804      | .435  |       |       |
| Customers               |           |       |       |       |
| Delivery Performance    | .702      | .401  | .202  | .476  |
| New Domestic Customer   | .659      | .300  | .572  | -.145 |
| Profit                  |           | .922  |       |       |
| Quick Responsiveness to | .298      | .764  | .103  | .123  |
| Customers               |           |       |       |       |
| Business Growth         | .270      | .693  | .545  | .244  |
| Transportation Quality  | .419      | .668  | .150  | .543  |
| Ease of Transportation  | .223      | .649  | -.519 | .441  |
| Management              |           |       |       |       |
| Revenue                 | .358      | .600  | .406  | -.201 |
| New Neighboring Country |           |       |       |       |
| Customer                | -.127     |       | .971  |       |
| Non-Expecting           |           |       |       |       |
| Customers               | .477      | .458  | .646  |       |
| Risk Elimination        |           |       | -.157 | .942  |
| Cost of Transportation  | .590      | -.239 | .327  | .634  |
| Reduction               |           |       |       |       |

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization.  
a. Rotation converged in 6 iterations.

**Service Performance = 1**  
**Business Performance = 2**  
**Market Development = 3**  
**Risk and Cost Control Performance = 4**

### Population and Sampling

The sampling population for questionnaire-based surveys were drawn from the business owners who use GPS-based fleet management located in Northern Thailand, namely Chiang Rai, Chiang Mai, and Lampang. A total of 679 businesses are currently registered with the Department of Land Transport by following the law to install GPS device in their fleets (Bureau of Freight in Department of Land Transport, 2017). The questionnaire surveys were sent to each company by letters, emails or through direct contacts. 44 responded, and were all registered with Department of Land Transport. The 44 responded are small (1-5 trucks) to medium in sizes. The medium (5-10 trucks) focuses the use of GPS fleet management systems to help them improve their long-term business goals, while the small businesses provide mostly supportive functions, such as to support services for medium to large businesses when their fleets are not sufficient to cope with demands. Many times, these small fleets owners join forces with the medium sized businesses as without it, their cost expenses would escalate. When discussing with the GPS sales teams, it was informed that larger fleets are usually better organized and invested in GPS fleet management systems, and they tend to operate the systems by their internal teams.

Due to low response rate of entrepreneur and difficulty in reaching each business, triangulated studies which combine the both in-depth interviews and questionnaire-based survey becomes crucial. The purpose was to obtain the highest ability of the predictor variables to explain the problem variables (number dependent variables) at as high the variance as possible. The effect size [ES] index calculation is used to justify sample size adequacy for multiple regression analysis with 2-, 3-, 4- and 5- predictors, shown in Tables 6 and 7, to statistically significant level of  $p < 0.01$ . Thus, supported by the 2 predictors multiple regression, as shown in Tables 6 and 7, a sample size of 45 is considered reasonably adequate, at least to address the supportability for the theoretical model, but certainly not in terms of population generalization.

**Table 6:** Effect Size for the Multiple Regression

|             | Independent variable              | Dependent variable                | R-Square | ES Index (Cohen 1992) |
|-------------|-----------------------------------|-----------------------------------|----------|-----------------------|
| Final Model | Personal innovation orientation   | Behavioral intention to use       | 0.802    | 4.050505051           |
|             | Perceived usefulness              |                                   |          |                       |
|             | Personal innovation orientation   | Attitude towards using            | 0.642    | 1.793296089           |
|             | Perceived usefulness              |                                   |          |                       |
|             | Perceived ease of use             | Perceived usefulness              | 0.728    | 2.676470588           |
|             | Attitude towards using            |                                   |          |                       |
|             | Society norm and trend            | Risk and cost control performance | 0.554    | 1.242152466           |
|             | Perceived ease of use             |                                   |          |                       |
|             | Society norm and trend            | Customer satisfaction             | 0.593    | 1.457002457           |
|             | Risk and cost control performance |                                   |          |                       |
|             | Business and market development   | Customer loyalty                  | 0.254    | 0.340482574           |
|             | Business performance              |                                   |          |                       |
|             | Customer satisfaction             |                                   |          |                       |
|             |                                   |                                   |          |                       |



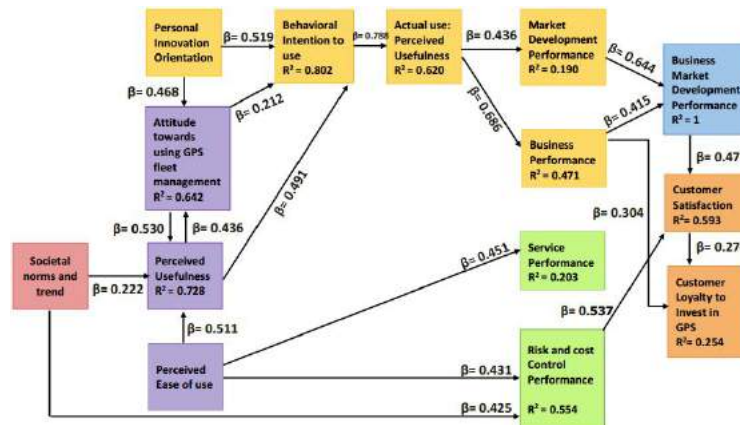
**Table 7:** Sampling Size Adequacy as a Function of Effect Size

| Test                   | 0.01  |        |       | 0.05  |        |       |
|------------------------|-------|--------|-------|-------|--------|-------|
|                        | Small | Medium | Large | Small | Medium | Large |
| t-test for 2 means     | 586   | 95     | 38    | 393   | 64     | 26    |
| Simple correlation (r) | 1,163 | 125    | 41    | 783   | 85     | 28    |
| Analysis of variance:  |       |        |       |       |        |       |
| 2 groups               | 586   | 95     | 38    | 393   | 64     | 26    |
| 3 groups               | 464   | 76     | 30    | 322   | 52     | 21    |
| 4 groups               | 388   | 63     | 25    | 274   | 45     | 18    |
| 5 groups               | 336   | 55     | 22    | 240   | 39     | 16    |
| Multiple Regression:   |       |        |       |       |        |       |
| 2 predictors           | 698   | 97     | 45    | 481   | 67     | 30    |
| 3 predictors           | 780   | 108    | 50    | 547   | 76     | 34    |
| 4 predictors           | 841   | 118    | 55    | 599   | 84     | 38    |
| 5 predictors           | 901   | 126    | 59    | 645   | 91     | 42    |

### Hypotheses Testing

The overall multiple regression analysis is shown in Figure 6, which provides the overall theoretical structure that is fundamentally in conformance with the conceptual model, except with the details of the nature of the constructs. Multiple regression analysis provides a relational explanation that is more powerful than correlational analysis. Many constructs or variables are positively correlated, but are not capable to explain the variance of the relevant dependent variables. Guided by Figure 6, the conclusions can be made for the thirteen hypotheses targeted in the literature review section.

**Figure 6:** The Extended Combined TPB and TAM Model in Explaining the Value of GPS-based Fleet Management Systems to Sustainable Performance



All the hypotheses stated are supported with statistically significant strengths, by the use of multiple regression analysis evidences.

By referring to Figure 6, all hypotheses stated are supported, significant to  $p < 0.05$  significant levels. The following evidences support the hypotheses by also addressing the three research questions:

- H1, H2 and H3 are supported, by the abilities of attitude toward using, subjective norm namely personal innovation orientation, and perceived behaviour control namely perceived usefulness can explain the variance of behaviour intention to use, for a variance percentage of 80.2, with Beta weights of 0.212, 0.519, and 0.491, respectively.
- H7 and H8 are supported, by the abilities of perceived behaviour control namely perceived usefulness and behaviour intention to use to explain the variance of actual use, at 62.0% of its variance.
- H9 is supported, in that an actual use can significantly explain the variance of sustainable performance namely market development performance and business performance, for a variance percentage of 19.0 and 47.1, with Beta of 0.644 and 0.415, respectively.
- H10 is supported, in that the sustainable performance consisting of business market development and risk and cost control performance can significantly explain the variance of customer satisfaction at 59.3% of its variance, with Beta weights of 0.471 and 0.537, respectively.
- H11 and H12 are supported, by customer satisfaction and sustainable performance namely business performance to significantly explain the variance of customer loyalty to invest in GPS, for a variance percentage of 25.4, with Beta weights of 0.276 and 0.304, respectively.
- H13 are supported, by perceived ease of use to significantly explain the variance of sustainable performance namely service performance and risk and cost performance, for a variance percentage of 20.3 and 55.4, respectively.

Based on the correlations analysis result shown in Table 8, H4-H6 hypotheses are supported, significant to  $p < 0.01$  level (2-tailed), namely:

- H4 is supported: The perceived behaviour control namely perceived usefulness is positively correlated to attitude toward using to continue to use GPS-based fleet management by businesses owners, at correlation coefficient of 0.703\*\*, shown in Table 8.
- H5 is supported: A subjective norm namely personal innovation orientation is positively correlated to attitude toward using which shows 0.717\*\*.
- H6 is supported: Perceived usefulness is positively correlated to subjective norm in both societal norms and trends and personal innovation orientation at 0.509\*\* and 0.572\*\*, respectively. The perceived ease of use is positively correlated to societal norms and trends and personal innovation orientation to continue to use GPS-based fleet management by businesses owners, at 0.514\*\* and 0.645\*\*, respectively.

**Table 8:** Correlation Matrix

|                                 |                     | Correlations           |                         |                                 |                      |                       |                     |
|---------------------------------|---------------------|------------------------|-------------------------|---------------------------------|----------------------|-----------------------|---------------------|
|                                 |                     | Attitude towards Using | Societal Norm and Trend | Personal Innovation Orientation | Perceived Usefulness | Perceived Ease of Use | Perceived Enjoyment |
| Attitude towards Using          | Pearson Correlation | 1                      | .303*                   | .717**                          | .703**               | .567**                | -.234               |
|                                 | Sig. (2-tailed)     |                        | .046                    | .000                            | .000                 | .000                  | .127                |
|                                 | N                   | 44                     | 44                      | 44                              | 44                   | 44                    | 44                  |
| Societal Norm and Trend         | Pearson Correlation | .303*                  | 1                       | .531**                          | .509**               | .514**                | .298*               |
|                                 | Sig. (2-tailed)     | .046                   |                         | .000                            | .000                 | .000                  | .050                |
|                                 | N                   | 44                     | 44                      | 44                              | 44                   | 44                    | 44                  |
| Personal Innovation Orientation | Pearson Correlation | .717**                 | .531**                  | 1                               | .572**               | .645**                | -.330*              |
|                                 | Sig. (2-tailed)     | .000                   | .000                    |                                 | .000                 | .000                  | .029                |
|                                 | N                   | 44                     | 44                      | 44                              | 44                   | 44                    | 44                  |
| Perceived Usefulness            | Pearson Correlation | .703**                 | .509**                  | .572**                          | 1                    | .761**                | .227                |
|                                 | Sig. (2-tailed)     | .000                   | .000                    | .000                            |                      | .000                  | .138                |
|                                 | N                   | 44                     | 44                      | 44                              | 44                   | 44                    | 44                  |
| Perceived Ease of Use           | Pearson Correlation | .567**                 | .514**                  | .645**                          | .761**               | 1                     | .000                |
|                                 | Sig. (2-tailed)     | .000                   | .000                    | .000                            | .000                 |                       | 1.000               |
|                                 | N                   | 44                     | 44                      | 44                              | 44                   | 44                    | 44                  |
| Perceived Enjoyment             | Pearson Correlation | -.234                  | .298*                   | -.330*                          | .227                 | .000                  | 1                   |
|                                 | Sig. (2-tailed)     | .127                   | .050                    | .029                            | .138                 | 1.000                 |                     |
|                                 | N                   | 44                     | 44                      | 44                              | 44                   | 44                    | 44                  |

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

In terms of descriptive result, only perceived ease of use has response at mean of 4.25, in Table 9, over 4 of five Likert scale, while the majority are between 3-4. Performances are seen to be the weakness.

**Table 9:** Descriptive Statistics of Final Model's Constructs

| Descriptive Statistics            |           |           |           |           |                |           |            |
|-----------------------------------|-----------|-----------|-----------|-----------|----------------|-----------|------------|
|                                   | N         | Minimum   | Maximum   | Mean      | Std. Deviation | Skewness  |            |
|                                   | Statistic | Statistic | Statistic | Statistic | Statistic      | Statistic | Std. Error |
| Perceived Ease of Use             | 44        | 2.75      | 5.00      | 4.2500    | .61945         | -1.115    | .357       |
| Behavioral Intentin to Use        | 44        | 2.33      | 5.00      | 3.9394    | .77183         | -.663     | .357       |
| Personal Innovation Orientation   | 44        | 3.00      | 4.67      | 3.8788    | .52380         | -.415     | .357       |
| Service Performance               | 44        | 2.00      | 5.00      | 3.8485    | .80520         | -.888     | .357       |
| Perceived Usefulness              | 44        | 2.88      | 4.82      | 3.7857    | .51967         | .184      | .357       |
| Risk and Cost Control Performance | 44        | 3.00      | 5.00      | 3.7727    | .69428         | .666      | .357       |
| Attitude towards Using            | 44        | 2.60      | 4.40      | 3.7636    | .51629         | -.775     | .357       |
| Sustainable Performance           | 44        | 2.47      | 4.40      | 3.6485    | .52481         | -.823     | .357       |
| Societal Norm and Trend           | 44        | 2.00      | 4.67      | 3.5758    | .85170         | -.452     | .357       |
| Customer Satisfaction             | 44        | 2.67      | 4.22      | 3.5354    | .48596         | .017      | .357       |
| Business Performance              | 44        | 2.60      | 4.00      | 3.4000    | .48800         | -.443     | .357       |
| Customer Loyalty                  | 44        | 2.43      | 4.14      | 3.3377    | .47838         | -.052     | .357       |
| Business and Market Development   | 44        | 2.05      | 4.00      | 3.1773    | .62853         | -.728     | .357       |
| Market Development                | 44        | 1.50      | 4.00      | 2.9545    | .81994         | -.643     | .357       |
| Perceived Enjoyment               | 44        | 1.00      | 4.00      | 2.6364    | .84471         | -.451     | .357       |
| Valid N (listwise)                | 44        |           |           |           |                |           |            |

### Multicollinearity Tests

The multicollinearity states of the predictors or independent variables, shown in Figure 6, are given in Table 10. By following the criterion suggested by Klein (1962), in that if VIF is greater than  $\frac{1}{1-R^2}$  or a tolerance value is less than  $1 - R^2$ , then multicollinearity can be considered to be statistically significant, Table 10 indicates some minor multicollinearity effects for explaining the variance of perceived usefulness and customer loyalty. Nevertheless, based on a normal argument for the existence of significant multicollinearity when the tolerance value is less than 0.1 or VIF greater than 10, roughly, Table 10 shows no significant multicollinearity for all the multiple regression analyses.

**Table 10:** Multicollinearity test

| Dependent Variable                | Independent Variable              | R-Square | Beta  | Collinearity Statistics |       | 1/(1-R <sup>2</sup> ) | 1-R <sup>2</sup> | Multicollinearity                 |       |     |
|-----------------------------------|-----------------------------------|----------|-------|-------------------------|-------|-----------------------|------------------|-----------------------------------|-------|-----|
|                                   |                                   |          |       | Tolerance               | VIF   |                       |                  | Significance of Multicollinearity | Minor |     |
| Behavioral intention to use       | (Constant)                        | 0.802    | 0.519 | 0.673                   | 1.485 | 2.802722              | 0.356796         | No                                | No    |     |
|                                   | Personal innovation orientation   |          | 0.491 | 0.673                   | 1.485 | 2.802722              | 0.356796         | No                                | No    |     |
| Attitude towards using            | (Constant)                        | 0.642    | 0.468 | 0.673                   | 1.485 | 1.7011547             | 0.587836         | No                                | No    |     |
|                                   | Perceived usefulness              |          | 0.436 | 0.673                   | 1.485 | 1.7011547             | 0.587836         | No                                | No    |     |
| Perceived usefulness              | (Constant)                        | 0.728    | 0.511 | 0.511                   | 1.957 | 2.1275871             | 0.470016         | No                                | No    |     |
|                                   | Perceived ease of use             |          | 0.53  | 0.449                   | 2.226 | 2.1275871             | 0.470016         | Yes                               | Yes   | Yes |
|                                   | Attitude towards using            |          | 0.222 | 0.642                   | 1.557 | 2.1275871             | 0.470016         | No                                | No    |     |
|                                   | Society norm and trend            |          |       |                         |       |                       |                  |                                   |       |     |
| Risk and cost control performance | (Constant)                        | 0.554    | 0.431 | 0.736                   | 1.360 | 1.4428266             | 0.693084         | No                                | No    |     |
|                                   | Perceived ease of use             |          | 0.425 | 0.736                   | 1.360 | 1.4428266             | 0.693084         | No                                | No    |     |
| Customer satisfaction             | (Constant)                        | 0.593    | 0.537 | 0.973                   | 1.028 | 1.5423744             | 0.648351         | No                                | No    |     |
|                                   | Risk and cost control performance |          | 0.471 | 0.973                   | 1.028 | 1.5423744             | 0.648351         | No                                | No    |     |
| Customer loyalty                  | (Constant)                        | 0.254    | 0.304 | 0.744                   | 1.343 | 1.0689654             | 0.935484         | Yes                               | Yes   | Yes |
|                                   | Business performance              |          | 0.276 | 0.744                   | 1.343 | 1.0689654             | 0.935484         | Yes                               | Yes   | Yes |

### 5. Conclusions

This research aims to investigate how businesses in Northern Thailand perceive GPS-based fleet management in enabling their performances by adopting the Technology Acceptant Model (TAM) and Theory of Planned Behaviour (TPB). As argued in the Porter's diamond model of the competitiveness of nations, GPS-based fleet management is a manifestation of the type of intangible assets, as demonstrated by Chung (2016), in tracking and traceability, and efficiency of transport, knowledge and information. Thus, this research has indirectly also shed light on the significant role of the intangibility aspect of transportation and logistics service, which is beyond the normative tangible treatment of the topic.

Overall, the two research objectives raised are addressed. First research objective is aimed to identify how the owners of the GPS-based fleet management systems in their transportations and logistics services help them in sustaining business performance. This research has clearly shown that the actual use of GPS-based fleet management systems can help them in market development performance (i.e. expanding into new neighbouring country customers and non-expecting customers), business performance (shown by sustained improvements in profits, quick responding to customers, business growth, transportation quality, ease of transportation management and revenues), and service performance represented by service improvement, after-sales service performance, service availability to customers, delivery performance and new domestic customers development. It is also clear that both market development and business performance can statistically significantly explain the variance of customer satisfaction, at 59.3%, and thus this indicates the perceived confirmed value of GPS-based fleet management. The response to the second research objective is structurally reflected in the combined TPB and TAM model, which indicates numerous significant GPS-based fleet management systems induced psychological factors, listed in the follows:

- Personal innovation orientation which is also a subjective norm.
- Perceived behavioural control consisted of perceived ease of use and personal innovation orientation.
- Attitude towards using GPS fleet management systems.
- Behavioural intention to use.

Personal innovation orientation connotes the individual willingness to try out new technology and innovation ideas, and is shown to significantly able to explain the variance of perceived usefulness, attitude towards using GPS-based fleet management, and behavioural intention. The behavioural intention is particularly caused by personal innovation orientation (with Beta weight of 0.519), perceived usefulness (with Beta weight of 0.491) and attitude towards using GPS-based fleet management system (with Beta weight of 0.212), with variance explanation at 80.2%, which is significantly very high. The high effect-size is needed as it is very difficult to draw the significant numbers of participations for the survey. Additional insight from this research is that with

the right attitude towards the GPS-based fleet management systems usage, and perceived ease of use, a positive perception towards the risk and cost control performance benefit is resulted, with variance explanation at 55.4%.

This research provides a practical implication to the sellers and businesses owners to GPS-based fleet management to focus on ensuring the customers can perceive values for their businesses, and when the customers are satisfied, it returns to the sellers and businesses owner in terms of customer loyalty. Both the sellers and the owners of GPS-based fleet management also need to rely on monitoring the actual usage as it is the key driver that activates positive business performances and market development performance.

Relating to the limitation, this research finds difficulty reaching the owners and managers. The researcher has to send a request for collecting data first or make an appointment in advance. Another difficulty is caused by limitation of resources, because of long distance travelling to the sites for interviews and surveys. The majorities are not willing to participate by mails, e-mails, or telephone-based surveys are impossible because of long questionnaires.

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# **Competencies for Management Trainees in the Hospitality Business, through the Lens of Educators in Universities: An Exploratory Research in Thailand**

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## **Abstract**

The concept of recruiting talented graduates and grooming them to be management trainees of various industries has recently emerged in Thailand, including hotel industry. As the management trainee position is a soon-to-be future leader of the organization, successful hotel management trainees need to possess the set of competencies enabling them to complete a face-paced program and quickly move up to the managerial level after their graduation. Despite the emerging management trainee program initiated by several well-known hotel chains in Thailand, and the need of Thai graduates to gain the proper set of competencies from the university education, there is the absence of research addressing the gap between such competencies perceived by the industry professionals who work as management trainees, and by the university educators who are seen as competency providers in the formal education system. Hence, the main study of this research is conducted for the purpose of exploring the challenges faced by management trainees in Thailand, as well as to address the gap between the competencies required by the trainees, perceived by industry professionals and the ones addressed by the educators. As the absence of identifying such gap in Thailand's context exists, the researcher decides to initiate the study in this area with the multiple cases of international hotel chains launching the management trainee in Thailand. In terms of research methodology, the exploratory qualitative research is conducted with the main data collection method of in-depth interview. Since this research is currently in the progress of pilot study, seven educators of hospitality and tourism management programs offered by Thai universities are interviewed to yield the preliminary result for the main study. Gaining the results from the pilot study, the findings reveal the challenges encountered by Thai management trainees as well as the set of competencies needed, based on the perception of educators. The findings mentioned serve as the supplementary information for the main study exploring the gaps between the competencies perceived by the Thai management trainees and the ones addressed by educators in Thailand.

**Keywords:** Hotel management trainee, leadership competencies, educator

## **1. Introduction**

The concept of recruiting talented graduates and grooming them to be future leaders of the company has recently emerged in Thailand through the 'Management Trainee' program launched by different companies in various industries such as Unilever, Nestlé, Mars, L'Oréal, Zara and Standard Chartered (Talawanich, 2013). There is no exception for the hotel industry since these following three programs namely, Dusit International's Management Trainee Program, Hilton Worldwide Management Program Southeast Asia and Future Leaders Programme of InterContinental Hotels Group (IHG), also function as a tool to seek the highly potential graduates to work in a supervisory or managerial levels after the program completion. The uniqueness of such program in the Thailand's hotel industry is that the trainees will be hired as full-time employees, intensively learn through the program duration of 1-1.5 years, and get promoted upon the program completion (Dusit International, 2015; Dusit International, n.d., HiltonPattaya, 2015; InterContinental Hotels Group (IHG), n.d.). Due to the requirements stated by the Management trainee program, successful management trainees of this program or Management trainees need to be capable to quickly move up to at least supervisory level after their graduation, and this could pose a challenge to Thai graduates from hospitality and tourism programs who are qualified to be the program's candidates. In spite of the emerging application in various well-known hotel chains in the Thailand's context, and the need of Thai graduates to gain the proper set of competencies, there is the lack of the research aiming to find the necessary competencies required by the Thai hotel management trainees as seen in the previous research conducted in the United states (i.e. Nelson and Dopson, 2001; Tas, 1988; Tas, LaBrecque & Clayton., 1996; Suh, West and Shin, 2012), the United Kingdom (i.e. Baum, 1990), Taiwan (i.e. Hsu & Gregory, 1995; Huang & Lin, 2010; Tsai, Goh & Huffman, 2006), Greece (i.e. Christou & Eaton, 2000), and Hong Kong (i.e. Chung, Law & He, 2010). Thus, this also leads to the absence of identifying the gap in Thailand's context between the necessary competencies perceived by the industry professionals who used to work as management trainees, and by the university educators who are seen as competency providers in the formal education system.

The aforementioned literature gap in exploring the gap previously mentioned results in conducting this research aiming to identify such gap especially, the gap found in the Thailand's context which has never been studied.

Hence, it is justifiable to initially explore this area through multiple cases of international hotel chains recruiting future leaders through the management trainee program. Furthermore, the operation of management trainee programs in the Thailand's context is assumed to be different from the contexts which were previously studied. To go into details, the uniqueness of Thai cultural aspects could cause specific challenges to the Thai management trainees, and thus, the particular set of important competencies is required to combat such specific challenges. To be consistent with the gap previously mentioned, the two research objectives are formed as follows: 1) to find the challenges faced by management trainees in Thailand and 2) to identify the gap between the necessary competencies for management trainees, perceived by successful management trainees and educators. By the end of the main study of this research, the answers to these following research questions will be provided:

RQ1) 1) What are the challenges faced by management trainees of the management trainee program in Thailand? and

RQ2) What are the competencies needed by the management trainees in Thailand, perceived by successful management trainees and educators?

Since the scope of this paper is the pilot study of the main research, only the interviews to seven educators is conducted. Thus, the two research questions previously stated are partially answered from the perspective of educators.

## 2. Literature reviews

### *Defining the term 'competency'*

According to Rowe (1995, p. 12), the general definition of 'competency' term is "the behavior by which it is achieved", or the way people perform what they have capability to perform. Moving closer to the scope of career-related definition, Trivett (1975), cited in Chung (2000, p. 474), that professional competency is "...the minimum combination of achievement-based behavioral objectives, mastery learning, and life experiences that results in student learning necessary to succeed in one's profession.". In a similar vein, the definition of 'job competency' raised by Tas (1988) covers vital activities and skills that are required to carry out particular position's duties. Tsai et al. (2006, p. 52) adds knowledge and attitudes into their following definition: "...address(ing) one's skills, knowledge, and attitudes through observable and measurable behaviors and outcomes.". Furthermore, Siu (1998) argues that job performance effectiveness of each person is ascertained by the person's competency showing the competency's function as a tool determining one's effectiveness. Watson (2008), cited in Zopiatis (2007, p. 33), that measuring competency with the standards that are well-accepted is feasible, and the competency improvement can be carried out with the assistance of training and development. From all definitions shown above, competency is summarized as both innate and trainable attributes such as behaviors, objectives, learning, experiences, activities, skills, knowledge, and attitudes which enable each person to successfully perform the works. Such attributes are observable and measurable through certain behaviors and outcomes, as well as the accepted standards. The competency is also used to determine each person's effectiveness and can be enhanced through training and development processes.

### *Management trainee's competencies*

The scope of this part covers the research emphasizing the competencies required by hotel management trainees, regardless of the departments, as well as entry-level managers and future leaders sharing the same characteristics of the management trainee position in terms of being promoted through the fast-track period after the graduation. The competencies needed by management trainees are explored from hotel industry professionals for the first time by Tas (1988) focusing on the U.S.'s context. The work of Tas (*ibid.*) is replicated and compared by the work of Baum (1990) in the context of the UK. The work of Tas (*op. cit.*) gains its second replication which is conducted by Christou and Eaton (2000) selecting the Greece's context. Comparing the top-five competencies illustrated by the mentioned works adopting similar framework of the competencies set, the competencies which are all agreed by the three studies are managing problems with understanding and sensitivity, as well as demonstrating professional appearance and poise. For the common competency between the contexts of the U.S. and the UK, communicating effectively both in writing and orally is mentioned. Developing positive customer relations is the competency that the participants in the contexts of the U.S. and Greece similarly select. Considering the pair of the UK's context and Greece's context, striving to achieve positive working relationships with employees is rated in the top-five list. Furthermore, the competencies which are uniquely suitable for only one context are as follows: maintaining professional and ethical standards in the work environment (U.S.), following hygiene and safety regulations to ensure compliance by organization (UK) and possessing needed leadership qualities to achieve (Greece). Baum (*op. cit.*) provides the explanation for the additional top-five competency concerning hygiene and safety which is dissimilar from the U.S.'s ones as follows. Due to the different contexts and research times, in the UK's research time which is in 1990, the awareness of hygiene and safety regulation was heightened whereas in the context of the U.S. during 1988, this awareness had not been perceived significantly important. Furthermore, it is interpreted that 'soft skills' reflected by the first-ranked competency: managing problems with

understanding and sensitivity is commonly rated as the first choice for future managers of the three contexts in the diverse time frames (Christou & Eaton, *op. cit.*).

Other studies independently conducted with industry professionals are namely, Hsu and Gregory (1995) in Taiwan, and Tas et al. (1996) in the U.S. with the focus on the property management competencies. Hsu and Gregory (*op. cit.*) propose that management trainees in Taiwan are required to possess maintaining effective communication with employees and possessing skills in order to effectively supervise personnel as the first-ranked skill. Furthermore, understanding of front office operations (2<sup>nd</sup> rank), demonstrating professional appearance and poise (3<sup>rd</sup> rank) and managing employee grievances effectively (3<sup>rd</sup> rank) are the remaining top-five competencies suggested for the Taiwan's context. For Tas et al. (*op. cit.*), the focus is more specific than the previous research, concentrating on the property management competencies combining guest satisfaction as well as asset value. The top-five competencies proposed by Tas et al. (*op. cit.*) are as follows: interacting smoothly with a wide variety of people (1<sup>st</sup> rank), operating effectively and calmly under pressure or in crisis situations (2<sup>nd</sup> rank), maintaining the 'big picture' while working on a specific property-management, layout, and design component (3<sup>rd</sup> rank), adapting to an efficient and comprehensive office-administration and record-keeping system (4<sup>th</sup> rank), as well as determining performance standards for specific job functions (5<sup>th</sup> rank). Hsu and Gregory (*op. cit.*), as well as Tas et al. (*op. cit.*) agree that managing people including communication and interaction with people are highly essential regardless of their focus and context's location. The summary of the aforementioned studies is described in Table 1.

**Table 1: Summary of top-five competencies required for management trainee positions perceived by industry professionals**

| Scholars                           | Positions requiring competencies          | Research contexts | Research approach     | Top-five competencies perceived by industry professionals                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------|-------------------------------------------|-------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tas (1988)                         | Management trainees                       | United States     | Quantitative research | 1. Managing problems with understanding and sensitivity<br>2. Maintaining professional and ethical standards in the work environment<br>3. Demonstrating professional appearance and poise<br>3. Communicating effectively both in writing and orally<br>4. Developing positive customer relations                                                                                                                        |
| Baum (1990)                        | Management trainees                       | United Kingdom    | Quantitative research | 1. Managing guest problems with understanding and sensitivity<br>2. Following hygiene and safety regulations to ensure compliance by organisation<br>3. Communicating effectively both written and orally<br>4. Striving to achieve positive working relationships with employees<br>5. Demonstrating professional appearance and poise                                                                                   |
| Hsu and Gregory (1995)             | Entry-level hotel managers                | Taiwan            | Quantitative research | 1. Maintaining effective communication with employees<br>1. Possessing skills to effectively supervise personnel<br>1. Resolving guest problems quickly, efficiently and courteously<br>2. Thorough understanding of front office operations<br>3. Demonstrating professional appearance and poise<br>3. Managing employee grievances effectively                                                                         |
| Tas, LaBrecque and Clayton. (1996) | Management trainees (property management) | United States     | Quantitative research | 1. Interacting smoothly with a wide variety of people<br>2. Operating effectively and calmly under pressure or in crisis situations<br>3. Maintaining the 'big picture' while working on a specific property-management, layout, and design component<br>4. Adapting to an efficient and comprehensive office-administration and record-keeping system<br>5. Determining performance standards for specific job functions |
| Christou and Eaton (2000)          | Management trainees                       | Greece            | Quantitative research | 1. Managing guest problems with understanding and sensitivity<br>2. Demonstrating professional appearance and poise<br>3. Developing positive customer relations<br>4. Striving to achieve positive working relationships with employees<br>5. Possessing needed leadership qualities to achieve                                                                                                                          |



Aside from solely exploring the perception of industry professionals, the competencies scored by academicians creating curricula and educating management trainee candidates are also obtained to make a comparison between the two parties. Starting from the study of Nelson and Dopson (2001) conducting the research in the U.S.'s context, the gap is found in the competencies favored by the industry side namely, identifying and solving managerial problems, adapting the organization to meet customer needs, as well as training and coaching employees, while demonstrating effective oral communication skills solely rated by the academicians. Tsai et al. (2006) propose the three competencies scored by industry professionals, which are managing guest requests with understanding and sensitivity, understanding unique characteristics of lodging industry, and AQ such as positive thinking while facing any difficulty. For the academicians, the three competencies in the top-five list are motivating employees to achieve desired performance, communicating efficiently across different departments, as well as accurately implementing health and safety regulations. The gap is also found in the Hong Kong's context in the work of Chung et al. (2010) from the industry side (treating people with respect, protecting confidential information, confronting problems early before they become unmanageable and anticipating obstacles and develops contingency plans) and from the education side (listening carefully to the input and concerns expressed by others, pursuing continual learning and self-development, seeking feedback from others, and interacting with people in a direct and open manner). Huang and Lin (2010) further explore the gap shown in the Taiwan's context, revealing that the hotel professionals select developing positive customer relations while working knowledge of F&B cost is merely rated by the academicians. For the future leaders of the U.S. studied by Suh et al. (2012), the disagreement between the two parties is drawn from openness to new ideas as well as personal integrity proposed from the industry side, whereas leadership and interaction with subordinates highly valued by the education side. Across the previously described gaps found from the five studies, the most common gap is derived from the communication-related competencies namely, oral communication skill (Nelson & Dopson, *op. cit.*), communicating across different departments (Tsai et al., *op. cit.*), listening skill (Chung et al., *op. cit.*), that are solely rated by educators. In terms of the competencies highly scored by industry professionals, there is no common competency across the aforementioned mentioned researches. Table 2 shown below provides the summary of the comparison between the competencies perceived by both parties.

**Table 2: Summary of top-five competencies required for management trainee positions perceived by industry professionals and academicians**

| Scholars                     | Positions requiring competencies       | Research contexts | Research approach     | Top-five competencies perceived by industry professionals        | Top-five competencies perceived by academicians           |
|------------------------------|----------------------------------------|-------------------|-----------------------|------------------------------------------------------------------|-----------------------------------------------------------|
| Nelson and Dopson (2001)     | Management trainee                     | United States     | Quantitative research | 1. Identifying and solve managerial problems                     | 1. Demonstrating leadership abilities                     |
|                              |                                        |                   |                       | 2. Demonstrating leadership abilities                            | 2. Controlling costs effectively                          |
|                              |                                        |                   |                       | 2. Controlling costs effectively                                 | 3. Managing crisis situations                             |
|                              |                                        |                   |                       | 4. Developing positive customer relationships                    | 4. Developing positive customer relationships             |
|                              |                                        |                   |                       | 5. Adapting the organization to meet customer needs              | 5. Demonstrating effective oral communication skills      |
| Tsai, Goh and Huffman (2006) | Entry-level lodging management trainee | Taiwan            | Quantitative research | 5. Training and coaching employees                               |                                                           |
|                              |                                        |                   |                       | 5. Managing crisis situations                                    |                                                           |
|                              |                                        |                   |                       | 1. Emotional quotient (EQ) such as emotional control and passion | 1. Motivating employees to achieve desired performance    |
|                              |                                        |                   |                       | 2. Communicating efficiently (orally and in writing)             | 2. Communicating efficiently (orally and in writing)      |
|                              |                                        |                   |                       | 3. Managing guest requests with understanding and sensitivity    | 3. Communicating efficiently across different departments |
|                              |                                        |                   |                       | 4. Understand unique characteristics of lodging industry         | 4. EQ such as emotional control and Passion               |
|                              |                                        |                   |                       | 5. AQ such as positive thinking while facing any difficulty      | 5. Accurately implement health and safety regulations     |

| Scholars                  | Positions requiring competencies | Research contexts | Research approach                            | Top-five competencies perceived by industry professionals                                                                                                                                                                                         | Top-five competencies perceived by academicians                                                                                                                                                                                                                     |
|---------------------------|----------------------------------|-------------------|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chung, Law and He (2010)  | Entry-level manager              | Hong Kong         | Both quantitative and qualitative researches | <b>1. Working as a member of a team</b><br>2. Treating people with respect<br>3. Protecting confidential information<br>4. Confronting problems early before they become unmanageable<br>5. Anticipating obstacles and develops contingency plans | <b>1. Working as a member of a team</b><br>2. Listening carefully to the input and concerns expressed by others<br>3. Pursuing continual learning and self-development<br>4. Seeking feedback from others<br>5. Interacting with people in a direct and open manner |
| Huang and Lin (2010)      | Management trainee               | Taiwan            | Quantitative research                        | <b>1. Language proficiency or diversity</b><br>2. Developing positive customer relations<br><b>3. Communication skill</b><br><b>4. Adaptive leadership</b><br><b>5. Problem identification, solving, and management</b>                           | <b>1. Language proficiency or diversity</b><br><b>2. Communication skill</b><br><b>3. Adaptive leadership</b><br><b>4. Problem identification, solving, and management</b><br>5. Working knowledge of F & B cost                                                    |
| Suh, West and Shin (2012) | Future leaders                   | United States     | Quantitative research                        | <b>1. Listening skills</b><br><b>2. Tolerance for change</b><br><b>3. Guest interaction</b><br>4. Openness to new ideas<br>5. Personal integrity                                                                                                  | 1. Leadership<br><b>2. Listening skills</b><br><b>3. Guest interaction</b><br><b>4. Tolerance for change</b><br>5. Interaction with subordinates                                                                                                                    |

\* The competencies which are made bold reflect the commonly rated competencies by industry professionals and academicians

#### **Thai cultural aspects posing a challenge to the management trainee position**

As the context of this multiple case study is in Thailand, the Thai cultural aspects affect the success of management trainee position especially, the ones causing challenges to the graduates working in such position. The first cultural aspect is shown in the Thai influential concept called 'Krang-jai' meaning to become considerate to others and tend not to cause another person to be uncomfortable or inconvenient (Komin, 1990), complying with the benefit of another person (Andrews & Chompusri, 2013). Even though the aforementioned aspect is beneficial to create a smooth interaction between people, it is not supportive for the management trainee position. As being in the position which are continuously assessed until the program completion, management trainees need to show their potential and ability to their assessors, inevitably becoming active and even competitive if necessary. Thereby, this could result in the dissatisfaction of other colleagues who are not comfortable with, or losing the benefits from the management trainee's competitive behavior. As a result, such dissatisfaction could pose a challenge for the management trainees to be accepted in a workplace's group.

Apart from being considerate to others, respecting for seniority is considered a challenging aspect for the management trainee position. Supap (1999), cited in Jirapornkul and Yolles (2010), that Thai people with low seniority, should agree with their seniors because the seniors have collectively gained more experiences than young people. This cultural aspect discourages the disagreement created by management trainees especially, when it is against the colleagues with the high seniority. Furthermore, if any management trainee is successfully promoted to be in the higher position than their seniors, it will be difficult for the trainee to command such seniors to do the things they do not agree with since they are confident in their higher level of experiences.

In terms of the relationship in a workplace, the aspects of large power distance, based on the 2001 study of Hofstede, and hierarchical social system (Hofstede, 2001, cited in Andrews & Chompusri, 2013, p. 65) are relevant. To expand on the topic, House et al. (2004), cited in Andrews and Chompusri (*op. cit.*, p. 63) state that the inequalities between leaders and subordinates exist in the relationship in the workplace. Furthermore, Swierczek and Onishi (2003) support that the clear hierarchy in the organization and certain distance between management and subordinates are preferred by Thai employees. With the large power distance and hierarchical social form supporting the inequality between the superiors and subordinates, it is challenging for management

trainees to pursue one of their goals which is to conduct the project to enhance the selected department as well as provide suggestions to the departmental executive who have the high level of power in such department. If this action is not appropriately performed, it could be negatively interpreted as a sign of not following the leader's command.

### 3. Methodology

A purely qualitative approach is selected as the main research methodology in order to conduct the examination of how the ideas and experiences are comprehended by people (Maggi & Major, 2013). Since the research topic focusing on exploring the challenges and important competencies of management trainees, through the ideas and work experiences of the successful management trainees and educators, the purely qualitative approach is deemed suitable. For the research strategy, a case study strategy is adopted thanks to its focal point which is an in-depth study of a contemporary phenomenon case within the real context that the researcher can rarely control (Flyvbjerg, 2013; Veal, 2006; Yin 2009). Considering the research purpose, the exploratory case study suits this research aiming to find the gaps between the perceived challenges and essential competencies needed by management trainees, raised by the successful management trainees and educators.

The main data gathering method is an in-depth interview in which respondents are encouraged to "talk, ask supplementary questions and...explain their answers" (Veal, 2006, p. 197). By doing so, the answers in attached with their detailed explanation and supporting reasons are provided. The provision of the mentioned detailed information could overcome the weakness of previous relevant research mainly adopting quantitative approach, as shown in Table 1 and 2, with the limited explanation on the supporting reasons of rating each competency. To gain the qualified interviewees from both successful management trainees, the former management trainees will be selected from the former management trainees who have been completed the program and promoted to at least supervisory-level position during 2012-2014. This selection criterion will allow the researcher to gain the data from the successful management trainees who have continually remained in their promoted position in a considerable time. The data of qualified management trainees' profiles will be obtained from the alumni database created by the selected Thai universities offering programs in hospitality and/or tourism management. By officially request for the permission from the chosen universities, the contact information of each interviewee will be given and later used to contact the qualified interviewees. The other set of interviewees refers to the group of educators who are currently working in the hospitality and tourism management related bachelor programs in Thailand. All chosen educators are active in teaching activity and curriculum creation in their programs. To find the qualified educators, the profiles of educators working in the hospitality and tourism related programs demonstrated on the university official websites are scanned. The selected educators are then contacted and invited to join the interview. Due to a few number of international hotel chains selected to be included in the multiple case study, the number of 15 successful Management trainees and 15 educators are aimed to be interviewed. The interview process follows the in-depth interview process suggested by Veal (2006) that a tape-recording process and at least half an hour spent for each interview are required. For the places in which the interview takes place, the interviewees' workplaces are selected to provide the convenience to the interviewees.

In terms of data analysis method, the content analysis is mainly applied through extracting the relevant contents, categorizing them and obtaining the emerging themes from such categories (Maggi & Major, 2013; Padgett, 2008). From the interview content that is fully transcribed, the explicit and implicit challenges faced by management trainees in Thailand, as well as their necessary competencies are extracted. Both challenges and competencies are subsequently grouped into their categories. Then, the researcher can gain the emerging themes from the finalized categories of challenges and competencies. The aforementioned themes are demonstrated in tabular form and are supported with quotes derived from the interview transcription. In this paper in which the pilot study is being conducted, seven educators working in hospitality and tourism management programs of seven universities in Thailand, are interviewed. The data collection and analysis processes are consistent with the aforementioned processes for the main study.

### 4. Findings

#### *Interviewee profiles*

Table 3 demonstrates the summary of the seven interviewee profiles. All respondents are named by number in order to remain anonymous and further described by the program's focus.

**Table 3: Interview profiles of educators**

| Respondent number | Program's focus            |
|-------------------|----------------------------|
| 1                 | Hospitality and tourism    |
| 2                 | Tourism                    |
| 3                 | Hospitality and tourism    |
| 4                 | Hotel management           |
| 5                 | Tourism                    |
| 6                 | Hotel and event management |
| 7                 | Hotel management           |

**Challenges faced by management trainees in Thailand**

To fully comprehend the Thai management trainees' necessary competencies, the challenges that the management trainees encounter during the program could provide the root cause of why the specific competencies are needed. Therefore, the description of how the educators express them are shown below in Table 4. The challenges rated by more than one respondent are further discussed.

**Table 4: Challenges faced by management trainees in Thailand, perceived by educators**

| Challenges perceived by educators                                                                                                                              | Frequency |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| The limited duration of the training period in each department                                                                                                 | 3         |
| Seniority-based and hierarchy-based culture in Thai society                                                                                                    | 2         |
| The lack of English proficiency which reduces the communication skills, found in management trainees                                                           | 2         |
| The lack of maturity in both appearance and thought, found in management trainees                                                                              | 2         |
| The lack of leadership skills found in management trainees                                                                                                     | 1         |
| Being reluctant to raise an idea due to the need for saving face, found in management trainees                                                                 | 1         |
| The effectiveness and time availability of mentors to guide found in management trainees throughout the program                                                | 1         |
| Management trainees desiring to work in the departments relating to office works, more than to work as a frontline operator which seems to be less prestigious | 1         |
| Management trainees leaving after the program to get a master degree                                                                                           | 1         |
| Management trainees having a chance to work in a non-risky position which is associated with simple tasks                                                      | 1         |
| Management trainees needing to know how to manage time to create productivity                                                                                  | 1         |
| Management trainees needing to adapt oneself to work with people having various backgrounds and coming from various departments                                | 1         |
| Management trainees needing to confront problems with guests and colleagues                                                                                    | 1         |
| The lack of work experience found in management trainees                                                                                                       | 1         |
| Securing confidential data of the hotel when training management trainees                                                                                      | 1         |
| Too high qualifications to be reached by Thai management trainees                                                                                              | 1         |

Considering the educators' opinions, there are four challenges agreed by more than one respondent as illustrated below.

**1) The limited duration of the training period in each department**

Generally, the management trainee program duration is up to 18 months which are considered short. This could negatively affect the learning process of the management trainees themselves.

The duration of the training period in each department is limited..., which may affect the learning outcome of the trainees especially, the department which the trainees are not interested in or familiar with. (Respondent 2)

Due to the short period of time, some management trainees may not be able to sufficiently understand how each department operates before they are rotated to another department. (Respondent 6)

**2) Seniority-based and hierarchy-based culture in Thai society**

The seniority and hierarchy existing in Thai culture make the management trainees hesitate to raise different ideas from their seniors' ones as proposed by Respondent 1.

It may be caused by the cultural issue. New graduates with low seniority and hierarchy may not dare to propose the new ideas which are not compatible with their seniors' ones.

*3) The lack of English proficiency which reduces the communication skills, found in management trainees*

Thai graduates who become management trainees tend to possess the low level of English proficiency and this influences the opportunity they could gain.

The opportunity for recruiting Thai management trainee is not widely provided since the insufficient level of English and other languages are still found in Thai graduates. (Respondent 7)

*4) The lack of maturity in both appearance and thought, found in management trainees*

Being compared with foreign management trainees, Thai management trainees are perceived less mature in terms of their appearance and thought as raised by Respondent 6.

Thai management trainees are disadvantageous in demonstrating their maturity to other people. As the image of management trainees need to be a leader of their colleagues, finding the way to present their maturity through the understanding of corporate culture and social culture of their workplace is suggested.

*Important competencies possessed by management trainees perceived by educators*

After illustrating the frequently stated challenges encountered by the management trainees in Thailand, it is vital to present the competencies which help the management trainees overcome the challenges described and become successful. The summary is demonstrated in Table 5.

**Table 5: Important competencies possessed by management trainees perceived by educators**

| <b>Important competencies perceived by educators</b>                | <b>Frequency</b> |
|---------------------------------------------------------------------|------------------|
| Flexibility                                                         | 3                |
| Adaptability                                                        | 3                |
| English proficiency or language proficiency                         | 2                |
| Leadership skills                                                   | 2                |
| Continuously learning and developing oneself                        | 2                |
| Adjusting leadership approaches                                     | 2                |
| Being hard-working                                                  | 2                |
| Being a good team member                                            | 2                |
| Addressing and solving conflict                                     | 2                |
| Problem solving skill                                               | 1                |
| Being responsible                                                   | 1                |
| Effectively handling ambiguous situation                            | 1                |
| Clarifying expectation to subordinates                              | 1                |
| Being ethical                                                       | 1                |
| Never comparing one's promotion with others' promotion              | 1                |
| Multitasking skill                                                  | 1                |
| Punctuality                                                         | 1                |
| Considering a broad range of factors when making decision           | 1                |
| Being able to work under stress and pressure                        | 1                |
| Maturity                                                            | 1                |
| Anticipating problems                                               | 1                |
| Understanding of different cultures                                 | 1                |
| Interacting with people in a direct and open manner                 | 1                |
| Understanding the agendas and perspectives of relevant stakeholders | 1                |
| Examining and monitoring relevant trends in the industry            | 1                |
| Treating people with respect                                        | 1                |

According to Table 5, the competencies which are commonly referred to by more than one educator are presented through these following nine competencies.

*1) Flexibility*

Respondents 1 and 3 suggest that being flexible in handling with unexpected guest problems as well as in accepting shift works required by some hotel departments are essential for the management trainees.

Flexibility is specifically helpful to be an astute leader solving unpredictable guest problems. You have to bear in mind that some guest problems cannot successfully be solved in a straightforward manner. (Respondent 1)

Being rotated to diverse hotel departments, the management trainees should be flexible to accept the shift works which demand them to come to work very early or very late at night. (Respondent 3)

*2) Adaptability*

The educators propose that this competency can help the management trainees work in an international work environment as raised by Respondent 3.

Being the management trainees in the international hotel chain will demand them to adjust themselves with people coming from different countries. They should not use the Thai way to treat foreigners.

*3) English proficiency or language proficiency*

The management trainees should possess English proficiency or the third-language proficiency since they need to communicate with guests coming from diverse backgrounds.

Since the hotels guests could come from foreign countries, being able to communicate with them through foreign languages will create the confidence for the management trainees. (Respondent 1)

*4) Leadership skills*

Demonstrating leadership skills in an effective way can enable Thai management trainees overcome the cultural aspect which discourages them to work well as a leader, according to Respondent 3.

To be a good leader, management trainees should not be too considerate (Krang-jai) because Thai people do not like to hurt other people. You need to be brave to make a decision. Being strong with your thought to judge the bad performers.

*5) Continuously learning and developing oneself*

In order to be well-rounded in all hotel departments' details, continuously learning throughout the program is advised by Respondent 2.

The management trainees are expected to be the good learners, who should gain their knowledge from the training, even though they have to be in the departments that are not in their expertise.

*6) Adjusting leadership approaches*

As being a soon-to-be leader, the management trainees should selectively adopt leadership approaches in each situation.

Besides being the leaders, the management trainees should also understand the differences among the staff members and provide the appropriate approaches to the different persons, depending on each situation. (Respondent 2)

*7) Being hard-working*

The management trainees should show and act on the fact that they are hard-working in order to prove themselves upon the program completion as suggested by Respondent 6.

In my opinion, participating in the management trainee program seems to be a kind of probation.

The management trainees should prove themselves through being hard-working employees.

*8) Being a good team member*

The educators believe that being a good team member through being responsible for one's duty is as essential as serving guests, according to Respondent 5.

Not only concerning and dealing with guests, but also working with the colleagues, leaders, and other departments are significant. The management trainees should understand how to work as a team and take responsibility for their duties.

*9) Addressing and solving conflict*

As the hotel's works require dealing with both guest conflicts, the competency of dealing with conflict can solve such conflict and lead to guest satisfaction.



The management trainees should know the best way how to solve guest conflict as guest is God. When acting as a leader to make a decision, the selected solution should result in guest satisfaction at the end. (Respondent 5)

## 5. Discussion

### *Thai cultural aspects affecting challenges perceived by educators*

As demonstrated in the findings section, sixteen challenges are raised by the educators. Among the sixteen challenges, there are three challenges which are seen as being impacted by the Thai culture namely, seniority-based and hierarchy-based culture in Thai society, trainee's lack of maturity in both appearance and thought, limited duration of the training period in each department. To go into detail, the seniority-based and hierarchy-based culture directly matches the Thai cultural aspects of respecting for seniority, large power distance and hierarchical social system. Therefore, it could be demonstrated that the two aspects of Thai culture which are seniority-based and hierarchical, are also concerned as possible challenges faced by Thai management trainees, through the perception of the educators. Besides, the consequence of following the social norms in the seniority-based and hierarchy based system is being reluctant to raise the new ideas that are not in line with the seniors' ones or the leaders' ones. This consequence is also consistent with the 'Kreng-jai' concept that reflects the considerateness towards other people. Since the new ideas proposed could cause the management trainees' colleagues to be uncomfortable or to lose their face, the link between the 'Kreng-jai' concept and the challenge of seniority-based and hierarchical culture is also demonstrated.

For the second and third challenges matching Thai cultural aspects, the trainee's lack of maturity in both appearance and thought, and the limited duration of the training period in each department are intensified by the Thai cultural aspects as subsequently described. As the management trainees are young and some do not look sufficiently mature in terms of appearance and thought, in order to be groomed as a future leader. Being in the Thai work setting in which people with high seniority are respected. The immature appearance and thought could be judged by other colleagues as an unsupportive image of the one who is not suitable to be a leader. Furthermore, the limited duration of training period gained by each management trainee also leads to the inadequate understanding of works. With the absence of work comprehension, the thought of management trainees might not be as intensive as the senior leaders. This results in the difficulty in gaining respect and acceptance from other colleagues since the management trainees are not perceived as being sufficiently senior. Hence, the Thai cultural aspect of respecting senior people supports the severity of the two challenges that are the trainee's lack of maturity in both appearance and thought, and the limited duration of the training period in each department.

### *Comparing between the competencies raised by educators and the competencies emerged from the literature*

Table 6 illustrates the comparison between competencies raised by educators and the competencies emerged from the literature. It is viewed that there is the compatibility between the important competencies suggested by the educators in Thailand and the top-ranked competencies proposed by previous relevant research as subsequently supported. Starting with the adaptability competency, it matches one of the top-five competencies raised by Tas et al. (1996) which is 'interacting smoothly with a wide variety of people'. Second, English proficiency or language proficiency matches the skill of language proficiency and diversity raised by both practitioners and academicians (Huang & Lin, 2010). For the third competency which is leadership skills, this set of skills is compatible with 'possessing needed leadership qualities to achieve' (Christou & Eaton, 2000), 'demonstrating leadership abilities' rated by both practitioners and educators (Nelson & Dopson, 2001), 'leadership' rated by educators (Suh et al., 2012). Fourth, 'continuously learning and developing oneself' is similar to 'pursuing continual learning' and 'self-development' scored by the educators as suggested by Chung et al. (2010). Fifth, 'adjusting leadership approaches' that fits 'adaptive leadership' rated by both industry and education sides, as stated by Huang and Lin (*op. cit.*). Last of all, being a good team member is agreed by Chung et al. (*op. cit.*). presenting 'working as a member of a team' as a highly rated competency of both practitioners and educators. However, three competencies namely, flexibility, being hard-working, and addressing as well as solving conflict are mentioned as management trainee competencies uniquely perceived by educators in Thailand, and are rarely found in previous studies in both Western and Asian contexts.

**Table 6: Comparison between the competencies commonly ranked by educators and the competencies emerged from the literature**

| Management trainee's competencies perceived by educators | Competencies emerged from the literature                              |
|----------------------------------------------------------|-----------------------------------------------------------------------|
| Flexibility                                              | -                                                                     |
| Adaptability                                             | Interacting smoothly with a wide variety of people (Tas et al., 1996) |
| English proficiency or language proficiency              | Language proficiency and diversity (Huang & Lin, 2010)                |



|                                              |                                                                                                                                                                       |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership skills                            | Possessing needed leadership qualities to achieve (Christou & Eaton, 2000), demonstrating leadership abilities (Nelson & Dopson, 2001), leadership (Suh et al., 2012) |
| Continuously learning and developing oneself | Pursuing continual learning, and self-development (Chung et al., 2010)                                                                                                |
| Adjusting leadership approaches              | Adaptive leadership (Huang & Lin (2010)                                                                                                                               |
| Being hard-working                           | -                                                                                                                                                                     |
| Being a good team member                     | Working as a member of a team (Chung et al., 2010)                                                                                                                    |
| Addressing and solving conflict              | -                                                                                                                                                                     |

## 6. Conclusion

This research allows the researcher to partially answer these following main research questions 1) What are the challenges faced by management trainees of the management trainee program in Thailand? and 2) What are the competencies needed by the management trainees in Thailand, perceived by successful management trainees and educators?. To answer the first research question, the commonly rated challenges are the limited duration of the training period in each department, seniority-based and hierarchy-based culture in Thai society, the lack of English proficiency which reduces the communication skills, found in management trainees, and the lack of maturity in both appearance and thought, found in management trainees. Furthermore, the aforementioned challenges, except the lack of English proficiency, are impacted by Thai cultural aspects and thus, they echo how much the uniqueness of Thai culture could affect the success of management trainees in Thailand. Consequently, the answer of the second research question reveals that flexibility, being hard-working and addressing as well as solving conflict are uniquely raised by the educators in Thailand. In contrast, adaptability, English proficiency or language proficiency, leadership skills, continuously learning and developing oneself, adjusting leadership approaches, and being a good team member are consistent with the competencies suggested by previous studies in both Western and Asian contexts.

From this research, the theoretical implication is provided by creating an evidence mainly supporting the main research which will be conducted in the future. The findings of this pilot study will be used as the supplement data for the design of main data gathering process, and the main data analysis process to explore the gap between the competencies perceived by both industry professionals and educators. In terms of practical implication, the findings of this pilot study may serve as a guideline for the hotel professionals who develop the management trainee program for their own hotel chain in Thailand. Such guideline could provide the understanding of which competencies are commonly rated by the educators in Thailand and thus, are built for Thai graduates. This understanding could help the hotel professionals shape realistic expectation towards the competencies of Thai graduates who are their management trainee candidates.

The limitation of this research is caused by the short duration of conducting the pilot study and this results in the total number of seven respondents gained. Thus, an additional theme of challenges and competencies might be emerged if the number of respondents could be increased. However, this limitation will be overcome with the main data collection process of the main research covering 30 interviewees in total. This extended scope could permit a more holistic view from higher number of educators and former management trainees who build or perform the management trainees' competencies.

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# **The Commodification Process of Cultural Tourism in Nan District: The National Museum of Nan and Phumin Temple <sup>1</sup>**

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## **Abstract**

According to the current situations, tourism is a driving force of social and cultural commodification. However, there has been no study that clearly explains such processes, thus, the social and cultural commodification of Nan is used to exemplify this process. The objective of this article is to study the process of cultural commodification of Nan's Muang district for which cultural identities and cultural capitals were commoditized for the purpose of tourism. The study is aimed to; 1) understand how social and cultural capitals of Muang Nan District have been converted to cultural goods for tourism industry 2) study the adaptation process of stakeholders in response to the government's cultural commodification policy, and to understand its subsequent impacts on concerned stakeholders in Muang Nan district. Theoretical frameworks used for this qualitative study were cultural tourism, social and cultural capitals and creative tourism. Sampled populations were governmental agencies, private sectors, local communities in Muang Nan district and tourists who visited the town. The studied area was Nan's old town which encompasses places of interest such as the National Museum of Nan and Phumin Temple. The study revealed that state's tourism promotion policies were instrumental to the commodification process which initiated by sourcing cultural identities, trend building, meaning creations, product presentations, and adaptations of relevant stakeholders. As a result, the meaning of cultural capitals has been modified through the process of reproductions which resulted in valuable commercial gains.

**Key Words:** Commodification, Culture Product

## **1. Introduction**

### **Statement of Problem and Significance of Research**

Throughout the contemporary history, tourism in Nan has been presented as eco-tourism which due largely to its abundant natures and limited road accessibility. Ideological-led skirmishes along the border in 1965 also deterred tourism development in the province.

At the center of Nan's township stand unique and magnificent architectures which characterize the local wisdoms, arts, culture and traditions. In 2005, in recognition of such uniqueness, this part of the town has been declared an area for conservation and development by the Cultural Office of Nan province. (Nan Cultural Office, 2011. p. 269) Since then, tourism promotions of the area have been concentrated on showing such cultural identities of the old town.

This is in line with the concepts of Cultural Heritage Tourism or Historical Tourism which is defined by Boonyasarit Aneksuk as cultural sightseeing of historical places, particularly in or around archeological sites. (Boonyasarit Aneksuk, 2015. p.19) As a result, this type of tourism relies upon cultural capital to determine its conceptual boundary. Boonlert Jittungwattana defined cultural tourism as a type of tourism that concentrates on provisions of knowledge and presentation of cultural, historical, and archeological prides which derived from human's constructions that commensurate with their livelihood and society. McKercher(2002) further stated that defining cultural tourism depends upon those who provide the definition which normally involved defining main activities and its relevant components of such cultural tourism (McKercher, 2002. P.3-9).

Once the state's policies concerning tourism are implemented, in an attempt to generate incomes for communities, doors of opportunities have been opened for stakeholders to manage the shared cultural capitals under the conceptualized idea of "Nan's old town relive".

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<sup>1</sup> This article forms a part of the main thesis titled "The process of commodification for cultural tourism in Nan District" written to fulfil the requirement for the Doctor of Philosophy degree in Southeast Asian Studies at the Faculty of Science, Naresuan University.

In so doing, ancient mural painting of Phumin temple called “Pab Phu Man- Ya Man Kra Sib Rak” (Curtained whispering lovers) was chosen as an emblem of the tourism promotion. (Nan Cultural Office, 2011. p. 271)

As per stakeholders' efforts, number of tourists who visited Nan dramatically increased, especially in 2012 when the influx of tourists was doubled that of the previous year.

This phenomenon reflected and resonated the commodification of “Cultural Goods”, which consequently lead to productions of tangible and intangible items that can be sold to tourists who visit the town.

As a result, this article will endeavor to understand if undesired consequences of the commodification of cultural capital for tourism can be mitigated or prevented, to what extent this can be achieved and the method which can be used to achieve it.

Theoretical concepts utilized in this study were Cultural Tourism, Cultural and Social Capitals, Cultural Identity, Nostalgia, and Creative Tourism. The study was expected to reveal reproduction process of cultural goods in Nan township which can be used as a model to analyze other study areas in the same or different provinces.

### **Study Objectives**

- 1) To study the commodification of cultural and social capitals of Muang Nan District have been converted to cultural goods for tourism industry
- 2) Study the adaptation process of stakeholders in response to the government's cultural commodification policy, and to understand its subsequent impacts on concerned stakeholders in Muang Nan district.

## **2. Research methodology and data analysis**

Areas of studies were Phumin temple and a museum which are located in Nan's old town or the “Heart of the city” of Nai Wiang subdistrict, Muang district, Nan province. Unique landscape, architectural heritages, distinctive cultural goods that can be commodified for tourism are located within the areas.

Population and samples comprised of stakeholders from state's agencies, private entities and community establishments that engaged in cultural tourism which were selected by Purposive Sampling method. On the other hand, Accidental Sampling method was applied to tourists who visited Nan's cultural heritage areas.

Once collected, data was evaluated for its accuracy, succinctness, and integrity by using triangulation method in order to obtain a pattern that would explain the study in accordance with the above mentioned objectives. The information was further processed using data organization, data interpretation, constant comparison, data synthesis and conclusion.

### **Definition**

Cultural Products: refer to items related to cultural tourism of Nan that are presented to tourists. These products are tangible items such as architectural and artistic heritages or intangible items such as livelihoods, traditions and conceptions. The products are of economic values and correspond to tourists' needs.

## **3. Results**

### **3.1 Cultural capital in the context of Phumin temple**

Phumin temple was constructed during the 21th Buddhist century. The main chapel which has four gable ends is adorned with two naga stuccos facing northward. The naga's tails reappear at the southward entry of the chapel which makes it looks as though the building is being carried by these mythic serpents.

The chapel houses four Buddha images of the attitude of subduing Mara that face outward towards each of the four corresponding entrances. The Buddha images are jointed at their backs by a pagoda of twelve rectangular recess which makes this arrangement a highly acclaimed artistic achievement of Nan's craftsmanship.

Furthermore, the chapel also displays mural painting which depicts story of Katanakumar Jataka (Nan Province and Nan Cultural Office, 2008. p. 250-253). Due to these invaluable artistic properties, Thai government during the reign of King Rama VIII printed image of Phumin temple's vihara on the back of 1 Baht banknotes (no longer in circulation). (Nan Municipality, 2009. p.7)

Apinan Buahapakdee(2003) elaborated the architectural wonders of Phumin temple in Tourism Authority of Thailand's monthly magazine that;

*"The principal Buddha images of Phumin temple are distinctive from that of other temples around the country because the four Buddha images sit back to back with one another, to form a tetrahedron formation. This is the uniqueness that is only found in Nan"* (Apinan Buahapakdee, 2003)

Apart from that, Phumin temple also contains a mural painting called "Pab Phu Man- Ya Man Kra Sib Rak" (Curtained whispering lovers), a beautiful painting that captivates the interests of those who visit the temple.

## **Cultural goods productions of Phumin temple**

### **1. Trend building and initiation of cultural goods productions**

Phumin temple, like almost every temple in Thailand, was designated as a Buddhist monastic site. The temple served that sole purpose for hundreds of years before the introduction of tourism promotion policy that has altered the temple's responsibility. The temple was reintroduced to the public as a cultural goods of Nan for which the province's governor was instrumental in facilitating the implementation of such policy.

Mr. Songkran<sup>2</sup>, an operator in tourism sector stated that;

*"In 2010, at the Foto United contest which was the most significant and memorable event that the province heavily invested its budget on, governor Wirawit Wiwatthanawanit proposed Roi Parb Fun (Eternally NAN : 100 Dream Photos) exhibition which brought great changes to Nan afterward. Foto United was very impressed by that event."*

As per cultural capitals' identity creation, a cohort of inter- and intra-community experts was assembled to identify the most appropriate cultural items for which Phumin temple and "Pab Phu Man- Ya Man Kra Sib Rak" (Curtained whispering lovers) painting were selected to represent Nan.



Photo Exhibition Book (Eternally NAN : 100 Dream Photos)  
By researcher 29 January 2016

### **2. Presentation of cultural goods identity of Wat Phumin and "Pab Phu Man- Ya Man Kra Sib Rak" (Curtained whispering lovers)**

In addition to the state's tourism promotion campaigns, private entities and stakeholders also participate in the presentation of Nan's cultural goods which represent the province and consequently commands much enthusiasm from tourists as Ms. Aphinyata<sup>3</sup> explained that;

*"On the 60<sup>th</sup> birthday of Mr. Bunthoon Lumsum, well-known artists such as Mr. Thanit, Carabao, and Parn Tanapon were invited to perform on a roads that was closed for that event. Some of Thadsanawalai's song was performed with the beats that attracted young audiences. It was a well-planned marketing strategy, a hugely successful one, celebrities are really influential (to the campaigns). Another powerful figure that commanded so much attention from the people was Princess Maha Chakri Sirindhorn, she is extremely popular."*

<sup>2</sup> Mr. Songkran Kuenthana was interview by the author at Huen Hom, Nan on 28 January 2016

<sup>3</sup> Ms. Aphinyata was interview by the author at, Nan Provincial Culture Office On 18 March 2016.



### 3. Creations of values and meanings for Phumin temple and “Phu Man- Ya Man” (Curtained whispering lovers)

Phu Man- Ya Man Kra Sib Rak or curtained whispering lovers was discovered by Mr. Winai Prabripoo<sup>4</sup> who further elaborated that the painting of a Burmese couple is different from all other paintings that were made during the same period. “Whispering lovers” refers to the courtship between the man and woman depicted in the painting.

Furthermore, Mr. Somjate Wimolkasem<sup>5</sup> also helped to raise profile of the painting by adding a poem written in Nan's dialect in order to impress visitors.



Phu Man- Ya Man painting(Curtained whispering lovers)  
By researcher 4 December 2014

### 4. Presentation of “Phu Man- Ya Man” (Curtained whispering lovers) as a cultural goods

Nan municipality's role in the production of cultural goods was crucial to the process which includes; setting up a “Junior Tour Guide Program” who greet tourists that visited the temple, organized a Walking Street which allows local merchandisers to sell their produces, and Khan Tok Food Fest -traditional foods served and consumed as per local customs. All of these activities were held in or around the vicinity of Phumin temple, hence, accentuated the significance of the temple.

Private sector's roles mostly concentrated on contribution of fund whereas community's member such as “Uncle Piak” offered his artistic talents as a form of cultural goods by reciting the poem to celebrate “Phu Man- Ya Man” painting.

Tourism promotion relied on word of mouth, the method that is simple, and cost effective. However, it was evidenced that tourists generally gathered information regarding Phumin temple from social network and from online media which represents the major form of information distribution.

Kuang Muang Nan is an empty space to the north of Phumin temple which has been converted to a Walking Street and Khan Tok Food Fest for tourists to appreciate local delicacies while enjoying a majestic view of the temple further afield. This timeless image is presented as an identity of the town by Nan's municipality.

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<sup>4</sup> Mr. Winai Prabripoo was interviewed by the author at Hor Sil Rim Nan on 11 January 2016

<sup>5</sup> Mr. Somjate Wimolkasem was interviewed by the author at Prakerd temple, Nan province on 9 March 2016



Walking Street and Khan Tok Food  
By researcher 18 January 2016

### 5. Adaptations of stakeholders

Commodification of Phumin temple as a cultural goods necessitated stakeholders to adapt in various aspects which involved the process of compromise, negotiation and argument. Compromise between communities and relevant state agencies, negotiation between the communities and relevant state agencies, and response from the community toward the private enterprises regarding the presentation of cultural goods. Each party tried to legitimize their actions as the most appropriate mean to preserve good images of Nan.

However, main problems found were due to the lack of good collaborations among relevant stakeholders and their plights to gain control over management, the situation described by Mr. Piti<sup>6</sup> (alias) as;

*“TAT often changes things, rarely keeps it the same way so I complained. Nan is one of a few towns that retains cultural goodness, say, purple carpet at Kuang Muang in front of Phumin temple...”*

### 6. Adding values to cultural goods by cultural reproduction

Value adding of cultural goods by cultural reproduction are executed in two respects, tangible and intangible items. As for tangible items, Phumin temple and Phu Man- Ya Man painting represented in souvenirs merchandising such as paintings and photos. As for intangible items, Phumin temple serves as a background image of Khan Tok Food Fest at Kuang Muang Nan whereas “Phu Man- Ya Man” painting represents the conceptualized tourism promotions of “Nan, ancient city comes to live”.



Phu Man- Ya Man painting  
By researcher 29 January 2016

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<sup>6</sup> Piti (alias) was interview by the author at Nan's provincial administrative center on 5 January 2016



## **7. The effects from reproductions of Wat Phumin and “Pab Phu Man- Ya Man Kra Sib Rak” (Curtained whispering lovers)**

Reproduction of cultural goods resulted in antagonistic effects which see the betterment of relevant communities' economic situations as a positive outcome whereas issues regarding preservation of the cultural authenticity, cultural heredity, and safety of the communities as well as those who visit the temple represent the negative ones. However, these concerns led to adjustment of relevant stakeholders which includes negotiation of the communities and state agencies with respect to restoration of Wat Phumin. Although this negotiation was not apparent, but it was substantially evidenced. Furthermore, involvement of stakeholders which casted negatives images on the cultural capitals also ignited responses from the communities toward stakeholders regarding the said matter. This process eventually led to adjustment of relevant parties.

### **3.2 National Museum or Hor Kham**

Hor Kham is a two stories concrete building that was constructed in 1903 as a residence and city hall for Pra Chao Suriyapongparitdet, the former king of Nan. After the death of Chao Mahapromsurathada the last ruler lord of Nan in 1974, Hor Kham's ownership was conceded to the central government and the building was redecorated as Nan's provincial town hall.

Hor Kham also houses a “Black Ivory”, which is celebrated and read in the provincial motto as “Nan, the city of Black Ivory” for Pramoth Thatsanasuwan described both Hor Kham and the Black Ivory in TAT's magazine in 1962 that; (Pramoth Thatsanasuwan, 1962. p. 67)

*“the government uses Hor Kham as the town hall which makes Nan's town hall very different from those of other provinces. When visiting the town hall, lest forget to appreciate the Black Ivory, one of the world's wondering sacredly enshrined in Nan”*

When the new town hall was erected, Hor Kham administration has been transferred to the Department of Fine Arts which made the building the National Museum of Nan (Department of Fine Arts, 1987. p. 7)

In 2003, Hor Kham was signified as the center of the inner circle of heritage conservation and protection area. (Nan Provincial Administrative Office and Nan's Cultural Office, 2009. p.4-23)

### **Cultural goods productions**

#### **1. Nan's tourism trend and the commencement of Nan's national museum as a cultural goods**

Hor Kham which has been administered by the Department of Fine Arts region 7 has been closed between 2015-2018 for a 3-year restoration project. As such, the roles of Hor Kham and Black Ivory as cultural identities of Nan was reduced to a vague distant memory that tourism promotion no longer use them to represent tourism in Nan.

On the other hand, Lilawadee arc and Wat Noi which are located at the front of Hor Kham started to gain prominence as cultural identities of Nan. Story telling is also used to enhance these places' popularity which tourists agreed that Lilawadee arc and Wat Noi can represent Nan's tourism better than Hor Kham or the Black Ivory.

#### **2. Presentation of Lilawadee arc and Wat Noi as cultural goods**

Lengthy restoration of Hor kham unfortunately reduces its prominence, as well as that of the black ivory, from the cultural identities of Nan. Thus, stakeholders heralded Lilawadee arc and Wat Noi to replace the said cultural icons. Due to their uniqueness, Lilawadee arc and Wat Noi have eventually become another cultural goods of Nan.



Lilawadee arc By researcher 13 January 2016

### 3. Creation of value and meaning of Lilawadee arc and Wat Noi

Wat Noi, the smallest temple may have been built during the reign of Pra Chao Suriyapongparitdet, the former king of Nan. According to the legend, the king over reported number of temples in Nan to King Rama V of Siam by 1 temple. Hence, a temple was subsequently built to match the given figure. (National Museum of Nan's website)

Lilawadi arc or frangipani tree arc is one of the main attraction points where tourists often visit to take photos. Initially the trees were planted to decorate the front yard of Hor Kham, but as decades went by, the trees grew branches that form an arc over a walk way. Ms. Pattarapon<sup>7</sup>, a tourist, mentioned that;

*"Wat Noi? I previously did not know about it, I was brought here by a tour operator. I was told this is the smallest temple in Nan, so I just wanted to check it out. Lilawadi arc? I saw that from Panthip, those photos show leafless arc though. The museum? I didn't go there, isn't it closed (for renovation)? Black Ivory? There is one, isn't there? I don't know... I read from a brochure, but is there any entry fee? I came too late. I visited 9 temples today (visiting 9 temple to make merit in a day is, according to Thai Buddhist belief, considered a sacred and must do merit making tradition-author), I am exhausted."*



**Wat Noi**

By researcher 13 January 2016

### 4. Type and method of cultural goods presentations

As per stakeholders, state's restoration project of Hor Kham, opening hours, and entry fee imposed by the authority all have dramatically eroded its significance as the prime tourist spot of Nan. In contrast, Lilawadi arc and Wat Noi which located 20 meter apart from each other, located in front of Hor Kham, can be easily accessible at all time with no fee nor visit regulations.

### 5. Adjustment of stakeholders : negotiation between the communities and state's management of Hor Kham

It was evidenced that the above mentioned adjustment was mainly tied to state's agencies, particularly the Department of Fine Arts' region 7. The sole adjustment was the eventual acceptance of such state's management.

Stakeholders were necessitated to adapt with the cultural commodification process of the national museum of Nan. The process involved argument, negotiation, and compromise and the focal points of the process were conservation of Nan's image as a cultural town, and promotion of tourism development, particularly the cultural one.

As per the mayor of Nan<sup>8</sup>, patterns of the adaptations were

*"There is a vigilant group that would contest anything that affect the town's identity. Our works were repelled at times, and our adaptation strategy was explanation, we need to explain about the issue."*

### 6. Cultural reproduction in order to create values

All of cultural goods at the national museum of Nan are tangible items which included Hor Kham, Black Ivory, Wat Noi and Lilawadi arc. These iconic items entice tourist's interest and can be used to represent cultural identities of Nan via online platforms and photo displays. At present, there is no intangible item related to the above mentioned sites.

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<sup>7</sup> Ms. Pattarapon was interviewed by the author at National Museum of Nan on 4 November 2016

<sup>8</sup> Mr. Surapon Thiensutr was interviewed by the author at Nan municipality office on 21 January 2016

## 7. Results of cultural goods production

Years of Hor Kham's restoration has resulted in negative perception among people in the community as the cultural prominence of Hor Kham and the black ivory was greatly reduced. To substitute the absence of such cultural icons, stakeholders ushered Lilawadee arc and Wat Noi as the new cultural icons of Nan. There was little resistance against such proposals from the communities.

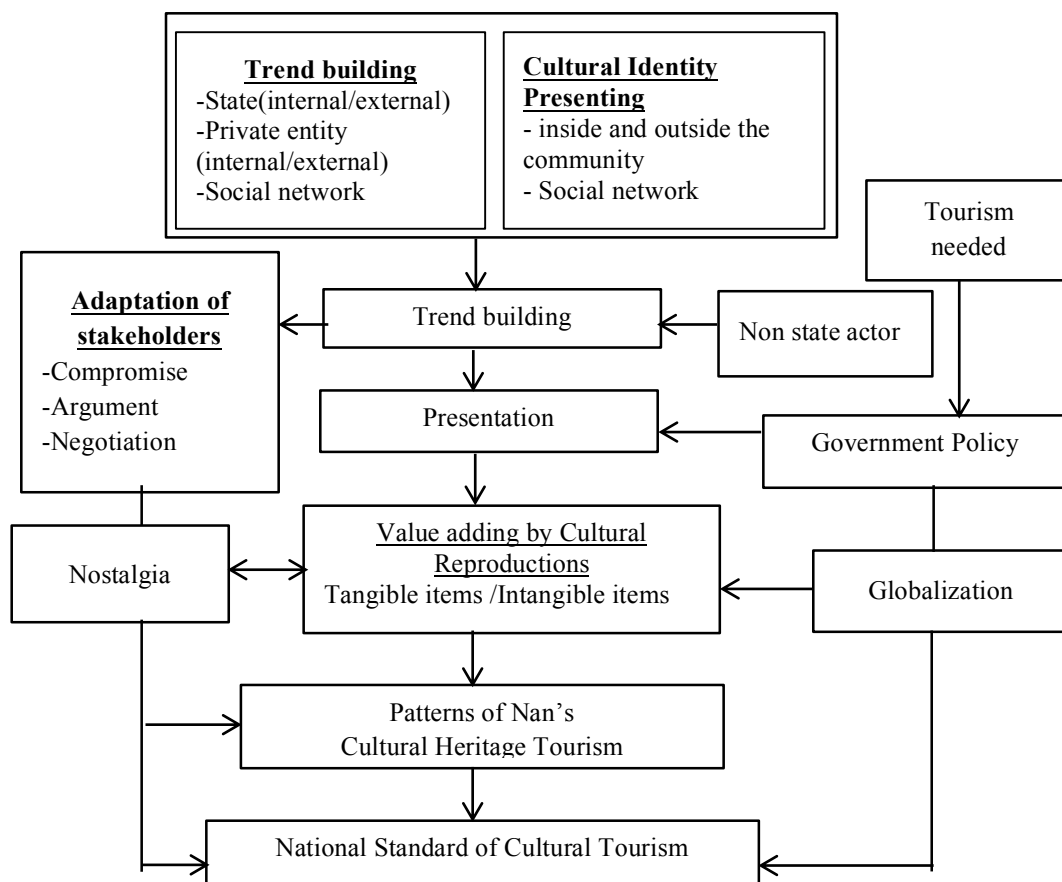
## 4. Conclusion

Nan, particularly in the context of the old town which includes Phumin temple and the National Museum of Nan, is presented as a town in which the middle class's nostalgic sentiments can be fulfilled by the town's readily available social and cultural capitals.

This process was due to the state's policy which encouraged stakeholders to utilize cultural identity as a capital for cultural goods as per the concept of Bourdieu (1977). Commodification of cultural goods comprised of 4 stages which are, trend building, cultural goods identity presentations, creation of values and meanings and cultural goods presentation. In so doing, the concept of creative tourism was used to create values and meanings of the goods which make them more attractive to tourists.

Commodification of cultural goods also affected other stakeholders as well as the social and cultural capitals of Nan, the process necessitated adaptations of the stakeholders who were encouraged to compromise, negotiate, and response to the changes. Therdchai Choibamroong (2009) suggested that participations must include decision making of all relevant stakeholders as this would convey the sense of mutual ownership and unconditional acceptance of relevant measures. Ooi (2013) also mentioned that formation of tourism policy should result in equal benefits for all stakeholders and, the same time, preserves cultural identity of the community (Ooi, 2013. P.67). Therefore, commodification of Nan's cultural identity can be concluded as following.

### Production process of Nan's cultural goods: Cultural heritage tourism



## Suggestions

1. Suggestions for stakeholders – residents of the community.
  - Community's potentials should be developed and empowered which shall permit those who live in the community to participate in shaping the policy regarding commodification of cultural goods.
  - Community's potentials should be developed in order to better manage anticipated profits from the commodification of cultural goods and to equally distribute such profits.
  - Formulation of values and pride in preservations of social and cultural capitals of the community which construe reproductions and transference of such culture to the next generation.
2. Suggestions for stakeholders – state's agencies.
  - Governmental bureaus that are responsible for tourism promotions should adhere to community participation approach which would enable appropriate implementations of the policy and reduces negative effects on the communities.
  - Governmental bureaus should act as the main mediators between relevant stakeholders by utilizing suitable communication and liaisons channels which may reduce disputes and lead to adaptations and responses of those stakeholders.
3. Suggestions for stakeholders – private entities.
  - Creating different routes and features of cultural tourism which are connected to other attractions of Nan in order to create economic values and distribute incomes to all relevant stakeholders.
  - Promoting the use of creativity and encourage tourism operators to incorporate such creativity in presentations of the social and cultural capitals that make tourism goods more attractive to visitors.

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# A Practice-based View Approach to Explain the Dried Longan Industry Performances in Chiang Rai: A Case Study

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## Abstract

A practice-based view (PBV) is adopted to study how the common practices of the dried longan industry, represented by supply chain and logistics competencies and lean strategies, can explain the within-industry performance variance and the values provided by the firms. By use of questionnaire-based survey, and the measurement operationalized based on in-depth interviews, the utility of the proposed PBV model is verified. The supply chain and logistics competencies are shown to possess competitiveness, risk management capability, sustainability and the ability to handle pressures from various fronts in the industry. Lean strategy is operationalized by means of waste minimization. These practices are shown as significant predictors of the competitiveness values and performances of firms.

**Keywords:** Practice-based View, Resource-based View, Longan Industry

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## 1. Introduction

Longan, was originated in South China but is now a popular fruit in Thailand. Longan is the politically and economically sensitive fruit of Thailand, partly contributable to its significant role of the total fruit exporting values in Thailand. The longan exporting market is completely depending on China as the major end consumer (Hasachoo & Kalaya 2013). In addition, the super economic power of China is a key catalyst and thrust for the economic growths of the ASEAN countries, including Thailand but nevertheless, China is equally a key competitor. Thus, juxtaposing in between competition and partners for growth, it's the opportunity for ASEAN to take full advantage of the trend of investment and China growth (Esquivias 2017).

The quality of Thai fruits is generally recognized and highly acceptable in the world, partly because of visionary R&D policy and its implementation, both at the industry-level and through governmental supports (Chomchalow, Somsri & Na Songkhla 2015). The main production areas of longan fruits are in the north of Thailand, located in Lumphun, Chiang Mai and Chiang Rai (Office of Agriculture Extension [OAE] 2016). In terms of seasonal advantage, as the flowering of longans is quite early in Thailand when compared with other exporting countries like China and Taiwan (Food and Agriculture Organization of the United Nations [FAO] 2017), with flowering season on late December-Late February, and harvesting season falling on late June to late August, shown in Table 1, the one-month advantage is of significant value to the longan industry in Thailand. This study focuses on Chiang Rai province of Thailand, which has one of the highest productivity yield of longan, at more than 5,000 kg/ha/year (2023.5 kg/ac/year) (Food and Agriculture Organization of the United Nations [FAO] 2017). Nevertheless, there are also weaknesses from the Thai perspective as Thailand has lower longan tree densities, about 50, when compared to the 300-600 trees per hectare found in Taiwan (Food and Agriculture Organization of the United Nations [FAO] 2017).

**Table 1:** Flowering and Harvesting Seasons of Longan-Growing Locations (Food and Agriculture Organization of the United Nations [FAO] 2017).

| Country  | Flowering Season              | Harvesting Season          |
|----------|-------------------------------|----------------------------|
| Thailand | Late December – Late February | Late June to Late August   |
| China    | Late February – Early April   | Late July – Late September |
| Taiwan   | February-April                | July-October               |

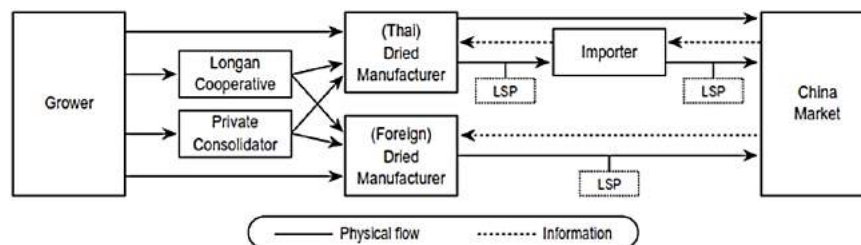
The strength of Thai fruits planting is not only due to the climate that is suitable to grow high quality tropical fruits but also due to the skills of grower and location of Thailand. The latter demands consistent competency and committed husbandry skills in ensuring the longan trees growing to the greatest tree size with highest productive bearing surface as possible, through farmers' skills in pruning of longan trees, and a quality management system installed relating to water and nutrient management, and protection from weeds, pests and diseases (Lin et al. 2017). Whereas the former signifies the location advantage suitable for cost-effective transportation, both air and sea-freight (Ngamvichaikit 2017). Nevertheless, the competitiveness of local longan supply chain is considered to be very low due to lacking of productive integration of the financial, market, labor and business knowledge, when compared to the big players, who usually have acquired sophisticated business knowledge and ability to find direct market and manage their business (Ramingwong, Sopadang & Tippayawong 2017). In addition, there are also other issues that are relating to the lack of transportation infrastructure, as well as off-seasonal cultivation of longan which lead to oversupply (Sopadang, Tippayawong & Chaowarut 2012).

As there is a dearth of research and informed knowledge about what are the important factors that drive the competitiveness of the longan industry, this research thus establishes the following research objective:

The purpose of the research is twofold. First, to identify the nature and types of the dried longan manufacturers' competencies, lean strategy, competitiveness value and sustainable performance currently in practice, and second, to study the interplay relationships of these variables which underpins on theory of practice-based view (PBV) so that the current research can be positioned uniquely within the given context of the given body of knowledge.

To accomplish this research objective, first, the dried longan manufacturer's value chain of the longan which span across growers, to longan cooperative, private coordinator, dried manufacturers, and importers, as shown in Figure 1, becomes the background context, in which data are to be collected. Further interviews with the relevant stakeholders in the dried longan industry in Chiang Rai confirm the validity of the supply chain structure as shown in Figure 1. Second, in-depth interviews would be conducted in order to identify the nature of the dried longan manufacturers' competencies, lean strategy, competitiveness value and sustainable performance currently in practice. Third, questionnaire-based survey that exploits the in-depth knowledge of the interviews will be used to statistically assess their ability to explain the levels of competitiveness value and sustainable performance.

**Figure 1:** Supply Chain Structure of Dried Longan (Hasachoo & Kalaya 2013).



## 2. Literature Review

### *Theoretical Foundations*

This section provides the rationale for suggesting a theoretical approach and thus a conceptual framework. As this research is in the disciplinary context of supply chain and logistics, and operations management, RBV (Resource-based View) tends to be the logical direction. RBV emerges from Penrose (1959) who advocates the best use of resources as sources for the growth of the firm. There are various types of resources, such as competencies, and intangible nature which include knowledge and brand. Later, the seminal articles of Barney (1991) leads to the popularity of RBV as a theoretical base in strategic and other fields of management. The central theme of RBV is sustainable competitive advantage which can be developed by firms in possession of the resources and capabilities that are valuable, rare, inimitable and organized (or hard to substitute), which subsequently drives sustained higher level of performance, when compared to the rest of firms in the industry (Barney, 1991). Nevertheless, Bromiley and Rau (2016) argue that RBV stands on illogical assumptions, in particular when researchers or practitioners want to apply to the context of operations and supply chain management. They argue from industry statistics and fundamental or elementary validity perspective in that the measures suggested and available in the existent literature of the dependent variable were not even approximate the construct. Besides, "only 2% of firms within

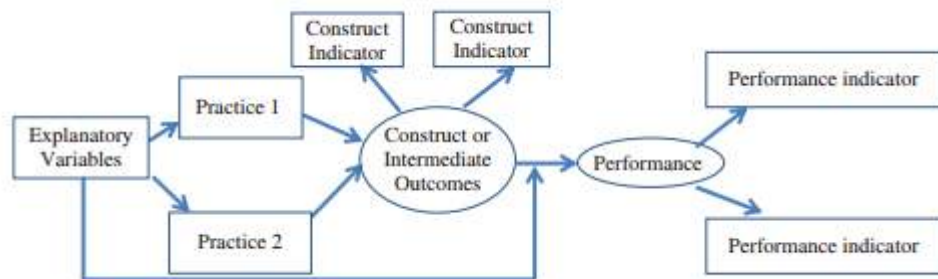


an industry have sustained high performance as measured by Tobin's q ...and ROA" (Bromiley and Rau, 2016: 97). If this is the case, questionnaire-based survey approach becomes not practical.

To be able to study the within-industry performance and the supply chain and operations related factors that drive performance, a more pragmatic and practical theoretical approach is needed. In this regards, PBV (Practice-based View) is adopted. PBV does not aim to explain sustained competitive advantage, and instead aim to study the common practices that can explain variation in performance in the study population. The conceptual theme has actually been widely acknowledged in the discipline of supply chain and logistics, and operations management, where firms exploit common practices, such as SCM, BSC (Balanced Scorecard, Tan, 2014), organizational learning (Tan, 2016a), CSR (Corporate Social Responsibility, Tan, 2016b), high performance work practices, TQM (Total Quality Management), PMS (Performance Measurement Systems), lean strategy, benchmarking, etc., to improve their performances. Nevertheless, as argued in Bromiley and Rau (2016: 102), "How much a given practice would benefit a given firm is a non-trivial issue and likely varies with firm and industry, although there are probably practices that all firms in an industry would benefit from employing." This propositional question becomes the inspirational base of this research, and thus the research objective is established. Having accomplished the research objective, it can also contribute to the behavioral theory of firm which addresses the general behavioral patterns of firms in the industry for managing their resources, i.e. competencies and lean strategies, in governing their performances. Certainly, PBV thus looks to intensity and quality of efforts in the resource practices rather than seeking resources that are rare, inimitable and non-substitutable. Nevertheless, this research still reckons the valuableness as the kernel for explaining the variation of performance – that is, it is posited here that practice of usefulness to explain firm performance is one of the significant values of competitiveness, socially, economically and functionally.

The generic PBV model is suggested in Bromiley and Rau (2014), shown in Figure 2, which will be adopted for this research. Two practices are considered, namely supply chain and logistics competencies and lean strategy. The construct or intermediate outcomes in Figure 2 is the competitiveness value the firms can deliver, in economic, functional and social domains. Competitiveness value is used as it is a more practical construct than sustainable competitive advantage which has been argued to be a construct of invalidity in Bromiley and Rau (2016), and certainly, not practical for studying the within-industry performance variation. Firm performance in the domains of profits, inventory turnover, market expansion, assets expansion, and financial performance is incorporated.

**Figure 2:** An Extended Model of PBV Approach to Strategy Research (Source: Bromiley and Rau, 2014)



### *Supply Chain and Logistics Competencies*

Competency reflects the ability, represented by the knowledge, skills and/or attitudes, to create an operational setting for the empowerment of their workforce in order to increase competitiveness, innovation and effective, as it can be inferred from Lim et al. (2017). A practice that centralizes on competency, as advocated in the PBV, can be known as competence-based management. To take advantage of a competence-based practice, it is important a structure of competency is consciously planned and exploited to help develop strategy, i.e. lean strategy, to benefit firms (Tan 2016b). In addition, competencies are best developed to match the demand of the environment i.e. to sustain a social needs (Chen 2005). The in-depth interview of this research highlighted four nature of competencies which can explain the competencies, as common practice in the longan industry, to deliver firm performances, namely: competitiveness, risk management, sustainability and the ability to handle pressures from various fronts in the industry.

Specifically, competencies must demonstrate the ability to perform and deliver values of competitiveness (Gidwani & Dangayach, 2017; Porter, 1990). Competitiveness is defined as the ability to take a significantly advantageous role amidst the competition, i.e., "a matter of delivering better, more reliable and more attractive

products to the marketplace" (O'Connor & Kelly 2017), through logistics advantages. Risk management is shown in the ability to be in control of the key resource areas that may cause losing of values to the investments and demand attractiveness (Kungwani 2014). Another two important nature of competency advantages are the ability to sustain the resources and ensure process competency to deliver long lasting resources in certain or un-risky manner as well as to manage the pressure from different fronts relevant to the industry.

To this end, the following three hypotheses are posited:

H1: Supply chain and logistics competency can significantly explain the variance of lean strategy.

H2: Supply chain and logistics competency can significantly explain the variance of competitiveness value.

H3: Supply chain and logistics competency can significantly explain the variance of firm performance.

Nevertheless, due to the dearth of informed knowledge about these domains, an in-depth interview would be exploited to help identify the detailed contents to help characterize the nature of the constructs – that is, to identify the types of the supply chain competencies.

#### *Lean Strategy*

While the value chain is relatively simple in structure, shown in Figure 1, the exact lean-based strategy currently employed by the longan industry is unknown. Lean strategy has become widely used across the industries and various sectors, as best practice. Lean strategy innovates based on a leanness philosophy, which exploits less of everything (Chahal et al. 2017), by means of waste elimination and developing the values demanded by the market (Poksinska, Fialkowska-Filipek & Engström 2017).

To be optimal in the supply chain, lean approach has to also involve logistical element, which is the "part of the supply chain process that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements" (Liu et al. 2017). Examples of logistics-based lean approach, for instance, can be illustrated by locating the supplies near the points of consumption such as factories or the suppliers' customers, i.e. cooperatives. Apart from obvious advantage of location, the close proximity as an indicator of leanness ensures effective communication because of more frequent visits (Ketelaar et al. 2017) and establishment of relationships. In this research, the relationship-based factors would not be considered in the lean strategy, and only the transaction-based theory of themes is highlighted.

Thus, two hypotheses are raised:

H4: Lean strategy can significantly explain the variance of competitiveness value.

H5: Lean strategy can significantly explain the variance of firm performance.

#### *Competitiveness Value and Firm Performance*

Competitiveness value is defined as the values the firms can deliver in terms of competitiveness. Three values of firms are stressed in this research, namely economic and functional values, and social values. The former two are aspects of customer value, which can benefit the customers by meeting the priorities and value demands of the customers (Webster, 1994). In addition, social values are also considered, particularly in the context of uncertain and highly competitive environment (Tan et al. 2003).

As longan is a politically and economically sensitive exporting fruits in Thailand (Hasachoo & Kalaya 2013) it is important firms must be able to sustain their performances. According to the food industry, it must have the "ability to sell products that, on the one hand, meet demand requirements (price, quality, and quantity) and, at the same time, ensure profits over time that enable the companies to do well economically, develop their business and thrive" (Turi, Goncalves & Mocan 2014). Five domains of performance are emphasized in this research, namely profits, inventory turnover, market expansion, asset expansion, and financial performance capability, which underpins a balanced approach similar to Balanced Scorecard (BSC) practice (Darmawan, Marimin & Wibisono, 2017; Tan (2016a, 2004). Inventory turnover and assets take into consideration accounts receivable, plant, property, equipment and inventories (Krishnan & Serpa 2017).

To this end, a relevant hypothesis is stated, as follows:

H6: Competitiveness value can significantly explain the variance of firm performance.

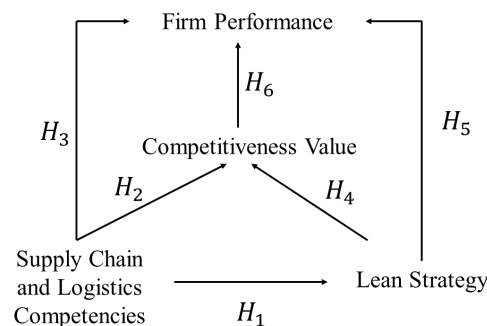
### Conceptual Model

Based on the aforementioned reviews, the PBV-based conceptual model is developed, which is shown in Figure 3, which aligns with also the definition of a supply chain sustainability concept given in Tubergen and Weele (2017), which states:

“The management of every single thing that involves to create, protect and grow long-term values for all the stakeholders involved.” Similar concept is advocated in Weidinger, Fischler and Schmidpeter (2013).

The three values of competitiveness that manifest the broad-based stakeholders' requirements are represented by economic value, functional value and social value, and their fulfilment is aimed to deliver the performances of the upstream key stakeholders, namely growers and dried manufacturers. The “every single thing” in the supply chain sustainability is operationalized by the supply chain and logistics competency and lean strategy, shown in Figure 3.

**Figure 3:** Hypotheses and The PBV Model



In addition, the following research questions are raised which can be addressed by use of multiple-regression analysis:

- Research Question 1: Based on the PBV model, which details of the factors can significantly predict the variance of the different types of competitiveness values?
- Research Question 2: Based on the PBV model, which details of the factors can significantly predict the variance of the different types of firm performance?

### 3. Research Methodology

#### The Research Design

As the practice-based view (PBV) of the longan industry is not known, mixed method is reckoned as suitable research strategy, especially in exploring and identifying “how” the longan industry can exploit its supply chain and logistics competencies and lean strategy to deliver the values of competitiveness and firm performance. Besides, mixed method also provides the triangulated means in the conduct of case research (Yin, 1994), and helps provides rich-descriptive bases for improving validity and reliability of measurements. Specifically, the research design follows the following steps:

- Literature review rationalizing the theoretical direction for the research – PBV.
- In-depth interviews to provide the rich details needed to operationalize the constructs of the conceptual model.
- Pilot-test the questionnaires with the subject experts, i.e. the industry and also to ensure suitability of words used, including the items capable to align with the definition and meaning of the constructs.
- Questionnaire-based survey is self-administered which benefits clarification with the participants.
- SPSS version 23 is used to analyze the data.

#### Case Study Population and Sampling

The selected area as a case study for this research was Phan District, which is the largest plantation area in the province of Chiang Rai (Hasachoo & Kalaya 2013), as shown in Table 3. Since, in 2016, Chiang Rai was the third-largest yielding area in Thailand, with over 130,727 acres (Office of Agriculture Extension [OAE] 2016), as shown in Table 2. In addition, Chiang Rai can be a direct gateway connecting to China via North-South Economic Corridor (NSEC) and Greater Mekong Sub region's (GMS) (Ramingwong, Sopadang & Tippayawong 2017).

**Table 2:** Longan Production Area in Thailand (Office of Agriculture Extension [OAE] 2016).

| Rank | Province   | Area (Acre) | Area in percentage |
|------|------------|-------------|--------------------|
| 1    | Chiang Mai | 295,177     | 35.80%             |
| 2    | Lumphun    | 268,224     | 32.50%             |
| 3    | Chiang Rai | 130,727     | 15.90%             |
| 4    | Payao      | 18,402      | 6.70%              |
| 5    | Nan        | 10,899      | 4%                 |
| 6    | Lumpang    | 6,780       | 2.50%              |
| 7    | Tak        | 5,739       | 2.10%              |
| 8    | Prac       | 1,522       | 0.60%              |

**Table 3:** Plantation area in Chiang Rai Province (Chiang Rai Province District Agricultural Office 2013).

| Rank | District         | Plantation Area (Acre) |
|------|------------------|------------------------|
| 1    | Phan             | 10,214                 |
| 2    | Mea Suay         | 8,043                  |
| 3    | Muang Chiang Rai | 5,661                  |
| 4    | Tueng            | 5,395                  |
| 5    | Phaya Meang Rai  | 4,678                  |

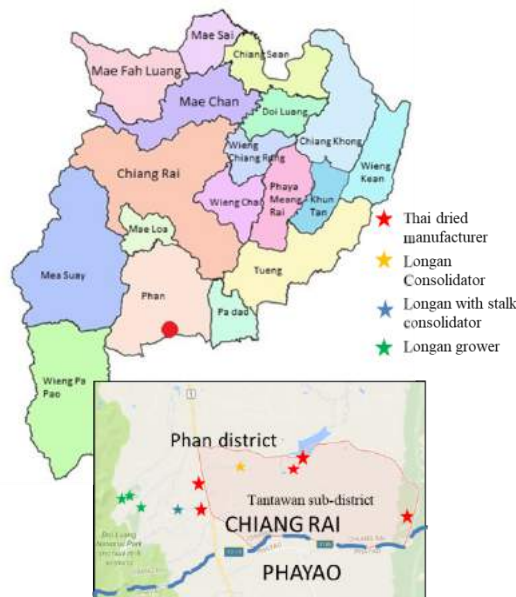
There are various challenges faced by the longan industry in Chiang Rai, such as increase of production cost (Kanruengchai, Sriwichailamphan & Panthamit 2017) and dropping of Thai domestic prices since most longans are only produced for exporting to China (Hasachoo & Kalaya 2013). As a result, it leads to the decreasing of dried manufacturer's number (Kungwanwong 2017). In Chiang Rai the major longan supply chain stakeholders are longan grower, consolidator, Thai dried manufacturer, Chinese dried manufacturer, importer and exporter and logistic provider (Hasachoo & Kalaya 2013). The stakeholders who receive the biggest impact from low selling price and high cost are the Thai manufacturers (Kanruengchai, Sriwichailamphan & Panthamit 2017). Thus, case studies are focused on the following three stakeholder groups of the longan industry, which represents the upstream of the value chain:

- (1) local dried manufacturers – those who have dry longan factories with the oven capacities at around 2-16 tons of fresh longan. In addition, as the local manufacturers rely strongly on the longan consolidators to gain longan to feed their factories on consistent manner, the local manufacturers thus generally source through partnerships with 3-5 consolidation stations in various towns.
- (2) Longan consolidators – those who rent or own some areas to set as the temporary longan buying station near to longan farms and sell longan to the factories. In many occasions, the consolidators contract out the whole farms' crops, and also, sometimes, factory also plays in the role of consolidator.
- (3) Longan growers – those who own longan farms and supply longan to consolidators or factories.

#### *In-depth Interview*

For in-depth interviews, snowball sampling approach is employed. The interviewees, spanned across longan grower, consolidators and manufacturers, are shown locating in the map shown in Figure 4.

**Figure 4:** Longan Supply Chain Stakeholders Interview Map



#### *The Measurement*

This study developed a two-section questionnaire:

- The first section asked respondents about their demographic information, which included the stakeholder types (grower, consolidator, local manufacturer), gender, ages, years of business experiences, debt of current longan business, investment budgets, size of product capacity, majority of longan market (domestic, China, or both), transportation ownership, employee number, years of longan business experiences, foreign language skills, business location infrastructure (quality and sufficiency), location of business).
- The second section comprised of questions related to four latent constructs of the study. Measures for all the constructs were all self-developed adapting only the definition from the literature review as well as the contents from the in-depth interviews. The responses were collected on a five-point Likert scales with 1 for “strongly disagree” to 5 for “strongly agree”. The measurement items are listed in Table A1 in the Appendix.

## **4. Results and Discussion**

This section is arranged as such: first, qualitative data analysis is presented, which is the followed by result and discussion of the statistical analysis of the questionnaire-based surveys.

#### *Qualitative Data Analysis Result*

The following presents the results concerning each of the constructs of the original conceptual model. The dried manufacturers, consolidators and growers stress the different aspects of their competencies (warehouse, transportation, market, technology, farm location, cash flow, employee capability and language competency), sustainable (plantation area) and the ability to handle pressure from government, grower, information flow and Chinese manufacturer:

*“If we get the help from government, we need them to find direct market and build cold chain warehouse for us, so that we can collectively have the bargaining power. Even the Chinese come to us directly, they are the middleman. We are all the time at price war.” (Personal communication with longan consolidator, 8 April 2017)*

The stakeholders also mentioned about the way to choose place to sell their longan is depending on transportation.

*"I deliver our longan to the consolidation station of factory by choosing the highest price and distance from my farm because I concern about the transportation cost too" (Personal communication with longan grower 2 and longan consolidator, 6 & 8 April 2017)*

For the technology and information pressure they were mentioned that

*"Now technology is high and information run very fast, everyone has Line chat application, every consolidation station and factories know and set the same the daily selling price with Chinese manufacturers, the one who set the daily selling price, that make us can't negotiate selling price with them" (Personal communication with longan grower 1 & 3, 6 April 2017)*

While manufacturers and consolidator mentioned that grower also communicate with each other by Line application.

*"Everyone have Line application, growers also have, they always ask the selling price of consolidation stations with other grower and sometime they text me to ask for the price before make decision to sell their longan" (Personal communication with dried longan manufacturer 1 & 2 and longan consolidator, 6 & 8 April 2017)*

About the language competency, some of longan's stakeholders mentioned that it's not necessary but some think it is, as state below

*"The Chinese speak Thai very well because they stay in Thailand 8 months per year because of off-season longan" (Personal communication with dried longan manufacturer 1, 4 April 2017)*

Other manufacturers mentioned that some of their Chinese customer can speak Thai but some have to use interpreter.

*"Chinese importers sometime come with the interpreter sometime they can speak Thai, so we don't have to know their language but a few of new Chinese customer come without interpreter and we just speak by numbers and calculator" (Personal communication with dried longan manufacturer 2, 3 & 4, 8 April, 28 May & 3 June 2017)*

They mentioned about the employee capability is very important and they must be skillful and also mention related to cash flow.

*"The skillful worker is very important because know how to work in this field, when we hire new workers, they can't start to work directly, we have to give sometime to teach them first and it waste our time because longan is the reason work and we need to be fast to fulfill the order and manage our cash flow" (Personal communication with dried longan manufacturer 5, 30 May 2017)*

There is a pressure from the government to consolidator and local factories as state below

*"The government doesn't help middleman, but help grower even they try to give us the loan with low interest. If the price low, the solidier come to pressure local factories and consolidators but not big Chinese factories. They never cared if we can sell or not." (Personal communication with dried longan manufacturer 2 & 5, 8 April & 30 May 2017)*

The longan's stakeholder also mentioned on the Risk and sustainable aspect of competency by the selling price fluctuation, labor, environment and supply volume. Raw material and quality for the sustainable aspect, as state below

The longan consolidator talked about risk on price fluctuation as below

*"I open station and sell fresh longan to big factory to reduce risk of dried longan price drop and gather with other small factories to sell product in a full truck load or make contract with big factory for dried longan." (Personal communication with longan consolidator, 8 April 2017)*

The Labor force also very important to the firms



*"Labor force is very important to our production and consolidation because we still need to use people to transfer longan from process to process and do quality check but our Chiang Rai people are vary lazy they don't like to do over time, it affects to our work capacity and our order fulfillment." (Personal communication with dried longan manufacturer1 & 5, 30 May 2017)*

The grower mentioned that the environment risk affects to the supply risk and quality.

*"The plantation depends on soil, water and nourishment. I used to have many longan trees but cut most of them off because my longan product was low. About the price, when factories get low supply they will increase price a little bit more. The factory can receive all products but station cannot. And it depends on factory demand volume too. They always have price war but sometimes they just stop buying when the station and factory get oversupply." (Personal communication with longan grower 2, 6 April 2017)*

*"Longan season is in rainy season, we can't keep our dried longan product to negotiate with Chinese because our longan will have fungi if we keep and wait for the price increase." (Personal communication with dried longan manufacturer2, 8 April 2017)*

*"If they regarded that our longan size is small, they will lower our price down and we can't choose the price, and we can't wait to sell because of the freshness. (Personal communication with longan with stalk consolidator and longan grower 3, 6 April 2017)*

### *Quantitative data analysis Result*

#### *Demographic Profiles*

Sixty-two participated in the questionnaire-based survey. Among them, 46.7% are growers, 30% consolidator, and 23.3% the local manufacturers. Gender wise, 43.3% are male, and 56.7% are female. Age wise, 16.7% in between 31-40 years old, 26.7% in between 41-50 years old, and 46.7% over 51 years old. The majority of the participants have 4-10 years of longan business experiences, at 40%, of more than 10 years, at 53.3%, with minor 6.7% less than 5 years. Their businesses exploited debt for cash flows and asset expansions, with 23.3% more than 1 million Baht in debt, 6.7% with debt in between 500,001 to 1 MBaht, 13.3% for debts with 100,001 to 500,000 Baht, 16.7% with debts in between 50,001 to 100,000 Baht, 23.3% for debts between 10-50,000 Baht, and 16.7% without debts in their longan businesses. The businesses spend 33.33% of less than 50,000 Baht on investment budget, while 23.3% has investment budget in between 50,000 to 100,000 Baht, and 33.3% more than 1 MBaht of investment budgets. The rest are minor with investment budget in between 100,0001 to 1 MBaht. Relating to the size of product capacity, 13.3% has less than 1 metric tons, 30% in between 1 to less than 5 metric tons, 6.7% for 5-less than 10 metric tons, 6.7% between 10-less than 25 metric tons, 3.3% between 25-less than 50 metric tons, 10% in between 50-less than 100 metric tons, and 30% more than 100 metric tons. Majority of their longan markets are domestic, at 63.3%, and China occupying 36.7%. Transportation wise, 53.3% state owning transportations while 46.7% do not. The participating companies indicate 43.3% of 1-5 employees, 30% of 6-10 employees, 13.3% of 11-15 employees, 3.3% of 16-20 employees, and 10% more than 20 employees. In terms of foreign skills, in particular English and Chinese, 56.7% state no, and 10% say low, 23.3% fair, 6.7% good, and 3.3% fluent. The participants opinion 13.3% of non-existence of quality and sufficiency in the business location infrastructure, and 3.3% felt low, 23.3% perceived fair, and 60% reasoned good. Most of the responses (the companies) located in Phan, 80% and the other neighboring areas have another 20%.

#### *Measurement Reliability*

The post-data reliability tests show Cronbach's Alpha of 0.892, 0.690, 0.684, 0.834, 0.733, 0.705, 0.573, 0.728, 0.405, 0.753, 0.723, 0.716, 0.590, 0.675, 0.880, 0.758, 0.850, 0.532, 0.805, 0.668, 0.806, 0.782, 0.867, 0.856, 0.878, 0.756, 0.695, 0.747, 0.736, 0.768, 0.446, 0.766, 0.798 and 0.863 according to the sequence of the variables given in Table 4. The minor weakness which shows in the variables with Cronbach's Alpha less than 0.6 (Nunnally 1967) would limit the ability of the variables to play significant roles in the multiple regression analysis. While the single-item reliability is unknown, it nevertheless can perform as good as multiple questionnaire items provided it delivers the key meaning straight to the point (Denissen et al. 2008).

#### *Sampling Adequacy*

The sampling population for questionnaire-based surveys of dried longan manufacturers, consolidator and grower located in Phan district, Chiang Rai, Thailand is unknown because of small and seasonal enterprise and small grower exempted to the registration system. The current sample size is 60 industry participants of various local longan stakeholders around Phan district, both registered and unregistered. Table 5 confirms the sampling



adequacy, supported, in accordance with Cohen (1992) by the majority of ES larger than the threshold value, of ES index  $\geq 0.35$  for large and ES index  $\geq 0.15$  for medium-size effect (Table 4), for multiple-regression analysis, as shown in Table 5. The sampling adequacy, at least, has given the weight to address the supportability for the theoretical model.

**Table 4:** Sampling Size Adequacy as a Function of Effect Size

| Test:                  | 0.01  |        |       | 0.05  |        |       |
|------------------------|-------|--------|-------|-------|--------|-------|
|                        | Small | Medium | Large | Small | Medium | Large |
| t-test for 2 means     | 586   | 95     | 38    | 393   | 64     | 26    |
| Simple correlation (r) | 1,163 | 125    | 41    | 783   | 85     | 28    |
| Analysis of variance:  |       |        |       |       |        |       |
| 2 groups               | 586   | 95     | 38    | 393   | 64     | 26    |
| 3 groups               | 464   | 76     | 30    | 322   | 52     | 21    |
| 4 groups               | 388   | 63     | 25    | 274   | 45     | 18    |
| 5 groups               | 336   | 55     | 22    | 240   | 39     | 16    |
| Multiple Regression:   |       |        |       |       |        |       |
| 2 predictors           | 698   | 97     | 45    | 481   | 67     | 30    |
| 3 predictors           | 780   | 108    | 50    | 547   | 76     | 34    |
| 4 predictors           | 841   | 118    | 55    | 599   | 84     | 38    |
| 5 predictors           | 901   | 126    | 59    | 645   | 91     | 42    |

**Table 5:** Effect Size for the Multiple Regression

| Dependent Variable    | Independent Variable              | R-Square | Standard coefficient | Collinearity Statistics |       | 1/(1-R^2) | 1-R^2  | Multicollinearity                 |    | ES index (Cohen, 1992) |
|-----------------------|-----------------------------------|----------|----------------------|-------------------------|-------|-----------|--------|-----------------------------------|----|------------------------|
|                       |                                   |          | Beta                 | Tolerance               | VIF   |           |        | Significance of Multicollinearity |    |                        |
| Competitiveness Value | (Constant)                        | 0.55     |                      |                         |       |           |        |                                   |    | 1.22222222             |
|                       | Market                            |          | 0.352                | 0.978                   | 1.022 | 2.2222    | 0.4500 | No                                | No |                        |
|                       | Supply Volume                     |          | 0.372                | 0.618                   | 1.618 | 2.2222    | 0.4500 | No                                | No |                        |
|                       | Lean Strategy                     |          | -0.341               | 0.608                   | 1.645 | 2.2222    | 0.4500 | No                                | No |                        |
| Lean Strategy         | (Constant)                        | 0.774    |                      |                         |       |           |        |                                   |    | 3.424778761            |
|                       | Ability to handle grower pressure |          | -0.340               | 0.920                   | 1.086 | 4.4248    | 0.2260 | No                                | No |                        |
|                       | Transportation Quality            |          | -0.386               | 0.558                   | 1.792 | 4.4248    | 0.2260 | No                                | No |                        |
|                       |                                   |          | -0.455               | 0.530                   | 1.887 | 4.4248    | 0.2260 | No                                | No |                        |
| Social Value          | (Constant)                        | 0.621    |                      |                         |       |           |        | No                                |    | 1.638522427            |
|                       | Market                            |          | 0.418                | 0.986                   | 1.015 | 2.6385    | 0.3790 | No                                | No |                        |
|                       | Ability to handle grower pressure |          | 0.452                | 0.922                   | 1.084 | 2.6385    | 0.3790 | No                                | No |                        |
|                       | Over processing Waste             |          | -0.326               | 0.933                   | 1.072 | 2.6385    | 0.3790 | No                                | No |                        |
| Economic value        | (Constant)                        | 0.272    |                      |                         |       |           |        |                                   |    | 0.373626374            |
|                       | Market                            |          | 0.472                | 0.999                   | 1.001 | 1.3736    | 0.7280 | No                                | No |                        |
|                       | Supply volume                     |          | 0.497                | 0.999                   | 1.001 | 1.3736    | 0.7280 | No                                | No |                        |
| Over Processing Waste | (Constant)                        | 0.619    |                      |                         |       |           |        |                                   |    | 1.624671916            |
|                       | Supply Volume                     |          | -0.517               | 0.947                   | 1.056 | 2.6247    | 0.3810 | No                                | No |                        |
|                       | Transportation                    |          | -0.485               | 0.947                   | 1.056 | 2.6247    | 0.3810 | No                                | No |                        |
| Performance           | (Constant)                        | 0.55     |                      |                         |       |           |        |                                   |    | 1.22222222             |
|                       | Economic Value                    |          | 0.293                | 0.851                   | 1.175 | 2.2222    | 0.4500 | No                                | No |                        |
|                       | Social Value                      |          | 0.361                | 0.722                   | 1.384 | 2.2222    | 0.4500 | No                                | No |                        |
|                       | Waiting Waste                     |          | -0.364               | 0.838                   | 1.194 | 2.2222    | 0.4500 | No                                | No |                        |
| Inventory Turnover    | (Constant)                        | 0.803    |                      |                         |       |           |        |                                   |    | 4.076142132            |
|                       | Transportation Waste              |          | -0.290               | 0.487                   | 2.054 | 5.0761    | 0.1970 | No                                | No |                        |
|                       | Inventory Waste                   |          | -0.470               | 0.441                   | 2.266 | 5.0761    | 0.1970 | No                                | No |                        |
|                       | Labor                             |          | 0.284                | 0.699                   | 1.451 | 5.0761    | 0.1970 | No                                | No |                        |
| Market Expansion      | (Constant)                        | 0.396    |                      |                         |       |           |        |                                   |    | 0.655629139            |
|                       | Economic Value                    |          | 0.342                | 0.999                   | 1.001 | 1.6556    | 0.6040 | No                                | No |                        |
|                       | Information                       |          | 0.517                | 0.999                   | 1.001 | 1.6556    | 0.6040 | No                                | No |                        |
| Profit                | (Constant)                        | 0.236    |                      |                         |       |           |        |                                   |    | 0.308900524            |
|                       | Economic Value                    |          | 0.377                | 0.994                   | 1.006 | 1.3089    | 0.7640 | No                                | No |                        |
|                       | Waiting Waste                     |          | -0.279               | 0.994                   | 1.006 | 1.3089    | 0.7640 | No                                | No |                        |
| Financial             | (Constant)                        | 0.515    |                      |                         |       |           |        |                                   |    | 1.06185567             |
|                       | Social Value                      |          | 0.458                | 0.844                   | 1.185 | 2.0619    | 0.4850 | No                                | No |                        |
|                       | Waiting Waste                     |          | -0.400               | 0.844                   | 1.185 | 2.0619    | 0.4850 | No                                | No |                        |
| Asset                 | (Constant)                        | 0.236    |                      |                         |       |           |        |                                   |    | 0.308900524            |
|                       | Social Value                      |          | 0.319                | 0.838                   | 1.194 | 1.3089    | 0.764  | No                                | No |                        |
|                       | Chinese manufacturer              |          | 0.26                 | 0.838                   | 1.194 | 1.3089    | 0.764  | No                                | No |                        |

### Descriptive Profiles of the Constructs

The descriptive statistics are given in Table 6, with the variables separated into four constructs, namely supply chain and logistics competencies, lean strategy, competitiveness value and firm performance. Overall, the mean

are in between 2-4 of the five Likert-scale response, signifies the general weaknesses felt across the board. Although employee capability is strong, at 4.0093, with reasonable performance of inventory turnover, at 4.0, and functional value (that the business can meet various buyer demands, and longan products are highly valued by the customers, both in tastes and flavors), the other variables of the PBV model are a lot weaker and thus, the longan industry, has generally not been able to exploit the structural strength as evidenced in the PBV model.

**Table 6:** Descriptive Statistics of the Detailed Model's Constructs

| Descriptive Statistics                |    |         |         |        |                |
|---------------------------------------|----|---------|---------|--------|----------------|
|                                       | N  | Minimum | Maximum | Mean   | Std. Deviation |
| Employee capability                   | 60 | 2.00    | 5.00    | 4.0993 | 0.69047        |
| Farm location                         | 60 | 1.33    | 5.00    | 3.6560 | 1.02524        |
| Quality                               | 60 | 1.50    | 5.00    | 3.5833 | 1.20444        |
| Transportation                        | 60 | 1.33    | 5.00    | 3.5670 | 1.20908        |
| Supply Volume                         | 60 | 1.67    | 5.00    | 3.4437 | 0.92395        |
| Labor                                 | 60 | 1.33    | 5.00    | 3.3993 | 1.04636        |
| Plantation Area                       | 60 | 1.00    | 5.00    | 3.3443 | 1.07530        |
| Technology                            | 60 | 1.00    | 5.00    | 3.1883 | 1.20154        |
| Market                                | 60 | 1.33    | 5.00    | 3.1773 | 0.98078        |
| Cash Flow                             | 60 | 1.00    | 5.00    | 3.1667 | 1.05170        |
| Ability to Handle Grower Pressure     | 60 | 1.00    | 5.00    | 3.1560 | 1.23308        |
| Environment                           | 60 | 1.00    | 5.00    | 2.9113 | 1.05965        |
| Raw material                          | 60 | 1.00    | 5.00    | 2.6997 | 1.09274        |
| Selling Price Fluctuation             | 60 | 1.00    | 4.33    | 2.4107 | 0.82664        |
| Ability to Handle Government Pressure | 60 | 1.00    | 4.67    | 2.3107 | 1.21166        |
| Language competency                   | 60 | 1.00    | 4.50    | 2.1500 | 1.28979        |
| Information                           | 60 | 1.00    | 4.00    | 2.0330 | 0.77850        |
| Chinese Manufacturer                  | 60 | 1.00    | 4.00    | 2.0110 | 0.98066        |
| Warehouse                             | 60 | 1.00    | 4.33    | 1.9330 | 1.16537        |
| Waiting waste                         | 60 | 1.00    | 4.60    | 2.5467 | 0.93437        |
| Over production waste                 | 60 | 1.00    | 4.25    | 2.2500 | 0.96111        |
| Inventory waste                       | 60 | 1.00    | 4.60    | 2.2133 | 0.94734        |
| Transportation waste                  | 60 | 1.00    | 4.25    | 2.1667 | 0.98362        |
| Over processing waste                 | 60 | 1.00    | 4.00    | 2.1333 | 0.77075        |
| Defect waste                          | 60 | 1.00    | 4.25    | 2.0833 | 0.93277        |
| Motion waste                          | 60 | 1.00    | 3.67    | 2.0280 | 0.81442        |
| Functional Value                      | 60 | 1.50    | 5.00    | 4.2000 | 0.73184        |
| Social Value                          | 60 | 1.67    | 5.00    | 3.6237 | 0.84010        |
| Economic Value                        | 60 | 2.00    | 5.00    | 3.6167 | 0.70930        |
| Inventory Turnover                    | 60 | 1.00    | 5.00    | 4.0000 | 1.22820        |
| Financial                             | 60 | 1.00    | 5.00    | 3.4773 | 1.34931        |
| Asset Expansion                       | 60 | 1.00    | 5.00    | 3.1333 | 1.52345        |
| Market Expansion                      | 60 | 1.00    | 5.00    | 2.9333 | 1.56082        |
| Profit                                | 60 | 1.00    | 4.33    | 2.8770 | 0.89198        |
| Valid N (listwise)                    | 60 |         |         |        |                |

In particular, shown in Table 7, the ability to handle pressures of various fronts in the industry is weak, at 2.3783, such as government, longan grower, pricing information and the Chinese manufacturers. The participants accept that they have lower ability to handle the selling price fluctuation caused by the Chinese manufacturers, and also the ability to negotiate prices with them is also low. In addition, lean strategy that aims to minimize wastes of over-production, transportations, waiting caused by raw materials needed for processing, inventory, defects, motions of various sorts i.e. work methods, standardizations and operations, and over-processing, is also perceived to be weak, at mean of 2.3783 level, in Table 7. The potential strength exists in the longan industry perceiving that they do have certain levels of competitiveness in the values they can deliver, in the domains of economics, functions and social levels. The social value is indicative of the longan industry to help the local businesses stay continuously, creating jobs at the factories, consolidation stations, farms, local markets and in the transportation fields.

**Table 7:** Descriptive Statistics of Overall Model's Constructs

| Descriptive statistics         |    |         |         |        |                |
|--------------------------------|----|---------|---------|--------|----------------|
|                                | N  | Minimum | Maximum | Mean   | Std. Deviation |
| Value                          | 60 | 1.72    | 4.89    | 3.8133 | 0.59443        |
| Local Supply Chain performance | 60 | 1.40    | 4.60    | 3.2843 | 0.91973        |
| Sustainability                 | 60 | 1.28    | 4.78    | 3.2097 | 0.88766        |
| Competitiveness                | 60 | 1.60    | 4.08    | 3.1183 | 0.57719        |
| Risk                           | 60 | 1.33    | 4.17    | 3.0413 | 0.60801        |
| Ability to handle pressure     | 60 | 1.00    | 4.00    | 2.3783 | 0.76381        |
| Lean Strategy                  | 60 | 1.09    | 4.15    | 2.2030 | 0.76040        |
| Valid N (list wise)            | 60 |         |         |        |                |

### Hypotheses Testing

The six hypotheses raised are to be tested by means of multiple-regression analysis. The overall model of the result is shown in Figure 5, while Figure 6 highlights the determinants of the economic and social aspects of competitiveness values, and Figure 7 illuminates the determinants predicting the different domains of firm performances. As there are 2-3 predictors for each of dependent variable, multicollinearity tests are performed, shown in Table 8, which shows no evidences of multicollinearity, by following the criterion suggested by Klein

(1962), in that if VIF is greater than  $\frac{1}{1-R^2}$  or a tolerance value is less than  $1-R^2$ , then multicollinearity can be considered as statistically significant.

**Table 8:** The Multicollinearity and Effect size index

| Dependent Variable    | Independent Variable              | R-Square | Standard coefficient | Collinearity Statistics |       | 1/(1-R <sup>2</sup> ) | 1-R <sup>2</sup> | Multicollinearity                 |    | ES index<br>(Cohen, 1992) |
|-----------------------|-----------------------------------|----------|----------------------|-------------------------|-------|-----------------------|------------------|-----------------------------------|----|---------------------------|
|                       |                                   |          | Beta                 | Tolerance               | VIF   |                       |                  | Significance of Multicollinearity |    |                           |
| Competitiveness Value | (Constant)                        | 0.55     |                      |                         |       |                       |                  |                                   |    | 1.222222222               |
|                       | Market                            |          | 0.352                | 0.978                   | 1.022 | 2.2222                | 0.4500           | No                                | No |                           |
|                       | Supply Volume                     |          | 0.372                | 0.618                   | 1.618 | 2.2222                | 0.4500           | No                                | No |                           |
|                       | Lean Strategy                     |          | -0.341               | 0.608                   | 1.645 | 2.2222                | 0.4500           | No                                | No |                           |
| Lean Strategy         | (Constant)                        | 0.774    |                      |                         |       |                       |                  |                                   |    | 3.424778761               |
|                       | Ability to handle grower pressure |          | -0.340               | 0.920                   | 1.086 | 4.4248                | 0.2260           | No                                | No |                           |
|                       | Transportation                    |          | -0.386               | 0.558                   | 1.792 | 4.4248                | 0.2260           | No                                | No |                           |
|                       | Quality                           |          | -0.455               | 0.530                   | 1.887 | 4.4248                | 0.2260           | No                                | No |                           |
| Social Value          | (Constant)                        | 0.621    |                      |                         |       |                       |                  |                                   |    | 1.638522427               |
|                       | Market                            |          | 0.418                | 0.986                   | 1.015 | 2.6385                | 0.3790           | No                                | No |                           |
|                       | Ability to handle grower pressure |          | 0.452                | 0.922                   | 1.084 | 2.6385                | 0.3790           | No                                | No |                           |
|                       | Over processing Waste             |          | -0.326               | 0.933                   | 1.072 | 2.6385                | 0.3790           | No                                | No |                           |
| Economic value        | Market                            | 0.272    | 0.472                | 0.999                   | 1.001 | 1.3736                | 0.7280           | No                                | No | 0.373626374               |
|                       | Supply volume                     |          | 0.497                | 0.999                   | 1.001 | 1.3736                | 0.7280           | No                                | No |                           |
| Over Processing Waste | (Constant)                        | 0.619    |                      |                         |       |                       |                  |                                   |    | 1.624671916               |
|                       | Supply Volume                     |          | -0.517               | 0.947                   | 1.056 | 2.6247                | 0.3810           | No                                | No |                           |
| Performance           | (Constant)                        | 0.55     |                      |                         |       |                       |                  |                                   |    | 1.222222222               |
|                       | Economic Value                    |          | 0.293                | 0.851                   | 1.175 | 2.2222                | 0.4500           | No                                | No |                           |
|                       | Social Value                      |          | 0.361                | 0.722                   | 1.384 | 2.2222                | 0.4500           | No                                | No |                           |
|                       | Waiting Waste                     |          | -0.364               | 0.838                   | 1.194 | 2.2222                | 0.4500           | No                                | No |                           |
| Inventory Turnover    | (Constant)                        | 0.803    |                      |                         |       |                       |                  |                                   |    | 4.076142132               |
|                       | Transportation Waste              |          | -0.290               | 0.487                   | 2.054 | 5.0761                | 0.1970           | No                                | No |                           |
|                       | Inventory Waste                   |          | -0.470               | 0.441                   | 2.266 | 5.0761                | 0.1970           | No                                | No |                           |
|                       | Labor                             |          | 0.284                | 0.699                   | 1.451 | 5.0761                | 0.1970           | No                                | No |                           |
| Market Expansion      | (Constant)                        | 0.396    |                      |                         |       |                       |                  |                                   |    | 0.655629139               |
|                       | Economic Value                    |          | 0.342                | 0.999                   | 1.001 | 1.6556                | 0.6040           | No                                | No |                           |
| Profit                | (Constant)                        | 0.236    |                      |                         |       |                       |                  |                                   |    | 0.308900524               |
|                       | Economic Value                    |          | 0.377                | 0.994                   | 1.006 | 1.3089                | 0.7640           | No                                | No |                           |
| Financial             | (Constant)                        | 0.515    |                      |                         |       |                       |                  |                                   |    | 1.06185567                |
|                       | Social Value                      |          | 0.458                | 0.844                   | 1.185 | 2.0619                | 0.4850           | No                                | No |                           |
| Asset                 | (Constant)                        | 0.236    |                      |                         |       |                       |                  |                                   |    | 0.308900524               |
|                       | Social Value                      |          | 0.319                | 0.838                   | 1.194 | 1.3089                | 0.764            | No                                | No |                           |
|                       | Chinese manufacturer              |          | 0.26                 | 0.838                   | 1.194 | 1.3089                | 0.764            | No                                | No |                           |

Figure 5 verifies the utility of the practice-based view in the study of the logan's firm performance. Three aspects of the supply chain and logistics competencies are shown to explain 77.4% of the variance of lean strategy, and they are the quality aspect of sustainability, transportations of competitiveness, and the ability to sustain grower pressure. This supports the posited H1. In addition, Figure 5 also shows market domain of competitiveness aspect of competencies, and supply volume control in risk management domain of competencies can significantly explain 57.3% of competitiveness value, further supporting the posited H2. The ability to sustain the pressures of various fronts in the industry (Beta of 0.343), i.e. government, logan grower, information and the Chinese manufacturers, together with competitiveness value (Beta of 0.837) can significantly explain 701% of variance of the firm performance. To this end, H3 and H6 are supported. H4 is also supported which states the lean strategy playing a role in explaining competitiveness value. Together with market and supply volume risks, and lean strategy, the variance of competitiveness value can account for 57.3%, shown in Figure 5.

**Figure 5:** The Overall Model

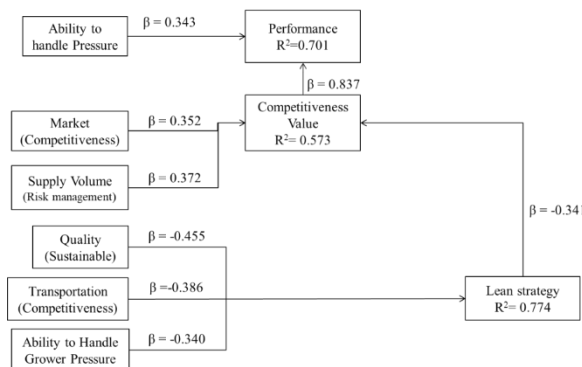


Figure 6 expands the competitiveness value which attempts to address research question 1. First, when the detail factors or variables of lean strategy are expand, waiting waste (i.e. the firm can continue the work without waiting for next process preparation, that raw materials are always just on time for processing, that the Chinese directly

send selling price to the manufacturers and thus without waits for selling price announcement, that the growers can immediately grade their longans when they reach the buying station: Beta = -0.364), together with both economic value (Beta = 0.293) and social value (Beta = 0.361), can significantly explain 55.0% of the variance of firm performance. This supports H5.

In terms of the supply chain and logistics competencies, both supply volume of risk management and market competitiveness competency can significantly explain 27.2% of economic value, whereas market competitiveness (Beta = 0.418), the ability to sustain grower pressure (Beta = 0.452), and over-process waste (lean strategy: Beta = -0.326), can significantly explain 62.1% of the social value. The former presents the firm's capacity to meet various demands of buyers and that their products are highly valued by customers both in tastes and flavors. The latter is indicative of the firm businesses supporting the local holders to stay in business, and that the plantation stays competitive, and jobs are created at the factories, consolidation stations, farms, local markets and in transportations.

**Figure 6:** Determinants of Economic and Social Values of Competitiveness

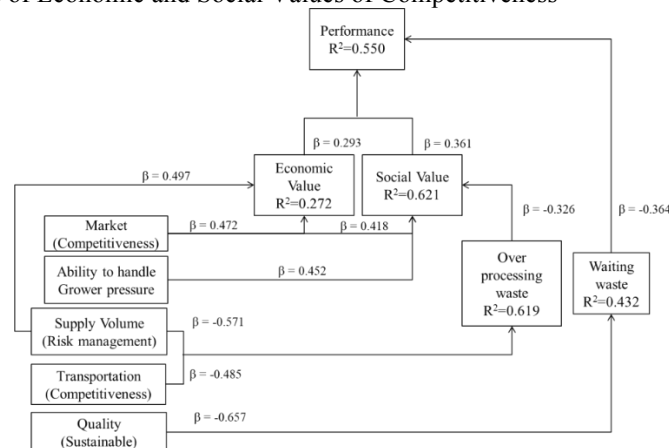
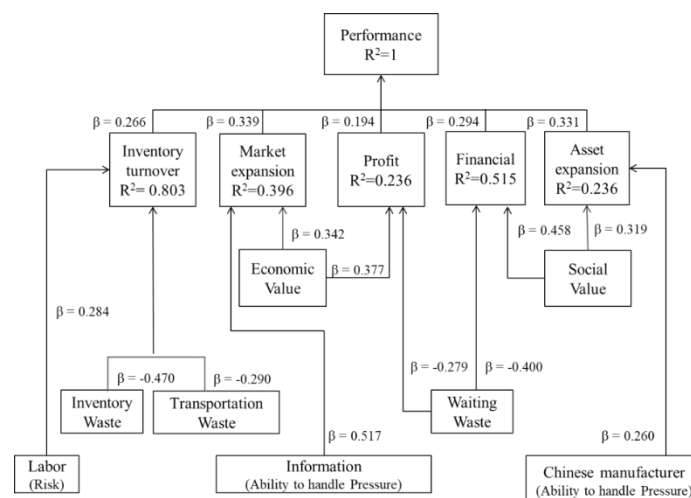


Figure 7 would serve the purpose to address the second research question, which zooms in to study the detailed factors predicting the variance of the different types of firm performances. While inventory turnover and financial performance account for an impressively high level of variance percentages, at 80.3% and 51.5%, respectively, the rest fall in between 20-40%: market expansion at 39.6%, profit at 23.6%, and asset expansion at 23.6%. Three lean strategy means are considered to play significant weights influencing inventory turnover, profit and financial, namely inventory waste, transportation waste and waiting waste. Apart from that, labor management (i.e. the ability to manage labor costs, and no shortage of labors), information accessibility and advantage in particular selling prices, from the Chinese manufacturers, are considered to directly influence the various types of firm performances, such as inventory turnover, market expansion, and asset expansion.

**Figure 7:** Determinants of Different Firm Performances



## 5. Conclusions

This research empirically tested two practices common to the longan industry in Chiang Rai, namely supply chain and logistics competencies and lean strategy, to explain firm values of competitiveness and firm performances.

The high R-squared ability for competitiveness value, at 57.3% and firm performance, at 70.1%, owed to these two practices, implies the important role of competence-based management that covers the business model scopes. In particular, market competitiveness and supply volume aspect of risk management are two significant predictors of competitiveness value, whereas the ability to handle the pressure of various fronts in the industry, i.e. of selling price fluctuations and negotiations, become crucial to significantly predict firm performances. Thus the practice-based view (PBV) is considered to have significant theoretical and practical utility to the longan industry.

Three lean strategies are considered to play significant weights influencing inventory turnover, profit and financial, namely inventory waste, transportation waste and waiting waste. Apart from that, labor management (i.e. the ability to manage labor costs, and no shortage of labors), information accessibility and advantage in particular selling prices, from the Chinese manufacturers, are considered to directly influence the various types of firm performances, such as inventory turnover, market expansion, and asset expansion.

Nevertheless, the descriptive statistics indicate a prevailing weaknesses across the board, from the growers, to consolidators and manufacturers, for the two practices, as well as the competitiveness values and their firm performances. In particular, the ability to handle pressures of various fronts in the industry is weak, such as government, longan grower, pricing information and the Chinese manufacturers. In addition, lean strategy that aims to minimize wastes of over-production, transportations, waiting caused by raw materials needed for processing, inventory, defects, motions of various sorts i.e. work methods, standardizations and operations, and over-processing, is also perceived to be weak. But, the potential strength exists in the longan industry perceiving that they do have certain levels of competitiveness in the values they can deliver, in the domains of economics, functions and social levels. The social value is indicative of the longan industry to help the local businesses stay continuously, creating jobs at the factories, consolidation stations, farms, local markets and in the transportation fields.

The limitation again lies in the fact that a lot of longan stakeholders are not in the business registration system and thus it makes the researcher difficult to access the population for accessibility.

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## Appendix

**Table A1: Self-Developed Questionnaires**

**Instructions:** We are grateful to your participation. Please complete the following questions to reflect your opinions as accurately as possible and to score factual questions to the best of your knowledge and experience. Your response scale for each of the statement is from 1 (strongly disagree) to 5 (strongly agree). Please ✓ tick only a scale column of each statement. Your information will be kept strictly confidential, reporting and analysis are made in anonymity (no mention of who participates)

### DEMOGRAPHIC

#### D1. Supply chain stakeholder type

1. ☐ Grower      2. ☐ Consolidator      3. ☐ Local manufacturer

#### D2. Sex of respondent

1. ☐ Male      2. ☐ Female

#### D3. Age

1. ☐ 20-30 years old      2. ☐ 31-40 years old      3. ☐ 41-50 years old      4. ☐ 51 years old up

#### D4. Year of start up (start business)

1. ☐ less than 5 years      2. ☐ 5-10 years      3. ☐ More than 10 years

#### D5. Debt

1. ☐ No debt      2. ☐ 10,000-50,000 Baht      3. ☐ 50,001-100,000 Baht      4. ☐ 100,001-500,000 Baht  
5. ☐ 500,001-1,000,000 Baht      6. ☐ More than 1,000,000 Baht

#### D6. Investment Budget

1. ☐ Less than 50,000 Baht      2. ☐ 50,000-100,000 Baht      3. ☐ 100,001-200,000 Baht  
4. ☐ 200,001-500,000 Baht      5. ☐ 500,001-1,000,000 Baht      6. ☐ More than 1,000,000 Baht

#### D7. Size of product capacity

1. ☐ Less than 1 Metric Ton of longan      2. ☐ 1 to less than 5 Metric Tons of longan      3. ☐ 5 to less than 10 Metric Tons of longan  
4. ☐ 10 to less than 25 Metric Tons of longan      5. ☐ 25 to less than 50 Metric Tons of longan      6. ☐ 50 to less than 100 Metric Tons of longan  
7. ☐ More than 100 Metric Tons of longan

#### D8. The Majority of longan customer market

1. ☐ Domestic      2. ☐ China      3. ☐ Asian Countries      4. ☐ Middle East      5. ☐ Elsewhere

#### D9. Transportation

1. ☐ I have to send product to customer      2. ☐ My customer come to take product at my place

#### D10. Employee Number

1. ☐ 1-5 employees      2. ☐ 6-10 employees      3. ☐ 11-15 employees      4. ☐ 16-20 employees  
5. ☐ more than 20 employee

#### D11. Year of your longan business experience

1. ☐ less than 5 years      2. ☐ 5-10 years      3. ☐ More than 10 years

#### D12. Foreigner languages skill

1. ☐ none      2. ☐ low      3. ☐ Fair      4. ☐ Good      5. ☐ Fluent

#### D13. Business's location infrastructure (quality and sufficiency)

1. ☐ none      2. ☐ low      3. ☐ Fair      4. ☐ Good      5. ☐ Excellent

#### D14. Location

1. ☐ Phan      2. ☐ Padad      3. ☐ Mea Suay      4. ☐ Meung      5. ☐ Others \_\_\_\_\_



| <b>Competency</b> |                                                                                                                                   |                                                                                                                                        |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b>          | <b>Competitiveness: The ability to take a significantly advantageous role amidst the competition (O'Connor &amp; Kelly 2017).</b> |                                                                                                                                        |
|                   | <b>1.1 Warehouse</b>                                                                                                              |                                                                                                                                        |
|                   | 1.1.1                                                                                                                             | Have warehouse to provide the flexibility to make decision, i.e. to sell or not                                                        |
|                   | 1.1.2                                                                                                                             | There's a place to keep fresh and dried longan for selling price negotiation with customer                                             |
|                   | 1.1.3                                                                                                                             | Have the warehouse to avoid fungi or environmental damage so that we can wait to sell until market selling price increase              |
|                   | <b>1.2 Transportation</b>                                                                                                         |                                                                                                                                        |
|                   | 1.2.1                                                                                                                             | Have the ability to minimize logistic cost of transportation through sending longan to factory or consolidation station or big factory |
|                   | 1.2.2                                                                                                                             | Transportation cost is a decision point to decide place of selling longan                                                              |
|                   | 1.2.3                                                                                                                             | Have the ability to pull customer to buy product at your place to reduce or cut transportation cost                                    |
|                   | <b>1.3 Market</b>                                                                                                                 |                                                                                                                                        |
|                   | 1.3.1                                                                                                                             | Have the market place to sell longan                                                                                                   |
|                   | 1.3.2                                                                                                                             | Have the market place to sell longan at good selling price                                                                             |
|                   | 1.3.3                                                                                                                             | Have the market place to sell longan directly without middleman                                                                        |
|                   | <b>1.4 Technology</b>                                                                                                             |                                                                                                                                        |
|                   | 1.4.1                                                                                                                             | Have the machine that makes your work faster, easier and get more volume of fresh longan or dried longan                               |
|                   | 1.4.2                                                                                                                             | Have bigger-size machine to process longan in larger quantity and save cost, e.g. oven cost                                            |
|                   | 1.4.3                                                                                                                             | Have the communication technology that makes you able to check longan selling price before sales                                       |
|                   | <b>1.5 Farm Location</b>                                                                                                          |                                                                                                                                        |
|                   | 1.5.1                                                                                                                             | Market is close to longan farms                                                                                                        |
|                   | 1.5.2                                                                                                                             | Closeness of farm to market is a necessary determining factor for the freshness of product                                             |
|                   | 1.5.3                                                                                                                             | Farm location determines competitive transportation cost                                                                               |
|                   | <b>1.6 Cash flow</b>                                                                                                              |                                                                                                                                        |
|                   | 1.6.1                                                                                                                             | Sufficient bank loans to buy longan and pay for other activities, e.g. labor and transportation                                        |
|                   | 1.6.2                                                                                                                             | Ability to pay back bank loans within period favorable to our business                                                                 |
|                   | 1.6.3                                                                                                                             | Cash flow continuously balance the supply of longan and demand condition                                                               |
|                   | <b>1.7 Employee capability</b>                                                                                                    |                                                                                                                                        |
|                   | 1.7.1                                                                                                                             | Have skillful labor                                                                                                                    |
|                   | 1.7.2                                                                                                                             | Labors have the ability to work fast and make less error                                                                               |
|                   | 1.7.3                                                                                                                             | Labors have the knowledge and skill to know what to do and how to work on the production efficiently                                   |
|                   | <b>1.8 Language competency</b>                                                                                                    |                                                                                                                                        |
|                   | 1.8.1                                                                                                                             | You can speak your customer's language                                                                                                 |
|                   | 1.8.2                                                                                                                             | You are able to contact abroad market by your foreign language skill                                                                   |

|          |                                                                                                                                                         |                                                                                                                       |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>2</b> | <b>Risk management: Ability to be in control of the key resource areas that may cause losing of values to the investments and demand attractiveness</b> |                                                                                                                       |
|          | <b>2.1 Selling price fluctuation</b>                                                                                                                    |                                                                                                                       |
|          | 2.1.1                                                                                                                                                   | Have the ability to control overall business costs lower than selling price                                           |
|          | 2.1.2                                                                                                                                                   | Have the ability to control selling price to reduce risk of loss of investment                                        |
|          | 2.1.3                                                                                                                                                   | Have the ability to set selling price for good profit                                                                 |
|          | <b>2.2 Labor</b>                                                                                                                                        |                                                                                                                       |
|          | 2.2.1                                                                                                                                                   | There is no shortage of labors                                                                                        |
|          | 2.2.2                                                                                                                                                   | Ability to manage labor cost for higher margin                                                                        |
|          | 2.2.3                                                                                                                                                   | There are plentiful skillful labors to manage quality works smoothly                                                  |
|          | <b>2.3 Environment</b>                                                                                                                                  |                                                                                                                       |
|          | 2.3.1                                                                                                                                                   | Have the ability to reach water source to make flexibility of longan growing on and off-season                        |
|          | 2.3.2                                                                                                                                                   | Have the ability to control longan flower fallen for high longan production                                           |
|          | 2.3.3                                                                                                                                                   | Have the ability to control humidity to control longan size                                                           |
|          | <b>2.4 Supply Volume</b>                                                                                                                                |                                                                                                                       |
|          | 2.4.1                                                                                                                                                   | Have the ability to control volume of longan to supply consolidation stations or factories to gain good selling price |
|          | 2.4.2                                                                                                                                                   | We always have the right longan volume to make our customers come to make oral buying contract with us                |
|          | 2.4.3                                                                                                                                                   | Have the ability to get bigger volume of longan for selling opportunity                                               |

|            |                                                                                                                      |                                                                                                                                                                                        |
|------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3</b>   | <b>Sustainable: ability to sustain the resources and ensure process competency to deliver long lasting resources</b> |                                                                                                                                                                                        |
| <b>3.1</b> | <b>Raw material</b>                                                                                                  |                                                                                                                                                                                        |
|            | 3.1.1                                                                                                                | Have the ability to keep longan plantation from selling price crisis                                                                                                                   |
|            | 3.1.2                                                                                                                | Have the ability to control water supply to make high longan volume                                                                                                                    |
|            | 3.1.3                                                                                                                | Have consistent longan's to sustain demand                                                                                                                                             |
| <b>3.2</b> | <b>Plantation area</b>                                                                                               |                                                                                                                                                                                        |
|            | 3.2.1                                                                                                                | Longan supply volume depends on transportation distance between farm and consolidation station or factory                                                                              |
|            | 3.2.2                                                                                                                | Water source is near to plantation to make high longan supply volume                                                                                                                   |
|            | 3.2.3                                                                                                                | Have the plantation soil to make our longan pulp thicker than others                                                                                                                   |
| <b>3.3</b> | <b>Quality</b>                                                                                                       |                                                                                                                                                                                        |
|            | 3.3.1                                                                                                                | Have the ability to control longan size to meet market demand                                                                                                                          |
|            | 3.3.2                                                                                                                | Have the ability to control longan shape and color to meet market demand                                                                                                               |
|            | 3.3.3                                                                                                                | Have the ability to control defects, e.g. insect, the distorted shape of longan, the bruised longan                                                                                    |
|            | 3.3.4                                                                                                                | Have the ability to produce to premium grade (big, good look, good color) longan to get good selling price                                                                             |
| <b>4</b>   | <b>Ability to handle pressure: The ability of the organization to handle the various pressures faced</b>             |                                                                                                                                                                                        |
| <b>4.1</b> | <b>Government</b>                                                                                                    |                                                                                                                                                                                        |
|            | 4.1.1                                                                                                                | Government sets selling price insurance of fresh longan to control the minimum selling price to help grower                                                                            |
|            | 4.1.2                                                                                                                | Government supports loan with low interest to be able to reduce risks from the activities payment, i.e. selling price daily fluctuation that make your cost high and selling price low |
|            | 4.1.3                                                                                                                | Government policy can control fresh and dried longan selling price                                                                                                                     |
| <b>4.2</b> | <b>Ability to sustain longan Grower</b>                                                                              |                                                                                                                                                                                        |
|            | 4.2.1                                                                                                                | Ability to handle lack of longan supply volume by grower cutting down longan tree                                                                                                      |
|            | 4.2.2                                                                                                                | Ability to make selling price high to attract grower to pick longan for selling to us, while we are at the reasonable profit                                                           |
|            | 4.2.3                                                                                                                | Ability to make growers to supply longan to you and not to your competitors                                                                                                            |
| <b>4.3</b> | <b>Information</b>                                                                                                   |                                                                                                                                                                                        |
|            | 4.3.1                                                                                                                | Ability to control buying selling price of fresh longan from the grower by using mobile phone application to confirm selling price with other consolidators and factories              |
|            | 4.3.2                                                                                                                | We know selling price announcement from Chinese fast and get high raw material supply opportunity                                                                                      |
|            | 4.3.3                                                                                                                | We have the direct contact with the Chinese importer to sell longan in higher selling price                                                                                            |
|            | 4.3.4                                                                                                                | We have the ability to search for selling price in China to negotiate selling price with Chinese importers                                                                             |
| <b>4.4</b> | <b>Chinese Manufacturers</b>                                                                                         |                                                                                                                                                                                        |
|            | 4.4.1                                                                                                                | We have ability to handle with selling price fluctuating from the selling price announcement by Chinese                                                                                |
|            | 4.4.2                                                                                                                | We have the ability to handle selling price to cover total cost of production and operation                                                                                            |
|            | 4.4.3                                                                                                                | We have the ability to negotiate selling price with the Chinese                                                                                                                        |

| <b>LEAN STRATEGY</b> Eliminate or reduce wastes |                                                                                                                        |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>1</b>                                        | <b>Over production waste</b>                                                                                           |
| 1.1                                             | Our longan quantity is always higher than demand                                                                       |
| 1.2                                             | We can sell all of our longan                                                                                          |
| 1.3                                             | Consolidator and factory stop buying fresh longan when oven capacity is full                                           |
| 1.4                                             | We always forecast longan market demand correctly                                                                      |
| <b>2</b>                                        | <b>Transportation waste</b>                                                                                            |
| 2.1                                             | We transport our longan with full truck/pickup load to customer                                                        |
| 2.2                                             | We can unload our longan immediately when we reach customer buying station                                             |
| 2.3                                             | We have smooth route to avoid longan being sharp distorted and bruised                                                 |
| 2.4                                             | We spend a short time to transport our longan to customer                                                              |
| <b>3</b>                                        | <b>Waiting waste</b>                                                                                                   |
| 3.1                                             | We can continue our work without wait for next process preparation                                                     |
| 3.2                                             | Our raw materials are always just in time to process                                                                   |
| 3.3                                             | Chinese directly send selling price to us, no wait for selling price announcement                                      |
| 3.4                                             | Grower can immediately grade their longan when they reach buying station                                               |
| 3.5                                             | We can make our process flow without any wait                                                                          |
| <b>4</b>                                        | <b>Inventory waste</b>                                                                                                 |
| 4.1                                             | We don't have inventory from long set up time                                                                          |
| 4.2                                             | Our production is good, no bad product to rework, to keep, to eliminate                                                |
| 4.3                                             | We always balance work share to avoid over load work                                                                   |
| 4.4                                             | We can manage our long transportation to prevent over load inventory                                                   |
| 4.5                                             | We have tidy work schedule to prevent over load work                                                                   |
| <b>5</b>                                        | <b>Defects waste</b>                                                                                                   |
| 5.1                                             | We have adequate training for worker to reduce defects in processes, e.g. bruised, distorted, unbalance color          |
| 5.2                                             | We have skillful labor who will not make unexpected defects and unsafely issue                                         |
| 5.3                                             | We have plans to handle the incapable processes that will block production flow, e.g. the grading machine stop working |
| 5.4                                             | We can balance our stock to avoid fungi and insect defects on fresh and dried longan                                   |
| <b>6</b>                                        | <b>Motion Waste: unnecessary movement of people and machines</b>                                                       |
| 6.1                                             | Our plantation or processes layout is good, not slowing down our work                                                  |
| 6.2                                             | We don't have unnecessary workplace organization to work more                                                          |
| 6.3                                             | We have standard of operation and production that make our work site tidy and work flow well                           |
| 6.4                                             | We have good work methods to make production smooth and fast                                                           |
| 6.5                                             | Have no poor work method that can cause defect                                                                         |
| 6.6                                             | Our materials and workstations are designed to make work easily                                                        |
| <b>7</b>                                        | <b>Over processing Waste</b>                                                                                           |
| 7.1                                             | Attitude: We know exactly what to do in our work site and the results always stable                                    |
| 7.2                                             | We always improve our operations in plantation or production to reduce waste or failure in process                     |
| 7.3                                             | We have work standard operation and procedure that make our work fast and get good product quality                     |
| 7.4                                             | We are using the good processing standard to avoid waste and rework product                                            |
| 7.5                                             | Without middlemen we can get work done more efficiently                                                                |
| 7.6                                             | Without middlemen we can get more income                                                                               |

| <b>COMPETITIVENESS VALUE</b> The values that firm creates from the resources better than competitors |                                                                                                                   |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>1</b>                                                                                             | <b>Economic value</b>                                                                                             |
| 1.1                                                                                                  | Our products are actually competitively priced in the market                                                      |
| 1.2                                                                                                  | We meet customer satisfaction by short lead time transportation                                                   |
| <b>2</b>                                                                                             | <b>Functional value</b>                                                                                           |
| 2.1                                                                                                  | Our business capacity can meet various demand of buyer                                                            |
| 2.2                                                                                                  | Our longan products are highly valued by customers in tastes and flavor                                           |
| <b>3</b>                                                                                             | <b>Social value</b>                                                                                               |
| 3.1                                                                                                  | Local holders can stay in business from reduce cost of business and increase selling price                        |
| 3.2                                                                                                  | Thick pulp longan plantation has enable our longan business to stay competitively                                 |
| 3.3                                                                                                  | Longan season create jobs at the factories, consolidation station, farm, local market and in transportation field |

| <b>Firm Performance Business performance</b> |                                                                                                                                                                                     |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b>                                     | <b>Profit: A financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity</b> |
| 1.1                                          | We get high profit after Chinese open factory in Thailand                                                                                                                           |
| 1.2                                          | We can sell our longan at high selling price                                                                                                                                        |
| 1.3                                          | Longan selling price lower than before Chinese open factory                                                                                                                         |
| <b>2</b>                                     | <b>Inventory turnover: The quickly product sell and the often products need to be replaced</b>                                                                                      |
| 2.1                                          | We keep our longan in short period before sell                                                                                                                                      |
| 2.2                                          | We can sell our longan quickly                                                                                                                                                      |
| <b>3</b>                                     | <b>Market expansion: To widen market into new section of psychographic or demographic market</b>                                                                                    |
| 3.1                                          | We continue to attract new customer                                                                                                                                                 |
| 3.2                                          | We continue to expand into new marketplace to sell our longan                                                                                                                       |
| <b>4</b>                                     | <b>Asset: A resource that will provide future benefit</b>                                                                                                                           |
| 4.1                                          | Our business gets bigger than before                                                                                                                                                |
| 4.2                                          | We have more facility to produce longan than before                                                                                                                                 |
| <b>5</b>                                     | <b>Financial: How well a firm can use assets to generate revenues</b>                                                                                                               |
| 5.1                                          | We have smooth cash flow                                                                                                                                                            |
| 5.2                                          | Our costs are always covered in our sale price                                                                                                                                      |

# The Suitable Model of Accommodations for Tourism in the Songkhla Old Town Landscape

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## Abstract

**Purposes:** The purposes of this research is to study tangible and intangible heritages of Songkhla's old town that can indicate to a creation of the suitable model for accommodation in the study area, to study tourists' needs for accommodations in Songkhla old town, and to study the suitable model of accommodation for Songkhla's old town area.

**Samples:** In depth interviews and observation with involved people in the field of tourism was used as a method to collect data. 26 sampling interviews were conducted in 3 groups of people. Every group of people have been asked different questions. The sampling groups comprised 10 local people living in Songkhla old town area, 10 tourists, and 6 professionals and government officers.

**Findings:** The result indicates that the suitable model for accommodating tourists in Songkhla old town should be small sized boutique hotels in renovated ancient buildings, thus enabling preservation local heritages.

The process of data collection was slightly impeded causing delays in our schedule. The result of this study can be used to develop accommodations that suit in any old town with the purpose to sustainable tourism.

**Keyword:** Accommodation, Old town, Tourism, Heritage

## 1. Introduction

### Background

Macintosh and Goeldner (1986) supported on the defining tourism is that tourism is defined as a composite of activities, services, and industries that delivers a travel experience to individuals and groups traveling fifty miles or more from their homes for purposes of pleasure. Moreover, World Tourism Organization, UNWTO (2011) tried to make a conclusion and renew the concept of tourism. The conclusion of new tourism destination could define as a social, culture, and business effect on the condition of moving people from permanent stay to other places for business or working. All of people were called "the visitor" that included tourists, backpacker, population and non-population. The activities caused expenses for tourism. Tourism is a service industry which has an important role in terms of propelling social and economic development of a country. Tourism dose not only serve as a means of distribution of GDP but also creates other businesses both directly and indirectly such as accommodation, food and beverage, souvenir shops, infrastructure enhancement, etc. According to tourism industry growth, it supports investment growth, employment, and income distribution to locals. Each year, our country can earn several hundreds of million baht from this industry.

Thailand is one of the countries that have been focusing on the tourism industry for a long time. One of the important roles of the tourism industry for many years has been an economic one. It can be mentioned that the tourism industry is the industry which can generate highest earning. Since 2009, the Council of Ministers agrees that tourism is an item of a national agenda which covers many organisations. Hence, there is a need to administer and manage it in such a way that needed to administrate and manage in a way that integration with government and private organizations, including the populace, can be achieved. After that, policies and strategic tourism plans have been implemented under the National Tourism Development Plan of 2012-2016.

The objectives of this plan revolve around reanimating and encouraging to expand and become sustainable, thus speeding up creating opportunities to earn money from tourism.

The national tourism development plan 2012-2016, takes in to account information related to tourism situation worldwide and in Thailand (Ministry of Tourism and Sports, 2011). For the tourism situation worldwide, changing tourism behavior related to changes in the global economic situation. Due to the impact of recession,

tourists feel a need to spend carefully on tourism, consider more about the value of money, and are also more likely to consider special interest tourism such as cultural tourism, health tourism, sports tourism, etc. Because tourists would like to learn and get different travelling experiences, get in touch with pure nature and eco-friendly activities, and choose to stay in unique hotels and resorts. Furthermore, we notice an environmental responsibility trend, preserving tradition, architecture and original culture are popular among tourists at present. As for Thailand's prominent tourism areas, our new government is serious about promoting tourism and as a result the number of tourists tends to increase.

In accordance with analyses of factors impacting the Thailand tourism industry which comprise an important issue for the development of Thailand's tourism industry, it was found that there were many strong points. For example; the government emphasised on tourism so they decided to acknowledge it as an issue of concern on the National Agenda and specified in its national economic and social development plan issue 11 (2012-2016). Thailand has an abundance of natural resources, cultural art, and traditions while its people are hospitable. These are the strong points of Thailand as a tourist destination. In addition, Thailand caters for particular attractions such as Thai boxing, spa treatment, service promoting, ancient knowledge and know-how that can be adapted to become remarkable and interesting tourism products.

Songkhla is one of the cities that can support strong tourism development because it has many varied tourist attractions in terms of nature, culture, history, local knowledge and life styles. All these tourist attractions make up Songkhla's characteristic. The local government has therefore incorporated and specified them in its Songkhla development plan 2015-2021. The goal is that Songkhla will become the center of tourism in the southern part of Thailand. It also includes an international standard of service. According to the formation of a development plan and conservation of Songkhla old town in 2002, the local government thus aims to increase the number of tourists to travel to Songkhla. Not only the development plan but also the obligation of the city to support tourism in the area specified in Songkhla's obligation for "economic development, trade, tourism, agriculture industry in the ASEAN community". In terms of policies, the administration team of Songkhla has policies for overall complete tourism development by developing its tourist attractions, accommodation, activities, safety and public relations (Songkhla Municipality Strategic Development Plan, 2015). Moreover, the analysis of problems and requirements of people in Songkhla city indicates has opportunities for tourism such as locations of government offices, educational institutes, financial institutions, hotels and several tourist attractions covering culture, history and nature as well as ancient knowledge present among its people which all together compose the identity of Songkhla.

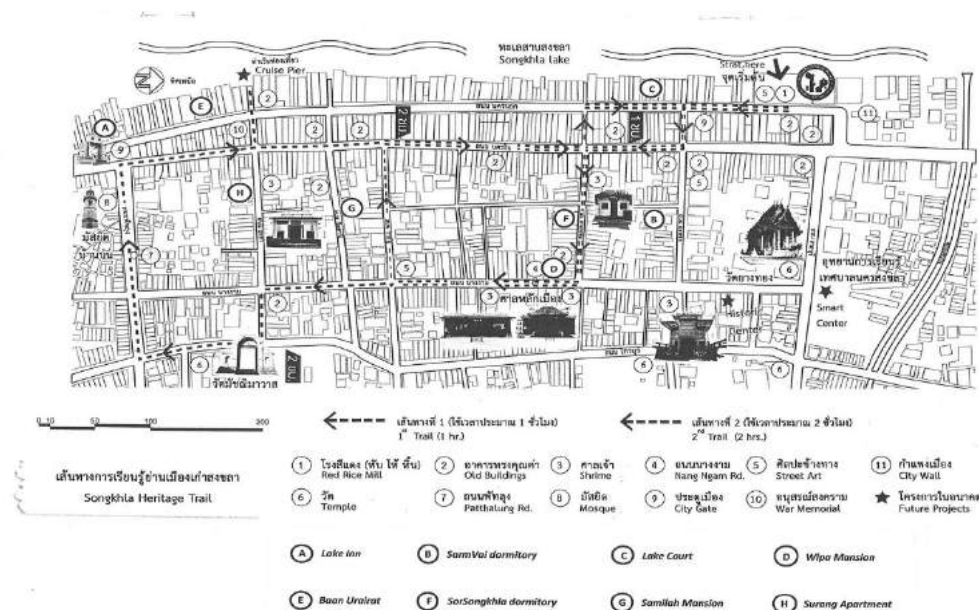
In response to these policies, nowadays Songkhla tends to receive an increasing number of tourists, both Thai and foreigner. The statistics on the numbers of tourists in 2014 showed that one million Thai tourists and five hundred thousand foreign tourists traveled to Songkhla. The statistics also showed that the number of Thai and foreign tourists who travelled to Songkhla in total increased approximately with 2.5 percent (Department of Tourism, 2014). In particular, there are a lot of tourists who visit the old town area of Songkhla for sightseeing old architecture that still mostly remains to be original. For many years, enabling tourists to get in touch with retro-ways has becomes popular. Besides the original architecture, there are many attractions for tourists such as paying homage to the Guan-Yu Shrine and the shrine of the city-god, buying native souvenirs, and sampling famous local meat dishes and desserts on Nang Ngam Road. This area is full of people who come to visit to get in touch with the way of life in our community.

An old town may also include in the category of heritages because it is the place that remain heritage evidences. Udomrat (2013) defined the meaning of an old town that a town or an area of town where has special characteristic or special characteristic of a period in history and characteristic of local culture that carry on for a long time. All of these are value in art, archaeology and history that become important and precious national heritages. According to the theory, the Sogkhla old town is one of interesting heritage landscapes because of the long history. Songkhla Old Town, also known as Bo Yang is the area where is outstanding in landscape. Many foreign merchants were attracted by the outstanding of landscape, so they came to settle until now. Information can be found in the Songkhla old town Heritage Trail handout concerning to history of Songkhla that "the town has changed locations for three time from Khao Dang then Laem Son before it was established at Bo-Yang.



Songkhla has a strategically location advantage as a center of South East Asia and the town situates on a peninsula flanked by Gulf of Thailand and Songkhla Lake not far from Andaman Sea. Besides, a location of Songkhla has been the port where is named as Maritime trading for a long time bringing in foreigners to the town” (Songkhla old town Heritage Trail booklet, 2015, Page 4). Currently, Songkhla old town considered as the nation’s heritage which is soon developing to the world’s cultural heritage. The diversity of cultures helps driving and supporting other values to become remarkable which they are all reflected the uniqueness of Songkhla city. Therefore, Songkhla nowadays is a melting pot of various cultures especially Thai, Chinese and Muslim as evidenced by the architecture of houses and religious places as well as food and tradition. Songkhla old town consists of 3 main roads which are Nakorn Nork and Nakorn Nai road, and Nang Ngam road. (Songkhla Provincial Office for Tourism and Sports)

**Figure I: Current an old town area of Songkhla map**



Source: Songkhla Provinces. (n.d.). Songkhla old town Heritage Trail booklet.

Even though the current situation of tourism in Songkhla is going well by the support of organisations to promote old town of Songkhla, but there are also some threats which are barrier of tourism development in the area. The old town of Songkhla is becoming a popular tourist attraction but the area still has some problems especially facilities to support the growth of tourism, such as lacking of several kind of accommodation or convenience of infrastructure. In addition, tourism trend and government support are not only the big motivate of tourism in the capital city but also local area including Songkhla. On the other hand, many areas still have to face with problems like old town of Songkhla where need some development.

### Significant of the study

The important of this study derives from the concept of tourism operation to be successful. Regarding to the study of many experts, it showed that it should have a study and understand on tourism clearly especially a motivation on traveling of tourists so that we could know true need of them. Moreover, many interesting places and many activities that were related to local culture and facilities might be the factors that attracted them to travel.

Mayor (2011) through the tourists needs, the tourists are away from home while traveling so they need facilities during the trip which consist of 4 things. First, an accommodation is an important need while traveling. Some of

them can stay with their friends or relatives but some of them need accommodations. There are many types of accommodations such as hotel, resort, guest house, etc. Second, food and beverage are concerned as one of the importance needs of tourists. Third, the facility services are souvenir shops, laundry, and recreation, etc. The last one is basic need of traveling such as communication system, transportation and public utility at tourist attraction. Moreover, Esichaikul and Songsoonthornwong (2009), the study used Hierarchy of needs theory of Maslow as basic information to study on the needs on tourism. The result could summarize that the need on tourism of human classified in scales from high to low as follows: the need to relax by traveling to find excitements and new experience, the need of safety while traveling, the need on social by creating new relationships and meet new friends, and the need of life achievement by traveling which would fulfill new experience. Besides, Pearce (1982) mentioned that “not only the importance of characteristics and destinations that attracted tourists but also the ability of destinations to respond to tourists’ needs”. Additionally, Marinus and Gisolf (2014) mentioned that the needs and motivations to travel were the subject to the state of mind of each individual, the position in society and the social environment.

A tourism operation and accommodation concept of **Phuket and Penang, Malaysia** can adapt with a current situation of tourism in the old town area of Songkhla, where is popular and provide support from government, local organizations, and local community. Besides, the concept of accommodation is also a model that supports a variety and standard of accommodation well, the old town area development to be sustainable tourist attractions of culture and architecture in the similar period of Songkhla such as Phuket and Penang, Malaysia. **Sathapitanon and Mertens (2012)** mentioned that most distinctive shop house and townhouse in Thailand were built in the Sino-Portuguese style that originated in Melaka and spread throughout the Melaka Straits. The hybrid originated in the 16th century when the Portuguese traders and colonial officials introduced the European row house structure there, which was embellished by Chinese builders. Later, the Dutch and the British succeeded the Portuguese as colonists in the Straits. Their elements were added together, particularly in Penang and Singapore. It reached Siam in southern port town, especially Phuket, which traded heavily with Penang. Both of the cities were extremely successful in tourism development and still remained the value of their heritage.

The Old town area of Songkhla is outstanding in architecture along with a combination of three cultures and ethnics of Thai, Chinese and Islamic. Moreover, local food in the old town area of Songkhla is popular heritage that influences tourists to travel in the area. Those interesting heritages, local governments and related organizations have created activities and events to support tourism and attract more tourists.

On the other hand, it can find out that the old town area of Songkhla still has some problems of tourism facilities in the area such as insufficient parking area or narrow roads that are not convenient for the tourists to get into the area. Moreover, there is a lack of variety of accommodation and most of them are under standard as well as the old town area of Songkhla in the past used to have some hotels that did not successful thus it become the importance issue that needs an improvement.

The tangible and intangible heritages of Songkhla will be characteristics of the city, hence the study of the suitable model of accommodation can help to remain those heritages and also being a significant of researchers to study on this issue for adaptation and improvement of tourism in the old town area of Songkhla later on.

### **Statement of the problem**

Nowadays, Songkhla becomes an important tourist attraction where has numerous tourists who come to travel, thus it needs full of facilities to support the tourism growth including accommodations. Facility is one of problems that can be a barrier on tourism development. The problems that are clearly found are infrastructure in the area of Songkhla old town where the roads are very small and there are a lot of alleys thus it causes an inconvenience for tourists. Therefore, the lack of diversity and low standard of accommodations become the problem that is importance issue affected to tourism.

A current situation of tourism in Songkhla old town is now growing but it contrasts with the readiness of accommodations in the area and most of accommodations are hotels that located in Hat Yai City. There are not many kinds of accommodation in the old town area of Songkhla for supporting all types of tourists who visit this area. Accommodation nearby is mostly mansions and apartments that just only 8 accommodations. Accordingly, it shows that there is no much opportunities of each group of tourists to choose accommodations. Some groups of tourists need convenience facilities, cleanliness and safety. While another groups of tourists, especially the backpackers like the accommodation that is cheap, locates in a center of town and near the tourist attractions because they love to experience local and want to exchange experience with friends.

Therefore, the researcher anticipates the necessity of study in order to obtain the pattern of suitable accommodation in the old town area of Songkhla. It will support the tourism in the old town area of Songkhla to satisfy tourists. Thus, the researcher uses the qualitative research by in depth interview with involve people in the area and tourists in order to obtain the pattern of suitable accommodation, hence the community and stakeholders can develop the accommodation properly.

### **Scope of study**

#### *Scope of detail*

The details of this research cover the suitable model of accommodation for tourism in Songkhla old town landscape. Research will be conducted by in depth interview with involve people in the area. Moreover, the secondary data to study includes local governments' documents about history and architecture of Songkhla old town, local information that support the tourism of the area. The duration of conducting research will be 12 months.

#### *Scope of population*

Informants of this research are 26 samples of stakeholders in the old town area of Songkhla that can be divided as follows: local people, local government and tourists to find out the result of the suitable model of accommodation in Songkhla old town. Samples of informants can be specified as 10 local people, 10 tourists, and 6 government officers.

#### *Scope of area*

The area for conducting this research is Songkhla old town area where is an important historical area in Songkhla Province. Furthermore, there is an acculturation of Thai, Chinese, Western and Muslim in the same area accordingly. This research covers the main important roads that are located in Songkhla old town: Nang Ngam Road, Nakorn Nai Road, Nakorn Nork Road.

### **Objectives**

1. To study tangible and intangible heritages of the Songkhla old town area that can indicate to a creation of the suitable model of accommodation in Songkhla old town.
2. To study the tourists' needs on the accommodation for tourism in the Songkhla old town area
3. To study the model of accommodation that is suitable for the Songkhla old town area

## **2. Research Methodology**

This research requires several of primary and secondary data by studying on heritage concept (tangible and intangible), tourist need concept and general tourism structure that influence to the study of an accommodation for tourism. The research focuses on studying concepts and opinions that influence to the creating of suitable model of accommodation for tourism in Songkhla old town. The research is qualitative included mapping and picture of the study area and the related area as well as the investigation of factors related to quality of a development on accommodation for tourism. Several steps in the research are as follows:

1. The investigation is an understanding of the background of the study, the significant value of accommodation development, and the important of tourist need and heritage concept to support on tourism in the old town area of Songkhla.

2. A survey of heritages with community profiling help on the area's information such as architecture, history or culture, etc. The survey will focus on the information of heritages that are related to a creation of the model of suitable accommodation.
3. Observation is an important way to study both tangible and intangible values of heritage. Therefore, it provides a good opportunity to see the relationships between stakeholders involved in the heritage. Observation can use as a basic information to create the model of suitable accommodation for the old town area of Songkhla.
4. In-depth interview, it has a preparation of an interview schedule and name lists of interviewees with the exact and clear research questions or themes which facilitate the process of interviewing. The sample will be 26 samples which consist of a range of groups as follows: local people, group of academic, then the group of government organization.
5. The analysis process, the results from the literature review, survey, observation and in-depth interview with the different stakeholders who have given information and opinions will be analyzed. In this stage, the data analysis is identified by separating the classification of data as study issues, creating a conclusion in the induction way and presenting the result of research by analytical description.
6. The final stage of analysis is drawing conclusions, discussions and suggestions for community, government, and other stakeholders who have involved in tourism and accommodation development in the old town area of Songkhla to achieve on cooperation among them.

### 3. Finding

1. To study tangible and intangible heritages of the Songkhla old town area that can indicate to a creation of the models of accommodation that is suitable for the area

#### 1.1 Local People

Concisely, the data showed that most of the aspects of local people to tangible and intangible heritages of Songkhla old town had the same direction. For example, some samples mentioned that "the characteristic from tangible and intangible that can attract tourists might be local foods. The varieties and local architecture such as Hub Ho Hin and street art still remain original. On the other hand, local tradition is not really outstanding to attract tourists." Thus, it can conclude that tangible and intangible heritages of Songkhla old town consist of 5 main heritages as follows:

- 1.1.1 Remarkable local food such as Khao Satu Keart Fung, Salapao Ko Yao, Tae Chinese Food, NamDao Restaurant, black sticky rice stir, Karawjee, etc.
- 1.1.2 The way of life of 3 races; Thai, Chinese, and Muslim that peacefully live together in the community.
- 1.1.3 Several local architecture styles such as Sino European style, Chinese style which is a two-story wood house combined with cement. Moreover, there is architecture that shows a local culture such as the red mill (Hub Ho Hin). Recently, Hub Ho Hin was renovated to be a local learning center for tourism.
- 1.1.4 Tradition such as a shrine of the city-god celebration that has carried on for a long time including Chinese operas performance.
- 1.1.5 Art Street is the pride for the community at the moment. It can attract tourists because the drawing informed and showed the local cultural from the past thus it is continuously interesting among the tourists.

**Figure II: Art Street around an old town area of Songkhla**



Source: Ms. Yingrak Chakcharoen, August 2016

### *1.2 Experts, and government officers*

The aspects of experts to cultural heritages of Songkhla are not much different from local people. Most of opinions showed that the characteristic that can be local cultural, being a local special pride, and attract tourists are

- 1.2.1 **Local food** of Songkhla is different from the others because there is a combination of 3 races: Thai, Chinese, and Muslim that live together in the area of old town. According to the outstanding of food, it is important to preserve this identity. Moreover, it should enforce one of local food for welcoming tourists such as Neaw Bork (Muslim's dessert), Tao Kua, and Khao satu.
- 1.2.2 Songkhla used to be a port for commerce, hence it has an influence to **local architecture** style especially Chinese culture along with the others. Local architecture styles consist of traditional Chinese shop house, commercial Chinese shop house, Sino- European shop house, and Art deco shop house. Apart from that, there are other archaeological sites that should preserve for being a learning center to support tourism such as Khao Noi Palace, Lam Sai Turret, ancient wall, Red mill (Hub Ho Hin). They are important for tourist attractions; not only show about the building but also the culture. At the present time, there is not only the old houses around the old town but also the drawing pictures that being a new characteristic and being able to attract tourists to travel at the old town area of Songkhla.
- 1.2.3 **Local traditions** are famous. A pride of community is shrine of the city-god celebration. However, there are also performances that almost disappear: Chinese opera, classical Thai tune, and fighting bull. All of them were very popular in the past.

Other important heritages and characteristics that impressed tourists are the way of life, lively town, and people. Songkhla old town has a social value that Thai, Chinese, and Muslim can live together peacefully in one community and welcoming as well as the beautiful views of the lake. Then, Songkhla old town can be regards as a divisibly town of natural resources and cultural resources.

## 2. To study the tourists' needs on the accommodation for tourism in Songkhla old town

### *1.1 Tourists*

Usually, most of tourists have several needs especially when they travel and look for an accommodation. According to data, there are some considerations on choosing accommodation as follows: the first concerned issue is safety and security following by a convenient transportation service, tourist attraction nearness, nice atmosphere, friendly staffs, and reasonable price. The data shows that all of these are reasonable because most of people who will stay at Songkhla old town area are the special groups of tourist thus it has a lot of factors in consideration. Moreover, the considerations of tourists follow ASEAN standard for tourism.

Nonetheless, both tourists and visitors agreed that they didn't want a luxury accommodation but they wanted to enjoy with local heritages, cleanliness of room, nice atmosphere, decoration that focused on an original style, 24 hours minimart, warm welcoming and friendship of local people. The importance point is to remain all of the value of heritages.

On the other hand, there is a problem of insufficient parking lots. Moreover, an old town area has limit of space, hence all roads in the area are too narrow to accept all of vehicles that get into the area. According to these problems, it becomes a destination weak point that tourist cannot truly enjoy the sightseeing. It also covers from an interview idea that "the needs of accommodations are the decorations in local architecture styles, safety, convenience, and a reasonable price (500-700 baht). Furthermore, enough parking and minimarts are the facilities that should be provided in the old town area."

## 2. To study the model of accommodation that is suitable for Songkhla old town

Based on the analysis, there are opinions and factors of local people, experts, and tourists that can lead to a creation of the suitable model of accommodation in Songkhla old town area. It can divide in to 4 points as follow:



## 2.1 Types of accommodation for Songkhla old town

### 2.1.1 A small sized accommodation

Local people have agreed that the model of accommodation that is more feasible is a small sized accommodation with less than 10 rooms, the decoration should be simple, locate at a good location that is easy to find something to eat. Apart from that, it should be easy to access by a public transportation service. If we look at the landscape of an old town, the suitable location to create an accommodation is Nakorn Nork Road because it locates next to a beautiful Songkhla Lake. While the most important concerned for accommodation is safety and security. According to above reasons, renovations of old houses must be the main point to consider because an old town area of Songkhla should be a conservation area. Moreover, the owners of the house have ability to create and manage an accommodation by themselves. The reasonable price should be 500 baht or more.

### 2.1.2 Boutique Hotel

All of experts and some of tourists have agreed that a boutique hotel is the most suitable kind of accommodations for an old town. It is a small accommodation that locates among an old town atmosphere. Apart from that, it is not a luxury accommodation but focuses on a convenient and outstanding image each other. A boutique hotel can use a small area to build, hence a renovation of an old building is a good idea and the way to conserve local heritages of an old town. The renovation will be also the advantage because guests can experience and enjoy local decoration style, private time, and beautiful views.

**Figure III: Baan Nai Nakorn, First boutique hostel in Songkhla old town**



Source: Ms. Yingrak Chakcharoen, October 2016

### 2.1.3 Homestay

Most of tourists support on this concept. Homestay focuses on service which tourists will look for friendly hosts and experience of local culture from local people. It is also a small accommodation that definitely has less effect to environment and old local heritages including generating revenue to local people aside from commerce.

### 2.1.4 Modern Guesthouse

Some samples have mentioned about modern guesthouse. Guesthouse would be one type of accommodations that tourists need because of remarkable characteristic of decoration in different themes. According to this, it can decorate in an old style that may be suitable for Songkhla old town area along with a budget price.

In summary, a creation of accommodation for tourism need to consider about cleanliness, service mind, and being a good host as main issue because it attracts not only the guests but also the creations of sustainable tourism in an old town area of Songkhla. According to the data, an interviewee said that a simple accommodation is more suitable than a luxury accommodation.” Furthermore, some interviewers also suggested that “a creation of accommodations for tourism in an area should help in generating revenue of local people, economic growth and restoration of local culture at the same time.” As well as the experts mentioned that “local heritages influent to a creation of accommodation in several models. If tourists want to experience local culture, we can adapt old buildings to create guest houses. Moreover, it should not create and add more buildings in this area, thus guest house or small boutique hotel might be a possible way because it can use old buildings for a creation.”

### 3.1 Affectations and recommendations to a creation of accommodation in Songkhla old town

There is a problem of insufficient parking lots. Moreover, the old town area has a limit space, thus roads in the area are too narrow to accept vehicles that get into the area. According to the problem, it becomes a destination weak point that tourist cannot truly enjoy the sightseeing. There are many ways to solve the problem such as providing a public transportation service, a proportion of parking zone setting, a policy of parking in odd days or even days, a local transportation (tricycle bike), appoint drop points that can take public transportation any time, and adding more direction signs. Not only the development of facility is important but also the surrounding atmosphere such as taking of cables down to the ground can make a road bigger and nice atmosphere.

### 3.2 Advantages after an incoming of tourism

Tourism has advantages to the area and local in term of economic and appreciations to their heritages. Besides, it is also the old architecture conservation includes a publicity of culture and tradition. There are many ways that local people get advantages from an incoming of tourism as follows: creations of accommodations for tourism, an awareness of architecture and facility development in an old town, the pride on local heritages of local people. All of these activities can help in generating revenue to locals and a stimulation of tourism development in an old town area of Songkhla.

### 3.3 The model of accommodation in Songkhla old town area

#### 3.3.1 Location and local architecture style

Nakorn Nork Street is located next to Songkhla Lake, it is more advantageous than Nakorn Nai Street and Nang Ngam Street in landscape because people can admire with the beautiful view. Besides, there is an event (Song Lay) that people can enjoy the local products and the performances. It has not only the beautiful view, but also the convenience of parking because of the width street. Most of buildings are Modern Chinese Shop house.

Nakorn Nai Street is the street that still has original architecture buildings the most. Furthermore, there is an open house activity that people can experience and enjoy the way of life. On the other hand, it is quietly atmosphere among three main streets and there is no problem of parking when we compare with Nang Ngam Street. Most of buildings are Sino European and Traditional Chinese.

Nang Ngam Street: Street is well known as local food street where is full of restaurants along the street thus it is easy to find foods. Moreover, it is the busiest street among three streets because a lot of people come to have a meal. It is not only people but also a narrow street that cause a traffic in Nang Ngam Street. Most of buildings and architecture in Nang Ngam Street are Commercial Chinese shop houses style.

#### 3.3.2 Conservation and concept

3.2.2.1 Conservation: ICOMOS Thailand Association (2010) mentioned about a conservation of the old town of Songkhla area as a heritage site. A briefly detail is mentioned that "The old town of Songkhla was able to carry on culture and way of life for a long time, hence local people were aware of value of their wealthy on culture at the moment. Moreover, it was influent to awaken local people to look after heritages and created local identity which would support a livable town and a pride of local people. In accordance with the purpose, it might achieve the goal if all local government offices private sectors and individual associations work together. We hoped that this purpose led to understanding and awareness of value of culture which could create a conscious in sustainable for conservation of the town"

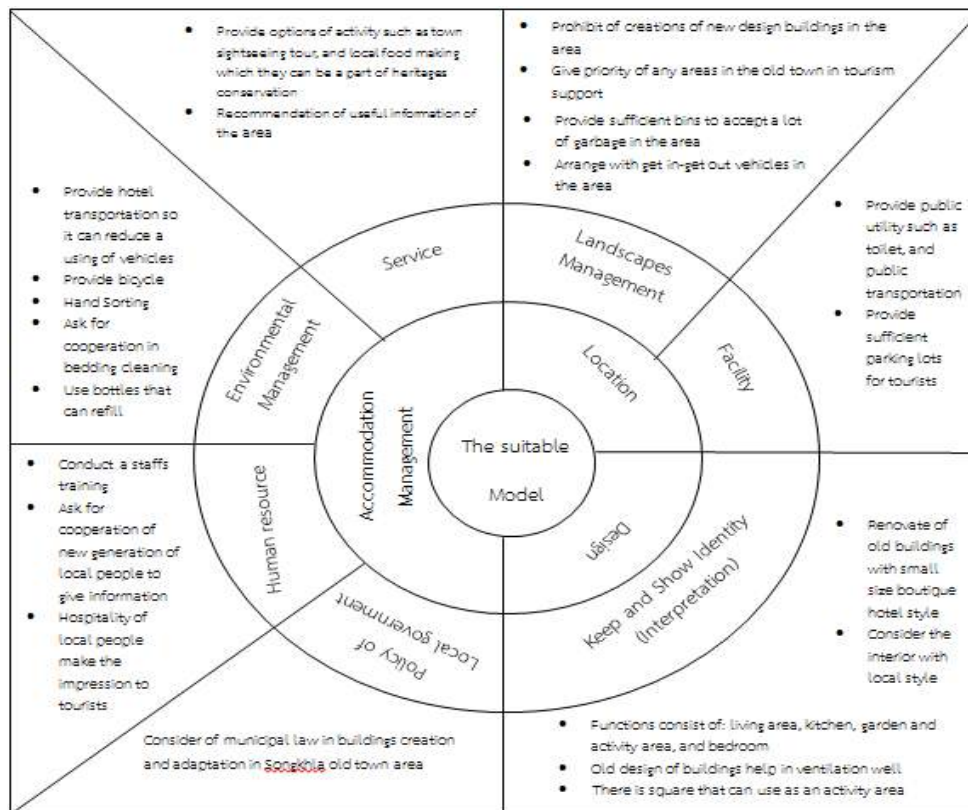
3.2.2.2 Based on the data analysis, samples agreed that a small sized boutique hotel is the most type that may suitable to the old town area of Songkhla.

3.2.2.3 There are some threats that need to consider. It consists of tourism facility and landscape management, sustainable management, different goals of local associations, hospitality of local people. While the analysis showed that there were some ideals to support the sustainable accommodation concept as follows: no meals provided, it provides only basic elements and facility, staffs are friendly, renovation and adaptation of buildings should be improved, it provides some activities, price is reasonable.



## The suitable model

**Figure IV: The suitable model of accommodation for tourism in Songkhla old town area**



Source: Ms. Yingrak Chakcharoen, August 2016

The suitable model of accommodation for tourism in Songkhla old town area consists of three cores as follows: location, design, and accommodation management. Location is classified into 2 cores which consist of Landscape Management and Facility. Landscape Management is composed of the collocation of area and vehicles while facility is about serving a convenience for tourists especially public transportation. The main point of design focuses on Keep and Show Identity (Interpretation) that consists of feature of interior decoration, useful of old buildings, small sized boutique hotel style. The important core is Accommodation Management. It is composed of Policy of local government that has municipal law of buildings as a regulation, Human resource as the important element to service guests, service that should be provided properly, an environmental management that consider of energy serving. All of the cores combine in the square of the suitable model of accommodation for tourism in Songkhla old town area.

## 4. Discussion, Recommendation, and Conclusion

At the present, a cultural tourism is very popular especially Thailand where has several heritage sites. Some destinations have developed until it becomes popular tourist attractions. For example, Chiangkhan, Loei and Chantaboon Old Town in Chanthaburi are cultural sites that the culture and original way of life are existed and widely known among the tourists. The houses that are located in these areas still remain the primitiveness nearly 100 percent. For this reason, tourists are very impressive.

Songkhla is the province where has natural resources and cultural resources in abundance. It becomes the accepted origin and culture, thus the province is more famous as a tourist attraction. The prominent point that makes Songkhla become more popular is Songkhla Old Town where has been improved and developed to make Songkhla turn to be lively once again. Moreover, an important characteristic may be the ancient buildings, local foods, the original way of life, and art street that attracts the tourists more. Architecture of Songkhla Old Town is similar to architecture of Penang and Malacca in Malaysia, including Phuket Old Town in Thailand. It's

evident that these following cities can be developed to a heritage site for tourism of the world distinctly. As the following achievement, Songkhla begins to foresee an important of old town in developing to be the tourist attraction. Hence, the old town is developed and restored continuously through 4 to 5 years. For this reason, it becomes the popular tourist attraction at this moment. Besides, Songkhla is also one of ten old towns that have historical value of country.

When the tourism begins to play a role, it often benefits to that community. For Songkhla Old Town, it's evident that people in the area have more income and income distribution to community is begun that are different to the old town area for many years ago because it was alone. Another important thing that benefits to local culture conservation is people in community, public and private sectors that are awakened in development and restore the area to support tourism. Awakening to cultural conserving of oneself is a good thing because the culture won't disappear and shows the background of oneself in order that the lineage can learn and inherit. Furthermore, it is the way to publicize and spread the culture to others as well.

However, when the tourism begins to play a role, a bad result often comes after as usual. It can be seen from the cities as mentioned above are affected. The development of old town to the tourist attraction and cultural heritage conserving are very important. When the tourism begins to play a role, the number of facilities and businesses that are related to tourism increases such as accommodation, restaurant, and tour company. Hence, local resource usage, capitalist investment and temptation to build the new culture and buildings in order to conceal the original culture are the following main problems.

Nowadays, culture and the way of travel change a lot because of an influence of social media in daily life. By the time, an ancient culture and antique are still popular among tourists as well. Hence, it is not different to see a creation of new things along with an ancient concept for responding to tourist need. There are many places that art street can attract many tourists at the moment. A favor of this kind of travel in Songkhla or Phuket old town may be influenced by Penang, Malaysia where it is similar both tangible and intangible heritages especially architecture. Conversely, Songkhla has loss their own identity and is not able to identify their real value because local sectors only focus on the way to attract tourists and the number of tourists instead of the value of tourism. At this point, it becomes a suspense issue to concern because it will be only a temporality tourist attraction that tourists enjoy taking photo for a while and will not revisit the destination. At the end, it can be compared as two-edged sword.

For suggestions, Songkhla old town can be developed to a sustainable tourism because there are readiness of geography and culture. Songkhla old town is located next to Songkhla Lake, moreover local food is a popular identity among tourists. In term of tourism facility should be provided properly as tourist's need and be useful to both community and tourism development. All of those elements can support tourism in Songkhla old town area becomes a sustainable tourism.

The aspect of tourism development, facilities are considered as important elements especially transportation, sanitation, and accommodation service. However, it becomes a problem of new destinations that usually face as well as Songkhla old town area at the moment. The principle problem originates in the limit of space that cannot respond to an increasing number of vehicles in an old town because of lacking well management. Even though there are policies of car parking form local government such as odd days and even days parking, nearby area car parking provided but it was inconsistent and unable to enforce in the area because everyone thought only personal benefit and convenience. According to a problem, the main cause that was an obstacle of development are people who are the important resource and element in tourism thus the cooperation of locals and the understanding of each other are the best way to solve the problem. Furthermore, local government should provide a lot of suitable parking area for tourists and local people because neatness will make a better atmosphere and be suitable for sightseeing. While public transportations should be added as an increasing need along with an allocation of public transportation dropping points that tourists can take it anytime. It will be advantage to guests who stay in the area and the way to manage with a problem.

The important element to support a comprehensive tourism development is accommodation service. There are many ideas to create an accommodation but the most suitable types of accommodation must consider on factors of the destination. A researcher suggests that a conservation of local heritages and less effect to environment are the most important factors to consider on a creation of accommodation in Songkhla old town area. Moreover, accommodation quantity control is also important because an old town should not have much new buildings. We can be seen from other destinations that there were capitalists invested in accommodation business, at the end the numbers of accommodations in that area was over market demands and local heritages were damaged. Fortunately, there is a new generation of local people getting back to Songkhla because they alert and are interested in development of their community hence it can reduce chances of investment of capitalists. All of ideas are also adapted from some part of ASEAN Tourism standard that was one of guideline on this study. It has main points as follows: Green hotel standard, Home Stay Standard, Tourism Heritage. The other information that is related to accommodation practice toward sustainable development is the eco-lodge. The concept of eco-lodge has mentioned in the Second International Eco-lodge conference about accommodation management for preservation of ecosystem at Cost Arica on October 1995. The details conclude as follows:

1. Accommodation should be small size along with small elements and including cleanliness, safety, and be shady.
2. The design should use local material and architecture pattern according with local architecture.
3. Using suitable technology for adaptation and focus on energy saving.
4. Accommodation should manage by local or being a community business.
5. It should have environmental management to preserve environment, waste management, and focus on recycling.

Besides, the **SWOT analysis of accommodations in the Songkhla** old town of the study can also be strong information to support the practice and tourism in the future. Most of accommodations in the study are apartments and dormitories thus we can analyze the elements as follow:

| Strengths                                                                                                                                                          | Weakness                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Flexible rules and service</li> <li>2. Number of rooms</li> <li>3. Reasonable price</li> </ol>                           | <ol style="list-style-type: none"> <li>1. Most for monthly rental</li> <li>2. No service provider like the other kind of accommodation</li> </ol>                                                                          |
| Threats                                                                                                                                                            | Opportunities                                                                                                                                                                                                              |
| <ol style="list-style-type: none"> <li>1. There is no plan for development of accommodation or improve of accommodation in an old town area of Songkhla</li> </ol> | <ol style="list-style-type: none"> <li>1. The growing of tourism and support from organizations on tourism in an old town area of Songkhla</li> <li>2. Good location that is located at tourist attraction area</li> </ol> |

Based on data analysis, a researcher agreed that a concept of small sized accommodation that uses an old building in the area can be renovated to be accommodation. A small sized accommodation should not have many rooms, have ability to accept a group of special tourist who want to experience local culture. Another important point follows by opinion of experts, boutique hotel might suitable to Songkhla old town more than guest house because there are different in target groups. A group of special tourist is deeply interested to experience the different of culture in that destination than backpacker who is a main target group of guest house. Besides, a group of special tourist has high purchasing power than backpacker who rarely spends money for other services. Consequently, there are obviously difference of characteristics between both groups of tourist to the benefit of community and society.

Another way is consideration to a current condition of Songkhla Old Town that doesn't become the complete tourism yet because most of tourists prefer to travel for one day trip and Songkhla Old town is supposed to be the world heritage site, the inner area of old town that is compared as egg yolk is not appropriate to build the accommodation for the tourism or the accommodation that offers the complete facilities. The good

way is to find the suitable outside area to build a bigger sized accommodation to support the tourism and tourists who come as groups.

A researcher suggests the two ways that have mentioned above are possible for a creation of the suitable model of accommodation for Songkhla Old Town Area. That are the small boutique accommodations where are renovated from the old buildings or expansion to build the new accommodation with more area in nearby zone that can support the number of guests and also add more facilities. It's evident that both of these ways have less affect to society and culture, and the size of accommodation is proper as the need. Songkhla Municipality has created the municipal law of building creation in the inner old town area to be the regulation. Thus, these two ways are more possible.

Above all, when the tourism plays a role, the development begins. The important thing is to value highly and conserve the cultural heritage that is the indicator to show a background of old town. Thus, it should have a development of human resource and instill in conservation because human resource is the important element in propulsion of tourism for permanence. Summarily, buildings are only temporary things but heritages will be the characteristics of the community that remains forever.

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# The Effect of Destination Image on Satisfaction and Loyalty: a Study of Foreign Tourists in Bangkok

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## Abstract

**Purpose:** The overall aim of this study was 1. to investigate the direct impact of destination image on destination satisfaction and destination loyalty (in particular, intention to revisit and recommend); 2. to investigate the influence of destination satisfaction on destination loyalty; 3. to investigate the mediating effect of destination satisfaction on destination image and destination loyalty.

**Methodology:** The convenience sampling method was adopted in data collection process. A total of 250 questionnaires was distributed at popular tourist attractions in Bangkok. However, only 234 valid questionnaires were returned and used in data analysis, yielding a response rate of 93.6%. Regarding to hypothesis testing, all proposed hypotheses were analyzed by multiple ordinary least square regression (OLS).

**Key finding:** There was a significant positive relationship between 1. perception of destination image and overall satisfaction ( $\beta=0.863$ ,  $p\text{-value}<0.001$ ); 2. overall satisfaction and intention to revisit ( $\beta=0.730$ ,  $p\text{-value}<0.001$ ); 3. perception of destination image and intention to spread WOM ( $\beta=0.113$ ,  $p\text{-value}<0.005$ ); 4. overall satisfaction and intention to WOM ( $\beta=0.828$ ,  $p\text{-value}<0.001$ ). However, perception of destination image and intention to revisit is not statistically significant ( $\beta=-0.075$ ,  $p\text{-value}=0.439$ ).

**Practical Implication:** Destination image and destination satisfaction are crucial mechanism in driving sustainable tourism success especially for mutual destination where a destination is much relying on repeat visitors other than first time tourists. The results of this research indicated that destination image is positively influenced on destination satisfaction. Based upon research result, satisfaction is a significant antecedent of intention to revisit, destination policy-makers should bear in mind the importance of satisfaction while tourists traveled in Bangkok since in increasing the likelihood of return in the future. Therefore, destination should be favorably promoted and tourism product quality should be always offered with the best, or at least acceptable, quality.

**Keywords:** Destination Image, Destination Satisfaction, Destination Loyalty, Intention to Revisit, Intention to Spread Word of Mouth (WOM), Bangkok

## 1. Introduction

Over decades, tourism has been received a great attention from academics and practitioners. Not only because of its significance role in developing a nation wealth, tourism brings about favorable impacts for local residents as well. Globally speaking, tourism is considered as a mechanism to foster national revenue, and Thailand has no exception. With abundant and diverse resources, rich culture and history, Thailand and its capital city, Bangkok, becomes one of key players in tourism industry as far as international tourism is concerned. The success was proved in 2013 when Bangkok conquered world's renowned destinations like London and Paris in terms of number of foreign visitors Quan (2013). In 2016, the nation received USD82.5 billion from tourism sector by which accounted for 20.6% of total GDP and is expected to hit USD16.9 billion in 2027 (The World Travel & Tourism Council, 2017). Tourism in Thailand also makes a great contribution to local employment, total of job supported by tourism was 5.7 million positions in 2016 and expected to reach 9.5 million jobs by 2027 (The World Travel & Tourism Council, 2017). With these figures, tourism in Thailand is, and always, playing a significant role in improving Thai economic structure.

However, sustainable tourism success is an ongoing concern for many, possibly almost all, destinations. With its alluring financial return, it comes a higher competition. Together with increasing number of newborn destinations, promotions released by establishment and tourism intermediaries, and changing travel pattern, the competition worldwide is widened. Therefore, understanding tourist behaviors and perception towards a destination would, at least, enables policymakers, governmental authorities, private establishments and service providers to effectively



compete among a pool of adversary, and eventually lead to enjoyable number of arrivals. In order to use tourism as a tool to effectively drive up national economy and community wealth, there is a necessary to understand tourists' perception destination image so that marketing a destination can be done correctly.

As referring to the antecedent of destination branding, Thailand, as a brand, has been created by various factors, integrated communication channels and travelers' direct and indirect awareness; informal conversation with friends and those who already visited Thailand, exposure to information and advertisement. Because tourism is much intangible in nature, the image of a destination is very crucial when it comes to consumer decision making process. The decision of destination choices is heavily relying on perceived image an individual held. That is to say, destinations with a strong favorable image are more likely to be selected in comparison to those with negative one. Therefore, the role of destination image is highly recognized as far as marketing a destination is concerned. However, perceived image of a destination is varying from one to another and can be altered throughout travelling process; before, during, and after visitation. By taking destination loyalty and repeat visitor into consideration, there are some other factor involved. Apart from a destination image that is obviously impacting on destination choice matter of repeat visitors, destination satisfaction is highly involved. A study of Phillips, Wolfe, Hodur, and Leistritz (2013) discovered the interrelationship among destination image, destination satisfaction and destination loyalty. In order to determine the destination loyalty, the intervention of destination satisfaction, therefore, must be investigated (as an antecedent) as well.

Moreover, the number of studies discovered that destination image is related to destination choice, satisfaction, and loyalty. By taking the types of tourist into consideration, visitors who already visited a destination became one of an important segment for destination. With referring to the spending at a destination, profit generated by repeat visitor is 25 times higher than first time visitors (Reichheld & Teal, 2001). Another key benefit of repeat visitors lies within the sharing of travel experience with their acquaintances (Oppermann, 2000). From this viewpoint, visited travelers act as a free advertising agent by which receiving a high creditability from receivers as compared to other means of advertising. With above discussion, the objectives of this research are 1) to investigate the direct impact of destination image on destination satisfaction and destination loyalty (in particular, intention to revisit and recommend); 2) to investigate the influence of destination satisfaction on destination loyalty; 3) to investigate the mediating effect of destination satisfaction on destination image and destination loyalty. Practically speaking, the identification of perceived destination image, satisfaction and loyalty is beneficial to destination marketing organizer (DMO), since image projected can be correctly adjusted according to tourists' demand. By so doing, tourism policymakers can revise its current marketing strategies and make sustainable tourism a success. Moreover, local service providers can improve its performance. In conclusion, this study contributes to superior marketing strategies for both macro and micro tourism constituents (government and local businesses), so that marketing efforts is correctly prioritized. In terms of academic contribution, this research is capable of fulfilling tourism literature by updating Bangkok perceived image in the eyes of international visitors.

## **2. Literature Review**

### **Destination Image**

Destination Image has been defined as overall ideas, belief, and impressions that any individual has on a particular destination (Crompton, 1979; Fakeye & Crompton, 1991). Echtner and Ritchie (2003) interpreted destination image as the overall impression a person has in relation to a destination for example, restaurant, surrounding environment, accommodation. Destination image, in this research, is referred to a combination set of perceptions and feelings a traveler held towards a destination by which subjective to an individual. Perceived destination image is created based on information a person exposed to ranging from advertisement offered by tourism establishment, informal communication with friend and family, personal experience, and information from other sources irrelevant to travelling purpose (news, TV series as such) (Leisen, 2001). Therefore, a destination is perceived differently, not only from one to another, but even in each travel stage a traveler is in (before, during, and after travelling). Without actual visitation and personal experience in a destination, consumers make travel decision based on bounded rationality since knowledge is limited. Therefore, destination image is undeniably important as far as destination choice is concerned. In prior to actual trip, destination choice is much determined by perceived destination image. In particular, travelers are likely to visit a place with distinguish and positive image (for instance good reputation, beautifulness, cleanliness, and safety. On the other hand, a destination with negative

image has less chances of being chosen for example a place with bad reputation in terms of safety or political instability.

It is generally accept that destination image is complex in nature, not only because of its various products offered to the market but the construction of image as well. Seyhmus Baloglu and McCleary (1999) proposed that destination image is differently constructed based on cognitive and affective evaluation. While cognitive evaluation or cognitive image of a destination is the beliefs or knowledge related to a destination's attributes, affective is referred to feelings (excited and pleasure for example). Physical features of environments (natural resources and environment, culture, history and art, social environment, infrastructure, and activities) is the best example of cognitive evaluation. Therefore, in effectively investigating an overall destination image, both cognitive and affective evaluation must be both studied.

It is discovered that destination image affects destination satisfaction, in particular, a positive destination image leads to the positive perspective and behavior of tourists (Phillips et al., 2013). Other research also showed that destinations with positive images will have higher possibility of being selected in consumers' decision making process (Chi & Qu, 2008). Furthermore, more researches also show that tourists who have positive perception on destination image would identify their experiences as positive, which leads to more satisfaction (Chi & Qu, 2008; Lee, 2005). Destination Image has also been considered as one important factor that tourists use when they choose their destination and also their future behavior intention (Crompton, 1979; Fakeye & Crompton, 1991). Those future behaviors include revisit intention and inclination to recommend to others (Chen & Tsai, 2007). Therefore, the hypothesis is proposed as follows:

H1: Perception of tourists on Destination Image positively influences destination satisfaction.

H2: Perception of tourists on Destination Image positively influences tourists' intention to revisit.

H3: Perception of tourists on Destination Image positively influences tourists' intention to spread word of mouth.

### **Destination Satisfaction**

The concept of consumers' satisfaction has been widely discussed in many research articles, especially in marketing and consumer behavior domain. From marketing perspective, customer satisfaction has been defined as the degree to which the positive feelings is perceived by individual resulted by consumption experiences (Rust & Oliver, 1994). As for tourism literature, satisfaction has been defined as the overall impression that any tourists had from visiting a destination which met, or ever went beyond, his or her travel expectations and needs. Destination satisfaction became one of the key influential factor on consumer decision and future behavior. Destination satisfaction is generally measured by comparing the expectation before and after experiencing in a destination. However in fact, travelers do take costs (value for money) when accesses destination satisfaction as well. Therefore, key factors influencing on destination satisfaction covers price, perceived benefits, experience (Chi & Qu, 2008). However, evaluating customer satisfaction composes of various dimensions owing to different motivations and expectations. Previous researchers have found a relationship between customer satisfaction and post-purchase behavioral intention (Bigné, Sanchez, & Blas, 2009; Chi & Qu, 2008; Kozak & Rimmington, 2000). Moreover, several studies have also found the positive relationship between product satisfaction and intention to repurchase (Oliver, 1980; Rittichainuwat, Qu, & Mongknonvanit, 2002; Zeithaml, Berry, & Parasuraman, 1996). Furthermore, the impact that destination satisfaction has on tourists' intention to revisit or make recommendation to others has also been shown in many research papers (Alegre & Cladera, 2006; Baker & Crompton, 2000; Crompton, 1979; Kozak, 2001; Kozak & Rimmington, 2000; Petrick, 2004; Ro & Chon, 2006; Ross, 1993; Yoon & Uysal, 2005). These studies proved that tourists with high level of satisfaction are likely to revisit the destination and willing to give positive word of mouth recommendation of the destination. Therefore, the hypothesis is proposed as follows:

H4: Destination satisfaction positively influences tourists' intention to revisit.

H5: Destination satisfaction positively influences tourists' intention to spread word of mouth about the destination.

## Destination Loyalty

Loyalty has long been considered as an important factor in service business as it can bring benefits by increasing number of repeat visitors and save advertising expenses by spreading positive word of mouth from previous tourists (Mao & Zhang, 2014). From tourism viewpoint, destination loyalty is referred to behaviors of travel consumer that may happen in the future and can be reflected in terms of intention to revisit and intention to recommend (Oppermann, 2000). Destination loyalty is, therefore, essential for marketing a destination to global audience. A positive experience travelers has towards tourism product and service altogether with destination image influence revisit intention and recommendation to friend and family (Kim & Yoon, 2003). Each of the component of destination loyalty will be next discussed.

## Intention to revisit

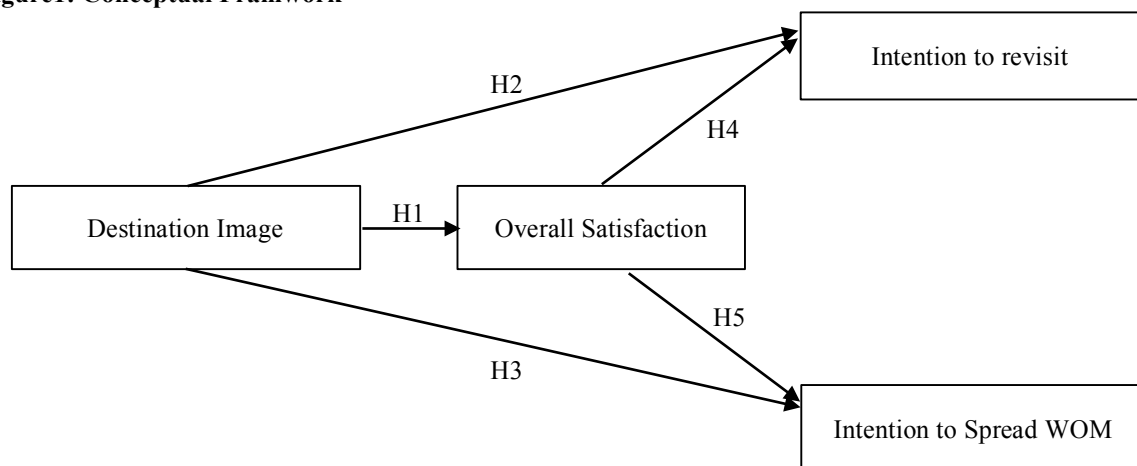
Intention to revisit for tourists has been defined as any individual's desire or willingness to make a repeat visit to the same destination in a specific timeframe (Cole & Scott, 2004; Han & Kim, 2010). However, other research argued that the intention to revisit has been considered as an extension of satisfaction rather than the revisits decision making process itself. There is evidence in a research that show that it is better to retain previous customers to come back than attract new visitors (Ro & Chon, 2006). That's why so many researches have studied the factors that contribute to intention to revisit (Alegre & Garau, 2011; Seymus Baloglu, 2000; Cole & Scott, 2004). Moreover, several research also shown the positive and direct relationship between destination image and tourists' intention to revisit (Bigné et al., 2009; Chew & Jahari, 2014; Kim & Yoon, 2003).

## Intention to spread word-of-mouth

Word-of-mouth (WOM) is a form of informal communication about products or services among people who have little commercial involvement or be independent of the company (Jalilvand & Samiei, 2012). It is widely known to play an important role in creating and persuading consumer attitudes and behaviors since it often create a strong impact on product judgment (Herr, Kardes, & Kim, 1991; Kiecker & Cowles, 2002; R. E. Smith & Vogt, 1995; Weinberger & Dillon, 1980; Xia & Bechwati, 2008). Several research have also shown that WOM is more powerful to influence consumers than other platform of communicating media such as advertisements or recommendation from magazine (Bickart & Schindler, 2001; D. Smith, Menon, & Sivakumar, 2005; Trusov, Bucklin, & Pauwels, 2009).

Even there are a number of factors that affect the promotion of WOM, there are two factors that stood out, which is satisfaction and identity salience (Simpson & Siguaw, 2008). As discussed earlier that satisfaction is the overall impression of destination from tourists, previous research has found that satisfaction affects WOM (Anderson, 1998). Anderson (1998) also explain the relationship between satisfactions to WOM by providing theoretical foundations for future research. These theoretical research supports the relationship between satisfaction and WOM and can be applied in a travel business. It said the reasons that satisfied travelers wanted to promote a destination are they wanted to help others, to be looked as intelligent travelers, and to support their own decision on destination selection. The conceptual framework was exhibited in Figure 1.

**Figure1: Conceptual Framwork**



### 3. Methodology

#### Questionnaire Design and Construct Measurement

This research was quantitatively conducted through the use of self-administered questionnaire as a research instrument. The questionnaire was properly designed to measure all variables within the conceptual framework, and verify proposed hypotheses. The questions were constructed based on literature review of previous research papers. With respects to the constructs of this study, destination image and destination satisfaction are identified as independent variables, while destination loyalty is regarded as dependent variable. However, destination satisfaction is perceived as mediating variable that cause mediation in destination image and destination loyalty as well. Therefore, questionnaire of this research was separated into four main sections; destination image, destination satisfaction, destination loyalty and respondents' profile. In the first part of the questionnaire, respondent's perception of destination image, Bangkok in particular, is explored, and five- point Likert scale ranging from strongly disagree to strongly agree is employed. The original questionnaires used in Chen and Tsai (2007) and Chi and Qu (2008) were followed. The respondents were asked on various aspects on how they perceived Bangkok as a destination. Bearing in mind the complex characteristics of destination image, multiple items scale was used to measure each aspect of perceived destination image; overall environment, entertainment, basic infrastructure and value for money. Bangkok is a safe city for you, Bangkok has colorful night life, Bangkok has wide selection of restaurants, and Bangkok travel is good value for money are the example of questions determining destination image. Destination satisfaction, as a second independent and a mediating variable, was evaluated in the following section. Respondents were questioned to rate their level of agreement on the given statements by using the same set of five-point Likert scale, questions were borrowed from Mao and Zhang (2014). Bangkok met my expectations and I am happy that I visited Bangkok are exemplified.

Moving from measuring an independent to a dependent variable, destination loyalty was studied in the third section of the questionnaire. At operational level, destination loyalty is measured by revisit and recommendation to others intention. Multiple items scale was used to access each construct. In particular, the scales developed by Wee-KhengTan and Cheng-EnWu (2016) and Walker et al. (2013) were borrowed to measure revisit intention and recommendation to other respectively.

Respondents' profile (used as control variable) was collected in the latter part of the questionnaire. The details were included age (measured in years); gender (as dummy variable where 0=female and 1=male); place of origin (nominal scale was developed for Europe, Asia, Africa, North America, Central and South America while others was omitted as a dummy variable); education level (ordinal scale was developed where 1= below high school, 2= high school, 3 = bachelor's degree, and 4 = higher than bachelor's degree); number of travel companion (ordinal scale was developed where 1= solo, 2= from 2 to 4, and 3 = more than 4), and past experience in Bangkok (ordinal scale was developed where 1= first time visitor, 2 = repeat visitor). Questionnaire structure is presented in Table 1.

**Table1: Questionnaire Structure**

| Construct                       | Item                                                                                                                                 | Question Number | Source                                     |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------|
| <b>Destination Image</b>        | Overall environment (4)<br>Entertainment (4)<br>Basic infrastructure (3)<br>Value for money (4)                                      | Question 1-15   | Chen and Tsai (2007)<br>Chi and Qu (2008)  |
| <b>Destination Satisfaction</b> | Level of satisfaction (5)                                                                                                            | Question 16-20  | Mao and Zhang (2014)                       |
| <b>Destination Loyalty</b>      | Intention to revisit (3)<br>Intention to recommend (2)                                                                               | Question 21-25  | Lam and Hsu (2006)<br>Mao and Zhang (2014) |
| <b>Respondent Profile</b>       | Gender (1)<br>Age (1)<br>Place of origin (1)<br>Education (1)<br>Number of traveler (1)<br>Length of stay (1)<br>Past experience (1) | Question 26-32  | Authors                                    |

### Sample and Data Collection

Even collecting data from every object in population yields the best results, many of limitations arise and make it impractical in most researches, and this research has no exception. Therefore, samples of interested subject were investigated in this study rather than the whole population. However, the population of this research referred to international tourists visited Bangkok during the research period, in particular January – April 2017. Convenience sampling by which based upon the convenient accessibility and proximity to the researchers was employed. The questionnaires were distributed at various popular tourist destinations within Bangkok as recommended by Ministry of Tourism and Sports and well known tourism website, namely Siam Paragon, Grand Palace, China town, Khao Sarn Road, Chatuchak Weekend Market, Temple of Dawn.

It is suggested that, minimum respondents of 200 must be reached in order to create a result generalizability (Wilson, 2006). Therefore, 250 set of questionnaires were given to international tourists. However, in prior to questionnaire distribution, pilot test was conducted with 50 international tourists to ensure that questionnaires were error free. Of 250 distributed questionnaires, 234 were completely returned, yielding a response rate of 93.6%.

### Data Analysis Method

In order to ensure the consistency of the questions presented in the questionnaire, reliability test was conducted twice; after pilot test and after received data from 250 set of questionnaires. The Cronbach's alpha coefficient of this research was conducted twice. The first reliability test was directed with the sample of pilot study ( $n=50$ ), and the latter was tested by sample of the study ( $n=234$ ). Both revealed acceptable results. Therefore, it could be conclude that questions were reliable since it was higher than the acceptable minimum value of 0.7 (Nunnally & Bernstein, 1994). In order to test hypotheses proposed, the relationship among variables were investigated by employing the Ordinal Least Square (OLS) regression analysis as a data analysis method. The evaluation was conducted on IBM SPSS software.

**Table2: Reliability Test**

| Variables                      | Cronbach Alpha ( $\alpha$ )<br>pilot test $n=50$ | Cronbach Alpha ( $\alpha$ )<br>$n=234$ |
|--------------------------------|--------------------------------------------------|----------------------------------------|
| <i>Destination Image</i>       | 0.815                                            | 0.821                                  |
| <i>Overall Satisfaction</i>    | 0.925                                            | 0.920                                  |
| <i>Intention to revisit</i>    | 0.905                                            | 0.913                                  |
| <i>Intention to spread WOM</i> | 0.914                                            | 0.892                                  |

## 4. Results

### The Profile of Respondents

The demographic profile of respondents (fully shown in Table 3) indicated that most of the respondents were male, with average age of 24.84 years old, and highly educated. Also, most of the respondents were first time visitors with the average tourist stays almost five days in Bangkok (4.84). 53% of respondents travelled in a small group of 2-4 persons while the other 43.8% were solo travelers, with only 8.1% of them are travelling in a group of more than 4 persons. With respect to the place of origin of participants, international around the world were taken into this research. Undoubtedly, the majority of respondents was Asian (40.6%), following by Europe (27.8%), North America (20.1%), Africa (4.7%), South America (3.4%), and Others (2.6%).

**Table 3: Descriptive statistics of the samples**

| Demographic Factor | Descriptive Statistics                                                                                 |                          |
|--------------------|--------------------------------------------------------------------------------------------------------|--------------------------|
| Age                | Mean: 24.84                                                                                            | Standard Deviation: 4.99 |
| Gender             | Male: 119 (50.9%)                                                                                      | Female: 115 (49.1%)      |
| Education Level    | High School: 24 (10.3%)<br>Bachelor's Degree: 141 (60.3%)<br>Higher than Bachelor's Degree: 69 (29.5%) |                          |
| Place of Origin    | Europe: 65 (27.8%)<br>Asia: 95 (40.6%)<br>Africa: 11 (4.7%)<br>North America: 47 (20.1%)               |                          |

| Demographic Factor | Descriptive Statistics          |                              |
|--------------------|---------------------------------|------------------------------|
| Travel Party       | South America: 8 (3.4%)         |                              |
|                    | Others: 8 (2.6%)                |                              |
|                    | Solo Traveler: 94 (40.2%)       |                              |
|                    | 2-4 Persons: 125 (53.4%)        |                              |
|                    | More than 4 Persons: 15 (6.4%)  |                              |
| Length of stay     | Mean: 4.87 Days                 | Standard Deviation: 2.61     |
| Past Experience    | First Time Visitor: 186 (79.5%) | Repeated Visitor: 48 (20.5%) |

As discussed earlier, the method employed to verify the hypotheses of this study was Multiple Ordinal Least Square (OLS) regression analysis. It is worth mentioning that respondents' age, gender, education level, place of origin, length of stay, and past experience were assigned as the control variable and also put in the analysis as well. However, the full multiple regression analysis table, by which the information of control variable was presented, was available in Appendix. To ensure that two or more predictor variables in a multiple regression model are not too highly correlated, multicollinearity problem was also examined in this study by looking at the value of variance inflation factor (VIF). The data in Table 4, Table 5, and Table 6 indicated that all variables had acceptable VIF values since they were not exceeded acceptable value at level of 10 (Hair et al, 2009). This indicates that multicollinearity problem of this research was limited.

The first multiple regression result was exhibited in Table 4. It indicated that there was a significant positive relationship between perception of destination image and overall satisfaction ( $\beta=0.863$ ,  $p\text{-value}<0.001$ ). Thus, the Hypothesis 1 was fully supported. In addition, at R-square value equals to 0.506, it showed that all variables in the model was capable of predicting 50.6% of the overall satisfaction (as dependent variable).

After testing Hypothesis 2 and Hypothesis 4, the result showed that the relationship between perception on destination image and intention to revisit is not statistically significant ( $\beta=-0.075$ ,  $p\text{-value}=0.439$ ) (Table 5). Thus, Hypothesis 2 was not supported. However, the relationship between overall satisfaction and intention to revisit was positive and statistically supported ( $\beta=0.730$ ,  $p\text{-value}<0.001$ ). Therefore, hypothesis 4 was supported. Furthermore, the R-square value of this model was equal to 0.618. It indicated that the given variables can explain and predict 61.8% of intention to revisit.

The multiple OLS regression analysis was, again, used for testing of Hypothesis 3 and Hypothesis 5. The result was presented in Table 6. Perception on destination image significantly related to intention to spread WOM ( $\beta=0.28$ ,  $p\text{-value}<0.001$ ). Moreover, the relationship between overall satisfaction and intention to spread word of mouth was also positive and significant ( $\beta=0.741$ ,  $p\text{-value}<0.001$ ). Therefore, both hypothesis 3 and hypothesis 5 were supported. In addition, the R-square value of this model was equal to 0.909 which means the variables can explain and predict 90.9% of intention to spread word of mouth.

**Table 4: Regression Result of Overall Satisfaction as Dependent Variable (full version at Appendix A)**

| Variable          | Value    | Std. Error | t     | p-value | VIF   |
|-------------------|----------|------------|-------|---------|-------|
| intercept         | 0.082    | 0.678      | .121  | 0.904   |       |
| Destination Image | 0.863*** | 0.088      | 9.834 | 0.000   | 1.202 |

Notes: Unstandardized beta coefficients are reported

\*\*\* $p<0.001$ , \*\* $p<0.01$ , \* $p<0.05$

**Table 5: Regression Result of Intention to Revisit as Dependent Variable (full version at Appendix B)**

| Variable             | Value    | Std. Error | t      | p-value | VIF   |
|----------------------|----------|------------|--------|---------|-------|
| intercept            | -0.075   | 0.628      | -0.120 | 0.905   |       |
| Destination Image    | -0.075   | 0.097      | -0.775 | 0.439   | 1.727 |
| Overall Satisfaction | 0.730*** | 0.062      | 11.719 | 0.000   | 2.024 |

Notes: Unstandardized beta coefficients are reported

\*\*\* $p<0.001$ , \*\* $p<0.01$ , \* $p<0.05$



**Table 6: Regression Result of Intention to spread Word of Mouth as Dependent Variable (full version at Appendix C)**

| Variable             | Value    | Std. Error | t      | p-value | VIF   |
|----------------------|----------|------------|--------|---------|-------|
| intercept            | 0.110    | 0.293      | 0.377  | 0.707   |       |
| Destination Image    | 0.113*   | 0.045      | 2.498  | 0.013   | 1.727 |
| Overall Satisfaction | 0.828*** | 0.029      | 28.547 | 0.000   | 2.024 |

Notes: Unstandardized beta coefficients are reported

\*\*\*p<0.001, \*\*p<0.01, \*p<0.05

### Test of Mediating Effect

According to the conceptual model of this study, it is shown that overall satisfaction can be a mediator of two relationships; the relationship between perception of destination image and intention to revisit, and the relationship between perception of destination image and intention to spread WOM. As recommend by Preacher and Hayes (2004), Sobel test was employed to determine such mediating effect. The result from the online Sobel test calculator (Free Statistics Calculators, 2016) indicated that the one-tail probability's p-value is equal to 0.000 while two-tail's p-value is equal to 0.000. Therefore, it could be concluded that overall satisfaction fully mediated the relationship between perception of destination image and intention to revisit (Figure 2). The summary of tested conceptual model was also presented in Figure3.

**Figure 2: Mediating effect of Overall Satisfaction**

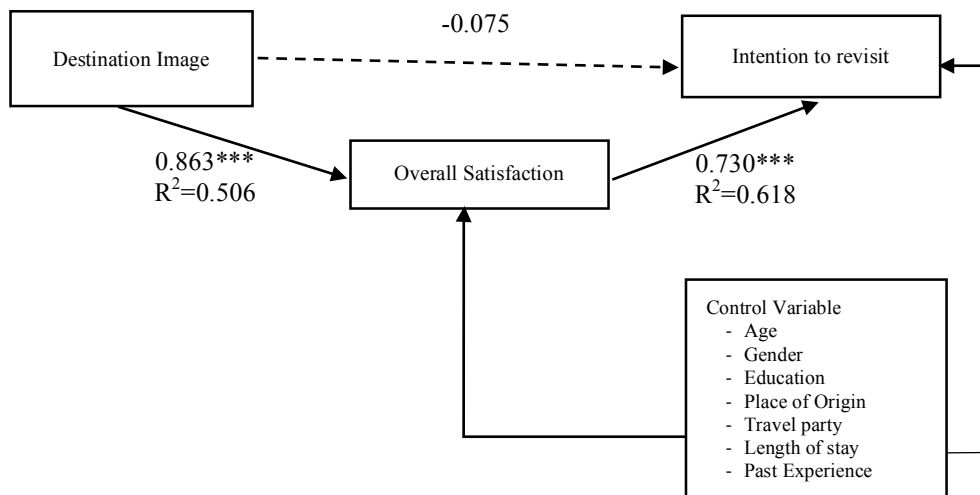
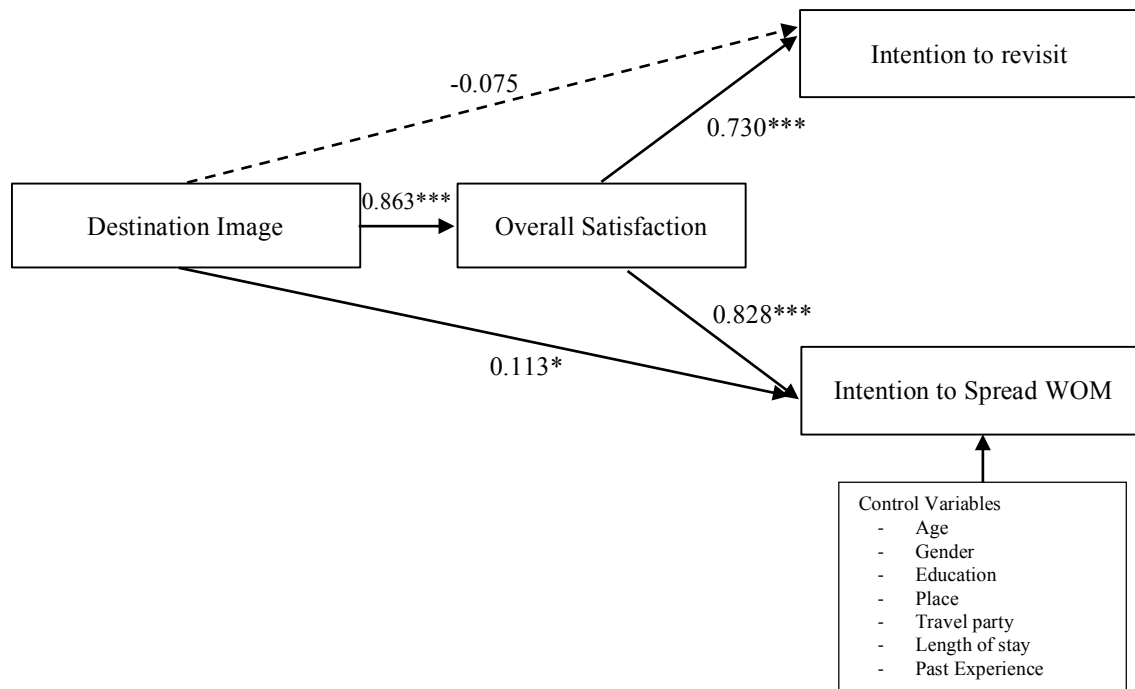


**Figure 3: Tested Conceptual Model**



## 5. Discussion and Conclusion

The objective of this research was to investigate the relationship between perception that tourists have on destination image (in particular, Bangkok as a destination) before their visit and their loyalty after their visit by their willingness to recommend to others and their intention to come back in the future using tourist in Bangkok as samples of the study. The result from multiple OLS analysis supported most hypotheses, with the exception on Hypothesis 2 since no strong and significant direct relationship between perception on destination image and intention revisit was founded. However, the positive and significant relationship between perception on destination image, intention to spread WOM, and destination satisfaction were confirmed. The latter construct directly mediated the relationships between perception of destination image and intention revisit as discussed above. Most of the result results of this research were consistent with the result from the research conducted in the state of Arkansas, U.S.A. (Chi & Qu, 2008).

The result from this research shows that perception of destination image becomes a key factor of customers' overall satisfaction. This result is beneficial to many of tourism establishments. By taking destination satisfaction and intention into consideration, they are crucial mechanism in driving sustainable tourism success especially for mutual destination where a destination is much relying on repeat visitors other than first time tourists. The results of this research indicated that destination image is positively influenced on destination satisfaction. Practically speaking, destination marketing organizations should maintain favorable destination image, while minimizing the negative one. Referred to the success of Bangkok as a top-class destination with one of the world highest international arrivals, some negative issues should be paid attention. While promoting Bangkok as a paradise on earth, the negative side of the city should be well managed as well. Traffic on Bangkok roads, unclean environment, poor public transportation systems, tourist scams by local business and other unfavorable image a tourist perceived may lead to unsatisfactory and eventually lead to negative revisit intention and so does WOM.

Based upon research result, satisfaction is a significant antecedent of intention to revisit, destination policy-makers should bear in mind the importance of satisfaction while tourists traveled in Bangkok since in increasing the likelihood of return in the future. Practically speaking, tourism products should be given more effort to continuously improve quality as well as variety, so that satisfaction levels are positively developed. However, it is much easier said than done because satisfaction of individual tourists varies depending on different factors and forces. By fully understanding these factors is complex task, what destination marketing organizations can do best is, therefore, to promoting favorable image whereas tourism related business must ensure high tourism product quality by all means at all times.

Moreover, once destination image is formed, it is difficult to change unless personal experience in a destination is happened. Therefore, it is even more important for a destination to present appropriate image and maintain it for a long time. As shown in the result, perception of destination image affected satisfaction, marketer for destination must take promoting destination image seriously. Furthermore, this study also provided empirical result that satisfaction affects intention to revisit and intention to spread WOM, it is important for hosts of the destination to satisfy tourists, which will lead to tourists visit the destination again and recommend destination to others.

Despite this interesting result, this research has several limitations that should be mentioned. First, this survey only conducted using cross sectional data in the analysis using self-administered questionnaire, there may be some bias in the answers. For example, when people answered the questions regarding perception on destination before they visited, they might not answer them accurately because they have already at the destination. In addition, intention to recommend and intention to revisit is just their intention this point of time, not the real action that they would definitely do in the future. If longitudinal data collection technique is being used, the answer would be more accurate since it measures the real perception *before* they actually visited the destination, then their satisfaction when they actually are at the destination, then the intention to recommend and revisit *after* they go back home. The next limitation is the time this survey was being conducted. The survey was distributed during the month of January and April, which covers Songkran festival of Thailand. Tourists that travel in different seasons may have different opinions toward destination since the weather and cultural events are offered differently. To overcome this problem, future research should be conducted in different seasons of the year. In so doing, the result can be compared to identify the similarities and differences.

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#### Appendix A: Regression Result of Overall Satisfaction as Dependent Variable

| MODEL SUMMARY |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1             | .711 <sup>a</sup> | .506     | .479              | .61982                     |

| COEFFICIENTS |                 |                             |            |        |      |                         |        |
|--------------|-----------------|-----------------------------|------------|--------|------|-------------------------|--------|
| Model        |                 | Unstandardized Coefficients |            |        |      | Collinearity Statistics |        |
|              |                 | B                           | Std. Error |        |      | Tolerance               | VIF    |
| 1            | (Constant)      | .082                        | .678       | .121   | .904 |                         |        |
|              | IMAGE           | .863                        | .088       | 9.834  | .000 | .832                    | 1.202  |
|              | Male            | .124                        | .109       | 1.137  | .257 | .555                    | 1.802  |
|              | Age             | .029                        | .021       | 1.385  | .167 | .127                    | 7.861  |
|              | From Europe     | .771                        | .550       | 1.402  | .162 | .027                    | 36.931 |
|              | From Asia       | .732                        | .554       | 1.320  | .188 | .022                    | 45.153 |
|              | From Africa     | .847                        | .577       | 1.469  | .143 | .110                    | 9.080  |
|              | From N. America | .499                        | .521       | .957   | .340 | .038                    | 26.583 |
|              | From S. America | -3.172                      | 1.312      | -2.419 | .016 | .029                    | 34.593 |
|              | Education Level | -.180                       | .112       | -1.609 | .109 | .363                    | 2.753  |
|              | Length of Stay  | .050                        | .015       | 3.311  | .001 | .029                    | 34.264 |
|              | Past Experience | -.335                       | .133       | -2.511 | .013 | .567                    | 1.762  |
|              | Travel Party    | -.139                       | .086       | -1.622 | .106 | .631                    | 1.584  |

**Appendix B:** Regression Result of Intention to Revisit as Dependent Variable

| MODEL SUMMARY |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1             | .786 <sup>a</sup> | .618     | .595              | .574                       |

| COEFFICIENTS |                 |                             |            |        |      |                         |        |
|--------------|-----------------|-----------------------------|------------|--------|------|-------------------------|--------|
| Model        |                 | Unstandardized Coefficients |            | t      | Sig. | Collinearity Statistics |        |
|              |                 | B                           | Std. Error |        |      | Tolerance               | VIF    |
| 1            | (Constant)      | -.075                       | .628       | -.120  | .905 |                         |        |
|              | IMAGE           | -.075                       | .097       | -.775  | .439 | .579                    | 1.727  |
|              | SATISFACTION    | .730                        | .062       | 11.719 | .000 | .494                    | 2.024  |
|              | Male            | .420                        | .101       | 4.154  | .000 | .552                    | 1.812  |
|              | Age             | -.026                       | .019       | -1.363 | .174 | .126                    | 7.929  |
|              | From Europe     | 1.145                       | .511       | 2.240  | .026 | .027                    | 37.260 |
|              | From Asia       | 1.093                       | .515       | 2.122  | .035 | .022                    | 45.509 |
|              | From Africa     | 1.121                       | .537       | 2.089  | .038 | .109                    | 9.168  |
|              | From N. America | 1.444                       | .484       | 2.985  | .003 | .037                    | 26.694 |
|              | From S. America | 7.114                       | 1.230      | 5.784  | .000 | .028                    | 35.509 |
|              | Education Level | -.172                       | .104       | -1.655 | .099 | .359                    | 2.785  |
|              | Length of Stay  | -.059                       | .014       | -4.142 | .000 | .028                    | 35.963 |
|              | Past Experience | .790                        | .125       | 6.315  | .000 | .552                    | 1.812  |
|              | Travel Party    | .111                        | .080       | 1.389  | .166 | .624                    | 1.603  |

**Appendix C: Regression Result of Intention to Spread WOM as Dependent Variable**

**MODEL SUMMARY**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .954 <sup>a</sup> | .909     | .904              | .267                       |

**COEFFICIENTS**

| Model |                 | Unstandardized Coefficients |            | t      | Sig. | Collinearity Statistics |        |
|-------|-----------------|-----------------------------|------------|--------|------|-------------------------|--------|
|       |                 | B                           | Std. Error |        |      | Tolerance               | VIF    |
| 1     | (Constant)      | .110                        | .293       | .377   | .707 |                         |        |
|       | IMAGE           | .113                        | .045       | 2.498  | .013 | .579                    | 1.727  |
|       | SATISFACTION    | .828                        | .029       | 28.547 | .000 | .494                    | 2.024  |
|       | Male            | .222                        | .047       | 4.726  | .000 | .552                    | 1.812  |
|       | Age             | .001                        | .009       | .115   | .909 | .126                    | 7.929  |
|       | From Europe     | .675                        | .238       | 2.833  | .005 | .027                    | 37.260 |
|       | From Asia       | .656                        | .240       | 2.730  | .007 | .022                    | 45.509 |
|       | From Africa     | .711                        | .250       | 2.844  | .005 | .109                    | 9.168  |
|       | From N. America | .876                        | .225       | 3.887  | .000 | .037                    | 26.694 |
|       | From S. America | 3.814                       | .573       | 6.655  | .000 | .028                    | 35.509 |
|       | Education Level | -.299                       | .049       | -6.160 | .000 | .359                    | 2.785  |
|       | Length of stay  | -.028                       | .007       | -4.201 | .000 | .028                    | 35.963 |
|       | Past Experience | .180                        | .058       | 3.092  | .002 | .552                    | 1.812  |
|       | Travel Party    | .066                        | .037       | 1.769  | .078 | .624                    | 1.603  |





# Motivation in Producing Craft Beer under Regulatory Constrains in Thailand

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## Abstract

Craft beer is a small sector in the beer industry of Thailand. However, after arriving in Thailand about five years ago, craft beer has been steadily gaining market share from the Thai beer industry. Even though Thai alcohol laws and regulation have set high restriction on the production and consumption of alcoholic beverage, craft beer sales and consumption in Thailand has increased dramatically. Unlike the mainstream beer companies which can distribute their products by using modern trade, e.g. convenience and retail store, craft brewers have limited channels to distribute their beers. Researchers have studied the mainstream beers, little research has focused on the craft beer industry. The purpose of this article is to reveal motivations in producing craft beer under laws and regulation restriction, and to examine the channels that used to distribute the craft beer. Case study methodology was used in this study. The case study was the five craft beers microbreweries which picked from purposive sampling by choosing from production capacity and distribution channels. The findings reveal that craft brewers use two main distributing channels to sell their beers; pubs and restaurants, and beer events. The motivation in producing craft beer is exploring new innovations, new products and services, craft microbreweries have created many different tastes of craft beers. By adding local ingredients to the beer, this creates unique aroma and taste.

## 1. Introduction

Craft beer, first produced and sold in the seventies, is now a well-known beverage in the USA (Aquilani et al., 2015). The first American microbrewery was opened in 1976 and was called New Albion Brewing. It was founded by Jack McAuliffe. It was in fact the first completely new brewery to open since the end of prohibition in the USA in 1933. The United States also came up with the term "craft brewery". Because of the huge size of the American market in particular, many of its microbreweries were so successful that they grew to size more typical for industrial breweries (Maier, 2013). In recent years, the trend of craft beer has spread in the big cities worldwide. Craft beer have been steadily gaining market share from the large international beer breweries (Murray and O'Neill, 2012). The rise in craft beer consumption in Thailand has increased dramatically. Imported craft beer can take small area on the shelf in the supermarket and also gain some share in the beer market. Some Thai beer lovers are not only enjoy drinking craft beer but also learn to brew their own preferred taste. Brewing Academy, owned by Thai operator, has trained numbers of aspiring homebrewers since 2012.

However, legislation prohibited Thai people from brewing and distributing their own beer. Thamarangsi (2009) stated that the government tried to set policy on reducing alcohol consumption by using laws and regulations. Rising excise tax on alcoholic beverage applied in order to reduce alcohol consumption for health factor. Using of advertising regulation is another tool to limited alcohol consumption. Government Gazette announced in 2008 about "Alcoholic Beverage Control Act" contained seven chapters which mainly about limiting place of selling, time of selling and so on. Although, the laws and regulations of alcohol beverage have framed the Thai craft beer market, there have been new comer microbrewers continually joining in this industry. The legal risks in both the process of producing and distributing their beers, therefore the main purpose of this study is to reveal motivations in producing craft beer and to examine the channels that used to distribute the craft beer.

## 2. Literature review

### Thai beer market situation

Since 1997, beer has dominated the Thai alcoholic beverage market, due to the marketing strategies employed by major domestic producers. Beer accounts for almost two-third of alcoholic beverages consumed in Thailand (Jarurungsipong and Rakthum, 2013). According to the Excise Department, in terms of excise tax revenue, beer accounted for 54.81% of the taxes paid on alcoholic beverage in fiscal year 2012. Data on beer production showed that two leading Thai beer brands constituted 92.2%, while the strongest international brand accounted for only 5.8% (Thamarangsi, 2009). The market share of Thai beer industry has been dominated by two major groups of operation: the ThaiBev Group and the Boon Rawd Brewery Group. The ThaiBev Group, which is major producer of spirits and beer, is the owner of a number of alcoholic beverage brands including Chang beer and Chang beer family (Chang Classic, Chang Draught, Chang Light, and Chang Export). The Boon Rawd Brewery Group is the country's pioneer in the beer industry. The Boon Rawd Brewery Group produces

Singha beer and Leo beer (Jarurungsipong and Rakthum, 2013). The imported beer market accounted for less than 1% of the total beer market. Concerning imported beer, there are: (1) TIS worldwide Company, an importer of Budweiser beer from the USA, and (2) The C.V.S. Syndicate Company, a beer importer of Miller from USA and Corona from Mexico. The C.V.S. Syndicate Company was a company in affiliation with the Boon Rawd Brewery Group (Sankrusme, 2012).

Competition in the beer market has been intense since ThaiBev introduced Chang beer in 1995, targeting the medium- to low-income consumer segment. Before then, Singha beer had long controlled the market and was noted as a signature product of Thailand. The emergence of Chang beer opened up another segment of the domestic beer market. As the economy beer segment is relatively large, new brands have been introduced into this segment, such as Leo beer by the Boon Rawd Brewery Group and Cheers beer by Thai Asia Pacific Co., Ltd., the brewer of Heineken in Thailand. Competition in this segment, between the ThaiBev Group and the Boon Rawd Brewery Group, is noteworthy, as the two producers have used aggressive marketing strategies, such as product bundling and price cutting along with other efforts, to create brand loyalty. Four years after the launch, Chang beer became the most popular beer in 1998 and held more than half of the beer market between 2003 and 2005. However, through active marketing campaigns and the introduction of Leo, the Boon Rawd Brewery Group regained market share. Leo beer has had the highest share since 2007. In 2012, Leo beer remained the market leader with approximately 60% market share, whereas the market share of Chang beer fell to 25% (Jarurungsipong and Rakthum, 2013).

### **The craft beer industry**

Craft beers are described as those made by small, independent breweries. They typically have a distinct flavor as well as a unique brand name and label. To be considered small, a brewery must have annual production of no more than six million barrels. Independent means that the brewery has no more than 25 percent ownership by an alcoholic beverage company that produces anything other than craft beers. The traditional aspect of the production assumes that the majority of the brewer's total beverage alcohol volume is in beers made from traditional brewing ingredients, such as water, starch, hops and yeast (Scovotti and Spiller, 2014).

The craft beer industry is defined into four main segments: brewpubs, microbreweries, regional craft breweries and contract brewing companies. A brewpub is a combined restaurant and brewery that sells at least 25 percent of its beer production on site. The beer is brewed and sold on the premise ("Craft Brewer," 2009). Most brewpubs are constructed with well decorated infrastructure to accommodate visitors with unique atmosphere which beer taps, beer kegs and big brass kettles are prevailing seen on site. In 2013, there were more than 1,200 brewpubs in the US. A microbrewery produces less than 15,000 barrels of beer a year with at least 75 percent of sales taking place off site. There were 1,412 U.S. based microbreweries in 2013. A regional craft brewery is an independent, regional brewery that devotes at least 50 percent of its production to malt beer. In 2013 there were 119 domestic breweries in this category. A contract brewing company is a business that hires another brewery to produce its product but handles its own marketing, sales and distribution in-house. In 2012, the craft brewing industry contributed \$33.9 billion to the U.S. economy and employed more than 360,000 people (Scovotti and Spiller, 2014).

### **Alcohol laws and taxation policy**

Alcoholic beverage producers and traders are subject to qualifications set by the Excise Department and the Department of Industrial Works (DIW) in order to get licenses. Apart from being a Thai company, applicants must meet minimum requirements regarding production capacity, plant area, registered capital, and other measures. Small producers find it difficult to enter this industry. One exception is the production of traditional spirits, for which the rules and requirements have been minimized. Alcoholic beverages are also subject to excise tax and value added tax. Excise tax is the largest component of alcoholic beverage prices. The tax rates have been raised frequently. To discourage consumption of beverages with high alcohol content, the excise taxes collected from distilled spirits have been adjusted so as to be based mainly on alcohol content. Starting from 4 September 2013, Thailand's excise tax structure for alcoholic beverages was changed and new tax rates took effect.

The excise taxes on alcoholic drinks were organized into new categories, and new tax collecting procedures were implemented. Compared with the previous excise tax ceiling for alcoholic beverages, the new rates were higher. The tax is collected on alcoholic beverages from both an ad valorem tax and a specific tax. In addition, the government now employs a new method to calculate excise taxes. The taxes are based on the wholesale prices at the last step in the supply chain. The Excise Department expects to receive Bt10 billion more in tax revenue from the new excise tax regime (Jarurungsipong and Rakthum, 2013).

The government has introduced several programs to control drinking. The programs include restrictions on advertising and restrictions on the times when alcoholic beverages can be sold. At present, advertising for alcohol-containing products can run from 10 pm until 5 am of the next day. Producers must label alcoholic beverage containers and advertise “alcohol decreases driving ability”. Alcoholic beverages are not allowed to be sold in stores located in a retail gas station. Consumption of alcoholic beverages is prohibited while driving or riding in vehicles using public roads, except on trains. In addition, the Alcoholic Beverage Control Act, B.E. 2551 (2008), came into effect on 14 February 2008. The National Alcoholic Beverage Policy Committee and the Alcoholic Beverage Control Committee were established. Under the Act, many new enforcement efforts were established. For example, there are now in place prohibitions on alcoholic beverage consumption in gas stations and schools, and the prohibition of discounts offered to customers. The minimum age of persons who can purchase alcoholic beverages was raised from 18 to 20 years old. All of these measures could have a negative impact on the growth prospects of this industry.

*Section 5 of the Liquors Act (1950) states that it is illegal for anyone to brew their own alcohol, or even have the equipment to do so. The maximum penalty for contravention of this section of the Act is six months in jail, or a fine of 5,000 baht, or both. If the offender sells the liquor, the maximum penalty rises to a year in jail or a 10,000 baht fine, or both. Those are the maximum penalties and can be imposed for making and / or selling distilled alcohol (spirits).*

The maximum penalties for brewing or fermenting alcohol - wine or beer, for example - are lower: 200 baht for making it and 5,000 baht for selling it (“The Law,” n.d.).

### **Entrepreneurial identities**

Cardon et al. (2009) conceptualized the nature of entrepreneurial passion into two key assertions: (1) entrepreneurial passion is a consciously accessible, intense positive feeling and (2) entrepreneurial passion results from engagement in activities with identity meaning and salience to the entrepreneur. This definition implies that passion is a conscious, as opposed to un- or subconscious, emotion that an individual feels for objects or activities that are profoundly meaningful to their self-identity (Watne and Hakala, 2013). The concept of self-identity explains the effect of passion in entrepreneurial context. Cardon et al. (2009) developed three entrepreneurial role identities, which are organized hierarchically such that the identity at a high level is more salient and central to self-identity than the other identities. Thus, entrepreneurs may have multiple identities at different levels of salience, where some may or may not be more dominant than others and some may even conflict with the others. While the hierarchical status of the different role identities can change over time, the authors argue that the relative importance at any given time is stable (Watne and Hakala, 2013).

Cardon et al. (2009) developed the notion of distinct entrepreneurial role identities that are linked to particular activities. Specifically, based on a taxonomy of entrepreneurial activities, authors suggest three role identities: (1) an inventor identity, where the entrepreneur's passion is for activities involved in identifying, inventing, and exploring new opportunities; (2) a founder identity, where the entrepreneur's passion is for activities involved in establishing a venture for commercializing and exploiting opportunities; and (3) a developer identity, where the entrepreneur's passion is for activities related to nurturing, growing, and expanding the venture once it has been created. Undeniably, some entrepreneurs may be equally passionate about all three of these identities, whereas others may weigh one identity as significantly more meaningful to them.

### **3. Research Methodology**

Research question was related to investigating the motivation in producing craft beer under the limitation by Thai alcohol laws and policies by using three different entrepreneurial role identities to translate different ways of operating microbrewery and producing craft beers. By examining the strategies microbreweries apply in order to overcome their liabilities of smallness and newness in the market and laws restrictions. Case study methodology was used in this study. The case study was the five craft beers microbreweries which were picked from purposive sampling by choosing from production capacity and distribution channels. I selected microbreweries that sell their products in kegs and bottles to restaurants, bars and events.

Data collection took a qualitative approach which can “capture the specific complexity and dynamics unique of the craft beer business” (Nordqvist et al., 2009). Since the study was addressing the sensitive topic, before the interviews I assured all participants of confidentiality and anonymity. The names of people, company, and production site have been concealed. Individual in-depth interviews were conducted as the most appropriate data collection tool to investigate microbreweries characteristics, business venture and distribution strategies. A semi-structured interview guide was developed which allowed for flexibility and coherence within the discussions.

with key people and brew master of the microbreweries. I interviewed ten people which separated in 2 sessions. First session, seven participants from four microbreweries took part in the interview conducted at craft beer event in Bangkok area. Second session, I interviewed three participants of microbrewery from Nonthaburi at production site. Interviews were conducted with a guide that included following topics: craft microbreweries demographics, current Thai alcohol laws and effect of the alcohol laws on distributing craft beer products.

Data were analyzed thematically in a multiple-step process using the constant comparative method. The interview recordings were transcribed and then translated into English. Then read through all the data to obtain a general sense of the information and to reflect on its overall meaning for open coding (Creswell, 2013). Resulting coding lists were compared and a synthesized coding list was developed. The resulting list was used to code the next interview, after which the code list was refined by collapsing smaller level codes into broader thematic categories. The list was then used to code the remaining interviews. As new themes emerged, the code list was refined and previously coded interviews were recoded (Limaye et al., 2013).

#### **4. Results**

After thematic analysis, five principle themes emerge from the analysis, four about the craft beer demographics. The last theme pertained to the alcohol laws which obstruct the craft beer microbreweries to distribute their products.

##### ***Craft beer brewing starting up***

Participants have experienced craft beers either import or local before, and pleased with the flavor, texture and aroma of them: "Two years ago, I have tasted my first imported craft beer and I perceived a distinguished flavor which cannot find in the mainstream beer. It also stimulated to find some other craft beer to try" (Sandport). Therefore, they started to search for more information about Thai craft beer. They ended up with the brewing academy owned by Wichit Saiklao (Chit Beer) also known as the grandfather of the Thai homebrew (Pennington, 2015): "After I decided to learn how to make beer, I search on the internet and I found that there is a place at Koh Kret which provide craft beer lessons" (Yarf Beer).

##### ***Increasing number of the craft microbreweries***

The number of the craft beer breweries have increased dramatically. There is no report about actual number of the brewery, however from the beer event and Facebook observation the estimate number is around three hundred breweries. Craft beer breweries disperse over the country especially the central, northern and northeastern of Thailand: "I work in Bangkok but my hometown is Chonburi, I go home every weekend and brew the beer on that time. There are about 5 microbreweries in Chonburi, we communicate via Line we have meeting every once in a while to share the knowledge and exchange craft beer experiences" (X Beer).

The increasing of the craft beer breweries is a consumer benefit. Consumers can choose many different choices and styles. Craft beer consumers tend to try new interesting product and more unique. "Sandport offers five differences style of craft beer, we continually crate distinguished flavor to let the customer try new taste" (Sandport).

##### ***From hobby to brewing profession***

Craft beer production can be either for a profession or a leisure intention. Most of the craft breweries did not produce craft beer for commercial purpose in the beginning. Instead, they focused on developing and producing the beer that suit their personal preference: "after I researched about craft beer and learned how to make it, I started brewing my beer and it didn't came out as I expected. I tried for two to three times before I thought that this is it, then I gave out my beer to some friends. I did not expect for financial in return. However I received lots of good comments on my Facebook page, thus I started to sell it" (Thomas). "I invested around ten thousand baht in brewing equipment. After I sold four to five batches of my beer, I had return on my investment already. Now I can make ten to twelve thousand baht per month and it is not bad for the passive income. I will continually brewing craft for commercial as long as I still have purchasing inquiry" (Yod Beer).

##### ***Motivation in producing craft beer***

Craft beer is perceived as a high quality product from its distinguished flavor, aroma, texture and color (Gómez-Corona et al., 2016). Craft breweries have passion to create new innovations which also include their self-identity in the beer product: "First, I wanted to produce white spirit however it was too difficult to do so. Then I learned to brew craft beer which I can put myself in my beer. One of my product is sun dried banana infused beer which I created my own recipe, the next step, I going to develop curry beer recipe which I will put ingredients that used in Thai curry" (Yod Beer). "We have attempted to develop different tastes of the beer as

much as possible. We put local ingredients in all the product we created, we want Thai craft beer different from the imported beer” (Sandport).

#### ***Alcohol laws barrier***

Craft beer brewers believe the law will not be changed within the short period of time: “I don’t want to be underground forever, I just want at least a business registration. However, I don’t think alcohol laws will be changed in three to five years” (Yod Beer).

Generally, microbreweries believed that the law had not much effect on producing and distributing craft beers: “I think the punishments are not severe; just two hundred baht for brewing and five thousand for distributing, and I have never been visited by the police officer. As long as no one complain the police will not visit you, and I will keep brewing my beers”

### **5. Discussion**

This study examine the motivation of microbreweries in producing craft beer and the channels that used to distribute theirs beers. By using the entrepreneurial identities concept developed by Cardon et al. (2009) to identified passions and motivation of the craft beer producers, the study found that inventor identity is a common feature in craft beer brewers. Cardon et al. (2009) stated that inventor identity has passion for exploring new innovations, new products and services which connect with the identification of new customer groups, niche product development and innovation service concepts. Therefore the business models by entrepreneurs who are motivated by this kind of passion are likely to focus on a continuous development of new original product, creative packaging and identification of multiple small customer niches (Watne and Hakala, 2013). Craft microbreweries have created many different tastes of craft beers. By adding local ingredients to the beer, this creates unique aroma and taste. Moreover each brewery has almost ten different types of beer in their product line.

The Thai alcohol laws are the big barrier for Thai microbreweries since it’s not support this business both direct and indirect ways. Even though the penalties for alcohol violation are not severe but it limits the distributing channels for selling craft beers. Most microbreweries sell their product to bars and restaurants directly. Facebook was used to link together seller and buyer. Other channel is beer events, the event held almost every month by the craft beer community, it gather many craft microbreweries in one event.

Although most of the craft breweries associated in the inventor identity, there was a brewery from the interview sessions that can be identified as a founder identity. As stated above about the alcohol laws that limit brewer for producing and distributing their products, however one brewery has strategies to overcome this threats. Contact brewing is the approach to solve this problem however it requires more intensive supervision and aggressive push strategy. The contact breweries from neighbor countries such as Laos and Cambodia can produce custom made beer with customer’s brand and logo then export to Thailand. These imported beer have alcohol stamp and can be sold legally.

This study is subject to limitations. There is limited information available about the demographics of craft beer brewers in Thailand. The analysis was limited to a sample recruited from Bangkok and surrounded areas. However, the findings provide information on what motivations and passions drive the microbreweries for producing craft beer. Further research should recruit microbreweries from other part of Thailand. Moreover the craft beer consumer should be more closely focused to cover all aspect of this business.

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# **The Development of Bicycle Routes to Promote Cultural Tourism at Ubon Ratchathani Province**

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## **Abstract**

Biking tourism is becoming more popular because tourists can closely learn and experience local culture. Ubon Ratchathani is one province that has sufficient resources for developing tourism biking lanes. Following are the objectives of the study 1) to survey the availability of the resources needed for developing cultural tourism in the area of Ubon Ratchathani municipality of Ubon Ratchathani province and 2) to develop biking routes for promoting cultural tourism in Ubon Ratchathani Municipality of Ubon Ratchathani Province. This research used the qualitative method by collecting data from the related document and surveying cultural resources, and by interviewing with the cyclists and the staff from the Office of Tourism and Sports and the Tourism Authority of Thailand Office of Ubon Ratchathani. The statistical tool used in the research is the descriptive analysis by using the concept of cultural tourism and tourism biking lanes. The study has shown that the cultural tourism resources of Ubon Ratchathani municipality are rich in history, museum, religious sites (such as temples), local lifestyle, products, arts, performance, and culture. Moreover, the result found that there are four bicycle routes to promote cultural tourism such as Temple Route, Ubon Lifestyle Route, Old Town Route and Various Route. The most visited tourist attractions are the Shrine of the City Pillar, Wat Su Patnamaram Worawihan, Wat Thungsimuang, and Wat Maneewanaram. The recommendation for developing the biking lanes is that what should be available are suitable lanes, traffic signs, and facilities, such as information centers in every tourist attraction points. In addition, government or private organizations should provide supports for the cultural biking tourism.

**Keywords:** Cultural Tourism Resources, Biking Lanes, Tourism Biking Management

## **1. Introduction**

Today, tourism has various forms. One of them, which is becoming popular, is tourism biking because Thai and foreign tourists are using more bicycles to learn and experience local cultures closely; thus, tourism biking is a good option and being increasingly promoted. Ubon Ratchathani is one province that hosts tourism biking activities, such as “Biking and Watching Flower Blooms at Phu Aanma” and “Biking to the New Day at Pha Taem”. The province has sufficient resources for cultural tourism (Ubon Ratchathani Municipality, 2016). Aside its long history, Ubon Ratchathani has many cultural sites, such as urban communities, temples, museums and many other attractions (tourismthailand of Ubon-Ratchathani). However, it still lacks tourism biking lanes, an issue that interests the author to study the development of tourism biking lanes in the area for tourist and those who are interested in tourism biking, a good choice to enjoy the scenery and local culture.

## **The Objectives of the Research**

1. To survey the availability of resources for developing cultural tourism biking in the area of Ubon Ratchathani municipality of Ubon Ratchathani province.
2. To develop cultural tourism biking routes in Ubon Ratchathani Municipality of Ubon Ratchathani Province.

## **The Expected Benefits**

### **Government agencies**

1. The Office of Tourism and Sports of Ubon Ratchathani and Ubon Ratchathani Municipality can use this research in their management of developing tourism biking to promote a new type of tourism in Ubon Ratchathani province and creating necessary facilities and infrastructure, such as the biking lanes and biking signs.
2. The Office of Tourism and Sports of Ubon Ratchathani and Ubon Ratchathani Municipality can learn from the research what are the kinds of partners and support they needs.
3. Tourism Authority of Thailand can use the research in promoting tourism in Ubon Ratchathani province.

### Community Sector

The Local communities can gain knowledge and learn more about their cultural resources and the biking lanes in Ubon Ratchathani Municipality. It, also, creates an opportunity for them to join in the development and create related business, such as bike rental and repair shops.

### Tourists

Tourists can use the research in their reference and researches before visiting Ubon Ratchathani province.

### Academic Sector

1. Teachers and students can use this research to study the biking lanes in Ubon Ratchathani Municipality and as a reference for the future researches.
2. They can use this research as a guideline for the future researches in developing tourism biking.

## 2. Research Methodology

This research used the qualitative method by collecting data from related document and by surveying cultural resources, and by interviewing with the cyclists and the officers from the Office of Tourism and Sports and from the Tourism Authority of Thailand Office of Ubon Ratchathani Province. The results of the study were analyzed by descriptive analysis by using the concept of cultural tourism and tourism biking lanes. In order to develop cultural tourism biking lanes in Ubon Ratchathani Municipality of Ubon Ratchathani Province.

## 3. Research Analysis

### The study results of cultural tourism resources in Ubon Ratchathani Municipality of Ubon Ratchathani province

From the study of the meaning, cultural resource is both tangible cultural resources created by human and intangible cultural resources, including ever changing life styles adapting to factors and social contexts.

The objective is to classify cultural tourist attractions in the Ubon Ratchathani Municipality by using the concept of cultural tourism based on elements of cultural tourism (Boonlert Jittungvarttana, 2005) which can fall in 6 categories.

#### 1. Cultural Historic Resources:

- History of the city of Ubon Ratchathani and its first street: The highlight is *Thani Dam Street* built by creating a mud dam and a mud shelf around the city at the north of the road.
- Old Town Districts:
  - ◆ *Khlueag Thani Street*, which is preserved to its original state and showing the architecture of the buildings and lifestyle of the community.
  - ◆ *Promthep Street*, which was named after the royal name of Promthawanukhon Wong, and it was the street of the royal family.
  - ◆ *Ratchabud Street*, which was named after the royal name of Chao Ratchabut (Hong Dong, in the area of the current Sin Sin Cinema). Once, it was a trading district of the old Ubon Ratchathani City.
  - ◆ *Pichit Rangsan Street*, which was named after Gagananga Yukala, the prince of Bijitprijakara (the primogenitor of Gagananga family)
  - ◆ *Promrad Street*, which was named Praphomradchawongsa who was the fourth governor Ubon Ratchathani province.
  - ◆ *Prapathumworaradsuriyawong Monument*, (Thao Khum Pong), which was the first king and governor Ubon Ratchani province.

#### 2. Cultural Museum Resources

- Ubon Ratchathani National Museum has permanent exhibitions in 10 rooms presenting interesting aspects of the province: geography, geology, history, archaeology, local arts and crafts, ethnology, religion and politics.
- Ubon Ratchathani Jubilee Arts and Culture Center has 9 exhibitions: permanent exhibitions, temporary exhibitions, stage performances in a multi-purpose room, cultural performances for tourists, Cultural performances by the people, by institutes, and by Thai and International performance tropes, learning activity and training rooms, a research learning in arts and culture room, a cultural Information center activity room, a PR and cultural exchange activity room, a community service activity room, and a cultural co-ordination activity room.

### 3. Cultural Monastery and temple Resources

- The Ubon Ratchathani Shrine of the City Pillar: Its foundation stone was laid on August 1972, 27. Built on January 1976, 16, its pillar has a shape of a blooming lotus and used Ratchapruuek wood.
- Wat Si Ubonrattanam: Enshrined in the temple is Phra Kaeo Butsarakhom, the Buddha in the attitude of subduing Mara, carved from topaz. It came from the Chiang Saen Period and is much venerated by the local people.
- Wat Supatnaram Worawihan: Enshrined in the temple is Phra Kaeo Khaophetnamkhang, the Buddha in the attitude of meditation, carved from white crystal glass.
- Watluang: The first temple of Ubon Rattana and the city temple. It was built in 1979 by the first Ubon Ratchathani Governor. Phra Kaeo Phaitharu, carved from a million-year old natural stones, is enshrined here.
- Wat Maniwanaram: It was built around 1789, and has a 238 year old Phra Kaeo Komen, the Buddha in the attitude of subduing Mara.
- Wat Liap: It was built in 1848 and sits on the original moat.
- Wat Thungsimueang: It is a people temple, has a long history with Ubon Rattana, and was built in 1813.
- Wat Mahawanaram or Big Woods Temple: It was built on the bank of Mun River, and Phrachao Yai In Plaeng is enshrined here.
- Wat Tai: It was built in 1830. Phrachao Yaiongtue, the Buddha in The attitude of subduing Mara carved from bronze, is enshrined here.
- Wat Burapha: It has the church that has ten-direction rectangle shape.
- Wat Klang: It was built in 1782. Phra Bottha, its principle Buddha statue in the attitude of subduing Mara, has an age of around 200 years old.
- Wat Chaeng: It was built in 1888 and used the Isan architecture.
- Wat Su Thatsanaram: It was built in 1853 and used Thai and European styles. Seat in the church is Phra Mingmueang, a sacred Buddha statue.
- Wat Si Pradu: It was built in 1968. Its church has beautiful murals and is the seat of Phra Phut Chin Rat replica.
- Wat Pathum Malai: It was built in 1882 and has Phrachao Prasot as the principle Buddha Statue.
- Wat Phra Thatnongbua: Its interesting architecture is Phra Thatched Si Maha Pho, a replica of the pagoda of Bodh Gaya in India.
- Wat Chai Mongkhon: It has Phra Prapphairi Phinat which was brought from Vientiane.

### 4. Cultural Lifestyle Resources

- Mun River Lifestyle: It is the road of culture, the road of preserving the sacrament 5, the road of good health, and the road of local traditions. You can make merit every morning at 06:00 on the bank of the river. It also has biking projects every month and hosts traditional activities, such as the Illuminated Boat Procession festival, Long Boat Racing, and Loykratong festival. The way of life of the villagers near Mae Mun mostly are fishing and farming.
- -Wat Tai Lifestyle: It has a sand island siting in the river. Here, you can enjoy the local foods on a bamboo raft and take a bath in the river. Most of the villagers are fishermen.
- Candle Making Lifestyle: It is the work of the community and uses the secret technics of each family. The family that makes candles are Wat Thungsimueang, Wat Phrathatnongbua, Wat Sipradu, Wat Burapha, Wat Mahawanaram, and Wat Phonphaen.

### 5. Cultural Product, Art, and Performance Resources

- **Ubon Rattana Walking Street:** A street of activities featuring traditional performances and local products.

### 6. Traditions and Performance Resources

- **Tung Sri Muang, former name *Na Thung Simueang*:** A place of performing important rites and rituals and is a large park for recreation in the heart of the city.

From the study, it has been found that the 6 cultural tourism resources in Ubon Ratchathani Municipality are unique in their tourist attractions. The province has received support from the government to create tourist attractions in Ubon Ratchathani Municipality, making the province a good preparation of creating cultural tourism biking lanes for the tourists who are interested in enjoying the scenery and gaining a new brand experience.

The study results for developing bicycle routes to promote the cultural tourism in Ubon Ratchathani Municipality by analyzing the interview data received from the staff of the Office of Tourism and Sports Office of Ubon Ratchathani, Tourism Authority of Thailand, Ubon Ratchathan Office, and Municipality of Ubon Ratchathani. There are four bicycle routes as following:



Map 1 Route 1

Temple Route, which goes around Ubon Road, is the first route bikers will visit. According to Map 1, there are many cultural stops on Ubon road. The starting point is the (1) **Shrine of the City Pillar**, around 500 meters from the second stop which is (2) **Wat Maniwanaram**. Nearly 100 meters from point 2 is (3) **Wat Thungsimueang**, a temple quite far (800 meters) from (4) **Wat Liap**. The next stop is (5) **Wat Tai**, a temple one kilometer far from point 4. The next two stops, (6) **Watluang** and (7) **Mun River Lifestyle**, are only 50 meters apart. The farthest biking stretch would be the 2300 meter cycle to (8) **Wat Supatnaram Worawihan**. And the last two stops, (9) **Wat Si Ubonrattanaram** (10) **Tung Sri Muang**, are fairly close to each other. Overall, Temple Route stretches around five kilometers in length.



Map 2 Route 2

The second route is named Ubon Lifestyle Route. This route, which stretches about 5.5 kilometers, at (1) **the Ubon Ratchathani Shrine of the City Pillar**. 800 meters from point 1 is (2) **the old town of Ratchabud Street**. The next two stops (3) **Watluang**, and (4) **Mun River Lifestyle** are close to each other but 1.1 kilometers away from point 5, (5) **Wat Tai**. After (6) **Wat Tai Lifestyle**, it would take both 1.5 kilometers to reach (7) **Wat Liap** and (8) **the old town of Khuean Thani Street**. The last two stops, (9) **Ubon Ratchathani National Museum** (10) **Tung Sri Muang**, meanwhile, are only 100 meters from each other.



Map 3 Route 3

The third route is named Old Town Route. This four-kilometer route starts at (1) the **Ubon Ratchathani Shrine** of the City Pillar, which is roughly a kilometer away from (2) **the old town of Promrad Street**. Another one kilometer would lead the bikers to (3) **Wat Klang**, a temple half a kilometer distant to (4) **the old town of Khuean Thani Street**. This street is only 200 meters away (5) **the old town of Luang street**, which is closely situated from (6) **Watluang** and (7) **the old town of Promthep Street**. The last two stops are (8) **the old town of Ratchabud Street** (9) **Tung Sri Muang**, which are 200 meters short of a kilometer.

Map 4 Route 4

The fourth route is named Various Route. This route starts at (1) **the Ubon Ratchathani Shrine of the City Pillar**. Next is (2) **Wat Chai Mongkhon**, which is 900 meters away from (3) **Wat Su Thatsanaram**. Biking 200 meters twice from point 3 overall leads to (4) **the old town of Pichit Rangsang Street**, (5) **Wat Mahawanaram**, (6) **Wat Maniwanaram**, and (7) **Wat Thungsimueang**. (8) **Wat Ponplan**, and (9) **Wat Burapha**, however would both take 1.1 kilometers to reach; roughly same with (10) **Wat Tai** and (11) **Watluang**. Points 12 and 13, (12) **Mun River Lifestyle** and (13) **the old town of Ratchabud Street**, are 800 meters apart. The last stops (14) **Ubon Ratchathani National Museum** and (15) **Tung Sri Muang** are only 100 meters apart. Overall, the Various Route is the longest route.

The study results for developing cultural tourism biking lanes in Ubon Ratchathani Municipality by analyzing the interview data received from the staff of the Office of Tourism and Sports Office of Ubon



**Ratchathani, Tourism Authority of Thailand, Ubon Ratchathan Office, and Municipality of Ubon Ratchathani.**

- (1) Build safe biking lanes: Since a tourism biking lane has never been designed before, it may have risks and dangers involved. From the interview with Pricha Khamphu, one concerned problem is that no biking lanes are available today, making it unsafe for the current bikers. Thus, for the cultural tourism biking project, safe biking lanes should be made happen.
- (2) Create biking infrastructure: One problem that biking is not popular among tourists is the lack of the facility for them. Those who gave the interview showed the concern that it still lacks such necessary facilities as proper signs and barriers.
- (3) Develop facilities: Traffic lane surface, drainpipes on the paved way and effective drainage to make the biking lanes safe for the bikers. From the interview with Wari Phon Kham Phamun and Nattha Si Mathummong, the biking lanes should have a beautiful landscape, and Ubon Ratchathani is blessed with interesting tourist attractions, good foods, safety environment, easy travelling conditions, and unmatched souvenirs.
- (4) Improve a good attitude toward biking: The interviewers said that the famous image of the province is the variety of tourist attractions, and the strength of Ubon Ratchathani is cultural tourism destinations because there are many temples and famous cultural festivals, such as Illuminated Boat Procession festival, making biking a good choice in enjoying these activities.
- (5) Need a consistent cooperation and support from related government and private agencies. From the interview with Waranya In Thonphan, It is feasible to develop tourism biking lanes because the province has supported the idea and is willing to take part in those activities. The province has also received a budget from Thai Health to host monthly biking activities, and it has a good planning to develop cultural tourism biking, making it a strength of Ubon Ratchathani Municipality.
- (6) Spread the news of the cultural tourism biking: From the interview with Wari Phon kham Phamun and Nattha Si Mathummong, the concept of promoting cultural tourism biking should provide some free bicycles for tourists, create the biking lanes, make the route information available, promote via media (such as the website of the municipality and radio stations), generate a guidebook for travelling in Ubon Ratchathani, and create a pilot project of 30 bicycles for tourists to rent. Additionally, Waranya Inthonphan and Charuwan Butdasui have recommended that a clear policy and planning be realized to create the biking lanes and related activities, and the authority be aware the significance and be willing to support the project that will happen in the future.

**4. The Analysis of the study results**

From the study of cultural resources of Ubon Ratchathani Municipality, cultural tourist attractions can be classified into 6 categories: Cultural Historic Resources, Cultural Museum Resources, Cultural Monastery and temple Resources, Cultural Lifestyle Resources, Cultural Product, Art, and Performance Resources, and Traditions and Performance Resources. They are interesting and various in forms. They can attract many tourists and support the development of cultural tourism biking in Ubon Ratchathani Municipality, as Limpairoj R. and Pinkeaw K., (2004) said that cultural tourism is an tourism industry that uses culture as a selling point to attract tourists, and Thamabut P. (2005) gave the definition that cultural tourism is a kind of tourism that give an importance to places and destinations that can attract the tourists who are interested in local lifestyle, cultural heritage, local art and products, and recreational activities. The tourists can visit those interesting places, learn their history, and enjoy local arts and performances. In all, Ubon Ratchathani Municipality has everything for the development of cultural tourism biking.

**The recommendation for the preparation of developing cultural tourism biking in Ubon Ratchathani Municipality:**

From the interview data, the biking lanes in Ubon Ratchathani Municipality are not safe enough for the bikers. Still, it lacks proper biking lanes, a good biking network, info signs, traffic signs, a biking map, bike parking lots, and road light. The study result support the standard design guidelines for biking of Sat Sukprasert S. (2007) who classified the problem related to biking into 6 categories: (1) Safety (2) The network of biking lanes that is not suitable (3) The lack of a good infrastructure (4) A bad attitude toward biking (5) The lack of support from related agencies (6) The lack of knowledge and information

Therefore, those problems lead to the guideline and recommendation in developing cultural tourism biking lanes.

**5. Conclusion and discuss the results**

For the conclusion and discussion of the results of objective 1 (to the study of cultural tourism resources in Ubon Ratchathani Municipality) the cultural tourist attractions can be classified into 6 categories as follows:

**(1) Cultural Historic Resources (6 places)**

1. Old Town District: *Khlueng Thani Street*
2. Old Town District: *Promthep Street*,
3. Old Town District: *Ratchabud Street*
4. Old Town District: *Pichit Rangsan Street*
5. Old Town District: *Phromrat Street*
6. Phra Pathum Won Rat Su Riya Wong Monument (*Thao Kham Phong*)

**(2) Cultural Museum Resources (2 places)**

1. Ubon Ratchathani National Museum
2. Jubilee Arts and Culture Center

**(3) Cultural Monastery and Temple Resources (17 places)**

1. Shrine of the City Pillar
2. Wat Si Ubon Rattana Ram
3. Wat Supatnaram Worawihan
4. Watluang
5. Watmani Wanaram
6. Wat Liap
7. Wat Thungsimueang
8. Wat Mahawanaram
9. Wat Tai
10. Wat Burapha
11. Wat Klang
12. Wat Chaeng
13. Wat Suthatsanaram
14. Wat Sipradu
15. Wat Pathummalai
16. Wat Phrathatnongbua
17. Wat Chaimongkhon

**(4) Cultural Lifestyle Resources (8 places)**

1. Wat Thungsimueang Candle Maker
2. Hat Wat Tai Lifestyle
3. Wat Thungsimueang Candle Maker
4. Mun River Lifestyle
5. Wat Sipradu Candle Maker
6. Wat Burapha Candle Maker
7. Wat Mahawanaram Candle Maker
8. Wat Phon Phaen Candle Maker

**(5) Cultural Product, Art, and Performance Resources**

Ubon Ratchathani Walking Street

**(6) Traditions and Performance Resources**

Thung Simueang

The study support the work of Udomkitti P. (2013) whose the study suggested that in the attempt to develop tourism biking in the area of Taling Chan District of Bangkok, the biking routes should pass cultural tourist attractions, such as temples. The tourists who showed their interest in biking were mostly adults and working people and have a good knowledge about the places they visit. They also showed the concern about the safety of biking and their belonging.

Conclude and discuss the results of Objective 2: to develop of bicycle routes to promote the cultural tourism in Ubon Ratchathani Municipality. It found that there four the bicycle routes to promote the cultural tourism but all of bicycle routes has to prepare for biking lanes such as to create safe biking lanes, to create the network of biking lanes, to design a biking route network, to develop an effective route structure, to build a good attitude toward biking, to find a constant support from public and private sectors and to promote tourism biking via media.

The research supports the work of Udomkitti P. (2013) whose the study showed that in the attempt to develop tourism biking in the area of Taling Chan District of Bangkok, the safety of the biking and their belonging is of importance for tourists. It also supports the work of Phunkasiwit N. and Thason C. (2015) who studies the promotion of using bike in Naresuan University and suggested that the problems and obstacles was the lack of shading, unsupported biking lanes, bike parking lots, and the awareness of the importance of biking. Additionally, the research of Oounjareun A. and Chawwarat P. supported that the standard of elements bicycle systems for tourism that included the paths passing into the attractions and easy access, various convenient signs for people using bicycles for tourism, beautiful scenery along the route, a wide bike lanes, safety, no traffic congestion, and coordination planning among public authorities.

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## List of interviewers

Mr.Preecha Khumphu is a cyclist.

Ms.Wariphon Khumphamoon is the Ubon Ratchathani Municipality of Ubon Ratchathani Province.

Ms.Natsima Thummong is the Ubon Ratchathani Municipality of Ubon Ratchathani Province.

Ms.Warunya Intaraphun is the Tourism and Sport Ubon Ratchathani Office.

Ms.Jaruwan Buddasui Ubon Ratchathani is the Tourism and Sport Ubon Ratchathani Office.

# **The Development of Creative Tourism Activities for Candle Festival in Ubon Ratchathani Province, Thailand**

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## **Abstract**

This research aims to (1) investigate the cultural significant values of the candle festival to promote the creative tourism in Ubon Ratchathani province and (2) create the creative tourism activities related to the cultural significant values of the candle festival to promote the creative tourism in Ubon Ratchathani province. This researcher conducted this research as a qualitative research and collected data by interview Thai tourists and local people in the local communities. The results of the research was analyzed by descriptive analysis.

The results of the research found that the significant values of the candle festival to promote the creative tourism in Ubon Ratchathani province comprised of (1) the historic value, (2) social value, (3) scientific value, and (4) spiritual value. Therefore, to create the creative tourism activities related to the cultural significant values of the candle festival to promote the creative tourism in Ubon Ratchathani province could be designed in terms of (1) to join visiting communities and seeing the candle making process, (2) to join the candle procession on Asanlaha Bucha Day at Ubon Ratchathani temples, (3) to join the presentation of candles parade around Thung Si Muang, (4) to join the candle parade, and (5) to join merit-making and to donate the candles to the monks. In addition, these creative tourism activities could support the participation of the tourists to join and learn about the cultural significant values of the candle festival. Moreover, these activities could increase the relationships between the hosts and the visitors, increases social and relational capital for both tourists and local people using existing resources in order to strengthen identity and distinctiveness with the education a self-realization and education.

**Keywords:** creative tourism activities, creative tourism, cultural significant values

## **1. Introduction**

Creative tourism was the tourism which offered the visitors the opportunity to develop their creative potential through active participation in courses and learning experiences, which were characteristic of the holiday destination where they were taken (Crispin Raymond and Greg Richards, 2000). Creative tourism was also defined as a projection of a new tourism in which natural, cultural and personal resources that were not manipulated and exploited but valued and enriched (Jelencic and Zuvela, 2012. Online). In Thailand, the creative tourism also included the development of a model for creative tourism by identifying activities with high potential and possibility to sustainably develop communities through means of Creative Tourism (Wisudthiluck, 2012).

Therefore, the creative tourism have been considering as a new generation of tourism by involving the tourists themselves and the locals in the creation of the tourist products. Moreover, the growing demand for creative tourism aroused the interest of the destination managers and local governments, seduced by the opportunity to attract a high value tourism by simply fostering their intangible heritage (workshops) and optimizing the use of existing infrastructures (venues rental). In Ubon Ratchathani province, there were many authentic cultural resources to promote as the tourism resources such as local silks, brassware handicrafts, and local gong produced by local communities. Moreover, one of the important cultural resources in Ubon Ratchathani province was the candle festival. The Ubon Ratchathani candle festival, the most elaborate of the traditional parading of candles to the temple (hae thian), is held in Ubon Ratchathani province, Isan, Thailand, around the days of Asanha Puja (which commemorates the Buddha's first sermon) and Wan Kao Pansa (which marks the beginning of vassa). At the start of the Lenten period, it is traditional in preparation for the rainy season for the devout to donate to items for the personal use of monks, and of candles to dispel gloom in their quarters and elsewhere within the temple. The latter is often the core event of many village celebrations, but is at its most elaborate in the Ubon Ratchathani version, which nowadays is a major event both for residents and for tourists: giant candles are paraded through the town, each representing a local temple, district or other institution. The more elaborate versions are accompanied by scenes of Hindu and Buddhist mythology sculpted in wood or plaster and coated with wax. Absolutely, these candles are never burned. The candles are carved a couple of days before the procession. On Asanha Bucha day, the candles are taken to Thung Si Muang, a park in the middle of the city, where they are decorated and then exhibited in the evening. On the same evening, there are small processions with lighted candles at several temples. The procession takes place on the morning of Wan Kao Pansa. The candles are paraded through

the city center on floats, accompanied by representatives of the respective institutions. These are normally dancers or musicians in traditional dress. (Culture network foundation. 2017: online)

However, there was not the development for creative tourism activities based on the cultural significant values of the candle festival. Thus, there should be the design of creative tourism activities in Ubon Ratchathani province in order to increase the tourists' experiences with the local culture by participating in artistic and creative activities and use to combine many types of tourism, during the same journey: creative, culinary, eco-tourism, slow tourism.

### Objectives

1. To investigate the cultural significant values of the candle festival to promote the creative tourism in Ubon Rachathani province
2. To create the creative tourism activities related to the cultural significant values of the candle festival to promote the creative tourism in Ubon Ratchathani province

### 2. Research methodology

The researcher conducted this research with qualitative research. For the qualitative research, the researcher used in-depth interview with local government, tourists, tourism scholars, and local community in order to find out the cultural significant values of the candle festival to promote the creative tourism activities in Ubon Ratchathani province. Besides, the researcher used focus group to find out the creative tourism activities related to the cultural significant values of the candle festival to promote the creative tourism in Ubon Ratchathani province. The results from the qualitative research instrument were analyzed with the concepts of creative tourism.

### 3. Results of the research

#### 1. The cultural significant values of the candle festival to promote the creative tourism in Ubon Rachathani province

There are many cultural significant values of the candle festival could be promoted as the creative tourism activities in Ubon Ratchathani province. There are following cultural significant values;

**1.1 Historic value**, the historic value of the candle festival could be demonstrated as the history of the candle festival. As the seasonal monsoon rains descend over the kingdom, it marks the beginning of the Buddhist "rain retreat" and the Buddhist Lent, or "Phansa", during which all Buddhist monks retreat to the temples. This is also an auspicious time for Buddhist ordinations as it marks a period of spiritual renewal. There will be a procession during July on the evening and then the main procession will be on the morning. (Richard Barrow. 2016: online)

Known as "Khao Phansa", the Buddhist Lent is a time devoted to study and meditation. Buddhist monks remain within the temple grounds and do not venture out for a period of three months starting from the first day of the waning moon of the eighth lunar month (in July) to the fifteenth day of the waxing moon of the eleventh lunar month (in October). The Thai word phansa refers to a period of three months in the rainy season during which time Buddhist monks are obliged to stay at one particular temple. They are not allowed to stay overnight at other temples during this time. The reason that monks have to stay at one temple is because this period of time is the rice-planting season and the farmers' crops are a verdant green. If monks are out travelling during this period, they may inadvertently step on the rice sprouts that have been planted, resulting in the loss of crops. The Lord Buddha therefore ordained that monks should stop their pilgrimages for a period of three months during the rainy season and that they must not stay overnight in a place other than their chosen temple. (Khao phansa means 'rain retreat' or 'Buddhist Lent'.) Khao phansa has taken place since the time of the Lord Buddha. (Head of National Archives Ubon Ratchathani. 1998: online).

Khao Phansa Day is the first day of the waning moon of the eighth month of the lunar calendar, or during the month of July and extends for a period of three months until Ork Phansa Day which is the end of the period of time. Ork Phansa Day falls on the fifteenth day of the waxing moon of the eleventh month of the lunar calendar, or during the month of October. (Note: The Thai calendar originally began in our month of December. Therefore, the eighth month is July and the eleventh month is October.) When monks stop their travels during the Buddhist Lent period, they have time to study, and they especially like to read. The best time for reading and memorising is during the night, which is a peaceful, quiet time during which it is easy to concentrate. In the past, when there was no electricity, monks used to light candles during the time that they were reading. When villagers knew this, they made candles to present to the monks, especially for presentation on Khao Phansa Day, a day on which they would receive even more merit than usual. Merit in this case means that the lives of those who present candles will be happy, healthy, enlightened and not gloomy. In other words, they will be people with wisdom, knowledge and perception, which is equivalent to the English word 'bright'. The presentation of candles to monks on Khao Phansa Day is a Buddhist tradition which began in ancient times and still continues at present. (Head of National Archives Ubon Ratchathani. 1998: online).



The people of Ubon Ratchathani are the same as other Buddhists. When Khao Phansa Day arrives, they take the candles and present them to the monks. In the past, when it was impossible to buy ready-made candles, villagers would use beeswax taken from bees' nests. They would melt the beeswax and then immerse a length of cotton to be used as a wick into the molten beeswax. Next, the wax would be left until it was cool enough to be rolled by hand, surrounding the wick completely. Following that, the candles were cut to the required length and they were then ready for presentation to monks. (Richard Barrow. 2016: online)

Presenting candles to monks in the past did not include a parade and candle contest like we have at present. It was just a presentation of candles along with other offerings to monks and receiving blessings from the monks, followed by the journey home. The reason that there must be a parade and a contest like we have today came about during the reign of Rama V, when the King's grandson, Prince Sappasittiprasong, was made governor and came to rule over the Lao Kao circle, which was established in the town of Ubon Ratchathani. He saw the injuries and deaths that the villagers suffered during the traditional rocket festival. The injuries and deaths were due to rockets that exploded and fell onto houses; other injuries and deaths were due to arguments and fights due to drinking excessive alcohol; sometimes it was due to playing with excessive energy in the mud or amusement with wooden dolls produced to look like they were making love. The Prince decided that these stories were bad, inappropriate, and ordered the rocket festival to stop, and for a candle festival with candles being presented to monks to take its place. (Head of National Archives Ubon Ratchathani. 1998: online)

**1.2 Social value**, the social value could be presented through the ordination and clergy. Like in most other Theravada nations, Buddhism in Thailand is represented primarily by the presence of Buddhist monks, who serve as officiants on ceremonial occasions, as well as being responsible for preserving and conveying the teachings of the Buddha. During the latter half of the 20th century, most monks in Thailand began their careers by serving as temple boys. Temple boys are traditionally no younger than eight and do minor housework. The primary reason for becoming a temple boy is to gain a basic education, particularly in basic reading and writing and the memorization of the scriptures chanted on ritual occasions. Prior to the creation of state-run primary schools in Thailand, village temples served as the primary form of education for most Thai boys. Service in a temple as a temple boy was a necessary prerequisite for attaining any higher education, and was the only learning available to most Thai peasants. Since the creation of a government-run educational apparatus in Thailand, the number of children living as temple boys has declined significantly. However, many government-run schools continue to operate on the premise of the local village temple. (Amazing Thailand. Event and Festival. 2017: online)

The boys now typically ordain as a samanera or novitiate monks. In some localities, girls may become the samanera. Novices live according to the Ten Precepts but are not required to follow the full range of monastic rules found in the Patimokkha. There are a few other significant differences between novices and bhikkhus. Novices often are in closer contact with their families, spending more time in the homes of their parents than monks. Novices do not participate in the recitation of the monastic code (and the confessions of violations) that take place on the uposatha days. Novices technically do not eat with the monks in their temple, but this typically only amounts to a gap in seating, rather than the separation observed between monks and the laity. Novices usually ordain during a break from secular schooling, but those intending on a religious life, may receive secular schooling at the wat. Young men typically do not live as a novice for longer than one or two years. At the age of 20, they become eligible to receive upasampada, the higher ordination that establishes them as a full bhikkhu. A novice is technically sponsored by his parents in his ordination, but in practice in rural villages the entire village participates by providing the robes, alms bowl, and other requisites that will be required by the monk in his monastic life.

Temporary ordination is the norm among Thai Buddhists. Most young men traditionally ordain for the term of a single vassa or rainy season (Thai phansa). Those who remain monks beyond their first vassa typically remain monks for between one and three years, officiating at religious ceremonies in surrounding villages and possibly receiving further education in reading and writing (possibly including the Khom or Tai Tham alphabets traditionally used in recording religious texts). After this period of one to three years, most young monks return to lay life, going on to marry and begin a family. Young men in Thailand who have undergone ordination are seen as being more suitable partners for marriage; unordained men are euphemistically called 'unripe', while those who have been ordained are said to be 'ripe'. A period as a monk is a prerequisite for many positions of leadership within the village hierarchy. Most village elders or headmen were once monks, as were most traditional doctors, spirit priests, and some astrologists and fortune tellers.

Monks who do not return to lay life typically specialize in either scholarship or meditation. Those who specialize in scholarship typically travel to regional education centers to begin further instruction in the Pali language and the scriptures, and may then continue on to the major monastic universities located in Bangkok. The route of



scholarship is also taken by monks who desire to rise in the ecclesiastic hierarchy, as promotions within the government-run system is contingent on passing examinations in Pali and Dhamma studies.

The Thai tradition supports laymen to go into a monastery, dress and act as monks, and study while there. The time line is based on threes, staying as a monk for three days, or three weeks, or three months or three years, or example of three weeks and three days. This retreat is expected of all male Thai who hold Buddhism, rich or poor, and often is scheduled after high school. Such retreat brings honor to the family and blessings (merit) to the young man. Thai make allowances for men who follow this practice, such as holding open a job. As Ubon Ratchathani province prepares for the Buddhist Lent, men folk, ordained as well as laymen, with artistic skills set about the task of molding and sculpting Lenten candles. As these works of art are to be presented as Buddhist merit-making offerings, the artisans pour their heart and soul into their craft. Many of these are fine examples of Buddhist art and sculpture. The candle festival is unique to Ubon Ratchathani province and the customs and traditions related to this Buddhist festival have been diligently preserved by local communities. (Amazing Thailand. Event and Festival. 2017: online)



Picture 1-3: the formal parade of the people to join the candle festival  
Source: Suwaphat Sregongsang and Khemchira Nongped, 2017

The candle festival in the time of the King's grandson, Prince Sappasittiprasong, involved the cooperative production of candles by villagers in each community (community, in this instance, means a small community group that is a member of a larger community. In each village, there were many small communities). Beeswax was collected, melted and then poured into a mold. After that, it was beautifully decorated and placed on a sedan chair or transported by cart. The candles entered the parade and then gathered together at the front of the town hall. When each community had gathered and was ready, the Prince would give prizes to the communities that had produced the most beautiful candles. After that, lots were drawn to see which community would present its candle to which temple. When each community knew which temple it would go to, the candle was paraded to that place. Therefore, the candle festival as we know it began at that time. (Amazing Thailand. Event and Festival. 2017: online)



Picture 4-6: The participation of the local people in the candle parade  
Source: Suwaphat Sregongsang and Khemchira Nongped, 2017

**1.3 Scientific value,** the scientific value associates with Buddhist agenda called Buddhist Lent or Khao Phansa in Thai language. In Buddhism, during rainy season, monks will keep the Buddhist precepts in a monastery without going away for about 3 months. As the old time there was no electricity only candle that used around the temple, then, on the entry of this season Thai people, with respect to the religious, has made the enormous scale of candle and offer this up to facilitate Buddhist monks for using throughout the season. Some believes that through this philanthropy, they will be sharper, brighter, and smarter the same as candlelight characteristic. This tradition passes on from generation to generation up until now.

The most famous of Candle Festival locates at Ubon Ratchathani in Northeastern of Thailand. Traditionally (two day event) held annually around the mid of July (as it Buddhist calendar, the exactly date is vary each year; please

reconfirm the information prior to the travel). The festival appear throughout the province, however, the major activities occur at Thung Sri Muang temple. As this province is the home for excellent number of artists whether in modern arts, handicraft, Buddhist arts and architecture, in this period, it is a time for them to express their artistic talents and techniques through crafting and placing Thai pattern with the candle. The magnificent candles also demonstrate the link of local custom and religious belief. (Culture network foundation. 2017: online)

From 1927 onward, the competition of the most beautiful candle has been introduced and become the highlight program of the festival. All exquisite candles are displayed through the parade accompanied with Northeastern traditional dance and music, which provide lively and joyful background for the festival. This hallmark event is the time that locals are looking forward to since it is an opportunity for them to sustain the culture by volunteering themselves assisting to create the elegant candles as well as all generation has a chance to exchange their experience together. (Culture network foundation. 2017: online)



Picture 7-9: The sculpting and carving of the candle

Source: Suwaphat Sregongsang and Khemchira Nongped, 2017

The candles that were produced by each community in the beginning were candles that could actually be lit and used. The size of a candle was the same as a bamboo tree trunk (because bamboo was used as a mold). Some communities produced candles as large as a banana tree. It all depended on the mold used and the amount of beeswax that could be found. The outer surface of the candle was smooth and shiny without any decorative carving. However, the candles were decorated with strips of colored paper. The strips were wrapped around the candle or stuck to the candle. Many communities bundled small candles together to make a larger candle, or, in order to save money, would use a piece of rounded wood or pole as a former and wrap it with small candles. The candles were then decorated with paper so that the string used to lash the candles together could not be seen. (This method was the beginning of a new type of candle and they were for sale generally. It was a way of saving time because beeswax did not have to be boiled.

After many years having passed and with the involvement of competitions with prizes, the community that decorated its candle in the most beautiful and different way to other communities would normally be the winner every time. So, a new method of decorating the candles came about. It changed from being decorated with paper strips to being decorated with beeswax being cast in moulds and then attached to the candle body. This method produced a much more beautiful candle that when it was decorated with paper strips. Therefore, any community that decorated its candle in this way could expect to win first prize. Many years passed with candles being decorated in the same way. So, any community that wanted to win had to find another different way of decorating their candle. Hence, the carving of designs on the surface of the candles began, and the communities who were able to do this were likely winners. Once this new method of decorating candles so beautifully had developed into a variety of methods, it was the beginning of dividing the different types of candles into categories, and prizes were awarded for each different category. In the time that followed, there were two types of candles: the type with moulded beeswax attached to the candle body, and the type that was carved. (Culture network foundation. 2017: online)

However, the two types mentioned above referred only to the candle body. There were no other major elements, especially the base of the candle, which was only produced in order that the candle would not topple over. The community that wanted to win had to find yet another way to decorate differently. This was the beginning of decorating the base of the candle in different ways, especially in decorating the base to make it look like it was floating. Animals from literature or stories from Buddhist history were depicted.

**1.4 Spiritual value**, the spiritual value presented as Vassa. It is often glossed as Rains Retreat or Buddhist Lent, the latter by analogy to the Christian Lent (which Vassa predates by at least five centuries). For the duration of Vassa, monastics remain in one place, typically a monasteries or temple grounds. In some monasteries, monks dedicate the Vassa to intensive meditation. Some Buddhist lay people choose to observe Vassa by adopting more ascetic practices, such as giving up meat, alcohol, or smoking. While Vassa is sometimes casually called

"Buddhist Lent", others object to this terminology. Commonly, the number of years a monk has spent in monastic life is expressed by counting the number of vassas (or rains) since ordination.

Most Mahayana Buddhists do not observe Vassa, though Vietnamese Thien and Korean Seon monastics observe an equivalent retreat of three months of intensive practice in one location, a practice also observed in Tibetan Buddhism. Vassa begins on the first day of the waning moon of the eighth lunar month, which is the day after Asalha Puja or Asalha Uposatha ("Dhamma day"). It ends on Pavarana, when all monastics come before the sangha and atone for any offense that might have been committed during Vassa. Vassa is followed by Kathina, a festival in which the laity expresses gratitude to monks. Lay Buddhists bring donations to temples, especially new robes for the monks. The Vassa tradition predates the time of Gautama Buddha. It was a long-standing custom for mendicant ascetics in India not to travel during the rainy season as they may unintentionally harm crops, insects or even themselves during their travels. Many Buddhist ascetics live in regions which lack a rainy season. Consequently, there are places where Vassa may not be typically observed.

## **2. The tourist's demands toward creative tourism activities in Ubon Ratchathani province**

According to the results from interviewed the tourists who visited Ubon Ratchathani province, the tourists suggested the creative tourism activities based on the cultural significant values of the candle festival in Ubon Ratchathani province as follows;

- 2.1 The creative tourism activities should be designed as the activities that could support the participation of the tourists to join and learn about the cultural identities in the attractions such as the community where local people produced, decorated and sculpted the candle in the candle festival. (Sudarat Amornmanee. 2016. Interviewed)
- 2.2 There were many kinds of souvenir to serve the tourists such as the shirt painted with the pictures related to the candle festival. Moreover, there should be the activities for the tourists to learn and join the production process of the souvenirs as the creative tourism. (Amornrat Sirikan. 2016. Interviewed)
- 2.3 The creative tourism activities should increase the relationships between the hosts and the visitors, increases social and relational capital for both tourists and local people using existing resources in order to strengthen identity and distinctiveness with the education a self-realization and education. (Kanchana Manithong. 2016. Interviewed)

## **3. The creative tourism activities related to the cultural significant values of the candle festival to promote the creative tourism in Ubon Ratchathani province**

According to the tourists' demands and the cultural significant values of the candle festival in Ubon Ratchathani province, the sample of the creative activities in Ubon Ratchathani province could be designed as following activities;

- 3.1 Visited communities and saw candle making**, visited of communities and temples could be made to see the making of festival candles about 2-3 days prior to the procession. Visitors could learn about the techniques and methods used, as well as the designs applied to the candles.
- 3.2 Candle procession on Asanlaha Bucha Day at Ubon Ratchathani temples**, a candle procession circling the convocation hall on Asanlaha Bucha Day would be held in the evening at various temples. Not only would visitors have the chance to see this important Buddhism ceremony, but they could also delight in exquisite local architecture of the temples.
- 3.3 Displayed of candles around Thung Si Muang and the grandest candle exhibition in Thailand**, the candles would be fully decorated and the site where the candles were placed would be illuminated with high powered lighting and cleaned up. Thus, an ideal setting for the candles was created, making the display the most beautiful and most complete candle exhibition in Thailand.
- 3.4 The candle parade**, it was on the Buddhist Lent Day from 08.00 hours onwards. The parade would pass the provincial hall along Upparat Road and Chayankun Road for a distance of 2-3 kilometers before disbanding. It would consist of a royal candle parade and candle parades from temples, each with accompanying local performances, dances and music.
- 3.5 Merit-making to donate candles**, this was considered the heart of the Buddhist Lent. Buddhists would take candles and items for the personal use of monks to donate to monks at nearby temples. This was regarded as a great blessing to the donor. Visitors could participate in this beautiful ritual at all temples.

## **4. Discussion and Conclusion**

The creative tourism was a new form of tourism that gave the importance to the engagement of tourists and hosts by providing opportunities for tourists to participate in various activities and learn from authentic, hands-on experience in the local community. This allowed the tourists to learn and gain a deep understanding of the cultural heritage in various communities. In addition, the creative tourism did not only create relaxation or excitement, but also personal pride, a bond with hosts and memorable experiences from the place of visit.



The researcher used the concept of creative tourism from Greg Richards (2010) to analyze and present the creative tourism activities for the candle festival in Ubon Ratchathani province. He defined the concept of creative tourism as tourism which offer visitors the opportunity to develop their creative potential through active participation in courses and learning experiences which are characteristic of the holiday destination where they are undertaken. According to that definition of the creative tourism, the research had presented the creative tourism activities for candle festival as the main sample for creative tourism activity in Ubon Ratchathani province. This activity could support the tourist to participate, learn, and increase their experience about the important roles of the candle festival as the cultural resource to the local people in Ubon Ratchathani province.

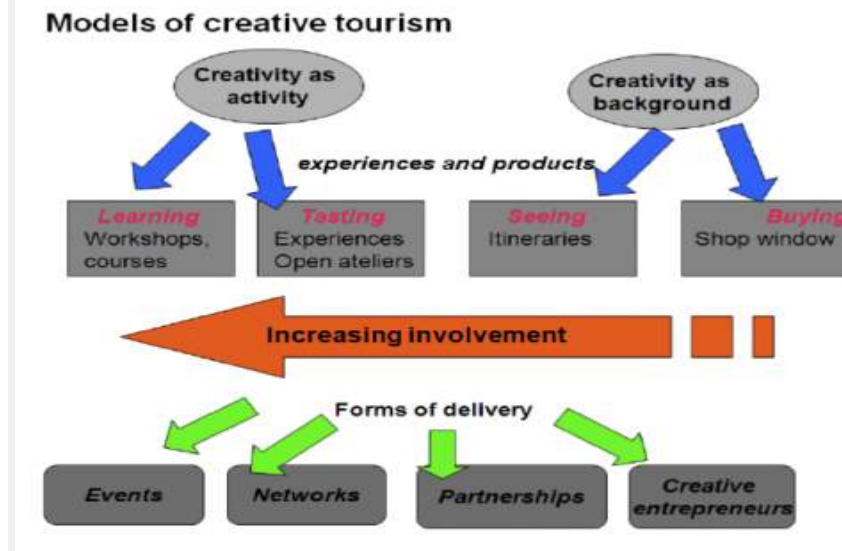


Figure 1: Creative tourism model  
Source: Elena Paschinger. 2016. (Online)

According to the creative tourism model in figure 1, it could emphasize that the creative tourism activity designed for the candle festival in Ubon Ratchathani such as to join the candle procession on Asanlaha Bucha Day at Ubon Ratchathani temples, display of candles around Thung Si Muang and the grandest candle exhibition in Thailand, the candle parade, and merit-making to donate candles. These learning activity could increase the tourists' experiences towards the importance of the candle. Besides the learning activity, the testing activity was also important for the tourists increasing their experiences for practice their skill to sculpt the candle with local candle tracery and the candle production processes.

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# Data Envelopment Analysis, Super-Efficiency: UK Regional Rankings

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## Abstract

The aim of this study is to implement Super-efficiency Data Envelopment Analysis (Super-efficient DEA), Super-efficiency methods to the tourism industry. DEA evaluation methodology is widely recognised for determining production performance. The main reason for using Super-efficient DEA is to understand the efficiency and effectiveness of tourism destination preference and perception production of various tourist regions in the UK. This analysis will present a ranking of 21 tourism destination regions in the UK. Due to increased interest in tourism destination competitiveness, there is a need to improve and develop the destination standard. This DEA empirical result will show different advantages of each destination. This study will aim to analyse tourist destination efficiency in the United Kingdom. The conclusion of this paper will identify the benefit of DEA super-efficiency as the tool to develop the tourist destination.

**Keywords:** Data Envelopment Analysis Super Efficiency, Effectiveness, United Kingdom

## 1. Introduction

Since 1990, there have been many methodologies, frameworks, and models to measure the technical efficiency with a view of the tourism industry for the optimal management. The consequence determines to provide a major economic development for many countries to improve the livelihood of its inhabitant. The United Kingdom, one of the leading countries in Europe, is no exception. They also depend on tourist's arrival and spending.

In 2008, the Economist mentioned that the United Kingdom was the world's sixth major tourist destination, ranked seventh of the highest number of visitors, and were the fifth largest in industry. In 2011, the United Kingdom was ranked number seventh in the international tourist arrivals league which was behind France, USA, China, Spain, Italy, and Turkey. (Fell from the sixth place in 2010 as Turkey stepped up.)

The United Kingdom accounted for 3.0% of global arrivals in 2010 (3.3% in 2010 and 3.5% in 2011). France, Germany, and the USA were the top three markets in term of the number of visitors to the United Kingdom in 2012 while the top three spenders were USA, France, and Germany. For all inbound visitor spending, London accounted for 54% while England was 33%, Scotland was 8%, and Wales was 2% respectively. (VisitBritain website, 2011).

In 2015, the UNWTO international tourists mentioned that the United Kingdom was ranked number eight in arrivals in Europe, which after France, the USA, and Spain. Hence, the United Kingdom accounted for 2.9% of global arrivals that year. United Kingdom was in the sixth place in the international tourism spending (drop from the fifth place in 2014) which followed the USA, China, and Spain, conferring to UNWTO figures. The United Kingdom reported for 3.4% of international tourism receipts in 2015. Then, the oversea visitors received 36.1 million visited the UK in 2015, spending £22.1 billion. These figures characterise a 5% rise in volume and 1% (nominal) increase in value related with 2014 (VisitBritain website, 2015).

London has the largest number of tourists and becomes a hot-spot for the visitor (Euromonitor International, 2006). Nevertheless, the number of tourists still far behind other countries like France that shows the strongest image point toward tourist among travellers (Woodside & Lysonski, 1989) with the highest number of tourist arrivals (The Economist, 2008). France was one of the top five popular tourist destination, with 79.3 million visitors in 2008 (The Economist, 2008).

Tourism has an important role in the foreign exchange. It is the third highest export earner behind chemical and financial services. International visitors spend around £18 billion a year in this country and earn the income tax more than £3 billion from the Exchequer. Moreover, domestic tourism earns about £115 billion a year and employs 2.6 million people. The measurements of both accounts make up around 9% of the United Kingdom's economy. From that point, the tourism industry is the fastest growing compared to other economic sectors (VisitBritain website, 2011).



According to the previous paper, the author had examined 27 countries of the European Union. The result displayed that the United Kingdom was inefficiency in this field and was ranked 19 out of 27 countries (Arnaud and Papangkorn, 2015). Hence, this is the main goal of this study to identify the needed improvement using Data Envelopment Analysis (DEA) by computerising the facility in each region such as the number of hotels, restaurant, attraction, and others.

However, based on the structure of the directional distance function, the study conducts a methodical analysis on the measurement of the super-efficiency to accomplish the main objectives. The reason comprehends the direction to measure using super-efficiency that entirely resolves the significant infeasibility concern which occurs in the traditional super-efficiency measures. The secondary goal is to demonstrate the indicator such as super-efficiency models, including the conservative ones as special cases. The proposed measurements are valuable because they have circumvented biases in super-efficiency assessment due to input and output projection. This paper will indicate more about tourism destination performance in section 2, Data Envelopment Analysis is the methodology procedure to ranking tourism performance in section 3, Super-efficient DEA Methodology 4, Data and variables 5, results and discussion, and end with the conclusion in section 6.

## 2. Data Envelopment Analysis

Performance measurements are an important issue in the relation of two reasons. The first one is that, in a group of units, only a limited number of candidates can be selected. The performance of each group must be evaluated in a fair and reliable manner. The other reason is that, as time progresses, better performance are expected. Hence, the units with weak performance must be recognised to make the necessary improvements. The performance of a decision-making unit (DMU) can be evaluated in either a cross-sectional or time-series manner, and DEA is a useful method for both types of evaluation (Kao, 2010).

In general, DEA can be applied to efficiency problems in some public sector agencies such as schools, hospitals, airports, courts, and in some private sector agencies like banks, or hotels. In this study, DEA will be applied to tourist sites and consider them as a generic private touring unit (e.g., museum, historical place, attraction and hotels), using proper inputs to reach multiple outputs. For this reason, an output-oriented CCR model is approved because this paper aims to explore how well the regions in the United Kingdom deploy their input resources for tourism. The aim of a tourist area is to maximise tourist flows to define and be given a stock of tourist resources.

DEA models assess efficiency by using the actual number of each facility to the production frontier giving the maximum possible efficiency. The efficiency measure proposed by Charnes *et al.* (1978) is to maximise the efficiency in term of the ratio of total weighted output to total weight input, subject to the condition that, for every destination, this efficiency measure is smaller than or equal to 1.

In order to guesstimate the efficiency and the productivity change, the researcher assumes that the tourist site production technology possible to be characterised by a production function, providing the maximum possible output as an output target and give proper inputs. (see also, Cracolici, 2004, 2005; and Cracolici and Nijkamp, 2006) As the functional form of the production function is not known, while we have to manage multiple inputs and outputs, a non-parametric method like DEA is the most suitable economic tool to use.

While the main advantage of the DEA is a parametric approach that does not require any assumption concerning the production technology, DEA can also easily accommodate multiple outputs. As mentioned before, DEA is a non-parametric liner programming method that uses for measuring efficiency to assess a production frontier. The efficiency of all tourist destinations is evaluated against this border. It also means that the effectiveness of a destination is evaluated in comparison with the performance of other destinations.

### Super-efficiency DEA

Andersen and Petersen (1993) proposed revised method to allow for ranking of the efficient units and perceive significant observations in the sample based on the super-efficiency model. The super efficiency score is about the input-oriented model, which offers a measure of the possibility to increase the inputs for a DMU that are possible to take place without affecting the 'efficient' of that DMU relate to the frontier created by the remaining DMUs.

Anderson, Fok and Scott (2000) stated that the problematic come from the manager that distribute inefficiency as deviations from the efficient frontier resulting in failure due to the use of optimal input mix in the production process. Although technical inefficiency as the creation of pure technical inefficiency and scale efficiency in which pure technical represents a failure to operate inputs given their distribution completely, scale inefficiency signifies a failure to operate at constant returns to scale.

The DEA method signifies a technique that non-commensurate by multiple inputs and outputs of a unit that could be mutual accurately to an inclusive measure of organisational efficiency. DEA is also a benchmarking technique that evaluates the comparative efficiency of DMUs. The researchers who are apprehensive in service industry performance have applied DEA to some sectors including banking (Angelidis and Lyroudi, 2006), nursing (Hsu and Hu, 2007) and insurance (Mahajan, 1991).

#### **Super-efficient Data Envelopment Analysis Projection**

Sherman and Gold (1985) established a method to determine the projection onto the frontier, not by reducing each of the inputs by the same quantity as in the focused methods. However, they used the weighting scheme provided by the values to analyse a composite point on the frontier rather than by decreasing every input by the efficiency score to define the projection onto the frontier.

After the establishment of the model and by resolving the input performance displays with linear programming that will pick up the DEA effectiveness of DMUs. At that point, for those DMUs with effective DEA, another analysis should accompany the model groups to see whether they indeed have outstanding performance. For the ineffective ones, some problems in performance assessment are visible, presenting that certain input cannot produce conforming output, not only for the economic output but also the efficiency and effect ones. As a result, the analysis of DEA projection should be directed to give relevant advice. Projection analysis of the ineffective DMU in this method can support the finding ways to change an ineffective DMU to an effective one. By providing a significant basis to give audit advice, the analysis of DMU effectiveness can also lead us to know whether we should increase or decrease the input of appropriate resources later to provide another important basis for audit advice.

#### **DEA-Based Studies in destination performance**

Bosetti *et al.* (2006) evaluated 20 regions in Italy with four inputs that uncontrollable and four outputs with DEA approach. They found that each of the 20 regions considers a set of eight indicators, four inputs with one uncontrollable input, and four outputs. Data Envelopment Analysis can be effectively applied in assessing and comparing economic and environmental performances of tourism management units. As discussed, the DEA analysis produces relative efficiency indices for each considered unit and also gives useful information concerning which lever would play a more effective role in improving management efficiency.

Cracolici *et al.* (2006) analysed the relative performance of Italian regions focusing on the environmental management. The aim of this paper has been to examine the tourist competitiveness of Italian regions during 1998 to 2001, and their variation over these years. The performance of these regions had been estimated through the valuation of their efficiency. Tourist sites are measured in traditional tourist profit units (e.g. hotels, restaurants, and others). The study suggested that the tourist managers should intensify the production of tourist output (bed-nights) to improve the regional efficiency.

Botti *et al.* (2009) used the DEA method in the destination field for a descriptive approach to French regional performance in a tourist destination. This research proposed a performance evaluation of leading French tourism regions. The paper explained about technical efficiency in the utilisation of tourism resources can be considered as a substitution of destination competitiveness. The analysis was constructed on a DEA model. The findings presented that there are some efficient drivers in French regions. The main drivers are the sun, the sea, and the strategy based on beaches endowment. The improvement of Theme Parks, Monuments, Museums, Ski Resorts and Natural Parks in a given region can also progress efficiency as long as these attractions can escalation the tourists' length of stay.

Botti and Peypoach (2013) Tourism Destination Performance A Quantitative Approach Applied to European Countries. The theoretical influence of this paper examined the concept of destination. The empirical perspective of this paper evaluated the country in the European Union. Since tourism industry occupies an essential place in the economy of European Union, tourism activities are significant in a specific large source of employment. In this viewpoint, this paper looked at the tourism efficiency of 26 EU members, or the normal 27 EU countries excluding Malta. The paper emphasis on four inputs and two outputs then the discussion of three hypotheses. The result showed that, first, transportation plays a main role for the destination and could increase the destination efficiency. Follow by being a part of European Zone is beneficial to each destination at last for the larger countries, they are wasting their resources.

Rabar (2013) analysed Croatia region. The research used the three-years period to completed Croatian counties represented in this study, considered by two inputs and five outputs from 21 regions. The select of indicators for the determinations of this study monitored on the subsequent line of thought: taking human and material components and living standards as three outstanding criteria for the influential degree of socio-economic development; particular measurability of indicators; obtainability and availability of data on indicators.

Accurately, the counties were related to one another at the level of one three-year period, based on the same set of indicators. After the region grouping, a substantial number of them developed the efficiency and some turn into efficient regions. Thus, the total average relative efficiency increased, advancing the categorical approach for most countries as preferred.

Abad and Kongmanwatana (2015) evaluated the destination competitiveness ranking in the European Union using a nonparametric approach. This research aims to find the tourism efficiency of 26 EU members. Efficiency considered in this paper is the ability to produce the major possible outputs from a given set of inputs. Efficiency is assessed through the DEA BCC-O, Super BCC-O, and NL-SE methods. As a result, attraction is based upon a difficult set of resources that have an important impact on the geographical location. Therefore, the climate also has a strong effect on tourist flows, and the sun-seeking factor in international tourism clarifies the north-south tourist flow. At last, the smaller countries are more efficient due to their individual tourism resource capacity which is smaller and easier to manage.

On the other hand, only one of the above evaluations of the regional competitiveness used the super-efficiency DEA. This approach is to test DMU, which is not included in reference set (Andersen and Petersen, 1993 and Seiford and Zhu, 1999). Charnes et al. (1992) and Rousseau and Sempé (1995) and Charnes et al. (1996) progressed a Super-efficiency DEA sensitivity analysis technique for the condition where immediate comparative change is presumed in all inputs and outputs for a particular DMU under contemplation. The data variation form is in Zhu (1996) and Seiford and Zhu (1998a) to a situation where inputs or outputs can be changed separately, and the complete (largest) constancy region which involves that of Charnes et al. (1992) are achieved. As a result, the condition for stabilising efficiency of a test DMU is required and appropriately.

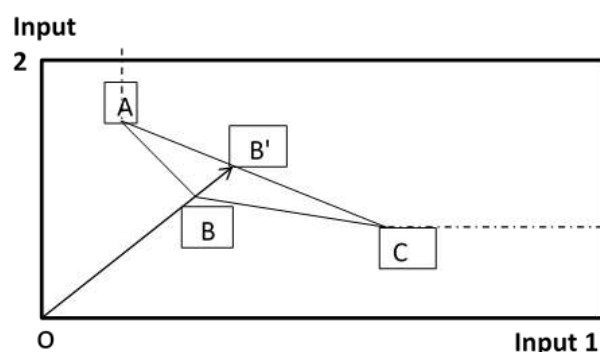
### 3. Super-efficient DEA Methodology

The objective of the classic DEA is to provide the basis ranking for the organisations that benefit management, in term of measuring technical efficiency scores. Therefore, this is not the potential for the sub-group of organisations that lie on the graph of technology and are 100% technical efficiencies valued. In 1993, Anderson and Petersen purposed the super-efficiency measures of these qualified firms to resolve this problem. An organisation is considered as super-efficient if its DEA efficiency score equal to 100% went beyond when measured against a production possibility set constructed from the input-output data of all other organisation in the sample. While this improved of DEA procedure is quite useful in many cases, for some other linear programming problem for measuring the super-efficiency score might not have any feasible solution in certain situations (Ray, 2008).

#### Super-efficient Input-oriented Models

Ranking of the effective set of DMUs is potential by calculating efficiency scores in excess of unity. Consider unit B in Figure 1. If it was excluded from the frontier, a new frontier would be created comprising only units A and C. The super-efficient score for unit B is attainable by calculating its distance to the new frontier, whereby this 'extra' or 'additional' efficiency denotes the increase that is allowable in its inputs earlier it would become inefficient.

**Figure 1:** Standard and Super-efficient DEA Input-oriented Models

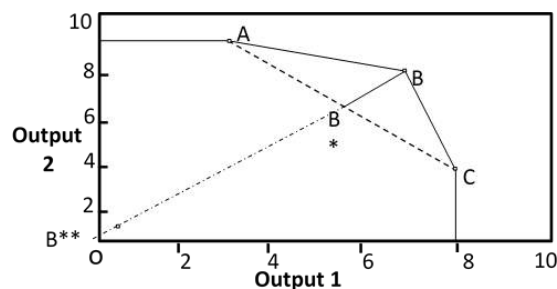


*Source: Author's construction*

The significance of this alteration is to tolerate the scores for efficient units to go above unity. For illustration, a score of 1.15 for unit B would indicate that it could increase its inputs by 25% and still stay efficient (Yawe, 2010). This so-called super-efficient model (Andersen and Petersen, 1993) is applied in the analyses using the method defined in Zhu (2003).

Figure 2 provides visualisation to the revised super-efficiency model, supposing an output orientation. Figure 2 scaled DMU B\*\* which lies one-tenth of the distance along a ray covering from the beginning to DMU B. The straight super-efficiency model excludes DMU B from the reference set, varying the efficient frontier to the broken line segment connecting DMUs A and C, and calculates DMU B opposing to this reduced border. In this example, DMU B obtains a super-efficiency score of 133%. Our modified super-efficiency model scales DMU B to DMU B\*\* and preserves it as part of the reference set. However, as it is now inefficient, it is no longer part of the efficient frontier connecting DMUs A and C. Thus the predictability of the super-efficiency frontier and the revised of super-efficiency frontier correspond. The modification is that scaled DMU B\*\* is inefficient. The radial efficiency of scaled DMU B\*\* is 13.3% (Lovell and Rouse, 2003).

**Figure 2:** Provides an output-oriented illustration of the super-efficiency model



Source: Author's construction

The method presented by Lovell and Rouse (2003) managed the infeasibility problem. Though, concerns are raised about the desirability of the consequences of this method and the part of the exogenous intervention to the process (Chen et al., 2011; Cook et al., 2009; Ray, 2008). To be more precise, the super-efficiency scores of the efficient DMUs with infeasible solutions are duplicated to the scaling factor. For that reason, these specific results should not be interpreted while the goal levels for inputs and outputs are invented. The results found solely reflected an illogical choice of the scaling factor. In accumulation, Lovell and Rouse's technique unsuccessfully categorise the efficient units in that the infeasible DMUs are allocated equal super-efficiency scores.

Chen (2005)'s model depends on the replacement of the inefficient units with their efficient projections, beneath the assumption of variable returns to scale (VRS). Chen claims that infeasibility removed whichever in the input- oriented or the output-oriented expression of super-efficiency models, however, not at the same time. As a result, both orientations should be applied to confrontation the infeasibility problem and calculate the whole super-efficiency score of a unit. The complete super-efficiency score develops from the mixture of the two super-efficiency DEA orientations with appropriate weights. Chen's method delivers a partial solution to the infeasibility problem of super-efficiency DEA models for the reason that in some cases it fails to explain a feasible solution in both orientations (Chen et al., 2011; Ray, 2008).

Cook et al. (2009) presented an approach which suggests one-directional input-output movements, define as decreases when input-orientation is applied and increases in case of output-orientation. That is the unit under evaluation with the involvements of infeasibility in super-efficiency models reaches the frontier formed by the rest of DMUs. Lee et al. (2011) introduced a two-stage method to extend Cook et al.'s model as a solution.

Ray (2008) suggested putting a non-oriented super-efficiency model representation on the directional distance function presented by Chambers et al. (1996). Ray's method allowed synchronous proportional output reductions and input extensions by a limitless factor which is resolute by the optimisation technique. Despite this specific method determining the infeasibility problem, it is not an oriented analysis.

Chen et al. (2011) recommended a combinatorial input- and output-oriented method that delivers the targets for the evaluated DMU with radial movements of both inputs and outputs. The aggregated super-efficiency score is interpreted as a ratio of optimal input- and output-oriented super-efficiency modules. Therefore, it is the result of an optimisation procedure without demanding random selections on a factor. Chen et al., the same as Ray, bring together a non-oriented analysis for engaging in the infeasibility problem at VRS super-efficiency DEA models.

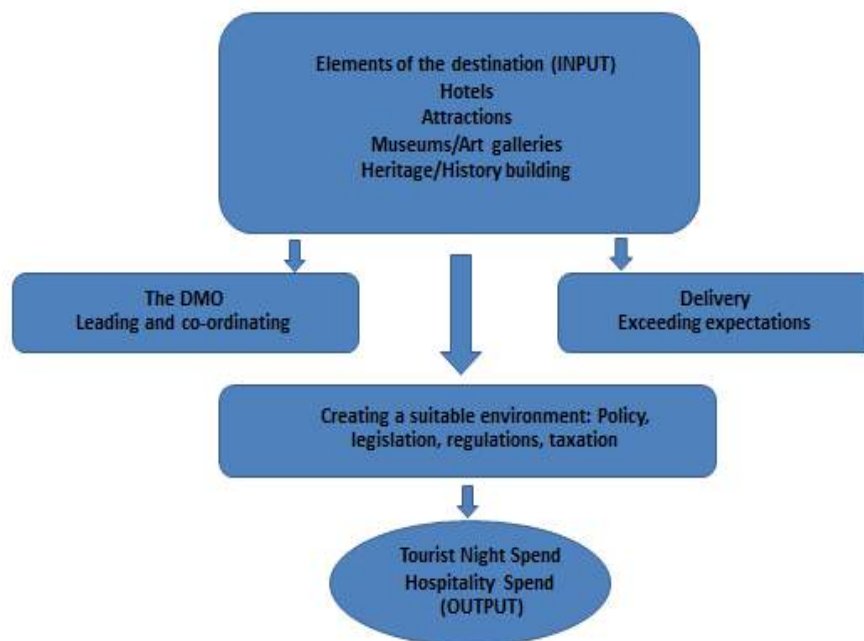
#### 4. Data and variables

The DEA model permits the calculation of the relative DMUs efficiency in different RTS assumption (NIRS, CRS, IRS or VRS) and orientation (input, output or input-output). Charnes, Cooper and Rhodes (CCR, 1978) were the firsts to propose a Constant Return to Scale DEA model. Banker et al. (1984) presented the BCC model; Variable Return to Scale DEA model. This paper considered an output-oriented CCR model. For that reason, the BCC model has several result efficient DMUs (efficient score equal to one). Thus it is not possible

to rank these DMUs according to their scores. The super-efficiency DEA model permits the discrimination of the performance among efficient DMUs (Andersen and Petersen, 1993; Ray, 2008). To reach this goal, the DMU evaluated is excluded from the reference set, to compute the super-efficiency

The selection of the data will be taken from the 21 regions in the United Kingdom by collecting a number of hotels, museum, historical places, and other attractions as an input and two outputs as the outcome in hospitality spent and nights spent in the United Kingdom in 2008. See figure 4 with a sample size of 21 regions ( $J = 26$ ), with 4 inputs ( $N = 4$ ) and 2 outputs ( $M = 2$ ), conventional rule is respected ( $J \geq 2(N+M)$ ). The data selection is mainly from; [www.visitbritain.com](http://www.visitbritain.com) and [www.visitengland.org/insight-statistics/major-tourism-surveys/dayvisitors/GBDVS2011.aspx](http://www.visitengland.org/insight-statistics/major-tourism-surveys/dayvisitors/GBDVS2011.aspx)

**Figure 3:** Input and output data correction



*Source: Author's construction*

The valuation of technical efficiency needs to carefully select the sample size to include the number of factors, especially the number of inputs plus the number of outputs. These due to the circumstance of the delivery efficiency are likely to be affected by the classification of outputs. The number of inputs and outputs are included (Magnussen, 1996).

## 5. Results and Discussion

The use of the super efficiency model could contribute and provide details of functional units. The super efficiency name is used in the DEA-modified model whereby the units can have efficiency values larger than one. This paper uses 21 regions in the United Kingdom to estimate the efficiency, which does not have any limitation in term of emerging each input that will not influence other DMU.

This process is obtainable from DEA-solver by Cooper *et al.* (2006), which are fairly new and relevant indicators of destination performance and previously have never been applied to the United Kingdom tourism destination. According to the previous paper about the European Union competitiveness (Abad and Kongmanwatana 2015), the UK ranking was 19<sup>th</sup>, and, in The Global Competitiveness Index report, was at the 12<sup>th</sup> place, with 12 pillars. However, in 2008, the United Kingdom was ranked on the seventh place for the number of arrivals. In this case, it means that there must be more room to generate more revenue in the tourism industry.

**Table 2:** CCR output oriented ranking score

| Rank | DMU              | Score |
|------|------------------|-------|
| 1    | Lothian          | 3.49  |
| 2    | London           | 1.95  |
| 3    | Scottish Borders | 1.22  |



|    |                      |      |
|----|----------------------|------|
| 4  | North Wales          | 1.14 |
| 5  | South Wales          | 0.94 |
| 6  | Perthshire           | 0.91 |
| 7  | Fife                 | 0.77 |
| 8  | West Midlands        | 0.74 |
| 9  | Dumfries & Galloway  | 0.73 |
| 10 | Grampian             | 0.72 |
| 11 | East                 | 0.64 |
| 12 | East Midlands        | 0.59 |
| 13 | South East           | 0.59 |
| 14 | Mid Wales            | 0.53 |
| 15 | Dundee & Angus       | 0.46 |
| 16 | North West           | 0.42 |
| 17 | Noth East            | 0.40 |
| 18 | Highlands            | 0.32 |
| 19 | South West           | 0.25 |
| 20 | Yorkshire and Humber | 0.20 |
| 21 | Ayrshire & Arran     | 0.13 |

Table 2 presents the ranking that obtains from the super-efficiency DEA approach, which is (3.49) Lothian, (1.95) London, (1.22) Scottish Borders, and (1.14) North Wales. This result is indeed understandable due to the fact that Lothian, Scottish Borders, and North Wales are considered as history places while London is the place for business, shopping, and other means. In total, the four regions are efficiency while twenty-one regions are inefficiency. This could answer the research question about the ranking of the UK was in the 19<sup>th</sup> place.

Moreover, the super-efficiency DEA provides the projection of input and output which show that London is -41.75% in hotels (input) even while London was scored 1.95. This input is produced by using outputs representing the different components of the hospitality spending and night spent. This could lead to considering increasing the number of the hotels in London, which might increase the revenue. London is considered as an expensive destination, thus if it has more hotels, it will automatically increase the competition capability, and the price of the hotel might be lower. It is possible that the room available is pricey and then people try to avoid staying in London. In this case the policy maker could give more option for the room availability such as bed and breakfast or hostel.

Then Lothian is -41.76% (output) in hospitality spending. This output is produced by using inputs representing the different components of tourism product, including attractions and supporting services such as transportation, accommodation, and food and beverages. Since Lothian is a historical attraction, the local government should provide more facility such as festival or event for tourist to spend more.

Additionally, each DMU along the frontier is pointed as being efficient, while those falling below the frontiers, such as Ayrshire and Arran, are measured as inefficient. The method of defining the efficiency score for Ayrshire and Arran shows a discrepancy according to the technique engaged from the two classic methods, the input- or output-oriented methods. The efficiency score is determined. in effect, by influencing the projection directly along the horizontal alignment (outputs) or along the vertical alignment (inputs) (Botti *et al.*, 2009).

The method developed in this consequence determines the least-norm projection from an inefficient and efficient DMU to the frontier, in both the input and output spaces. Although the DMU efficient score is equal to, or more than, one, it still has room for development (e.g. London and Lothian). In fact, one could progress the norm projection method (Ortega and Rheinbaldt 1970) in which the input, output, and, at least, two-norm projections are identified as special cases. To conserve effort, this paper only describes the norm projection to clarify the advantages of DEA projection.

Also, by using the oriented methods, the projection onto the frontier is indomitable by reducing (increasing) the inputs (outputs) by a duplicate percentage based on the efficiency score. Hence, if there are four inputs, as shown in Figure 3, then using the input-oriented approach requires not only outputs being held as a constant



but also directives that the decrease in inputs along each of the input dimensions is equal and identical to the efficiency score.

## 6. Conclusion

This paper sought to apply the super-efficiency DEA model introduced by Andersen and Petersen (1993) and Ray (2008). Applying super-efficiency DEA approach, it is perceived that useful for evaluated the performance and efficiency. It is also noted that the ranking of regionals or countries has several tools, such as The Global Competitiveness Index report with 12 pillars (input) and UNWTO. This study also determines how the super-efficiency DEA could assist decision maker. A number of alternative input and output measures are possible under the DEA super-efficiency. The implication of alternative specifications is that for any regions considered inefficient or efficient there may exist of the room to develop in each DMU. The ability to test the alternative model is, in fact, an important strength of the DEA approach. It compromises the possibility of methodically evaluating the impact of alternative factors (for both inputs and outputs) on the alternative model.

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# Key Success Factors of Digital Marketing: A Case Study of Cosmetic Brands in Thailand

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## Abstract

In the ages of digital economy, the world is now becoming digital focus that people rely on the internet and integrate digital technology usage in their daily lives. Many companies are now starting to focus more on digital channel especially in marketing field since marketing activities have played significant role of the business success in uncertain business world. The aim of this research is to investigate the key success factors of digital marketing focusing on cosmetic industry in Thailand - which is regarded as one of the country that is the potential beauty market in Asia – Pacific with dynamic growth and large base sales- by conducting in-depth interview emphasizing several major cosmetic companies in Thailand and cosmetic customers. In this research, the key success factors of digital marketing of cosmetic brands in Thailand included of seven key factors. The findings found from interviews of five cosmetic brands representatives indicated that technological infrastructures, financial resources, skills and knowledge, integration of communication channels, innovative and creative ideas, influencers and bloggers and content as the major factors of digital marketing of cosmetic brands in Thailand. This research highlights substantial aspects to develop the effective and successful digital marketing strategy and overcome difficulties, consequently, to be the best practice for other developing countries in overall.

**Keywords:** cosmetic brands, digital channels, digital marketing, success factors, marketing

## 1. Introduction

In the era of digital economy, the world is now rapidly becoming digital era that people are more using the internet and integrate digital technologies in their daily lives (Ryan, 2014). In terms of digital media, the world of digital media is changing from the past since it evolves technologies constantly nowadays. It does not only focus only on how to access the information but also emphasizes on the interaction and communication among people. Additionally, it has also impact on how the customers choose and buy the services and products (Ryan, 2014). Many companies are now starting to focus more on digital channel especially in marketing field since marketing activities have played significant role of the business success in uncertain business world. As Ryan (2014) stated that one thing that companies need to ensure that customers know about their businesses through marketing activities, thus, they will stay in business for long.

As Wind and Mahajan (2001) stated that digital marketing is not only a channel that is newer or faster but rather a new channel of marketing which is significantly change in marketing arena through the digital revolution due to the fact that most digital technology has become new channels to sell product and services. Furthermore, it is about the communication channel, building sustainably relationship and loyalty, and learning how to meet customers' needs (Marsey, 2010). As a result of the advantage of digital marketing, many businesses endeavor to conduct the successful business enabled by digital marketing strategy (Wymbs, 2011).

To explore the key success factors of digital marketing, Thailand is selected to be a case in this area since Thailand is one of potential beauty market in Asia-Pacific with large base sales, appearances aware consumer base with dynamic growth (Euromonitor, 2014). Regarding to cosmetic consumers, they are now increasingly exploded by international beauty trends via Internet and digital media to explore the information of beauty and personal care products (Euromonitor, 2014). As a result, cosmetic marketers need to utilize digital media such as social media and bloggers to introduce their products.

In recent years, most of cosmetic companies in Thailand tend to conduct the digital marketing in order to building brand, create brand awareness, boost sales, increase the market share and consequently increase the company profits and gained competitive advantages over their competitors. However, digital marketing may be encountering several challenges. As Gohary (2012) indicated that the organization especially in developing countries may have some difficulties to implement successful marketing in digital area because of resources, infrastructure limitations and also intense competition (El-Gohary, 2011). Some of businesses are able to implement this strategy successfully while some are not. The businesses that failed to adopt digital marketing might be affected by several factors. In order to help the cosmetic companies operating in Thailand to conduct digital marketing strategy effectively, the key success factors of digital marketing strategy should be identified.

The aim of this research is to investigate the key success factors of digital marketing focusing on cosmetic industry in Thailand by emphasizing several major cosmetic companies in order to develop the effective and successful digital marketing strategy and overcome difficulties, consequently, to be the best practice for other developing countries as a whole.

This research will first present the literature review related to research's topic followed by the methodology conducted in this research. The following section will be findings made by interviews and discussions used to identify such factors. Finally, this research will be concluded and recommendation for further researches.

## **2. Literature review**

Today the environment of economic has been switched to the new economic environment known as *the digital economy* stated by Turban et al. (2004) as "*an economy that is based on digital technologies...*" (p.4). Apart from the movement of economic environment, the nature of human activities and interaction has been changed by significant changes of the online social behaviors as a result of rapid growth of Web-based platforms (Tiaga & Verissimo, 2014). The social relationship in the real - world has been altered to focus more on online communities which allows individual to share information and communicate to each other across the globe (Tiaga & Verissimo, 2014). As a result of changes in consumer behavior, businesses are required to rethink their marketing strategies into digital domain. Therefore, both large and small companies need to ensure that the plans for digital marketing program will be performed (Mayar & Ramsey, 2011).

### **2.1 Definition of Digital Marketing**

According to Smith (2007), digital marketing is defined as the digital technologies, which are used for creating the targeted, integrated, and also measureable communication in order to recruit, retain and strengthen relationships with their customers. Furthermore, digital marketing involves interactive and non- interactive marketing activities that aims to achieve customer acquisition and retention in multichannel buying processes supported by digital technology application that is consisting of web, e-mail, databases, mobile/wireless, and digital TV (Chaffey, 2010). Apart from that, Deighton (1996) defined the digital marketing that it includes both direct and interactive marketing. As researcher mentioned above is all about the concept and definition of digital marketing which can be concluded from the previous researches that the digital marketing is related to and activities that create access platforms and communication tools to deliver content and create interaction between companies and individuals/ customers through digital technologies in order to achieve customer acquisition, retention, and build and strengthen the relationship between company and their customers, consequently, for competitive advantage and the businesses profits.

### **2.2 The Roles of Digital Marketing**

Digital marketing has become significant tools applied by businesses due to the fact that digital marketing is one of the effective marketing tools since it is the fastest channels of brand communication, product and service communication, interaction and engagement. As a result, the companies will complete in market that is increasing in intensity of competition and gain competitive advantages over the competitors (Ryan, 2014). Parsons et al. (1998) suggest that digital marketing is an attractive strategy for many consumer product and service categories since the interactive media plays an important role to attract customers. Moreover, business return gaining from new customers and strengthen relationship with existing customers is another major benefit from digital marketing (Wymbs, 2011). In addition, Ryan (2014) argue that a target market increasingly relies

on digital technology for researching, evaluating and purchasing products and services on their everyday lives. Also, it can be indicated that businesses will miss the substantial opportunity and could be lost the competitive advantage to their competitors if there is no consistent engagement and retention strategy through digital channel. As a result, the managements in many businesses are now focusing more on the impacts of digital marketing (Wymbs, 2011).

### **2.3 The Roles of Digital Marketing in Cosmetic Brands**

It cannot be denied that everybody wants to be beautiful and improve his or her image by investing beauty products to enhance their overall image. However, it is difficult to consumers to decide what is the best products that suite due to various beauty product offered in market (Dilworth, 2009). At the same time, cosmetics marketers are hoping that product sales will be increased. Also, they try to provide tools to their consumers to find the right product that matches with their look (Dilworth, 2009). Regarding to Euromonitor (2014), consumers tend to be more relied on the Internet to search for beauty information and products while beauty manufacturers were also utilizing digital channels such as social media and bloggers as tools to promote their products besides from traditional media.

According to Dilworth (2009), cosmetic companies are now providing the tools for customers to create their looks from the existing products. Some companies provide online site where customers can find products color, texture and the product that suite for their skin types. These tools can match with the customers desired looks and recommend the right products for them. In digital world, there are many platforms that cosmetic companies apply to reach and engage with their customers such as Facebook, YouTube, MySpace, Twitter and so on (Dilworth, 2009). For example, cosmetic companies are able to show their product features through videos on YouTube or even Facebook. In addition, brands can connect and communicate with their customers through social network such as Facebook. However, it is important that cosmetics brands need to extend the offline cosmetics experience to the online channels. Furthermore, virtual worlds play an important role for customers to their purchase decision especially makeup products. Apart from that, the interactive shopping experience is investigated by beauty marketer as an important element of cosmetic marketing through online community which create online interaction with customers (Sabety, 2009; Dilworth, 2009).

### **2.4 The Key Success Factors of Digital Marketing**

There are only a few pieces of research on key success factors focusing on digital marketing in developing nations. Therefore, the key success factors for digital marketing in the developed nations will be used as basic ideas to study and adapt to developing world in this research which revealed as followed.

#### **2.4.1 Technological infrastructure**

In term of technological infrastructure, Wymbs (2011) stated that since Internet-based search marketing and digital advertising is mainly used in digital marketing, the key factors that might affect to digital marketing implementation is technological infrastructure especially Internet. The importance of technological infrastructure factors can be support by El-Gohary (2011). This means information technology and technological infrastructure can lead to successful marketing applications because researchers found that organizations operating in developing countries have found some difficulties due to limitations of resources and bad infrastructure.

#### **2.4.2 Content**

In term of digital marketing content, Scharl et al. (2004) stated that to attract customer attention in any media, digital marketing content should be an attractive, concise, understandable language to target group by considering in term of age, and education Additionally, Wymbs (2011) indicated that the key element for future digital marketing success is to provide relevant and desired information. According to Scharl et al. (2004), marketing success related to relationship between informational needs and the advertisement content. Moreover, Eskin (2009) stated about the important of information of cosmetic products provided to customer that it should be clear description what the products is and avoid to provide technical and scientific information because sometimes it is too difficult for customers to understand; thus the cosmetic companies should keep the message simple to compete in intense competition. However, Wacksman (2009) pointed out that it is not only about pushing the information about the product at customers but also beauty marketers should provide valued added to their customers through customer services both in-store and digital channels by helping them to look



beautiful.

#### **2.4.3 Pricing**

According to Ryan (2014), pricing is also significant factors through digital channels since the pricing is transparent through Internet. It means that marketers have to be competitive in term of pricing by providing the product with valued price to consumer. It does not mean that the product has to be cheapest in the market but should have valued added to buy this product. As mentioned earlier about pricing transparency, Leeftang et al. (2013) also mentioned about pricing transparency that to acquire new customer the increase in pricing transparency by offering the best value for money t their customers are one of the key elements of an opportunity for companies to be successful in their businesses.

#### **2.4.4 Communication Channels**

According to Wymbs (2011), the consumer explores the product information and ask questioner of interesting products and services through the digital channels and then make decisions; thus, the channels that connects to customers need to be decided to make it effectively. Moreover, Tiaga and Verissimo (2014) indicated that social media is one of a effective channel to utilized the benefits gained from Internet in order to provide product and services information to customers, strengthen relationship with stakeholders and finally generate sales.

#### **2.4.5 Integrating communication channels**

In order to create digital marketing effectively, Smith (2007) indicated that digital marketing would be effective when it is integrated with other communications channels. The importance of communication channel integration was support by Leeftang et al. (2013) study which suggested that to reaching wider ranges of consumers is best to integrate communication channels by combining digital and traditional media together. According to SAS (2014), consolidation between digital marketing and its related channels are important to manage customer relationships.

#### **2.4.6 Strategy**

In term of strategy, it is significant factor of digital marketing success as Ryan (2014) investigated that to help marketers to ensure that their marketing strategy are aligned with their business goal and their selected targets are the right people, marketing strategies should be clearly defined. Leeftang et al. (2013) also mentioned about the importance of strategy driven digital marketing to be successful that marketers should develop digital marketing activities based on strategic brand positioning. As a consequence, they will obtain attention from the selected target group.

#### **2.4.7 Employee knowledge**

Another key factor of digital marketing success stated by Wymbs (2011) is that digital marketing knowledge provided by companies to their staffs in order to response to customer effectively since now customers are spending a lot of time in digital space. According to Tiaga and Verissimo (2014), employee has been identified as a significant role in digital marketing since the company's strategies are implemented by employees. Respondents form this research mentioned that they aim to increase the number of employee who focus on digital marketing because they believe that to implement digital marketing strategy should not be outsourcing.

#### **2.4.8 Financial Resource**

In term of financial resource, Tiaga and Verissimo (2014) also indicated that it is important for companies to implement digital marketing with substantial financial resources to create interaction with their customer through digital media. However, it can be argued by some respondents from IT and telecom sector in Tiaga and Verissimo (2014) research that they have low digital marketing budget but they can create engagement from their customers by integrating communication channel through mobile, network applications, social network and also traditional webpage.

Moreover, Ryan (2014) identified some key success factors of digital marketing. First of all, website is very important element for the whole digital marketing strategy that is known as the hub of your digital world because all of online activities are communicated to customers through website. Additionally, strategic partnerships are beneficial for digital marketing because other organizations that are strategic partners might

help company to promote products and services through their digital media. The factors found from previous researches summarized in Table 1 are a significant line of thought to investigate the key success factors of digital marketing in cosmetic industry in Thailand.

**Table 1:** Key success factors of digital marketing identified by previous researches

| Key success factors of digital marketing |                                    | Previous Researches                                                                 |
|------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------|
| <b>External Factors</b>                  | Technological factors              | Wymbs (2011),<br>El-Gohary (2010)                                                   |
| <b>Internal Factors</b>                  | Content                            | Scharl et al. (2004),<br>Ryan (2014),<br>Wymbs (2011),<br>Eskin (2009)              |
|                                          | Pricing                            | Ryan (2014),<br>Leeflang et al. (2013),<br>Wacksman (2009)                          |
|                                          | Communication channel              | Levy (2010),<br>Tiaga & Verissimo (2014)                                            |
|                                          | Integrating communication channels | Smith (2007),<br>Leeflang et al. (2013),<br>Zeisser & Waitman (1998),<br>SAS (2014) |
|                                          | Strategy                           | Ryan (2014),<br>Leeflang et al. (2013)                                              |
|                                          | Employee Knowledge                 | Wymbs (2011),<br>Tiaga & Verissimo (2014)                                           |
|                                          | Financial Resource                 | Tiaga & Verissimo (2014)                                                            |
|                                          | Creative and innovative programs   | Zeisser & Waitman (1998)                                                            |
|                                          | Learning from customers            | Zeisser & Waitman (1998)                                                            |
|                                          | Website                            | Ryan (2014)                                                                         |
|                                          | Strategic partnerships             | Ryan (2014)                                                                         |
|                                          | Customer relationship Management   | Ryan (2014)                                                                         |

### 3. Methodology

Following literature review including theoretical debates, a research question in this research is “What are the key success factors of digital marketing of cosmetic brands in Thailand?” The following methodological approach will answer this research question.

#### 3.1 Data Collection

In order to study in this area, there were two resources of data known as primary and secondary resources for finding out answers of these research questions based on qualitative data. In the first stage of data collection, secondary resources were gathered from previous researches related to the topic, including documentary analysis collected from business association representatives, chambers of commerce, Thailand's National Electronics and Computer Technology Center (NECTEC), Euromonitor and Internet World stats.

The primary data based on qualitative data was collected in the next stage. Qualitative research is regarded as research method that provides insights and understanding of problem setting and provides meaningful information; on the other hand, quantitative research seeks to quantify the data and applies statistical analysis (Malhotra, 2007). Furthermore, the primary data was collected from semi- structured in-depth interviews by using both closed and opened questions in order to gain insight information from research respondents. The

research respondents for the interview process are persons who are associated with digital marketing and responsive this area directly. The research respondents included digital marketers of five cosmetic brands in Thailand, which are from different companies. Apart from that, in order to obtain the information in different aspects, four cosmetic customers were interviewed by researcher. The information about the research respondents can be found in Table 2.

**Table 2:** The information of the research respondents

| Research Respondents                  |            | Job position                        | Gender | Age |
|---------------------------------------|------------|-------------------------------------|--------|-----|
| Digital Marketers:<br>Cosmetic Brands | Brand A    | Brand manager                       | Female | 30  |
|                                       | Brand B    | Digital marketing supervisor        | Female | 35  |
|                                       | Brand C    | Brand manager                       | Female | 35  |
|                                       | Brand D    | Digital marketing assistant manager | Female | 37  |
|                                       | Brand E    | Digital marketing manager           | Male   | 38  |
| Cosmetic Customers                    | Customer A | Government official                 | Female | 28  |
|                                       | Customer B | Business owner                      | Female | 37  |
|                                       | Customer C | Assistant manager                   | Female | 35  |
|                                       | Customer D | Financial analyst                   | Female | 29  |

Interviews averaged 20-30 minutes in length that included telephone interviews and personal interviews. Researcher created two separate interview question guidelines for different interviewees consisting of questions for digital marketers and cosmetic customers. The responses were collected by means of hand-written field note and were transcribed and stored in an electronic database. In term of ethical concern, before the interview process, the interviewer clearly explained the aims of this research at the beginning. During the interview process, permissions for tape-recording the interviews were asked for the respondents were not compelled to answer the questions if they felt uncomfortable and also the personal information of respondents was to be kept confidential.

### 3.2 Data Analysis

After the stage of data collection, both primary and secondary data collected in the former stage were analyzed in order to answer the research questions by identifying key factors of digital marketing of cosmetic brands in Thailand. In the data analysis stage, the in-depth interviews analysis was based on McCracken's (1988) analysis process that the researcher need to combined and noted about non-verbal cues and other critical responses of interviewees at this stage when analyzing a transcribed data recorded from interviewee's responses. The purpose of following this analysis process was in order to interpret all of the findings collected from the data collections process in the right direction and not deviate from these findings.

## 4. Findings and discussion

This section will present the findings of the primary data collection by using a qualitative research approach discussed in the methodology chapter in order to investigate the key success factors Digital marketing of Cosmetic brands in Thailand.

### 4.1 Findings

#### 4.1.1 The Challenges of Digital Marketing of Cosmetic Brands in Thailand

There are several major challenges facing by digital marketers as research respondent from Brand A stated that one of the main challenge is how to differentiated digital marketing tools from competitors. As many cosmetic brands are likely to adopt digital marketing strategy. Therefore, it is difficult to differentiate our digital tools from competitors in the intense competitive market. Additionally, another challenge is about some applications that cannot apply in every device; for example, some applications cannot apply with android while some cannot apply with ios or some application cannot access by using smartphone but it can access only in laptop. Further, marketer of Brand E also mentioned that if one application cannot be supported for every device, it means that many digital platforms need to be develop to support all devices; thus it leads to higher cost to implement digital marketing strategy.

In addition, respondents from Brand E indicated that skills and knowledge of digital media producers who develop digital media is another challenge for business, which is focusing on digital marketing. Thus, to develop effective digital media the high cost might be needed for businesses to hire high skill developers since brand have only few options of digital developers to select. This perspective was also supported by respondent from Brand C who states that high cost to develop digital media is one of the main challenges for cosmetic brand even lower than traditional media.

Brand D pointed out another key challenge facing by digital marketing that is uncontrollable message especially social network because online people have the right to comment and share everything anytime. It is difficult for company to control their online interaction and their view and also the customers view can be shared to other very quickly through any online channels. For customer perspective, Customer A stated that the information through digital media especially social network is uncontrollable. It means that anyone can share their ideas, comments and information that cannot be ensured whether credibility information or not.

#### **4.1.2 The Key Success Factors of Digital Marketing of Cosmetic Brand in Thailand.**

According to the interviews, the key success factors of digital marketing of cosmetic brands in Thailand can be indicated by research respondents including cosmetic brand representatives including five companies and four cosmetic customers, which are revealed as followed.

##### **1. Technological infrastructures**

In terms of technological infrastructure supporting digital marketing for cosmetic brand in Thailand, one of cosmetic customers (Customer B) mentioned about the importance of "Internet" which is regarded as one of technological infrastructure as follow.

*"I can easily access Internet in my home and smartphone everywhere every time."*

For this reason, customers intend to search and spend time with digital media and online activities because if it is easy to access the Internet, online channel is easy and convenient channel for them to find and selected products. Regarding to respondent from Brand E stated that Broadband Internet played an important role to digital marketing development and success since Broadband Internet allowed Internet users quickly to access web sites, social media and other digital channels which used large files such as VDO, 3D Animation, Flash Animation, in order to attract customers to engage and visit their digital media. Furthermore, digital marketer of Brand E also pointed out that although Internet providers have offered unlimited package, the cost of the package is still high. In addition, unlimited package seems like a limited package because the high speed Internet is still limited at some usage level. Apart from digital marketer perspective, one of cosmetic customer (Customer D) stated that one of the barriers of digital media accessibility is that the Internet speed. It means that if the Internet speed is low, it might be error or difficult to access VDO or some applications that required high speed Internet.

##### **2. Budget**

Another factors supporting digital marketing success of cosmetic brands in Thailand indicated by respondents from Brand A and Brand C is "Budget" allocated for digital marketing implementation. In other words, the financial resource for implement such strategy is also important. As digital marketer of Brand A mentioned further that to initiate and implement digital marketing through digital channels, it might be required high budget to develop some of digital platforms which is difficult to develop by hiring digital production company or outsourcing from others in order to provide effective and attractive digital media that can reach their targeted customers.

##### **3. Skills and Knowledge**

In term of skill and knowledge, digital marketer of Brand A stated that digital marketing team and digital media developers should be the persons who have strong knowledge in this area. It means that high skill and knowledge including experienced in digital area are required because it leads to the effective digital campaign development in terms of mechanic, application and so on.

Apart from the internal human resource as mentioned earlier, digital marketing of Brand E stated that in case that cosmetic companies have not develop digital media by internal digital staff but companies might hire outsourcing for digital media production, it is significant to consider about the skills and knowledge of developers since if they have strong skill in digital media development, the effective and creative digital marketing activities will be created and implemented effectively. However, digital marketer of Brand E commented that at present the numbers of the digital media producers who have a strong skill and knowledge are still low. Thus, it leads to the effectiveness of digital media and also high cost to develop effective digital media because brands have only few options to choose the good producers which might be required a lot of budgets.

#### **4. Integration of communication channels**

According to digital marketer of Brand A, integration of communication channels is significant factor for digital marketing success for cosmetic companies. It is because the integration between digital and traditional such as TVC and magazine are able to serve a wider range of targeted customers. Thus, the integration of these two media is important. Furthermore, digital marketer of Brand B, C and D stated that integration of communication channels in very important that can drive their digital marketing to be successful. Regarding to further explanation from digital marketer of Brand B, it is important to integrate across all communication channels; for example, to promote new product the integration of magazine, TVC, social media and in-store display are required to drive digital marketing to be more effective.

#### **5. Innovative and creative ideas**

Another significant factors supporting digital marketing success of cosmetic brand in Thailand indicated by digital marketers of Brand A and Brand B is about innovative and creative in term of idea and activities. According to digital marketer of Brand A, cosmetic brands need to initiate creative and innovation idea for digital marketing campaign and activities to attract new customers and maintain existing customers. Furthermore, digital marketer of Brand B stated that creative and innovative communication channels and activities are important for cosmetic brand to differentiate from competitors to capture customers intention as now many cosmetic companies are more focusing on digital marketing including digital media by implementing many digital campaigns to catch up their targeted customers, thus, one of the factors that cosmetic brand should consider is how to differentiate from the competitors by initiating innovative and creative digital marketing activities.

#### **6. Influencers and Bloggers**

Influencers including bloggers is one of the key success factors of digital marketing of cosmetic brands indicated by four of five digital marketers (Brand A, B, C, and D). To begin with the point of view of digital marketers of Brand A and B, the influencers including brand endorsers, beauty blogger and celebrities is one of the key factors that can drive digital marketing campaign to be successful because Thai cosmetic consumers feel confident about product quality and effective result if these products were used by those people.

Furthermore, digital marketer of Brand D commented that one of effective tools for cosmetic brands to promoted beauty products is to utilize digital media through blogger review because many beauty bloggers normally demonstrate interesting and simple “how to” techniques especially for makeup products which is easy step for customers to follow and seem likes they are products users.

Regarding to cosmetic customer perspectives, all cosmetic customers who are respondent of this research mentioned about this factors that it is key factor supporting digital marketing of cosmetic brand to be success because beauty bloggers are believed as real product users and then review the product strength and weakness point of the products. Therefore, cosmetic customers are likely to convince by beauty bloggers. Apart from that, one of cosmetic customers (Customer C) mentioned further that the review from beauty bloggers influence purchasing decision.

## 7. Content

According to digital marketer of Brand E, content provided to any digital channels is significant for digital marketing success because the effective content should be interesting and capture consumer attention. To specific on cosmetic products, respondents from Brand E commented that all of digital media channels require the “content” that can be reached insight of consumer especially emotional insight because cosmetic products purchasing decision is more relied on emotional decisions. The importance of content factor was supported by digital marketer of Brand C who mentioned that content is important tools to capture customer interest since if cosmetic brands are able to provide useful and interesting content for theirs targeted customers, customer tend to engage with digital activities with companies and keep following contents that might be linked to product information of brands that would like to promoted. Moreover, it might create interaction between brands and targeted customers effectively. Another important concerns about the content commented by Brand C is that the content should not be too technical, in other words, it should be easy to understand and up-to- dated information.

All cosmetic customers who are research respondents also supported that to implement digital marketing for cosmetic brands, the content provided to digital channels are significant factor for digital marketing success. One of cosmetic customers (Customer D) stated that cosmetic companies should provide useful, concise and not to be in technical term that difficult to understand for customers. Moreover, Customer B stated that digital content that brands communicate to customers should be friendly messages, which is not to be hard selling and catch up the new fashion trends; for example, the products content might be tied in with fashion trends. Additionally, the importance of credibility of the content is one of the elements of marketing content indicated by Customer C that brands should ensure before posting or publishing through digital channel because it will be expanded rapidly.

Regarding to research findings related to the key success factors of digital marketing of cosmetic brands in Thailand, there are seven factors identified by research respondents as summarized in Table 3 below.

**Table 3:** Research finding of key success factors of digital marketing of cosmetic brands in Thailand

| KSFs:<br>Digital Marketing<br>of cosmetic brands<br>in Thailand | Research respondents           |            |            |            |            |                    |                |                |                |
|-----------------------------------------------------------------|--------------------------------|------------|------------|------------|------------|--------------------|----------------|----------------|----------------|
|                                                                 | Cosmetic Brand representatives |            |            |            |            | Cosmetic Customers |                |                |                |
|                                                                 | Brand<br>A                     | Brand<br>B | Brand<br>C | Brand<br>D | Brand<br>E | Custom<br>er A     | Custom<br>er B | Custom<br>er C | Custom<br>er D |
| 1) Technological Infrastructures                                |                                |            |            |            | ✓          |                    | ✓              |                | ✓              |
| 2) Financial Resource                                           | ✓                              |            | ✓          |            |            |                    |                |                |                |
| 3) Skills and Knowledge                                         | ✓                              |            |            |            | ✓          |                    |                |                |                |
| 4) Integration of Communication Channels                        | ✓                              | ✓          | ✓          | ✓          |            |                    | ✓              |                |                |
| 5) Innovative and Creative ideas                                | ✓                              | ✓          |            |            |            |                    |                |                |                |
| 6) Influencers (i.e. Blogger)                                   | ✓                              | ✓          | ✓          | ✓          |            | ✓                  | ✓              | ✓              | ✓              |
| 7) Content                                                      |                                |            | ✓          |            | ✓          | ✓                  | ✓              | ✓              | ✓              |



## **4.2 Discussion**

This section will demonstrate the discussion regarding to the key success factors of digital marketing of Cosmetic brands in Thailand.

### **4.2.1 The Key Challenges of Digital Marketing of Cosmetic Brands in Thailand**

In term of the major challenges of digital marketing implementation, research respondents from five cosmetic brands indicated several challenges of digital marketing implementation. First of all, since many cosmetic brands increasingly adopt digital marketing strategy, thus, it is difficult to differentiate digital marketing tools or activities from competitors. This challenged is supported by SAS (2014) that is explained that because digital channels are relatively lower cost compared to traditional channels, many businesses tend to move to adopt their strategies to digital channels increasingly. Therefore, it is hard to differentiate from competitors to capture customer attention.

Another key challenge indicated by some of respondent including digital marketer and cosmetic customer that is uncontrollable message especially social network. Regarding to digital marketer perspective, it is difficult for company to control online interaction between individuals and also the customers' view that can be shared to other very quickly through online channels. Importantly, in case of the customer view especially in negative aspects to the brands occurred, it might be quickly expanding through online channels that might impact to the brand image and reputation. Moreover, for cosmetic customer perspective, the information through digital media is easy to share the information whether correct or not to public. Hence, one of the challenges for cosmetic customers is about the credibility of information on digital channels that is difficult to control by cosmetic companies.

### **4.2.2 The Key Success Factors of Digital Marketing of Cosmetic Brands in Thailand**

#### **1. Technological Infrastructures**

To be success in digital marketing, technological infrastructure is important as one of cosmetic customer stated that if it is easy to access and connects to Internet, online channel is convenient to search product information and other online transactions. Furthermore, one of digital marketer also indicated that Broadband Internet played an important role to digital marketing development and regarded as a key success factors since Broadband Internet allowed Internet users quickly to access web sites, social media and other digital channels which used large files such as VDO, 3D Animation, and Flash Animation to capture customers' attentions. Wymbs (2011) also advocated this factor as one of the key success factors of digital marketing because Internet-based search marketing and digital advertising is mainly used in digital marketing. Additionally, El-Gohory (2011) investigated that information technology and technological infrastructure can lead to successful marketing applications since researchers found that organizations operating in developing countries, which are limited in term of technological infrastructure, have found some difficulties.

Regarding to digital marker of Brand E (2015), although Internet providers have offered unlimited package in Thailand, the cost of the package is still high. In addition, unlimited package seems like a limited package because the high speed Internet is still limited at some usage level. Furthermore, one of cosmetic customer stated that Internet speed is important for digital media because if the Internet speed is low, it might be error or difficult to access VDO or some applications that required high speed Internet. To specific on cosmetic market, consumers tend to be more relied on the Internet to search for beauty information and products because of the increase in international beauty trends exposure (Euromonitor, 2014). In term of technological infrastructure, it is not only Internet but is also included other technologies that might not be mentioned in research findings because the Internet is now mainly use for digital marketing area. It can be indicated from previous research and research findings that technological infrastructure is one of the key success factors of digital marketing for cosmetic brand in Thailand.

#### **2. Financial Resource**

Another key factors supporting digital marketing success of cosmetic brands in Thailand indicated by research findings responded by digital marketers of two cosmetic brands is financial resource allocated for digital

marketing because high budget might be required to develop some digital platforms which is difficult to develop and companies need to hire digital production company or outsourcing in order to provide effective and attractive digital media that can reach their targeted customers. Regarding to Tiaga and Verissimo (2014), substantial financial resources are required to create interaction with their customer through digital media. According to research respondent perspective, at present the numbers of the digital media producers who have a strong skill and knowledge are still low. Thus, it leads to high cost to develop effective digital media because brands have only few options to choose the good producers which might be required a lot of budgets. However, the significant thing that cosmetic companies should consider is not only the amount of budget, but also how to utilize it effectively.

### **3. Skills and Knowledge**

According to Wymbs (2011), digital marketing skill and knowledge of company's staff is significant in this area because now customers are spending a lot of time in digital space, thus, digital staffs are required to response to customer effectively. Moreover, Tiaga and Verissimo (2014) identified that company staffs play significant role in digital marketing since company staffs are persons who implement the company's strategies. Regarding to research findings, the skill and knowledge in the digital area of digital marketing teams and digital media developer are significant because strong knowledge and high skills of those people are able to initiate the effective digital campaign. Furthermore, in case that cosmetic company cannot develop digital media by internal digital staff, in other words, companies might hire outsourcing for digital media production, it is significant to consider about the skills and knowledge of digital developers in order to create digital marketing effective and innovative activities.

### **4. Integration of Communication Channels**

In term of communication channels, four of five digital marketers of cosmetic brands and one of cosmetic customer believed that integration of communication channels is significant factor for digital marketing success for cosmetic companies since the integration across all effective communication channels such as magazine, TVC, social media and in-store display are able to support digital marketing to be more effective and connect to wider range of targeted customers. The research findings can be supported by Smith (2007) who stated that digital marketing would be effective when it is integrated with other communications channels. Apart from that, Leeftang et al. (2013) suggested that to reaching wider ranges of consumers is best to integrate communication channels by combining digital and traditional media together. Therefore, it can be indicated that to initiate effective and successful digital marketing campaigns, the integration of communication channels is required in order to communicate and engage with a wider range of customers.

### **5. Innovative and Creative Ideas**

Another significant factors supporting digital marketing success of cosmetic brand in Thailand indicated by two of five digital marketers is innovative and creative idea and activities. It can be explained from the research findings that cosmetic brands need to initiate creative and innovative idea for digital marketing campaign and activities to capture customer attention. Regarding to previous research, Parsons et al. (1998) also supported this factors that the marketers can increase customer engagement by creating creative and innovative programs for interactive media, delivering valuable content to customers.

As mentioned earlier many cosmetic brands are more emphasizing on digital marketing, it is difficult for cosmetic brand to differentiate from their competitors, which is regarded as one of the main challenges of digital marketing implementations. It can be indicated from the previous researches and research findings that innovative and creative idea for launching digital marketing campaigns and activities are required and regarded as a key success factor supporting digital marketing of cosmetic brand in Thailand to be successful.

### **6. Influencers and Bloggers**

Influencers including bloggers is one of the key success factors of digital marketing of cosmetic brands indicated by four of five digital marketers and all cosmetic customers while this factor has not been found from the previous research as a key success factor of digital marketing since it is probably because most of the

previous researches were conducted by focusing on developed countries while this research focused in Thailand, which is developing country that might be different in terms of culture and population demographic and also digital trends have been changed rapidly, thus, there might be slightly changes during the period of time. It can be explained from the findings that Thai cosmetic consumers feel confident about product quality and effective result if these products were used and reviewed by influencers or beauty bloggers because beauty bloggers are believed as real product users and then review the product strength and weakness point of the products. Therefore, cosmetic customers are likely to convince by beauty bloggers. Thus, influencers and bloggers is another significant driver supporting digital marketing of cosmetic brands in Thailand to be successful.

## 7. Content

According to Wymbs (2011), one of the digital marketing roles is to deliver content and create interaction between companies and individual customers through digital technologies in order to achieve customer acquisition and strengthen the relationship with customers. It might be indicated that content is one factor related to digital marketing success.

Regarding to the research findings, the importance of content factor to digital marketing success was identified by two digital marketers from two brands by explaining that content is important tools to capture customer interest since if cosmetic brands are able to provide useful, interesting, easy to understand and also up-to date content to customers, customer tend to engage with digital activities and keep following contents. For customer perspectives, all of cosmetic customers believed that content is a key factor that support digital marketing of cosmetic brands to be successful because if cosmetic companies are able to provide useful, concise, easy to understand, not hard selling and also keep updating content to be interesting, they will keep following brands contents as Scharl et al. (2004) stated that to attract customer attention, digital marketing content should be an attractive, concise, understandable language to target group. Additionally, Eskin (2009) stated about the important of information of cosmetic products provided to customer should be clear and avoid providing technical and scientific information.

Specifically, on cosmetic products, one of digital marketer mentioned that all of digital media channels require the “content” that can be reached insight of consumer especially emotional insight because cosmetic products purchasing decision based on emotional decisions as Wacksman (2009) pointed out that it is not about pushing the information about the product at customers but also beauty marketers should provide valued added to their customers by helping them to look beautiful. It can be found that the content is a powerful factor supported from for digital marketing success of cosmetic brands in Thailand. Therefore, cosmetic brand should ensure that the content that brands provide through digital channels is valuable for their customers regarding to the content elements indicated earlier.

## 5. Conclusion and Recommendations

The key success factors of digital marketing of cosmetic brands in Thailand are identified in this research based on the aims to develop digital marketing strategy emphasizing on cosmetic brands in Thailand which is regarded as one of country which is potential market of cosmetic products to be a role model for other developing countries. In order to achieve the aims of this research, qualitative research was decided as a research method to provides insights, understanding and provides meaningful information by conducting in-depth interviews of respondents who associated with digital marketing of cosmetic brands in Thailand including cosmetic customers, and gathering secondary data from a variety of sources. The integration of findings found in this research and theoretical studies were analyzed in the discussion part of the study.

The major perspective identified by the findings of key success factors of digital marketing of cosmetic brands in Thailand are driven by seven key factors consisting of technological infrastructures, financial resource, skills and knowledge, integration of communication channels, innovative and creative ideas, influencers and bloggers and content. Regarding to the research findings, the interesting findings that has been found is that one of the key success factors of digital marketing of cosmetic brands in Thailand, which is “influencers and bloggers”, has not been found in the previous researches while it was identified by eight of nine respondents as a key factor in this area. It can be supposed that it is probably because most of the previous researches were conducted by

focusing on developed countries while this research focused in Thailand, which is developing country that might be different in culture and population demographic context and also digital trends have been changed rapidly, thus, there might be slightly changes during the period of time. However, influencers and bloggers were identified as one of the key success factor supporting digital marketing of cosmetic brands in Thailand.

Substantially, apart from identifying the key success factors of digital marketing mentioned previously, the suggestion from this research is that to be competitive in intense market, which is not only for cosmetic market but also other industries, marketer should keep updating and catching up new digital trends and also keep evaluating the result of marketing activities and learning how those strategies success or failed in order to develop marketing strategies in the future.

### Recommendation for further research

Respecting to the significant finding about influencers and bloggers factors mentioned previously, there is no previous study mentioned in literature review of this research as a key success factor of digital marketing while it has been identified by the research respondents as a significant factor support digital marketing of cosmetic brands in Thailand. Therefore, further research and in-depth studies in this area are required. Finally, in order to develop digital marketing strategy effectively in the future, further research in digital marketing area is continuously needed as a result of rapid changes in digital trends.

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# **A Resource-Based View of the Chili-Paste Industry in Chiang Rai, Thailand: A Preliminary Study**

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## **Abstract**

A model that exploits the concept of RBV (Resource based View) of sustainable competitive advantage, which centralizes on supply chain competency and external lean practices, is theoretically reasoned and empirically supported for application to the chili-paste industry in Chiang Rai, Thailand. Sustainable competitive advantage is operationalized based on the principles of VRIO (Value, Rare, Inimitability, Organized) and the ability of the organization to deliver operations performance objectives in aspects of order winners or/and order qualifiers. External lean practices identify the important roles of suppliers and customers as leanness supports. The use of a mixed method incorporating in-depth interviews with the producers and questionnaire-based surveys has led to the supportability of the hypotheses raised and with variants of details. This research has clear implications, by suggesting a prioritization on the different facets of supply chain competencies, and in particular production and product factors. Supplier feedback and customer involvement are the two external lean practices that support both competencies and sustainable competitive advantage. The empirical outcomes also shed light on four performance categories that are perceived as relevant and useful to the chili-paste industry, namely customer loyalty, profit, market expansion and revenue. Limitations of this research are caused by the difficulty in assessing and convincing the producers, both registered and non-registered with the government, for the survey participation.

**Keywords:** Chili Paste, External Lean Practices, Resource-based View, Supply Chain Competency, Thailand.

## **1. Introduction**

Chili paste is a common ingredient for Thai cooking and Thai uses chili paste to enhance the flavors of a broad diversity of Thai dishes, whether through boiling, oil-stirring, roasting, or frying. Not only Thai people acknowledge the flavorful advantage of chili paste, but functionally, chili paste is an add-on ingredient that is convenient for consumption and easy blending into different Thai dishes. Often chili paste is used as a dominant flavoring such as in Tom Yum soup, or is being served as a dipping source for fresh vegetables that are popular in Thailand. In the modern urban-like life, chili paste is suitable and matches well with the hectic lifestyle of the urban life, due to its versatile modes of preparations.

According to Thai Agricultural Standard (Thai Agricultural Stanadrds 2009), for the purpose of manufacturing, chili paste is defined as “a liquid or concentrated product which can be poured from a container. It may be either homogeneous or a mixture. It is intended for use as a seasoning or condiment. The product should be prepared from good quality, clean ingredients which are mixed, processed approximately to obtain the desired quality, and subjected to an appropriate process by heat before or after packing in a hermetically sealed container, so as to prevent spoilage” (p. 2). Thus, while Thai can easily produce ready-to-eat pastes conveniently at home, for manufacturing purpose, which is the focus of this research, the procedures and production competencies for chili-paste are never straightforward. The Thai Agricultural Standard (Thai Agricultural Stanadrds 2009) lists some hygienic and good manufacturing practice guidelines, in areas of food additive usage, microbiological acceptance measures and quality assurances.

Nevertheless, the existing body of knowledge and the available literature are still lacking of an in-depth and informed knowledge and research data relating to the nature of chili-paste production competencies, such as in the domains of products, production, raw material usages, financial management and brand positioning, and how these competencies are organized, competitively and structurally, to gain sustainable competitive advantages and the chili-paste supply chain performances. This represents the research problem which a solution is attempted from this research effort.

As there is a dearth of informed knowledge about the production, supply chain and logistics predictors driving competitive advantage and performance of firms, this research would first aim to study the statistically significant competency and external lean practices needed to meet the competitive advantage purpose. Then, competitive advantage is exploited for performance advantage. In particular, a Resource-based View (RBV) structure of sustainable competitive advantage and performance is emphasized.



## 2. Literature Review

The literature review is organized in a manner that aims to provide a structure of both competency-driven and external lean practices to establish sustainable competitive advantages and performances of the chili-paste industry. The structure of supply chain competencies and external lean practices can be recognized as possible challenges and competitiveness factors for the sustainable development of the supply chain (Porter 1985), which can serve as areas of implications of this research contribution.

To enable this, first, concepts and theoretical progresses of sustainable competitive advantage are reviewed, and in particular, concepts of Resource-based View (RBV) and operations performance objectives, i.e. in terms of winning orders and qualifiers, needed to secure sustainable competitive advantage, are reviewed. Then, external lean practices are discussed and, finally, performance concept is introduced. The literature review culminates in suggesting a conceptual framework to address the research objective raised in the Introduction section.

### 2.1 Sustainable Competitive Advantage

Sustainable competitive advantage is important, as business, without the ability to sustain its advantage, will be competed out easily by competitors already in the market and industry, as well as by potential new entrants. Strategies of competitive advantage are diversified in nature, which could be attributable to brand loyalty, marketing creations, ethical image, or/and production-related competencies. This research focuses on the production and supply chain competencies, including the external lean practices, as factors that aim to lead to sustainable competitive advantages.

While competitive advantage is the main objective as well as the characteristics of operations strategy of the organization to achieve the profitability, market share, and customer loyalty better than the competitors can accomplish, sustainable competitive advantage is reflected by the ability of organizations to ensure comparative profitability performance over competitors over time, in order to thrive (Krishnaswamy 2017). As the concept of sustainable competitive advantage is not a straightforward and concrete term, the operationalization of the term has to take advantage of the existing literature by reviewing numerous different angles of how sustainable competitive advantage is manifested.

A school of thought of sustainable competitive advantages stresses that the concept has to be in a position to demonstrate that the organizations possess certain domains and scopes of competitiveness. According to Qazi et al. (2017), competitiveness, from the point of view of the company, can be defined as the ability to provide products and services in the same competitive level or in a more efficient way than competitors do. And, when the power of competitiveness can be sustained for a long period of time, in order to exploit the advantage as much as possible, sustainable competitive advantages are realized. Along this view of thought, sustainable competitive advantage is about maintaining a competitive edge, through continuous improvements that will distinguish a company from the competition (Fadaei, Eslampanah & Branch 2016). On the other hand, in a more straightforward manner, Porter (1985), the originator of the concept of sustainable competitive advantage, and Hill, Jones and Schilling (2014) define sustainable competitive advantage as “above-average performance in the long run”. Others, by exploiting the works of Otieno and Ogutu (2017), further argue that a factor at a more determining level, such as durability, has to be established, which can exploit resource and capability or competency advantages of the supply chain, to prevent easy imitation or duplication by the competitors. Thus, the theory of Resource-based View (RBV) is formed, owing to Barney (1991) who defines competitive advantage, at an organizational level, as firms capable of implementing a value-creating strategy that is not simultaneously being implemented easily by any current or potential competitors. The following explains the RBV as the theoretical base for sustainable competitive advantage that has the characteristics of values known as order winners and order qualifiers. The operationalization of sustainable competitive advantage would thus be based on these criteria that take roots in the VRIO (valuable, rare, inimitable, and organized) themes that centralize on the principle of RBV.

### Resource Based View

Resource-based view (BRV) is recognized as a useful theory of production and supply chain competency (Bromiley & Rau 2016), and it exploits the theoretical base of the concept of Endogenous Growth, which holds that organizational growth is significantly contributable to systematic conception and implementation of strategic management of resources by entrepreneurs and organizations to increase competitive advantage. Strategies premised on RBV rely on two basic assumptions: First, RBV of the theory of competition assumes that firms within the same industry usually do not have similar strategies i.e. types and nature of the resources invested, and second, RBV acknowledges that some valuable resources cannot always be freely transferred from one company to another company (Barney 1991). Thus, the enterprise can achieve competitive advantage by improving and developing their resources to be unique than other competitors, and in this way, superior organizational performance is resulted which is attributable to the ownership and control of unique bundles of

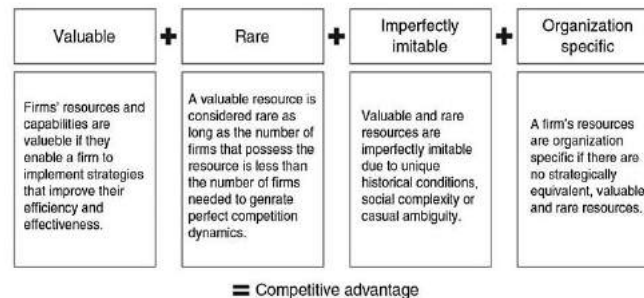
competitive resources that create for each firm a source of sustainable competitive advantage (Krishnaswamy 2017).

In general, RBV summarizes that when resources and competencies of a production entity, or supply chain, possess the VRIO characteristics; a reasonable level of sustainable competitive advantage is established. The following would provide a review of these characteristics, followed by the values of these characteristics known as order winners and order qualifiers.

### VRIO Characteristics of Resources and Competencies

One of the strategic management tools that analyze the firm's internal resources for sustainable competitive advantage is VRIO analysis (Krishnaswamy 2017). VRIO analysis tool was originally developed by Professor J.B. Barney in 1991 which identifies that resources and capability that possess the VRIO (Valuable, Rare, Inimitable, and Organized) are of sustainable competitive advantages. Having combined both the market position theory of Michael Porter and JB Barney's RBV theory of firm and competitiveness, what is valuable to customers can simultaneously be reflected by the value the resources and capabilities bring to the organization to help exploit the opportunities and neutralize threats of competitors and potential entrants. The "V" (Valuable) is the fundamental basis of what the "R, I, O" are to be enabled. This research operationalizes the VRIO-based instrument, based on concepts of Michael Porter and JB Barney (Barney 1991; 2001; Porter 1985), to study the embedded ability of the organizational resources to manifest the existence of sustainable competitive advantage. The descriptive detail of VRIO is shown in Figure 1.

**Figure 1:** VRIO to Achieve Sustainable Competitive Advantage (Barney 1991)



### Value

Resources are valuable if they help organization to increase the perceived customer value. This is done by increasing differentiation and decreasing the price of the product. According to Barney and Arikan (2001), firm can create value through matching resource strengths with the opportunities, or in way that can neutralize existing or potential threats, or through differentiation of the products or services in a way that allows the firm to charge a premium price. Operationally, resource creates value when it allows the company to devise and implement strategies that will improve its efficiency and effectiveness in meeting the needs and demands of the customers (Silva, Gerwe & Becerra 2017). Similar to the findings of Amit and Schoemaker (1993), companies must have access to adequate capabilities to take advantages of their resources made available to the organization. Nevertheless, the value of resource advantages will remain latent until the firm has the capabilities needed to deploy them (Newbert 2008).

### Rare

Resources that can only be acquired by one or very few companies are considered to be rare. In this rare-oriented manner, organizations can tap on unique resources to implement competitive strategies that no other organizations can achieve superior performance. Examples of rarity of resources and capability of organizations include, for instance, intellectual property (Silva, Gerwe & Becerra 2017), or patents of machineries such as Nespresso's machinery capabilities (Amit & Schoemaker 1993) and ideas of unique coffee brewing that can help protect the company's products, processes and the brand.

### Imitable

A resource that is costly to imitate gains substantial degree of competitive advantage as competitors would need to invest a substantial amount to acquire. In other words, if valuable and rare resources are easily imitable, competitors would quickly copy them and the potential for competitive advantage would disappear (Silva, Gerwe & Becerra 2017). Imitation can occur in, for instance, by directly duplicating the resource or by providing the comparable product/service. Barney (1991) has identified the significant roles of historical conditions, causal ambiguity, and social complexity in creating inimitability.

### Organization

According to Silva, Gerwe and Becerra (2017), organization of systems of capabilities and resources is a systematic way that enables the organization to gain sustained advantage, rather than temporary advantages. Organized management provides the readiness to tap on the potential advantages of both strategic and nonstrategic resources of organization (Barney & Zajac 1994), as well as to face up to the challenges of the evolving industry dynamics. RBV treats organized resources as rents that can be exploited to create performance differentials (Amit & Schoemaker 1993). In cases where rent differentials are heterogeneous and immobile, resources demonstrate uniquely attributes of VRIO that can generate the necessary rents for sustained performances. Innovative usages of the organized resources can also lead to the transformative utilization of time-compression means, such as in high-efficient machineries, fast set-up procedures, and creative intellectual capital of the organization, in shortening new product development lead time.

Similarly, the resources themselves often do not confer any advantages for a company if they are not organized to enable the firms to capture the values from them. As resources can be tangible or intangible, a firm can gain sustainable competitive advantage through organizing its management systems, process, routine operations, policies, organizational structure, culture, and skills, expertise and know-how operations, in way that is be able to fully realize the potential of its valuable, rare and costly to imitate resources (Silva, Gerwe & Becerra 2017). The following illuminates the values of VRIO manifested as order winner and order qualifier. In doing so, it allows the operationalization of VRIO of sustainable competitive advantage concept through means of perceptions of the manufacturers and members of the chili-paste supply chain.

### **Order winner and Order qualifier**

Order winner and order qualifier are terms used to indicate the effectiveness of the supply chain competency. The concepts owe to Professor T. Hill (1993), which is being treated as the reconciliation of market requirement and operations resources. The market requirements are often expressed in terms of operations-oriented performance objectives, being categorized into quality, speed, dependability, flexibility and cost (Chronéer & Wallström 2016). Referring to Murali, Pugazhendhi and Muralidharan (2016), the strategy that explicitly designs and exploits competencies, capabilities, products and services, that win or qualify orders of the customers, helps provide the baseline for not only entering into a competitive arena but also to sustain the advantageous position.

Order qualifier can be defined as competitive characteristics that a firm must exhibit in order to be a viable competitor in the marketplace, being regarded to present the minimum elements or characteristics that a firm or its products must have to even be considered as a potential supplier or the ability to stay in the market (Sindi & Roe 2017). In other words, order qualifier gives the firm a chance to compete against the competitors in the market or industry. Depending on the types or nature of the industry, or the type of strategies employed, such as lean or agile, basic criteria a company must fulfill to qualify into the order process, where the customer decides the criteria, could be vastly different (Holmberg & Ida 2014).

On the other hand, order winners, which manifest the VRIO attributes of the offers to meet customer needs and demands in a position better than competitors can provide, are aimed to win customer orders (Banchuen, Sadler & Shee 2017). While order qualifiers are the basis of trust for the customers, to lead to firm's performance, such as in terms of satisfaction, order winners provide the driving forces for the firm to have competitive advantages which lead to customer loyalty (Holmberg & Ida 2014). Order winners usually focus on one (rarely more than two) of the following strategic initiatives: price/cost, quality, delivery speed, reliability and flexibility. Referred to Krajewski, Ritzman and Moalhotra (2013), order winners are criteria customers use to differentiate the services or product of one firm from those of another, which further determine why a certain company wins the order (Holmberg & Ida 2014). To win the order, a company must perform the criteria better than the competitors who also meet the requirements for order qualifying. The following discusses the seven domains of performance areas which organizations often exploit for qualifying or winning orders from the customers. These seven performance areas for both order winners and order qualifiers are incorporated in the VRIO characteristics of the sustainable competitive advantage concept in this research.

### **Responsiveness**

Definitions for responsiveness are diversified in nature, depending upon the strategic needs of the organization and the nature of the industry. But, generally, by referring to Morash, Droge and Vickery (1996), responsiveness is defined as the ability of organization to respond to the needs and wants of the firm's target market. Nevertheless, the way organizations respond varies, which could due to the ability to adapt and adjust supply chain operations to meet the customer needs (Chavez et al. 2017). On some other emerging circumstances, responsiveness is defined as the ability of a production system to respond to disturbances (originating inside and outside the manufacturing organization), which impacts upon the production goals. To gain responsiveness, the concept of external lean practice would be considered in this research. On a more operational basis, Zhihong,

Changbo and Hong (2004) define responsiveness as the ability to swiftly confirm the specification and delivery dates of customer's order.

### **Flexibility**

According to Nurcan (2008), flexibility connotes the capacity of making a compromise between, first, satisfying, rapidly and easily, the business requirement in terms of adaptability when organizational, functional and/or operational changes occur, and second, on keeping effectiveness. On a more operational term, flexibility is the ability of the manufacturing system to respond quickly, in terms of range and time, and to external or internal changes. Six different categories of flexibility can be considered: mix flexibility, design changeover flexibility, modification flexibility, volume flexibility, rerouting flexibility, delivery time flexible, and material flexibility (Slack, Chambers & Johnston 2010), and thus, when flexibility is established, it further assists to speed up the responses, to save time, and maintains dependability – that is, to keep the manufacturing operations and product on schedule in order to meet the unexpected emergence of needs and wants of the customers (Banchuen, Sadler & Shee 2017).

### **Speed**

According to Morash, Droge and Vickery (1996), speed is referred to the ability to reduce the time between order taking and customer delivery to as close to zero as possible, and in doing so, speed is often an important factor that activates customer satisfaction and thus customer loyalty. Through exploiting the organized systems of strategic and operational management, decisions can be made faster, production processes can be streamlined to avoid bottlenecks clogging up the system effectiveness, and thus speed can help to reduce inventories, and risks (Tan 2017). When organizations gain speed competency, such as through forecasting capability, speedy master production planning and order fulfillment customer requirement can be accomplished (Banchuen, Sadler & Shee 2017).

### **Dependability**

Dependability, according to Chavez et al. (2017), captures the ability to deliver a service on time with the right specifications. Further, according to Avizienis et al. (2004), dependability is only possible when a host of other systems' capabilities, manifested in terms of quality, reliability, availability, safety, integrity of works, overall equipment effectiveness maintainability, and security, are ready. Otherwise, without the quality control ability, at systems level, firm may often fail to perform to the required functions.

### **Efficiency**

In a production setting, while it is important to adaptably and flexibly respond with the values demanded by the customers in a timely manner, such as through reliable performance operations and reliable scheduling, efficiency must not be ignored. Efficiency indicates how cost-effective values are created or produced. Sindi and Roe (2017) suggest firms to measure efficiency by how economically inputs or costs are transformed into results or benefits, whereas on another front, Picciotto (2013) acknowledges that efficiency indicates that the program i.e. a designed production process or competency has achieved or is expected to achieve its results at a lower cost compared with alternatives.

### **Cost**

Michael Porter (1985) and Banchuen, Sadler and Shee (2017) advocate the significant role of cost advantages, for not only strategy that exploits cost leadership but also for firms exploiting differentiations as drivers of sustainable competitive advantage. Cost expenditure measures the comparative ability of firms to use resources and competencies to achieve sustainable competitive advantage and performance (Porter 1985). Nevertheless, firms that pursue cost as a driver for sustained competitive advantage should not be blind-sided by the obsessive centralization on cost which ignores the opportunistic costs needed for competitiveness development.

### **Quality**

Quality is the basis for the established leaderships of firms in other domains of performance objectives, such as responsiveness and dependability (Slack, Chambers & Johnston 2010). Quality is often defined in terms of product and service features, i.e., consistency of tastes of products, but is a result of a sound quality assurance and control mechanism or competences in place in the production and supply chain and logistics systems (Juran & Godfrey 1999). Quality can exist also at the policy level, which is reckoned as doing the right thing, but operationally, delivering a quality work is judged as the ability to do the right thing right. Quality works in the supply chain or value chain of the organization provides the basis of trust for inter- and intra-organizational coordination and value co-creation. Now that the important facets for sustainable competitive advantage, based on RBV, are addressed, the subsequent sections would focus on explaining supply chain competence, external lean practices, and supply chain performance.



## 2.2 Supply Chain Competence

From the above discussion, it is clear that organizations can exploit their resources deployment and market position to gain competitive advantage. The theory that takes the lead in the extant literature in explaining the interrelationship of resources and competitive advantage is known as Resource-based View (RBV). Briefly, RBV is an explanatory attempt to “explain firm sustainable competitive advantage as stemming from firm resources that are rare, valuable, hard or impossible to imitate or duplicate, or hard to substitute” (Bromiley & Rau 2016), also due to organizability of the organization. In short, resource advantage is indicated by the VRIN, or VRIO characteristics or attributes of the resources that are of significant values to the supply chain (Tan 2017), and thus, VRIO advantages of resources can help to reflect the strengths of supply chain strategy for order-winning advantage (Banchuen, Sadler & Shee 2017). A very significant part of resource is supply chain competency, which is taken as the main construct in this research to represent the role played by RBV in the supply chain, consisting of competency and external lean practices, to gain sustainable competitive advantage.

Supply chain competence is defined, commonly in the existing literature of supply chain and logistics, as the ability of the supply chain to respond to customer demands (Green et al. 2014). Although the term, supply chain competence, is not often emphasized in the existing literature of supply chain and logistics, it is nevertheless acknowledged which takes on multi-variegated forms. For instance, Hunt (1991) studies JIT (Just-in-Time) competence of organization to operationalize supply chain strategy that has marketing advantage. Thus, supply chain competency plays a vital antecedent role in enabling competitive advantage and performance of the supply chain (Bromiley & Rau 2016; Green et al. 2014; Tan 2017). Nevertheless, as the chili-paste industry's supply chain competency profile has not been made available in the existing literature, this research thus attempts to fill the gap. The consideration of external lean practice, through the collaborative supports of both the suppliers and the customers, is an indicator that supply chain competence in a supply chain context is not isolated, and the integration of both the operations and external parties is needed (Perez-Franco et al. 2016). In short, the combined supply chain competence and external lean practices, in enabling the realization of sustainable competitive advantage for performances, connotes that “supply chain competence, not companies” (Kovacs & Pato 2014).

## 2.3 External Lean Practices

In a globally opened industrial environment, production competency must exploit the knowledge and skills of both the suppliers and the customers in order to gain competitive advantage. Chanegrih and Creusier (2016) and Baidoo and Servo (2017) discover that engaging suppliers and the customers helps minimize the unproductive activities that make the supply chain uncompetitive, which is considered as external lean practices.

External lean practices are measures or strategic focus of the firm which recognizes that unproductive or uncompetitive wastes could largely be contributable to the parts of the customers and the suppliers. As such, firms, to gain competitive advantage, should actively involve customers and suppliers in the competency development blueprint at supply chain level. Conceptually, as argued in this research, to accomplish seamless coordination and collaboration among the firms with their customers and suppliers, it is important wastes of different sources are minimized. A key driver making the lean operations happen is by feeding back to suppliers, and by engaging the suppliers in the development, as well as by involving customers in the loop of the value co-creation.

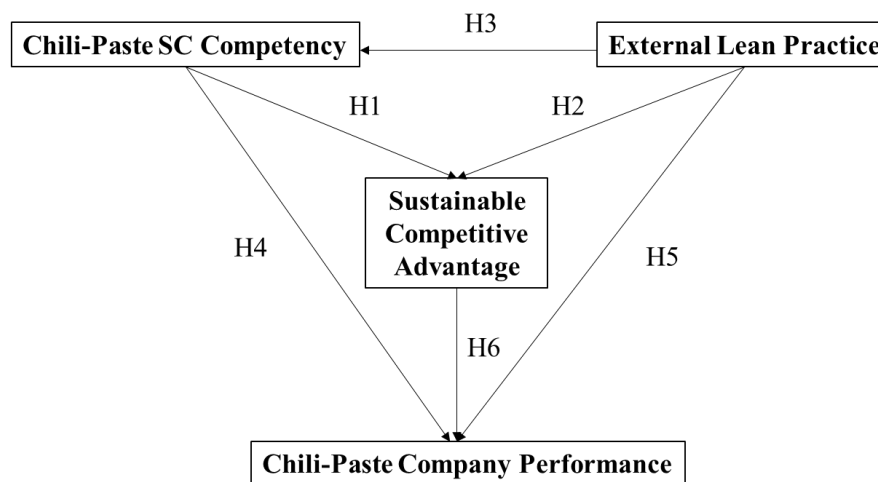
Thus, firm sharing and exchanging information with suppliers is a fundamental external lean practice, which aims to improve the supply chain performance for sustainable competitive advantage. According to Hines, Holweg and Rich (2004), the focus that prioritizes only on information sharing and exchanges has gradually widened to include the identification of customer preferences and supplier resources (external lean), which go beyond the single factory to include the downstream and upstream sides of the supply chain. In a research conducted by Cocks (1996), he discovers that the reduction of waste depends to a great extent on the honesty and open relationship with the suppliers. Sharing the similar finding, Levy (1997) concludes that a close relationship with suppliers goes a long way to deliver consistently high-quality standards and on-time delivery. In customer part, the business can bring feedback information to adjust and develop their products for achieving customer loyalty. Therefore, customer involvement is an integral part of the supply chain (McAdam & McCormack 2001). A more anticipatory role of customer involvement is that it provides a platform to understand what the customers really want and need that are yet to emerge in the marketplace, and as such, external lean practices involving customers enable firms to react more effectively to the dynamics of the markets and the industry. Thus, external lean practices provide also differential capability for firms to outperform competitors (Day 2000), and to continue to improve their operational performance and thus to generate competitive advantages (Closs & Savitskie 2003; Vickery et al. 2003).

## 2.4 Supply Chain Performance

As a result of the above deduction, which exploits predominantly the concept of RBV, a conceptual model is proposed which aims to address the research objective raised. Underpinning on the RBV it states a chili-paste

competency which connotes the ability of the chili-paste company and its supply chain configuration, to exploit the bundles of resources in order to effect “a desired end” (Yu et al. 2017). The bundle of resources and capabilities, manifested in the supply chain competency, describes the controlled resource and capability stocks by the chili-paste company to enable the creation of competitive advantage characteristics, being accumulated through VRIO, order qualifiers and order winners. When competitive advantage can be sustained, it would lead to chili-paste company performance that is sustainable, i.e. manifested or operationalized by loyal customer bases that suggest the company's products to another customer, and customers engage in long-term contract. Performance measures adapt Um et al. (2017) which focus on the outputs of supply chain, such as to achieve customer loyalty and the market expansion. As also argued in the above, external lean practices also play a vital role in creating both competitive advantages and company performances. Based on the above arguments, the following hypotheses are raised which are used to validate not only the conceptual framework structure, shown in Figure 2, but also to identify the significant variables in the working. For instance, as the introductory section states, there is a dearth of literature or informed knowledge or information about chili-paste production and its competitiveness phenomenon, thus many of the factors have not been taken shape. To accomplish this challenge, the methodological section introduces a mixed method that first explores the possible variables through semi-structured interviews, followed by comprehensive questionnaires development of the different variables at play.

**Figure 2:** Hypotheses and Conceptual Framework



The following six hypotheses are raised to study the structure of the conceptual framework shown in Figure 2, to a significant  $p < 0.05$  level. The hypotheses are raised in the format according to the suggestion in Sekaran (2000, p.117).

- H1: Chili-paste supply chain competency can significantly explain the variance in sustainable competitive advantage.
- H2: External lean practice can significantly explain the variance in sustainable competitive advantage.
- H3: External lean practice can significantly explain the variance in supply chain competence.
- H4: Chili-paste supply chain competency can significantly explain the variance in supply chain performance.
- H5: External lean practice can significantly explain the variance in supply chain performance.
- H6: Sustainable competitive advantage can significantly explain the variance of supply chain performance.

### 3. Research Method

#### Method and Procedure

A mixed method approach is based which carries both exploratory and explanatory purposes of the research. Due diligence is established during the data collection and at interpretation stage, by providing a feedback to the interviewees to obtain their assurance that the report has reflected their actual perceptions in the meaning they intended to deliver. The author realizes that the sample size is one of the limitations, but the empirical result shown is motivating, with relatively high R-square in explaining the variance in the dependent variables. As a result of this sample-size limitation, this research complements and triangulates with the qualitative data. The mixed method procedure is given below.

First, a conceptual framework is carefully developed by intercepting concepts of RBV (Resource-based View)



and operations performance objectives, in the study for factors predicting competitive advantage and firm performances.

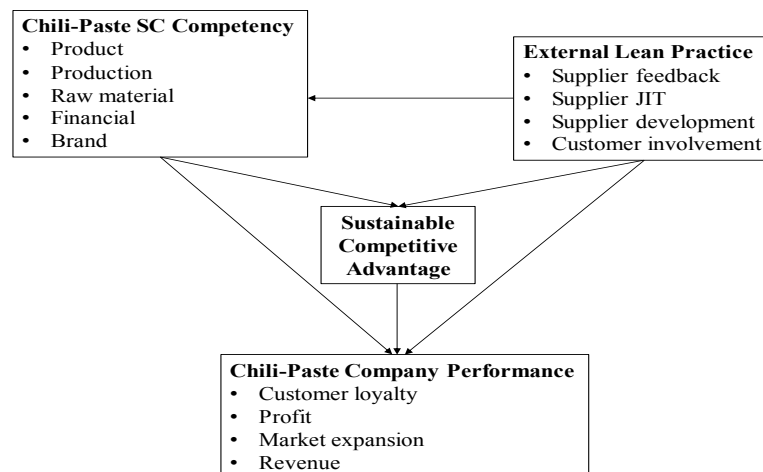
Second, the conceptual framework and the literature review are used as the theoretical protocol guiding and enabling the execution of the in-depth semi-structured interviews.

Third, the interviews were conducted based on a simple IPA (Importance-Perception Analysis) protocol of the semi-structured nature. That is, being guided by the four constructs of the original conceptual model; perceptions were sought from the participants about the important factors or variables relating to chili-paste SC competency, external lean practices, sustainable competitive advantage, and the chili-paste company performance. Based on the identified importance, the participants were asked about their levels of achievements, and the possible challenges faced which provide an intuitive understanding about the randomness nature of the four constructs. As a result of the interviews, in which the details and nature of the variable themes are presented in the measurement instrument, the important variables that the chili-paste companies perceive important are shown in Figure 3. The lean practices follow the principle of enabling the realization of value for the customers, clearing of obstacles for supply and demand flow, pull initiation, responsiveness to respond to customer demand, and continuous improvement (LaSalle 2008), and along this definitional guide, the interviewees reveal the key roles of suppliers and customers as the external lean practices, involving the feedback, and JIT capacity, and development, and customer involvement as the key variables, shown in Figure 3.

Nevertheless, which of these variables under each construct domain are significantly important in supporting the hypothetical positions raised in the Literature Review section remain unknown, and thus the following research questions are raised:

- Which of the chili-paste SC competencies play significant weight in explaining the variance in sustainable competitive advantage and supply chain performance?
- Which aspects of the external lean practices play significant weight in explaining the variance in chili-paste SC competency, sustainable competitive advantage and performance?
- Which factors of the chili-paste SC competency and external lean practice play significant weight in explaining the variance in the different domains of chili-paste company performances?

**Figure 3:** An Extended Conceptual Model: Post- Qualitative Data Analysis



### The Survey Participants

The participations of this research serve two purposes – qualitative in-depth interviews and quantitative-based surveys. The qualitative data were obtained from the factories located in Mae Chan District, Mae Sai District and Chiang Rai City, shown and labeled in the Map given in Figure 4:

- Factory A is located in Mae Sai: a small commercial enterprise producing Nam Prik (chili-paste) Tadang in many flavors that have a market in Chiang Rai, and doing the business under their brands.
- Factory B is small enterprise located in Mae Chan producing Nam Prik Kua Sai that have mushroom as the special ingredient; their products are sold in Chiang Rai and have delivery to many provinces in Thailand.
- Factory C is a small enterprise located in Mae Chan producing many kinds of chili-pastes; they produce to their brands and for OEM brand, and target both domestic and overseas markets.
- Factory D is small size enterprise located in Chiang Rai City: The signature of this factory is crispy chili-paste, producing to their brands and OEM, for both domestic and overseas markets.

- Factory E is a small enterprise located in Chiang Rai City; their main product is Nam Prik Larb serving Chiang Rai and neighboring provinces.
- Factory F is medium enterprise produces both of chili-paste and curry serving both domestic and overseas markets.

Snowball sampling method was employed for sourcing the participants for interviews, starting with the owner of a chili-paste shop, which was extended to include two factories, and further with four additional factories.

**Figure 4:** Location of Factories Approached for Interviews



The sampling population for questionnaire-based surveys was referred to the chili-paste factory entrepreneurs located in Chiang Rai, Thailand. A total of 60 factories are currently registered in FDA (Food and Drug Administration 2016) and Small and Micro Community Enterprise (Small and Medium Community Enterprise 2017). The questionnaire surveys were sent to each factory by letters, e-mails or through direct contacts.

### Measurement Instrument

Based on the interview-based results, which result in the themes identified in each of the constructs shown in Figure 3, further literature review was conducted, which provides the definition and thus construct validity for each of the variables. The questionnaire instrument is thus established by positioning based on the definitional guide in that the contents are aligned with the interview context. The opinions were sought from the industry practitioners in terms of the validity from their perspective. The reliability, construct validity and content validity are criteria that are strictly followed, with the guidance of the research supervisor, in the design of the operationalization instrument, which spanned a timeframe of around three weeks of iterations and corrections. Certain weaknesses, such as in terms of possible lower reliability, or single-item composition, are to be re-adjusted at the post-data level, by means of exploratory factor analysis and multiple regression analysis. Single-items have been confirmed by many researchers for their usefulness, for instance in Denissen et al. (2008). The measurement instrument is completely self-developed, which is given in Table 1. The questionnaires would be re-adjusted in further research based on the preliminary research outcome, such as in areas of lower item-consistency (indicated by lower Cronbach's Alpha) and an investigation of the empirical models derived from linear regression analysis.

**Table 1:** The Measurement Instrument

| Items                                                                                                                                                                 |       |                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supply Chain Competency:</b> the ability of supply chains to respond to customer demands with low cost, high-quality products and services (Bowersox et al. 2000). |       |                                                                                                                                                                     |
| 1                                                                                                                                                                     |       | <b>Products factor</b>                                                                                                                                              |
| 1.1                                                                                                                                                                   |       | <b>Tasty:</b> The flavor having a pleasant and distinct flavor                                                                                                      |
|                                                                                                                                                                       | 1.1.1 | Choice of tastes of our chili paste products is uniquely capable to attract customers                                                                               |
|                                                                                                                                                                       | 1.1.2 | Our products are clearly differentiated features with pleasant and distinctive                                                                                      |
|                                                                                                                                                                       | 1.1.3 | Our chili pastes are tasty than many companies                                                                                                                      |
| 1.2                                                                                                                                                                   |       | <b>Packaging:</b> Material that uses for protecting damage and can add value to product                                                                             |
|                                                                                                                                                                       | 1.2.1 | Our packaging is designed to significantly improve product shelf-life to attract customer                                                                           |
|                                                                                                                                                                       | 1.2.2 | We use strong packaging material to protect damage to our products                                                                                                  |
|                                                                                                                                                                       | 1.2.3 | We have special department /team to design unique packaging to delight customers                                                                                    |
|                                                                                                                                                                       | 1.2.4 | Our packaging design has given us important value-added advantage to our product                                                                                    |
| 1.3                                                                                                                                                                   |       | <b>Product differentiate:</b> Ability to make product and service different from other in features, functional, durability and brand image that your customer value |
|                                                                                                                                                                       | 1.3.1 | Our chili paste are used for seasoning in various menu                                                                                                              |
|                                                                                                                                                                       | 1.3.2 | Our company has special technology to expand chili paste shelf life than many companies                                                                             |
|                                                                                                                                                                       | 1.3.3 | Our company has quality control and assurance procedure in product and process to ensure the accuracy of customer order                                             |
| 1.4                                                                                                                                                                   |       | <b>Texture:</b> The properties of a food that are sensed by touch in the mouth and with the hands that are important to the enjoyment of food                       |
|                                                                                                                                                                       | 1.4.1 | Our products have good smell of chili paste that give customer enjoyment to eat                                                                                     |
|                                                                                                                                                                       | 1.4.2 | Our products have unique texture of chili paste that define the differentiate our products from many others                                                         |
|                                                                                                                                                                       | 1.4.3 | Our company continues to create new different flavor of chili paste                                                                                                 |
| 2                                                                                                                                                                     |       | <b>Production Factor</b>                                                                                                                                            |
| 2.1                                                                                                                                                                   |       | <b>Technique:</b> Skill and ability in particular method of producing and operating                                                                                 |
|                                                                                                                                                                       | 2.1.1 | Our labors are trained to develop the skills needed to run production smoothly                                                                                      |
|                                                                                                                                                                       | 2.1.2 | We have managed our cooking processes to deliver quality chili production                                                                                           |
|                                                                                                                                                                       | 2.1.3 | Our production processes are more efficient than another competitor                                                                                                 |
| 2.2                                                                                                                                                                   |       | <b>Capacity:</b> Use of standardization and production scheduling and etc. to increase capacity to meet customer need                                               |
|                                                                                                                                                                       | 2.2.1 | We can easily produce the product on specification that customer wants                                                                                              |
|                                                                                                                                                                       | 2.2.2 | We focus on production scheduling to reduce production time                                                                                                         |
|                                                                                                                                                                       | 2.2.3 | We focus on improving production standard to improve productivity                                                                                                   |
|                                                                                                                                                                       | 2.2.4 | We produce high product quality by use of standard machine                                                                                                          |
| 2.3                                                                                                                                                                   |       | <b>Recipe:</b> Set of instruction for preparing a chili paste including a list of ingredients and procedure request                                                 |
|                                                                                                                                                                       | 2.3.1 | Our recipe production process is strictly quality controlled and managed to customer requirement and specification                                                  |
|                                                                                                                                                                       | 2.3.2 | We have set of standard proportion instruction to produce unique quality chili paste                                                                                |
|                                                                                                                                                                       | 2.3.3 | Our company has unique specialization in ingredients usage to design new chili products to catch customer interest                                                  |
| 2.4                                                                                                                                                                   |       | <b>Expertise:</b> Basis of credibility as a result of knowledge in producing chili paste                                                                            |
|                                                                                                                                                                       | 2.4.1 | Our company trains labor to have knowledge in production                                                                                                            |
|                                                                                                                                                                       | 2.4.2 | Our staffs have production experience to control the production when the conditions of material are changed                                                         |
|                                                                                                                                                                       | 2.4.3 | We have production knowledge to adapt to various flavor of chili paste                                                                                              |
| 2.5                                                                                                                                                                   |       | <b>Standard:</b> standardization to generate production competitiveness                                                                                             |
|                                                                                                                                                                       | 2.5.1 | We set the production process to ensure the quality of product                                                                                                      |
|                                                                                                                                                                       | 2.5.2 | We set production policy drive to decrease production time more competitive than many companies                                                                     |
|                                                                                                                                                                       | 2.5.3 | We set the standard work practices to reduce production cost                                                                                                        |
|                                                                                                                                                                       | 2.5.4 | We have stable production process to maintain quality of product                                                                                                    |

|     |       |                                                                                                                                                                                                              |
|-----|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.6 |       | <b>Quick response:</b> A companywide approach to reducing lead time to fulfill customer requirement                                                                                                          |
|     | 2.6.1 | We have production skill to quickly and correctly respond to customer requirement                                                                                                                            |
|     | 2.6.2 | Our company works to reduce production lead time by setting machine schedule                                                                                                                                 |
|     | 2.6.3 | Our company works to improve speed in delivery to meet the customer requirement better than many companies                                                                                                   |
|     | 2.6.4 | We reduce waiting time by planning the production process                                                                                                                                                    |
|     | 2.6.5 | We are working to reduce the setup time in our plants                                                                                                                                                        |
| 3   |       | <b>Raw material Factor</b>                                                                                                                                                                                   |
| 3.1 |       | <b>Organic:</b> raw material of production without using synthetic chemicals                                                                                                                                 |
|     | 3.1.1 | Our company uses ingredients not contaminated with insecticide                                                                                                                                               |
|     | 3.1.2 | Use of organic ingredient adds significant cost to produce our products                                                                                                                                      |
|     | 3.1.3 | Our company avoids using preservative in chili paste production                                                                                                                                              |
|     | 3.1.4 | Our company produce organic food because of trend that has become popular among customers                                                                                                                    |
| 4   |       | <b>Financial Factor</b>                                                                                                                                                                                      |
| 4.1 |       | <b>Budget:</b> Money and resource over a specified period, reflecting a readiness for future financial condition and goal                                                                                    |
|     | 4.1.1 | Our company needs support from government to improve capability                                                                                                                                              |
|     | 4.1.2 | Our company has the plan to utilize money for long term purpose                                                                                                                                              |
|     | 4.1.3 | We have policy to spare some amount of money for use when emergency situation arises                                                                                                                         |
| 5   |       | <b>Brand Factor</b>                                                                                                                                                                                          |
| 5.1 |       | <b>Brand:</b> A name, design or symbol that identifies and presents what product the company offers or identifies history of company                                                                         |
|     | 5.1.1 | Our company history gives the brand credibility to our customers                                                                                                                                             |
|     | 5.1.2 | Our logo makes customer easily to remember our brand                                                                                                                                                         |
|     | 5.1.3 | Our company has a priority on using marketing strategy to strengthen our brand                                                                                                                               |
|     |       | <b>Sustainable competitive advantage:</b> Long term superior ability to provide product and service to make customer more satisfied than another competitor                                                  |
|     | 1     | Our company has the ability to respond to customer need quickly and with right specification                                                                                                                 |
|     | 2     | Our company has the ability to reduce service time better than many companies                                                                                                                                |
|     | 3     | Our company can adjust the recipe flexibly to meet any needs of customer                                                                                                                                     |
|     | 4     | We have backup plan to adjust our production flexibility when factor change                                                                                                                                  |
|     | 5     | We have the ability to deliver product to customer quicker than other company by use of 3PL                                                                                                                  |
|     | 6     | Our company has standard certificates and quality assurance to earn the trust of customer                                                                                                                    |
|     | 7     | Our company generally purchase in big lot size to utilize our resource effectively                                                                                                                           |
|     | 8     | Our company has bargaining power over suppliers better than other company                                                                                                                                    |
|     | 9     | Our company is capable to extend product shelf life of chili paste longer than other company while without using preservative                                                                                |
|     | 10    | Our production capability and chili products are highly valued in the market                                                                                                                                 |
|     | 11    | Our ingredient recipes are uniquely different from many other                                                                                                                                                |
|     | 12    | Our company has many capabilities that other companies cannot easily copy including our brand                                                                                                                |
|     | 13    | The way we organize our production system has clear advantage over many companies                                                                                                                            |
|     |       | <b>Supply chain performance:</b> The results that are used to qualify the efficiency and the effectiveness of the supply chain.                                                                              |
| 1   |       | <b>Customer loyalty:</b> A deeply held commitment to rebuy a preferred product in the future despite situation influences and competitor's marketing effort having the potential to cause switching behavior |
|     | 1.1   | Company has signed long term contract with OEM                                                                                                                                                               |
|     | 1.2   | We have a base of loyal customers who continue to purchase product from us                                                                                                                                   |
|     | 1.3   | Our customers always suggest our products to another consumer                                                                                                                                                |
| 2   |       | <b>Profit increase:</b> Earn more margin                                                                                                                                                                     |
|     | 2.1   | Our company has been able to improve our revenue while control our cost well to generate reasonable profit                                                                                                   |
| 3   |       | <b>Expand market:</b> To supply product to wide section of an existing market and increase market share                                                                                                      |
|     | 3.1   | Our company has been able to continue to expand customer base                                                                                                                                                |
|     | 3.2   | Our company has been able to penetrate deeper into existing market                                                                                                                                           |
| 4   |       | <b>Revenue increase:</b> Greater earn income                                                                                                                                                                 |
|     | 4.1   | Our company has always met our sale performance                                                                                                                                                              |

|                                                                                                                                                                                  |     |                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>External lean practices:</b> the integration between an organization and its customers and supplier includes JIT of high-quality goods and expected to be long term in nature |     |                                                                                                                                                                                                            |
| 1                                                                                                                                                                                |     | <b>Supplier feedback:</b> give feedback or raise a general concern about your procurement experience                                                                                                       |
|                                                                                                                                                                                  | 1.1 | We frequently are in close contact with our suppliers.                                                                                                                                                     |
|                                                                                                                                                                                  | 1.2 | We give our suppliers feedback on quality and delivery performance                                                                                                                                         |
|                                                                                                                                                                                  | 1.3 | We strive to establish long-term relationships with our suppliers                                                                                                                                          |
| 2                                                                                                                                                                                |     | <b>Supplier JIT:</b> supplier incentives for on-time delivery are increased, the supplier responses by decreasing the variance of flow time                                                                |
|                                                                                                                                                                                  | 2.1 | Suppliers are directly involved in the new product development process                                                                                                                                     |
|                                                                                                                                                                                  | 2.2 | Our key suppliers deliver to our plants on JIT basis                                                                                                                                                       |
|                                                                                                                                                                                  | 2.3 | We have a formal supplier certification program                                                                                                                                                            |
| 3                                                                                                                                                                                |     | <b>Supplier development:</b> the process of working with certain suppliers on a one-to-one basis to improve their performance for the benefit of the buying organization                                   |
|                                                                                                                                                                                  | 3.1 | Our suppliers are contractually committed to annual cost reductions                                                                                                                                        |
|                                                                                                                                                                                  | 3.2 | Our key suppliers are located in close proximity to our plants                                                                                                                                             |
|                                                                                                                                                                                  | 3.3 | We have corporate level communication on important issues with key suppliers                                                                                                                               |
|                                                                                                                                                                                  | 3.4 | We take active steps to reduce the number of suppliers in each category                                                                                                                                    |
|                                                                                                                                                                                  | 3.5 | Our key suppliers manage our inventory                                                                                                                                                                     |
|                                                                                                                                                                                  | 3.6 | We evaluate suppliers on the basis of total cost and not per unit price                                                                                                                                    |
| 4                                                                                                                                                                                |     | <b>Customer involvement:</b> The sense of more active client, reflects a shift in paradigm from the historic production and marketing focus to a new focus on client relationships in the current business |
|                                                                                                                                                                                  | 4.1 | Our customers give us feedback on quality and delivery performance                                                                                                                                         |
|                                                                                                                                                                                  | 4.2 | Our customers are actively involved in current and future product offerings                                                                                                                                |
|                                                                                                                                                                                  | 4.3 | We frequently are in close contact with our customers                                                                                                                                                      |
|                                                                                                                                                                                  | 4.4 | Our customers are directly involved in current and future product offerings                                                                                                                                |
|                                                                                                                                                                                  | 4.5 | Our customers frequently share current/future demand info with marketing dept                                                                                                                              |

#### 4. Results and Discussion

This section is arranged as such. First the qualitative context is presented, followed then, by the statistical result and discussion of the questionnaire-based survey.

##### Qualitative Data Analysis Results

There is a pattern of themes which highlight the important role played by the production-oriented competences to sustain competitive advantage and thus performance. In particular, the interviews reveal product i.e. tastiness, packaging, and product differentiation and texture, as important competences the chili-paste production facilities must pay attention.

*"I have been in the business for the past 15 years. We can conclude that taste, quality, and standards are the main competitive factors. What I mean is: the tasty of chili paste, quality of the raw material and standard of taste can be attracted the customers. Not only that, these are also our competences that differentiate our products from our competitors. When we have these in place, we can sustain our performances."* (Personal communication with owner of chili paste factory, 19 May 2017)

*"Packaging help to protect the damage to product and it is a first impression that persuades the customer to buy this product."* (Personal communication with entrepreneur of chili paste factory, 23 April 2017)

*"Taste and texture of our chili paste make our product different from the other chili paste products and it makes the customer remember our brand, as the crunchiness of our chili paste that is different from others not only can keep for a long time but also make the customers interesting in our chili paste."* (Personal communication with entrepreneur of chili paste factory, 23 April 2017)

Production-based competence is another significant domain that the interviewees see as importance to achieve sustainable competitive advantage, which includes technique, capacity, recipe, and expertise, flexible, standard, and quick response, as stated, for instance, below:

*"We are changing the production process from household system to factory system by use of standardize machine for increasing the production capacity to respond to the demand that is increasing, and for improving the production standard to be accepted by our customers."* (Personal communication with entrepreneur of chili paste factory, 19 May 2017)

*"The production technique and recipe is the value that is inherited from generation to generation. We still use charcoal for cooking the chili paste because the aroma of charcoal makes the chili paste smell and taste uniquely delicious, which makes our chili paste unique from the other products and get the appreciation and admiration from our customers. From our experience, charcoal made from Lychee and Mango trees are the most appropriate for the best quality for chili-paste production."* (Personal communication with entrepreneur of chili paste factory, 22 May 2017)

*"As an SME, it is like a small car that has the flexibility, to adjust, develop, and make decision, select the raw material, and quality of product to access and respond to the customers."* (Personal communication with entrepreneur of chili paste factory, 23 April 2017)

Not only the internal factor that had mentioned, but also the external factors, contributable to the logistics and supply chain, play significant role in sustaining competitive advantage and thus performances of the industry. Feedbacks from customers are, in particular, important. Stated by one respondent as follows:

*"We send the products to our customers by ourselves, because when we meet our customers, we can engage in an active conversation with them, to request on the situation of the market and seek for feedback from them. The feedback has been valuable to us, enable us to improve and adjust our product specification, quality, and production technique, in order to accurately respond to the customer requirement."* (Personal communication with entrepreneur of chili paste factory, 12 May 2017)

When discussed with the interviewees about what is the nature of competitive advantage and its consequence, i.e. business performance, the participant's state, as follows, the ability to demonstrate market share expansion, has unique competencies,

*"To maintain chili-paste industry to have competitiveness for a long term, the business should expand the market to many wide or can gain more of market share."* (Personal communication with entrepreneur of chili paste factory, 19 May 2017)

*"Ability to maintain and expand customer base demonstrate our capabilities to maintain competitiveness for a long term. These capabilities are actually very obvious to our long-term customers, which can lead to customer loyalty."* (Personal communication with entrepreneur of chili paste factory, 25 April 2017)

*"For us, our production must have a sound competence platform which allows us to flexibly adjust our selling strategies, whether to target on volume or selling price. Either case, we must maintain competitive edge in our production and logistics, to maintain the costs productively and competitively."* (Personal communication with entrepreneur of chili paste factory, 19 May 2017)

### **Quantitative Data Analysis Results**

While the invitation letters for participation were sent to all the registered factories, only 14 responded and participated. The authors sourced other respondents of small scales, dispersed in Chiang Rai, which in total reached only 26 factories in this research study. Together, a total of sixty-six participated in the survey. To compromise the limitation, an in-depth interview was conducted involving six factories which provided this research to obtain richer data to support an explanation base for the surveyed data conclusion.

The qualitative results basically support the structure of the conceptual model which explains the roles of both external lean practices and chili-paste supply chain competency in realization of sustainable competitive



advantage and performance. The themes identified for representing supply chain competency are in domains of product, production, raw materials, financial and brand. The themes for supply chain performance include customer loyalty, profit increase, market expansion, and revenue increase, and for external lean practice, are dominated by supplier feedback, supplier JIT, supplier development, and customer involvement. These external lean practices are common for the chili-paste industry, as the focal point of the value chain is the production of chili-paste, and inventory and logistics issues are predominantly the role of the production entity. As such, the external lean practices, by the use of integrations with customers and suppliers, are dominated by feedbacks, expectations and developments of the suppliers, and customer involvement that aim to improve quality, delivery performances, and current and future product offerings. The themes highlighted are not necessary the competency that has had mastered well, as the interviews were conducted using IPA; that is, areas of importance and actual perceptions were obtained.

Based on the given themes and the exploratory nature of understanding of the interviews-based results, questionnaire instrument was designed. The reliability is attempted based on, first, securing construct and content validity. In case of low reliability, at post-data determination stage, the use of exploratory factor analysis is necessary, to help re-categorize the questionnaire items into appropriate dimensions. The post-data reliability tests show Cronbach's Alpha of 0.691, 0.827, 0.542, 0.720, 0.688, 0.649, 0.564, 0.782, 0.783, 0.841, 0.689, 0.618, 0.720, 0.867, 0.667, 0.871, 0.935, 0.595, 0.709, and 0.846, respectively, according to the sequence of the variables given in Table 1. The minor weakness which show in variables with Cronbach's Alpha less than 0.6 (Nunnally 1978) would limit the ability of the variables to play significant roles in the multiple regression analysis. While the single-item reliability is unknown, it nevertheless can perform as good as multiple questionnaire items provided it delivers the key meaning straight to the point (Denissen et al. 2008)

Prior to addressing the inferential statistical test results, a general descriptive analysis is provided. Table 4 indicates high level of agreement with the external lean practices made by the chili-paste manufacturers, focusing predominantly in supplier feedback and customer involvement. The former presents the efforts that the manufacturers are frequently in close contact with their suppliers, by also giving the suppliers feedback on quality and delivery performances, that strive to establish long-term relationships with the suppliers. The latter indicates the significant efforts of the chili-paste manufacturers who involve the customers in activeness, close contact and participation, in developing quality products that meet the current and future demands. Currently supplier JIT and supplier development are perceived to be at lower level of the manufacturers' efforts. The manufacturers also perceive high level of achievements relating to supply chain performance in areas of revenues, profits and market expansions (all above 4 Likert Scale level), except market expansion at mean of 3.97, standard deviation at 0.794. A general negative skewness indicates, nevertheless, that the perceptions are toward the higher end of the five Likert Scale from the mean shown in Tables 2 and 3.

**Table 2:** Descriptive Statistics of Overall Model's Constructs

| Descriptive Statistics            |           |           |           |           |           |           |            |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                   | N         | Minimum   | Maximum   | Mean      | Std.      | Skewness  |            |
|                                   | Statistic | Statistic | Statistic | Statistic | Deviation | Statistic | Std. Error |
| Supplier Feedback                 | 66        | 2.670     | 5.000     | 4.22253   | .664699   | -.504     | .295       |
| Customer Involvement              | 66        | 3.000     | 5.000     | 4.19394   | .528533   | -.100     | .295       |
| Supply Chain Competency           | 66        | 3.220     | 4.760     | 4.16424   | .413034   | -.556     | .295       |
| Supply Chain Performance          | 66        | 3.000     | 5.000     | 4.08152   | .602718   | -.118     | .295       |
| Sustainable Competitive Advantage | 66        | 3.000     | 4.620     | 3.95424   | .513282   | -.402     | .295       |
| Supplier JIT                      | 66        | 2.670     | 5.000     | 3.83818   | .536670   | .019      | .295       |
| Supplier Development              | 66        | 2.500     | 4.830     | 3.72727   | .514110   | -.071     | .295       |
| Valid N (listwise)                | 66        |           |           |           |           |           |            |

**Table 3:** Descriptive Statistics of the Detailed Model's Constructs

|                     | Descriptive Statistics |           |           |           |                |           |            |
|---------------------|------------------------|-----------|-----------|-----------|----------------|-----------|------------|
|                     | N                      | Minimum   | Maximum   | Mean      | Std. Deviation | Skewness  |            |
|                     | Statistic              | Statistic | Statistic | Statistic | Statistic      | Statistic | Std. Error |
| Raw Material Factor | 66                     | 3.250     | 5.000     | 4.40909   | .510724        | -.538     | .295       |
| Brand Factor        | 66                     | 3.000     | 5.000     | 4.27818   | .527884        | -.489     | .295       |
| Product Factor      | 66                     | 3.308     | 4.846     | 4.26797   | .418525        | -.495     | .295       |
| Revenue Increase    | 66                     | 3.000     | 5.000     | 4.21212   | .595241        | -.097     | .295       |
| Financial Factor    | 66                     | 2.670     | 5.000     | 4.08030   | .613261        | -.426     | .295       |
| Profit Increase     | 66                     | 3.000     | 5.000     | 4.06061   | .698984        | -.083     | .295       |
| Production Factor   | 66                     | 3.050     | 4.770     | 4.05242   | .462548        | -.423     | .295       |
| Market Expansion    | 66                     | 3.000     | 5.000     | 3.96970   | .793623        | -.041     | .295       |
| Customer Loyalty    | 66                     | 2.670     | 5.000     | 4.06091   | .669123        | -.467     | .295       |
| Valid N (listwise)  | 66                     |           |           |           |                |           |            |

As Tables 2 and 3, in general, show relatively higher level of perceptual achievements or acquisitions of the competencies, and efforts made in the external lean practices, the next critical issues are how the chili-paste supply chain can systematically exploit their current efforts. The solution to this issue is obtained by means of confirming the validity of the conceptual model which sees the working of RBV in sustaining competitive advantage and thus performance. At the current moment, the overall chili-paste manufacturers perceive their sustainable competitive advantage, i.e. the ability to perform better than many companies, in various aspects, at 3.95, addressing the hypothetical structure of the conceptual model is of significant value. To address the hypotheses stated, multiple regression analyses were performed, and the results are shown in Figure 5 and Figure 6. Multicollinearity test results are also provided in Table 4.

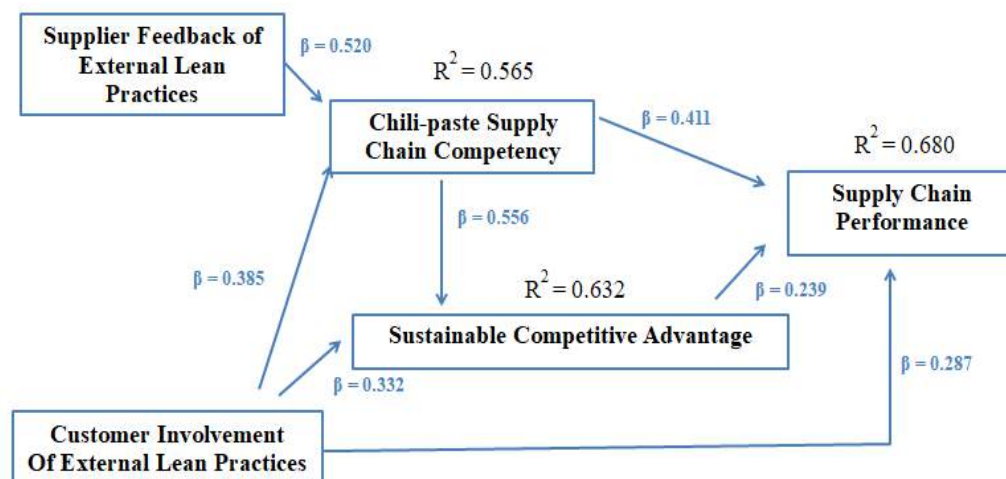
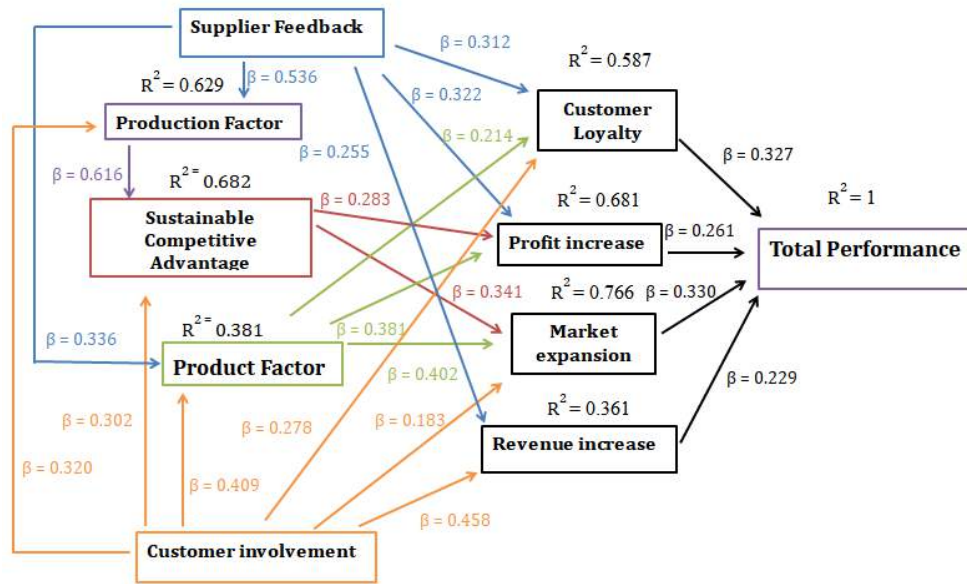
**Figure 5:** Overall Final Model


**Figure 6: Details of the Final Model**


The multicollinearity states of the predictors or independent variables for Figures 5 and 6 are shown in Table 4. By following the criterion suggested by Klein (1962), in that if VIF is greater than  $\frac{1}{1-R^2}$  or a tolerance value is less than  $1 - R^2$ , then multicollinearity can be considered as statistically significant, Table 6 indicates minor multicollinearity effects for explaining the variance of SC performance, profit, customer loyalty, revenue, product factor and production factor. Nevertheless, based on a normal argument for the existence of significant multicollinearity when the tolerance value is less than 0.1 or VIF greater than 10, roughly, Table 6 shows no significant multicollinearity for all the multiple regression analyses.

**Table 4: Multicollinearity Test**

| DV:                                   | IV: | R-Squared | Beta  | Collinearity Statistics |       | Multicollinearity     |                  | Significance of Multicollinearity | Minor |
|---------------------------------------|-----|-----------|-------|-------------------------|-------|-----------------------|------------------|-----------------------------------|-------|
|                                       |     |           |       | Tolerance               | VIF   | 1/(1-R <sup>2</sup> ) | 1-R <sup>2</sup> |                                   |       |
| DV: SC Performance                    |     | 0.68      |       |                         |       |                       |                  |                                   |       |
| IV: SC Competency                     |     |           | 0.411 | 0.502                   | 1.994 | 1.860119              | 0.5376           | Yes                               | Yes   |
| IV: Customer Involvement              |     |           | 0.287 |                         |       | 1.860119              | 0.5376           | Yes                               | Yes   |
| IV: Sustainable Competitive Advantage |     |           | 0.23  | 0.502                   | 1.994 | 1.860119              | 0.5376           | Yes                               | Yes   |
| DV: Sustainable Competitive Advantage |     | 0.632     |       |                         |       |                       |                  |                                   |       |
| IV: Customer Involvement              |     |           | 0.332 | 0.669                   | 1.494 | 1.665068              | 0.600576         | No                                | No    |
| IV: SC Competency                     |     |           | 0.556 | 0.669                   | 1.494 | 1.665068              | 0.600576         | No                                | No    |
| DV: Profit Increase                   |     | 0.681     |       |                         |       |                       |                  |                                   |       |
| IV: Supplier Feedback                 |     |           | 0.322 | 0.69                    | 1.449 | 1.86484               | 0.536239         | No                                | No    |
| IV: Sustainable Competitive Advantage |     |           | 0.238 | 0.452                   | 2.214 | 1.86484               | 0.536239         | Yes                               | Yes   |
| IV: Product Factor                    |     |           | 0.381 | 0.568                   | 1.76  | 1.86484               | 0.536239         | No                                | No    |
| DV: Customer Loyalty                  |     | 0.587     |       |                         |       |                       |                  |                                   |       |
| IV: Supplier Feedback                 |     |           | 0.312 | 0.69                    | 1.461 | 1.525714              | 0.655431         | No                                | No    |
| IV: Product Factor                    |     |           | 0.214 | 0.568                   | 1.76  | 1.525714              | 0.655431         | Yes                               | Yes   |
| IV: Customer Involvement              |     |           | 0.278 | 0.543                   | 1.842 | 1.525714              | 0.655431         | Yes                               | Yes   |
| DV: Market Expansion                  |     | 0.766     |       |                         |       |                       |                  |                                   |       |
| IV: Sustainable Competitive Advantage |     |           | 0.341 | 0.452                   | 2.214 | 2.419878              | 0.413244         | No                                | No    |
| IV: Product Factor                    |     |           | 0.402 | 0.568                   | 1.76  | 2.419878              | 0.413244         | No                                | No    |
| IV: Customer Involvement              |     |           | 0.183 | 0.543                   | 1.842 | 2.419878              | 0.413244         | No                                | No    |
| DV: Revenue Increase                  |     | 0.361     |       |                         |       |                       |                  |                                   |       |
| IV: Customer Involvement              |     |           | 0.458 | 0.866                   | 1.155 | 1.14985               | 0.869679         | Yes                               | Yes   |
| IV: Supplier Feedback                 |     |           | 0.255 | 0.866                   | 1.155 | 1.14985               | 0.869679         | Yes                               | Yes   |
| DV: SC Competency                     |     | 0.565     |       |                         |       |                       |                  |                                   |       |
| IV: Supplier Feedback                 |     |           | 0.52  | 0.866                   | 1.155 | 1.468914              | 0.680775         | No                                | No    |
| IV: Customer Involvement              |     |           | 0.385 | 0.866                   | 1.155 | 1.468914              | 0.680775         | No                                | No    |
| DV: Sustainable Competitive Advantage |     | 0.682     |       |                         |       |                       |                  |                                   |       |
| IV: Production Factor                 |     |           | 0.616 | 0.677                   | 1.476 | 1.869592              | 0.534876         | No                                | No    |
| IV: Customer Involvement              |     |           | 0.302 | 0.677                   | 1.476 | 1.869592              | 0.534876         | No                                | No    |
| DV: Product Factor                    |     | 0.0381    |       |                         |       |                       |                  |                                   |       |
| IV: Supplier Feedback                 |     |           | 0.336 | 0.866                   | 1.155 | 1.001454              | 0.998548         | Yes                               | Yes   |
| IV: Customer Involvement              |     |           | 0.409 | 0.866                   | 1.155 | 1.001454              | 0.998548         | Yes                               | Yes   |
| DV: Production Factor                 |     | 0.629     |       |                         |       |                       |                  |                                   |       |
| IV: Supplier Feedback                 |     |           | 0.536 | 0.409                   | 2.445 | 1.654646              | 0.604359         | Yes                               | Yes   |
| IV: Customer Involvement              |     |           | 0.32  | 0.656                   | 1.524 | 1.654646              | 0.604359         | No                                | No    |

By referring to Figure 5 and Figure 6, all hypotheses stated are supported, significant to  $p < 0.05$  significant

levels. The following concludes the confirmation of the stated hypotheses by also addressing the three research questions posed in the Research Method section:

- H1 and H2 are supported which stresses the significant roles of chili-paste competency and external lean practices in realizing sustainable competitive advantage, with the percentage of variance explained at 63.2%. Customer involvement of external lean practices is significantly important, with Beta at 0.332, while competency at Beta of 0.556. The detailed competencies identified to play statistically significant roles are production factor, shown in Figure 5.
- To accomplish chili-paste supply chain competency, both customer involvement and supplier feedback are two important external lean practices, which can explain 56.5% of the problem or dependent variable. The Beta values are respectively 0.385 and 0.520, shown in Figure 5. Thus, H3 is supported.
- H4, H5 and H6 are supported, by the abilities of SC competency, external practices, and sustainable competitive advantages to explain the variance of chili-paste company performances, for a variance percentage of 68%, with Beta weights of 0.411, 0.287, and 0.239, respectively, shown in Figure 5. In the detailed version, production and product competencies are two significant competency domains. While production competency contributes directly to explain the variance of sustainable competitive advantage, at 68.2% of variance, product competence has direct contribution to market expansion and increase of profit, for 76.6% and 68.1% of variance, respectively, shown in Figure 6. All the four domains of performances are shown to be able to explain by the RBV concepts, at significantly high R-squared levels, with 58.7%, 68.1%, 76.6%, and 36.1% for respectively customer loyalty, profits, market expansion and revenues. These four performance areas are equally weighted to create a total performance indicator for the chili-paste manufacturers, shown in Figure 6.

## 5. Conclusion

The research underpins on RBV which concludes the statistically significant roles of competence-based and external lean practices as predictors for the chili-paste manufacturers to gain competitive advantage (for 63.2% of variance) and thus performances (for 68% of the variance). Sustainable competitive advantage is characterized as, for instance, the ability to respond to customer needs quickly and with the right specification, to reduce service time better than many competitors, can adjust the recipe flexibly, have the backup plan to deliver products to customers quicker than other companies can do, by 3PL services, and many others. The view of the chili-paste industry, based on the qualitative interviews, indicates competitive advantage as matching the definition given by Porter (1985), as follows: “competitive advantage is defined as the value a firm is able to create for its buyers that exceeds the firm’s cost of creating it.” Along this definition, competitive advantage is also positively related to the financial performance of the firms. The supply chain competencies, together with the external lean practices, dominate the role of business model, which involve securing competitive strengths in tastiness, packaging attractiveness, product differentiation values and texture uniqueness, and production factors constituting of techniques, capacity, recipe, standard and quick responses, and raw material, financial factor and branding strategies. The external lean practices are dominated by supplier feedback, supplier Just-in-Time (JIT) commitment, supplier development and customer involvement.

This research thus has significant implications to the chili-paste manufacturers and also the suppliers and customers as value chain members who seek to collaboratively gain the strengths for sustainable competitive advantage and performance. Four particular performance areas are the domains of the current efforts of the chili-paste industry in Chiang Rai, Thailand, namely customer loyalty, profits, market expansions and revenues. Sustainable competitive advantage plays the significant role in the ability to explain the existences of customer loyalty, profits, and market expansions. Competency areas that are of significantly important are perceived in the domains of production and products, while external lean practices are dominated by supplier feedback and customer involvement, which are attempted to establish long-term relationships, and again along sustainable competitive advantage. In sum, Resource-based View (RBV) concept is thus considered applicable for the chili-paste industry in Chiang Rai, Thailand.

On the theoretical front of contribution, as the chili-paste industry’s supply chain competency profile has not been made available in the existing literature, this research thus fills the gap, along RBV theory of competition, by skillfully intercepting concepts of order winners and order qualifiers.

## 6. Limitation

There are various limitations of this research. The reasons are mainly caused by the inability to convince the producers to participate in the survey. As far as the actual registered producers with the FDA are concerned, a total of 60 chili-paste factories are reported (Food and Drug Administration 2016). While the invitation letters for participation were sent to all the registered factories, only 14 responded and participated. The authors sourced other respondents of small scales, dispersed in Chiang Rai, which in total reached only 26 factories in this research study. Together, a total of sixty-six participated in the survey. To compromise the limitation, an in-

depth interview was conducted involving six factories which provided this research to obtain richer data to support an explanation base for the surveyed data conclusion. Due to low response rate, and also due to limited number of available factories, the measurement instruments were operationalized to the best available validity and reliability as possible, being situated within a theoretical foundation of RBV. The purpose was to arrive at the best ability of the predictor variables to explain the problem variables (dependent variables) at as high the variance as possible. As a result, sampling adequacy becomes a variable itself and, although it has weakness, the high R-squared of the overall and detailed empirical models indicate large effect size, which Effect Size Index  $\geq 0.35$  (Cohen 1992), for multiple-regression analysis as shown in Table 5. Thus, supported by the 3 predictors multiple regression, as in Cohen (1992), in Table 6, a sample size of 50 is considered reasonably adequate, at least to address the supportability for the theoretical model.

**Table 5:** Effect Size for the Multiple Regressions

|               | Independent variable              | Dependent variable                | R     | ES Index (Cohen 1992) |
|---------------|-----------------------------------|-----------------------------------|-------|-----------------------|
| Overall Model | Supplier Feedback                 | Supply Chain Competency           | 0.565 | 1.298850575           |
|               | Customer Involvement              |                                   |       |                       |
|               | Supplier Chain Competency         | Sustainable Competitive Advantage | 0.632 | 1.717391304           |
|               | Customer Involvement              |                                   |       |                       |
|               | Supplier Chain Competency         | Supply Chain Performance          | 0.68  | 2.125                 |
|               | Sustainable Competitive Advantage |                                   |       |                       |
| Detail Model  | Customer Involvement              |                                   |       |                       |
|               | Supplier Feedback                 | Customer Loyalty                  | 0.587 | 1.421307506           |
|               | Sustainable Competitive Advantage |                                   |       |                       |
|               | Product Factor                    |                                   |       |                       |
|               | Customer Involvement              |                                   |       |                       |
|               | Supplier Feedback                 | Profit Increase                   | 0.681 | 2.134796238           |
|               | Sustainable Competitive Advantage |                                   |       |                       |
|               | Product Factor                    |                                   |       |                       |
|               | Sustainable Competitive Advantage | Market Expansion                  | 0.766 | 3.273504274           |
|               | Product Factor                    |                                   |       |                       |
|               | Customer Involvement              |                                   |       |                       |
|               | Customer Involvement              | Revenue Increase                  | 0.361 | 0.564945227           |
|               | Supplier Feedback                 |                                   |       |                       |
|               | Supplier Feedback                 | Production Factor                 | 0.629 | 1.69541779            |
|               | Customer Involvement              |                                   |       |                       |
|               | Production Factor                 | Sustainable Competitive Advantage | 0.682 | 2.144654088           |
|               | Customer Involvement              |                                   |       |                       |
|               | Customer Involvement              | Product Factor                    | 0.381 | 0.615508885           |
|               | Supplier Feedback                 |                                   |       |                       |

Note that the overall model is referred to Figure 5 and the detailed model is referred to Figure 6.

**Table 3:** Sampling Size Adequacy as a Function of Effect Size (Cohen 1992).

|                        | 0.01  |        |       | 0.05  |        |       |
|------------------------|-------|--------|-------|-------|--------|-------|
|                        | Small | Medium | Large | Small | Medium | Large |
| Test:                  |       |        |       |       |        |       |
| t-test for 2 means     | 586   | 95     | 38    | 393   | 64     | 26    |
| Simple correlation (r) | 1,163 | 125    | 41    | 783   | 85     | 28    |
| Analysis of variance:  |       |        |       |       |        |       |
| 2 groups               | 586   | 95     | 38    | 393   | 64     | 26    |
| 3 groups               | 464   | 76     | 30    | 322   | 52     | 21    |
| 4 groups               | 388   | 63     | 25    | 274   | 45     | 18    |
| 5 groups               | 336   | 55     | 22    | 240   | 39     | 16    |
| Multiple Regression:   |       |        |       |       |        |       |
| 2 predictors           | 698   | 97     | 45    | 481   | 67     | 30    |
| 3 predictors           | 780   | 108    | 50    | 547   | 76     | 34    |
| 4 predictors           | 841   | 118    | 55    | 599   | 84     | 38    |
| 5 predictors           | 901   | 126    | 59    | 645   | 91     | 42    |

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# Interpreting Evolution of History and Culture of “Siam - Lawo and Srivijaya” to Support Historical and Cultural Tourism around Ban Don Bay in Chaiya District, Surat Thani

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## **Abstract**

This research is for interpretation of “Siam, Lawo and Srivijaya history and culture evolution for supporting cultural tourism in the areas that influenced cultural landscape around Ban Don Bay in Chaiya District, Surat Thani through analyst the chronicles and inscriptions literature associated with and geography and weather has traced the flourishing influence of Siamese, Lawo and Srivijayan culture dating back from the early period of Srivijaya. This research will be presented the information on analysis of 3 mains objectives as following: To investigate and collect the content about evolution of “Siam, Lawo and Srivijaya” history and culture associated with cultural landscape around Ban Don Bay in Chaiya District, Surat Thani.; To improve and develop the equipment or material for historical and cultural interpretation and presentation that will increase highly values and respects the flourishing of Southern Thailand’s heritage. That is suitable for supporting historical and cultural tourism management; and to make people to be proud with their history and heritage that bring to cultural landscape around Ban Don Bay in Chaiya District, Surat Thani conservation and development associated economic development based on history and cultural tourism. The research methodology is qualitative that surveys of the cultural landscape and observations to obtain general information of the existing condition will be constructed. This will include photographing and mapping. Information will be gathered from stakeholders by an in-depth interview approach seeking information about the evolution of history and culture of “Siam, Lawo and Srivijaya” to support the heritage interpretation for historical and cultural tourism around Ban Don Bay in Chaiya District, Surat Thani.

From investigation, it could be concluded the geographical position of Takuapa-Ban Don Bay route in Southern Thailand was suitable to expand its economy, religion and politics. Chaiya was a hub of international commerce and it was an entrepot to control the east-west trade that was the direct line of communication with India, Chinese, Arabia and Persia. Maritime trade was significant for the Srivijayan world that contacted trade worldwide. The author has learn about the wisdom of Srivijayan people who recognized the major factors essential to build the heritage sites such as geographical location, settlement, people and lifestyle. There are many attractive places that come from both natural and cultural resources in southern Thailand. Tourism industry is one of the most important industries that can bring a lot of incomes and make reputation. However, there are some threats affect to promote and develop this land to support tourism as cultural tourism such as lacking of integrated cooperation between academic, professional, government and private sector in planning and management.

**Keywords:** Interpretation, Evolution of history and culture, “Siam, Lawo and Srivijaya”, Historical and cultural tourism, Ban Don Bay

## **1. Introduction**

Nowadays, tourism industry is continually expanding. It can be seen, there are many objectives of tourists traveling likes for relaxing and learning various history of art and different cultures in the world such as wonderful architecture, culture, religion, and nature. There are many heritage sites that need tourism interpretation for visitors who can learn about the significant values of the places and to make them to relax and get knowledge from history and wisdoms of ancestor. However, heritage interpretation is so useful that is an integral part of the conservation process and fundamental to positive conservation outcomes. Especially, for Thailand, tourism industry is one of the most important industries that can bring a lot of incomes and make reputation. There are many attractive places that come from both natural and cultural resources.

There are both cultural and natural resources for tourist attractions around Ban Don Bay in Surat Thani, Southern Thailand. Its cultural landscape is so importance and beautiful to learn and mirror about the evolution of the past and the valuable of “Siam, Lawo and Srivijaya”. This landscape is to be recognizing for sustainable development for intergeneration around the world. However, heritage interpretation is related with authenticity, intellectual honesty, social responsibility, and respect for sacred places, cultural and environmental significance and context. There are several sacred places around Ban Don Bay in Chaiya, Surat Thani that have long history from Srivijayan age such as Chedi of Wat Phra Borommathat Chaiya, Chedi of Wat Kaew, Chedi of Wat Vieng, Chedi of Wat

Long and Suan Mokkhpaparam. These show the identity, wisdom and characteristic of ancestor people. There are many wonderful natural places and landscapes such as sea, coast, waterfall, mountain and river. For example, Takuapa-Ban Don Bay is an important route to learn the marinetime trade of Siam from Srivijayan age.

The evolution of the land of Southern Thailand, was a part of ancient Siam that related to various periods such as “Siam, Lawo and Srivijaya” and it related to many lands in both the west and the east coasts such as India, China, Vietnam, Cambodia, Laos, Myanmar, Indonesia, Malaysia, Arab, Persia and Roman. Especially, this land had so closed relationship with Southeast Asia, India and China. From the past, this land used to be entrepot between the west and the east coasts that was called “Spice Rote”. Takuapa-Ban Don Bay Route was suitable location and enrich with natural and cultural resources so it was the center of merchant, technology, art and culture. This land has high potential of tourism resource to attract tourists and visitors for both cultural and natural tourism. It was so flourishing with beautiful ways of life in both tangible and intangible heritage such as food, cloth, architecture, tradition, language, occupation, believe and artifact, although, archaeological site. Public could praise and get relaxing and learn these cultural heritage from the cultural landscape that is a living museum. However, there are some threats affect to promote and develop this land such as lacking of integrated cooperation between academic, professional, government and private sector in planning and management.

“Siam, Lawo and Srivijaya” are so importance for learning the background and evolution of “Siamese or Thai history”. Moreover, Srivijaya is integrated culture in Southeast Asian that involved with many countries in the East, Middle East and the West. It should improve and develop the interpretation and presentation in communication and exchanges with the people outside with local people as tourist that will increase highly values and respects communication. The land in Southern Thailand will promote its culture and lifestyle for heritage conservation and development that is so advantages to develop and promote sustainable tourism in the landscape of Ban Don Bay in Surat Thani. This land is high density of culture and nature, long history and building age to create historic sites for sustainable tourism. However, socio-economic value is related with socio-cultural tourism and eco-tourism in the cultural landscape of Ban Don Bay since the past until the present and for the future. Heritage conservation and cultural landscape has to recognize about special historical, architectural and economical values. It should be conserved for both cultural evidence and sustainable tourism. Moreover, social value of heritage sites around Ban Don Bay is learning different culture and behaviours and exchanging knowledge and experience between local people who are Thais, Chinese, Buddhist and Muslim with the tourists or between tourists and tourists that can make good relationship for the world peace and heritage architectural conservation in the future. So this cultural landscape of Southern Thailand provides the heritage interpretation to support historical and cultural tourism that is a part of sustainable tourism development.

### **Objectives**

1. To investigate and collect the content about evolution of “Siam, Lawo and Srivijaya” history and culture associated with cultural landscape around Ban Don Bay in Chaiya District, Surat Thani.
2. To improve and develop the equipment or material for historical and cultural interpretation and presentation that will increase highly values and respects the flourishing of Southern Thailand's heritage. That is suitable for supporting historical and cultural tourism management.
3. To make people to be proud with their history and heritage that bring to cultural landscape around Ban Don Bay in Chaiya District, Surat Thani conservation and development associated economic development based on history and cultural tourism.

## **2. Research Methodology**

### **Process of Study:**

The process of the study is as follows:

1. Background, history and culture of the Siamese, Lawo and Srivijayan world will be investigated, with a view towards cultural landscape management for historical and cultural tourism, through library research, websites, books, journals, theses, archives, magazines, and newspapers. This can create an understanding of theoretical and practical aspects of heritage interpretation of the Siamese, Lawo and Srivijaya-influenced area for cultural tourism.
2. Surveys of the cultural landscape and observations to obtain general information of the existing condition will be constructed. This will include photographing and mapping.
3. Information will be gathered from stakeholders by an in-depth interview approach seeking information about the evolution of history and culture of “Siam, Lawo and Srivijaya” to support the heritage interpretation for historical and cultural tourism around Ban Don Bay in Chaiya District, Surat Thani.

### Study Boundaries:

1. The study of the evolution of history and culture of “Siam, Lawo and Srivijaya” in Southern Thailand. It will focus on the area of Ban Don Bay in Chaiya District, Surat Thani. There was significant settlement and landscape of cities in the Chaiya that related to other areas.
2. The study will concentrate on the cultural landscape around Ban Don Bay, which is considered to meet the criteria of outstanding universal values. This also acknowledges that much of the surrounding area has significant architectural and historical importance and is to ensure that it is protected from mass tourism. Sustainable for tourism development may be achieved through its status as either conservation area or public open space. There are some suggestions from the stakeholders with historical and cultural interpretation that the immediate surrounding areas to support historical and cultural tourism. However, the boundary of the present study is focused on cultural tourism for sustainable development, whereas to define the area too broadly could militate against sustainability.
3. The interviewees and / or groups for interviewing consist of local community, government organizations, non-government organizations, academics, private-sector operators, visitors and people working related to heritage and cultural tourism. The contents of this research are related to interpretation the evolution of “Siam, Lawo and Srivijaya” in Southern Thailand will focus on the area of Ban Don Bay in Chaiya District, Surat Thani to support cultural innovation and creativity economy through identity of historical and cultural tourism.

### 3. Literature Review

#### Interpretation heritage around Ban Don Bay associated with the evolution of “Siam, Lawo and Srivijaya”

The ancient community around Ban Don Bay in Southern Thailand had communicated with various overseas communities for two main objectives that were doing commerce and religion expanding around 2,000 years ago. However, archaeological and historical studies in the south of Thailand have focused on “Siam, Lawo and Srivijaya” that the Srivijaya-influenced sites whereas many people have tried to find where its center was. For example, there is a variety of possible answers from historians about the centers of Srivijaya that could be Chaiya and Nakon Si Thammaraj in Thailand and Palembang in Indonesia. However, the geographical position of Takuapa-Ban Don Bay route in Southern Thailand was suitable to expand its economy, religion and politics. Chaiya was a hub of international commerce and it was an entrepot to control the east-west trade that was the direct line of communication with India, Chinese, Arabia and Persia. Maritime trade was significant for the Srivijayan world that contacted trade worldwide.

From investigation the ancestors of Srivijaya or Sailendra Dynasty who were from various ancestor married with indigenous people such as Indian, Chinese, Arabian, Persian and Roman. Panich (1995: 115) in Nuanla-ong (2010) states that the kings of the Chao Phraya Basin and the king of Pan Pan (at Vieng Sra) in the Tapee Basin were related to the Panom Empire (Funan), deriving from King Asoka of Makoth. However, one line of the descendants of King Asoka had moved to Suwannapura for expanding Buddhism in 296 B.E. who Phra Mahintara (Son of King Asoka and Queen Vatissadhevi-Uncle of Prince Sumit) and Prince Sumit (nephew of King Asoka of Makoth and Queen Vatissadhevi who from Sakaya Dynasty). Later, Suvarnabhumi was built for a city by Prince Sumit who married with Princess Jantra of Suwannapura. That time, Tapee Basin (Vieng Sra) was called Yawa Taweeep, meaning Mountain. The descendants of King Asoka called themselves Java, in the Sanskrit language, which has the same meaning with the Sailendra. There are many places around the Tapee Basin where have the same meaning of names as of the Sailendra such as Kirirattanakom, Panom, and Sing Khon Cave.

From investigation of Dvaravati and Srivijaya as descendants of Panom (Funan), Wallibhodom (1982: 82) states that, from Chinese records, there was a state around Ban Don Bay. One record said that the governor sent an envoy to China in the Laing Dynasty. There is another record of Kiaw Chan Yoo (Brahman Kon Tan Ya), a governor of Funan (after Ju Yan Tan, 9<sup>th</sup>-10<sup>th</sup> centuries B.E. or 4<sup>th</sup>-5<sup>th</sup> centuries A.D.), who used to be a Brahman in India and later claimed to hear some voice from heaven ordering him to be a king at Funan, so he traveled to Pan Pan. Panich (1995: 118) notes that in 969 B.E. (426 A.D.), after people of Funan (Panom) heard this story, they invited Brahman Kon Tan Ya from Pan Pan to be their king at Panom for he came from a line of the Sailendra Dynasty against the fact that the previous kings had not come from the line of the Sailendra Dynasty, and were not considered to be religious kings. Those kings had brought a lot of disorganization and distress to Panom. Later, Brahman Kon Tan Ya changed the rule of Funan into an Indian-like one. The name of the Brahman Kon Tan Ya was Khun Long In or Intaraworamatawa. His son was Khun Long Chai (Chaiworamatawa). Historians have called him Kon Tan Ya Chaiworama because many kings had the same name as Khun Long Chai. In the Khun Long Chai era Buddhism was flourishing and trading was expanding. He sent a merchant ship of his navy to trade with Kwang Tung. Panich (1995: 118) in Nuanla-ong (2010) argues that Khun Long Chai sent Phra Nak Ca San with an envoy group to the grand palace of China to report in 1027 B.E. (484 A.D.) that Panom (Funan) respected both Brahman and Buddhism. People respected Ma Ha Suan (a Phra I-suan or a Phra Visnu). The historical records of



China showed that Buddhism was flourishing in the Khong Basin until the Cham Pa state around 1000-1100 B.E. (457-557 A.D.). Panich (1995: 118) states that when the envoys came back, the ship was wrecked in Java. However, Pra Nak Ca San could help people return to the land. It could be assumed that the capital of Panom (Funan) was near Cham Pa Sak or Sri Sra Kas. Khao Pra Vi Here castle was to be near the capital because it was the place of Sri Kha Rea Suan. Regarding the rise of Khmer (Janla), Panich (1995: 119) notes that, in this period, the Khmer developed on low land. Their origin was from Brahman Cham Bhoo and Nang Nak. Later, Panom could control the Khmer as the Queen of Khmer was Khun Long Chai's minor wife. Khun Long Chai sent his son (Rutaraworoma) to govern there from 1057-1088 B.E. (514-545 A.D.). Then, many wars with Panom occurred. One line of princes who were not from Khmer had moved to the Khong basin (Nakon Panom). Panich (1995: 119) states that another line of them built Nakon Dvaravati Sri Ayothaya (Ayutthaya) at the old Oou Tong which used to be the location of Suwannabhumi. (Nuanla-ong, 2010).

The author has learned about the wisdom of Siamese and Srivijayan people who were from various ancestors so they had various backgrounds knowledge and ideas from their ancestors. They recognized the major factors essential to build the heritage sites such as geographical location, settlement, people and lifestyle. The geographical layout of the Southern Thailand has two types of settlement pattern, namely inland and coastal settlements. In addition, the mountain is the signpost of the southern peninsula's geography that might offer the security of a sacred place or fortress for a palace. There is significant mountain chains on both the eastern coast (Nakon Si Thammaraj Range) and the western coast (Phuket Range) that divide the southern peninsula which covers both flat and high land. The Sankalakiri Mountains run from the east to the west across the peninsula, separating the region from modern Malaysia. Moreover, Srichai and Hassapak (2000: 3) in Nuanla-ong (2010) argue that there is archaeological evidence of Srivijaya influence in the south of Thailand that relates to other kingdoms or empires in the middle and the north of Thailand during the 18<sup>th</sup> – 19<sup>th</sup> centuries B.E. (13<sup>th</sup> – 14<sup>th</sup> centuries A.D.). The important evidence is inscription no. 23 which was the first evidence linking Srivijaya to Surat Thani in 1318 B.E. (775 A.D.). It was found in Chaiya District, Surat Thani. Moreover, there were found various evidence and traces in Chaiya from variety of sources such as historical objects in Khmer, Dvaravati, Srivijaya and Ayuthayan styles; historic sites range from Srivijayan to Ayuthayan in their styles. In addition, there were found many significant archaeological sites in the north and middle of Southern Thailand such as Laem Bodhi, Chaiya District, Surat Thani; in Koh Cokhao, Takuapa District, Phang-nga; and in Kuan Lookpad, Klongtom District in Krabi. Takuapa-Ban Don Bay route was one of the famous trans- peninsular routes. It could be the most convenient one for transportation from before Srivijayan age. Nuanla-ong (2010) states that this route was travelling from Phang-Nga Bay across the peninsula to Ban Don Bay. From Krabi, the route cut across the limestone mountain (the Khao Hinpoon) Pass, the source of the Tapee River, and passed various island communities then led to Pun Pin, Ta Chana, and Chaiya Districts in Ban Don Bay. Chaiya was an important seaport of the Srivijayan age from the 12<sup>th</sup> to 16<sup>th</sup> centuries B.E. (7<sup>th</sup>-11<sup>th</sup> centuries A.D.). Takuapa-Ban Don Bay route was the land as a large market for exchanging various kinds of products between the west and the east ports. There are many traces of Srivijaya influence in Takuapa-Ban Don Bay Route, especially around Ban Don Bay to support the significance of the "spice route" that spices were its main product. There were other local products were beeswax, perfumery wood, elephant tusks, rice, sugar, bird's nest, betel palm, cotton, silk and herbs. However, the declining of Srivijayan power in Chaiya could be in 17<sup>th</sup> -18<sup>th</sup> centuries B.E. (12<sup>th</sup>-13<sup>th</sup> centuries A.D.) that was from serious sources such as changing trade routes, technological development in building merchant ships, declining benefits of the lower Melayu Peninsula (Melaka Straits) and war with the Jola army. (Nuanla-ong, 2010)

There are traces of city ruins from the 11<sup>th</sup>-12<sup>th</sup> centuries B.E. (6<sup>th</sup>-7<sup>th</sup> centuries A.D.) in Chaiya, but the name of Chaiya did not appear in this period. There are many links from this age such as names of kings, city or state, history, and geography. The weather of the cultural landscape in this region was in a tropical climate. The design of heritage interpretation has to design to be harmonious with the nature and culture of the region such as architectural heritage in various style such as Buddhism, Hinduism and Brahmanism. It is important to interpret tangible symbols as well as hidden heritage to present the identity of Siamese and Srivijaya. For example, Chaiya had been a center of Srivijaya for social interaction; it established connections between economy, politics, culture and religion. The ideology of Srivijayan people related to principles of self-sufficiency, simple life and Nippan (Enlightenment) of Buddhism. The landmark traces of Srivijaya in Thailand were Bodhisattva Avalokitesvara-Pattamapani image in bronze, the Chedis of Wat Phra Borommathat Chaiya as well as those of Wat Kaew, Wat Vieng and Wat Long which were described in Inscription No.23. Moreover, there is an important trace to show the relationship of "Siam-Lawo and Srivijaya. The landmark trace is the mural about "Siam Kok" and "Lawo Kok" on the wall of the veranda of Nakon Wat or Ankor Wat in Cambodia. There were two armies in this mural. The first was the Lawo Army and the second was the Siem Kok Army or Siam Kok Army. It bears the name of the commander-in-chief of the Lawo Army who was on the back of an elephant. It was Prince Chai Singhaworaman. The name of the Siam Army was "Nae Sayam Kuk". In addition, Thammathikul (2010) in

Nuanla-ong (2010) states that Phrajao Srisuriyaworaman II was the great king of Cambodia that in his era had a war with Champa Empire. This war was helped from Siem Kok Army and Lawo Army to fight with Champa Empire (Vietnam) and Champa Empire lost in this war. Phrajao Srisuriyaworaman II ordered to record this important story (mural) on the wall of the veranda of Nakon Wat for celebration and write the name of Siem Kok Army and Lawo Army in Khmer language under the mural. However, the story of the Siam Army in this mural of Nakon Wat was in 1693 B.E. (1150 A.D.) so it occurred before the Sukhothai kingdom by about 100 years. This shows that Siamese or Thai people might settled in their land before 1781 B.E. (1238 A.D.) in the Sukhothai Age while there were many inscriptions about Siem or Siam people. Jit Pumisak in Sajjachote (2004: 81-142) believed that "Sayam" in the inscription in 1182 B.E. (639 A.D.) was "Siem" which means Siamese or Thai. The inscription of Cham at Viharn Ponaka in 1593 B.E. (1050 A.D.) stated that there were fifty-five servants of Phrajao Chaiporamasuanworamatava from Cham, Myanmar, China, Bagan, and Siam who helped conserve the temple. It was also cited in the book of Gorges Maspero, *Le Royaume de Champa* (1914: 185) in Nuanla-ong (2010), in which he translated the inscription into French, that Siamois was Siamese in the present. An interesting inscription in Prasat Hin Pimai from 1108 A.D. at Nakon Ratchasima bears the name of one woman who was "Kan Sayam". Its pronunciation was "Kan Siem" or Siam which refers to Siamese (The inscription of Prasat Hin Pimai was before the inscription of Nakon Wat or Angkor Wat). Moreover, there was a recording of Jo Ta Kuan in 1238 A.D. about Siam located on the west of Cambodia, Srivijaya or Cha Va Ka, without mentioning the Sukhothai kingdom. Also, there are many stories about the relationship of Siem (Siam) with Lawo are, such as Phra Kaew Morakot's chronicle (Emerald Buddha Image chronicle) and the victory of Phrajao Cha Va Ka over the army of Phrajao Thrapok of Haripunchai and the Lawo Army. In the Chinese chronicle, Siam-Lawo Empire was called "Siem Lo Kok" that were antique empires of Siam history that were Siem Kok or Siam and Lo Hoo Kok or Lawo. Thammathikul (2010: n.pag.) states that inscription of Phrajao Srisuriyaworaman I was written about Lawo that was the central power of Lawo Empire. It covered the Chao Phraya Basin and towns around Thai Bay to Phetchaburi Province. In addition, Jammadhevi chronicle affirms that Lawo Empire covered from the Chao Phraya Basin to the Ping Basin. Nakon Haripunchai or Lampoon was the central power in the northern Thailand in that period. (Nuanla-ong, 2010)

From above information, the author agrees with Thammathikul. The author thinks that Siem Kok or Siam might covered the areas from Phetchaburi Province to southern peninsula of Thailand. It might be Suwannapura (Suvarnabhumi) Empire or Funan Empire Suwannapura or Funan had spreaded Indian culture to Southeast Asia. When Suwannapura Empire was lost by Khmer Army in 10<sup>th</sup> century B.E. (5<sup>th</sup> century A.D.), this land had changed from Suwannapura Empire to Siam-Lawo Empire. For example, comparison the history of Siam-Lawo Empire or "Siem Lo Kok" with picture of Princes of Siem Kok on the wall of the veranda of Nakonwat Wat (Angkor Wat) at Cambodia and Prince Jatucam and Prince Rammatep on the elephant that might be descendants of the Sailendra Dynasty.

### **Interpretation of Cultural Landscape of Ban Don Bay in Chaiya, Surat Thani Associated with Cultural Tourism**

Cultural landscape management around Ban Don Bay in Chaiya, Surat Thani needs to learn from this diversity for successful management because its area has history for long time ago, more than 1,500 years ago. It shows different areas in the same landscape that integrates with different uniqueness of culture and in different ways can demonstrate who people are, how they are and why they are. Sustainable development is to balance in every dimension of management such as culture, society, economy, and environment. Understanding about historical background and significant values of heritage site and evolution of society that can create a city of value. Heritage interpretation and presentation to the public that is the necessary tool for recognition people and increasing heritage understanding in their community. Nuanla-ong (2010) gives the examples of argument about heritage interpretation. The first example of argument is Askew and Logan (1994: 3) who state the significance of the urban in cultural terms as a site for transmitted symbols, inherited lifestyles and lived spaces. Another argument is Choi (2005: 4) who affirms that the hub city will build a "city of values" where things and ideas cherished by the community coexist in harmony with the beauty of the urban environment, instead of blindly pursuing external beauty and ignoring the gap between the rich and the poor, high density, environmental problems, and so on. It is an important part to create urban development and welcoming future change to come.

Cultural landscape management can create both positive and negative impacts for people in the local community. Working without knowledge and understanding will destroy the significant values of the heritage. There are various stakeholders of heritage management and cultural tourism who are professionals and special lists/providers who have responsibility to be careful in every action and in every step to control and create the city of values such as heritage site, archaeological site, cultural landscape, cultural event, facility, F&B, accommodation, travel agency and tour operator, association, transportation heritage management, heritage conservation and interpretation, cultural tourism management and customer relationship management system. Inkeep (1991: n.pag.)



in Nuanla-ong (2010) declares that there are three types of related environmental concerns in developing tourism, following:

- Protection or controlling of the environment itself, including tourist use of areas, and increasing associated problems.
- Continuous environmental tourism management that addresses tourism attraction planning.
- Maintenance and, where necessary, improvement of the overall environmental quality of tourist areas for the benefit of both tourism and residents. The figure below shows the structure of heritage management for cultural tourism.

The conservation is emphasized the fundamental role of sensitive and effective interpretation in heritage conservation. There are seven principles of ICOMOS Ename seek to establish of cultural heritage interpretation in order to: The First Principle is Access and Understanding; The Second Principle is Information Sources; The Third Principle is Context and Setting; The Forth Principle is Authenticity; The Fifth Principle is Sustainability; The sixth Principle is Inclusiveness; and The seventh Principle is Research, Evaluation and Training.

#### **Critically ICOMOS Ename: Interpretation Research Literature** by ICOMOS Ename(2005)

Archeological evidence shows there were people in Southern Thailand Peninsular area since pre-history. Culture and beliefs there is similar to Sailendra culture. Ban Don Bay is an important archaeological site for learning the history and influence of “Siam-Lawo-Srivijaya” with several interesting points that can be interpreted through critically ICOMOS Ename. David Uzzell in Saipradit (2005) in Nuanla-ong (2015) states on the assumptions underlying Tilden’s model. He wrote:

.....through interpretation, understanding, appreciation; through appreciation, protection. In essence, the formula prescribes that information will lead to attitude change, which in turn will lead to behavior change. We know, however, from personal experience as well as empirical research in psychology that such a programmatic sequence is not guaranteed.....

There are various interpretation redefine the term interpretation for guidelines. Nuanla-ong (2015) states that Tilden in Saipradit (2005), for example, referred to the definition in Australia the generated by the Interpretation Australia Association. There are a few examples following:

|                                                |                                                                                                                                                                                                                                             |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interpretation Australia Association           | Heritage interpretation is a means of communicating ideas and feelings which help people understand more about themselves and their environment                                                                                             |
| Association for Heritage Interpretation (U.K.) | Interpretation is communication. It is a vital part of how people experience the places they visit – our towns and countryside, our historic sites and monuments, our museums and galleries.                                                |
| Interpretation Canada                          | Interpretation is a communication process, designed to reveal meanings and relationships of our cultural and natural heritage, through involvement with objects, artifacts, landscape and sites.                                            |
| The Deakin Declaration                         | We believe that interpretation make an essential contribution to the conversation of Australia’s natural, social and cultural heritage by raising public awareness and creating opportunities for understanding, appreciation and enjoyment |

Moreover, for this part, it is used the ICOMOS Ename Charter that is the main literature for critically assess by comparing it to heritage interpretation research literature. There are seven principles of ICOMOS Ename that is so useful to seek to establish of cultural heritage interpretation in order to:

The First Principle is Access and Understanding of ICOMOS Ename (2005) states that the primary purpose is communication the values and range of meanings of cultural heritage sites. Interpretation should aim to encourage individuals and communities to reflect on their own perceptions of the site and their relationship to it. Interpretation is considered an integral part of the conservation process such public. Dynamic of interpretation is ongoing activity for multiple and the programs should identify and assess their audiences demographically and culturally. The diversity of language is so necessary. Physical access and on-site interpretation of a cultural heritage site are limited that is concerned cultural sensitivities, conservation issues, or safety concerns.

The Second Principle is Information Sources of ICOMOS Ename(2005) states that interpretation should show clearly identify the sources of this information and based on a well-researched and multidisciplinary study. Artists, conservation experts, or computer model, should be based upon detailed and systematic analysis of environmental,

archaeological, architectural, and historical data, including analysis of building materials, structural engineering criteria, written, oral and iconographic sources, and photography. An important source of information is the significance of the site, interpretive programs about cultural heritage sites such as the active participation of members of the associated communities as on-site interpreters. Interpretation activities and the research and information sources are for future reference and reflection.

The Third Principle is Context and Setting of ICOMOS Ename (2005) states that interpretation should have significance multi-faceted historical, social, political, spiritual, and artistic contexts and be respected particular eras and themes in the interpretation process. Interpretation should have communities associated with the site; including minority groups and surround landscape, natural environment, and geographical setting. Interpretation consists of intangible elements such as cultural and spiritual traditions, stories, music, dance, theater, literature, visual arts, personal customs and cuisine. Interpretation has to consider the cross-cultural significance of heritage sites.

The Forth Principle is Authenticity of ICOMOS Ename (2005) states that interpretation should conserve the authenticity of a cultural heritage site by communication to the public that has clearly interpretation. Authenticity is concerned human communities and material remains. The heritage interpretation should design an opportunity for wider discussion by sharing the ideas.

The Fifth Principle is Sustainability of ICOMOS Ename(2005) states that the development and implementation of interpretive programs have to integrate the management and planning process for a cultural heritage site. Assessment team has to study the impact and the potential effect of interpretive infrastructure and visitor numbers. Interpretive programs have to appropriate to the location and available facilities and all technical or technological elements should be appropriate for local standards and resources. The visible interpretive programs and infrastructure are so sensitive such as light and sound from concerts so it has to not disturb nearby residents.

The sixth Principle is Inclusiveness of ICOMOS Ename (2005) states that the development of interpretive programs has to integrate: the education and cultural objectives; traditional rights; responsibilities; and interest from associated communities, property owners, governmental authorities, site managers, scholars, tourism operators, private investors, employees, and volunteers. Interpretive program should be open for public comment and involvement that should aim to provide equitable economic, social, and cultural benefits to the host community in the planning process in various communication media.

The seventh Principle is Research, Evaluation and Training of ICOMOS Ename(2005) states that interpretation of a cultural heritage site should continue research and consultation and expand interpretation programs for understanding and site's significance and integral elements in every heritage interpretation program. Interpretation programs have to consider scientific and scholarly analysis and public feedback that should educate resource and communicate media including the internet, special activities, events, and seasonal volunteer involvement. The training should be added basic academic conservation programs and should be done all levels of staff in the site. International cooperation should be encouraged for the regular sharing of information and experiences in various regions and cultures.

Heritage around Ban Don Bay has both intangible and tangible values that interpretation research literature heritage interpretation research literature that is so useful. Interpretation is the meaning of sites that is an integral part of the conservation process and fundamental to positive conservation outcomes.

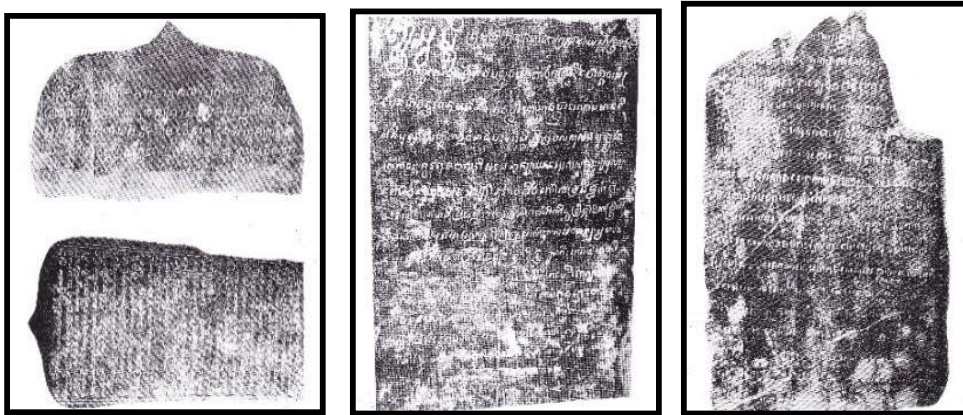
#### **4. Finding**

The research of the interpretation of "Siam, Lawo and Srivijaya history and culture evolution for supporting cultural tourism in the areas that influenced cultural landscape around Ban Don Bay in Chaiya District, Surat Thani through analyst the chronicles and inscriptions literature associated with and geography and weather has traced the flourishing influence of Siamese, Lawo and Srivijayan culture dating back from the early period of Srivijaya. This research will be presented the information on analysis of 3 mains objectives as following:

**1) To investigate and collect the content about evolution of "Siam, Lawo and Srivijaya" history associated with cultural landscape around Ban Don Bay in Chaiya District, Surat Thani.**



Chedi of Wat Phra Borommathat Chaiya (left), Chedi of Wat Kaew (middle) and Chedi of Wat Long (right)  
Chedi of Wat Kaew, Wat Vieng, Wat Long and/or Wat Phra Borommathat Chaiya are Srivijaya-Influenced Architectures in the Srivijayan age following the inscription no.23 Ko and inscription no.24  
Source: Nuanla-ong (2017)



The inscription no.23 (left) and inscription no.24 (middle and right) and traces of Chedi in Wat Kaew, Wat Vieng and Wat Phra Borommathat Chaiya were important evidence to support Srivijaya history.  
Source: Nuanla-ong (2010) Adapted from Venerable Buddhadasa (1997)



Srivijayan style (13<sup>th</sup> - 14<sup>th</sup> century B.E.) – Bodhisattva Avalokitesvara images (the first and second images from left), Buddha image (the third images from left) and Phra Narai Image (right) were found around Ban Don Bay in Surat Thani. The interpretation of characteristic of Srivijayan art is divided into two parts: King as elegant; and Bodhisattva as virtue and sufficient.  
Source: Nuanla-ong (2017)





Landscape of Nakon Wat or Ankor Wat and Siam (Siem) Kok Army - Lawo Kok Army. Two princes of Siam (Siem) Kok Army were on the elephant army. (Nuanla-ong, 2010) (left and middle) This mural is on the wall of the veranda of Nakon Wat or Ankor Wat. [http://www.suriyunjuntra.com/data/สุวรรณภูมิ\(๕๓-๒๐๐๓\).doc](http://www.suriyunjuntra.com/data/สุวรรณภูมิ(๕๓-๒๐๐๓).doc) (August, 2010) (right)

Source: [http://www.suriyunjuntra.com/data/สุวรรณภูมิ\(๕๓-๒๐๐๓\).doc](http://www.suriyunjuntra.com/data/สุวรรณภูมิ(๕๓-๒๐๐๓).doc) and Nuanla-ong (2010)



Jatukamrammatep Door (Prince Jatucam and Prince Rammatep) at Wat Phrabormmathat Nakon Sri Thammaraj in Southern Thailand (middle)

Source: Sippanan Nuanla-ong (2014 and 2016)

There were many similarly things between two princes of Siem Kok and Prince Jatucam and Prince Rammatep of Suwannapura in Jatukamrammatep doorframe at Wat Phraborommathat Nakon Si Thammaraj such as faces (character), weapon (knife, arrow and bow) and cloths and decorations. In addition, it might be in the same period.

**Figure 1:** Evolution of “Siam-Lawo-Srivijaya” associated to the evidence and traces in Surat Thani and Nakon Si Thammaraj, Southern Thailand and Nakonwat Wat (Ankor Wat) in Cambodia

**Source:** [http://www.suriyunjuntra.com/data/สุวรรณภูมิ\(๕๓-๒๐๐๓\).doc](http://www.suriyunjuntra.com/data/สุวรรณภูมิ(๕๓-๒๐๐๓).doc) (August, 2010), Venerable Buddhadasa (1997) and Nuanla-ong (2010, 2014, 2016 and 2017)

From learning and investigation the background and origins of Siamese or Thai by the author in Nuanla-ong (2010, 2014 and 2015), that is related to the evolution of “Siam, Lawo and Srivijaya” history and culture. It can be assumed that Siamese (or Thai) is still stayed in this land at least from 1182 B.E. (639 A.D.) that was before Sukhothai Empire. In the past, this land divided into two parts. The first part was Lawo (Lawo Kok). Empire where was covered since Chao Phraya Basin until Ping Basin. Another part was Siam Empire (Siam Kok), it was covered since the lower area of Petchaburi until the southern Thailand. In that period, Prajubkirikhan could be an important state liked buffer zone between “Siam and Lawo” Empires (Siam Kok and Lawo Kok). Moreover, “Siam Kok” could be “Suwannapura (Suvarnnabhumi)”, “Funan” and “Srivijaya” that could be the same land. The origin of them could be from “Pan Pan State” at Vieng Sra or Pun Pin District in Surat Thani. Pan Pan State could be the capital of Suwannapura State that was called “Kimlin Kua” by Chinese. This situation was the first of Krung Sri Thammasok that was the capital of Suvarnnabhumi Empire or Funan Empire. However, from investigation variety of evidence, it could be concluded the flourishing society of this land (Suwannapura (Suvarnnabhumi) or Funan, Siam or Srivijaya) that had a long history from before the 12<sup>th</sup> century B.E. until the 18<sup>th</sup> century B.E. (7<sup>th</sup> century A.D. until the 13<sup>th</sup> century A.D.) In the past, the transportation was so difficult for travelling. However, the location of Ban Don Bay was the most suitable geography for west and east traders’ travelling so this land was enterpot and center and its location was appropriate for controlling both politic and

economy. Moreover, this land was very rich with both fauna and flora. There were various kinds of products from the west and the east coasts of the peninsula for trading with Arabia, India and China. Takuapa-Ban Don Bay was one of the trans-peninsular routes since before the Srivijayan era. The important thing was enough rice-field for local people and travelers. In addition, this land had good relationships and inter-marriage with local people or royal families in other lands for controlling both politics and trade. For example, there were good relationships because the royal family members of Srivijaya married with those of Java. And this land (Srivijayan culture) had significant culture as spreading Buddhism and using sacred ceremonies that adapt from Brahmanism for controlling colonials, such as the drinking of the sacred water ceremony was used to show the sincerity of colonials. However, there were serious reasons for the loss of power in Chaiya such as changing trade routes, technological development in building merchant ships, declining benefits of the lower Melayu Peninsula (Melaka Straits) and war with the Jola army. So the center moved to the archipelago area such as Java or Sumatra in present Indonesia. There were important conditions for the political and economic power of Srivijaya.

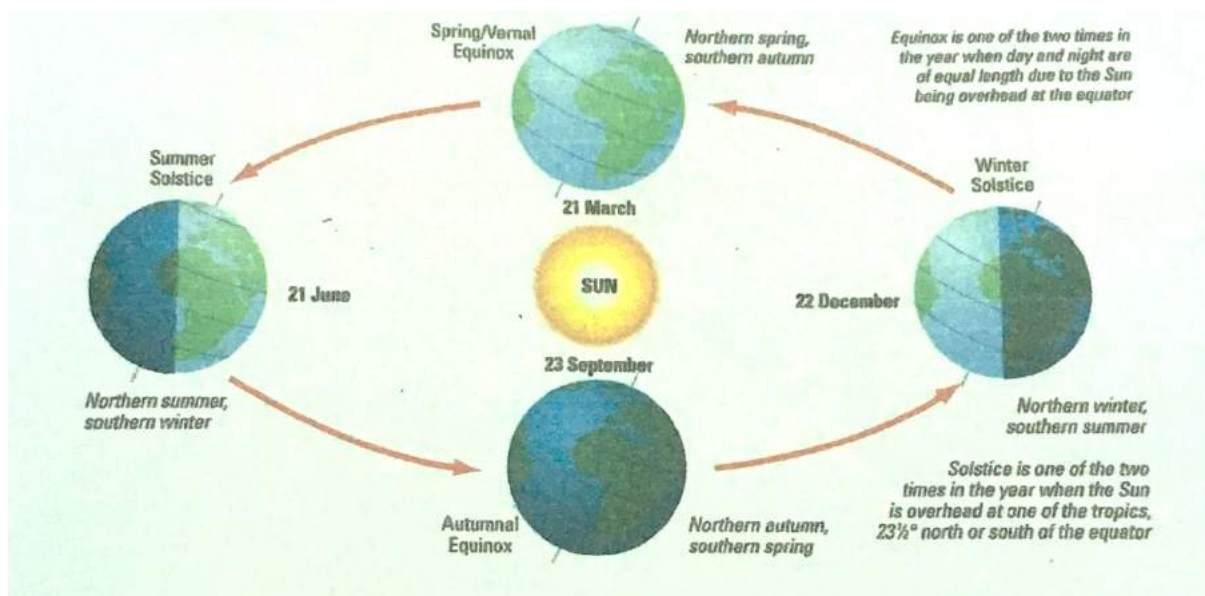
From investigation, in the past, the cargo had to use wind energy and could not journey in the doldrums of the equatorial area. Transportation was so difficult but the situation of Ban Don Bay (Srivijaya) was the most suitable geography for enterpot and center of trading. Srivijaya was a maritime state and had advanced skills in ship-building for marine journeys. However, Srivijayan people used a land route too. Takuapa-Ban Don Bay was one of the trans-peninsular routes since before the Srivijayan era. Because it was not possible to have direct journeys from China to India because of limited technology and the size of cargo. Traders and travelers had to rest to fix the cargo, exchange various products and wait at Takuapa-Ban Don Bay for the monsoon. The first record of the Srivijayan age was coming from the travel diary of I-Ching, a Chinese monk. Shi-li-fo-shi and San-fo-ch'i mentioned in the Chinese records could be the same place. Moreover, Chinese records of Chein Han Shu covered the travels of a Chinese from China to India in 400-450 B.E. who did not go by the sea route to India but across Co Cod Kra by land (10 days), thence traveling by sea for 2 months. I-Ching observed that "Kun Lun" was a name for merchants from the South used by Chinese. Commerce was an important influence in this area. However, there were ten countries of the Southern Sea whose people respected Hinayana Buddhism, but excepting the Moloyu. There was a small group whose people respected Mahayana Buddhism, although most people in Moloyu were not Buddhists. Moloyu might be country which, in 1207-1208 B.E. (664-665 A.D.), sent a group of commercial attachés to China twice, according to I-Ching's writing in 1228 B.E. (685 A.D.). In 1214 B.E. (671 A.D.), I-Ching noted that he learned the Sanskrit language for six months after he went to Moloyu (it might be an old name of land in Indonesia such as Jambi) with the king of Srivijaya's support. He stayed there while waiting for the ship to India for around two months before going to Kaja port. Moloyu was changed to be Srivijaya. The south of Jambi was Palembang which was the capital of Srivijaya. I-Ching's diary on the fact that he had stayed at Shi-li-fo-chi before he traveled to Moloyu (Jambi).

The record of the Tang Dynasty (1170-1449 B.E. or 627-906 A.D.) referring to Pan Pan state at the south of the bay near Cham (at the north of the bay) and Lang Ya Siw (40 days from Jiew Jo by sea). The fences of the local houses were made from wood and the heads of the arrows were made from stone. Their king stayed with Ji Long (Gold Dragon) while the people lived near the water. In the first period of the Tang dynasty, there was a commercial attaché to visit the Jeng Juan king. Monks ate meats but could not drink alcohol. Brahmins could neither eat meat nor drink alcohol and they were poor. There are many records about orthodox and strictly-practised monks in Srivijaya. There are examples such as I-Ching's record in Sakayakeerathi (a kind of sacred writing of Buddhism); there is also an inscription of Srivijaya recorded as the writing of Chayantha who was a senior monk (Phrarajsatavira); and in 1554-1568 B.E., Athissa's coming to Srivijaya. Those records stated that Buddhism in India was not orthodox because there were many Brahman practices mixed with Buddhism. Athissa (an Indian monk) went to meet Ajarn Tammakeerathi to learn Buddhism for approximately 12 years. Thus, he came back to India to teach Buddhism in the Srivijaya style. Panich (1995: 66) declares that the last years of Athissa's life was spent teaching this Srivijayan Buddhism to Tibetans thereby bringing the pure Buddhism there. (Nuanla-ong, 2010, 2014 and 2015)

In 600-900 B.E. (57-357 A.D.), the king of the Sailendra Dynasty governed three important main basins, namely: The Chao Phraya basin, Tapee Basin and Khong Basin. The Chinese called them Chopo, and called Panom Funan the capital. Khun Tien was a prince of Mo who took his army to Panom, a small state near Cham Pa Sak in which Liw Heai (Laos Ei) was governor. Khun Tien defeated Liw Heai and married her to be the first king of Panom in 622 B.E. (79 A.D.). Historical records of China reveal that the kings of Panom state and Pan Pan had the same name of "Khun Long". Khun Pan Wang (Hun Pan Huong) was Khun Tien's son. Khun Long Pan Pan was Khun Pan Wang's son who governed Pan Pan following his father. This story was the origin of Indian culture which then stretched from 600 to 1100 B.E. (57-557 A.D.). Khun Long Pan Pan delegated Khunpol Fun Man or Hoummoun to be the governor of Panom state. Panich (1995: 117) further states that Khun Long Pan Pan's younger brother was the governor of Suwannabhumi state in the Chao Phraya Basin. However, when Khun Pan

Pan came back to Panom, Khun Fun Man killed him to take his position. Meanwhile, Khun Long Fun Man had to defend Thien Sun state by sea. There were five kings there who were descendants of Khun Long Pan Pan, in the meantime. Thien Sun had the best port locations to do business, which was a colony of Panom where the king was Kun Lun (Khun Long). After Khun Long Fun Man won the state of the Tapee basin, Khun Long Pan Pan's younger brother killed him. However, the navy of the son of Khun Long Fun Man invaded Suwannabhumi (Kim Lin) indicating that Panom was possibly a major power in the period 768-788 B.E. (225-245 A.D.). At the same time, lineages from India such as Hoo, Hud To, and Brahman were respected by people as they gave their daughters to marry with them. Those Brahmans did not return to India. Chao Ju Kua was a head of the Customs Department of Fukien Province in China in 1225 B.E. He wrote about Chu Fan Chin where he recorded the history of Southeast Asia in this book; although he did not travel by himself, still he collected the histories from chronicles of China and the interview with Chou Chu Fei who was the head of Customs Department of Kwang Tung Province in China. Chao Ju Kua said that there were four regions in the Southern Sea, namely Cham (Champa), Large land, San Fo Tsi and Chawa. In the Tang dynasty period, the town of San Fo Tsi (Fo Tsi) was near the river above which people built their houses. San Fo Tsi, located near the sea, held a power to control the journey of foreigners both on land and by water. In this era, San Fo Tsi used the iron chains for opening and closing the straits for protecting against the danger from pirates and getting taxation from trades. (Nuanla-ong, 2010, 2014 and 2015)

The figures below show the evidence and sources to support situation of Ban Don Bay following the maritime trade of Srivijaya and Ban Don Bay used to be the center of Srivijaya.



The author could be concluded that about situation of the center of Srivijaya through comparison the traces and evidence of history with geography, weather and monsoon by consulting and brainstorming with the historian (Pol.Sanphet Thammathikul, 2017) and meteorologist (Methawee Nuanla-ong, 2017). Moreover, the author can get the ideas about the situation and landscape of the ancient state and empire with the architect (Varavarn, 2017) such as Pan Pan State, Sritep ancient city and Srivijaya. The result of this study as following this map. That supports that. I-Ching traveled by ship from Kwang Tung in China in December. That period of time, the North Pole of the world was turned to far from the sun that was the winter of the Northern Hemisphere. The sunrise was in the end of the south. Then the sun moved to the equator in the end of the winter. In that period of time, the duration of nighttime was used to longer than daytime that would be changing; its duration of nighttime was continuing to decrease.

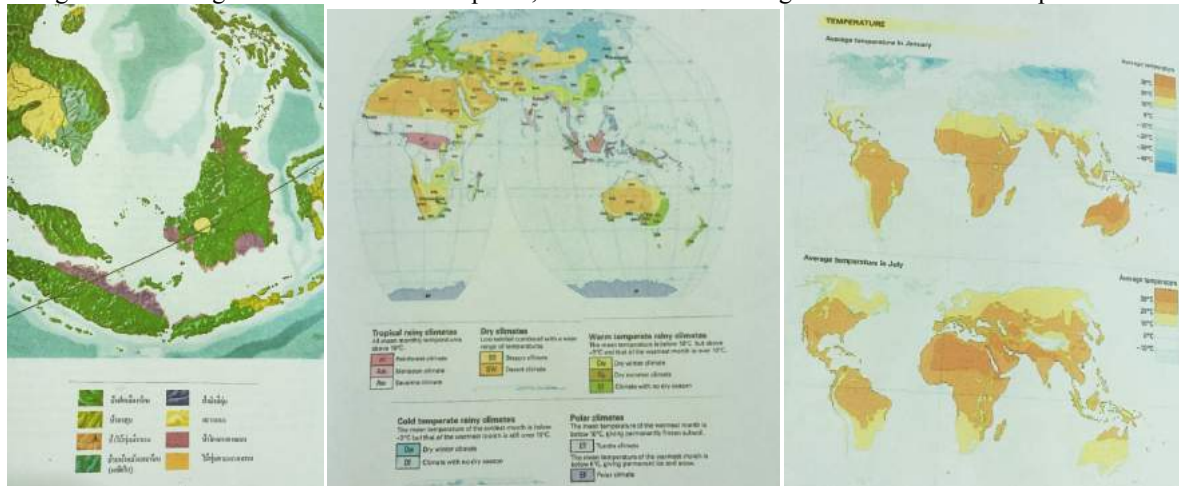
I-Ching stayed in Fo-Shi about 6 months that he watched the sundial in the spring in the Northern Hemisphere. That period of time, the duration of daytime and nighttime was equal that was called "Spring Equinox". The sunrise was in the northeast. The sun moved to the equator. Then the sun moved to the north of the equator and the North Pole was turned to the sun. The weather was warmer.

I-Ching stayed in Melayu about 2 months that he watched the sundial that period of time, the duration of daytime and nighttime was equal that was "Autumn Equinox". It was "Spring in the Northern Hemisphere". The sun was at the equator. The needle of the sundial showed that there was no the shadow of needle of the sundial and human.

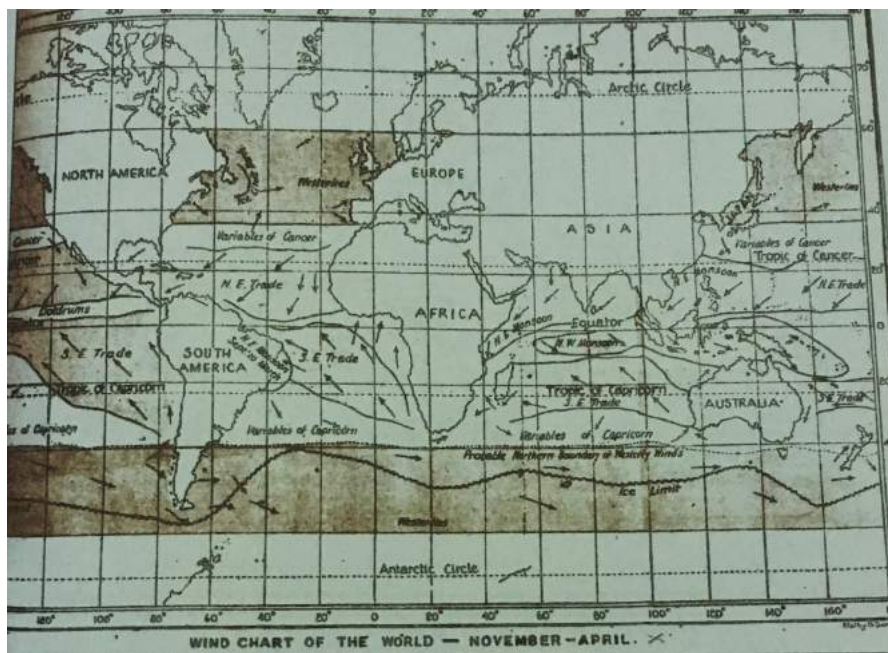


This period of time was the middle of the 8<sup>th</sup> Mouth of Chinese. It could be concluded that the location of Melayu was near the equator in the Northern Hemisphere.

I-Ching traveled by ship from Malayu to Chie Cha (Kadah/Thriburi) where was in the Northwest of Malaysia. Then his ship moved to India in the winter of the next year. From this information, it could be concluded that I-Ching was travelling in the Northern Hemisphere, he was never travelling in the Southern Hemisphere.



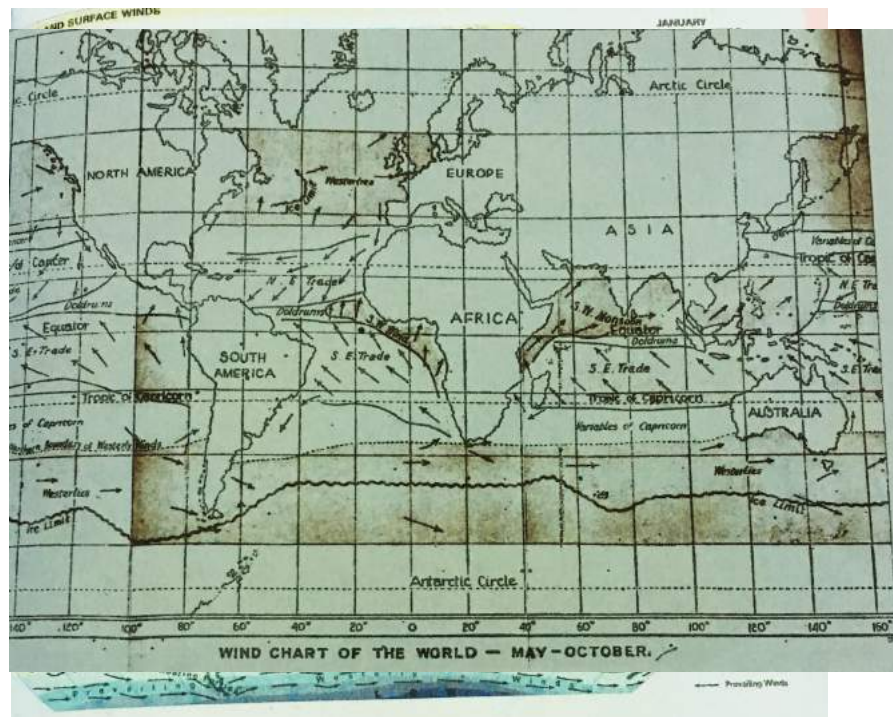
The maps show the weather and flora of the Northern Hemisphere was following the traces and evidence of Srivijaya.



This map shows "Surface Wind" between Novembers to June that was "Northeast Monsoon" or "Winter Monsoon". It started to move from the land of Asia in Siberian that was started from the first period of the winter (21 of December) pass the grate land of China to South China Sea. Then it moved down to the Southwest. Then it passed Thailand into Indian Ocean following the arrows of this map. It didn't move to the equator. So the merchant ship was moved by airflow to the land of Vietnam. The merchant ship could not sail direct and across "Thai Bay" to Melayu. The merchant ship had to sail along the coast of the Southern Peninsular, Thailand to the end of Laem-Tong. Then the merchant ship would sail to "Melayu".

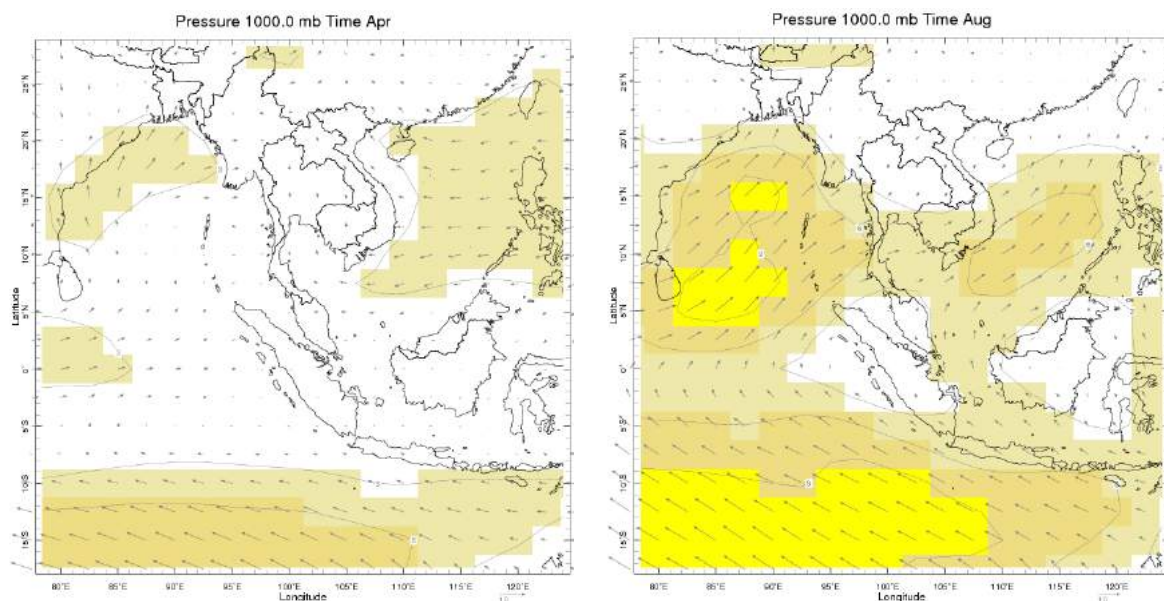
This map shows "Surface Wind" between May to October that was "Southwest Monsoon" or "Summer Monsoon". It started to move from Indian Ocean in the middle of May, then it moved and passed the Southern Peninsular. And then, it moved oblique to the great land of China following the arrows in this map that was the source of a lot of rain. When "the Southwest Monsoon" or "Summer Monsoon" the merchant ship had to wait the changing the monsoon at "Melayu". However, the merchant ship could not directly sail from "Kwang Tung" in

China to “Palembang” in Indonesia. The merchant ship had to wait “Southeast Monsoon” at Melayu for sailing to “Palembang”.

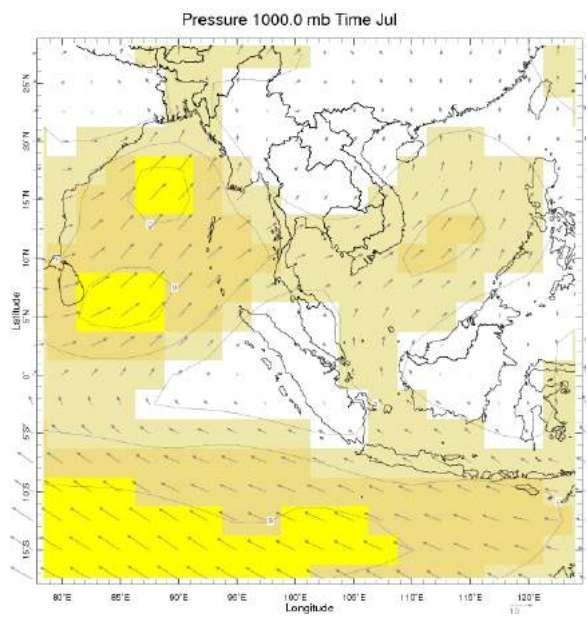
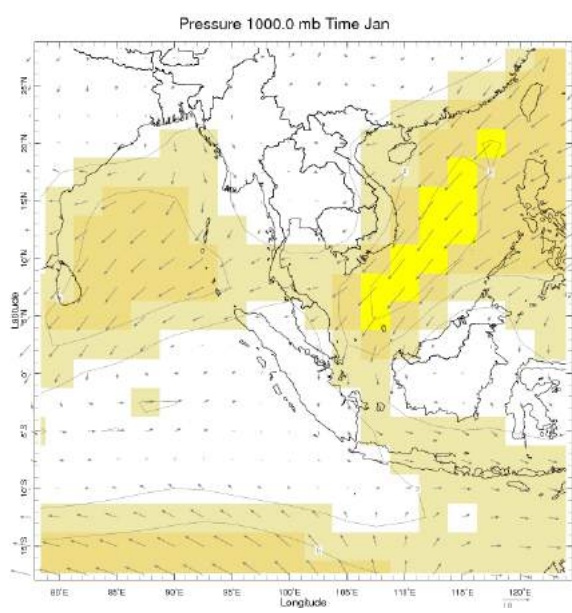
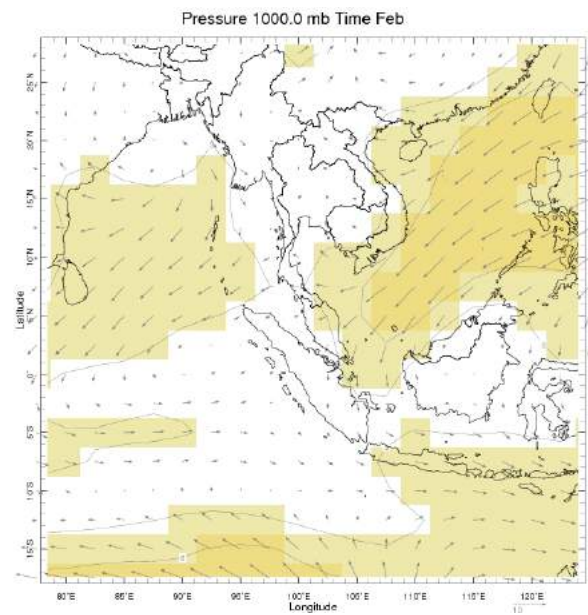
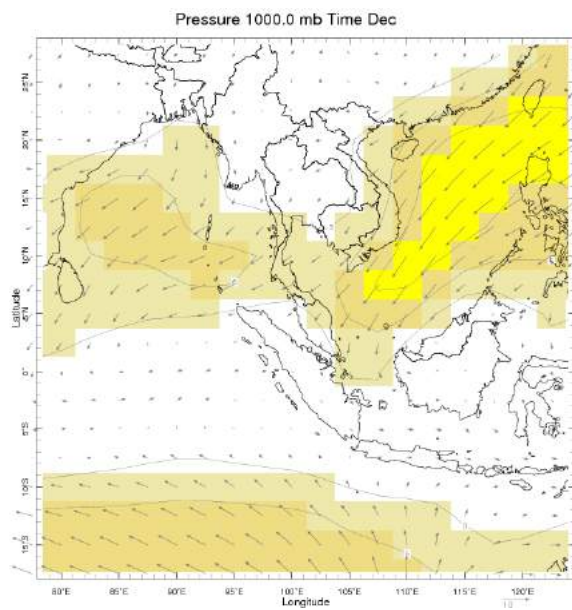


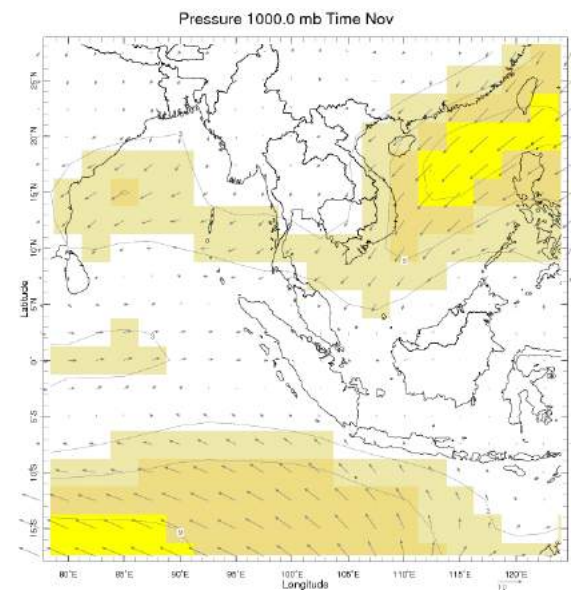
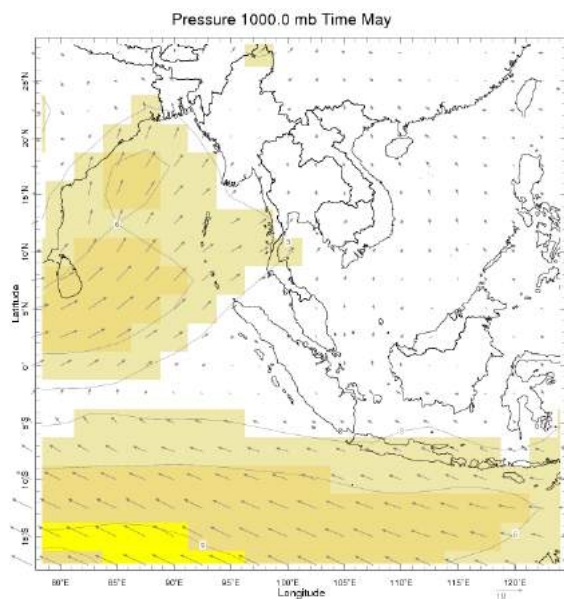
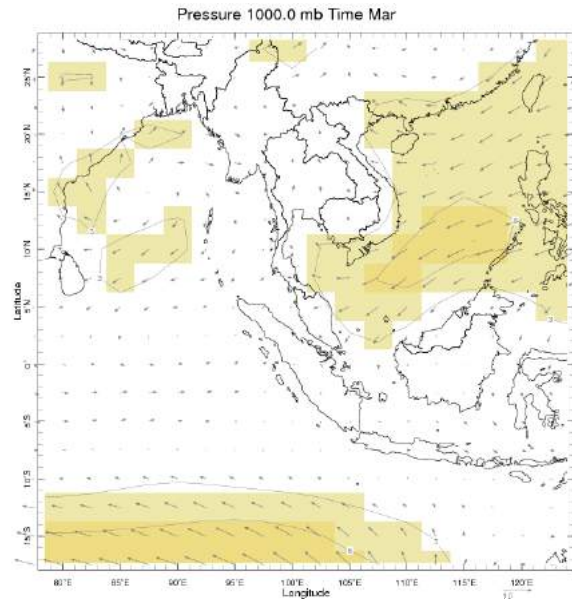
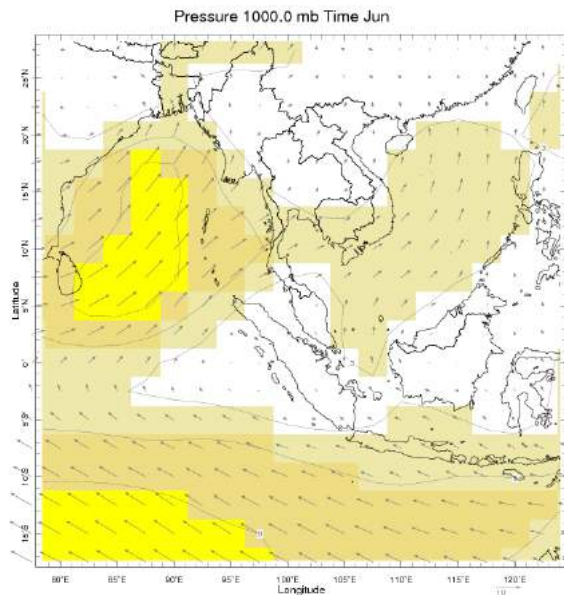
This map shows “High Pressure and Surface Winds”. High pressure sources on the surface of the continent and in the ocean that created low temperature and different pressures. In addition, the earth tile is about 23.5 degrees and it moved around itself and moved around the sun. The earth moved in the oval shape. These are the sources of season in the world and the wind could move between on the continent and in the ocean that created different seasons. So “the Northeast Monsoon or Winter Monsoon” and “Southwest Monsoon or Summer Monsoon” would move oblique and come on between South China Sea and Indian Ocean. It could not directly move to equator.

**Figure 2:** The evidence and sources to support that Ban Don Bay was the center of Srivijaya  
**Source:** Adapted from Thammathikul (2017) by Sippanan Nuanla-ong (2017)









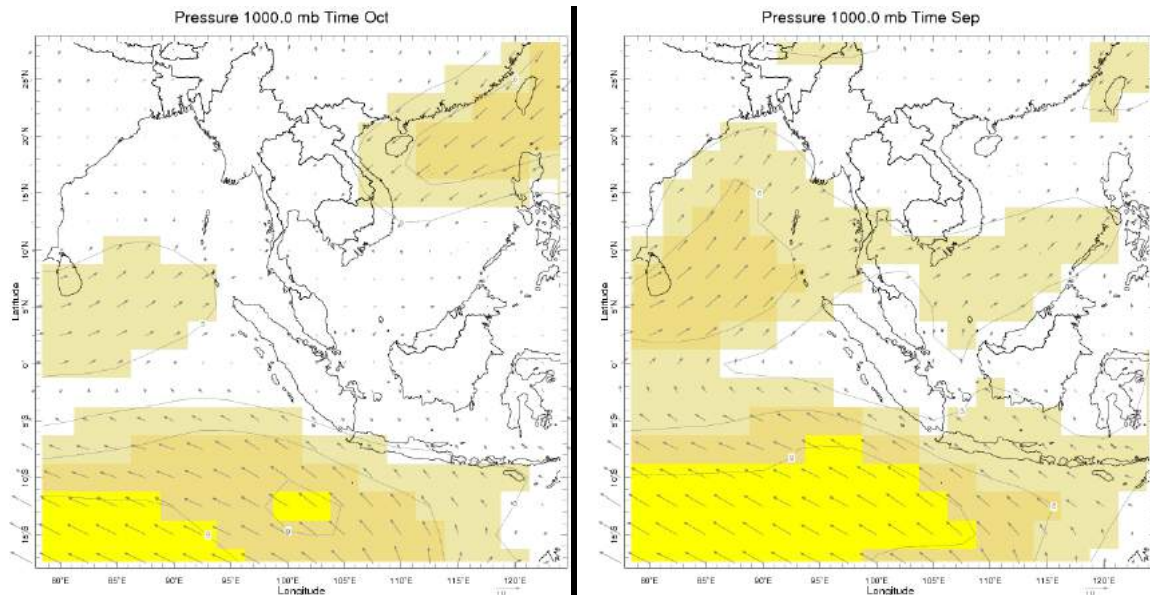


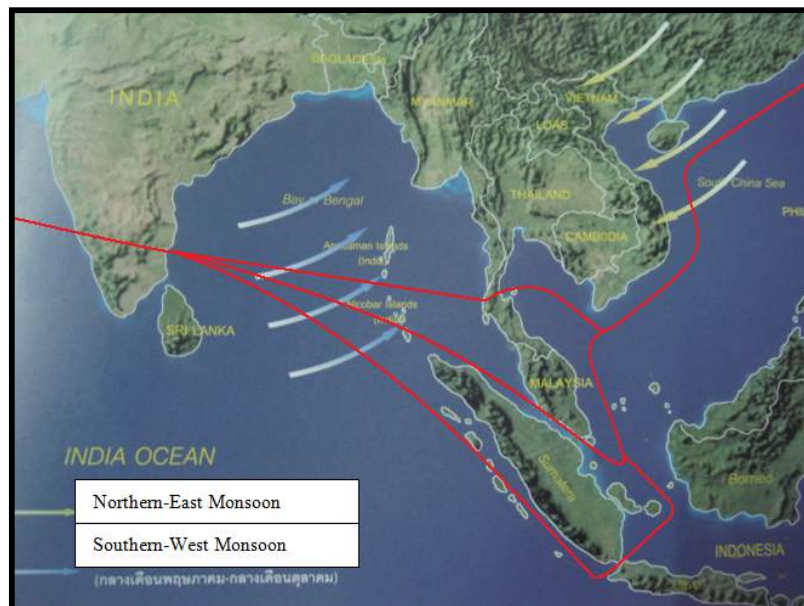
**Figure 3:** The evidence and sources to support that Ban Don Bay was the center of Srivijaya

**Source:** Adapted from Meteorological Department of Thailand (The meteorologist- Methawee Nuanla-ong, 2017) by Sippanan Nuanla-ong (2017)



This map shows the first period of maritime trade of Srivijaya.





This map shows the second period of maritime trade of Srivijaya and the ways of monsoon to support travelling in Srivijayan age. It shows trade wind of “Northern-East Monsoon” or “Cold Wind” from the great land of China to Indian Ocean. It started in the middle of October to the middle of February. This wind would be the most strong in the 21st of December that was the first start of the winter in the Northern Hemisphere. However, “Southern-West Monsoon” or “Monsoon” from the Indian Ocean across the Southern Peninsular, then it moved to the great land of China. It would start in the middle of May to the middle of October that was source of a lot of rain and heavy monsoon in “Southern-West Monsoon”.

**Figure 4:** The evidence and sources to support maritime trade in Srivijayan age

**Source:** Adapted from Jaisuwat & Naivath (2007) in Nuanla-ong (2010) by Nuanla-ong (2017)

Thammathikul (2017) comments that Svayambhumhi or the Funan Empire was the first empire in Southeast-Asian history that was called in the Chinese chronicles as “Funan Kok” or “Hoolam Kok”. Siam-Srivijaya had good relationship with Sukhothai like close friend. However, Southern Thailand (Srivijaya and Tampornling) was under the controlling of Ayutthaya in the middle of Ayutthaya period. From investigation about background of Siam, the author learn about the calling of “Siam” which could be from “Siam-Lawo” that was not from “Siam-Ayutthaya”. Because the name of “Siam” was calling before Ayutthaya and Sukhothai periods. From several of evidence and traces, it could be concluded “Siamese” was still in this land at least in 1182 B.E.

**2) To improve and develop the equipment or material for historical and cultural interpretation and presentation that will increase highly values and respects the flourishing of Southern Thailand’s heritage. That is suitable for supporting historical and cultural tourism management.**

From in-depth interviews in 2016 - 2017 A.D. and focus group with the leaders of local government, meteorologist and academic in Surat Thani at the center of government of Surat Thani in 2016. There are a lot of advantages from critically assess the ICOMOS Ename Charter by comparing it to the heritage research literature. Interpretation is the meaning of sites that is an integral part of the conservation process and fundamental to positive conservation outcomes. The conservation is emphasized the fundamental role of sensitive and effective interpretation in heritage conservation. So that it has to be careful planning for giving people the effective interpretation, for example, interpretation about the evolution and relationship of Siam-Lawo-Srivijaya. Much architecture, heritage sites and much evidence around Ban Don Bay are very useful for heritage interpretation such as architectural heritage that evolved through religions (Buddhism and Hinduism), culture and lifestyles of people. It was designed to be harmonious with the nature of the region in a tropical climate. It is important to interpret tangible symbols as well as hidden heritage to present the background and relationship of Siam-Lawo-Srivijaya. This land had been a center for social interaction; it established connections between economy, politics, culture and religion. The ideology of people related to principles of self-sufficiency, simple life and Nippan (Nirvana) of Buddhism.



### 3) To make people to be proud of their history and heritage that brings to cultural landscape around Ban Don Bay in Chaiya District, Surat Thani conservation and development associated economic development based on history and cultural tourism.

Understanding about historical background and significant values of heritage site and evolution of society that can create a city of value. Local people and public should learn and understand the significant values of natural and cultural heritage. They have to brainstorm and integrate with all stakeholders to make the plan and policy to get the highest benefits from heritage management and tourism. Chaiya District and around Ban Don Bay in Surat Thani is suitable for heritage interpretation and presentation as “living museum” to the public that is the necessary way for recognition people and increasing heritage understanding in their community. There are various kinds of tool to support historic and cultural tourism such as cultural map, cultural route, signage, handbook, electronic book, printing/brochure/poster, label, information center, website, electronic media (QR Code, AR, ), video, events, exhibition, museum and gallery that are parts of heritage interpretation to recognize people to be proud with their heritage. That is to link people and significant values of the heritage around Ban Don Bay with identity of the place and people, history and background, ways of life and rules to respect the place.

## 5. Conclusion and Discussion

Geographical position of Takuapa-Ban Don Bay route in Southern Thailand was suitable to expand its economy, religion and politics. Chaiya was a hub of international commerce and it was an entrepot to control the east-west trade that was the direct line of communication with India, Chinese, Arabia and Persia. Maritime trade was significant for the Srivijayan world that contacted trade worldwide. The author has learn about the wisdom of Srivijayan people who recognized the major factors essential to build the heritage sites such as geographical location, settlement, people and lifestyle. There are a lot of advantages from critically assess the ICOMOS Ename Charter by comparing it to the heritage research literature. Interpretation is the meaning of sites that is an integral part of the conservation process and fundamental to positive conservation outcomes. The conservation is emphasized the fundamental role of sensitive and effective interpretation in heritage conservation. So that it has to be careful planning for giving people the effective interpretation, for example, interpretation about the evolution and relationship of Siam-Lawo-Srivijaya. From investigation, there were found that good relationship between Siam-Srivijaya and Sukhothai likes close friend. Later, Southern Thailand (Srivijaya and Tampornling) was under the controlling of Ayutthaya in the middle of Ayutthaya period. From investigation about background of Siam, the author learn about the calling of “Siam” which could be from “Siam-Lawo” that was not from “Siam-Ayutthaya”. Because the name of “Siam” was calling before Ayutthaya and Sukhothai periods. From several of evidence and traces, it could be concluded “Siamese” was still in this land at least in 1182 B.E.

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## Interview

- Interview with Police Lieutenant Colonel Sanphet Thammathikul, Academic expert on Srivijaya history, Topic: the history and the center of Srivijaya; and the evidence and traces to analyst the history and the center of Srivijaya; weather and wind to support merchant ship in Srivijayan age- Interviewing in 2016-2017 A.D. (Documents and maps)
- Interview with the meteorologist: Methawee Nuanla-ong, Topic: the weather and wind to analyst the history and the center of Srivijaya - Interviewing in 2016-2017 A.D.
- Interview with Dr.M.R.Pumin Varavarn. Topic: the evolution of Thai history such as ancient state and landscape (in Pan Pan state, Dvaravati and Srivijaya including Sritep City)- Interviewing in 2017 A.D.
- Focus Group with the leaders of local government, meteorologist and academic in Surat Thani at the center of government of Surat Thani, Topic: the history and the center of Srivijaya- Focus Group in 2016 A.D.



# Architectural Heritage at 'Si Thep' is tentatively a Center of 'Dvaravati,' which is Perfect for Excursion or Sojourn

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## Abstract

Tourism on cultural heritage at 'Si Thep' is another venue for entertaining to those who enjoy history and arts at this destination. One can interpret in their own terms. 'Si Thep' is an absolutely a simple venue for this issue, especially a first time visitor who will enjoy this landscape of Thai landscape. An excursion by visiting 'Klang Nok' and 'Klang nai' is plentiful for a wonderful time. Phrang 'Si Thep' at Klang nai stands solemn on the flat land, accents the 1,300 plus rai (676 acres) of verdant landscape and another 500 acres plus at Klang Nok.

While Angle-Land or England began in the fifth century (blog [dictionary.com](http://dictionary.com)), 'Dvaravati' was inaugurated in sixth century, occupied by indigenous 'Mons' who inhabited in a Buddhist and Brahma milieu in the contemporary period, but somehow became oblivious. The author sees that peaceful human beings who were in "Warless Kingdom" was considered living in a land of 'Utopia.'

Best learning about Buddhist's sects is approximately 20 kilometers west of Klang Nok at 'Thamorat' mountain, where Chinese pilgrim monks recorded stories and identities on the interesting artifacts at the inception of 'Dvaravati.' So many things that are worthwhile to see and moment of gentle relaxation is to be at this ground of verdant landscape. 'Si Thep' presents herself as a peaceful Thai venue of architectural heritage especially at Klang Nok right in the heart of Thailand. The friendly attitude of local people gives quintessential experience of peaceful 'Dvaravati.' After learning more about 'Dvaravati' one can decide for oneself that the center location is tentatively here at 'Si Thep.'

**Keywords:** evocation, memory, utopia, architectural heritage, artifacts, pilgrimage, oblivious

## 1. Introduction:

'In a dream in which every epoch sees in images the epoch in which to succeed it, the latter appears coupled with elements of prehistory - that is to say of a classless society. The experiences of this society, which have their faith placed in a collective unconsciousness, intersects with the new to give birth to the utopias which leave their traces in a thousand configurations of life, from permanent buildings to ephemeral fashions' (Benjamin, 1973: cited in King, 2004, 123, Varavarn, 2007, 82-83).

This chapter will give basic information on direction of the venue. Nevertheless, it begins to support the argument of chaos on exact location of the center of 'Dvaravati's Kingdom. The certainty of being in Suvanabhum is inevitable as it is in the central part of Thailand, where 'Dvaravati' was first inaugurated in the 6th century and probably ended in the 11th century. In chapter two this article will confirm of location that it is in Thailand and also begins to discuss on religious beliefs between sects of Buddhism and the Brahman of the predecessor of Hindu involvement. Learning of artifacts and religious influences become interesting part of the visit. In chapter three is literature review where the author brings in reverend figure of Thai historian and other nationalities of Chinese monks also western historian and archaeologists to give different views in arts and artifacts. Chapter four is methodology where the author shows more views on 'Dvaravati' as a melting pot. This chapter gives closer look on artifacts and gives the sense of chaos in the issue of center location, that is why argument of how we cannot pin point of the precise location of the Kingdom. And the last chapter is the conclusion and the tourism objective.

What is 'Dvaravati'? The name had been alleged from understanding and analyzing from Chinese name 'Doholuabodi' that is 'Dvaravati'. The discovery of ancient coins under the derelict pagoda in Nakornprathom province in 1943 B.C. and the engravings on the coins reviewed the name 'Si-Dvaravati' which was referring to the merit of King 'Si-Dvaravati' (Boeles 1964, p: 99-114). Nevertheless, more coins were found in many other places such as Chainat, Intraburi, Singburi, U-Thong, Ku-Bua, Ratchaburi and again in Nakornprathom. Besides, the stone inscriptions depicted 'Dvaravati-pati' which means engrossing of 'Dvaravati' and/or the greatest of 'Dvaravati,' found in Nakornrachasima province (Skill 2003, p: 95-97). What is inquiring here is where is the precise location of 'Dvaravati'? As the matter of fact, it is the significance of architectural heritage and the artifacts found in the environmental vicinities.

At present, tourism in Thailand continues to develop its tourism business, it's one of the the biggest industries in Thailand. Bangkok destination is considered to be the most attractive venue for tourism. Towns lie around the capital of Thailand are convenient for Thais in Bangkok and foreigners from around the world to experience Pattaya and Kanchanaburi are possible a day trip, the former is for those who are interested tourism destination once one lands at Suvarnabhumi Airport in Samutprakan near Bangkok. Tourism sites such as Ayudhya and Kanchanaburi are possible a day trip, the former is for those who are interested in Thai history as well as historic ground of the old capital, the latter is for westerners prefer to visit Kanchanaburi (the bridge of river Kwai). So much of a day tour in Ayudhya sometimes becomes annoying for visitors on this busy site destination and yet Kanchanaburi is a hidden corner at westward destination (one can enjoy extreme heat in April here) and of course another seaside venues at 'Hua Hin' or 'Pattaya' the two 'peaceful' and 'playful' respectively.

The author introduces 'Si Thep' as a new tourism destination with unique 'Dvaravati' heritage for everyone. We realize that cultural tourism is a great impressive subject for those who are interested in history and longing to pursue new experiences from the fading memory of somewhat a forgotten era of 'Dvaravati', before we go on we all should realize that regarding this 'Dvaravati' subjects are the architectural heritage as well as artifacts and forms of sculpture are the arts of local Thai so called ancient 'Mon' who lived in 'Si Thep' and the surrounding properties around 6 to 11 century (TheChula Pathon Cedi, "Architecture and Sculpture of Dvaravati", Krairiksh 1977). Here at Si Thep a tour group led by Dr. Piriya Krairiksh on Sunday 4th of June 2017 claimed that 'Si Thep' is tentatively the center of 'Dvaravati'. The epic of visiting "Si Thep" is at Klang Nai and Klang Nok. (See sketch of Klang Nai and Klang Nok below, figure: 1)

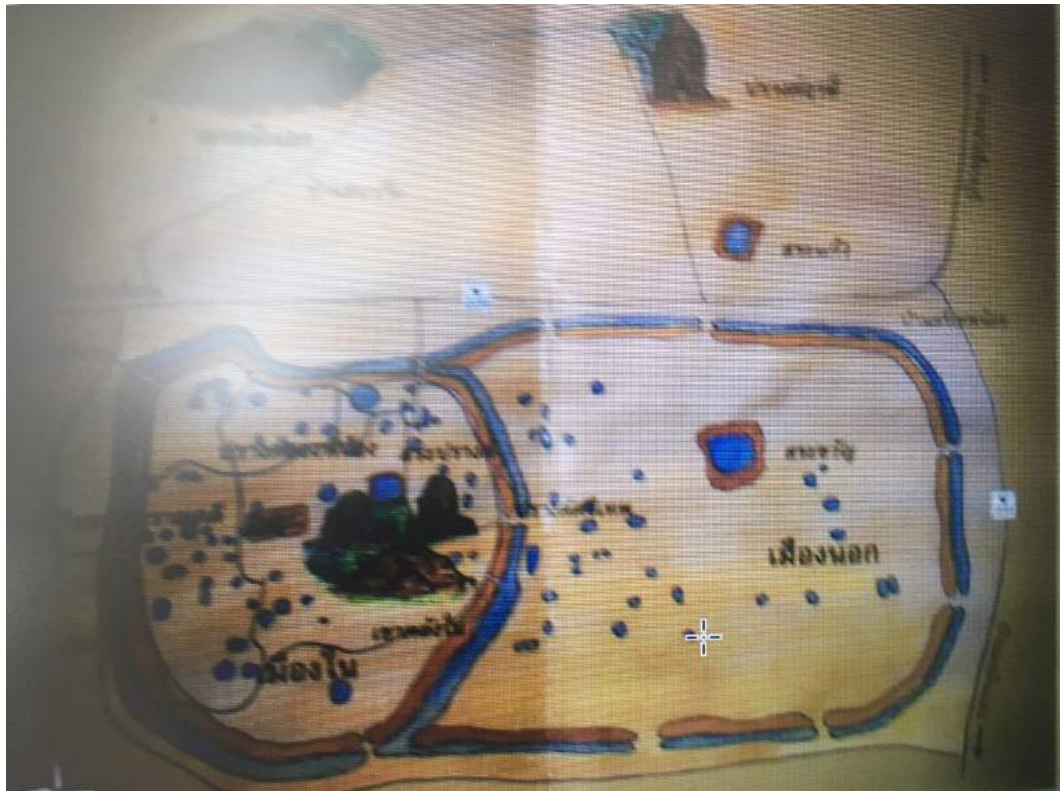


Figure: 1 From brochure at Klang Nok & Klang Nai museum  
Source: By Pumin Varavarn visited on 26th July 2017

Si Thep is in Phetchaboon province about 250 kilometers (by the author's car speedometer) from the early Sukhumvit Road soi 1. She sits in the north of Bangkok. The trip started on Vipavadee Rangsit motorway heading north to Saraburi province and entering highway 21 at Chai Badan at around 72 kilometer then traveling north on highway 2219-2211 to 'Si Thep'. You may find several resorts on near by highway 3333-2244. Also nice lunch or dinner at around 130-140 kilometer. (See map of the route to 'Si Thep' in figure: 2 below)



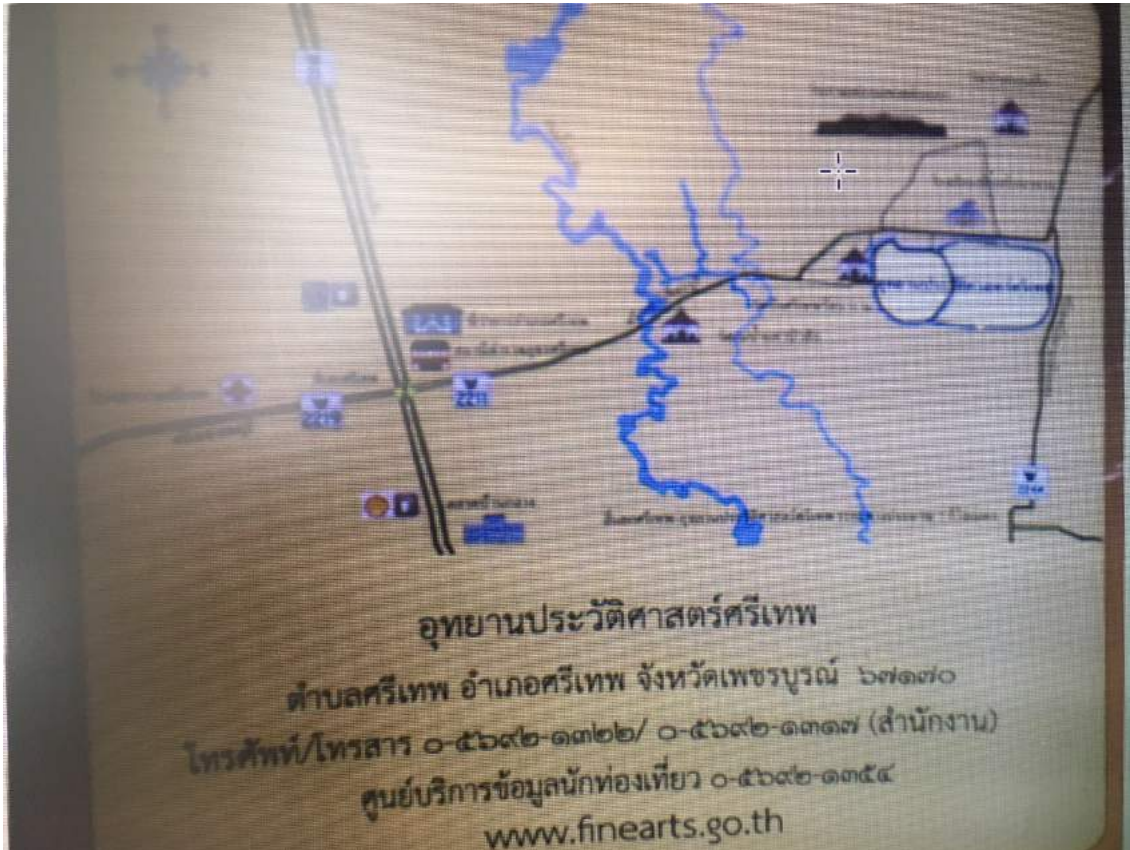


Figure: 2 Map of the route to 'Si Thep'

Source: By Pumin Varavarn visited on 28th July 2017

Why Si Thep? Sightseeing is the best relaxation with a glance of history and the locality of country way of life that has escaped from maximum globalization than any other areas away from Bangkok that the author experiences. This remote destination does need to plan for future environmental impacts where the landscape of corn field, sugar cane and yellow field of sun flower stand up from the surrounding views of backdrop mountains.

At present, a small Museum at Klang Nai is the only archaeological collection of artifacts that have been found. Klang Nok at Sithep is the largest form of 'Dvaravati' architecture remains so called the biggest one of 'Dvaravati'. An entry is on the west side of this square shape architecture which has about 50 steps that allow visitors to climb to the top of this brick architecture where one can wander around in circle and observe view of nearby mountain about 20 kilometers away on the west direction. That is a cave in Thamorat Mountain, which depicts 11 Hinayan (small bus) Buddha sculptures but not without damages. The artifacts showed the influences of Chinese in 'Dvaravati' era. See more in literature reviews.

The research questions herein this academic articles are the two questions of where is precise location of 'Dvaravati's center and the architectural heritage for niche customers, who will enjoy an excursion or sojourn. Therefore, the subjects may involve locations of many river basins, artifacts, religious beliefs throughout the central part of Thailand. The following chapters will explain all about the subjects above. 'Si Thep' information mapping below:

## 2. Literature Reviews:

### History

Is 'Dvaravati' in Thailand? The obvious answer is 'yes', a chronicle recorded that a Chinese monk named 'Xuansang' had a writing in 646 B.C. (on his pilgrimage after India trip in 629-645 B.C.). His notes remarked the location of 'Dvaravati', which situated between the eastward of Si Kaset (Prome) in Myanmar and on the westward of Esaanbura (Sambor Prei Kuk) in Cambodia (Tung Sam Junk, Matichon Arts and Culture Edition 2004). Besides, 'Dvaravati' sent tribunes to the emperor of China in 'Tang Dynasty' in 638 B.C, and 649 B.C. (Wade, 2014, p. 27).



In the previous paragraph there were Hinayan Buddha sculptures in the cave of 'Thamorat' mountain, there also a discovery of Buddhist Mahayan sect (big bus) just out side 'Si Thep'. The others were found in Ku-Bua Ratchaburi, Suphanburi and many other locations which probably marked the Kingdom of 'Dvaravati'.

Mahayan Sect Buddha Sculptures in 1961 archaeologists found many Bothisat Sculptures at Ku-Bua in Ratchaburi Province (Somsak 1992)



Figure: 3 Bothisat Head  
Found in Ku-Bua, Ratchaburi  
Clay ceramic 41 centimeters tall



Figure: 4 Bothisat Avalokitasuan  
Found in Ku-Bua, Ratchaburi  
Clay ceramic 85 centimeters tall

Figure 3& 4 : Resides at National Museum Bangkok.  
Source: Adapted by Pumin Varavarn (2017)

Mahayan Sect of Sukhavati (Phra Amitapa/Amitayu) Figure: 5 & 6 below



Figure: 5 Amitapa/Amitayu.  
Sui Dynasty 581-618 B.C.  
Buddhist Bronze 33 centimeter tall.  
Resides at Musee Guimet, Paris.  
(Tokyo 1967, Pl. 24).

Figure 5& 6 : National Museum U-Thong Suphanburi  
Source: Adapted by Pumin Varavarn (2017)

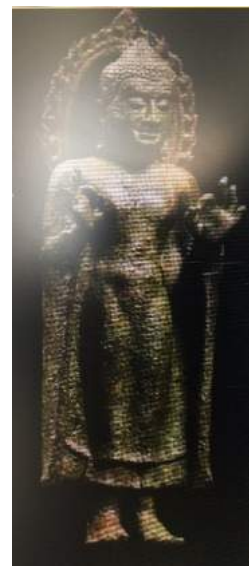


Figure: 6 Amitapa/Amitayu  
Found in U-Thong Suphanburi  
Buddhist Bronze 32 centimeters tall  
National Museum U-Thong Suphanburi  
(Brown 2014, Cat. 119, P: 209)

The unambiguous remarks of Chinese monk. 'Xavien-Junx' indicated definitely that 'Dvaravati' was in the central part of Thailand. According to 'Tang Dynasty' chronicles of the old and new recordings gave location of 'Dvaravati'. Jaluachefor (Galuachefor) or Sijanastbura (Nakornrachasima) was on the east (Hiroshi 2002, p: 27-28) also west of Zhenla or Cambodia where the capital was at 'Sambor Prei Kuk' or 'Esaanbura' (Revire 2016, P: 396). Sits on the south was Pun-Pun in the southern part of Thailand, where India Ocean is on the west of 'Dvaravati' (Nomura 1984, P: 5). Below map of 'Dvaravati' and vicinities, Figure: 7 below

North



Figure: 7 Map of 'Dvaravati' and 'Zhenla' (Cambodia) in 700 B.C. and 800 B.C.  
Source: Riveri (2016, p: 397)

By accident, ground workers found sculptures, pottery, engraving and carving in stones, artworks of clay and lime compositions in Nakornprathom province around the 58 kilometer at Chula Pathon Cedi in 1968. Piriya Krairiksh started his studies and in 1974 introduced the story of 'Avatan' (life of Lord Buddha before becoming of Lord Buddha), which was in Sanskrit bible in Hinayan (small bus) under 'Moolasanwastivat' sect. This popular story was known in the Middle East where this sect was disseminated (Krairiksh 1974, et al. 2017). Hinayan as the predecessor of 'Theravat' is practiced throughout Thailand in present day. The artifacts found in both Klang Nai and Klang Nok and at the Cedi of 'Si Thep'.

Posthumous writing on 'Ancient Mons of 'Dvaravati' (L 'Ache' ologie Mone de 'Dvaravati') by Pierre Dupont was published in 1959 after his death, he claimed that the ethnic Mon was in 'Dvaravati'. Dupont depicted the attribute of Buddha Sculptures of 'Dvaravati' are in standing position

1. The eye brown is tentatively connected, and stress on the front on the faces and well in balance, the yellowish rope covers both shoulders,
  2. a non-sex genre of emptiness,
  3. The thumb and index fingers are close together and posting position of presenting prays (Dupont 2006).
- The former statement above is reciprocal to Krairiksh comments regarding the indigenous 'Mon' in 'Dvaravati', (Krairiksh 2017, p. 28).

The composition of 'Dvaravati's arts in this research is to speculate Asian arts of its inception. In 1909 B.C. lieutenant commander de Lajonquiere (Military Lieutenant) who came to inspect Thai artifacts in Phetchaboon and in Isaan (the northeastern of Thailand). There were significant Narai sculptures that he referred to those artifacts in Si Thep as an India-Cambodian (groupe Indo-Cambodgien) but in Nakornprathom he referred to those of Hindu-arts (groupe Hindou non-Cambodgien), (de Lajonquiere 1909, p: 188-200). Therefore, there are different character artifacts of how the world catalogue the artifacts. The most significant belief in Asian's mind is that we look at it with high respect as being a sacred of tangible as well as intangible principles. Most of Asian worship not only the created sculptures but most of it for the spirit itself. Devotion with praying and meditation in order to be blessed. The objects are considered the powerful high and mighty spirit that will give auspicious blessing to protect and advocate one wishes.

Below Narai Sculpture found in 'Si Thep', recorded by Xuansang in 646 B.C. See figure: 8 below

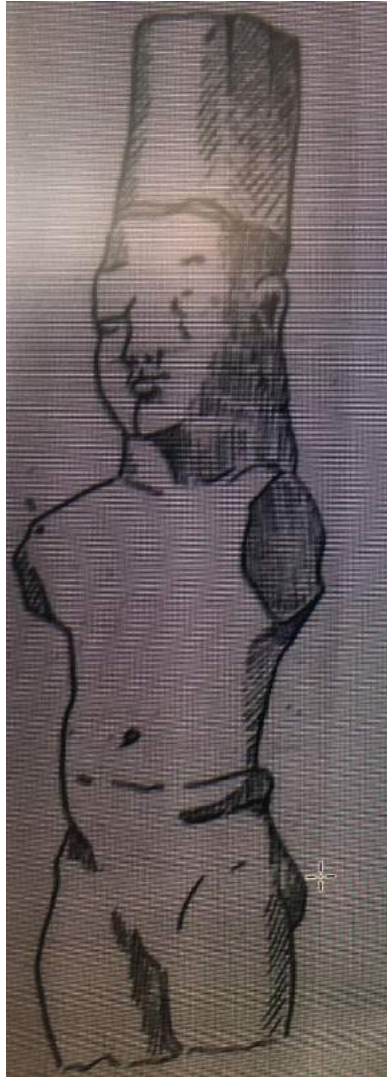


Figure: 8 India-Cambodgien Arts- Found in 'Si-Thep' Phetchaboon  
(Groupe Indo-Cambodgien Arts)  
Source: de Lajongquiere (1909)

In 1926, Somdej Krophayadomrong Rachanuphab (son of King Rama V) was investigated on the artifacts declared by Military Lieutenant de Lajongquiere in 1909 throughout Nakornprathom, Ratchaburi, Suphanburi, Lopburi and Nakornrachasima were the artifacts of 'Dvaravati' and called Hindu Arts not Cambodian Arts. His Royal Highness writing was in 'Tomnan Buddha Cedi Siam' (Legend of Buddhist Cedi in Siam) (Somdej Kromphayadomrong 1926, p: 88-91). Later on in 1929 a historian George Coedes alleged that 'Dvaravati's name was identical to 'Doluobodi' from the archive of two Chinese monks; Xavien Junx and Eey Jing. Coedes did refer to Suphanburi as the 'Center' of 'Dvaravati'. Inevitably as much as the capital of Ayudhya which had the name conjuncted to the former capital as 'Aydhyadvaravati' in full name. In fact, there were indigenous 'Mons' lived in the basin of Chao Phraya River. They were people of 'Dvaravati'. Coedes did distribute the stone inscriptions messages (found in Nakornprathom and Lopburi) that the indigenous 'Mons' can be verified of existing as those who were living in the time of 'Dvaravati' (Coedes 1929, p: 2-5). The author recalled the history subject that prior to inaugurated Ayudhya to be the capital of Tai (Siam or Thailand). The decision was weighting on the possibility of Suphanburi, Phetchaburi and Ayudhya was picked.

The Chinese monk Eey Jing came to South East Asia in 671-695 B.C. He recorded that there were 4 main sects in 'Sgrouvokayan' (Hinayan) and disseminated the sects throughout Asia (I-Tsing 1896, p: 8-14). The competition of Hinayan and Mahayan were in the area.

Article reviews by Quaritch Wales (Wales 1969) showed that 'Dvaravati' had developed as a great empire to become a melting pot of many religions there were Buddhism and Brahman. This issue was alleged from Dhida Saraya (Saraya 1999), which extended 'Dvaravati's culture on to the milieu of Buddhists civilization.

### 3. Finding

#### Methodology

From the alleged period of 600 B.C. to 1,100 B.C. which was the era of 'Dvaravati' Kingdom. The legend of 'Dvaravati' became confused by the Era and historic recognition while culture of Buddhism and Brahman intertwined with Buddhist civilization and yet the naming of artifacts in Thailand were ambiguous of where were they from; that was the question of uncertainty of center location of where the Kingdom is located. The precise location, therefore did explain earlier in the history part.

#### Frame Work Objectives:

At this point, the author thinks that the frame-work concepts should identify the precise location of 'Dvaravati's Kingdom and to combine various subjects in order to circle down to the subject of architectural heritage, maybe a derelict structure and never overlook the artifacts of indigenous community, by observing interdisciplinary beliefs of the local groups and the comparison of contemporary localities. For example, the studies of Nakornprathom through Sambor Prei Kuk in Cambodia.

To begin with the comparable architectures between Thai and Cambodia, the author shows the two comparable structures so called 'Vimarn Loy' (suspending paradise) the base of lotus foundations of Cambodia at Sambor Prei Kuk (615-628 B.C. by King Esvaavarman the first) (figure: 9) and the Thai so called 'Vimarn Loy' at 'SiThep' (Klang Nok) in the middle of 700 B.C. (Figure: 10). The figures depicted the details of architecture for the elaboration and similarity. See figure: 9 and 10 on next page:



Sambor Prei Kuk.

Figure: 9

Klang Nok

Figure: 10

Figure 9 & 10 : Sambor Prei Kuk. & Klang Nok

Source: Adapted by Pumin Varavarn (2017)

The confusion of the word 'Dvaravati' began when we related the name to 1). Kingdom or Empire of 'Dvaravati', 2). Period or Era of 'Dvaravati', 3). Form or Style of the artifacts or sculptures, (Skilling 2003, p: 101) 4). Culture or Civilization at present books or articles relate to 'Dvaravati' referring to the meaning of 5). Arts in Thailand in the year 600 B.C. to 1,100 B.C. ('Si Thep Center of 'Dvaravati', Krairiksh 2017, p: 26).

Krairiksh 1975 has been studied "the Chula Pathon Cedi, he stated that the meaning and the paradigm of 'Dvaravati' in the past years was miss leading in giving true understanding of identity and the projection in history regarding space and time. It comes to the muddled decision of where is the center of 'Dvaravati'? In fact, its not an easy decision in coming to conclusion as it has no clarity in form and style of all artifacts. Finally he suggested that 'Ancient Mons' may best fit to the meaning and paradigm of 'Dvaravati' (Krairiksh 1975).

Chaos in studying of culture of Buddhist artifacts is occurred when one does not understand or does not take into consideration of Buddhism regarding the ethic and belief. Therefore, the order of research principles of many western individuals will not work out well in the comparison on Buddhist perceptions for the Buddhist Arts. In



contrast, the nature of social and culture of western world in analysis of Buddhist Arts can not be applied by using western principles or concepts because the principles of belief is completely different. In this scenario, the sacred identity of the origins are being replicated. The process of belief in devout image is varied upon extreme sacredness from each locality. This is where the deity of artifacts of each sect will be dispersed along with their contents (Krairiksh 2013).

### The Empirical Issues

In viewing on the empirical studies on this qualitative research, there is a stark contrast between architectural heritage of Nakornprathom Cedi And edifice structures at 'SiThep' in Phetchaboon. There are two prongs, the former; Nakornprathom does not present plan of former ancient town, the whole monument of the colossus Cedi at Nakornprathom was built in layers of time over and over. While the latter; 'SiThep' does show limit of boundaries, as same as Ayudhya. One contender that comes close to compete for center of 'Dvaravati' had to be at 'Sap Champa' in Lopburi! Archarn Bhuthon Bhumaton argued that 'Sap Champa' also had a vestige of town walls at one time but due to water damages the trace is not clear today. Only 'Sap Champa's architectural heritage is also unclear for the grandest Cedi at Lopburi is a distance away. As far as 'route' of the old trails so called 'East - West' route connected from Nakornprathom to Esaanbura (at Nakorn Pranom), 'Si Thep' was in the center, while U-Thong in Suphanburi was not.

### 4. Conclusion

Jacques Claude wrote; 'Si Thep' is probably the capital of 'Dvaravati Kingdom,' he stated the name 'Dvaravati' came from the Hindu name 'Dvaraka' the name was inaugurated by Lord Krissana in India (Jacque 2009, p: 21).

What the author learned, is that the edifice of architectural heritage of the original construction always is a sacred deity in Thai nature. The arguments go on for the replica one, but are not for the aesthetic measures. Looking into Nakornprathom Cedi. The preservation idealism was to repeat by building over and over the original one. This was done to awake the reputation of sacred auspiciousness in one belief and yet to serve the economic wealth purposes. While in 'Si Thep' at Klang Nok, Klang Nai were simply oblivious. Though, at one time and still is sitting in the middle of many river basins on the route from Nakornprathom to Esaanbura or Nakorn Pranom. At last, not to forget the remarks by Claude Jacques (2009, p. 27) referring to Lord Krissana Sculptures, which were found only at 'Si Thep'. This meant that 'Si Thep' was inaugurated by the Great Lord Krissana, as the ancient Mons were practiced Brahma, so to put it straightforwards that no other places except 'Si Thep' could claim of 'Lord Krissana's city in that period of time.

The discovery of Dhamma Wheel in 'SiThep' and inscriptions of Bali and Sansakrit are assured that 'Dvaravati' is the epic center of both Buddhist sects; Hinayan (small bus) and Mahayan (big bus). Above reasons combining with chronicles and records of many pilgrim Chinese monks are certainly enough for one to be sure of the possible location for 'Dvaravati Kingdom'. In short the author would like to read more into the statements and rationalities from these very important persons:

1. Kromphayadomrong Rachanupab on his Majesty writing on 'Dvaravati'.
2. Dr. Piriya Krairiksh on 'Dvaravati' artifacts.
3. Many Western researches, i.e. George Coede's, Pierre Dupont, Peter Skilling and Quartch H.G. Wales, Robert L. Brown.
4. Archarn Bhuthon Bhumaton; Lopburi National Museum Somdej Phra Narai at Sap Champa.

The conclusion continues to search for the answer of where is the center location of 'Dvaravati'? If one asks most Thais today? The author of this research found that the answer is Nakornprathom. This writing may help someone to see the new direction for the new learning for the new answer. This writing may become new knowledge for everyone to expose themselves to this destination and start to learn about the "Long Lost Kingdom" memory of 'Dvaravati' for the evocation of arts and culture of Thai's nostalgia, an awesome tourist destination for excursion or sojourn.

Future research can obviously continue on the archaeology findings of artifacts and how to manage for the conservation of derelict edifice structure(s) and yet new findings from new interpretation will certainly appear.

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# Authenticity of the Staged Cultural Attractions: Case Studies of Ayothaya Floating Market and Pattaya Floating Market

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## **Abstract**

Through the concept of the authenticity, this paper attempts to understand tourist experience in staged cultural attraction by examining the narratives circulated in the Ayothaya Floating Market in Ayuthaya, and Pattaya Floating Market in Chonburi. These are touristic traditional-themed markets whose entire setting is newly constructed to depict traditional way of life. The objective of the paper is to analyse the authenticity of tourism experience offered on these sites and explore the impact of tourism on the perceived value of tradition, when it is transformed into commodities. The research conducted in this paper involves a series of day field trips to both of the sites, employing the ethnographic approach as a methodological framework. Semi-structured interviews and qualitative questionnaire were used to acquire data from three groups of stakeholders including the management officers, traders and visitors and venues observation was conducted.

The findings reveal that the tourist experience offered on both sites is multi-dimensional and should be read as the mediation between the objective authenticity, or the portrayal of historical reality and the constructive authenticity, or the orientation towards the contemporary needs and desires. From the two case studies, it is concluded that the commodification of culture is not detrimental to the value of tradition but should be treated as a social fact; that is, culture is subject to change according to time. Tourism can be regarded for its positive contribution to sustain the longevity of tradition. The paper provides insights into the value of tourism experiences offered in the contrived cultural attraction and is among the first attempts to study authenticity in the context of touristic traditional markets, nostalgic themed attractions that has risen in popularity across Thailand in early 21st century.

## **1. Introduction**

This paper is aimed to elucidate understanding of the tourist experience in contrived cultural settings through the concept of authenticity by using two case studies of touristic traditional markets in Thailand whose entire settings are newly constructed to become cultural attractions. Central of the research paper is to identify what constitute authentic experience in this type of touristic attractions, and to find out how authenticity should be regarded in the context of artificially created cultural attraction; the question whether tourism is detrimental to local culture and tradition will be addressed.

Traditional markets or nostalgia-themed marketplaces are now a popular kind of attraction in Thailand, whose number has increased rapidly across the country over the last ten years. Traditional markets feature the portrayal of traditional trade settings that are either situated on the ground (so called 'Talard Bok') or on the water (so called 'Talard Nam'). A variety of commodities are sold in the traditional markets, in particular locally-grown fruits and vegetables and old-fashioned dishes, highlighting the quality of the attraction. Many traditional markets were born out of the revival of ancient trade communities (Pongajarn, van der Duim and Peters, 2016), as exemplified the case study of Samchuk 100-Year Market, Amphawa Floating Market, or the reinterpretation of the traditional way of life that are still practiced by the locals but can be rarely found elsewhere, as exemplified by traditional markets that features the agricultural way of life in suburban Bangkok (Khaokhrueamuang, 2014). The growing popularity of nostalgia consumption results in the creation of simulated traditional markets, in which the whole setting is intentionally constructed to portray the landscape of the pre-modern time. It is found that many of this type of traditional markets are in the popular destinations, serving as an alternative tourism activity in addition to major tourist spots (Cohen, 2016).

The early form of touristic traditional market was used to target to international visitors by showcasing local lives on the river, as exemplified by Damnoen Saduak Floating Market that were inaugurated in 1960s according to the government's initiative to promote tourism in Thailand. However, many traditional markets that emerged in the 21st century are primarily targeted domestic visitors, where goods and services are oriented to Thai preferences. It is found that traditional markets are capable of responding to the demands of city dwellers to temporarily escape from the modern lifestyle through exposure of the local living. Moreover, traditional markets are proven to be a

successful model in regenerating communities from socio-economic decline (Cohen, 2016). This can be seen from traditional markets that result from the local attempts to stimulate local economy through tourism promotion.

The contributions of this paper are as follows. First, it gives an insight into the value of tourism experiences in the context of staged cultural attraction in Thailand through the analysis of traditional markets. It should be noted that this is among the earliest attempt to understand the cultural value of the tourist experience in the traditional market in Thailand, for there existed a myriad of academic works talking about this kind of touristic markets, especially in the context of community development (Batra, 2014; Vajirakachorn and Nepal, 2014; Lunchaprasith, 2017), rural regeneration (Phromkaewtor, 2010; Pongajarn, van der Duim and Peters, 2016) and business development (Wattanacharoensil and Sakdiyakorn, 2016), but not yet in terms of authenticity. Secondly, by analysing the context of the attraction, this paper also sheds light on the understanding of the revival of tradition in the development of tourism experiences. Culture is dynamic in its nature. Its value is articulated in accordance to the social context. The stagisation of tradition is not always a destructive act but can be perceived as a process of adaptation that allows culture to exist when it travels from one period to another.

## 2. Literature Review

The concept of 'authenticity' widely discuss in the tourism academy when it comes to the analysis of tourism experiences. From its inception in mid-20th century, authenticity has been regarded from the objective point of view, referring to the ability of the attraction to accurately represent traditional or local culture. MacCannel (1973) points out that the nature of tourism renders impossible for tourists to attain the essence of the local culture because tourism is a construction of contrived experiences to meet tourists' expectations. Tourism is seen as distorting reality because it leads to the prioritization of certain aspects of tradition over others (Macleod, 2002). To an extent, tourism is a process that goes against the value of authenticity in that it reduces traditional culture into objects of tourist interests. (Urry, 1990), through the term of 'tourist gaze', points out that tourism desacralizes elements of culture by transforming them into object of tourist interests.

More recent theoretical stances shift the definition of authenticity away from the portrayal of objective reality to the reflection of the agents' interpretation of tourists' experiences, indicating authenticity as having constructive value. Wang (1999), by employing existentialism in understanding tourism experiences, postulates that authenticity is about how tourists interpret the meaningfulness of tourism experiences. Authenticity in this stance is thus a subjective matter and may has nothing to do with reality presentation (Eco, 1986). Authenticity can also be viewed as a reflection of the point of view of experience developers, in which hosts play an active role in the construction of tourists' experiences (Zhu, 2012; Fu, Kim and Zhou, 2015; Boonzaaier and Wels, 2017; Tiberghien, Bremner and Milne, 2017). The growing importance of experience economy in the sphere of tourism highlight the value of authenticity in terms of the construction of meaningful tourist experiences. (Kirillova, Lehto and Cai, 2017). As such, authenticity can be looked in terms of how involving agents, including hosts and visitors, reciprocally participate in the development of tourism experience (Wang, 2007). Synergies between the worldviews of the hosts and the guests result in the success of the attraction (Tucker and Lynch, 2005; Brida, Disgena and Osti, 2012; Fu, Kim and Zhou, 2015).

Authenticity is a dynamic concept. Its definition evolves over time. As such authenticity should be articulated in the social context (Shepherd, 2002). What is counted as inauthentic in each period can be regarded as authentic in a later period of time (Cohen, 1988). The stagisation of tradition can appear to be more authentic than the original (Chhabra, Healy and Sills, 2003). The growing significance of agent-oriented authenticity does not always reduce the significance of objective authenticity. It should be regarded that the historical authenticity is a quality desired by tourists (Yeoman, Brass and McMahon-Beattie, 2006; Lau, 2010) and thus can generate tourists' loyalty towards the attraction (Casteran and Roederer, 2013). To an extent, objective authenticity can be understood from tourists' projection of the image of the past (Rickly-Boyd, 2012). According to Mura (2015), authenticity can be assessed in terms of the ability of the destination to provoke the image of the past time.

Given various interpretations of the concept of authenticity in tourism academia, it can be concluded that tourism experience is a complex matter and should be viewed from different angles. Objective authenticity and constructive authenticity are both important elements that should be considered together when analysing tourist experiences. This paper is dedicated to grasp an understanding of authenticity of tourism experience through the point of view of involving agents. It aims to investigate cultural experiences delivered in the two traditional markets studied through investigation the mediation between the objective and the constructive point of view of authenticity.

### 3. Methodology

The research project conducted on this paper operates on the qualitative approach, aiming to achieve an understanding tourism experience of the new-construction traditional markets from the perspectives of involving agents, including the site managers, food traders and visitors by using the concept of authenticity as the point of departure. In this study, Ayothaya Floating Market and Pattaya Floating Market are chosen as case studies due to their proximity to the researcher's location.

Ayothaya Floating Market was found in 2009 by a group of entrepreneurs based in Bangkok and Ayuthaya. Covering an area of 70 rai, the touristic traditional market is a newly constructed site, aiming to portray the traditional living that existed in Ayudhaya period (1351-1767), referring to the period of time in which Ayudhaya served as the capital city of Thailand. The market is a cluster of simulated well-known tourist attraction in Ayuthaya, besides showcasing the peasant way of life in Ayudhaya period that mostly relied on the waterway. The whole structure of the market comprised of a series of traditional-styled Thai houses that are located on manmade waterways, where edible and non-edible products are sold by more than 300 traders. The market offers cultural-related tourist activities, including boat tours around the market, the light and sound performance depicting an excerpt of Thai history during Ayudhaya period, as well as entertainment activities including animal feeding games, elephant riding. Moreover, on an occasional basis, the market occasionally hosts temporary events, duplicating bespoke faraway attractions to attract people living in Ayudhaya and the vicinity. The market welcome almost 100,000 visitors per week (information as of 2014), especially those who come to the market as part of their cultural tour in Ayuthaya.

Pattaya Floating Market was found in 2008 by a Chonburi-based land developer, whose intention was to create a tourist attraction to showcase Thai cultures in different regions. With an area of 67 rai, The market is located in Pattaya, a Thailand's reputed beach destinations located not far away from Bangkok. The touristic market is a wholly new construction, in which the canal and a series of thatched roof houses (in total 214) were artificially built to portray traditional Thai living. The market is divided into four sections according to the regions of Thailand- the north, the central, the south and the northeast, in which regional edible and non-edible items are sold. The market features large seating areas in which visitors can eat food on site whilst contemplating the market scenery. The market offers a variety of entertainment activities including 'flight of the gibbon' adventure activity, haunted house, and a light and sound traditional performances. The market receives 180000 visitors per month (information as of 2014). Foreign visitors comprise of the majority of visitors coming to the market, in particular Chinese visitors, many of whom come to the market after the Chinese film 'Go La La Go.'

Adopting the ethnographic approach in grasping the understanding of the field research, it comprises of a series of day field trips to the two premises during 2013-2014. Ethnography is a research method commonly used to comprehend the value of tourism experiences through engaging with the agents. Ethnography allows the researcher to use a variety of methods in acquiring data (Blaikie, 2000). In addition, flexibility in data collection enables the researcher to identify the most appropriate way to approach involving stakeholders (Avieli, 2013).

During the field trips, semi-structure interview is used to obtained insights from the site managers, and food trader. The PR officer of Ayothaya Floating Market and the general manager of Pattaya Floating Market represent the site managers of each site. 10 traders from Ayothaya Floating Market and 8 traders from Pattaya Floating Market, as well as 5 visitors from Pattaya Floating Market participate in the research. The qualitative questionnaires (with open-ending questions) were used to approach most visitors, since the researcher found out that most of them were not collaborative in taking part in the interview and did not want to be interfered during their visits. The researcher were able to collect responses from 20 visitors from Ayothaya Floating Market and 12 Pattaya Floating Market respectively. The content of the research questions is intended to be the same as those in the semi-structured interview.

| Types of participating participants | Topic discussed in the interview                                                                                                                                                                                                                            |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Managers</b>                     | The establishment of the attraction, activities offered on site, marketing strategies of the site with a focus on the interpretation of traditional culture, the current situation of the site                                                              |
| <b>Traders</b>                      | Personal data of the participant (if applicable), products and services delivered on site, marketing strategies of the products and services with a focus on the interpretation of traditional culture, opinions towards the current situation of the site. |
| <b>Visitors (Tourists)</b>          | Personal data of the participant (if applicable), purposes of their visits, opinions towards their experiences on the site, their perception towards elements of culture presented in the site, opinions towards the current situation of the market.       |



Venue observation was conducted on the field trip days, in which the researcher took note of the rough plan of the market, the surrounding of the market, the usage of the market space, the characteristic of commodities sold in the market, and the behaviour of traders and visitors. Data acquired from observation were analysed in conjunction with the data acquired from the participants in the data analysis process (DeWalt and DeWalt, 2011).

Data collected from the field research were analysed by the researcher under the themes set by the researcher, reflecting the aim of the study to grasp the meaning of authentic experiences in these two tourism settings through the point of view projected by stakeholders. Regarding the research ethics, the field study was conducted on an overt basis, where the identity of the researcher was revealed during the data collection (Corbetta, 2003; Stausberg and Engler, 2011). The researcher obtained permission from the management team of each market prior to conducting the field research and required all participants to give either a written or oral consent before taking part in the interview or the questionnaire. If the participants agreed to have their name mentioned in the paper, they will be referred by their first name. Pseudonyms and job titles will be used to refer to participants who preferred to be anonymous.

#### 4. Findings

Based on the studies of Ayothaya Floating Market and Gong Khong Floating Market, it is found that the core of tourist experiences in the context of staged culture attractions can be described as the negotiation between the objective authenticity, characterised by the attempts to accurately present genuine traditional culture, and the constructive authenticity, or the reclamation towards the contemporary way of life, as described below.

##### **Objective Authenticity: towards the presentation of traditional culture**

###### *Genuine history and culture*

It is found that an important aspect of tourist experiences in the two traditional markets studied is about the accurate presentation of traditional culture. This is reflected in tourists' expectation to be exposed to the genuine traditional culture when visiting the attractions. As confirmed by Loukkaew (2013 personal communication), an interviewed visitor in the traditional market, traditional culture and traditional-style are the highlighted features of the traditional markets. She expected to see features that demonstrate the cultural identity of the place rather than elements of culture that are intentionally catered to tourists. Tourists' perceptions of tradition is also derived on the commodities sold on the site. As commented by Yuthongarn (2014, personal communication) and Kamrai (2014, personal communication), interviewed visitors in Pattaya Floating Market, traditional market is culturally authentic due to the availability of local food items. For some tourists, chose to go for commodities that demonstrate the cultural identity of the location, such as Yuwarat (2013, personal communication) from Ayothaya Floating Market choosing to go to food shops that are speciality of the attraction. Ayothaya Floating Market gather many of Ayuthaya's bespoke food sellers who open the second shop on the site, in particular roti-saimai, sugar floss in roti-roll, which is widely known as the specialty of Ayuthaya province.

Moreover, objective authenticity is translated into visitors' awareness of the socio-cultural contribution derived from tourist experiences offered on the sites. This can be seen from tourists' perceiving cultural experiences as bearing educational value. According to Pornpan (2014, personal communication), a visitor in Ayothaya Floating Market, 'traditional markets enable an entertaining way for young generations to learn about local culture of their predecessors'. Similarly, Thipwimol (2014, personal communication), a visitor from Pattaya Floating Market, said 'It's good to have traditional markets. Today's things change quickly, many younger generations do not know about the local culture. The traditional market is a good way to safeguard the local culture.'

It should be noted that culture was the focal point of many visitors who visit Ayothaya Floating Market. Many of them visit the site as part of their cultural tour in Ayuthaya, where they visit numerous historical sites that were part of Ayuthaya kingdom as well as worshipping temples that dated back to Ayuthaya period. As revealed by the PR officer (2013, personal communication), the market also receives, on a regular basis, student visitors who come to the market as part of school trip.

From the traders' perspective, objective authenticity is demonstrated in terms of traders using traditional knowledge in the production of commodities. This can be seen from food traders incorporating traditional know-how, in particular food knowledge inherited from the family, in the preparation of food items. A trader of kuaitiewrua or noodle in pork blood broth (2013, personal communication) in Ayothaya Floating Market inherited the recipe from his maternal grandmother, who previously lived in Sena district in Ayuthaya, known for its local broth recipe. Lek (2014), a vendor of old-fashioned padthai in Pattaya Floating Market, said that she used the recipe inherited from her mother, who was originally Angthong, known for its Padthai dish. To an extent, objective

authenticity is regarded from the justification of the usage of traditional recipes against the modified methods, which are common in today's time. This was justified by Lek (2014, personal communication) who sell traditional-style Pad Thai in Pattaya Floating Market: 'In today's time Padthai use vinegar, msg and water. But for my padthai, I only use tamarind juice, sugar and water, I never use vinegar.'

Speaking from the managerial point of view, the purpose to portray traditional culture is obvious in the attitudes expressed by the manager of the two traditional markets studied. This can be seen from the intention of the Ayothaya Floating Market to portray the history and culture of Ayuthaya (through the manmade traditional scenery, the simulated cultural landmarks and religious relics on the site and light and sound performances on epic events) and traditional way of life that were characteristic of the central region in the pre-modern time (through wooden Thai houses located on the water). For Pattaya Floating Market, regional Thai cultures is the main theme, represented by the architectural style and commodities in each section of the market. Objective authenticity can be seen from regulations that the management team impose on visitors. In the case of Ayothaya Floating Market, at least one trader in each food stall will be required to wear traditional Thai costume.

#### *Traditional culture as the exposure to otherness*

Authenticity can be seen from how stakeholders value tourist experience on the exposure of different culture. This can be seen from tourists' validating their experience by experiencing culture that are different from their own. As commented by Thomas (2013, personal communication), an Irish tourist visiting Pattaya Floating Market., 'I think food in the market is authentic because it does not taste the same as what I had in Ireland.'

While Ayothaya Floating Market receive Thai visitors more than foreign visitors, the majority of tourists visiting Pattaya Floating Market are foreigners, dominated by Chinese visitors, who are motivated by the Chinese film 'Go Lala Go' that uses the site as a filming location. Non-Thai nationals visiting Ayuthaya Floating Market are required to pay the entrance fee. Foreign visitors are the main target group of visitors. The management team offer incentives to taxi drivers who take visitors to the market. This is confirmed by the manager of Pattaya Floating Market (2014, personal communication), who asserted, 'The owner want to create this traditional market in order to attract foreign visitors. He intend to create an attraction that attract foreign customers.'

In response to the preference of international visitors, whose number constantly growing, many traders in Pattaya Floating Market attempt to attract foreign visitors by using English-language and Chinese language signposts. Many traders are able to speak English and Chinese.

However, socio-cultural background of visitors may limit tourists' engagement to cultural experiences in the traditional market to an extent. In terms of food experiences, palate is found influence the ability of visitors to engage in the local food (Cohen and Avieli, 2004). The origin of visitors indicates the willingness of visitors to engage in local food. As confirmed by a number of interviewed traders in the traditional markets, Asian tourists are more willing to try local dishes, whereas European visitors are more reluctant due to their concerns over hygiene and unfamiliarity with the palate.

#### **Constructive Authenticity: towards the contemporary preferences**

##### *Relaxation*

Constructive authenticity can be seen from the attempt of the traditional market to address contemporary demands and needs, in which the desire for relaxation is counted among these. From the case studies of these two traditional markets, relaxation is counted as among the most important tourists' reasons to visit the sites. As commented by Saowaluck (2013, personal communication), a visitor in Ayothaya Floating Market from Bangkok, who said that she was more interested in the surrounding atmosphere rather than the variety of culinary experiences sold on the site. It should be remarked that these two traditional markets receive many urban dwellers who want to temporarily escape from the daily routine.

The desire for relaxation is also interpreted in tourists' prioritization of pleasant sensation over other elements. Pim (2014, personal communication, an interviewed visitor in Ayothaya Floating Market commented, 'For most of the time, I like custard filled bun. I always buy it every time I come to the traditional market. I focus on the taste of food. I don't like food that does not taste good even though it is genuinely traditional'. This indicates that the traditional quality cannot compensate with inferior taste.

For the management personnel, tourists' desire for relaxation results in their attempts to create pleasant tourists' experience. The maintenance of the scenery of the site is carried on a regular basis ensure positive tourist experiences. This is especially the case in Pattaya Floating Market, where serious measures are imposed on traders who pollute the water. As said by the manager of the market (2014, personal communication), the market terminates the contract with those people who are found to litter into the water.

#### *Negotiation between tradition and modernity*

Constructive authenticity of tourist experience can be detected from the negotiation of mediation between tradition and modernity. As stated earlier, Not all aspects of traditional culture are appreciated by visitors. The traditional quality is, under certain circumstances, viewed as less important than other values. For some visitors, old-fashioned food items are not appreciated due to health concerns (Burgess, 2014; Kuhne, Vanhonacker, Gellynck, & Verbeke, 2010). Loukkaew (2014, personal communication), a visitor in Ayothaya Floating Market commented that sweets with high level of sugar, such as egg yolk-based sweets that need to be soaked in syrup, were not appreciated because it can damage health.

The attempt of the traders who modified traditional Thai culture in a way that it appeals to the contemporary preferences can also be read as an outcome of the tradition-modern negotiation. This is exemplified by the modification of traditional-recipe to meet health concerns. For Pitsinee (2013, personal communication), an award-winning Thai dessert trader in Ayothaya Floating Market, the sweets need to be made less sweet to attract visitors. Moreover, traders also intentionally promote the health-friendly quality of commodities in order to attract health-conscious visitors. This is justified by Pantip (2014, personal communication), a trader of crispy roti, who promoted her food items on the basis of healthy friendly ingredients (usage of rice-bran oil which contains no cholesterol) and culinary methods that incorporate less fat (roti is baked instead of deep-fried).

Moreover, tourists' desire for diversity results in the importation of non-local commodities in the two traditional markets studied. While scenery plays an important role in visitors' perception of tradition, many visitors did not feel hostile to the non-traditional and non-local food items (such as dishes and snacks from other parts of Thailand and non-Thai food items) made available in the markets. For interviewed visitors like Wittaya (2014, personal communication) in Ayothaya Floating Market, the variety of food options was a reason of their visits. To be remarked, both the traditional markets do not restrict the type of products that can be sold in the traditional markets. This opens the door the creativity of traders, who can bring any types of products inside the market. Both the markets welcome any kind of food products if it is attractive for tourists. Certain non-traditional style food has become the selling point of the attraction, as commented by the PR officer of Ayothaya Floating Market:

'Well, there is a well-known food shop in our market. Its name is 'Kanomnomnuey. They started selling it since the market opened. They have brought ovens here. The bread smells really good. Well, they sell Sang-Kaya filled bread. Everything is freshly made. Food smells really nice and as such attractive to passers-by. You'll see many people who carry bags of their products. Well, I speak in terms of desserts. For food products, you have to go to that zone. Well, seafood is very popular here (2014, personal communication).'

It should be noted that many food items sold in the traditional reflect the current gastronomic trends in Thailand, since many of them are food items that are commonly eaten across the country. Moreover, it is found in these two markets that stand-alone shops of industrial food brands are opened on the site, such as 'Koh Kae' coated peanut products and franchise food shops settle mini shops in both premises.

The availability of non-traditional food items is also aimed to target foreign visitors who want to find their comfort zone during their travel. In Pattaya Floating Market, where Chinese tourists dominate, some Chinese snacks are available in the market, namely crocodile meat stick sold by Chinese traders because the market attracts a large number of Chinese tourists. According to Xiaowang, a vendor of crocodile meat skewers (2013), Chinese people are his main targeted group of customers, who are more or less familiar with the consumption of the crocodile meat.

#### *Traditional quality as creative experiences*

The constructive point of view of tourist experience can be seen from the opinions of the management team towards cultural experience on the site, which is not always faithful to the past. For the management team of Ayothaya Floating Market, cultural experiences is about the cultural identity of Ayuthaya depicted by the

traditional scenery and culinary specialities that represent the city such as Roti-saimai, a sweet that has become a must-buy souvenir item in Ayudhaya in 1970s (Jampapan, 2016). This is justified by the comment expressed by the PR officer with regards to the relationship between tourism and culture.

‘The commodification of culture does not threaten the culinary uniqueness of Ayuthaya. Rather, local food products become more significant as specialties of the market. Well, they are many of them here in Ayuthaya. You can see plenty of Roti-Saimai available for purchase in the city.... (PR officer, 2013, personal communication)

For Pattaya Floating Market, the lack of cultural richness in the area results in the attempt of the market to develop unique cultural experiences by importing elements of culture from others region. Besides the adoption of regional cultures across the countries, the importation of traditional skills from elsewhere such as Thai dish experts from other regions is also part of the attempt to create the cultural selling point of the attraction. To an extent, the presentation of traditional culture is a creativity matter that can compensate with the lack of traditional resources, as stated by the manager of the market.

I think all towns should create their own the floating market or the ground market. Every area should build it. However, they should develop their own selling point. You must have your own signature that stand above other. Today, when people from the SAO office come to visit us, I was assigned as a speaker. They come here to learn about the creative economy. So, I talk about the promotional strategy of the market. Well, we benefit from the location and we create everything new which represents culture from the four region. Most of the décor are manmade. We started from zero. We don't have cultures that belong to ourselves. Well, we can still do it. Then, we want to work more on the creation of the cultural signature experience. It is indeed a hard job (2014, personal communication)’.

Creativity is seen as a mean to enhance the commercial viability of traditional markets, now becoming a kind of attraction commonly found across Thailand. The fact that many traditional markets offer similar experiences reduce the cultural significance of tourist experiences, as commented by some interviewed visitors on each site viewed that tourist experiences in the traditional markets are similar to other traditional markets where they have been. As said by Watcharapol (2014, personal communication), a visitor in Pattaya Floating Market, ‘We should preserve our traditional market because each market conserves the cultural identity of each identity. We could work with other elements of culture to make the Pattaya Floating Market attractive.’ Moreover, failure of the traditional market to create unique experiences tend to lose its popularity once newer attractions of the same kind are opened. For some traders in Ayothaya Floating Market, such as a trader of Eringi mushroom stick (2014, personal communication), the emergence of new traditional markets resulted in decreasing the number of visitors, which could threaten their business.

## 5. Discussion & Conclusion

This paper suggests that the tourist experience in the contrived cultural setting is articulated in terms of the negotiation between the objective authenticity and the constructive authenticity. While the presentation of traditional culture is the core value of the sites, addressing contemporary needs and desires also contributes to the commercial viability of the attraction. The exploration of the worldviews of involving stakeholders demonstrates that tourist experience offered in a given destination is multi-dimensional, for it can be viewed from different angles of authenticity. In particular, tourists' motivations to visit the traditional markets are indicative of their desire of historical authenticity. While cultural enthusiasts are specifically after cultural elements that demonstrate genuine relationship with the Thai culture, leisure travellers are looking for pleasing experiences that appeal to them.

The study of tourist experiences the staged cultural attraction both from the production and consumption point of view enables us to see that authenticity is something that can be developed or enhanced (Fox, 2007; Stoilova, 2015). The revival of traditional way of life in the form of traditional market does not reduce the intrinsic value of tradition but rather should be regard as a process of appropriating culture to the contemporary context. Heritage interpretation is not a product of the past but the present, reflecting how people in today's time engage with the past memories (Pocock et al., 2010). The appropriation of tradition in this context of tourism should be viewed

for its contribution to sustain the value of tradition in the traditional markets. Tourism is seen to enhance the value of tradition (Grunewald, 2006). To compensate with the inauthentic cultural resources, creativity is used in transforming fakery into high-value commodities.

The research study can be insightful not only in terms of elucidating the understanding tourist experiences in the contrived attraction but also the commercial potentials of the simulated cultural attractions. Further exploration on other types of staged cultural settings can be useful in providing more insights into understanding of tourist experiences.

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# Measuring the Museums Performance in the United Kingdom by Using the Data Envelopment Analysis SSBM

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## Abstract

Data Envelopment Analysis (DEA) is a broadly applied tool utilized for efficiency evaluation of public and private management; however, it has seldom been put to use with attractions such as museums. The purpose of the present paper is to evaluate technical efficiency by introducing DEA, a slack-based measure (SBM) approach, to a regional system of museums. The efficiency is important as these bodies represent organization of productive resources, which are operating expenditure, capital expenditure, collections purchase, staff, and visitor numbers and total income. Museum institutions are one of the main aspects of culture, acting as an important key to the economic prospects of culture by promoting the tourism industry and intended to provide various services and goods linked to their basic functions, which include management, exhibiting, research and distribution of cultural heritage. However, the different nature of this kind of institution demands that preceding sort and classification is required in order to obtain standardized clusters for the innumerable elements. This study therefore merges multivariate statistical techniques to combine the preliminary information and Super Efficiency DEA for efficiency assessment.

These findings may provide substantial value for management of these institutions, also for those accountable for public resource and public funding allocation policies in the area of cultural heritage attractions. This paper will apply to a regional system of museums in the United Kingdom, including both rural and urban museums.

**Keywords:** Museums; Efficiency; Super Efficiency Data Envelopment Analysis; SBM C; SBM V; BCC O; CCR O; United Kingdom

## 1. Introduction

Museums are feasibly the most representative of all indicators of cultural heritage, as they perfectly aspire to preserve the inheritance handed down to us by succession, as well as the wish to tolerate and select those resources, which replicate the creativity and identity of a society. Museums are not just lifeless entities comprising objects, as are other pictograms of cultural heritage, such as archaeological and historical buildings and so on. They symbolise a specific type of cultural formation managed in an actual style, and the way many exhibits housed in the museum's group are exposed or how much influence their various activities have may affect accomplishments or lessen the range of the institution's appeal and the number of visitors it attracts.

Museums could be identified as the most appropriate representative of cultural institutions for several reasons. Firstly, as Barrio *et al.* (2009) stated, they are clearly confined and redirect consumers' chosen interests through visits to the museum, which is generally quantified, and encouraging careful examination and estimation in many studies. Then, diverse analyses develop from the study of museum management that may differ significantly, ranging from full public ownership to private stakeholders and, increasingly, non-profit foundations. The contradictory legal status closely reflects how each country handles its public merchandises, in specific cultural assets and facilities (in short, the Latin or continental method and the Anglo-American approach, separately), the essential significances of which distinction analysis, both in terms of institutional management, which likely influence of museum activities being unique. With regard to cultural policies and economic improvement plans, they are observed as a source of wealth and appeal to tourism and the resultant spending.

Museum economics are established as a firm and productive sector within the heritage economics field, having layer issues ranging from research into measures and economic impacts into areas related to microeconomic characteristics linked to management, cost configurations and admission price policy, as well as works addressing financial calculation and demand curves for non-market possessions (Heilbrun *et al.*, 2001; McLean, 1997; Snowball, 2008). Bowitz and Ibenholt (2009) discourse some methodological questions on the subject of economic impact studies of investments in cultural heritage developments. They put forward a short impression over several studies of the economic influence of different cultural and tourism activities.

Different channels have examined and discussed the investment impact to society, the use and mismanagement of economic impact studies of culture-related investment projects, and the factors or channels that are important when considering a place. Griffin (2008) outlines the political and economic changes affecting museums in the last several decades, including recent improvements in museums themselves. He also mentions the best practices in organizational behaviour related to museums. Kim *et al.* (2007) investigate the economic value of the World Heritage site to users or tourists through the levels of monetary benefit in Korea. This study is dedicated to the evaluation of museums in the UK.

This study uses the report *Museums and Galleries in Britain: Economic, Social and Creative impacts*, which was commissioned from the Museums, Libraries and Archives Council (MLA) and the NMDC (National Museums Directors' Conference). The report offers an up-to-date analysis of a number of economic and social influences from many of the UK's major galleries and museums. The regional institutions measured in this study consist of the superior museums and galleries funded by the Department for Culture, Media and Sport (DCMS), a number of correspondent institutions in Scotland and Wales and a group of different large and small regional museums. The purpose of this study is to look at the benefits of the sub-sector, which could be approximately £1.5 billion per annum, taking account revenue and credible estimates of visitor expenditure. Wider economic impacts would be still greater than generated income for museums and galleries, according to the report *Museums and Galleries in Britain: Economic, Social and Creative Impacts*, which states the range of contributions and sponsorship as high as £200 million a year, including over £100 million, in donations and sponsorship over £100 million in trading income and some £20 million in ticket sales.

However, museums and galleries' manifestation of the demands for accountability is not only to central or local government (as a major source of funding) but also local communities and business; therefore, motivations may not always be reliable. Even if only very indeterminate expectations are made about the related economic activity include regeneration expenditure and international visitors, the figure would exceed £1 billion. This suggests that approximately £1 in every £1,000 in the UK economy could be directly related to the museums and galleries sector (Museums and Galleries in Britain, 2006).

Non-parametric models are generally used to measure the relative efficiency of service producers where the use of parametric approaches would verify more preventive measures through the need to specify a useful mathematical relation between input and output. Non-parametric efficiency analysis, Data Envelopment Analysis (DEA), has often been used to assess public services thanks to the flexibility in DEA, such as Super-efficiency DEA, since they carry out less restrictive circumstances on the reference technology, and can effortlessly be adapted to multiproduct scenarios between in and output. These models allow for efficiency indicators from calculation using multiple models of linear programming, based on data from a series of units being assessed.

In this paper, falls within two groups of study, non-parametric efficiency analysis using the slack-based measure DEA method for a regional system of museums in the UK. The methodological approach implemented in our research consists of a previous selection process, cataloguing and grouping of regional museums, as it is collective to find a wide array of museums in any regional scheme, both in terms of the nature of the assortments and the institutional organisation or legal status, as well as their managerial approach.

At first, by using principal factor analysis multivariate statistical techniques to combine information from the numerous variables describing these institutions. Secondly, we employed cluster analysis to make consistency sets within the regional system of museums. Based on this cataloguing, we applied the DEA slack-based measure method for analysing the intergroup efficiency of regional museums.

Consequently, the methodological approach for this research involves two intimate techniques: multivariate statistical analysis to filter the database and the DEA slack-based measure to calculate the efficiency indices. The paper will logically follow this order in the experimental section by first characterising and classifying the regional system of museums before analysing their efficiency.

The remainder of the paper is summarized as follows. Section 2 includes museum performance about study related to museums in the UK. Section 3 concerns DEA applications and performance measures and provide the super SBM DEA model used in this paper, as well as providing information about the selection of inputs and outputs to measure the performance of museums. Section 4 concerns a summary of the finding and discussion, whilst conclusions are presented in Section 5.

## 2. Museum performance

Performance measurement is a relatively new activity regarding the economic view of the cultural heritage sector, especially with the tourism objective. Nevertheless, this is not an easy task to undertake since museum activities often involve non-profit organizations, as a public service. For these establishments, it is not possible to measure the accomplishment of their objectives using profit as a yardstick. This exertion is mainly connected to the absence of a simple objective function, be it profit or some other overall quantity to be improved. Truly, some establishments may have several contradictory objectives; for example, some aims of the organization's management may differ from the aims of the financing bodies.

Furthermore, Basso and Funari (2004) recommend that it may not be easy to define the various goals precisely. This is the setting which has seen productions for museum institutions since the mid-1980s and has seen the occurrence of new museums in both rural and urban environments, contribution either a complete range of those devoted to one theme or demonstrations, provided in new architectural creations or in pre-existing restored buildings. This has meant that the present paper viewing from many authors and see as the second museum success in history, which are far smaller in scale than the creations of the 19th Century (Herrero, Sanz, Bedate, and del Barrio, 2008).

Museum institutes' economics is a well-established and productive sector within the field of heritage economics (Feldstein, 1991; Frey, 1994; Johnson *et al.*, 1998; Fernández *et al.*, 2004), covering concerns ranging from research into scale and economic impact (Herrero *et al.*, 2002; Callegari, 2003; Johnson *et al.*, 1992) into areas related to microeconomic features linked to management, admission price policy and cost structures O'Hagan (1995 & 1998) and, lastly, works directly related to financial assessment and demand curves for non-market goods (Martin, 1994; Santagata *et al.*, 2000; Bedate *et al.*, 2004; Sanz, 2004; Bedate, 2007). Put in one area, interest is growing in efficiency analysis of these institutions, since museums are, in fact, public entities managing a successions of resources targeted at producing several goods and services for society (Herrero, Sanz, Bedate, and del Barrio, 2008).

International Council of Museums (ICOM), indicated a museum is *"a non-profit making, permanent institution, in the service of society and of its improvement, and open to the public, which obtains, researches, communicates and conserves, and demonstrations for the purpose of study, education and amusement, material evidence of people and their environment"*. This explanation, generally accepted in the museum world, clearly put emphasis on the non-profit nature of museums, defines their main activities (acquisition, conservation, research, communication, and exhibition) and, in a wide-ranging sense, their purposes (study, education, and amusement). It is very simple, at this point, to perceive the difficulty of measuring the performance of a museum for the following reasons:

- They contract with a widespread range of resources, many of which are not easy to measure due to their qualitative and various natures;
- Their definitive determination is to provide a difficult and numerous product, which is not always tangible or commercial in nature;
- These institutions are often public or non-profit entities, in which profit may not be measured exclusively in financial terms and are not, in any case, illustrative of successful management.

In this case, it does not mean the efficiency of these establishments should not be measured nor that we may not suggest alternative tools which allow us to replicate the quality of the work accepted in the museums or, which may at least deliver us with an idea of what might be considered as *"best practices"* in museum management.

The findings to emerge from our analyses are valuable in themselves for the public, which is attentive towards the need to evaluate the various public services affecting it. Furthermore, our findings might also be of use for the domination of museums themselves, since a measure of the relative efficiency of these institutions provides managers with the analysis of two results, which is before and after public funding, reflecting the successful running of museums. The consequences of transparency may also provide justification for distribution of public funding and verify a useful associated to future sponsorship. Based on this, a museum's expenditure may be viewed as one of production with connecting input such as capital expenditure and employee, collected with the museum group itself, in order to acquire several services and goods, consistent to the main tasks assigned to a museum, which are conservation, research and exhibition of cultural heritage (Herrero, Sanz, Bedate, and del Barrio, 2008). Hereafter, the interest is in measuring the efficiency of this type of institution, to provide one specific case of efficiency analysis within the public sector, as with other sectors alike in nature, such as health, education or justice.



Studies directed at museum efficiency may be distributed into two groups. The first covers works pointed at measuring a museum's presentation by drawing up a sequence of displays (performance indicators) and consist of works by Jackson (1991), Ames (1990) and Weil (1995). The objective is to select a set of indicators or ratios allowing estimations to be drawn among regional museum institutions for the activities designated. However, this technique does not deliver any ranking of the items analysed (Herrero, Sanz, Bedate, and del Barrio, 2008). The next group studies accomplishments to measure the efficiency of a set of units using so-called frontier techniques. Some illustrations of works appropriate in this group are Paulus (1996; 2003), Taalas (1998), Mairesse and Vanden Eeckaut (2002), Pignataro (2002) and Basso and Funari (2004). These methods deliver a direct indicator, allowing comparison between museums and not merely between accomplishments. A museum is felt to assume an economic activity in which assured inputs or resources are converted into outputs or performance. The difficulty arises from making an attempt to define the transformation process, a complication which may be overcome through the use of parametric or nonparametric models.

### 3. Methodology

Tone (1993) has shown the Different Systems model and, in this theory, the models have the technology set and frontier to compare both groups. Data envelopment analysis (DEA) is a linear programming and non-parametric method introduced by Seiford *et al.* (1999) for assessing the performance of a set of analysis units named Decision Making Units (DMUs). The DMUs are a set of entities responsible for transforming inputs into outputs and whose performances are to be calculated (Salhieh and Al-Harris, 2014 and Charnes *et al.* 1978).

In general, DEA can be applied to efficiency problems in some public sector agencies, such as schools, hospitals, airports and courts, as well as in some private sector agencies, such as banks and hotels etc. In the past couple decade have been many researches on performance and efficiency, for example: in hospitality sector (Assaf and Barros, 2011; Barros and Santos, 2006; Barros, 2005; Barros and Dieke, 2007; Barros and Mascarenhas, 2005; Reynolds, 2003; Peypoch and Solonandrasana, 2007, 2008; Botti, Bricc and Cliquet, 2007); travel agencies (Köksal and Aksu, 2007; Barros *et al.*, 2009; Botti *et al.*, 2009); museums (Bishop and Brand, 2003) and restaurant services (Reynolds & Thompson, 2007), managerial hospitality efficiency (Barros *et al.*, 2011), benchmarking ski resorts (Botti *et al.*, 2012) and efficiency and productivity growth in the hotel industry (Barros *et al.*, 2009). Then in team of destination performance by using efficiency measurements with a small number of studies, presented by Bosetti *et al.* (2006) and Cracolici *et al.* (2006) analysed the relative performance of Italian regions which focus on environmental management, Botti *et al.* (2009) used the DEA method in the destination field for a descriptive approach to French regional performance in tourist destination, Botti *et al.*, (2011) used MVS to evaluated French destination, Botti, *et al.*, (2013) ELECTRE method for destination competitiveness, Goncalves *et al.*, (2012) travel agencies, Peypoch & Sbair, (2011) productivity in technology, Peypoch *et al.*, (2012) tourists' length of stay, Hathroubi *et al.*, (2014) environmental management and Barros *et al.*, (2013) US airline.

The DEA method evaluates the performance of DMUs by computing their relation to efficiency, which is indicated as the weighted sum of outputs over the weighted sum of inputs. In order to computed efficiency values and categorize the DMUs as efficient or inefficient units. The efficient units are the finest practice units relative to other units in the sample in terms of achieving the highest outputs using the minimum amount of inputs. These units are found on the efficient frontier, which involves all the best practice DMUs that have an efficiency total of 100%; meanwhile, the inefficient DMUs are located underneath the efficient frontier.

The classification of the efficient frontier is determined on the scale used in defining the DEA model, which may possibly be either constant returns-to-scale (CRS) or variable returns-to-scale (VRS). The CRS is defined as increasing all the inputs used by positive percentage results in a comparable increase in the amounts of the outputs while the VRS means that a change in the amounts of inputs will not essentially lead to identical change in the amounts of outputs; the output might be altered more or less in proportion to the inputs (Cooper *et al.*, 2007). Charnes *et al.* (1991) extended Farrell's work in the dimension of technical efficiency and brought together the term 'data envelopment analyses, identified as the CCR model.

In this model, the efficiency evaluation of the DMUs is forecast using the CRS assumption and comprehensive CCR model (Banker *et al.*, 1984). They examined the primary influencing factors of measured technical efficiency of DMU using different scales, which eliminated inspirations caused by altered scales. By combining the CCR and BCC models, it yielded efficiency scores and a set of optimization weights that gave the DMU as high an efficiency score as possible, as weighted outputs to weighted inputs must be equal to or less than one.

Nonetheless, using the BCC approach under the assumption of the variable returns to scale offers the prospect of finding more solutions; consequently, the number of units that are 100% efficient has a higher probability of

increasing. Tone (2001) established a DEA model that deals with input and output slacks unswervingly in terms of the Slack-Based Model (SBM). This model fluctuates from CCR and BCC models in measuring the efficiency of the DMU by allowing for the existence of both input excess and output shortfalls signified by slacks values. Meanwhile, the CCR and BCC models evaluate the efficiency of the DMU by allowing for input reductions or output expansions without giving any consideration to the existence of slacks in inputs or outputs.

However, as all efficient DMUs obtain the same efficiency score of 1, it is impossible to distinguish between the efficient DMUs, leading to difficulty in ranking. The solution to this problem was provided by Andersen and Petersen (1993), who introduced a super efficiency model to improve the traditional DEA model and to allow ranking for efficient DMUs. This model was found to suffer from infeasibility and instability under the situation of variable returns to scale (Salhieh and Al-Harris, 2014). To sort out this deficiency, Tone (2002) established a Super-SBM model based on slack variables, which solves this specific problem.

An additional important aspect of the DEA model is the orientation procedures used in developing it. The orientation of the model can be classified into input-oriented measures, output-oriented measure and non-oriented measures. Input-oriented measures quantify the input reduction necessary for a DMU to develop efficiency while holding output persistency. Output-oriented measures quantify the need for output expansion while holding the input constant. Non-oriented measures quantify the improvements when both inputs and outputs can be modified at the same time (Salhieh and Al-Harris, 2014).

The proposed method uses Data Envelopment Analysis (DEA) to compare and select the best new invention concept. DEA will identify the most efficient new product concept by associating the perceived value of the new product concepts relative to the development weighting in each product concept. That is, DEA will be used to compute a relative efficiency score for each different product concept. The approach proposes computing the ordinary relative efficiency as a first step to finding efficient concepts that could progress to the next phase of the product improvement process. The super efficiency model could also be used to further categorize between product concepts if needed (Salhieh and Al-Harris, 2014). The evaluation procedure will be performed as described in the following section.

### 3.2 Super-SBM model

The traditional CCR model, BCC model and Super efficiency model used the radial method to measure the efficiency score, which is also known as radial efficiency. On the other hand, a certain feasibility problem existed in the efficiency measuring process. Tone (2002) was the first to recommend slack variables as the basis for measure. When a DMU is relatively efficient, it is specified on the efficiency frontier and no slack score existed in input or output. It is not a model that measured efficiency feasibility by a non-radial method and it was called Super-SBM. Since the efficiency model based on the slack variables' predictable efficiency score by the non-radial method, it also developed the infeasibility problems and flaws of radial measures for efficiency used by the traditional CCR model, BCC model and Super efficiency model. This study will use the Super-SBM's VRS model to measure the overall efficiency score, the linear programming model of which is shown in equivalence.

### 3.3 Selection of Museums

Data for the study have been collected from the Museums and Galleries in Britain 2006 Report, producing a total of 20 museums selected from 22 museums, which is due to the availability of the data given. The report corrected the data from 1997 to 2006. A list of selected museums is given in Appendix 1.

### 3.4 Selection of Orientation and Variables

The orientation of the model can be illustrated in input-oriented measures and output-oriented measures. Input-oriented measures indicate where the input objective can be controlled; that is, the approximation of reducible parts for various input aims under existing fixed output values so that the assessed unit extend to a maximum efficiency score. On the other hand, output-oriented measures indicate where the output value can be measured; that is, the estimation of expandable parts of output objectives under fixed input objectives. Generally speaking, the output variable is tougher to control; thus, the present study chose the input-oriented model. This is also because the efficiency evaluation of museum resources between expenditure and donation income make input control comparatively more obvious than output control. It is hoped that improvements and recommendations could be made to funding resources and expenditure in terms of changes in input targets and the efficiency and performance of evaluated regional museums institution could be raised.

In associations of the selected inputs and outputs, if unsuitable inputs or outputs were selected, there would definitely be an alternating effect on the overall efficiency assessment. On the other hand, if too many similar

quality variables were selected, it would dilute the level of differentiation between the DMUs, causing cancelling (Huang *et al.*, 2010).

Therefore, the variable selection must match the criterion for element values larger than 0 and isotropy (Golany *et al.*, 1989). It was also considered that input and output objective selection should take into account the nature of data, organization goal and the connection between input and output variables ((Huang *et al.*, 2010 and Gao *et al.*, 2003). Therefore, based on past literature, the present study chose 4 inputs, which are operating expenditure, capital expenditure, collection purchase and staff, with 2 outputs using visitor numbers and total income. After that, the data collection will add one more input, which is public funding, which totals 5 inputs and 2 output and organizational feature selections. The reason for adding an input is to see whether the public funding has any impact on efficiency score. However, the staff input in the report had no data for M11 and M12, which eliminated them from the study. For the remainder, we added the number of full time staff, part time, friends and volunteer staffs together.

The variables reflecting the various features of museums are shown in Table 1 and aim to be representative of the input and output related to what would be the production function of a museum. The two variables of visitor numbers and total income can describe any museum's status; additionally, as the major services provided by museums, these variables are considered as the output variable. Four inputs were used for estimating the relative efficiency of museums, which are operating expenditure, capital expenditure, collection purchase and staff. Therefore, Table 1 presents mean deviations of input and output.

**Table 1:** Descriptive statistics of inputs and outputs

|         | Input                 |                     |                      |         | Output          |              |
|---------|-----------------------|---------------------|----------------------|---------|-----------------|--------------|
|         | Operating expenditure | Capital expenditure | Collections purchase | Staff   | Visitor numbers | Total income |
| Max     | 71998                 | 13528               | 46394                | 982     | 6412            | 97621        |
| Min     | 3052                  | 34                  | 5                    | 61      | 240             | 4288         |
| Average | 25960.2               | 4347.1              | 5597.6               | 439.35  | 1873            | 32233.5      |
| SD      | 21778.779             | 4127.6192           | 12645.7141           | 270.087 | 1635.4028       | 26276.7      |

The variable of 20 museums in the UK from 1997 to 2006 was applied. During those years, museums had, on average, £25,960.2 million operation expenditure and £4,347.1 million capital expenditure and £5,597.6 million collections purchase and 439 staffs. Descriptive statistics show there is a significant variation in the selected inputs and outputs through the museums. Correlation analysis presents the relation between input and output variables. The results shown in Table 2 indicate that the outputs have statistically significant positive correlations with the input variables.

**Table 2:** Correlation matrix between inputs and outputs

|                       | Input                 |                     |                      |       |                | Output          |              |
|-----------------------|-----------------------|---------------------|----------------------|-------|----------------|-----------------|--------------|
|                       | Operating expenditure | Capital expenditure | Collections purchase | Staff | Public funding | Visitor numbers | Total income |
| Operating expenditure | 1                     |                     |                      |       |                |                 |              |
| Capital expenditure   | 0.54                  | 1                   |                      |       |                |                 |              |
| Collections           | 0.38                  | 0.12                | 1                    |       |                |                 |              |

|                 |      |      |      |      |      |      |   |
|-----------------|------|------|------|------|------|------|---|
| purchase        |      |      |      |      |      |      |   |
| Staff           | 0.9  | 0.59 | 0.21 | 1    |      |      |   |
| Public funding  | 0.94 | 0.56 | 0.31 | 0.94 | 1    |      |   |
| Visitor numbers | 0.87 | 0.39 | 0.71 | 0.73 | 0.8  | 1    |   |
| Total income    | 0.99 | 0.59 | 0.46 | 0.87 | 0.91 | 0.89 | 1 |

#### 4. Finding and discussion

The overall scores indicate that museums having efficiency scores equal to one are efficient and form the efficiency frontier and those having efficiency scores less than one are inefficient relative to the museums on the frontier, under BCC, CCR, super BCC output, super SBM C and V assumptions. Table 3: display an inefficient museum from BCC and super BCC output and super SBM V show that only 2 museums (M13 and M15) out of 20 are inefficient.

**Table 3:** BCC and super BCC output and super SBM V

| DMU | Score | Rank | Operating expenditure | Capital expenditure | Collections purchase | Staff  | Visitor numbers | Total income |
|-----|-------|------|-----------------------|---------------------|----------------------|--------|-----------------|--------------|
| M13 | 0.9   | 20   | 0                     | 584.01              | 0                    | 38.719 | 0               | 0            |
| M15 | 0.96  | 19   | 0                     | 1252.376            | 0                    | 139.01 | 0               | 0            |

The remaining 18 museums are efficient as they have efficiency scores equal to or more than one. Then, Table 4: CCR, super CCR output and super SBM C show that 7 museums (M4, M7, M9, M13, M15, M18 and M20) out of 20 are inefficient. The remaining 13 museums are efficient as they have efficiency scores equal to or more than one.

**Table 4:** CCR, super CCR output and super SBM C

| DMU | Score  | Rank | Operating expenditure | Capital expenditure | Collections purchase | Staff  | Visitor numbers | Total income |
|-----|--------|------|-----------------------|---------------------|----------------------|--------|-----------------|--------------|
| M4  | 0.9801 | 16   | 0                     | 0                   | 0                    | 17.795 | 88.831          | 0            |
| M7  | 0.9833 | 15   | 0                     | 0                   | 0                    | 2.061  | 0               | 0            |
| M9  | 0.8634 | 19   | 0                     | 0                   | 0                    | 0      | 1270.56         | 0            |
| M13 | 0.8473 | 20   | 0                     | 0                   | 0                    | 27.861 | 636.375         | 0            |
| M15 | 0.8912 | 18   | 0                     | 0                   | 0                    | 35.496 | 11.615          | 0            |
| M18 | 0.988  | 14   | 0                     | 0                   | 0                    | 0      | 150.643         | 0            |
| M20 | 0.9313 | 17   | 0                     | 0                   | 0                    | 0      | 1711.66         | 0            |

The ranking scores had extra input for the public funding and therefore the result remains the same as the ranking from BCC, CCR, super BCC, super BCC output and super SBM C; however, this study aims to present the results of the slack model.

#### 4.2 Input–output slacks

The slack analysis provides additional insights into the scale of inefficiency for the under-performing museums. The scale of inefficiency is set by measurement of deficient output produced (output slacks) and excess resources used (input slacks) by the inefficient museums. If a museum has no slacks in inputs, it implies the museum has utilized its inputs efficiently.

**Table 5:** SUPER BCC O Input and Output Slacks for museums

| DMU | Score     | Excess                |                     |                      |           | Shortage        |              |
|-----|-----------|-----------------------|---------------------|----------------------|-----------|-----------------|--------------|
|     |           | Operating expenditure | Capital expenditure | Collections purchase | Staff     | Visitor numbers | Total income |
| M4  | 1.053459  | 0                     | 0                   | 0                    | 15.501359 | 221.40673       | 0            |
| M5  | 1.6097403 | 0                     | 5385.9381           | 330.90849            | 5.8290308 | 38.09732        | 0            |
| M15 | 0.9642286 | 0                     | 1252.4412           | 0                    | 139.0087  | 0               | 0            |

The non-zero slacks in inputs show over-utilization and non-zero slacks in outputs show under-production. For example, Table 5 shows M4 has a 1.053 efficiency score, an input slack for staff of 15.50 and an output shortage for visitor numbers of 221.40, which is defined as a reduction of input would increase the output for the number of visitors. This case indicates that both efficient and inefficient scores on the inside still have room to improve.

After that, we have to add the public funding as an extra input, as shown in Tables 6. The slack statistic has changed and it shows that they have more slack efficiency with a score equal to 0 in both Super CCR O and BCC O. Obviously, table 4 shown the score of 0.9801 and table 6 shown M4 score 1.026. On the other hand, in table 6 the slack of total income change from 0 to 341.01. In this comparison is clear for management to decide, which factors need to develop to reach the most benefit for the organisation.

**Table 6:** Super SBM V Input and Output slacks for museums

| DMU | Score | Excess                |                     |                      |        |                | Shortage        |              |
|-----|-------|-----------------------|---------------------|----------------------|--------|----------------|-----------------|--------------|
|     |       | Operating expenditure | Capital expenditure | Collections purchase | Staff  | Public funding | Visitor numbers | Total income |
| M4  | 1.026 | 0                     | 0                   | 0                    | 0      | 0              | 0               | 341.01       |
| M7  | 1.001 | 0                     | 0                   | 0                    | 0      | 0              | 0               | 70.71        |
| M9  | 1.024 | 0                     | 0                   | 0                    | 0      | 0              | 206.68792       | 0            |
| M13 | 0.872 | 0                     | 3545.01             | 0                    | 58.57  | 2949.93        | 443.53668       | 0            |
| M15 | 0.945 | 0                     | 2797.38             | 0                    | 136.55 | 6032.79        | 188.24          | 0            |
| M18 | 1.021 | 0                     | 0                   | 0                    | 0      | 0              | 0               | 438.75       |
| M20 | 1.003 | 0                     | 0                   | 0                    | 0      | 0              | 0               | 443.95       |

## 5. Conclusion

This study set out to measure SBM of efficiency in DEA. This differs from the CCR and BCC measures that are based on the relative reduction (development) of input (output) vectors and do not take account of slacks; the SBM contracts directly with input excess and output shortfall. As mentioned earlier, the SBM approach shows a sharp contrast to CCR, BCC and other measures proposed. The SBM contains such items as unit invariance with detail of slacks. The SBM model tries to find the maximum essential to meet efficiency, unlike the CCR model, which attempts to find the maximum ratio of fundamental output over fundamental input. The numerical results verified the compatibility of SBM with measurement for the potential applicability for practical purposes.

However, a non-radial approach Tone (2002) constructed using SBM recommended another model for ranking efficient DMUs. In this paper, run with standard SBM and Super SBM to classify efficient and inefficient DMUs, whilst the Super SBM is used for efficient DMUs only. Super SBM has clearly narrowed down the Slack projection seen in Appendix 2 (Table 3-8). Additionally, we applied an alternative two-stage process to see the change in slack projection by adding public funding as an input and the result shows an increased number of efficient scores in the slack projection. Finally, this approach of slack-based version of Super SBM and the SBM can work collaboratively. In order to reversed the sequence of optimizations, in which the slack-based version of Super SBM is run after SBM to determine the real projection and standard SBM score.

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**Appendix 1:**

| <b>DMU</b> | <b>Museum and Gallery</b>               |
|------------|-----------------------------------------|
| M1         | Bristol's Museums, Galleries & Archives |
| M2         | Hampshire County Council                |
| M3         | Leicester City Museums Service          |
| M4         | Norfolk Museums & Archaeology Service   |
| M5         | Sheffield Galleries & Museums Trust     |
| M6         | Tyne & Wear Museums                     |
| M7         | National Museums of Scotland            |
| M8         | Amgueddfa Cymru                         |
| M9         | British Museum                          |
| M10        | Imperial War Museum                     |
| M11        | Museum of London                        |
| M12        | National Gallery                        |
| M13        | National Maritime Museum                |
| M14        | National Museum of Science & Industry   |
| M15        | National Museums Liverpool              |
| M16        | National Portrait Gallery               |
| M17        | Natural History Museum                  |
| M18        | Royal Armouries                         |
| M19        | Tate                                    |
| M20        | Victoria and Albert Museum              |

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## High in Empowerment, Low in Moral Development - Why many people in empowering organisations are *not* empowered

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### Abstract

Most organisations (allegedly) 'empower' their employees. Empowerment is not only good for organisations, so it is claimed, but also for the individuals who are empowered. However, even in the "best" and "most well-intended" organisations things might not be quite like the theory or the founders' initial ideas and ideals suggest. Many observers are regularly puzzled by the phenomenon that many people in empowering organisations are *not* empowered because of empowerment. So far, there have been too little attempts to find explanations for this paradox. This paper focuses on specific behaviour of individuals / individual levels of moral development in order to interrogate some possible causes for this paradox.

**Keywords:** Empowerment, ethical behaviour, moral development.

### 1. Introduction

Empowerment is good for employees, so they say. It is good for their work, motivation and job satisfaction, needs, wants, self-esteem, aspirations and personal development (e.g. de Jong and van Witteloostuijn 2004, p. 54, Collier and Esteban 1999, p. 177, Doucouliagos 1995, pp. 58, 73). And it, of course, empowers them - so it is claimed. In return, this is also good for organisations. For example, in their empirical study on the influence of empowering leadership on employees' psychological empowerment, intrinsic motivation and creative process engagement, Zhang and Bartol (2010) found that these variables are positively related and feed positively into organisational performance. The bottom line is that there are "empowered people within empowering organisations" - and this is, allegedly, good and works for both.

However, even in the "best" and "most well-intended" organisations things might not be quite like the theory or the founders' initial ideas and ideals suggest. Many observers are regularly puzzled by the phenomenon that empowering organisations actually might be more controlling and oppressive than orthodox types of organisations (Brown et al. 2010, Clegg et al. 2006, Courpasson and Clegg 2006, Kirkpatrick et al. 2005, Kärreman and Alvesson 2004, Varman and Chakrabarti 2004, Akella 2003, Robertson and Swan 2003, Courpasson 2000, Jermier 1998, Jacques 1996, Barker 1993). For example, via the institutionalisation of teams and projects more indirect and informal, individualised and subjectivised forms of power and informal hierarchy, control and punishment are added to direct managerial line-control and abstract control-and-punishment systems.

'Reproduction of hierarchical structures' (Oberg and Walgenbach 2008), 'lack of participation' and 'oligarchisation' (Varman and Chakrabarti 2004), 'sibling-like rivalry' and 'nepotism' (Casey 1999) all point into the same direction; they suggest that disproportional empowerment seem to be not the exception but the rule (also) in post-modern organisations. Very often, *empowering people does not empower people*. Even worse; empowering people empowers only *some*, whereas it dis-empowers many others. The question is: how come? How come that, when people are being empowered, the outcome (for most) is less empowerment?

There has been *some* identification, description and analysis of such downsides and shortcomings of empowering organisations. For example, there has been some research - though probably not enough - into the emergence of informal hierarchy in hybrid and network organisations (Oberg and Walgenbach 2008, Schwarz 2006, Ekbia and Kling 2005, Nelson 2001) as well as some analysis of formal and informal (network) organisations (Rank 2008, Guimerà et al. 2006). And there has been quite some interrogation of indirect, individualised and subjectivised forms of power and control in post-modern work environments (Clegg et al. 2006, Courpasson and Clegg 2006, Kirkpatrick et al. 2005, Kärreman and Alvesson 2004).

Nonetheless, too often, the analysis remains at functional levels and strangely abstract, almost unreal. So far, there have been too little attempts to find (further) *explanations* for the paradox that people in empowering organisations are *not* empowered because of empowerment. Even worse, empowered people use their (new) power not, or not only, for good purposes and for the best of the organisation.

Thus, this conceptional paper will focus on individual behaviour and levels of moral development (Kohlberg 1973, 1976) in order to interrogate some possible causes for the paradox that empowering organisations may not

empower most of their employees. With this focus on individuals / line of argument based on methodological individualism this paper closes a gap that more functionalistic or abstract approaches usually have.

### Concept of empowerment and myths about empowered people

The notion of *empowerment* as an explicit concept has been around in management and organisation studies since the 1970ies (Lorinkova and 2017, Pratto 2016, Francescato and Aber 2015, Cattaneo et al. 2014, Chen et al. 2014, Maynard et al. 2012, Zhang / Bartol 2010, Greasley et al. 2005, Seibert et al. 2004, Perkins and Zimmerman 1995, Trevino 1986). Empowerment can be understood as 'delegation of authority to the lowest level in an organization where a competent decision can be made' (Seibert et al. 2004, p. 332) so that employees have 'the authority to make and implement their own decisions' (Greasley et al. 2005, p. 355). This means that empowerment addresses at the same time (organisational) structures and processes on the one hand, and the actors involved on the other hand.

There are quite some differences in how far organisations actually realise ideas like empowerment and participation. At the one end of the spectrum there are mere 'technical', if not cynical concepts of empowerment which are mainly meant to give employees the *feeling* of being empowered. At the other end of the spectrum there are 'fundamental' concepts of egalitarian-democratic communities which give people *actual* ownership and control in the workplace and (shall) enable them to rule themselves (e.g. Bevir 2006, p. 430, Rothschild 1999, p. 596, Rosen 1984, p. 312, Rothschild-Whitt 1979).

For the purpose of this paper it is not needed to distinguish between these different forms or intensities. Empowerment is here simply understood in the most general sense that (some) 'decisions are made by those who implement them' (Collier and Esteban 1999, p. 177). Following such a very general understanding, one can say that all non-bureaucratic / non-totalitarian organisations empower to some extent because their members do not solely have to follow rules or orders.

However, although the concept of empowerment is about empowering individuals it often remains largely abstract and focuses more on organisational structures and processes than individual mindsets, attitudes and behaviour. As a consequence, concepts of empowerment can be quite naïve in what they assume (or hope) with regard to empowered individuals. I call such implicit assumptions 'myths'. Main ones are:

- Myth 1: Good things are intended whereas bad things just happen.* There is a widely shared myth that 'good' organisations are deliberately designed and managed (with perhaps *some* emergent input, though) by 'good' managers (and other 'good' people) whereas the downsides seem to appear from nowhere; they just 'happen'. This, however, seems to be an incomplete range of possible explanations because it could also be that good things just happen and bad things are intended.
- Myth 2: Empowered people do good things.* There seems to be the assumption - or (naïve) hope - that whenever people are being empowered they will act predominantly at conventional, if not post-conventional stages of moral development (according to Kohlberg's taxonomy). And if they do not use 'automatically' the space for the best of themselves, others, and the organisation, appropriate training and personal development programmes will help them to reach these levels and act accordingly.
- Myth 3: People who (think that they) are especially ethical are better people and behave more ethically.* In every social system there are people who have reached (the) high(est) levels of moral development and act very ethical - or they *think* they do. In this sense, there can be larger differences between self-image and other-image, different understandings of "ethical behaviour" and the problem of truthfulness or verisimilitude. People's idea (of being ethical) and actual conduct (of ethical behaviour) are not necessarily identical or even similar.

Those three myths have made it very difficult to see that there are actual people responsible for the paradoxical phenomenon that empowerment is not empowering and that empowering people does not equate to 'better people'. In the following, each of the three myths will be discussed in turn in some more detail.

## 2. Findings and analysis

*Myth 1: Good things are intended whereas bad things just happen.*

Life experience tells one that when things go wrong usually no one did it ("Success has many fathers, while failure is an orphan!"). Indeed, things can 'just happen'. Social processes and outcomes might emerge over time without anyone actually wanting them. For example, people's individual differences in style and intensity of

communication (e.g. more active 'doers' and more observant 'contemplators') can have quite an influence on the social fabric of an organisation. More active members begin to dominate (virtual) discussions, decentralised communication- and coordination-processes whereas more passive members apply a 'wait-and-see strategy'. Over time, members' individual behaviour manifests itself as social structures and routine processes. They develop more and more traditional roles and corresponding behaviour of (informal) superiority and subordination, domination and obedience to such a degree that (unwanted) informal hierarchical structures and patterns of social dominance emerge.

People, including those who set up and run organisations, often underestimate the steady force of the factual, i.e. how, for example, daily communication and routines – despite best intentions - can have opposite effects. Over a shorter or longer period of time, individual attitudes and behaviour can form patterns of dominance and subordination which go against the spirit of power- and hierarchy-free discourses, decision-making and empowerment.

However, social processes are also the outcome of more conscious factors. Many organisational issues, such as decision-making processes, formulation of policies, change management initiatives, the management and maintenance of organisational structures and processes are often understood as "political" (Palgi 2006a, 2006b, Varman and Chakrabarti 2004, Stohl and Cheney 2001, Cheney 1995). Particularly more active and / or ambitious members with a power-oriented, competitive or political mindset usually are quite keen to get their agendas through, to influence, even dominate communication, discussions and decisions. They, therefore, will use quite a range of deliberate tactics and a combination of formal as well as informal channels for the pursuit of their individual or group interests.

For example, when Vredenburg and Brender (1998) investigated managers' hierarchical (opportunities to) abuse of power they talked about '*decision to abuse power*' (1337, italics added). A key element of their comprehensive model of the hierarchical abuse of power was 'powerholders' motives / powerholders' attributes' and they came to the conclusion (ibid., p. 1340): 'The distinction between a legitimate, ineffective use and a nonlegitimate, abusive use is a perceptual attribution of intent or motive.'

This is crucial. Whether it is more psychopathological aspects and / or an over many years 'professionally developed' Machiavellianism; 'decision to abuse', 'intent' and 'motive' indicate that there is leeway for people to behave so and so - or otherwise. People have always room for discretion - and they make use of it consciously or unconsciously, with at least some knowledge or imagination concerning possible consequences. Hence, in the sense of methodological individualism there is always individual freedom.

And where is individual freedom, there is individual responsibility and accountability. Usually, (most) people are responsible for what they do (exceptions would be only insanity, other mental disorders or situative factors reducing people's ability fully or partly to make free and conscious decisions, e.g. strong influence of drugs, physical or psychological pressure or other reasons which are regularly acknowledged in a developed legal system as seriously limiting people's free will). People are responsible for (the pursuit of) their interests, how they interpret, shape and develop their identities, which norms and values they adhere to, and which decisions and social actions they may or may not take based on some knowledge, at least imagination of possible consequences. Thus, *individual freedom means individual responsibility and accountability with necessity*.

### ***Myth 2: Empowered people do good things***

Perhaps especially amongst more 'progressive' people there is a deeply shared belief that people will do good things (and will be good) as soon as they are not trapped anymore in old bureaucratic and oppressive regimes. If social systems such as organisations empower, people will act predominantly at conventional, if not post-conventional stages of moral development (according to Kohlberg's taxonomy - Krebs and Denton 2005, Rahim et al. 1999, Crain 1985, Kohlberg and Wasserman 1980, Kohlberg and Hersch 1977, Kohlberg 1976, 1973, Trevino 1986. For criticism of Kohlberg's model see, for example, Barraquier 2011, De Cremer et al. 2011).

It is assumed that in un-orthodox, empowering organisations there are even more people with higher levels of moral development because such individuals self-select such organisations with corporate images of 'high moral character' (Verbos et al. 2007, p. 26).

Nevertheless, the organisational reality may look rather different. Many managers, leaders and other active members of an organisation demonstrate organisational misbehaviour and behave immorally on a regular basis (Maibom 2005, Vredenburg and Brender 1998, Rayburn and Rayburn 1996, Ashforth 1994, Bassman and London 1993). Especially the immoral behaviour of '*careerists*' (Vickers and Kouzmin 2001), and '*organisational psychopaths*' (Boddy 2006) seems to be quite a common feature of organisations. One of the bigger problems of organisations, of any social system, is the calculative and mendacious mindsets of those more aspirational and



active members who largely act at pre-conventional levels of moral development. In so doing, they empower themselves, but dis-empower everyone else. This is especially a problem of un-orthodox types of organisations. Their (formal) rules and regulations, which might reduce such behaviour at least to some extent, are not as comprehensive and robust as the ones of bureaucratic organisations (though the latter produce other forms of misbehaviour).

Moreover, organisational misbehaviour is often difficult to detect. By its very nature, most of it is carried out secretly and shall be kept hidden. Since power- and achievement-oriented actors regard such actions as part of their political manoeuvring within the organisational context, they have an even greater interest to do so. And they usually have the experience and skills, as well as the resources and means, to pursue their immoral behaviour in secret.

At the same time, though, they use official rhetoric claiming that they are acting in the interests of the whole - whether this is 'the country', a people or an organisation (Deem and Brehony 2005, p. 230, Burns 1961, p. 260). It is in the very interest of careerists and psychopaths, who primarily pursue their own interests and agendas, that their decisions and actions are *not* regarded as driven by (self-) interest. This is one of the (cynical) strategies of the privileged and careerists; they claim that it is the common interest they 'serve', that their partial interests are good for the whole (Willmott 1996, p. 325). Most of the power-oriented actors are quite experienced and successful in pursuing their own egoistic interests for personal advancement or the fulfilment of egocentric needs while at the same time upholding the image of a "humble servant" of the country, the organisation or any other 'greater good'.

This suggests that behind such immoral behaviour is a good part of *mendacity* and *hypocrisy*. Against better knowledge, immoral leaders and managers often provide a very one-sided interpretation of situations (mendacity) while at the same time regularly fail to practice what they preach (hypocrisy). For example, while change leaders stress 'empowerment' and 'participation', 'teamwork', 'cooperation' and 'collegiality' as key elements of the new change initiative, they put pressure on colleagues and subordinates in order to get their change agenda through in the way they deem to be necessary (Musson and Duberley 2007, Ellis 1998). In this sense, it is not only the questionable actions of the careerists, organisational psychopaths, unethical leaders and elites which empower them, but also their cynical rhetoric of the empowerment of the people.

***Myth 3: People who (think that they) are explicitly ethical are better people / behave more ethically.***

Sometimes, people who are especially oriented towards 'higher' ethical values perceive the reality they are part of as 'wrong' and 'false'. And they judge most others equally since those seemingly just continue with their normal daily lives and do not do much to change the social reality - at least not in the way the 'ethical' person would like to see. In this case, the 'ethical' person is strongly convinced that he or she is almost the only one who can see all the flaws in the social fabric and the only one who cares about the ideals of achieving a better world. Everyone else is 'blind', mislead, and of lower ethical standards. Little wonder then that this might be seen by many as arrogance and impertinence.

The 'ethical' person, thus, increasingly will meet resistance - even when initially there perhaps was not any. Over time, he or she becomes more and more of the opinion that he or she has to fight those who are seemingly responsible for the 'wrong' and 'false' reality. Since those are usually not convinced by the 'ethical' person's views, a spiral of increasingly stronger attacks and counter-attacks will emerge - with both sides becoming even more convinced about the righteousness of their views and course. The 'ethical' person will use more and more 'pragmatic' tactics to fight 'the system'. This means that there will be (even) more differences between their words and deeds, the values they claim to represent and their actual actions. Truthfulness and verisimilitude become more and more of an issue; even more empathetic observers will start to see such persons as hypocrites and mendacious.

However, the 'ethical' person will see it differently; he or she will be of the opinion that they are forced to retreat to such tactics and that they use 'unethical' tactical manoeuvres for the sake of the higher goals they want to achieve. They rationalise the questionable nature of their actual worldviews and deeds with the notion that "the end justifies the means"). In contrast to the common organisational psychopath, who actually knows that he or she behaves 'unethically' in order to pursue their individual or group interests, the 'ethical' person or activist often thinks that he or she lives up to the values they represent and want to realise. Thus, the differences between self-image and other-image widen, on the side of the 'ethical' person there can be whole or partial loss of reality.

Nonetheless, the 'ethical' person still, or even increasingly, believes that he or she is the only one who could correct what is wrong. He or she, therefore, needs to steer things. And for this, he or she has to win the fight and win over others - even if they are not able to understand and willing to accept this. In this sense, the 'ethical' person

actually develops back to pre-conventional levels of moral development where social relationships and interaction are largely seen as social-darwinistic and primarily as instrumental for the pursuit of his or her individual advantages (Crain 1985, Kohlberg 1973). The pursuit of their own individual interests, often reduced to sheer egoism and egocentrism, combined with some ruthlessness stemming from the conviction of the righteousness of their course, make those actors powerful - powerful egomaniacs.

All in all, there are many decent ethical people who truly try to live up to the values they represent. But there can be also those who have lost direction without realising it and who have descended along the lines described above; from impertinent arrogance and hypocrisy to a distorted self-image and a ruthless egomaniac. The 'ethical' person is anything else but a 'better' person.

Very often, one can find such 'unethical ethical persons' especially amongst the more active and ambitious, empowered and powerful members of social systems. This problem is even greater in un-orthodox organisations since there are less (formal) rules and regulations. Here, people's behaviour is even more driven by ethical principles, moral values and personal beliefs - for better or worse. And the multi-dimensional and fluid conditions of un-orthodox organisations provide almost perfect conditions for such people to manoeuvre, to strive and to survive. Over time, the organisational structures and processes of empowering organisations, which could enable conventional and even post-conventional levels of moral conduct, can be hijacked by people with pre-conventional levels of moral development.

### 3. Conclusions and future research

If someone believes in the idea of empowerment (or similar, equally 'ethical' ideas such as freedom, justice, equality or the like) one might be regularly disappointed - especially when more or less serious attempts to realise and practice such ideals fail - and often they fail (Harley 1999).

There can be many reasons for this. This paper focused on the individual - and particularly on the moral dimension of a certain type of 'ethical' people and their behaviour within empowering organisations. According to Alzola (2008, p. 354) 'the main lesson virtue ethicists should take from experimental psychology is that human beings are morally weak, especially when confronted with a resolute authority, a unanimous group, which sees the world in a very different way than they do, or an intense situation that elicits 'counter-dispositional' behaviors.' This is true - as the Milgram experiments and the history of totalitarian regimes has shown time and again. But what perhaps so far has not been considered equally comprehensively is that human beings can be also morally weak in the face of poorly defined situations, i.e. social situations which leave a lot of room for interpretation and manoeuvring. For example, formally less strict organisational environments like empowering organisations often provide such space. This is where the three myths point at.

- The discussion of myth 1 ('Good things are intended whereas bad things just happen') highlighted the need for *methodological individualism*. In the face of ever more complex systems, multi-dimensional and intertwined processes and their increasingly abstract analysis it makes sense to (also) focus on *concrete* individuals, to look at their actual behaviour and to which extent they are responsible and can be held accountable.
- Myth 2 ('Empowered people do good things') revealed that in un-orthodox, empowering organisations there can be organisational psychopaths who largely act at pre-conventional levels of moral development. However, since empowering organisations are even more value-oriented than orthodox organisations, such immoral behaviour is even more covered-up with rhetoric about ethical values. Hence, in the face of mendacity and hypocrisy a *moral evaluation* is needed.
- And finally, an analysis of myth 3 ('People who (think that they) are especially ethical are better people and behave more ethically') showed that certain 'ethical' persons can be quite unethical. This type shows impertinent arrogance and mendaciousness, distorted self-images and egomaniacal ruthlessness. Worse, organisational structures and processes, discourses and initiatives of empowerment are often hijacked by people with such pre-conventional levels of moral development. This means that *moral action* is needed against such people and developments.

Methodological individualism, moral evaluation and moral action can be seen as parts of the same problem; the problem how to a) identify, b) judge and c) dis-empower those who talk much about ethics but behave unethically. This is a very key and fundamental issue for any social system, and especially for attempts to initiate and maintain alternative, 'better' ways of living and working together. In this case, the problem is even greater since it is about to take measures against people showing pre-conventional levels of moral behaviour and at the same time while handling those people avoiding to compromise the founding ethical principles of the social system. Here this paper could only raise the awareness for this problem.

And, of course, more dimensions need to be taken into account. Individual freedom and moral development

alone cannot explain unethical misbehaviour. For human conduct in general, and the morality of human decision-making and behaviour in particular, the situational context and institutions represent a range of key influential variables (Moore 2008, Trevino 1986). For example, *organisations* provide the situative and institutional framework for individual behaviour; they 'structurally constitute the situations in which individual agents have to operate and make choices' (Soares 2003, p. 144). It therefore is also needed to investigate the moral relevance of the institutional and situational context and how these interact with the individual actors and their moral conduct and development (Alzola 2007, Trevino 1986).

For achieving and maintaining alternative types of organisations which truly empower (all of) their members we do not need the most 'ethical' people who allegedly have reached a post-conventional level of moral development. Actually, it requires less - but these two requirements are necessary preconditions; it needs individuals who have reached at least conventional stages of moral development *and* institutional arrangements which can cope with people who show pre-conventional stages of moral development (but claim otherwise).

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# From Memories to Memorial: Healing Grief through Moving Image Creation

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## **Abstract**

Mourning is a period of our life that affects us deeply, and could be very traumatic in some cases. Art has been and still is a great way to express non-verbally our deeper feelings, finding meaning to our condition and in the case of mourning, our loss. Photography and Moving images are both medium that have a strong connection with death by embalming time, they can also be used as tools to ease the pain during mourning, and to move forward in our life. This study summarizes first some basic psychology concepts about bereavement and art therapy before focusing on the use of moving images as a healing tool for grief. This study compared the creation of moving images as a tool for healing grief both in art therapy and as a creative process by practitioners who experienced grief. The last part is a case study based on the author's own experience with dealing with grief through the making of an animation in memory of his lost partner. Through the case study, the author explores the process of making the animation and its positive effect on his grief.

**Keywords:** Bereavement, Moving Image Therapy, Grief Work, Animation, Video

## **1. Introduction**

"How can I move on?" Confronted with the death of a loved one, this is one of the questions we asked ourselves the most. While culture and religion have a strong impact on how we perceive death and how we accept it, art, through painting or music has also been a traditional way to express and catalyze the pain of losing someone we love. The advance of psychology in the XXth century raised some questions about grief as a symptom, and its best therapy, a differentiation was made between "normal" grief and "acute" grief that required treatment.

Last year I lost my partner after a 4-month fight with cancer, she was 30 years old. This unfortunate event drained me and pushed me to consider different methods for healing my grief. Dealing with a considerable amount of photographs, messages, videos of her taken during all the years she was alive, I questioned myself if I should erase everything to move on or on the contrary trying to create a sort of monument to help me accept her death and live with it. I decided to choose the second option, by doing an animation project, dedicated to her. Teaching video, photography and motion graphics, I am used to animating photographs or another type of content. I felt that this project could help me turn the page, but later I started to question my choices, would it really help me get over her death? Am I not doing the opposite, becoming obsessed, and then prolonging the mourning period?

Art therapy, a recent branch of Psychology, is commonly used for healing patients from acute grief by letting them express themselves through art or through exposure to it. Moving images, like animation or filmmaking, while being a perfect tool to tell stories, requires a certain level of pre-production and preparation, making it more technical than other medium to therapists who often prefer a more direct medium with their patient. On the other hand, with digital video and photography more accessible, many therapists start using moving images as a treatment for grief. Grief can also be explored by the bereaved, without the help of a therapist, as we will see by simply involving himself or herself in a moving image project on the condition that the bereaved doesn't suffer from complicated grief. For this reason, it is important to understand what is grief, and its theories through the XXth century, as well as comparing art therapy with a more individual approach to the use of moving images for healing grief.

## **2. Bereavement theory & Art Therapy**

### **2.1 Bereavement theory**

While death is inevitable, so is bereavement. It is a natural process observed by all mankind and it makes us realize that our own existence is fragile. The level of grief we experience depends on the relationship we have with the deceased, the way he or she left us and its age. Religion has been a motor previously to heal and give an explanation to the bereaved. But we have to wait the 20th century with the advance of psychoanalysis to tackle bereavement Therapy. As Sigmund Freud mentions it in *Mourning and Melancholia* (Freud, 1917), mourning is a natural phenomenon, it eases with time and is non-pathological. He differentiates it with melancholia, which also has the same symptom (the death of a loved one) but is more severe and requires a proper treatment. A person suffering from melancholia according to Freud is more vulnerable because he lost his self-esteem, his

ego is replaced by the person he lost. Melancholia is technically a self-depreciation where the ego of the bereaved has been replaced by the "love-object" or the deceased person, whereas mourning is more a depreciation of the world, where the bereaved is still conscious of what he lost but his ego remains intact. Lack of hunger, sleeplessness, detachment are signs of melancholia which in worst cases can lead to suicide, therefore the need for treatment according to Freud.

Freud defines a period of 3 to 12 weeks (acute grief) for the bereaved to acknowledge the loss and a period of 1-2 years (mourning) where progressively the bereaved moved on to a standard state of mind (Lister, Pushkar, Connolly, 2008) similar to a pre-bereavement. One of the key ideas of Freudian theory is that the bereaved must confronts his loss and that he needs to give up all attachments of the deceased in order to become "normal" again. Freud also differentiates pathological mourning (melancholia) from normal mourning in a sense that only the pathological one needs a therapy. In his opinion, it would be counterproductive or even dangerous to treat someone who is passing through a "conventional" mourning (Freud, 1917).

Freud was very influential on other theories on the second half of the XXth century, such as the "stage model" which base is that grief follows a strict pattern of stages that a bereaved person will encounter before becoming "normal" again. For instance, Elisabeth Kubler-Ross defined 5 stages for a successful grief work: shock and denial, anger, bargaining, depression, and acceptance (Kubler-Ross, 1969), which became a standard later for therapists to help patients suffering too much from their bereavement. However, for the last 30 years, the Freudian vision of grief and the later stage models have been challenged by scholars and therapists (Lister, Pushkar, and Connolly, 2008), revealing that grief is a much more complex process.

## 2.2 Recent Approaches on Bereavement

While the Freudian theory has been really influential on grasping how bereavement functions, new theories developed in the last 20 years shows a new way of both interpreting grief and help the patient heals from it. The Dual-Process approach, for instance, differentiates two types of stressors that affect the bereaved, "loss-orientation" and "restoration orientation". The "loss-orientation" stressor is basically the focus of the bereaved on the deceased, on grief work, while the "restoration-orientation" is trying to avoid grief, for instance avoiding movies that talks about cancer, or places that could trigger grief, reminding the deceased. For Stroebe and Shut, bereavement is a constant oscillation between these 2 stressors rather than a linear collection of stages (Lister, Pushkar and Connolly, 2008). The "restoration-orientation" stressor is pushing the bereaved to deal with secondary losses, replacing what the deceased was doing in the relationship with the bereaved, for example cooking, or taking care of finances. According to Stroebe and Shut, a healthy grieving is when the bereaved oscillates between these 2 stressors. This oscillation allows the bereaved to find a meaning to his mourning over time. (Stroebe and Schut, 2001)

A constructivist approach developed by Neimeyer explains that why most bereaved will cope with their loss after the second year of grieving, certain people experienced complicated grief, where for instance the deceased died violently. Complicated grief can be helped following a meaning-reconstruction model, helping the bereaved find a meaning to his/her loss (Lister, Pushkar and Connolly, 2008). The bereaved, while actively participating in grieving and not being passive can rewrite/revisit his/her self-narrative by *assimilating* the loss, following a pre-mourning narrative or *accommodating* the loss by for instance trying to see the positive side of mourning, exploiting their new sensitivity (Neimeyer, Burke, Mackay and Van Dyke Stringer, 2010). In one instance, a therapist re-explores the funeral pictures of a bereaved mother who lost her child during pregnancy. This catharsis helps her revisit her trauma from an outside perspective, helping her giving a meaning to her grief. (Neimeyer, Burke, Mackay and Van Dyke Stringer, 2010).

Another form of therapy is used more and more often for helping bereaved persons, relying on a self-expression using painting, sculpture, music, drawing, performing arts and as we will see later, moving images: art therapy

## 2.3 Art Therapy for Bereavement

Art therapy has often been used as an accompaniment to psychotherapy. Compared to a classic therapy, art therapy doesn't rely on a conversation only to communicate thoughts with the patients, it uses the full spectrum of art and other creative practices as a form of treatment (Malchiodi, 2003). Drawing, for instance, was used by Christopher, a child whose mom committed suicide, to symbolically represent her death, allowing him to release part of his grief (Rubin, 2010). Art therapy also relies also on a non-linear approach seen above to grief work through for instance balancing the loss orientation stressors with activities that emphasize joyful memories (Lister, Pushkar and Connolly, 2008).

Art therapy doesn't really rely on technical artistic skills, but more on expression. The purpose of doing the artwork is not for art's sake but for therapy, for healing the patient. This form of therapy is limited by the art technical skills of the patients or the therapist. For instance, if it is easy to draw a doodle for a patient, it requires more skills and training to direct a video or complete an animation. This is the reason why video or animation is not the first medium of choice for the therapists, but as we will see later is perhaps one of the most interesting

way to reach the bereaved, as this media is designed for storytelling, giving a chance for the bereaved to be in control of his own narrative.

#### 2.4 Video, Animation and other Moving Image techniques as Art Therapy

One of the key difference between commercial moving image making (video, animation, feature film, documentary, etc..) and moving image therapy is that the latest is about healing the patient. Also as it is a therapy, it is designed to be kept private, only between the patient and the therapist, unless the patient decides otherwise. (Cohen and Johnson, 2015). While storytelling is one of the moving images of filmmaking, a moving image therapy will focus on the processes of creation as a form of therapy rather than a focus on creating a meaningful product for a large audience. The audience is the therapist and the patient the creator, who later will reflect on his own work, finding meaning with the help of the therapists.

In the case of acute grief, moving image seems to be a strong medium of choice. For instance, the "play, stop and eject" method designed by B. McIntyre and J. Hogwood seems pretty efficient in the case of bereaved children who witness the death of someone really close. Their method consists of asking the children to replay the death of their loved one in their mind and then draw it on paper, like a storyboard. By revisiting the event, frame by frame, the children progressively gain control of the narrative. The drawings are then put together like a roll of film and then given to the children, leaving them the choice to do whatever they want to do with it<sup>1</sup> (McIntyre and Hogwood, 2006). While this method is related to moving images mostly on the preproduction stage (storyboard), it still uses video as a metaphor, calling the sequence of drawings "film" and using video tape analogy (play, stop and eject).

While animation or video seems quite technical from outside, it is now easier and more accessible with the advance of digital technology. For instance, with 'Re-Animation Approach'<sup>2</sup>, Animation therapy, a UK company, provides training to therapists on using stop-motion technique with their patients. Their belief is that animation facilitates the expression of complex ideas and the development of stories with the use for instance of puppets, their inner world (Mason, 2011). On the other hand, this company exists because stop motion requires a minimum of training, the particularity of this company is to merge the animation industry specialists with the art therapists, to allow the patients to have more tools to control their narrative. Animation, like film making, is combining different media and techniques like storytelling, sound recording, photography, acting. Integrative Approaches to art therapy, such as animation, gives a more creative tool to the patient to communicate with his therapist (Choo, 2015). As it doesn't need to rely on reality, animation allows the patient to tap more on his imagination, using symbols, for instance, making it a medium of choice for treating children and adolescent. In my personal case, as we will see later, I chose animation because of my desire to give life to the photographs I took from my girlfriend, also allowing me to do collage and using symbolism to represent her death.

Videotherapy is also a cathartic tool used by therapists, for instance, the Ma'aleh School of TV, Film and the Arts in Israel has a videotherapy department where they trained therapists and filmmakers to use videotherapy to help various type of traumas, including bereaved families. Focusing on storytelling, videotherapy helps the bereaved giving a meaning to their grief by re-editing the narrative, by being exposed to the trauma again, a form of catharsis. As video production often requires to work with others, it also forces the patient to open to others, to seek for help and communicate with his partners. (Siegel-Itzkovich, 2016).

While art therapy requires the service of a therapist and focus mostly on healing rather than on the final art piece, it is a very effective therapy for patients suffering from acute grief. Moving images while requiring more expertise, experience and time, has been proven to help therapists reach their patient, let them be in control of their trauma.

But is there another way to control our own trauma? Do we really need a therapist to guide us, if we do not suffer from acute grief? As we will see now, art, photography and moving images have been used as a medium by artists, filmmakers even video game maker as a catharsis for their grief, through creating a sort of monument dedicated to the one they lost.

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<sup>1</sup> As a final guideline for the therapists, McIntyre and Hogwood advice:

"Step 4: Then ask each child to roll their film up and place an elastic band around it. State very clearly that they have now pressed the eject button, and are now in charge of their video. They can choose to show their film to others who they want to know what happened, and their understanding of it. This film is now no longer in charge of them; they can choose when to rent it out and when to press the play button."

The final advice shows a strong connection to the idea of controlling the narrative and not the narrative controlling the patient, even in a symbolic way.

<sup>2</sup> <http://animationtherapy.co.uk/>

### 3. From memories to memorial: Some examples of moving image creations by bereaved

#### 3.1 Exhibiting grief through photography

While photography in a sense is the opposite of moving image, it is also one of its components. Photography has this ambivalence of freezing time, of preserving the moment even when it is gone already, or as Roland Barthes would say "Life / Death: the paradigm is reduced to a simple click, the one separating the initial pose from the final print" (Barthes, 2015). Noboyushi Araki, a Japanese photographer whose body of work combines sexuality and death, even compares photography with the act of murdering<sup>3</sup>(Araki, 2002). Perhaps it is going a bit too far but photography in a sense as a strong link with the concept of preservation, it mummifies time and space which painting can only represent (Bazin, 1960).

Moving images, on the other hand, are composed of series of still frames, and in the case of movies, photographs. While playing at a certain speed, the illusion of movement is (re)created, making moving image a medium closer to life than death. Film records time, while photography freezes a specific moment, a glimpse of time. In Asia, photographs of the deceased (when he/she was alive) are often used for funerals and are kept on a shelf where offerings are given (in the case of Thailand where I currently reside). The photograph is not just a representation of the deceased, it is the deceased. With a medium with death within its essence, how can photographers use it as a healing method for grief?

In 2006, Annie Leibovitz' *A photographer's life 1990-2015* exhibition opened in New York, mixing her commercial work with her intimate photographs, and in particular a photograph she took from Susan Sontag on her deathbed. While many reviews felt a bit uncomfortable with the juxtaposition of these celebrities pictures with more personal photographs of Leibovitz' lover, including a photograph of her body, Leibovitz explained that this book and exhibition helped her to go through the grieving process (Wilson, 2012). One of the first processes she did was to create a small book with a selection of photographs, to be given to people during Susan's memorial service (Leibovitz, 2006), this perhaps was the first step to the book she will publish 2 years later. By selecting, editing, arranging the photographs in a certain order, Leibovitz was giving a meaning to Susan's disappearance as well as building a form of a memorial of her relationship with her.

Noboyushi Araki is another photographer who documented the cancer, the death and funeral of his wife. In *Sentimental Journey*, Araki shows his daily life with his wife, their honeymoon, some very intimate pictures, even their sexual intercourses. When his wife has cancer in the 1990s, he continues his documenting of her treatment until her death. Every picture has an amateur feeling because of the date are printed on the photographs. Araki was not doing an art project, he was just compulsively documenting what was happening in front of him. Shooting the deceased before and after death offered the photographer some sort of shield, protected behind the lens of his camera, by creating some sort of distance with the events happening in front of him (Lim, M. 2015). In the case of Araki, photographing death is an assertion of being alive, pressing the shutter is like breathing: "You have to go on photographing the moments of life; you have to go on living. For me, taking photos is life itself"(Araki, 2002). While being behind the camera protects from direct contact with death, it is during the editing process that Araki is doing is grief work. In 1991, he reedited *a sentimental journey* to include the picture of his wife passing (figure 1 & 2), publishing a book called *Sentimental Journey/Winter Journey*. y rewriting the narrative, to include his dead wife in his previous work, Araki was building a tribute, a memorial to her memories and how she influenced him on his later work.

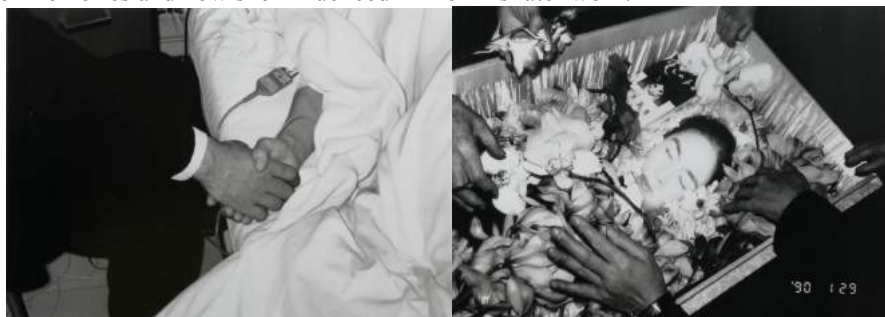


**Figure 1** Araki's wife, Yōko, on her deathbed in a *Sentimal Journey/Winter Journey*

**Figure 2** Yōko's funeral in a *Sentimal Journey/Winter Journey*

In the case of Araki and Leibovitz, the "grief work" is happening during the editing, the selection and the building of the book or the exhibition, not when the pictures were taken. Putting these pictures together through editing, helps the photographers reconstructing the narrative around these silver based memories (Wilson,

<sup>3</sup> "Black and White photos represent death. To take a photo is to kill the subject."

2012). The exposure to the public of what our society considered to be a private matter might be an issue to some people but it helps the photographer to externalize his/her grief.

### 3.2 Video, death, and searching for meaning

While movies that deals with grief are really common<sup>4</sup> (Izod and Dovalis, 2015), only a few are memorials, films representing the grief or the events lived by the director himself. The reason is mostly economic: grief is still a personal subject and not a very attractive subject for big production. Also, Filmmaking is a collaborative form of projects, compared to photography, which is more personal, it is, therefore, more difficult to create a project about the grief of the director.

In Video Art, on the other hand, death is commonly represented by the artists and sometimes explored in a very intimate fashion. For instance, Bill Viola's *The Passing : In memory of Wynne Lee Viola* (Viola, 1991), explores birth, life and death in a 54 minutes video installation. While Viola was shooting in the desert, his father told him that his mother was dying, he came back and shoot some footages of her as well as record her breathing (Rifkin, 2007). In *The Passing*, Viola mixed the narrative of his mother dying with images of a child birth. This project shows a strong illustration of an artist to give a meaning to the death of a loved one, in the case of Viola, that death and life are connected (Wilson, 2012).

Another video installation tackles grief in a frontal way, Sophie Calle's *Pas pu saisir la mort* (Couldn't capture Death). Like Bill Viola, Sophie Calle shot video of her mom being aware that she had only one month to live. Her mother was aware of what her daughter was doing and actively participated and supported her daughter in this process. *Pas Pu saisir la mort* was exhibited first at the Venice Biennale 2007. The installation was using 2 different rooms, the first room contains a painting of her mom and some texts that explain her project, talks about her conversation with her mom about the installation. The second room contains a 11 minutes long video of her mom on her deathbed, her last moments recorded, from living to dying. On the wall, texts and articles describe the last days of her life. The process of making this video installation distracted Sophie Calle so much, creating distance with the grief that it was only after she installed the work that she realized that it was all about her mother and that the tears came (Wilson, 2012). *Pas pu saisir la mort* is really in a sense a monument dedicated to her mother, offering the artist a meaning to her loss, and a better understanding of the deceased, as well as sharing her experience with the audience, easing her pain in the process.

### 3.3 Controlling the narrative, relieving grief through video game creation

Another powerful medium in term of audience participation is video games. Incorporating techniques from moving images, such as the use of sound design, animation, video, video game is an interactive medium leaving the audience a bit of control on the narrative, leaving them choices and decision. Similar to filmmaking, making video games requires a strong collaboration between the game designer, the coders, the artists, making it difficult to be an individual project. Indie Games using fewer resources and staff are showing more personality, and in some case could be very personal, based on the life of one of its creator. This is the case of *That Dragon, Cancer* (Numinous Games, 2016): "A journey of hope in the shadow of death. An immersive narrative videogame that retells Joel Green's 4-year fight against cancer through about two hours of poetic, imaginative gameplay that explores faith, hope and love."<sup>5</sup> While the creators of the games, Ryan Green and his wife Amy, designed this game in the beginning to support their child who was diagnosed with a terminal brain cancer. They wanted to show the emotional experience of dealing with a child who has little chance of surviving, but their kid died while the game was still in production, giving *That Dragon, Cancer* a darker tone. For Instance, scenes showing the decisions parents have to do in the hospital are mixed with more surreal scenes of Joel flying with balloons avoiding cancer cells (figure 3).

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<sup>4</sup> Many of these films are also used as filmtherapy, reliving the death and the grieving on the characters in the movies can be lived as a form of catharsis.

<sup>5</sup> Description of the game on the game's website: [www.cancerthisdragon.com](http://www.cancerthisdragon.com)





**Figure 3** A frame from *That Dragon, Cancer* where Joel is trying to escape cancer cells

The process to make this game was very intense for everyone involved on the project, financially and emotionally as the authors had to represent what they have been through, also using voice recordings of Joel and later as he passed away, the voice of one of his brother. Ryan and Amy use they own voice and are major characters in the game. All the characters are very minimal in term of design, using a low polygon look (the characters have no mouth or no eyes), the emotion comes more from the voice and the situation the characters are facing (figure 4). Ryan Green describes the process of making the game as “a labor of love”, an emotional process where “the hard work of memorializing him well was a very satisfying endeavor” (Aki, 2016). In the beginning, the couple were thinking to do a movie about their child or an installation but decided to choose video game instead, despite the amount of work and investment it requires, because of its impacts on the players, making them more involved with the narrative.

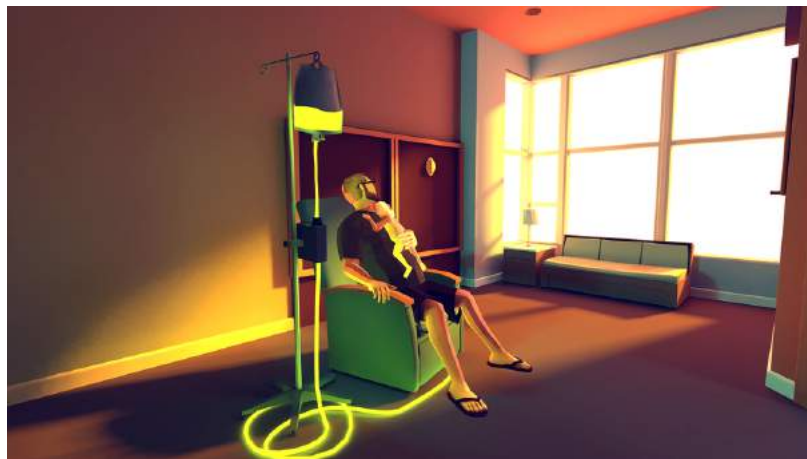


**Figure 4** A frame from *That Dragon, Cancer* where Ryan the father is trying to stop his child to cry

But the gameplay of *That Dragon, Cancer*, doesn't leave many choices to the audience, cancer kills Joel little by little, and at the end of the game, the only choice the gamer has, is to decide when to leave Joel alone, on a little island. When the player leaves, he moves on with the memories of Joel.

#### **4. Case study: Remembering Act**

##### **4.1 Introduction, why animation**

When Supaporn Kongkrajong (Act), my partner, was diagnosed with lymphoma cancer, I was more focus on her chances of survival than her chance of dying from cancer. While she was trying a new treatment, and her conditions seem stable, the doctor announced us that she had less than a week to live. The shock of the announcement cut me away from any potential creative work similar to Sophie Calle, Bill Viola or *That Dragon, Cancer*. It is a few months later that I felt that the need to create a creative project both as a memorial for her as much as a therapy for me, to learn to live with her loss.

I couldn't go back in time like Araki or Annie Leibovitz and shoot more picture of my girlfriend's ordeal. I took some photographs of her during her living and funeral, but not enough to make a significant book. I also had a few videos from her, from other projects I did, but nothing really usable for a short film. Therefore the idea of

using animation technique came to my mind, rather than animating from scratch, I thought that recycling all the visual memories I had from her (photographs, video, her handwriting, some of her possessions) would be an effective way to create a storyline about her and what she went through. By recreating our narrative, my belief was that it will help me to move on.

#### 4.2 Reorganizing the past, working with memories as material

I bought a sketchbook and started to print all the photographs I could find from her, from the hospital and from various moments together. I then reorganized them in different categories, a few pages of her time at the hospital (Figure 1), another one on her funeral, another page on her selfies she used to communicate her emotions with me on facebook messenger (Figure 2). This process, quite engaging emotionally, felt like a necessity for me, and a part of the grief work, despite all the complications and the traumas it involves. Indeed, by reorganizing the photographs, I was already brainstorming on the narrative I wanted to tell, it also helped me to spread the materials needed for my animation, without having to open a multitude of folders. One other element that is now accessible to artists are the social media activities of the deceased. While I didn't have access to her Facebook account, I manage to download 1000 pages of facebook messenger conversation, containing confidences, and back in context, early signs of her sickness.



Figure 5 Sketchbook, hospital pictures

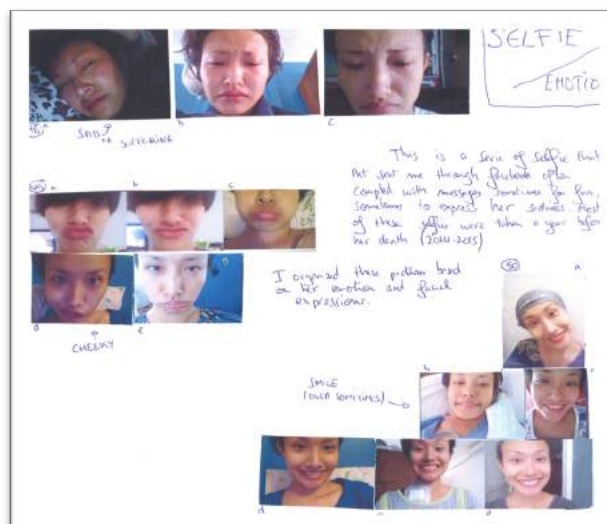


Figure 6 Sketchbook Act's Selfies

#### 4.3 Finding the narrative

Going through the sketchbook, I came up with a first animation concept: tell Act's story backward, starting with spreading her remains in Japan to the first time we met. The idea was to avoid a classic drama where the person died at the end, by doing the opposite, focusing on her rather than on her death. The animation concept was to show her struggle, her personality, and our relationship as well. I went through most of the life we shared together, identifying key moments that I wanted to tell, also connecting dots on insignificant events that make more sense after her passing. Story elements such as her death and the hospital which is the drive in the beginning of the story, progressively fade away while going back in time to our first encounter.

Just the act of writing this narrative on paper, to be able to rethink chronologically of the events, helped me achieving a control of the narrative. The photographs and the sketchbook, helped me to re-visualize some scenes I forgot, details that my memory repressed. Storyboarding in my head the storyline, also became a form of therapy, and I will learn later, a form of assimilation of the loss. This introspection, biographical work wouldn't have been possible if I didn't have in mind to actually create a memorial out of it.

#### 4.4 Animate = Resuscitate, animation techniques

Being a poor painter or illustrator myself, with more skills in photography, editing or motion graphics, I decided to use an approach based on painting over photographs, this method close to rotoscoping is one of the easiest approaches to teach animation to children for instance. Using photographs as a guideline is easier than drawing from scratch. When drawing over the same photographs several times and creating a loop animation out of it, the animator instills life in something that is still. The animation while based on photographs and not on a video gives some movement to a person that is not present on its reference. I felt that using this technique was a form of "reanimation", resuscitation giving life back to something that is gone. While photography is supposed to be a frozen moment or what Roland Barthes calls "Flat Death"<sup>6</sup> and video or film a recorded moment, then what is animation based on any of these 2 mediums? An alteration?

I started a few experiments using rotoscoping techniques such as tracing her photographs (figure 3) and rototyping techniques, digital painting over photographs with the software Studio Artist 4.

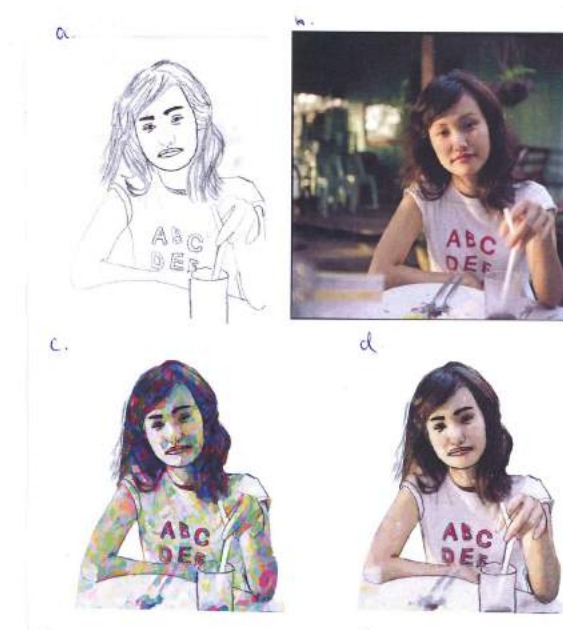


**Figure 7 Some pencil tracing experiment I did, the painting is done using Rotopainting with Studio Artist**

One of the bases for my animation experiments were photographs I shot with my phone. In some rare occasions, I had sometimes 20 pictures of her in the same location doing similar action as I rarely delete the rejects (figure 4). Similar to stop motion technique, when these photographs are played one after the other, they become alive. I did a small experiment (figure 5), where I painted over a series of 4 pictures that are animated, I also used photographs of paper cuts, her ID card, her death certificate and some other documents as texture. I found the result satisfactory and while it is a time-consuming technique, I intend later to use it for my final animation.

Another technique I explored is collage and motion graphics. On the first version of my animatic, a rough animation (figure 6), I used several pictures of her in the hospital, my trip to Japan, her funeral urn, that I deep-

<sup>6</sup> (Barthes, 1982). p.92

etch and placed into 3D space using Adobe After Effects. The animation here is from camera movement, in a similar fashion to motion graphics. I also used some of her MRI scans and animated them, resembling a Rorschach test, I incorporate them into the animatic.

While I am currently working on my animation, I completed a short memorial video for her 1st year anniversary (figure 7) using similar techniques (rotopainting and motion graphics) than my main project.



**Figure 8 - An example of series of photos used as stop motion technique**



**Figure 9 An Animation experiment using rotopaint technique on a series of portraits I took of her**



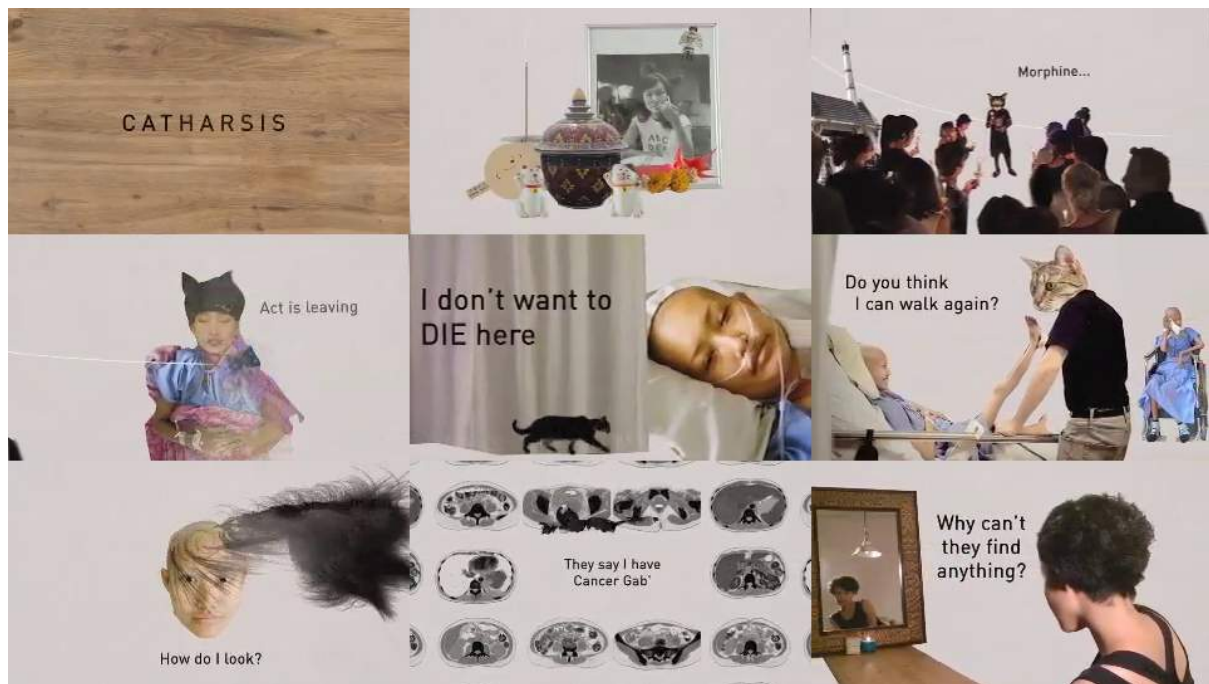


Figure 10 Still frames for the first version of my animatic: "Catharsis"



Figure 11 Still frames from her memorial video I did for her 1 year anniversary

#### 4.5 Lesson learned

I had several issues for this project, I felt that I focus too much on the technique rather than the narrative, I am currently rewriting the animation to include dialogues and voice-over rather than simply animated text. The new script includes an imaginary conversation, to comment our memories and to trigger the narrative. I will then illustrate the conversation, by animating the photographs and other records I have from her. In a certain way, creating an imaginary conversation is definitely a form of rewriting the narrative, taking control of it. As Judith Butler mentions about mourning Derrida: "The act of mourning thus a continued way of "speaking to" the other who is gone, even though the other is gone, precisely because that other is gone" (Butler, cited in Wilson 2012).



## 5. Conclusion

While mourning is an individual process, which is lived in very different ways depending on our relation to the departed and how he/she left our world, it can be eased through therapy or by our own. Severe grief might require the help of a therapist, but in most cases, grief work can be achieved alone. What helps the mourner is to find a meaning in the death, the absence of the deceased. Art and in particular moving images and photography have been useful to protect the bereaved during the death of their loved one due to the buffer the camera apparatus creates between the subject and the operator. Later, after the funeral, by reorganizing the memories and doing a work of editing, the bereaved avoids repressing his memories, making him in charge of the narrative. Video and animation are powerful tools to give a meaning to memories, remodeling the narrative to fit with what the bereaved want to communicate to others, to himself and to one he lost. Once the bereaved complete his creation, a part of grief work is already done.

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**Appendix**

Figure 1 & 2: Araki, N. (1991). *Sentimental Journey/Winter Journey*. Tokyo: Shinchosha

Figure 3: Tanz, J. (2016). *A Father, a Dying Son, and the Quest to Make the Most Profound Videogame Ever*. [online] *Wired*. Available at: <https://www.wired.com/2016/01/that-dragon-cancer/> [Accessed 16 May 2017].

Figure 4: *That Dragon, Cancer*. 2016. *That Dragon, Cancer*. [ONLINE] Available at: <http://www.thatdragoncancer.com/>. [Accessed 8 August 2017].

Figure 5-11: Illustration, Collage, Photographs by Gabriel Camelin.

# Finding an Appropriate Method to Reflect Artists' Interests through Their Creative Works

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## Abstracts

This article introduces a new method for artists who lack inspiration on how to reflect themselves through a piece of painting or creative works. This is especially important for the nonprofessional artist or designer who are at the beginning of the projects without motivation and passion to work on. An alternative method is developed through a business model, which includes various processes to find self-interest and positive thinking to achieve a specific goal.

The suggested method provides techniques to conceptualize three main areas, which are; finding the artist's true self, programming positive mindsets, and showing a new guideline. The end result will be a series of building blocks demonstrating how to bring the hidden meaning out of the artists' mind on how they might communicate with their audience.

**Keywords:** Method, Artist, Interests, Self-reflection, and Success

## 1. Introduction

### Backgrounds and Contexts

Over the last few decades, a number of universities in Thailand have encouraged their lecturers to also become researchers, as it is a recommendation of the Ministry of Education's policy. To survive and to climb the top universities ranking, lecturers are required to publish a number of research papers. While lecturers who teach in Science and Social areas might be more comfortable to do a what might be perceived as research of academic merit, according to their field of teaching. This is because there are various kinds of research methods and methodologies to suit their projects. In comparison, lecturers working within the field of Arts and Design are often faced with uncertain criteria from the Office of the Higher Education Commission on ensuring they identify appropriate methodologies in their creative research area. Moreover, another challenge within the art and design area is the lack of particular methodology. (Clark, Osterwalder and Pigneur, 2012) As a result, there is no single correct answer which method best expresses the artist's works.

Selecting a research topic frequently confuses the researcher in identifying which project suits their interests at any given moment. Another aspect is that people often change their mind. People's activities, interests, career or project's topic could be changed according to life satisfactions, past experiences and other circumstances.

In order to create a distinctive creative body of work, the notion of empowerment is important to artists. This is likely to be due to them having an excellent mindset that help encourage artists to perform better and become more successful. (Tebbetts, 1987) There are few people who become successful in comparison to those who might have unclear goals. Moreover, people who know how to communicate effectively will often be able to achieve their aims more efficiency. It has long been my intention to create a new method to facilitate other people/artists or even myself as a lecturer who aspires to participate in academic research within the art and design field of study. This new method, which will be developed, is meant to be useful, accessible, adaptable and easy to understand.

## Project Aims

This research will therefore be conducted for three main purposes:

1. To help the artists select a topic, which is suitable
2. To empower the artists' mindset
3. To create guidelines for the artists within the field of art and design

## Project Questions

1. How can the artist better reflect themselves through their arts and creative works?
2. How can the artists realize the value of themselves and their work?
3. What is an appropriate method for the artist in order to create their works?

## Definitions

Artist: “a person who creates works of art, especially paintings or drawings: an exhibition of work by contemporary British artists ◇ a graphic artist ◇ a make-up artist ◇ Police have issued an artist’s impression of her attacker ◇ (figurative) Whoever made this cake is a real artist.” (Hornby, 2010)

In this paper, the term artist is used to mean a student or a lecturer in Art and Design area, who is finding the way to express the thoughts or creative works as a researcher.

Method: “1. [C] ◇ a particular way of doing sth: a reliable / effective / scientific method of data analysis ◇ a new method of solving a problem ◇ traditional / alternative methods ◇ the best method for arriving at an accurate prediction of the cost  
2. [U] the quality of being well planned and organized ” (Hornby, 2010)

In this paper, the term method is used to mean a proper guideline for artist to follow in order to produce any kind of art.

## 2. Literature Review

This chapter reviews the literature concerning the World Wide Web as a means for the Artists to reflect themselves through their creative works. Literature on some aspects of Knowing true self, Mindsets and Method/Planning will be examined in order to answer the stated research questions.

### 2.1 Knowing true self

People need awareness of self-understanding in order to find the true self. Self-concept refers “to the composite ideas, feelings, and attitudes people have about themselves” (Hilgard, Atkinson, and Atkinson, 1979). This perception is “a collection of beliefs about oneself” (Leflot, Onghena and Colpin, 2010), which will help them to discover their unique profession. There are various elements of self-concept such as: love, relationship, health and finance. However, this article will focus on only the career path.

There are multiple ways to uncover and reveal one-self. However, this part will only mention six techniques to explore, which are: timeline, reframe, modeling, wheel of life, big why and life purpose.

**2.1.1 Timeline of life** is an extremely powerful therapeutic technique, which allows people to go back to the previous stages of what was happening in their past (Leading Performance, 2005, p. 162). Also, to define and investigate and change three main factors, which can be identified as their interests, activities and skills, person’s personality.

Tad James discovered Timeline therapy in the 1980s, which is also developed by Richard Bandler, and John Grinder, in the 1970s. (Renton, 2009) “Time Line is the first element in the Basis of Personality. It is a key element to an understanding of personality. Our memories, our decisions, our experiences good and bad are collected here over time and determine how we relate to the world. How we store memories affects how we experience our lives and how we experience time.” (James and Woodsmall, 1988, Page 15). Tad James also specified changing the basis of personality model into 39 steps. (James and Woodsmall, 1988, page 221). However, this part will mention only the first step, which is ‘Investigate and Gather’ information.

**Image 1: Timeline therapy was developed from Gestalt (Motivation 4 Life, 2017) as pearls of events along the timeline from the past to the present, contain negative emotions such as; anger, sadness, fear, hurt and guilt.**

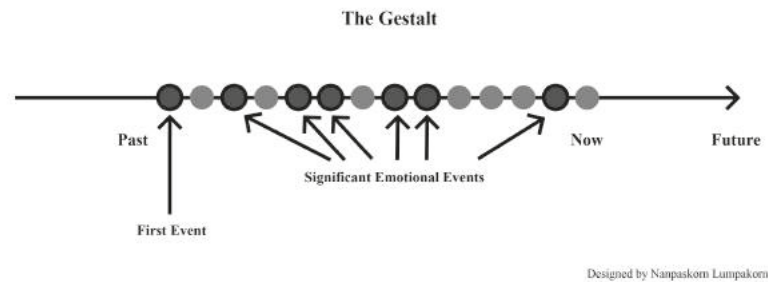
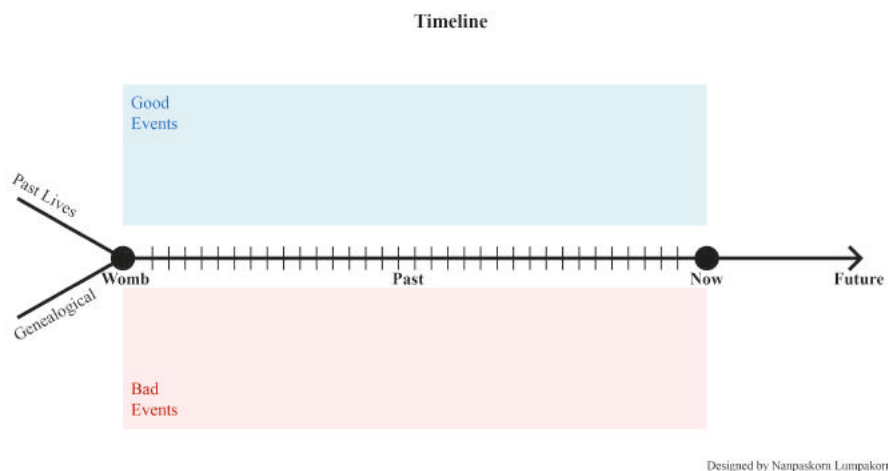


**Image 2: Timeline of life developed by Nanpaskorn (2017)**



Timeline is a tool to investigate what you were doing in the past, how you felt and why you felt that way. This timeline enables you to recall the situations on both sides: both good and bad events. In fact, there is no actual good or bad event. It can depend upon on how a person gives a conclusion to any specific story. According to Gestalt, these final decisions to conclude the story are influenced by the Significant Emotional Events (SEE). However, some refers to the inner voice, emotions and hallucinations.

When this form is filled, two line-graphs will appear above and below the timeline. A graph above the timeline shows positive events and a graph below the timeline shows negative events. The end picture will bring you back and realize these questions; how did you become who you are and what is stopping you? (Clark, Osterwalder and Pigneur, 2012) The artists might also consider high point events to recognize their interests and identify their career transition.

From the timeline, there are uncountable experiences in our lives. People only obviously remember only some of them, which can be noticed from multiple peaks. These events impact on a persons' personality. Those situations in the past can be called "imprint" from Significant Emotional Expression or SEE.

**2.1.2 Reframe** is also one of powerful Neoro-Linguistic Programming (NLP) techniques of changing bad experiences to good experiences. Bandler and Grinder developed reframe technique from Milton Erickson and Virginia Satir. (NLP Mentor, 2017) It is divided into six steps as follow:

1. Pick a problem: Look at the bad event
2. Specify details: Communicate with a part that created a problem and thank the part or some sensations such as body, eyes and ears
3. Learning: Find positive intensions from your behavior
4. Rewrite the story: Create alternative solutions
5. Evaluate the outcome if it is acceptable or not
6. Apply a new conclusion to the story



The general of reframing is to separate intention from behavior (Leading Performance, 2006, P. 56). There are some issues to concern, which are: people will not change, their behaviors will not change, and situations will not change. The only person willing and conscious is oneself.

To conclude, reframe is a process to confront your limited beliefs, remove fear, throw negative emotions away, clean up your past and create your future. Reframing is the process of changing context or conclusion to another meaning (Leading Performance, 2005, P. 161). Therefore, even the lowest points in your timeline can be change to a better story if you would like to develop it in the future as one of your attributes.

**2.1.3 Modeling/Morphing** is a process designed to consider type of people you admire as a model in some certain ways such as ability, characteristics, thought and lifestyle. Then, adapt those features to yourself. However, Richard Bandler and John Grinder (NLP co-creator) did not focus on other people's observation, but questioning themselves "What would have to be the case for us to be able to do what these people do – as well as they do it?" (Modelling as an introduction to NLP, 2004)

### Modeling

This process is not about being somebody else, but to elicit description of having specific kind of skills and competencies of others to enhance self-performing.

### Morphing

Love yourself and become a person whom you want to be like in the future.

This part will mention rough ideas as the following steps:

1. Collect data from the timeline about your interests, activities and emotions when you were doing those positive activities.
2. Look for the role people have played from your past. Try and recollect a few people you admire
3. Write down keywords that focus on some of their good points you would like to have. For example: skill, ability, value, appearance and characteristic
4. Describe and visualize your successful events including images, voices, emotions, and other senses you would like to experience.

**Table 1: Modeling worksheet**

| 1. Interests (from timeline)                                                                                              |                                                                                                                           |                                                                                                                           |                                                                                                                           |                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>                                                |                                                                                                                           |                                                                                                                           |                                                                                                                           |                                                                                                                           |
| Role Models                                                                                                               |                                                                                                                           |                                                                                                                           |                                                                                                                           |                                                                                                                           |
| 2. Name                                                                                                                   | 2. Name                                                                                                                   | 2. Name                                                                                                                   | 2. Name                                                                                                                   | 2. Name                                                                                                                   |
| <ul style="list-style-type: none"> <li>• 3</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> | <ul style="list-style-type: none"> <li>• 3</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> | <ul style="list-style-type: none"> <li>• 3</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> | <ul style="list-style-type: none"> <li>• 3</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> | <ul style="list-style-type: none"> <li>• 3</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> |
| 4. Describe successful events                                                                                             |                                                                                                                           |                                                                                                                           |                                                                                                                           |                                                                                                                           |
| <hr/> <hr/> <hr/>                                                                                                         |                                                                                                                           |                                                                                                                           |                                                                                                                           |                                                                                                                           |
| 5. Visualize successful events                                                                                            |                                                                                                                           |                                                                                                                           |                                                                                                                           |                                                                                                                           |
| <hr/> <hr/> <hr/>                                                                                                         |                                                                                                                           |                                                                                                                           |                                                                                                                           |                                                                                                                           |

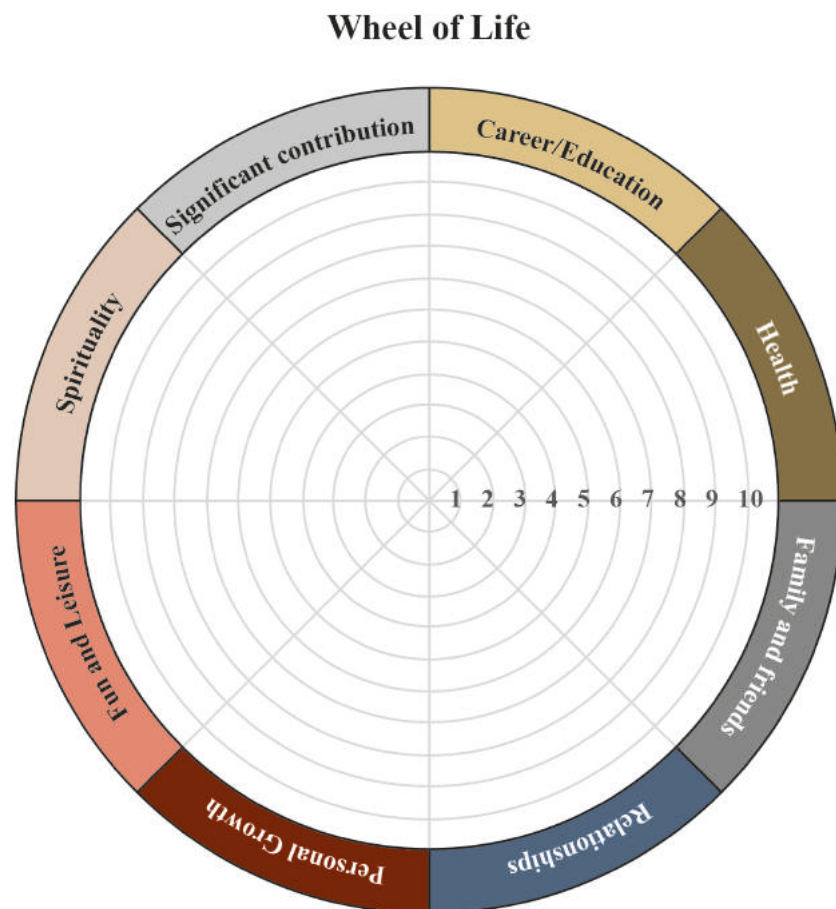
**2.1.4 The Wheel of life** is a self-assessment tool to define what facet of life needs more attention than others and rates its relative quality score. (Core.tonyrobbins.com, 2017). This then lights up every facet of life. This wheel is composed of eight aspects, which are:

1. Business, career, education

2. Health
3. Family and friends
4. Relationships
5. Personal Growth
6. Fun and Leisure
7. Spirituality
8. Significant Contribution/serving people

This tool can be implemented twice. Firstly, brainstorm the idea in each area and rate how you satisfy your life at the present stage in each facet. Then, give your own score from one to ten. Ten is the most satisfying and one is less satisfying. Secondly, rate your ideal level in relation to how would you like to feel day throughout each facet of a day. After that, review the gaps. These are areas that you need more attention. Lastly, develop an action plan to take into account the gaps you reveal.

**Image 3: Wheel of life**

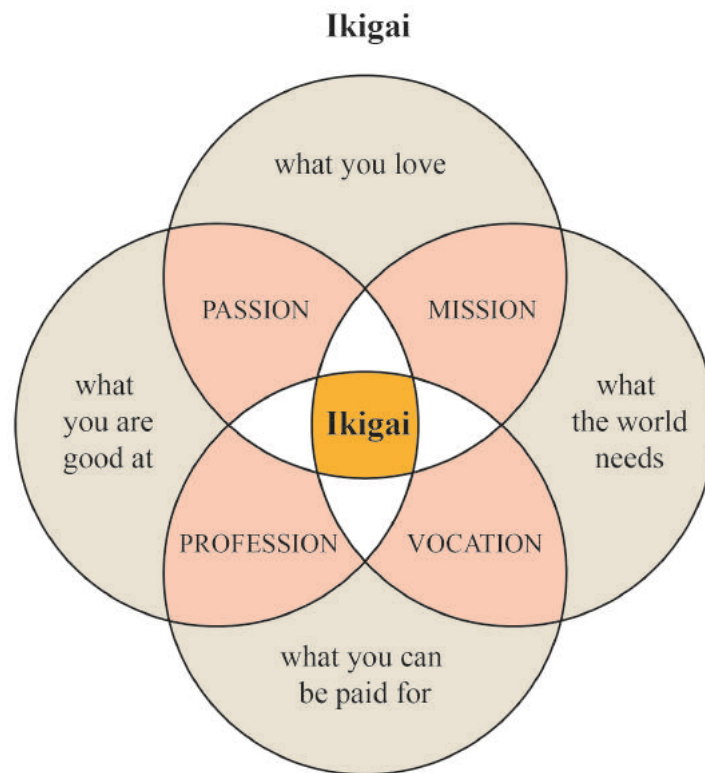


Designed by Nanpaskorn Lumpakorn

**2.1.5 The Big why** is a main reason to inform you as to why you might need change. The bigger 'reason why' you have the bigger change you need. In order to create life purpose, it is important to set up the 'big why' to motivate yourself. Moreover, when you find it, it helps you to obtain more meaning in life and happiness.

Having the 'big why' is also to know ones self-value and how you can serve people and bring value to a persons' life. There is a word in Japanese called "ikigai" meaning 'a reason for being'. It is composed of the balance of four aspects; what you love, what the world needs, what you can be paid for and what are you good at. Ikigai is in the center of interconnecting circles related to passion, mission, vacation and profession. Without the 'big why', it can be hard to accomplish significant thing in life.

**Image 4: Ikigai**



Designed by Nantaskorn Lumpakorn

**3.1.5 Finding a life purpose** is to identify your career, your life purpose and your unique profession. This pays attention to direction rather than destination, and possibilities rather than difficulties. In the beginning of this article, multiple suggestions and techniques of finding your true self have been introduced. Thus, some ideas have probably been defined. Here are some tips from Gopalan to refine them as S.M.A.R.T. Goals. (Gopalan, 2015, page 14)

“Goal: ‘An aim or an end in mind’ Aim relates to direction, End relates to outcome”

**S.M.A.R.T. Goal** is structure to create your goals

**S – Specific:** must be specific to only one side

**Simple:** must communicate using toward words to facilitate unconscious mind to understand easily. It could be few words, which could be able to visualize.

**M – Measurable:** must be able to measure as number

**Meaningful to you:** ‘Big why’

**A – As if now:** Communicate with present words as it is happening at the moment.

**Achievable:** attainable

**R – Relevant:** To ensure that the goal matters to you

**Responsible:** Take responsible for every decision and action you made (Ecological check is needed because when your behavior changed, it might affect other people surrounded by you.)

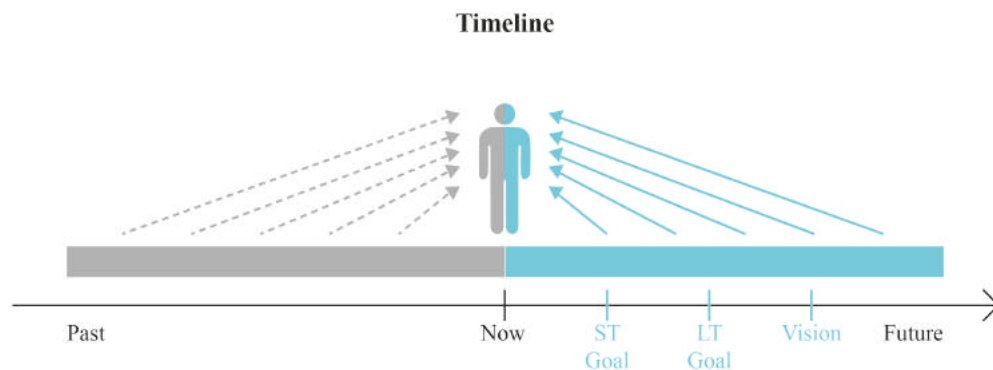
**T – Time:** For planning if your purpose toward what you want

## 2.2 Mindsets

NLP (Neuro-Linguistic Programming) originally developed by Richard Bandler, John Grinder and others. It is a model of how we communicate to ourselves the study of success. (Gopalan, 2005) Especially, how people who are unsuccessful become successful. It gives everyone hope.

When one knows ones' life purpose, it represents freedom. Doing what I love and getting paid is not called "work" but "create". In case that you cannot find what you love, it is often better to love what you do. Our unconscious mind understands that the past and the future are happening in your body right now. When in doubt, revisit your past using reframe technique to create your future would be recommended.

**Image 5: Your past and future is happening now**



Designed by Nampaskorn Lumpakorn

There is also a technique to improve your performance in order to achieve your goal, which is composed of five simple steps. (Farrell, 2017)

### 2.2.1 "Five principles for success"

1. Know your outcome
2. Take action
3. Have sensory acuity
4. Have behavioral flexibility
5. Operate from a physiology and psychology of excellence"

**2.2.2 Set up new behaviors** When people realize their true self and their outcomes in the previous session, some current behavior has to be changed. This activity will let you make a list of current behaviors and set up the list of new behaviors.

#### Set up new behaviors

**Table 2: New behaviors for success**

| Current Behaviors |         |
|-------------------|---------|
| More of           | Less of |
| • _____           | • _____ |
| • _____           | • _____ |
| • _____           | • _____ |
| • _____           | • _____ |
| • _____           | • _____ |
| New Behaviors     |         |
| • _____           |         |
| • _____           |         |
| • _____           |         |
| • _____           |         |
| • _____           |         |

**2.2.3 Work with passion** is work with love. Passion is also an attitude towards everything you do. People who know their interests can pursue their dreams and work with 100% passion. This means when a decision is made to do something, it is important to do it 100%. Having a mindset that focuses on “I can do anything 100%, but I don’t have to do everything” is also another way to develop self-motivation. It can be noticed that the way you do something can often determine the way you do everything. Therefore, it is necessary to apply what you know by putting your knowledge into practice.

There are six Logical levels of NLP, a method which was originally developed by Robert Dilts.

Information identified in the table below is intended to investigate and aims to apply passion into real life.

**Table 3: Logical level of NLP (Nlpu.com, 2017),**

| Level |                                                     |                            | Questions                                                                |
|-------|-----------------------------------------------------|----------------------------|--------------------------------------------------------------------------|
| 6.    | Spirituality                                        | Vision, Purpose            | What for, who else                                                       |
| 5.    | Identity                                            | Permission, Motivation     | Who I am                                                                 |
| 4.    | Beliefs and values                                  | Mission                    | Why                                                                      |
| 3.    | Capabilities/skills                                 | Map, Plan                  | How                                                                      |
| 2.    | Behavior                                            | Action, Reaction           | What you say, What you do<br>What behavior that appropriate in 3 places? |
| 1.    | Environment<br>(External context at Work/Home/Play) | Constraints, Opportunities | Where, When, with Whom                                                   |

#### 2.2.4 Life is an imagination

Human beings tend to do everything twice. Firstly, it can be generated within one's imagination. Secondly, it happens in real situation. People fail because they did not imagine they could be successful. Most people adhere to their own characteristic and it can often be hard to change; however this is not always the case? People should think that they are not their name. They can aspire to be whoever they would like to be (as previously referenced in the proposed modeling process). When people start to imagine something, and specific event can sometimes transpire as a consequence.

**Visualization** is a technique to create new beliefs, strength or empower something. The aim of visualization is to create believe faster, to increase the number of successful events, and to expand the scope of achievements. Also, visualization can speed up the process of the route to a successful outcome. This is because the ‘Unconscious Mind’ (UCM) does not always know exactly what really is happening or whether it was a trick of the imagination.

Another similar process is called “**Ritual**”. However, the ritual theory is sequence of activity that involves with the body, voice, and other objects. Practitioners need to create an imaginary dreamlike state of consciousness leading to a future focus in visualizing their lives. This ability needs practice and reactivation.

An imaginative mindset can affect people, family, partners and the wider community. Therefore, people need to think carefully. One's imaginative process is powerful; the success would not be possible without taking effective action.

**2.2.5 Goal setting** can be divided up into a staged process of multiple steps. The main reason of doing a new piece of painting or a creative project often needs to take a phased approach.



**Table 4: Goal setting**

|                 | Activity/Plan                                                                                                                     | Timeline<br>(e.g. Time /date<br>/month /year) |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Today's goal    | <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul>                                       |                                               |
| Short term goal | <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul>                                       |                                               |
| Short term goal | <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul>                                       |                                               |
| Goal/Purpose    | <ul style="list-style-type: none"> <li>• <i>State... Why you exist</i></li> <li>• <i>State... The reason for doing</i></li> </ul> |                                               |
| Vision          | <ul style="list-style-type: none"> <li>• <i>State... What you would like to become</i></li> </ul>                                 |                                               |

**2.2.6 Celebration** is a tool to develop a feeling towards success. Not everyone tends to celebrate his or her success. Some people keep waiting to celebrate big events in order that they can identify a specific day is seen as more special than other days. In fact, celebrating can allow you to be happy, in so far that you have done something well enough throughout each step of success, demonstrated in achievement and changes.

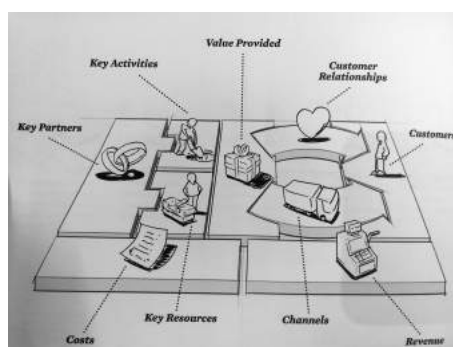
This technique can be a tool for cultivating a successful mindset. It is also a way to communicate internally that you are a successful person. It can provide motivation as well as reward. Celebration can be for the current moment, past experiences and relate to future experiences. To celebrate the current moment it can be anything that make you feel relaxed and happy for instance having a good dinner, taking a trip or shopping for your dream items. In the meantime, you also additionally can celebrate your past and future through using visualization process.

## 2.3 Method/Planning

This topic will refer to the business model canvas and the personal business model canvas (Clark, Osterwalder and Pigneur, 2012). I intend to develop a new model that will be presented to adapt both the Method and Planning phase, using both models as a tool for artists to understand self-purpose

### 2.3.1 The business model canvas

**Image 6: The business model canvas**



### 2.3.2 The personal business model canvas

Image 7: The personal business model canvas

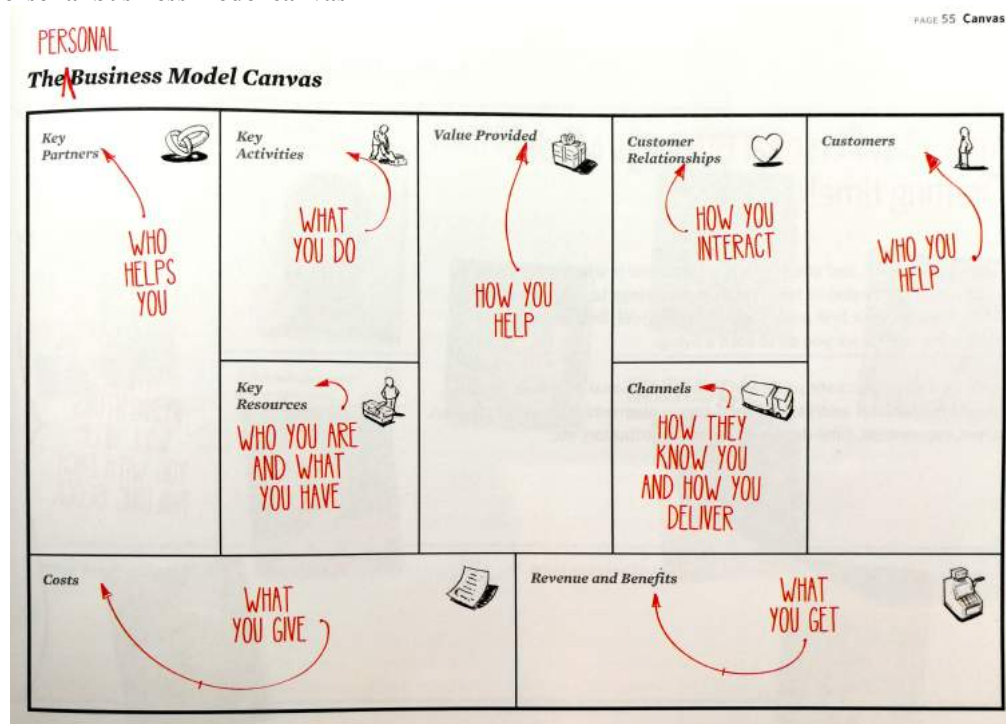


Image 5 shows a building blocks canvas from a book “Business model you” by Clark, Osterwalder and Pigneur. It displays the big picture of the whole process from the beginning to the end. Only then, can the business model be adapted to be more suitable for an individual project by adding an explanation, whilst the structure remains the same as it can be seen in image 6, known as the personal business model canvas.

**The table below defines all aspects in the model as a guide for Artists**

This table is developed from the personal business model canvas by providing guidelines for an artist to view the overall project in order for the artist to understand the importance of good preparation.

**Table 5: A Building Blocks Canvas for Artists.**

|    |                               | Personal Canvas (for artists)                                                                                                                                                                               |
|----|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <b>Customers</b>              | <b>Who you help</b><br>Target audience, people who get benefit from the project, which can be direct and indirect<br><i>Example:</i><br>Direct: Buyer, the shop investor<br>Indirect: Customer of the buyer |
| 2. | <b>Value provided</b>         | <b>How you help</b><br><i>Example:</i><br>Convenience, price, design, branding, artistic, content, emotion, realization in something                                                                        |
| 3. | <b>Channels</b>               | <b>How they know you and how you deliver</b><br>A medium of communication<br><i>Example:</i><br>Exhibition, conference, gallery, media                                                                      |
| 4. | <b>Customer relationships</b> | <b>How you interact</b><br>Single transaction, one way communication<br><i>Example:</i><br>Visual media                                                                                                     |

|    |                              |                                                                                                                              |
|----|------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 5. | <b>Revenues and benefits</b> | <b>What you get</b>                                                                                                          |
|    |                              | <i>Example:</i><br>Income, reputation, sponsorship, award, onetime payment, recurring payment                                |
| 6. | <b>Key Resources</b>         | <b>Who you are and what you have</b>                                                                                         |
|    |                              | <i>Example:</i><br>Knowledge,<br>Body and mind, Principles, theory, believe, intellectual, financial, time, licensing, money |
| 7. | <b>Key activities</b>        | <b>What you do</b>                                                                                                           |
|    |                              | <i>Example:</i><br>Painting, Sculpting, Printing                                                                             |
| 8. | <b>Key partners</b>          | <b>Who helps you</b><br>Someone who help you finish the project                                                              |
|    |                              | <i>Example:</i><br>Advisor, assistant                                                                                        |
| 9. | <b>Costs</b>                 | <b>What you give</b>                                                                                                         |
|    |                              | <i>Example:</i><br>Stress, Time, Dissatisfaction                                                                             |

### 2.3.3 The Painting canvas

The tables above could be a useful guideline for artists to create their artworks in the future. Nevertheless, I would propose, “key activity” and “value” are both significant building blocks. Thus, a component of a painting or creative work is divided as follows:

**Table 6: Art/Creative works’ elements**

| KEY ACTIVITY                                                                                                                                                                |                                                                                                                                                                                                                                           |                                                                                                                                                             |                                                                                                                                                              |                                                                                                                                                                                              |                                                                                                                                                                                                 |                                                                                                                                                                |                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Arts/Creative work                                                                                                                                                          |                                                                                                                                                                                                                                           |                                                                                                                                                             |                                                                                                                                                              |                                                                                                                                                                                              |                                                                                                                                                                                                 |                                                                                                                                                                |                                                              |
| Visual Elements                                                                                                                                                             |                                                                                                                                                                                                                                           |                                                                                                                                                             |                                                                                                                                                              | Contents                                                                                                                                                                                     |                                                                                                                                                                                                 |                                                                                                                                                                |                                                              |
| Form                                                                                                                                                                        |                                                                                                                                                                                                                                           | Material                                                                                                                                                    |                                                                                                                                                              | Subject                                                                                                                                                                                      | Theme                                                                                                                                                                                           | Realiza-<br>tion                                                                                                                                               | Internal<br>content                                          |
| Visual<br>Element                                                                                                                                                           | Design<br>Principles                                                                                                                                                                                                                      | Material                                                                                                                                                    | Technique                                                                                                                                                    |                                                                                                                                                                                              |                                                                                                                                                                                                 |                                                                                                                                                                |                                                              |
|                                                                                                                                                                             |                                                                                                                                                                                                                                           | RESOURCES                                                                                                                                                   | ACTIVITY                                                                                                                                                     |                                                                                                                                                                                              |                                                                                                                                                                                                 | VALUE                                                                                                                                                          | VALUE                                                        |
| <ul style="list-style-type: none"> <li>• Dot</li> <li>• Line</li> <li>• Shape</li> <li>• Form</li> <li>• Space</li> <li>• Color</li> <li>• Texture</li> <li>Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Repetition</li> <li>• Structure</li> <li>• Similarity</li> <li>• Gradation</li> <li>• Radiation</li> <li>• Anomaly</li> <li>• Contrast</li> <li>• Concentra-<br/>tion</li> <li>• Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Color</li> <li>• Clay</li> <li>• Stone</li> <li>• Wood</li> <li>• Paper</li> <li>• Bronze</li> <li>Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Draw</li> <li>• Paint</li> <li>• Mold</li> <li>• Woodcut</li> <li>• Craft</li> <li>• Print</li> <li>Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Still-life</li> <li>• War</li> <li>• Education</li> <li>• Landscape</li> <li>• Religion</li> <li>• Human</li> <li>• Animal</li> <li>Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Powerful</li> <li>• Relaxation</li> <li>• Peaceful</li> <li>• Faithful</li> <li>• Cruel</li> <li>• Wealth</li> <li>• Struggle</li> <li>Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Self-<br/>caring</li> <li>• Social<br/>justice</li> <li>• Environ-<br/>mental<br/>problems</li> <li>• Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Artistic</li> </ul> |

There are various kinds theories relating to design principle, which the artists could select to adopt for the creative works process, based on several factors. The principles can always be replaced any other rules, yet sometimes rules can be ignored. However, it is recommended that the principles are accepted, unless there is a proposal to do something new. (Lidwell, Holden and Butler, 2010)

As a result, Art/creative works’ elements can be combined within the artist model canvas to reflect artists’ interests as shown below.



- Leading Performance, (2006). *Hypnotherapy basic and advanced certification training: Hypnotherapy Certification Training*. P. 56
- Leflot, G., Onghena, P. and Colpin, H. (2010). Teacher-child interactions: relations with children's self-concept in second grade. *Infant and Child Development*, p.19
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# Developing Sustainable under Creative Tourism Concept in Pro Phra Community at Mueang Phetchaburi, Thailand

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## **Abstract**

The paper explores the potential of introducing and developing creative tourism in the sub-district of Pro Pha within the Province of Phetchaburi, a popular tourist destination in Thailand. Based on the results of the questionnaire survey and in-depth interviews of selected respondents, the study found that there is high degree of enthusiasm in creative tourism which highlights the local cultural tradition and practices, the day-to-day way of life of the residents, including local foods and crafts. The study shows that Pro Pha would benefit from creative tourism through certain events and experiences associated to agriculture and farm-related activities and production as well as in the artisanal preparation of food, delicacies and craft. The paper also discusses ways of linking sustainable development concepts with cultural tourism principles. It also provides some recommendations on how to sustain creative tourism. The study hopes to encourage further research on how culture-based creativity can be used as a tool in sustaining cultural tourism including the enhancement of the economy and quality of life of the local community.

## **1. Introduction**

Creative tourism is a new form of tourism wherein the hosts/residents, tourist services providers and the tourists exchange ideas on how best to manage tourism and make the experience enjoyable to the tourists while at the same time providing economic and social benefits to the local community without doing much harm to the environment. In creative tourism, tourist experience is anchored on the interactive experience between tourists and the cultural elements. Such interactions will enhance not only the tourist product (i.e. culture) but also the tourist experience (Richards, 2011)

In 2012, the Tourism Authority of Thailand launched the concept of “the first creative tourism destination in Asia” to implement the policy objective of developing a creative economy in the tourism sector under the theme “Discover the Other You” (Wattanacharoensil & Schuckert, 2016). This campaign recognizes the current trend wherein tourists prefer direct experiences with local cultures and the local lifestyle and traditions. Examples of creative tourism resources in Thailand are crafts, traditional medicines, food and other delicacies, music, fashion and arts. Focusing on creativity and innovation enables enhancement of unique local culture, social unity and pride, economic growth and environmental integrity.

The paper aims to discuss the potential of introducing creative tourism in the sub-district of Pro Pha within the Province of Phetchaburi, a popular tourist destination in Thailand. The paper intends to also discuss ways of integrating sustainable development concepts with cultural tourism principles. It explores the sustainability dimension of creative tourism and hopes to trigger further studies on how culture-based creativity can be a tool in sustaining cultural tourism including local economy and quality of life of local communities.

It is hypothesized that developing a new form of cultural tourism under the banner of creative tourism can be introduced in order to achieve sustainable development growth in the community wherein local culture, environment and social dimensions are soundly considered in planning and management.

## **2. Literature Review**

### **Creative tourism**

The concept of creative tourism was first promoted by Raymond and Richards (2000, p. 18) who describe it as “tourism which offers visitors the opportunity to develop their creative potential through active participation in learning experiences which are the characteristics of the holiday destination where they are undertaken”. It therefore involves tourist learning and authentic cultures and creating strong relationships between visitors and residents (Ohridska-Olson & Ivanov 2010).

The definition of creative tourism was further expounded in the Planning Meeting for 2008 International Conference on Creative Tourism held in Santa Fe, New Mexico, U.S.A. on October 25-27, 2006. The delegates emphasized that creative tourism should include more access to culture or history, that it should involve experiential learning, and that there should be an authentic engagement in the real-cultural life of the community (UNESCO, 2006).

The different types of creative tourism include “learning, tasting, seeing and buying, which can be delivered in a variety of ways, including the creation of itineraries, workshops, courses and events” (Korez-Vide, 2013). Innovative ways are put forward to deliver the tourist products that are competitive to other products in other destinations.

Richards and Marques (2012) propose new forms of creative tourism, as follows:

- a means of involving tourists in the creative life of the destination;
- a creative means of using existing resources;
- a means of strengthening identity and distinctiveness;
- a form of self-expression/discovery;
- a form of ‘edutainment’ – education as self-realization and entertainment;
- a source of ‘atmosphere’ for places; and
- a source for recreating and reviving places.

### Sustainability of creative tourism

The principles of sustainable tourism refer to the integration of the economic, social, cultural, and environmental aspects of development. A model of sustainable creative tourism proposed by Korez-Vide, (2013) consists of 12 dimensions, namely, economic viability, local prosperity, employment quality, social equity, visitor fulfillment, local control, community well-being, cultural richness, physical integrity, biological diversity, resource efficiency, and environmental purity.

Sustaining creative tourism requires understanding of the different interactions of humans, in particular tourists, with the environmental, economic, political, and cultural elements in the landscape. These interactions are numerous, dynamic, complex, and often unpredictable (Catibog-Sinha & Heaney, 2006). The role of the government is crucial in management as this requires policy development and implementation. Furthermore, the participation of the local community is always essential in all aspects of tourism development (Chase *et al.*, 2004; Guthiga, 2008).

### Study area

Pro Phra is a tambon or subdistrict within the district of Meung Phetchaburi in western or central Thailand (Figure 1.)

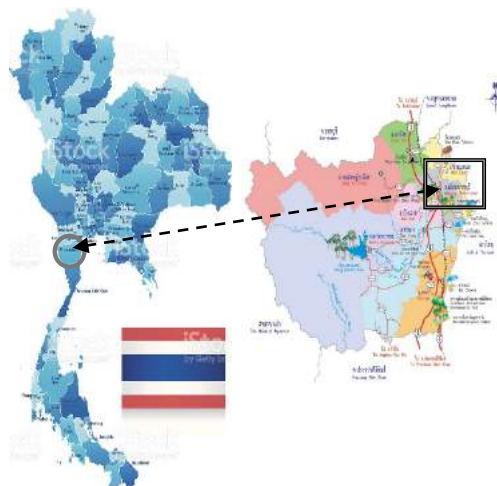


**Figure 1. Map of Thailand**

Source: <http://www.istockphoto.com/th/vector/map-of-thailand-states-cities-and-flag->

Phetchaburi Province is one of the most popular tourist destinations in the country being one of the oldest provinces and home of ancient Thai history, architecture and arts. The written recorded history of Pro Phra is limited although oral records from the community elders as well as evidences gleaned from the architectural buildings/objects of Wat Pro Phra (Noke) and the old Wat Pro Phra (Nai) indicate that the community may have been established during the late Ayutthaya period (1893-2310 B.E.) Office of Buddhism Phetchaburi, (2016)



(Figure 2).

**Figure 2. Architectural heritage in Pho Phra community. Photo by Pichet Teeranuson PhD, April 2017.**



Pro Phra is basically an agriculture-based community known for sugar palm trees and rice. (Figure 3, 4a, and 4b)



**Figure 3, Sugar palms and sugar palm harvesting in Pro Phra. Photo by Pichet Teeranuson PhD, September 2017.**



**Figure 4a, Farmers are preparing the soil for farming in Pho Phra Community. Photo by Pichet Teeranuson PhD, September 2017.**



**Figure 4b, Rice filed in Pho Phra Community. Photo by Pichet Teeranuson PhD, March 2017.**

The lifestyle of the local peoples is closely connected with a canal, known as “Canal Jacks-Sri”, which is an important tributary of the Phetchaburi River. The canal is a prominent component of the cultural landscape of the



area serving as the conduit between the old town of Mueang Phetchaburi and the end of Bang kaew district. In early days, the canal was a major navigation route for commerce and trade; this has been replaced by in-land roads which are the now the main means of travelling. (Figure 5.)

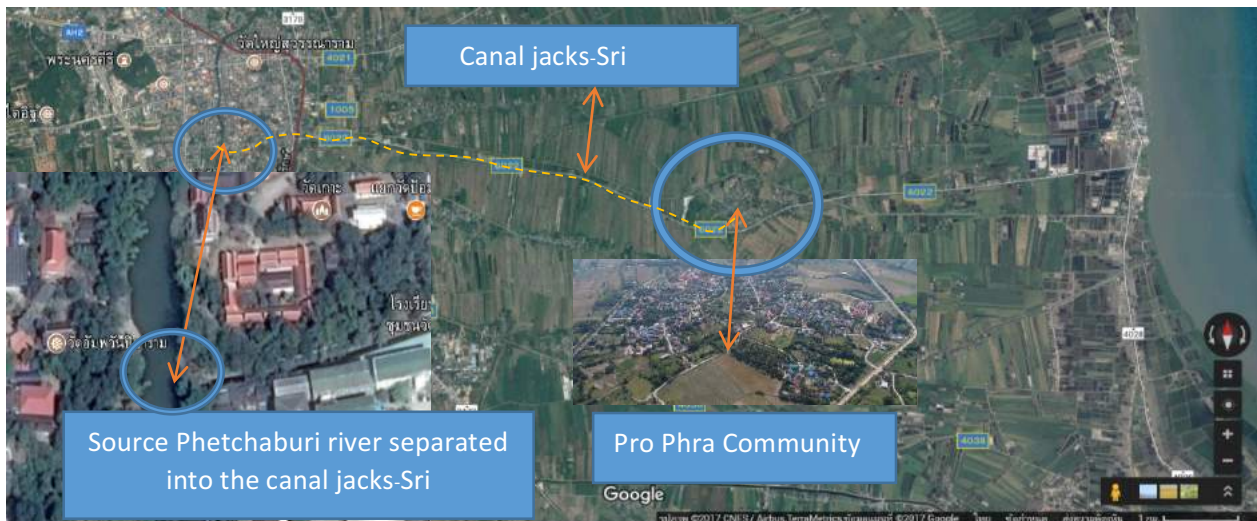


**Figure 5. Location of Canal Jacks-Sri. Create from google map by Pichet Teeranuson PhD, September 2017.**

Pro Phra is approximately 6 kilometers from Mueang Phetchaburi, which is 123 kilometers south of Bangkok. (Figure 6.)



**Figure 6. Aerial view of Mueang Phetchaburi and Pro Phra Community create map by Pichet Teeranuson PhD, September 2017.**

It consists of 11 moo bang or villages, with a cumulative total area of about 8,068 rai or 12.89571 square km. The number of households is 524 units (based on data collect on August 2017) with at least a population of 2,210.

The residents, belonging to close-knit families that span at least three generations, live in clustered houses. The majority of the population is engaged in agriculture alongside some supplementary occupations, such as animal husbandry, dessert-making, and agricultural products processing. Rice and sugar palm are the main agricultural

products. Given that Pho Phra is an old community, it has a number of historic and sacred buildings that are frequented by tourists. However, compared with other sub-districts, Pho Phra is dependent mostly on revenues from agriculture-based products. Furthermore, more young people from the community have opted to move to the cities for better employment opportunities. Introducing creative tourism would help improve the economic situation in the community.

### 3. Research Methods

This study is a component of a bigger study on linking creative tourism and cultural landscape in Pho Phra. The research started in December 2016 and further data collection and analysis are still on-going. A combination of qualitative and quantitative methods was applied. The primary data were obtained from field observations including the results from preliminary questionnaire surveys and interviews of relevant stakeholders and local government units. (Figure 7.)



**Figure 7. Data collected methods used: questionnaire survey, Interviews, group discussions in Pho Phra community. Photo by researcher team, January- May 2017.**

The survey and interviews were conducted by a team of researchers who were given prior training on ensure a more or less consistent process of collecting data and to synchronize the survey/interview schedules. The secondary data were obtained from academic literature and government reports. A cultural map showing significant infrastructure and facilities in 11 villages was also prepared using GPS, videos, photographs and written notes.

### 4. Results

#### Socio-demographic profile

- Stakeholders:** A total of 38 individuals (out of 50) participated in the survey. The participants were selected from the 11 villages under the Sub-District Council Committee. Of these 78% were males and 22% were females. Their age ranged from 40-75 years of age. The majority of the respondents are educated with 65% having completed a bachelor degree.
- Household respondents:** A total of 430 household respondents in 11 villages participated in this study (end of April- May 2017). Of these, 75% were females and 25% were males, with age ranging from 35 to 85 years of age. All were educated.
- Visitors:** Out of the 50 respondents, 70% females and 30% males. The visitors surveyed ranged from 20 to 78 years of age. All are educated, and the majority (80%) have completed a bachelor degree.

### Perceptions about cultural landscape and creative tourism

Based on the results of the questionnaire survey and in-depth interviews of selected respondents, the study found that there is high degree of enthusiasm and agreement about the development of a new type of tourism in Pro Phra in the form of creative tourism which highlights the local cultural tradition and practices, the day-to-day way of life of the residents, including local foods and crafts.

Table 1. summarizes the result of the Likert scale about cultural landscape and possible development of creative tourism in Pro Phra. The 5-point Likert scale was ranked from 5 (Excellent), 4 (Good), 3 (Average), 2 (Little), and 1 (Should be improved).

All of these attributes and assets constitute the authentic features of the cultural landscape of the local community.

**Table 1. The major questions asked during the questionnaire survey and in-depth interviews of respondents.**

| Major questions asked                                                                                                                             | Response of respondents from questionnaire survey and interviews                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1 Do you think Pro Phra can be developed as a creative tourism destination?                                                                      | Out of 480 respondents:<br>15% - Excellent<br>65% - Good<br>20% - Average<br>All visitors, local government units and other stakeholders gave high scores. Some household respondents did not have much understanding of the concept of creative tourism and best practice in tourism such as waste management and tourist interpretation |
| Q2 Do you think creative tourism will improve the understanding of the community about cultural landscape?                                        | Out of 480 respondents<br>53% -Excellent<br>40% - Good<br>7% - Average<br>All visitors, local government units and other stakeholders gave high scores.                                                                                                                                                                                   |
| Q3 What are the 'selling points' within the community that could lead to tourism development, in particular, creative tourism?                    | (a) Local economy: rice field, palm sugar, animal husbandry, and processing agricultural products, etc.<br>(b) Cultural heritage: architecture, Thai house, wat, religious places, paintings, art, belfry, and (c) Local food and delicacies especially sweets and desserts                                                               |
| Q4 What are the tourist attractions in the 11 villages in Pro Phra that can be developed for creative tourism ( i. e. host- tourist engagements)? | Same answer as Q3                                                                                                                                                                                                                                                                                                                         |
| Q5 What can tourists learn when they visit cultural landscape of Pro Phra?                                                                        | Same answer as Q3                                                                                                                                                                                                                                                                                                                         |

Table 2 summarizes the cultural attractions identified by the respondents in the study. The elements that are associated with sufficiency economy, such as the production of rice and palm sugar, animal husbandry and processing of agricultural products are the most popular (total score of 342), followed by local foods and delicacies/ desserts (total score of 75), architectural heritage (total score of 69), and natural landscape total score of 32).

It seems that the focus of creative tourism management in the study area would be those activities and experiences associated to agriculture and farm-related activities and production.



**Table 2. Summary of the results of the questionnaire survey.**

| Item | Description                                                                                                                       | Number of Stakeholders | Number of Household members | Number of Visitors Tourists | Total Number | $\bar{x}$ | SD.    |
|------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------|-----------------------------|--------------|-----------|--------|
| 1    | Ways of life under sufficiency economy such as rice field, pam sugar, animal husbandry, and processing agricultural products etc. | 15                     | 312                         | 15                          | 342          | 114.00    | 171.47 |
| 2    | Architectural heritage: Thai house, wat, sanctuary, halls, paintings, art, belfry, and stucco decorations                         | 9                      | 50                          | 10                          | 69           | 23.00     | 23.39  |
| 3    | Local food and delicacies/ desserts                                                                                               | 9                      | 53                          | 13                          | 75           | 25.00     | 24.33  |
| 4    | Natural landscape                                                                                                                 | 5                      | 15                          | 12                          | 32           | 10.67     | 5.13   |
|      | <b>Total</b>                                                                                                                      | <b>38</b>              | <b>430</b>                  | <b>50</b>                   |              |           |        |

Although, the majority of the respondents were eager and enthusiastic to develop and establish creative tourism in Pro Phra, they have expressed some concerns. There were some apprehensions that were voiced out by the respondents. For example, they think that in sensitive and remote areas, tourism can disturb community privacy and interfere with their day-to-day way of life. Some were worried that tourism cannot be sustained if solely tied with agricultural production as farming is seasonal and successful harvest is not always predictable. The long-term negative impact of tourism on the social, cultural, and environmental features of the community may also occur if tourism is not adequately managed and regulated.

The respondents also expressed their concern about the on-ground management of tourism, such as the use of the landscape for infrastructure development (e.g. accommodation and parking spaces). They are also concern about the lack of tourism management skills, such as in developing good interpretation program (signage, tour guiding) and ability to communicate with foreign tourists. Because the community is so family oriented and close-knit, some residents may be very shy or not so welcoming to strangers and visitors in their homes or neighborhoods.

#### Sustainable creative tourism

Tourism, regardless of its forms and specialties, must be managed sustainably ensuring that the triple-bottom line approach to sustainable development is taken into account (Beyer *et al.*, 2005). The social, cultural, economic and environmental aspects of tourism should be well- balanced and considered in tourism planning and management. The importance of research in sustaining creative tourism cannot be underestimated. This study, for example, provides some basic data, both from primary data and secondary sources (Canadian Integrated Landscape Management Coalition, 2005; Diamantis, 2004) UNESO, 2006) as to what are essential in developing and managing creative tourism.

a. Some of the positive attributes of Pro Phra which can make it a good creative tourism destination are as follows:

- It is accessible by land transportation (i.e., 1.5 hour from Bangkok and 10 minutes from Mueang Phetchaburi).
- It is located along the tourism route with a mix of tourism experiences via cultural tourism, nature-based tourism, and ecotourism.
- It has many interesting attractions especially the way of life of the local people ( e.g., cultural tradition and practices) which tourists can learn from and participate or get involved in.
- The majority of the residents are friendly although shy.

- The ancient history and architecture are rich and interesting.
- It is known for its local crafts and delicacies especially sweets and desserts.
- The villages are quiet and safe, with beautiful natural and cultural landscapes.

**b. The concerns and issues that were identified in this study are as follows:**

- The initial impression of outsiders is that the local residents tend to be a closed or too shy with strangers/visitors.
- Lack of tourism management know-hows and operational skills.
- General apprehension regarding the negative impacts of tourism on local culture and tradition.
- Lack of trained local people in tourism management and operations

**c. Management solutions**

At the outset, tourism should be developed by converging the different views of the visitors, host residents, and the local government. The stakeholders should work together for a common good. The key factor in the convergence of their views and knowledge should come from “inside out’ and not ‘outside in’.

This means that the local knowledge and views of the residents are much more important than those from the tourism industry or from the visitors or from outsiders. Nonetheless, the views of the visitors regarding tourism experience, while important in creative tourism so as to achieve a memorable and enjoyable tourist experience, should also be taken into account. The visitors should maintain respect for local people and their local culture and tradition.

**d. Practical management solutions**

The study identified some other practical management solutions to achieve sustainable tourism, namely:

- The income from visitors as well from rental fees for the use of the area (e.g. rentals paid by coffee shop owners, parking fees) should be used as part of the operational budget of local committee.
- Good communication system including easy access to the social media, internet, and phones must be developed/ improved.
- On-site interpretation service can be enhanced through a VDO presentation and use of tour guides.
- The conservation awareness program should enhance the value of conserving and protecting nature and culture.

## 5. Conclusions

Pro Phra, a rural and farming community in the Phetchaburi, has the potential to be a sustainable creative tourism destination, with attractions that are particularly associated with agriculture and farm-related activities, local food and delicacies as well as ancient Thai history, architecture, arts and culture.

The following combination of strategies can be applied in broad planning for creative tourism management.

- a. striking a balance among/between the social, economic, cultural, and environmental aspects of tourism development;
- b. recognizing the importance of blending local knowledge with the ideas of tourists and other stakeholders in the context of cultural heritage conservation and management;
- c. addressing the management needs of tourism staff (must be from the local communities) and operators through formal and informal training in tourism planning, management, and implementation
- d. being open to suggestions that link tourists experiential learning with local and authentic traditions, practices, and way of life.

In addition, a tourism management plan should be developed and adapted to the emerging trends in creative tourism.

- a. The convergence of new knowledge and strategies with the realities of life at the community level should be considered in planning and management.
- b. The management plan should be developed in consultation with the local community and relevant stakeholders.
- c. The management plan should be flexible enough to adapt to changes over time.
- d. The plan should have a clear mission and vision that incorporates the sustainable development goals.
- e. The management plan should be implemented in collaboration with all relevant stakeholders.



Further research is needed to fully understand the notion of creative tourism and how it can be managed and implemented in a sustainable manner. The application of the principles of creative tourism within the context of the cultural landscape should be assessed at the tourist destination especially in vulnerable areas with rich culture and tradition.

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# Increasing Road Safety in Thailand; Research Data of Traffic Safety Measures in Other Countries

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## **Abstract**

Thailand is one of the countries in the world with the highest number of road accidents per year. For several reasons (economically, human, health care, handicapped), this is societally no longer acceptable. This also damages the image and reputation of Thailand as tourist destination and as a by foreigners preferred country to live after retirement. Economic growth leads to more ownership of vehicles (including motorcycles) and to more road accidents because the behavior of the road users does not seem to change. Until now, in Thailand the focus was on two holiday periods (of each 7 days), the Songkran holidays and the period around New Year. In these two periods together, about 800 people die and about 7,000 get injured yearly. And the numbers do not go down over the last years. Most victims are young males, who get injured or killed riding a motorbike travelling in their own district; the main reasons being speeding or drunken driving or a combination of these two.

For several years, the Thai government tries to change this reckless driving behavior by having extensive mass media campaigns and intensify the actual checks on speeding and drunken driving during the holiday periods. The results are disappointing. Research in some European countries shows that a more systematic approach of traffic law offences is more effective. Effective in the way that more road users stick to the law and there are less (fatal) accidents. This systematic approach contains changing the perception of the risk of getting caught, communication about announced and unannounced checks which are executed the whole year with the focus on some periods or hours of the day. Next to that, elements of the systematic approach are speeding court procedures, the surety of conviction and the severity of the punishment.

**Keywords:** road safety, law enforcement

## **1. Introduction**

Many road accidents in Thailand take place during the two long holiday periods, namely Songkran and New Year. Both periods last officially 7 days. Road safety is related to the tourism industry in Thailand. These holiday periods are not only important for domestic tourism (many Bangkokians and other city dwellers celebrate the holidays in their home town and have to travel for that reason) but also foreign tourists come to Thailand for these holidays, certainly Songkran. And road safety influences the image of a country, certainly when foreigners are involved as victims.

There are already good analyses of the traffic accidents in Thailand. Tanaboriboon and Satiennam (2005) analyzed the traffic accidents in Thailand from 1985 till 2002. One of their conclusions was that the fatality rate in road accidents is positively correlated to economic growth and the fuel consumption in Thailand. The obvious explanation for this is that more Thai people can afford to buy and use transportation means like cars and motorcycles while their driving behavior does not change. Most victims are drivers (and seat passengers) of motorcycles, followed by passengers of cars and pick-ups. In one third of the motorcycle (fatal) accidents alcohol is involved.

In this paper, we will update the data for road accidents in Thailand and analyze the reasons for the accidents (maybe confirm what is already known from previous research). However, the main purpose of this research is a literature review of the effectivity of measures taken in Thailand and elsewhere to improve road safety and prevent these fatalities from happening. We will focus on effective ways implemented and researched in other countries because so far, measures taken in Thailand are not that effective.

## 2. Analyzing road accidents during holidays

### 2.1 General data

Table 1. Numbers of injured and deaths during Songkran and New Year, Thailand, 2012-2016

| Year | Songkran       |               | New Year       |               |
|------|----------------|---------------|----------------|---------------|
|      | Number injured | Number deaths | Number injured | Number deaths |
| 2012 | 3,320          | 320           | 3,375          | 336           |
| 2013 | 3,040          | 321           | 3,329          | 366           |
| 2014 | 3,225          | 322           | 3,345          | 367           |
| 2015 | 3,559          | 364           | 3,117          | 341           |
| 2016 | 3,656          | 442           | 3,505          | 380           |

Source: www.roadsafetythailand.com

In 5 years, there is a growth of injured with Songkran of 10%; the holidays during New Year show a rise of only 4 %. In the same period the death rate rises with 38% during Songkran and 13 % with New Year. In absolute numbers, the Songkran holidays became more dangerous than the holiday period at the end of the year for the first time in 2015 when fatal accidents are concerned.

Table 2. Number of injured and deaths during Songkran and New Year, Thailand according to day (for 2012-2016 together).

| 2012-2016<br>5 years together | Songkran       |               | New Year       |               |
|-------------------------------|----------------|---------------|----------------|---------------|
|                               | Number injured | Number deaths | Number injured | Number deaths |
| Day 1                         | 1,898          | 185           | 2,165          | 206           |
| Day 2                         | 2,469          | 305           | 2,833          | 279           |
| Day 3                         | 3,525          | 314           | 3,070          | 357           |
| Day 4                         | 2,744          | 302           | 2,715          | 291           |
| Day 5                         | 2,620          | 263           | 2,350          | 222           |
| Day 6                         | 1,853          | 202           | 2,217          | 267           |
| Day 7                         | 1,691          | 220           | 1,421          | 168           |

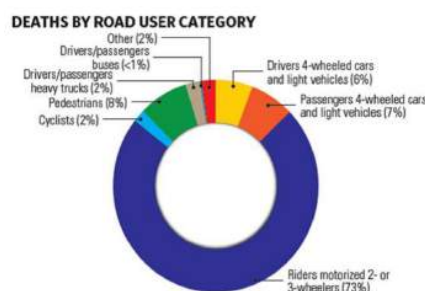
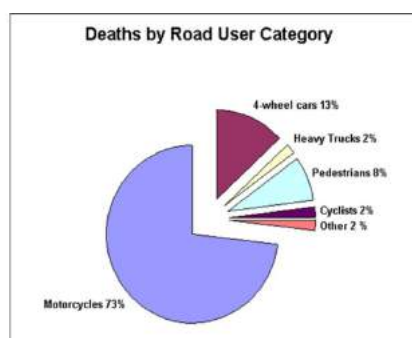
Source: www.roadsafetythailand.com (own calculations)

There seems to be a pattern in the number of injured and death rates over the last 5 years. The first and the last day of the holiday period (mostly the day Thai people travel to go on holiday or to return home) are 'not that dangerous' as the other holidays. During the days when Thai people are less traveling long distances, more accidents take place and more people get killed. Day 3 and day 4, just in the middle of the holiday period of 7 days, are the most dangerous ones.

### 2.2 Details

More specific data of the road accidents show that:

- about 70 % of the people who die are drivers of the vehicle(s) involved in the accident;
- an equal number dies on the spot or in hospital. About 7 % dies on the way to a hospital;
- the most dangerous times are from 16 till 20 hours (the time the darkness falls) and from 00.00 – 08.00 hour (the time people drive home after a night out)
- around 75 % of deaths are male; 1/3 of them is younger than 24 years;
- almost 60% of victims die on roads in their own district;
- in around 35 % of the accidents alcohol is involved, in 35 % speeding and in another 18% overtaking;
- around 80 % of accidents involve motorcycles.



The data lead to a number of assumptions in a more conclusive way. The first is that the injured and death rate on the first and the last day of the holiday period are more due to reckless and irresponsible driving behavior (including speeding and tailgating) and other factors like bad maintenance of vehicles, lack of street lights and inexperience of the driver. The details also seem to suggest that the injured and death rate on the other days of the holiday periods are more due to drunk driving. Third, the most affected category are the younger, local Thai males that drive motorcycles too fast and/or drunken, either at the beginning of the evening hours or after midnight. Most of them loose their lives in their own neighborhood, village or town.

### 3. Causes and effects

It is possible to point a number of causes which together lead to the actual situation of so many accidents with fatal effects. The reasons differ a bit per period, per day and also per district. The reasons are not very different from previous researches. They are:

- a. drunk driving: for 33 %;
- b. speeding: for 33 %;
- c. other irresponsible behavior on the road (overtaking, cutting in, tailgating, driving through red traffic light): for 33 %
- d. quality of roads (pavement, lights) and vehicles: for 1%.

Although no direct causes of accidents, some circumstances may influence the final effects of road accidents negatively. These circumstances are:

- Not wearing safety helmets by motorcycle drivers;
- Not wearing seat belts in cars/vans, for the driver and all passengers;
- People in the back of the pick-up or truck without any belts;
- Not giving way to ambulances on the way to hospital.

In this paper we will concentrate on the research findings to change the unwanted behavior of road users in a more direct sense. In essence this means that we assume that different owners of roads take care of all kind of safety elements in the actual infrastructure and traffic guidance. This implies also that only changing the behavior of road users will not be sufficient to avoid all road accidents, but merely decrease the number.

### 4. Research on changing behavior

It does not need discussion that unwanted driving behavior that also leads to losses of lives of people should be avoided, prevented and if taken place, punished as much as possible. Governments, relevant governmental institutes and also private companies are involved in methods to raise awareness and try to change the behavior of people. These methods can be divided as follows:

- a. general campaigns, mostly via mass and social media, which depict unwanted road behavior as dangerous for all users of the road, as not social and not acceptable in a decent, civilized society in order to change an attitude and/or change perceptions of road users, e.g. about their ability to drive safely when having consumed alcohol;
- b. specific communication about the actual speed (via measuring along the road and immediate feedback);
- c. specific communication about checks of the police (which days, hours, roads) and about the consequences of the unwanted behavior when caught (type of punishments, fines);
- d. specific communication about the results of the checks of the police (number of cars stopped, number of offenders, which offences, which punishments).

Next to the communication methods, there are the actual methods of enforcing the rules, regulations and the law. In this paper we will focus on the effectiveness of sanctions and reinforcement, succesfully applied in foreign countries to cope with unwanted road behavior like drunken driving and speeding as the two most important offences.

The root cause of the accidents and the death rate is – as stated earlier - mostly human behavior. It is not easy to change drunk driving, speeding and all other forms of reckless driving. This behavior is – in essence - individual behavior but might have some group (reference) aspect: younger people, not only in Thailand but everywhere in the world, tend to behave more recklessly (Jonah, 1986; Vance e.a., 2008).

According to research regarding the lowest numbers of road deaths per inhabitant in countries like The Netherlands, the United Kingdom and Sweden (Cramton, 1969; Goldenbeld, 1993; Zaal, 1994; Wegman and Goldenbeld, 2006), four factors, linked in a kind of chain, can effectively change that 'bad' behavior:

- a. the perceived or subjective risk of apprehension when you do wrong. The word PERCEIVED, SUBJECTIVE is important here. It is not only about the actual risk of apprehension (which is in the perception of the offenders and in the general reality probably low; it is impossible and very expensive to check and control all roads and all road users in a region or country) but about influencing the mind of the road user that the chance that he/she gets caught is very high. This means influencing the perception. This is done in different ways, e.g. by unannounced checks and mobile checkpoints on offences like drunken driving and speeding. Ryeng (2012) and Elvik and Amundsen (2014) show that in Norway, drivers overestimate the risk for apprehension of speeding and also the number of installed speed cameras;
- b. the speed of conviction: not being convicted after some weeks or even months but as soon as possible after the offence took place. The longer the time between the real offence and the conviction, the less influence the conviction will have on the offensive behavior in the (near and far) future, even with severe punishment. And it also will not affect anymore other potential offenders;
- c. the surety that you get convicted: offenders must be sure that when caught, they also are convicted. That means there are no ways to escape punishment e.g. by negotiating with the police officer(s), discuss evidence or delay court sessions;
- d. the (perceived) severity of the punishment: also in this case, the word perceived is introduced. It is as much as the actual punishment as well as how the offender perceives the punishment. Not every punishment feels the same for the different road users. E.g., in some European countries fines for speeding are related to the income of the offender.

## **5. Effectiveness of law enforcement**

### **5.1 In general**

Police enforcement is based on the so called classical deterrence theory, that dates from the 18<sup>th</sup> century. "Deterrence theorists (like Hobbes, Beccaria and Bentham) believe that if punishment is severe, certain and swift, a rational person will measure the gains and losses before engaging in a crime and will be deterred from violating the law if the losses are greater than the pain. Classical philosophers thought that certainty is more effective in preventing crimes than the severity of punishment." (Tonry, w.y., pg 235).

We can make a distinction between general deterrence and specific deterrence, also when traffic offenses are concerned. "General deterrence can be described as the impact of the threat of legal punishment on the public at large, while specific deterrence can be seen as the impact of the actual legal punishment on those who have been apprehended". (Wegman and Goldenbeld, 2006, pg 12). The general deterrence can also be regarded as part of the prevention of offences. According to Wegman and Goldenbeld (2006, pg12) "the overall preventive effects of traffic law enforcement are generally greater if the subjective risk of the offender being caught is higher, if the penalty is more severe, if the certainty of punishment is increased and if the penalty is imposed more rapidly." All these elements belong to the so called enforcement chain. According to the same authors, police enforcement should primarily focus on the general deterrence, so on increasing the subjective risk of apprehension. Police actions should follow some principles enforcing the traffic rules:

- Accompanied by publicity;
- Unpredictable and difficult to avoid;
- A mix of highly and less visible activities. Less visible checks are considered 'sneaky' and unfair' by the public but have probably more long lasting effects on behavior (Soole, 2012);
- Primarily focused on high violation times and locations;
- Continued over a longer period of time.



These kinds of enforcement traffic laws will be needed in the future because the link between actual traffic behavior and attitudes towards speeding are very weak (Soole, 2012). But still, only general deterrence is not enough to reduce the number of accidents. The main reason is that the used philosophy is based on rational thinking of all parties involved (Elvik and Björnskau, 1992). And not all parties are acting rationally at all times and places.

## 5.2 Speed management

The general principles for the effectiveness of deterrence also count for speed management. But nowadays a number of technological developments make it possible to increase the level of specific deterrence like road design, speed cameras and road side (immediate) feedback messages. Next to that, the in-vehicle warning systems are on the rise. So far, research shows that these are quite effective, like many other kinds of direct feedback to the driver (Brookhuis, 1995; Rothengatter, 1995).

The necessary police enforcement regarding speeding can be divided in three levels of professionalism:

- Ad hoc enforcement: short term operations e.g. in holiday weeks. Goal: catching offenders;
- Project-bound enforcement: certain route, locations for a longer period;
- Planned enforcement: larger areas like regions, permanently.

However, there is little proof that these kinds of speed enforcement measures change the driving style. Many drivers slow down confronted with visible speed checks but maintain their normal driving style when they do not expect speed checks. Speed management by enforcement is basically a negative motivational approach, relying on fear of punishment.

## 5.3 Enforcing drunken driving offences

The punishments for drunken driving are in general more severe as the punishments for speeding because in many countries drunken driving is considered a crime. The punishments vary from fines, driving license suspension or revocation, jail sentences and alternatives like community service. "License actions appear to be more effective than others, and the certainty and swiftness of punishment appear to increase impact to a greater extent than severity" (Nichols and Laurence Ross, 1990). That might have to do with fact that most drunken drivers are social drinkers and not alcoholics. (Vingilis, 1983).

The most effective way of deterrence in drunken driving is at random breath testing (Moore a.o., 1993), of course with the five above mentioned principles. For drunk driving is important that younger people are inclined to perceive the risks of drunken driving lower than older persons (Mayhew and Simpson, 1983). Mass media campaigns to warn people for the consequences of drunken driving have little effect on the actual behavior but raise more the general awareness of the problem. (Atkin, 1988).

## 5.4 The police

Of course, the police is an important factor in the reinforcement of traffic law. That means the police should raise the actual and the perceived risk of getting caught. Raising the last one will have more effect than raising the first one. This is sometimes difficult to accept for police officers.

And offenders should be convinced that they are convicted for the offences. Police officers and the public mostly agree on what is a serious offence (Corbett and Simon, 1991). So that is not the problem. Strict reinforcement of laws and regulations by the police is doubtful in Thailand. That also counts for the systematic that is used for the checkpoints during the holiday periods. Their main purpose seems to be to raise the actual risk of getting caught. This systematic approach is not considered the best one when it comes to reinforcement.

## 6. The Thai situation

Road safety measures in Thailand focus on audits of safe roads (based on data of accidents), enforcing motorcycle drivers to put the headlights on the whole day and wear helmets. In specific times of the year there are more road checks by the police on speeding and drunken driving. To influence the general public, there are mass advertising campaigns regarding the dangers of drunken driving (mainly in and around the holiday periods). Next to that, the advertising for alcoholic drinks is forbidden. Tanaboriboon and Satiennam (2005) make a remark that the Thai police is not seriously enforcing the rules and regulations.

## 7. Conclusions and recommendations

### 7.1 Conclusions

Trying to decrease the number of fatal road accidents is not easy. With a growing economy we can expect that more Thai can afford their own means of transportation. If nothing is done to effectively lower the number of fatal casualties in road accidents, the costs of the death rate will only go up. In essence, that means that we have to tackle the root cause of the accidents, which is dangerous and unacceptable behavior. More specific: speeding and drunken driving. Next to that, attention has to be paid to the quality and visibility on roads and the quality and state of maintenance of the used vehicles.

In order to make the roads in Thailand safer, the authorities could learn from the experiences in traffic safety management in countries like Great Britain, Sweden and The Netherlands. In these countries, an integrated approach is introduced under the name Sustainable Safety Vision. Important is this approach is that it contains elements which work in a kind of chain. A strict enforcement of traffic law is a part of the strategy and not the whole strategy. Influencing the perception and the speed and surety of conviction are other, more effective elements in changing behavior.

### 7.2 Recommendations

Based on the conclusions, we would recommend the following strategy for Thailand when it comes to improving road safety:

- a. Changing the perception of being caught e.g. by announced and unannounced, highly visible and not visible checks and mobile checkpoints on offences like drunken driving (by random breath tests) and speeding, year round but focused on high violation times (evening and night) and periods (weekends, holidays);
- b. Regularly report the results of the announced and unannounced checks via mass media and social media;
- c. Raising the speed of conviction: introduction of fast track courts per province, certainly during the two holiday periods, where offenders get convicted, preferably the day after the offence;
- d. Raising the surety that you get convicted: no negotiations with police or justice officers about reasons for offences, evidence etc.;
- e. Raising the (perceived) severity of the punishment: for drunken drivers that means revocation or suspension of the driver license instead of fines; for motorcycles the suspension or revocation of the registration plate. This could also be applied for recidivist drunken car drivers.

Just like in some European countries, it might take some time to convince the police force that only law enforcement that is directed to catching offenders on the spot is less effective than a systematic approach in which changing, guiding the perception of the potential offender is an important element. This systematic approach, by the way, does not have to cost more money than the actual law enforcement but is certainly cheaper than extending the police force and installing (new) equipment.

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# The Potential of Digital Storytelling in Encouraging Sustainable Lifestyle

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## Abstract

Human activities contribute to the unsustainable development and cause many environmental and social problems. Lifestyle and consumption patterns are the major causes for unsustainability. This is because the current behaviour patterns reinforce the values that encourage individuals to consume rather than conserve (Sterling, 2001). Education is acknowledged as a mandatory element for achieving sustainable lifestyle because it not only equips individuals with knowledge skills required but also integrates values inherent in sustainable development (Ramirez, 2007). UNESCO (2012) had established the year between 2005 and 2014 as a Decade of Education for Sustainable Development (DESD). Information and communication technology is considered as a catalyse to success ESD learning as it provides the access to information related sustainable development. Several learning materials have been introduced and launched online due to the call from DESD. However, most of the learning materials are not appropriate to Thailand as they have been developed based on foreigners' experience. There has no one-size-fit all approach for sustainable development as each country has its own sustainability issues owing to the difference in contexts (Wals, 2009).

This shortage has motivated the researchers to carry out research project that aims to contribute to promoting sustainable lifestyle through facilitating the development of digital storytelling. This paper presents the partial findings obtained from literature review. The paper commences by providing an overview of sustainable development and sustainable lifestyle. It discovers mechanism that direct individuals' behaviour and illustrates how education can influence the behaviour change. The findings indicate that storytelling is appropriate for ESD and can facilitate the behaviour interventions due to the two factor: (1) capability in persuading behaviour change and (2) stories can be widely disseminated through the Internet. Lastly, the research paper also provides two suggestions that allow storytelling to increase its capability in persuading sustainable lifestyle.

**Keywords:** Digital storytelling, sustainable lifestyle, persuasive strategy

## 1. Introduction

Human activities contribute to unsustainable development and cause many sustainability problems. For example, the overuse of natural resources and toxic industrial wastes are causes of environmental depletion (UNESCO, 2012). Consequently, the awareness of sustainable development has been raised to influence all world residents to moving toward sustainable future.

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland et al., 1987; p.41).

Sustainable development is about balancing “Triple Bottom Line” (TBL) which includes three focuses: economic focus (material prosperity), environment focus (maintain ecological balance and avoid negative environmental impact) and social focus (welfare and cohesion) (Elkington, 1998). Moving toward sustainable society requires individuals to consider environment and social factors while generating economic benefits (McDonough and Braungart, 2002). Current lifestyle and consumption pattern are considered as two leading causes of unsustainability. Individuals usually live their life based on values that encourage them to consume rather than conserve (Sterling, 2001). Education is prerequisite to influence sustainable behaviour as it equips individuals knowledge, skills and attitudes required for sustainable development (Ramirez, 2007). Information and communication technology facilitates the education for sustainable development through providing the access to information. Wilson (2013) presents that information can be utilised to encourage change in behaviour through increasing knowledge, strengthening a personal normative value, and using as social normative reinforcement. Sustainable information has been introduced and widely disseminated through the Internet in various forms (e.g. animation, text-based website, and movies). However, most of existing sustainable learning resources are not appropriate to Thailand as they were developed based on foreigners' perspectives (Pasupa, 2016). Each country has its own sustainability issues due to the difference in contexts such as environment, culture, and management policy (Wals, 2009). The lack of appropriate sustainable resources has motivated the researchers to carry out research that aims to contribute to promoting sustainable lifestyle through facilitating the development of digital storytelling. The storytelling was selected due to its capability in persuading audiences and the rapid growth of



the Internet users in Thailand (especially social media). This paper unveils partial findings from literature that satisfies the three research questions: (1) How to encourage sustainable lifestyle? (2) Can digital storytelling influence sustainable behaviour? (3) If yes, how to create an effective storytelling for sustainable behaviour change? Section 2 commences with the overview of sustainable lifestyle. Section 3-5 therefore shed the light on the three research questions.

## 2. Sustainable Lifestyle

Lifestyle is the ways humankind organise and direct their lives, interact with others through making decisions and selecting choices (FSC, n.d.). They include all daily practices (taking a shower, eating and working) and activities that occasionally happen (buying household products, organising party, and travelling) (Backhaus et al., 2012). The lifestyles also allow individuals to signal their personal identities, differentiate one from others, imply a social position and psychological aspiration (UNEP, 2016). United Nation (2012) and others (Manning, 2009; FSC, n.d.) agree that the current behaviour patterns contribute to unsustainable development and cause many problems such as air and water pollution, climate change, deforestation and loss of biodiversity. The current lifestyles are unsustainable as people have been encouraged to be over consumed and exclusively rely on economic aspect. The tradition education system emphasises the values that influence people to consume rather than conserve (Sterling, 2001). Jackson (2009) also underlines that people's well-being and prosperity are usually connected to the economic growth; gaining higher incomes means increasing choices in human lives, more luxury and better quality of life. The need to encourage sustainable lifestyle have been officially raised in the United Nation Conference in Rio de Janeiro (1992). The report (1992) underlines that sustainable problems cannot be addressed by increasing efficiency, it requires the change in behaviour. Production systems have been increased its efficiency and provide less negative impacts to the environment. But the invention cannot ensure that users will select environmentally friendly products and/or services (Jackson, 2005).

Sustainable lifestyle is defined as “patterns of action and consumption, used by people to affiliate and differentiate themselves from others, which: meet basic needs, provide a better quality of life, minimise the use of natural resources and emissions of waste and pollutants over the lifecycle, and do not jeopardise the needs of future generations” (Mawere, M. and Awuah-Nyamekye, 2015; p.285).

## 3. Encouraging sustainable lifestyle

Many attempts at encouraging behavior changes have been failed due to the lack of insight on factors that lead to the change (Fogg, 2009). This section then starts by presenting how behaviours are directed (Section 3.1) and then discover the solution to engage individuals to perform the new behaviours (Section 3.2).

### 3.1 How does human behaviours evolve?

Promoting sustainable lifestyle will be more effective when the behaviour is carefully selected. Along with the need to select the change that reinforce sustainability, change agents require to examine the feasibility of the new behaviour that can be promoted or inhibited through various factors (Steg and Viek, 2009). Michie et al (2011) divide factors that determine behaviour intervention into three components as displayed in Figure 1.

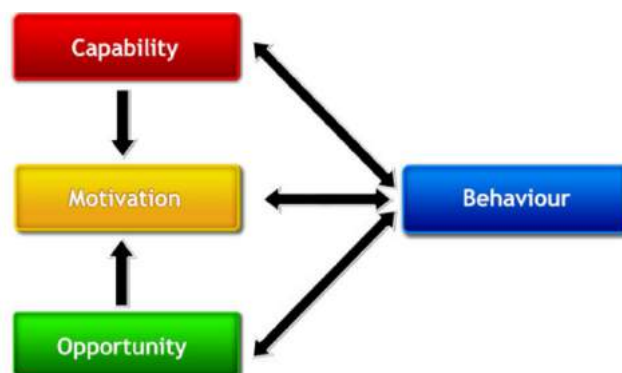


**Figure 1: Framework for understanding behaviour (Michie et al., 2011)**

- Motivation includes all brain processes that lead individuals to perform behaviour; there are habitual processes, emotional responding, and analytical decision making.

- Capability refers to knowledge and skills that facilitate individuals to involve in the selected activities (Michie et al., 2011) and in the ways that contribute to sustainable development (Parkin et al., 2004).
- Opportunity is defined as external factors that affect individuals behaviour, they can be both supporting and inhibiting.

As shown in Figure 1, the single and double headed arrows refer to potential influence among the three components and behaviour (Michie et al., 2011).

Researchers (Manning, 2009; Masicampo & Baumeister, 2008) agree that process of decision making can be divided into two systems. The first one is rule-based (reasoning) system that is associated to capability. The decision processes will be deliberately done based on facts and evidences (Manning, 2009). Individuals carefully analyse the details of persuasive discussions and evaluate their validity based on logic and knowledge (Chaiken & Trope, 1999). Secondly, associative system is more related to motivation. It is unconscious and based on emotional reaction, familiarity and mental images (Manning, 2009). Sometime, human decisions are completely controlled by associative system and lead to unsustainable behaviour. For example, biking to work is good for health and save money (rule-based system) but an individual decides not to do it as he does not want to have flat and greasy hair (associative system) (Manning, 2009).

### 3.2 Education for sustainable Development

Education is an imperative element to influence sustainable lifestyle as it enables the world residents to improve their ability for moving toward sustainable future (UNESCO, 2012). Education for sustainable development (ESD) means more than teaching sustainability in school or university; it includes all educational activities and all levels (UNESCO, 2012). ESD aims to equip the world residents with knowledge, skills, and attitudes required for achieving sustainable development (Wal, 2009). ESD is different from the traditional education as it emphasises the need to integrate values inherent sustainability. The traditional approach is not appropriate as it exclusively focuses on acquiring knowledge and give less consideration to attitudes. Attitudes (or values) are keys to achieve the change as they direct individuals to behave with other people and species (UNESCO, 2010; Matsuura, n.d.). Sipos and et al. (2008) underline that all three types of outcomes (knowledge, skills and attitudes) are prerequisite to achieve behaviour change and illustrate how they can be engaged through the model presented in the Figure 2.

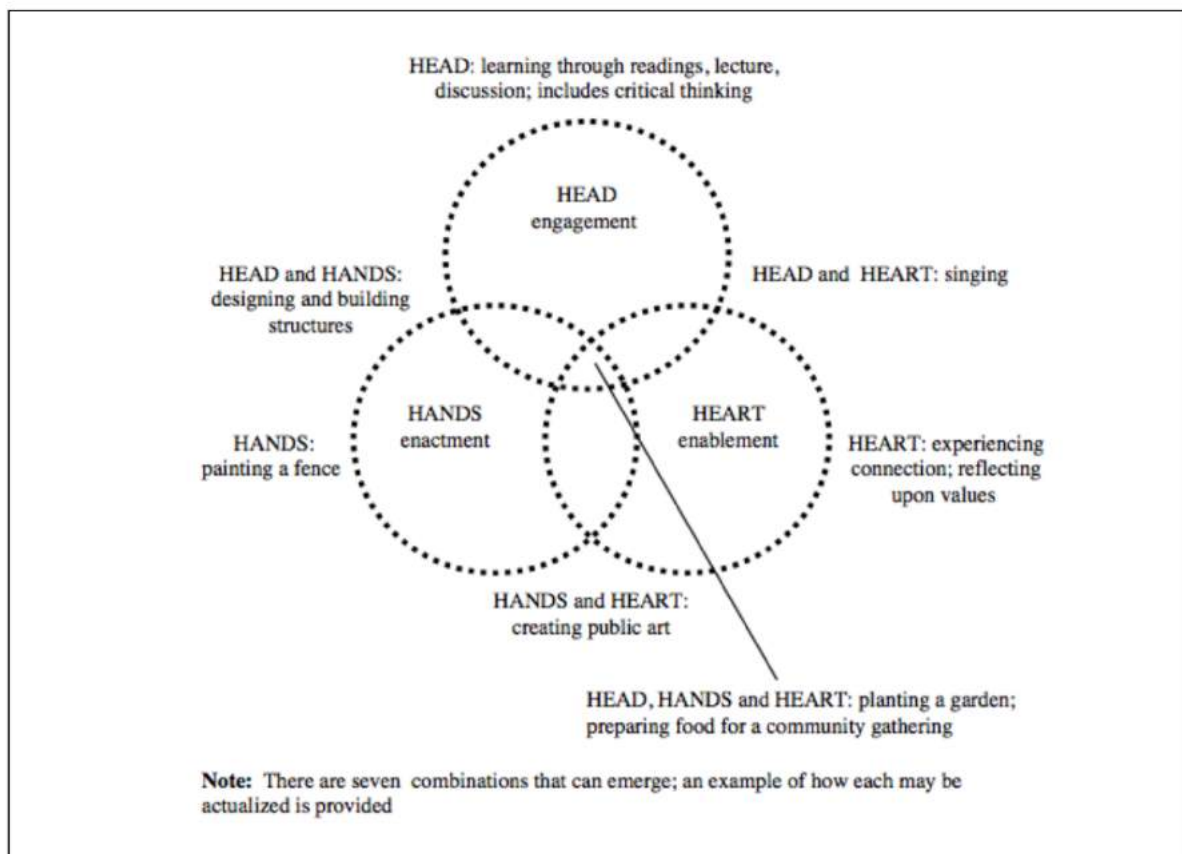


Figure 2: The framework of transformative sustainability learning (TSL) (Sipos et al., 2008; p.75)

This model has built up from Bloom taxonomy (1956) that facilitate educators to classify learning outcomes. The three domains are:

- Cognitive domain focuses on how learners acquire, process and utilise knowledge (Wiek and et al. 2012). Learning outcomes in this domain related to human knowledge and the development of intellectual skills (Bloom, 1956).
- Psychomotor domain engages learners through practical skill development and physical work such as building, painting and planting (Sipos et al., 2008).
- Affective domain is related to feeling, emotion and attitude (Segalas et al., 2009).

As previous mentioned in Section 3.1, individuals' decisions are directed by capability (cognitive and psychomotor domains) and motivation (affective domain). All three learning domains are then necessary as they allow learning to develop the two required components. Although the holistic learning approach is required to achieve ESD, most of the world residents are usually educated through traditional approach that only focuses cognitive and psychomotor domains. UNESCO acknowledges the need to transform education and had established the year between 2005 and 2014 as a Decade of Education for Sustainable Development (DESD). Many learning materials and strategies have been then developed and introduced in order to support the transformative learning and disseminate sustainable information. However, they are not compatible to the Thai context as many existing materials have been developed based on foreigners' perspectives. Wal (2009) reveals that each country has its own sustainability issues due to difference in contexts including culture, government policy and natural environment. Pasupa (2016) identified the lack of appropriate learning materials in Thailand and found that most of the ESD implementation in the country has tended to focus on the field of engineering and environmental science.

#### **4. Digital Storytelling as a learning materials for sustainable behaviour change**

According to the Section 3, one of the main obstacles to influence sustainable lifestyle in Thailand is the lack of appropriate learning materials. This section presents the potential of utilising "storytelling" (or called "narrative communication" in Hinyard & Kreuter, (2007) to address the shortage. The Oxford Dictionary defines the word narrative as "an account of a series of events, facts, etc., given in order and with the establishing of connections between them" (OED, 2017). Digital storytelling is the way to deliver stories through multimedia including image, video, and audio (Rossiter and Garcia 2010). This section illustrates how storytelling is appropriate for encouraging sustainable behaviour change.

##### **4.1 Capability in influencing behaviour change**

Storytelling is considered as a potential tool for encouraging sustainable lifestyle due to its capability in persuading people. The narrative has been widely use to promote health behaviour change [e.g. to improve Blood Pressure (Houston et al., 2011), to communicate cancer-related information (Green, 2006) and to prevent HIV (Galavotti et al., 2001)]. Digital stories could be considered as ESD learning materials and persuasive tools because they engage audiences through cognitive and affective domains (see Section 3.2). Firstly, cognitive domain, sustainability is complex as it involves various bodies of science (Ijatuyi Olufunto and Olatunde, 2013). Researchers (Gray, 2009; Miller & Pennycuff, 2008) acknowledge the capability of narrative approach in explaining complex science. Information related to science is traditionally explained through paradigmatic way. It presents information through scientific logic and mathematic while narrative way is more simple and illustrates the information through stories, drama, historical accounts, personal and other experience, and faith (Hinyard & Kreuter, 2007). Storytelling is also the basic interaction that individuals utilise to acquire knowledge and communicates with others in the daily life (Hinyard & Kreuter, 2007; Kreuter et al., 2007). Secondly, affective domain, changing individuals' attitudes is challenge as they usually avoid information that is incongruent with their belief (Dal Cin et al., 2004). The narrative approach can overcome this resistance because stories are considered as entertainments rather than direct persuasive messages; the level of resistance will be increased when individuals notice that they are directly persuaded (Dal Cin et al., 2004). Individuals commonly employ narrative to present their arguments or opinions and to encourage others to agree with the viewpoints without eliciting mental resistance (Fisher, 1984 cited in Lee & Leets, 2002). In addition, the learning processes can be occurred both directions: composing and listening to stories (Clark & Rossiter, 2008).

##### **4.2 Effective dissemination channel**

The rapid development of technology significantly enhances the capability of storytelling in influencing sustainable lifestyle. Firstly, it allows digital stories (about sustainable lifestyle) to be more widespread. A better performance and a more competitive cost make the Internet and online services to be more accessible. Thai residents tend to increase the use of online service both number of users and hours spent. Thailand has earned the second rank in mobile broadband subscription in South-east Asia (Ericsson, 2016). Thai government has a goal to provide broadband access to all Thai residents and propose that 95 percent of the population will have the

access by 2020 (NECTEC et al., 2011). Moreover, the residents are familiar to acquiring information and knowledge through digital stories. According to ETDA (2016), Thai residents averagely spend 6.4 hours per day on the Internet and the top five activities were social media, Youtube, search engine, reading electronic books and email. The use of digital storytelling in educating was also shown through previous research. For example, providing information for surviving from flooding disaster in 2011 (Kaewkitipong et al., 2012); raising road safety awareness (Na-songkhla, 2011). Secondly, its capability in customisation, advanced technology facilitates media producers to tailor made stories for each group of audiences. This allows sustainable behaviour intervention to be more effective (more details in Section 5.1).

## **5. Suggestion to create successful storytelling for influencing behaviour change**

According to the literature review, effective storytelling should be systematically constructed. A number of instructions and suggestions have been introduced to facilitate storytellers. This paper emphasis on the need to specify the target audience (Section 5.1) and reinforce its capability in persuading (Section 5.2).

### **5.1 Personalised Approach**

Identifying specific target audiences can increase the performance of storytelling in encouraging sustainable lifestyle. A precise target group is required for successful communication because different types of audience have widely different mind and personality (UNDP, 2005). "The more defined the audience, the greater the opportunity to customise capability development to their particular needs and situation" (UNICEF, 2013). It allows the content creators to gain better understanding on the audiences. Audiences insight is prerequisite to engage them; it is important to offer things that are relevant to their needs and motivations (FSC, n.d.). The insight enables composers to provide appropriate set of content and presentation style that lead to a more effective engagement on both affective and cognitive domains. Sustainable development is broad and complex as it involves various bodies of science (Ijatuyi Olufunto and Olatunde, 2013). Individuals will feel related to sustainable development when the term is translated to their personal life (Oopen, 2006). Everyone has different experience and background knowledge thus it is important to educate them through the language or situations that they are familiar.

"If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart" (UNDP, 2005; p.15).

OECD (2014) underlines that attitudes related to development can be influenced through personal belief and previous experience. Explaining sustainability through the issues that are related to the audiences can encourage them to give more consideration to the topic (Manning, 2009). For example, Minnesota residents do not recognise that climate change has already affected them as the mass-media focus on reporting environmental problems in other places such as receding glaciers in Greenland and desertification in Africa. While, the trees in Minnesota is deteriorated by an increasing number of bark beetles. They usually killed by the cold in winter but the cold is milder due to the climate change (Manning, 2009). Moreover, some groups of audiences might have their specific learning culture and struggle to understand the contents that are developed for others. For example, many contents related sustainable design are available but many designers do not utilise them due to the inappropriate presentation style (Lofthouse, 2006). Designers prefer to acquired information through media that maximise use of graphic but most of the existing resources have been developed for engineers and/or environmental scientists. Many learning resources (information) are too technical to designers as they contain complex equations and jargons (Dewberry, 1996).

### **5.2 Persuasive Strategy**

As mentioned in Section 3, behaviour can be supported and inhibited based on the three components: capability, motivation and opportunity. Storytelling can be utilised to increase capability (knowledge) and motivation (values and attitudes) through cognitive and affective domains respectively. Although the narratives can raise awareness (or knowledge) of sustainable lifestyle, it cannot guarantee the change in attitude and behaviour. Bickman (1972) interviewed 500 participants and found that 94% acknowledge responsibility for picking up litter but only 2% preformed the action in real. Effective sustainable intervention should aim to behaviour that is possible to change rather than struggling individuals with challenges (UNDP, 2016). Researchers (Steg and Viek, 2009; Geller, 2002) underline that assessing the feasibility of expected behaviour is one of the criteria to achieve the behaviour intervention. While other studies (Michie et al., 2011; Steg and Viek, 2009; Geller, 2002) focus on identifying the factors that affect the behaviour change, Fogg (2009) stresses on the interaction between ability and motivation.

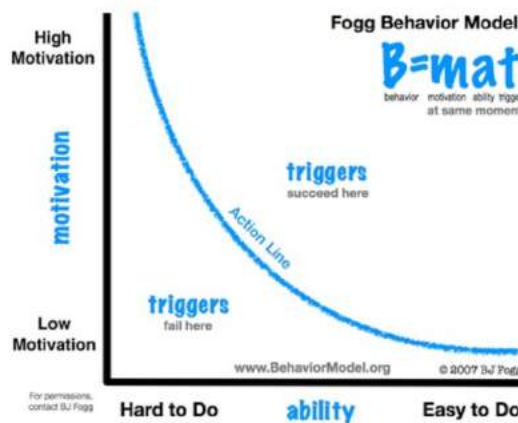


**Figure 3: The Fogg Behaviour Model has three factors: motivation, ability, and triggers (Fogg, 2009).**

As illustrated in Figure 3, ability and motivation can be traded off; behaviour interventions can be succeed in the low motivation area if the behaviour is easy to do. For example, a website owner want to persuade visitors to subscript their newsletter by typing their email address. Although, the visitors might not have much interest in the subscription, the task is simple (easy to do); the persuasion is therefore possible to success (Fogg, 2009). This model could enable storytellers to create more effective persuasive stories for influencing sustainable lifestyle. It facilitates the tellers to select the behaviour that has a higher potential to be achieved and identify the objectives of stories (increase motivation and/or ability).

## 6. Conclusion

Section 3 identifies that education is an imperative element to achieve sustainable lifestyle as it allows individuals to increase their capability and motivation required for sustainability. However, the current education system in Thailand cannot fully contribute to the behaviour intervention as it gives less consideration to affective domain that associate to motivation. Although several learning materials have been developed to promote ESD and are available online due to the call from UNESCO, they are not appropriate to Thailand due to the difference in contexts. Section 4 confirms that storytelling has a potential in influencing sustainable behaviour. It is also considered as a solution to address the lack of appropriate learning resources because of the two advantages.

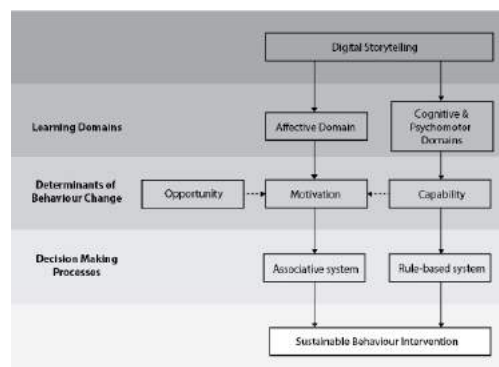


**Figure 4: The relationship between storytelling and behaviour change theories**

The first advantage is a capability in influencing behaviour change. As seen in Figure 4, storytelling can engage audiences through both cognitive and affective domains which facilitate the development of capability and motivation required for the decision-making processes. Secondly, the stories can be widely disseminated through the Internet. Along with the understanding on human behaviour ecology (Section 3), storytellers required to consider the two suggestions (presented in Section 5) while constructing the storyline. The use of personalised approach and completed persuasive strategy could increase the performance in influencing behaviour change. Future research aims to test the hypothesis obtained from this literature-based study, acquire additional finding from empirical studies. Therefore, all findings will be drawn together and will be utilised to develop a framework that facilitates the development of storytelling for sustainable behaviour change.



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# European Union Ranking Using Ritchie and Crouch model, ELECTRE III and Benchmark by a Super-DEA Projection

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## Abstract

The major aim of this article is to improve the accuracy in reflecting the tourism performance of twenty-seven European Union countries, with the exclusion of Malta due to the inaccessibility of their tourism resources' statistics, according to the Global Competitiveness Report, which presented the tourism performance ranking within the European Union. This paper attempts to determine a new quantitative method to measure performance in tourism economics and explain the distribution of the efficiency ranking scores.

The paper highlighted the tourism mobility factors analysed by the Crouch and Ritchie model (1999) to assess tourism destination competitiveness and performance with ELECTRE III; this approach has a number of distinctive features not found in other solution approaches, including the theories of outranking and the use of preference and indifference thresholds. The ELECTRE III method is explained and applied to a project selection problem. Experience of the procedure shows that ELECTRE was well received by the decision makers and, essentially, provided straightforward and sensible project rankings. In order to measure the ranking score in large and small countries in terms of development, Data Envelopment Analysis Projection was used to explore the strengths and weaknesses of each input and output in order to better understand and develop the nature of a destination's competitiveness.

**Keywords:** Performance, European Union, Tourism attraction, DEA Projection, ELECTRE III and destination competitiveness Crouch and Ritchie (1999).

## 1. Introduction

The competitiveness of corporations and industry has been one of the essential issues for research in the fields of economics and business studies. Moreover, perception of the competitiveness of nations was primarily proposed by economists (e.g. Porter 1990) and the topic increased in significance through studies among management scholars during the last decade. Competitiveness research starts with debate about the formative work on the competitiveness of nations by Porter (1990) explaining national competitiveness as a consequence of a nation's capability to innovate, maintain or achieve a beneficial position over other states in strategic industrial sectors.

The Organisation for Economic Co-operation and Development (OECD) specified competitiveness as "*the degree to which a country can, under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the longer term*" (OECD 1992, p.237). By adding a time dimension to the characterization of national competitiveness, Boltho (1996) illustrates the difference between the long- and short-run of the competitiveness of nations. Therefore, short-run international competitiveness is defined as the level of the actual exchange rate that certified external and internal balance with suitable domestic policies; furthermore, longer-run international competitiveness may well accompany the highest possible progress of productivity comparable with external stability.

Following the terms of the driving factors that regulate national competitiveness, Porter (1998) claimed "*it is firms, not nations, which compete in international markets*". Clark and Guy (1998) supposed that competitiveness, in the long run, depends upon the organization of the country to participate in both international and domestic markets. Generally, the level of competitiveness enables the organisation to increase its size and develop global market share and its proceeds. Papadakis (1994) mentions the possibility that a nation's competitiveness can be dignified by the accretion of the competitiveness of organisations functioning within its limitations; additionally, the strength of these organisations is measured to be the single most imperative principle of national competitiveness.

Furthermore, regarding the character of organisations in defining national competitiveness, Newman, Porter, Roessner, Kongthong and Jin (2005) registered a number of other influences that could encourage national

competitiveness. Therefore, it can be understood that competitiveness comes entirely from national governments' policies which afford the confidence to invest in manufacturing capability and infrastructure. Likewise, national competitiveness occurs due to competition.

Francis (1992), argued that the presence of competition creates a competitiveness and comparative quality, which is fundamentally a zero-sum game. In contrast, it is the eminence of a competitor that regulates the prospect of engaging the competition, which designates that the competition has to be quantified beside the competitiveness. Papadakis (1994) designated the same concept from a consumer's perception; the characteristic of competitiveness is replicated by consumer selections among two or more goods competing for the consumer's expenditure.

On the other hand, many countries have recently experienced an economic downturn as a result of many challenges, including the global financial crisis, natural catastrophes and increases in the price of fuel. However, the travel and tourism (T&T) sector still accounts for an important share of employment and global gross domestic product (GDP) and will continue to play a significant role in the world's economy (Blanke, Chiesa, and Herrera 2009). Kyriakidis, Hancock, Oaten and Bashir (2009) specified that the T&T sector not only subsidises economic growth but also affects globalization and international commercial relationships. It is an essential driver of prosperity and national growth and, therefore, policymakers should be aware of and consider the imperative resources or developmental factors affecting the global competitiveness of the tourism destination itself (Mei, Arcodia, and Ruhanen 2012).

Bernini (2009) suggested four components that benefit the competitiveness in tourism destinations, which are demand conditions, expressions of the quality, nature of tourist interest levels and local factor conditions, such as location and a region's natural resources and tourism-related and government policy supporting communities and industries with infrastructure and statistics. Nevertheless, when analytically evaluating the global competitiveness in the T&T sector, the Travel and Tourism Competitiveness Index (TTCI), released in the Travel and Tourism Competitiveness Report by the World Economic Forum, is possibly the most comprehensive. The TTCI purposes to extend the policies and factors that make it attractive to develop the T&T sector in diverse countries. It contains three sub-indexes and fourteen pillars ascribed to the T&T sector, including a number of significant criteria that have also been used to extend each pillar as a sub-index.

The TTCI is a valuable specification for making resolutions on industry and business development connected to the T&T sector (Blanke et al. 2009). Categorising the best performer and concluding comparison of the performance is the leading part of the procedure for benchmarking analysis (Watson 1993). Top TTCI ranking definitely goes along with a good reputation in creating a respected intangible asset for a country (Barnett, Jermier and Lafferty 2006; Fombrun 1996; Vidaver-Cohen 2007).

On the other hand, although calculating the overall score of competitiveness, the Travel and Tourism Competitiveness Report attributes all pillars with equal weights. This may not be agreeable to all policymakers due to dissimilarity among countries which may have different natural and cultural disadvantages/advantages emerging in their own T&T sector. In this circumstance, allocating different weights to pillars can indicate moderately different ranking results. Besides, every resulting ranking signifies an element of a country's character. The high ranking countries frequently attract higher levels of international consideration with positively expressed responses, which, in turn, increase their economic prospects.

Additionally, the TTCI pillars are presumed mutually independent and lacking any causal relationships; consequently, they do not provide policymakers with supplementary information as to the most fundamental pillars for overall competitiveness in the T&T sector. Conferring to Wu (2010), causal knowledge based on causal analysis probability advances the features for decision-makings and thereby simplifies the progression of transmuting strategic objectives into effective actions. Kyriakidis et al. (2009) also accentuated that the challenge for policymakers is to focus possession on those drivers that are efficient and deliver the greatest economic benefits to the T&T sector. Therefore, identifying the causal relationship among pillars within the TTCI is worthy of further exploration.

The main purpose of this chapter is to add value to the Travel and Tourism Competitiveness Report by performing additional benchmarking and causal analyses for the TTCI rankings of 27 large and small countries of the European Union, excluding Malta. This could increase utilization of their available tourism resources and explore the imperative pillars driving the greatest competitiveness of the T&T sector to assist policymakers in better decision making. For that reason, the approaches used data from T&T (2011), a particularly challenging period for the travel and tourism industry, especially in Europe. The second half of 2008 and 2009 saw the



worst global economic recession since the 1930s; although several key economies in Europe had started to register growth in mid-2009, it remained fragile, with the region overall suffering a 5% decline in arrivals and a 13% fall in receipts over the year (WEF, T&T Competitiveness Report 2011-2012).

Among the possible methods for efficiency assessment, Data Envelopment Analysis (DEA) appears to be an interesting non-parametric approach. It enables the use of multiple inputs and outputs with no assumption about any functional form relating inputs to outputs, which it works on small samples (Perrigot et al. 2009). To address this issue, this study attempts to use the DEA projection after the evaluation from Crouch and Ritchie (1999) and ELECTRE III ranking measurements.

Previously, several researchers have measured tourism performance using the model from the global competitiveness report in combination with other methodologies, which is explained in this study by implementing it with a model of Crouch and Ritchie (1999) and ELECTRE III ranking problems.

1. Selecting evaluation variables
2. Clustering the DMUs
3. Multiple ranking methods (Crouch and Ritchie, 1999 and ELECTRE III)
4. Incorporating ranked lists
5. Benchmarking of development (DEA projection)

The easiest way to explain the selection variable systematically for each method is to indicate the multiple ranking of the proposed procedure by selecting evaluation variables into the group, which creates various kinds of rankings. A ranking is a ranked list resulting from comparison of objects using specific evaluation methods with one criterion or multiple criteria. The remainder of this chapter is organized into Section 8.2: literature review, Section 8.3: methodology, Section 8.4: finding and discussion and Section 8.5: the conclusion.

## 2. Literature Review

Tourism destination performance is a key theme of tourism research in recent times, with researchers becoming increasingly interested in this concept. For example, Barros et al. (2010) highlight the advantages of certain types of attractions (*E*-attractions - Botti et al. 2008). Overall, destination managers are aware that, besides comparative advantage and price (Dwyer et al. 2000), many other variables determine the competitiveness of their destination (Vanhove 2005). Using some of the bases of Porter's model Porter (1990), Ritchie and Crouch (2003) proposed a model that is recognized as being the most comprehensive and complete.

They postulate that destination success is essentially determined by two different advantages; on the other hand, the comparative advantages reflect the endowed resources of the destination, either natural or man-made. Then and there, competitive advantages are those that have been established because of effective resource deployment.

After that, ELimination Et Choix Traduisant la REalité (ELimination and Choice Expressing REality) (ELECTRE) is the same concept as Multiple Criteria Decision Analysis (MCDA). ELECTRE is one of the optional ways to overcome deficiencies of existing decision-making solution methods and Bernard Roy (1968, 1991) conceived the ELECTRE III method for project ranking.

Finally, Super-efficient Data Envelopment Analysis (Super-efficient DEA) projection makes it possible to analyse a destination as one would a firm with inputs (human resources, hotels and similar establishments, campsites, tourism attractions) and outputs (bed-nights in hotels and similar establishments and nights spent in campsite) and with the objective of maximum efficiency through proper use of its inputs. Super-efficient DEA projection is a method used to determine the projection onto the frontier by using the weighting scheme provided by the values to analyse a composite point on the frontier (Sherman and Gold 1985).

Accordingly, the aim of this chapter is to evaluate tourism performance by linking the contextual settings of destinations to theoretical expectations, which will be clarified below. It then provides a comprehensive framework of tourism destination performance on the premise that it is subject to variables that are external to the production process and which may affect or cause efficiency.

### 1.1 Tourism Mobility Factors

The perception of mobility in the perspective of tourism studies refers to the aptitude of individuals to travel from one location to another. In order to enable this, people need to be able to overcome factors that act as limitations. Botti et al. (2008) defined time as a major factor limiting how far people can travel. Though, the time availability to reach a destination in itself, subjectively depend on encouragements set in the geographical



and tourism system of the destination (Cooper and Hall 2008, p.6). The Cooper and Hall model is beneficial for considering the flows of tourists between locations and keeping in mind that the connectivity between generating regions and destinations is significant. Transit components have an impact between destinations and generating areas, which are relatively connected. Likewise, destinations have more advantages over others in relation to their approachability and, therefore, their potential market area.

Around 700 million people now call themselves Europeans since their culture has been influenced by similar factors, such as Christianity, the Roman Empire, the Cold War, world wars and so on. On the other hand, it is also conceivable to give economic characterization of Europe through the European Union and more definitely through the Euro Zone (EZ). Since its establishment by six founding members more than 50 years ago, the EU has attracted a continuous stream of newcomers, producing a total current membership of 27 countries. Within the EU, the Euro Zone is an economic and monetary union of 17 states that have adopted the Euro (€) as their legal currency.

It is possible to comprehend that the inspiration of the Euro can be either negative or positive. In certainty, when tourists make decisions to travel, they might select a destination because the Euro is used (or not) as the national currency. Not having to exchange currencies when travelling to a destination may be a benefit for the tourist. In distinction, an American traveller might see the use of the Euro at a destination as a convenient reason to travel.

## 2.2 Tourism Attraction Factors

In tourism, development of attractions has been viewed as a main principle since they are generally the reason for visiting a specific destination providing activities and experiences. Rojek (1997, p.52) states “*the urge to travel to witness the ‘extraordinary’ or the ‘wonderful object seems to be deep in all human cultures’*”. Hence, it is hardly surprising that considerable attention has been paid to the consumption and production of attractions (Edensor 1998; Gunn 1988; Leiper 1990; Lew 1987; MacCannell 1976). In spite of their practical and theoretical importance, research has required both foundation and depth (Dredge 1999; Leiper 1990). Determinations to spot these inadequacies have been made in recent years, with supplementary attention being paid to their meaning and function (Pearce 1999). The development of sight sacralisation (Jacobsen 1997; Leiper 1997), the dialectic relationship between consumption and production (Dietvorst 1993) and community reproduction of attractions (Bras 2000).

Numerous recent studies have based on the work of Mac Cannell in analysing the semiotic of attractions and the successive delivery of his concepts into “*attraction systems*” by Leiper (1990). In spite of the extensive acceptance and use of these concepts, the perceptions motivating such systems have yet to be broadly empirically examined. Gunn (1988) claimed that attractions implement a magnetic “*pulling power*” over people stemming from classical times. This fascination includes not only the preferences and interests of tourists but also the quality of the development and design and operation of the attraction.

Attractiveness is based upon a combination of possessions that have an imperative impact on the geographical location; for example, climate has high impact on tourist flows and the sun-seeking factor in international tourism explains the north-south tourist flow. The background of tourism attractions (or inside; see the concept of nucleus – Gunn, 1993; Leiper 1990) are constituents of the environment (cultural or physical) that have the capability to attract tourists, i.e. tourism resources.

The key factor in establishing a tourism resource depends on the desires, motivations and interests of the consumers involved with the economic, cultural and technological contexts within which this motivation take place. Different cultures and nationalities may then have different perceptions of the tourism value of the same components of one place. As Cooper and Hall (2008, p.118) discuss, tourists in London may regard a ride on the underground subway as an attraction; therefore, larger countries can be more efficient since their legacy of prospective tourism resources is larger. Europe includes both large and small countries that compete in the tourism market and these countries encompass a wide range of tourism resources that are associated with different climatic, geographical and cultural characteristics.

## 3. Tourism Destination Evaluation Method

### 3.1 The Global Competitiveness Report 2009-2011

In this study is to complement an analysis the development of the results over the past five editions in the report and by comparison with the progress of this report and the data used with the Global Competitiveness report (GCR) are not the results from the Survey. In addition, this revision examined the latest developments in all the countries identified as outliers by the tests, which could help to explain such large swings. Based on this

analysis, the 2011 Survey data collected in Bosnia and Herzegovina, Kazakhstan, Morocco, Qatar, Saudi Arabia and Slovenia are identified as significantly deviating from the 2010 results.

This departure is not accompanied by a similar trend in GCR indicators derived from sources other than the Survey. Some countries had used only the 2010 Survey data in the computation of this year's GCR, which represented a remedial measure to address in the short term, large unexplained swings; going forward, the report will investigate the situation in an effort to understand what is driving such high volatility in the Survey data in each country (WEF, 2012).

The concept of competitiveness thus involves static and dynamic components by using three sub-indexes and twelve pillars as the key elements to investigate people's decision making for visiting a country. This separates into three sub-index categories of (i) Basic Requirements, (ii) Efficiency Enhancers and (iii) Innovation and Sophistication Factors. However, the productivity of a country determines its ability to sustain a high level of business activity and it is also one of the central determinants of its returns to investment, which is one of the key factors explaining an economy's growth potential. Table 1 shows the results for the top ranking and score from a tourist's destination decision making (WEF, 2012).

**Table 1** The Global Competitiveness Index 2012 Rankings

| Country/Economy | Rank-<br>142<br>countries | Score | GCR<br>Rank among 2011–<br>2012 | GCR<br>Rank among<br>2001–2011 |
|-----------------|---------------------------|-------|---------------------------------|--------------------------------|
| Switzerland     | 1                         | 5.74  | 1                               | 1                              |
| Sweden          | 3                         | 5.61  | 3                               | 2                              |
| Finland         | 4                         | 5.47  | 4                               | 7                              |
| Germany         | 6                         | 5.41  | 6                               | 5                              |
| Netherlands     | 7                         | 5.41  | 7                               | 8                              |
| United Kingdom  | 10                        | 5.39  | 10                              | 12                             |
| Belgium         | 15                        | 5.2   | 15                              | 19                             |
| France          | 18                        | 5.14  | 18                              | 15                             |
| Austria         | 19                        | 5.14  | 19                              | 18                             |
| Luxembourg      | 23                        | 5.03  | 23                              | 20                             |
| Ireland         | 29                        | 4.77  | 29                              | 29                             |
| Estonia         | 33                        | 4.62  | 33                              | 33                             |
| Spain           | 36                        | 4.54  | 36                              | 42                             |
| Czech Republic  | 38                        | 4.52  | 38                              | 36                             |
| Poland          | 41                        | 4.46  | 41                              | 39                             |
| Italy           | 43                        | 4.43  | 43                              | 48                             |
| Lithuania       | 44                        | 4.41  | 44                              | 47                             |
| Portugal        | 45                        | 4.4   | 45                              | 46                             |
| Cyprus          | 47                        | 4.36  | 47                              | 40                             |
| Hungary         | 48                        | 4.36  | 48                              | 52                             |
| Latvia          | 64                        | 4.24  | 64                              | 70                             |
| Slovak Republic | 69                        | 4.19  | 69                              | 60                             |
| Bulgaria        | 74                        | 4.16  | 74                              | 71                             |
| Romania         | 77                        | 4.08  | 77                              | 67                             |
| Greece          | 90                        | 3.92  | 90                              | 83                             |

*Sources: WEF, 2012*

The Global Competitiveness Index (2012) ranked Switzerland as the highest of 142 countries, which is the same position as the previous year. Three broad categories comprising 12 indicators were weighted to obtain an overall index.

The three categories were weighted and scored as follows:

- Basic Requirements: ranked at 3.15, reflecting scores of 15
- Efficiency Enhancers: ranked at 3.15, reflecting scores of 15;
- Innovation and Sophistication Factors: ranked at 3.15 reflecting scores of 15

**Table 2** Switzerland Ranking Score in Twelve Categories

| Column | Switzerland             | Rank | Score |
|--------|-------------------------|------|-------|
| 1      | Institutions            | 6    | 5.78  |
| 2      | Infrastructure          | 5    | 6.15  |
| 3      | Macroeconomic           | 7    | 6.28  |
| 4      | Health and environment  | 8    | 6.53  |
| 5      | Higher education        | 3    | 5.8   |
| 6      | Goods market            | 5    | 5.24  |
| 7      | Labor market            | 1    | 5.95  |
| 8      | Financial market        | 7    | 5.35  |
| 9      | Technological           | 1    | 6.3   |
| 10     | Market size             | 39   | 4.51  |
| 11     | Business sophistication | 3    | 5.82  |
| 12     | Innovation              | 1    | 5.77  |

*Sources: T&T Competitiveness Report, (2011-2012)*

In an effort to improve competitiveness and sustain first place, the government would need to improve areas of weaknesses as well as continue to build on areas of strength (see table 2). The report indicated that the areas of greatest weakness lie within the Basic Requirements category (WEF, 2012).

### 3.2 European Countries Ranking by Ritchie and Crouch (2003)

Nowadays, the dynamism of the global tourism industry represents many challenges, including growing external competition, sustainability concerns and evolving demand patterns for specific forms of tourism. Even if each European country has unique future ambitions, enhancing the competitiveness of Europe's tourism industry is crucial for achieving common strategic goals, which are economic growth, jobs and the welfare of citizens (Kozak 2002). In this context, this study aims to evaluate the relative performance of European countries. This aim is justified by at least one argument: the tourism industry is not immune to some requirements in terms of performance. Growing competition implies that European destinations have to (or will have to) face a decrease in their competitiveness.

The key factors of destination competitiveness are demonstrated in the model clustered into five main groups. In total, the model identifies 36 destination competitiveness attributes. This construction is based on the theoretical concepts of competitive (effective use of resources) and comparative advantages (Porter 1990; Enderwick 1990), which is the study a number of broad categories of factor legacies, such as human resources, physical resources, knowledge resources, capital resources, infrastructure and historical and cultural resources.

On the other hand, Dwyer and Kim (2002) and Dwyer et al. (2001) also undertook to develop a general model of destination competitiveness, which also considers national and firm competitiveness theory. The most important elements of their model include resources comprising endowed resources, such as mountains and general scenic features, and heritage elements like handicrafts, language, cuisine and customs. Creative resources are defined as special events, shopping, tourism infrastructure, etc. and support resources are explained as general infrastructure, service quality, accessibility, etc.

In order to recognize destination competitiveness, it depends on the resources available at the destination, which are split between comparative advantage and competitive advantage. This model also acknowledges the impact of world tourism in (macro) environmental forces; for example, the world's economy, culture, terrorism and demographic trends in order to find the affective function in the competitive (micro) environment associated with the destination.

Chance events and government are also analysed as they influence competitiveness from both sides of the impact on basic determinants, which was probably inspired by Bordas (1994). Tourism policy is identified as a different element from the above criteria to prevent further cover policy for the planning and development factor that supplies the destination's competitiveness and sustainability (Ritchie and Crouch 2000).

This study will concentrate on five main categories, which are (I) Core resources and attractors, (II) Supporting factors and resources, (III) Destination management, (IV) Destination policy, planning and development and (V) Qualifying and amplifying determinants in each category containing the sub factors. Table 3 presents the most efficient country in the top rank was Sweden with a total overall ranking score of 2.09.

However, although the matrix in table 8.3 shows the top ranking for the European zone, it is not the aim of this study. The five categories included several factors for the government to learn from each criterion. For example, in the qualifying and amplifying determinants (V), Sweden received 5.38 and Finland 5.59, which are the highest scores in category (V). Now let us have a look at the categories in (V):

- a. *Location*: favourable/unfavourable proximity of the destination to major markets *Safety and Security*: degree of freedom from potential forms of harm to tourists
- b. *Cost/Value*: factors affecting the overall affordability of the destination
- c. *Interdependencies*: favourable/unfavourable associations with other destinations
- d. *Awareness and Image*: extent to which the destination is well-known and desired
- e. *Carrying Capacity*: extent to which the destination is at or close to its viable limit

**Table 3** Conceptual of European Zone Destination Competitiveness

| Weights        | 0,267                         | 0,174                            | 0,191                  | 0,176                                        | 0,1912                                 |                       |
|----------------|-------------------------------|----------------------------------|------------------------|----------------------------------------------|----------------------------------------|-----------------------|
| Categories     | Core resources and attractors | Supporting factors and resources | Destination management | Destination policy, planning and development | Qualifying and amplifying determinants | Overall Ranking Score |
| Austria        | 4,97                          | 5,51                             | 5,52                   | 5,38                                         | 5,43                                   | 2,09                  |
| Luxemburg      | 3,38                          | 5,09                             | 5,47                   | 4,23                                         | 5,45                                   | 2,09                  |
| Finland        | 4,08                          | 5,16                             | 5,23                   | 4,6                                          | 5,59                                   | 2,07                  |
| Ireland        | 3,4                           | 5,22                             | 5,42                   | 5,18                                         | 5,42                                   | 2,07                  |
| Sweden         | 5,27                          | 5,23                             | 5,33                   | 4,34                                         | 5,38                                   | 2,04                  |
| Estonia        | 3,18                          | 4,69                             | 5,21                   | 5,51                                         | 5,41                                   | 2,03                  |
| Germany        | 5,5                           | 5,68                             | 5,12                   | 4,28                                         | 5,46                                   | 2,02                  |
| Netherlands    | 4,67                          | 5,33                             | 5,27                   | 4,36                                         | 5,33                                   | 2,02                  |
| Belgium        | 4,5                           | 5,09                             | 5,31                   | 4,4                                          | 5,26                                   | 2,02                  |
| Cyprus         | 3,11                          | 5,07                             | 5,45                   | 6,12                                         | 4,97                                   | 1,99                  |
| United Kingdom | 5,84                          | 5,65                             | 5,31                   | 4,87                                         | 5,08                                   | 1,98                  |
| Portugal       | 4,53                          | 4,97                             | 5,15                   | 5,16                                         | 5,2                                    | 1,98                  |
| Denmark        | 4,16                          | 5,4                              | 5,12                   | 4,11                                         | 5,15                                   | 1,96                  |
| Spain          | 5,66                          | 5,6                              | 5,07                   | 5,91                                         | 5,12                                   | 1,95                  |
| France         | 5,38                          | 5,74                             | 5,02                   | 4,99                                         | 5,15                                   | 1,94                  |
| Czech Republic | 4,4                           | 4,56                             | 4,82                   | 4,44                                         | 5,19                                   | 1,91                  |
| Hungary        | 3,45                          | 4,13                             | 4,72                   | 4,71                                         | 5,2                                    | 1,89                  |
| Slovenia       | 3,33                          | 4,65                             | 4,88                   | 4,69                                         | 4,98                                   | 1,88                  |
| Lithuania      | 3,23                          | 4,08                             | 4,74                   | 4,13                                         | 5,09                                   | 1,88                  |
| Latvia         | 2,98                          | 4,34                             | 4,65                   | 4,36                                         | 5,13                                   | 1,87                  |

|          |      |      |      |      |      |      |
|----------|------|------|------|------|------|------|
| Poland   | 4,53 | 3,77 | 4,59 | 4,04 | 5,03 | 1,84 |
| Bulgaria | 3,44 | 4,11 | 4,76 | 4,25 | 4,9  | 1,84 |
| Italy    | 5,25 | 5,1  | 4,86 | 4,27 | 4,72 | 1,83 |
| Greece   | 4,26 | 4,92 | 4,91 | 5,17 | 4,7  | 1,83 |
| Slovakia | 3,44 | 3,8  | 4,21 | 3,67 | 5,12 | 1,78 |
| Romania  | 3,28 | 3,49 | 4,42 | 3,77 | 4,73 | 1,75 |

The key for this study is not aimed at high ranking by number and this is the main reason for using the Ritchie and Crouch model. Ritchie and Crouch could be explained in detail in order to develop from each factor. After that, this study also uses the multiple criteria to minimize the solution by using ELECTRE III.

### 3.3 An existence of Decision-Making Methods Using ELECTRE

ELECTRE is one of the optional ways to find deficiencies of existing decision-making solution methods that was conceived by Bernard Roy (1968, 1991). In consideration of the ELECTRE methods, that could learn more in Roy (1990) and Vanderpooten (1990) about the foundation of this method; Roy's philosophy of decision aid is well developed in Roy (1993, 1996). In addition, different versions of ELECTRE have been developed (I, II, III, IV and TRI); however, this chapter will refer to ELECTRE III. All methods are based on the same primary concepts.

#### 3.3.1 ELECTRE III Ranking Problem

Decision making has never been easy for most people; it is challenging for some reason. There is no single decision maker; instead, that agreement is required from a group of decision makers and there is no single standard that sufficiently captures the effect or impact of each decision. Arriving at the best decision process is the component of the subjective and objective that both of them should separate (Henig and Buchanan 1996; Buchanan et al. 1999).

A decision problem can be conceived as containing two components, which are a set of objectively well-defined alternatives and a set of subjectively clear criteria. The association between the alternatives and the criteria is designated using characteristics which refer to, as objectively as possible, the structures of alternatives that are relevant to the decision problem (Buchanan et al. 1999). In simple terms, this is the bridge involving the alternatives and the criteria. Each criterion attempts to reveal a decision maker's preference with respect to certain features of the decision problem. These inclinations by being exact to a decision maker are subjective. The explanation of the criteria from attributes is, therefore, an unavoidable subjective process.

The main point is to structure the decision problem into objective and subjective components to place a clear border around the preferences of the decision maker(s). It also gives an opportunity to evaluate an alternative (in terms of attributes) to be undertaken as objectively as possible (Buchanan et al. 1999). Furthermore, it is generally accepted that any structuring of a decision problem should develop the decision procedure and improve the quality of the consequence (for example, Schwenk and Thomas 1983).

Then, the indicators of destination competitiveness, working on a mixture of elements comprising the competitive framework, are classified by categories according to the measurement of subjective and objectives; for example, they are 'soft' or 'hard' measures, hard measures are the objective or are quantitatively measurable. Simplified, the 'soft' measurable items involve the visitor's perceptions that tend to be more subjective or qualitative; likewise, destination competitiveness in natural resources relates to aesthetics, beauty and grandeur. Then the 'hard' element is defined as the destination's competitiveness, in terms of natural resources, which would be needles, such as the size of areas linked to National Parks and Nature Reserves, topography, average mean temperatures, sunshine levels and number of coral reefs (Ritchie, Crouch and Hudson 2000).

Table 3 shows the overall performance from the Ritchie and Crouch model among the European Zone and, in order to minimize the criteria; ELECTRE III was the best choice in order to multiply the thirty-six criteria from the Ritchie and Crouch model. Then, the results from ELECTRE III (figure 1) show that Spain is the most efficient country by using this model.

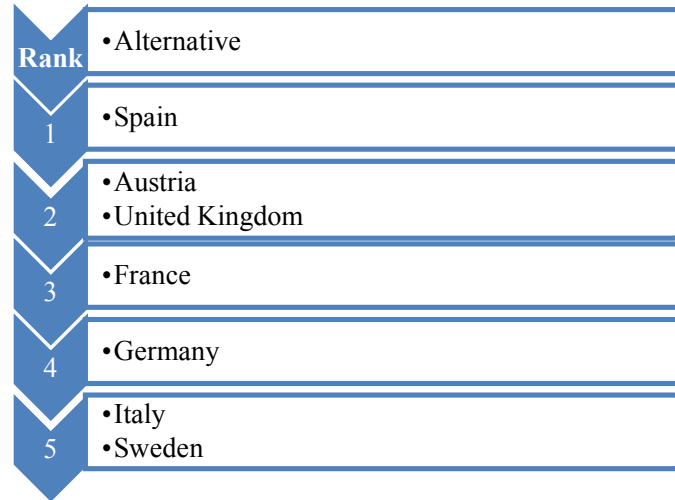
#### 3.3.2 Distillation Procedures

Each alternative is linked with each other alternative with two arrows, one each way, signifying the credibility index. Given the large number of alternatives, the chart is highly complex so it is necessary to select only the top five from the twenty-seven alternatives, as shown in tables 4 and 5, showing overall efficiency and



performance. Spain is found to be the most efficient by calculating Indifference, Preference and Veto Threshold and using an increased direction preference  $\alpha = 0.2$  and  $\beta = 0.1$ .

**Figure 1** Alternative Final Score



The statistical results from twenty-six alternatives show the final score received was fourteen descending distillations and eighteen ascending distillations. Eighteen ranks in the final pre-order and twenty-two ranks in the median pre-order. The overall efficiency from figure 1 presented the highest ranking was Spain, followed by two countries in the second rank, which are Austria and the United Kingdom, third is France, fourth is Germany and fifth is Italy. Following the distillation, the automated procedure must be used to rank the alternatives.

**Figure 2** Descending and Ascending Distillation

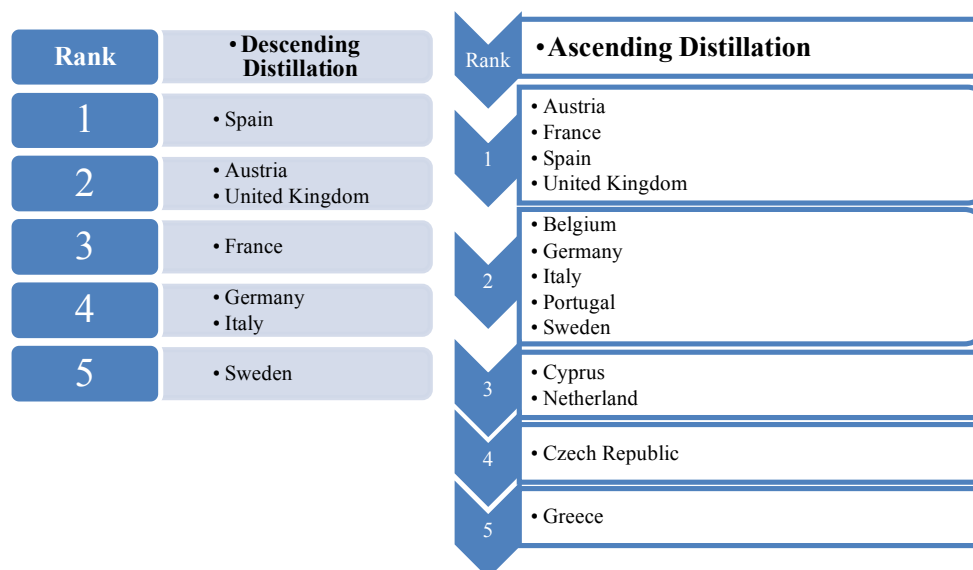


Figure 2, as the first pre-order, was achieved with a descending distillation, selecting from the highest alternatives initially and finishing with the lowest. The highest alternative extracted from the entire set was achieved by relating very stringent rules. In this sub-set, the greatest alternatives were selected by applying less restrictive rules. The system continues with incrementally smaller restrictive rules and incrementally less significant sub-sets of alternatives.

The procedure lay off only one alternative that remained or a group of alternatives that cannot be divided. The second distillation uses the same progression but on the original set of alternatives separated from the best alternatives resulting from the first distillation. Thus, a new sub-set was obtained at each distillation, which

contains the top alternatives ranked for the remaining set. At each distillation, the extracted alternatives are ranked in a lower position.

In this structure, the two arrows, one each, link each alternative but not essentially with a symmetrical credibility index, a second pre-order created with an ascending distillation. In this case, the worst-ranked alternatives are selected first and the distillation terminates with the assignment of the finest alternatives. The distillation with this condition needed to state that alternative A is preferred to B and is defined as follows: alternative A is preferred to B if the degree of credibility of "A outranks B", is higher than a threshold  $\lambda_2$  and is significantly higher, than the degree of credibility "B outranks A" (Bernroider and Stix 2006).

### 3.3.3 Extraction

Once A outranks B, A is specified with the score +1 (strength) and B is specified -1 (weakness). For each alternative, the individual strengths and weaknesses are supplementary and, together, give the final qualification score. In the interior, the descending distillation is the alternative with the maximum qualification score assigned to a rank and detached from the credibility matrix (see figure 1 and 2). The process is repeated with the enduring alternatives until all alternatives ranked.

In the event of several alternatives and the same qualification score, the process is repeated within this subset until either an alternative has a sophisticated qualification score or the uppermost degree of credibility  $\lambda_0$  is equal to zero, which means it is unlikely to decide between the lasting options in the subset; therefore, they are declared unresponsive.

**Table 4** Final Score and Ranking

| Ranking | ELECTRE III    | Ranking | ELECTRE III    |
|---------|----------------|---------|----------------|
| 1       | Spain          | 10      | Czech Republic |
| 2       | Austria        |         | Estonia        |
|         | France         | 11      | Denmark        |
| 3       | United Kingdom |         | Ireland        |
| 4       | Germany        | 12      | Poland         |
| 5       | Sweden         | 13      | Luxemburg      |
|         | Italy          | 14      | Slovenia       |
| 6       | Portugal       | 15      | Hungary        |
|         | Belgium        | 16      | Latvia         |
| 7       | Cyprus         | 17      | Bulgaria       |
|         | Greece         |         | Lithuania      |
| 8       | Netherlands    | 18      | Slovakia       |
|         |                | 19      | Romania        |
| 9       | Finland        |         |                |

Table 4 presents the calculation based on the Ritchie and Crouch model (2003) using the multiple criteria ELECTRE III. Similar to the other case studies from the workshops in Korea and Australia, it recognizes the significant indicators of destination competitiveness deteriorating under the main fundamental of the destination competitiveness model. In these circumstances of competitiveness, the basic survey was formed to develop the rate in both Korea and Australia, alongside a set of representative rates for Asia Pacific but there is insufficient space to reproduce these indicators (see Dwyer and Kim 2001, 2002).

### 3.4 Super-Efficient Data Envelopment Analysis Projection (Super-Efficient DEA)

The concept of DEA is to measure relative performance and efficiency in similar organizations. Farrell (1957) states the concept of "frontier" as the boundary to create the graphing to approach the efficient operation and the enduring operation "enveloped" by that frontier. Initially, the DEA model by Charnes, Cooper and Rhodes (CCR model 1978) is based on this concept as well; it also includes Decision-Making Units (DMUs) to evaluate similar relative efficiency. Banker, Charnes and Cooper (BCC model 1984) advanced this CCR and constantly came up with return-to-scales from the BCC model. Following this, models have been based on super-

efficiency (Andersen and Petersen 1993; Ray 2008), two-stage (Seiford and Zhu 1999; Kao and Hwang 2008), undesirable factors (Seiford and Zhu 2002) and non-radial measure models (Ali, Lerne and Seiford 1995; Thrall 1996).

In this chapter, use many extensions to the oriented methods, including multiplier Super-efficiency DEA projection. Sherman and Gold (1985) established a method to determine the projection onto the frontier, not by decreasing each of the inputs by the same quantity, as in the focused methods, but by using the weighting scheme provided by the values to analyse a composite point on the frontier rather than by decreasing every input by the efficiency score in order to define the projection onto the frontier.

After the establishment of the model and by resolving the input performance displays with linear programming, that will pick up the DEA effectiveness of DMUs. At that point, for those DMUs with effective DEA, another analysis should accompany the model groups to see whether they really have outstanding performance. For those ineffective ones, some problems in performance assessment are visible, presenting that certain input cannot produce conforming output, not only for the economic output but also the efficiency and effect ones.

As a result, analysis of DEA projection should be directed to give relevant advice. Projection analysis of ineffective DMU in this method can support finding ways to change an ineffective DMU to an effective one. By providing a significant basis to give audit advice, the analysis of DMU effectiveness can also lead to whether the destination should increase or decrease the input of appropriate resources later to provide another important basis for audit advice.

This output is produced by using inputs representing the different components of the tourism product, including attractions and supporting services, such as transportation, accommodation and food and beverages (Botti et al. 2009). In this study, attractions are sites included in the 2009 World Heritage List. To be included in this list, sites must be of outstanding universal value and meet the selection criteria. Finally, as tourism is a labour-intensive industry, mainly due to the importance of personal services, which naturally take into consideration its most important resource, which is human resources (HR).

Table 5 shows the characteristics of the variables for these 26 EU members, along with information about their input and output projections. Each DMU along the frontier is pointed as being efficient, whilst those falling below the frontier, such as Belgium, are measured as inefficient. The method of defining the efficiency score for Belgium shows a discrepancy according to the technique engaged from the two classic methods, the input- or output-oriented approaches, the efficiency score is indomitable; in effect, by influencing the projection directly along the horizontal alignment (outputs) or along the vertical alignment (inputs).

The method developed in this consequence determines the least-norm projection from an inefficient and efficient DMU to the frontier, in both the input and output. Although the DMU efficient score is equal to or more than one, it still has room for development (e.g. Ireland). In fact, one could progress the norm projection method (Ortega and Rheinbaldt 1970) in which the input, output and, at least, two-norm projections are identified as special cases. To conserve effort, this study only describes the norm projection in order to clarify the advantages of DEA projection.

**Table 5** 26 Countries DEA Super-Efficiency Projection Result

| DMU               | Score | (I)<br>A. |          | (I)<br>B. |       | (I)<br>C. |       | (I)<br>D. |           | (O)<br>E. |           | (O)<br>F. |          |
|-------------------|-------|-----------|----------|-----------|-------|-----------|-------|-----------|-----------|-----------|-----------|-----------|----------|
|                   |       | P.        | (%)      | P.        | (%)   | P.        | (%)   | P.        | (%)       | P.        | (%)       | P.        | (%)      |
| Belgium           | 0.58  | 44<br>2   | 0        | 2036      | 0     | 454       | -0.1  | 8.87      | -<br>0.11 | 17<br>7   | 0.72      | 3305<br>8 | 0.7<br>2 |
| Bulgaria          | 0.76  | 48<br>5   | 0.8<br>5 | 924       | -0.48 | 12        | 0     | 3.36      | -<br>0.63 | 12<br>3   | 0.32      | 2972<br>0 | 8.2<br>4 |
| Czech<br>Republic | 0.41  | 45<br>4   | 0.0<br>8 | 4469      | 0     | 275       | -0.43 | 12        | 0         | 39<br>2   | 1.45      | 2996<br>4 | 6        |
| Denmark           | 2.44  | 51<br>9   | 0.8<br>1 | 471       | 0     | 191       | -0.54 | 1.43      | -<br>0.64 | 19<br>4   | -<br>0.54 | 1126<br>7 | -<br>0.6 |
| Germany           | 0.35  | 15<br>8   | 0.5<br>9 | 1741<br>1 | -0.51 | 1093      | -0.61 | 36        | 0         | 12<br>4   | 1.85      | 1180<br>0 | 2.1<br>8 |

|                   |      |         |          |           |       |      |      |      |      |          |      |           |     |
|-------------------|------|---------|----------|-----------|-------|------|------|------|------|----------|------|-----------|-----|
| Estonia           | 0.62 | 26<br>1 | 0.5<br>6 | 387       | 0     | 70   | 0.45 | 1.58 | 0.21 | 41<br>5  | 0.63 | 5131<br>4 | 10  |
| Ireland           | 2.59 | 48<br>8 | 0.7<br>4 | 1175      | -0.68 | 100  | 0    | 2    | 0    | 72<br>6  | -    | 7292<br>9 | -   |
| Greece            | 1.06 | 45<br>0 | 0        | 5912      | -0.38 | 319  | 0    | 11.7 | -    | 43<br>1  | -    | 3258<br>4 | 3.3 |
| Spain             | 2.04 | 84<br>9 | 0.5<br>5 | 1838<br>7 | 0     | 1024 | 0.17 | 17.9 | 0.58 | 69<br>2  | -    | 9790<br>8 | -   |
| French            | 2.16 | 13<br>1 | 0.4<br>9 | 1772<br>3 | 0     | 1525 | 0.81 | 26.2 | 0.29 | 57<br>0  | 0.11 | 1614<br>9 | -   |
| Italy             | 1.6  | 20<br>2 | 0.1<br>2 | 1825<br>4 | 0.46  | 2573 | 0    | 41.8 | 0.11 | 12<br>5  | 0.18 | 1803<br>4 | -   |
| Cyprus            | 1    | 38<br>0 | 0        | 699       | 0     | 4    | 0    | 3    | 0    | 11<br>4  | 0    | 1091<br>4 | 0   |
| Latvia            | 1    | 98<br>3 | 0        | 451       | 0     | 32   | 0    | 2    | 0    | 15<br>8  | 0    | 3893<br>4 | 0   |
| Lithuania         | 1    | 14<br>1 | 0        | 380       | 0     | 16   | 0    | 4    | 0    | 13<br>2  | 0    | 1998<br>3 | 0   |
| Luxembur<br>g     | 1    | 21<br>3 | 0        | 261       | 0     | 97   | 0    | 1    | 0    | 11<br>9  | 0    | 7159<br>8 | 0   |
| Hungary           | 0.5  | 28<br>4 | 0.2<br>5 | 2042      | 0     | 249  | 0    | 5.96 | 0.25 | 15<br>6  | 1.02 | 2239<br>0 | 1.0 |
| Netherland        | 0.68 | 48<br>4 | 0.4<br>3 | 3151      | 0     | 899  | 0.61 | 9    | 0    | 21<br>1  | 0.47 | 5061<br>3 | 0.4 |
| Austria           | 1.6  | 40<br>7 | 0        | 5485      | -0.6  | 252  | 0.55 | 9    | 0    | 36<br>1  | 0.38 | 2509<br>4 | -   |
| Poland            | 0.31 | 21<br>4 | 0.8<br>6 | 2836      | 0     | 125  | 0    | 7.28 | 0.44 | 24<br>3  | 2.26 | 1114<br>4 | 6.4 |
| Portugal          | 1.15 | 20<br>9 | 0.5<br>9 | 1988      | 0     | 154  | 0.32 | 6.13 | 0.53 | 20<br>14 | 0.13 | 1434<br>3 | -   |
| Romania           | 0.15 | 10<br>4 | 0.8<br>9 | 2132      | 0.53  | 55   | 0    | 5.27 | 0.25 | 17<br>0  | 5.61 | 1318<br>7 | 5.6 |
| Slovenia          | 1.34 | 40<br>6 | 0.5<br>9 | 667       | 0     | 63   | 0    | 2    | 0    | 65<br>7  | 0.79 | 4895<br>1 | -   |
| Slovakia          | 0.19 | 11<br>8 | -<br>0.5 | 1324      | 0     | 71   | 0    | 4.48 | 0.36 | 15<br>6  | 4.38 | 6652<br>4 | 4.3 |
| Finland           | 0.35 | 16<br>7 | 0.3<br>2 | 867       | 0     | 130  | 0.49 | 4.91 | -0.3 | 11<br>8  | 1.83 | 8858<br>0 | 1.8 |
| Sweden            | 0.71 | 44<br>7 | 0        | 1982      | 0     | 1044 | 0.02 | 6.6  | 0.53 | 92<br>1  | 0.51 | 5377<br>6 | 0.4 |
| United<br>Kingdom | 0.57 | 12<br>3 | 0.5<br>7 | 1629<br>5 | -0.6  | 933  | 0.83 | 28   | 0    | 10<br>4  | 0.75 | 9493<br>7 | 1.9 |

Note: (I) A. Human resources, (I) B. Hotels and similar establishments, (I) C. Campsites, (I) D. Tourism attractions, (O) E. Bed-nights in hotels and similar establishments and (O) F. Nights spent in campsites

In addition, by exhausting the oriented methods, the projection onto the frontier is indomitable by reducing (increasing) the inputs (outputs) by a duplicate percentage based on the efficiency score. Hence, if there are four inputs, as shown in Table 5, then using the input-oriented approach not only requires outputs being held as a constant but also directives that the decrease in inputs along each of the input dimensions is equal and identical to the efficiency score.

**Table 6** DEA Super-Efficiency Selected Projection Result

| No.               | DMU     | Score | (I) A.<br>(%) | (I) B.<br>(%) | (I) C.<br>(%) | (I) D.<br>(%) | (O) E.<br>(%) | (O) F.<br>(%) |
|-------------------|---------|-------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Efficiency</b> |         |       |               |               |               |               |               |               |
| 1                 | Denmark | 2.44  | -81%          | 0%            | -54%          | -64%          | -54%          | -59%          |

|                     |                |      |      |      |      |      |      |      |
|---------------------|----------------|------|------|------|------|------|------|------|
| 2                   | Ireland        | 2.59 | -74% | -68% | 0%   | 0%   | -61% | -26% |
| <b>Inefficiency</b> |                |      |      |      |      |      |      |      |
| 1                   | Romania        | 0.15 | -89% | -53% | 0%   | -25% | 561% | 561% |
| 2                   | United Kingdom | 0.57 | -57% | -60% | -83% | 0%   | 75%  | 196% |

*Note: (I) A. Human resources, (I) B. Hotels and similar establishments, (I) C. Campsites, (I) D. Tourism attractions, (O) E. Bed-nights in hotels and similar establishments and (O) F. Nights spent in campsites*

Another important result is the target values an inefficient entity to achieve full efficiency. Super-efficiency provides a significant amount of statistics from which analysts could develop insights and guidelines to enhance their existing performances. Table 6, effective and methodology analysis and interpretation of DEA solutions, is very critical (El-Mahgary and Lahdelma 1995; Emrouznejad and De Witte 2010; Yadav et al. 2010).

The key contribution of this case study is the development of a general framework supporting DEA analysts to extract the most significant and stimulating perceptions in a systematic manner. The table also demonstrates both efficiency and inefficiency, in which Denmark and Ireland both have high scores for efficiency. Yet, it also has room for improvement in tourism attractions (-64%), which affected nights spent (-59), the same as for Ireland in hotel and similar establishments (-68%); in this case, the establishment could develop to increase the percentage for bed nights (-61%), although both countries are high performing and efficient.

The main purpose of this study is to develop inefficiency statistics. As the table presents, Romania and the United Kingdom have inefficiency scores. Romania strongly needs to look at human resources (-89%) and the United Kingdom must develop campsites (-83%) in order to obtain better output and increased revenue. These results prove larger countries could perform inefficiently and smaller countries could perform in a high range of efficiency score.

#### 4. Outcomes and Discussion

The T&T competitiveness ranking based on the TTCI involves three sub-indexes, including 12 pillars of T&T competitiveness, such as policy rules and regulations, environmental sustainability, safety and security, etc. The T&T competitiveness ranking delivers valuable information for policymakers and participants in their efforts to consider how to assess and enrich the global competitiveness of tourism destinations. That is the reason T&T competitiveness ranking can not only manage benchmarking analysis but also act as a thermometer for reputation management. For benchmarking analysis, the T&T competitiveness ranking can be the foundation for using the results of global tourism competitiveness benchmarking.

It is possible to separate the main factors of benchmarking into two factors:

- (1) *Conceptually*: as a management tool for accomplishing better performance and competitive advantage through comparison and simulation of best practices (Anand and Kodali 2008; Cook et al. 2004; Francis, Humphreys, and Fry 2002).
- (2) *Operationally*: as a process of unremitting learning, achieved by associating business processes and performance matrix, such as those related to productivity or quality, to the best practices, in order to increase performance (Camp 1989; Fernandez, McCarthy and Rakotobe-Joel 2001). Benchmarking consists of three basic steps, which are identifying the best performer, setting goals and implementation (Donthu et al. 2005). Identifying the best performer through performance assessment is the foremost part of the development of benchmarking analysis (Watson 1993). Thus, policymakers should identify and learn from the best performer, i.e. the one ranked highest in the T&T competitiveness ranking. From the standpoint of reputation management, the T&T competitiveness ranking can be viewed as a display of a country's reputation.

Table 1 exhibits the fact that different ranking methods have generated interesting dissimilar results from The Global Competitiveness Index 2012, which ranks 26 countries in the European Union from 144 countries. The highest rank was Switzerland, followed by Sweden, which was second in the European area; although Switzerland had first place in the European Union, it had third place in the world rankings. Table 2 presents the ranking scores in twelve categories for Switzerland and it shows the market size needs to be developed first due to it being ranked 39 and having a score of 4.51 in order to remain the highest ranked for the following year. However, Switzerland not only remained in the top rank for market size, it will also increase the number of employees and create or apply for new business to increase market size.



Table 3 demonstrates the ranking from Ritchie's and Crouch conceptual model and the top ranking was Austria and Luxemburg from the overall ranking result of 2.09 by weighting the five main categories. However, Ritchie's and Crouch model shows more than which country has the highest ranking, as this model has more detail to study from different criteria in order to improve destination competitiveness. For example, the weighted score results in this model show that Austria needs to improve the core resources and attractors in order to compete with others. Then, to look in detail at Core Resources and Attractors in each point from the criteria the government needs to improve. According to the model, Core Resources and Attractors are contained, such as special events, culture etc.

However, this study concentrated on the significance of selecting appropriate benchmarking from projections to make recommendations and the room to improve inefficient DMUs. As has been shown in the preceding Tables 5 and 6, the projections onto the efficient frontier have shown the difference in input and output constants to provide variable managerial recommendations. The method defined progresses the present work as it lets an inefficient DMU benchmark in contrast to those efficient DMUs that are more comparable to it in terms of inputs and outputs.

Therefore, in order to take the shortest projection to the efficient frontier, in contrast to a limited projection, an inefficient DMU is assured to benchmark against those DMUs most comparable to itself. Three major assistances have been made by this work. Each of these contributions comes by following the basic DEA methodology in order to reproduce more significant projections onto the efficient frontier. The first extension from the basic DEA is to process the basic projection of super-efficiency to declare the first projection from the basic DEA. This projection is more important than either the input or output-oriented projections, as it authorises the synchronised movement of inputs and outputs.

## 5. Summary and Conclusion

Once a country is ranked obviously, it may perform better and receive more attention from various policymakers or investors. Barnett, Jermier and Lafferty (2006) emphasize that reputation can be gathered and transformed into reputational capital and that this valuable intangible asset enriches an organization's competitive standing relative to others in its field.

Furthermore, the reputation has such effects as reducing or raising investor insecurity about future organizational performance, strengthening competitive benefit, funding public confidence and generating value by maximizing an organization's ability to receive quality products or services (Vidaver-Cohen 2007). Hence, policymakers should make efforts to improve the ranking order to advance a country's reputation since a better ranking represents enhanced reputation.

Nonetheless, while a ranking result is an important factor for benchmarking analysis and reputation management that also need to be careful about the dependability of a ranking. This is, as mentioned earlier, because ranking results could be affected by calculation errors, human bias and the use of an explicit ranking method. Thus, in this chapter suggests using multiple ranking methods based on objective weighting.

The analytical results of the empirical study reveal some useful implications, as described below. It is important and beneficial to accomplish a better ranking order in the T&T competitiveness ranking by striving to increase both efficiency and effectiveness. Technically, it is important to be proficient, not only in using multiple ranking methods but also in considering the details of the 12 pillars of T&T competitiveness. Therefore, policymakers might become more capable of understanding their own performance, as well as augmenting their potential to leverage ranking order.

Each ranking method has its own advantages or merits. In order to merge the results reached by using multiple ranking methods, the Ritchie and Crouch count is needed. The analytical result of using the Ritchie and Crouch count indicates that the top five were Austria, Luxemburg, Finland, Ireland and Sweden. However, among the top five, only Austria and Sweden also excelled in ELECTRE III, which is a multiple criteria method, which means Sweden was really the best performer.

By comparing the ranking results using four ranking methods, present that (1) the Ritchie and Crouch model and (2) ELECTRE III generated varied results. This suggests the Ritchie and Crouch model is more relevant to support from ELECTRE III, when conducting an accompanying analysis related to T&T competitiveness ranking. (3) The super-efficiency DEA projection model produced a weighting score list that was extremely dissimilar to those produced that presenting room for improvement; moreover, for policymakers, the Super-

DEA approach could improve performance and ELECTRE III could increase efficiency related to T&T competitiveness.

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# Conceptualizing Knowledge Acquisition and Networking in International Trade Show: The Impact on Market Selection and Market Entry Modes

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## Abstract

The trade show is a popular platform for promoting products and services internationally. It also offers an opportunity to acquire various types of knowledge and to develop business networks. The types of knowledge and networks from existing literature are reviewed in order to frame a conceptual model. Five types of knowledge are drawn from current literature: market knowledge, product knowledge, cultural knowledge, technical knowledge, and competitor knowledge. Buyers, competitors, professional and government, and suppliers are identified as network types derived from recent studies. It should be noted that market selection plays critical role in international business. Since there are differences between domestic market and international market, right choice of international market selection is challenging. In addition, market entry mode is considered as one of the key success factors of international business process. Much research studying on international market selection and international market entry modes, but less is available on market selection and market entry modes in international trade show context. Besides, understanding knowledge and network acquisitions derived from participating international trade shows should improve the success of international business. Thus, this paper endeavors to explore the impacts of knowledge acquisition and networking in international trade show on market selection and the choice of entry modes. Small and medium enterprises (SMEs) enormously contribute to the GDP of Thailand. Nonetheless, there has been less research on SMEs in international trade shows. Therefore, this research aims to study the knowledge acquisition and networking of Thai SMEs joining the international trade shows.

**Keywords:** International trade shows, knowledge acquisition, networking, entry mode, market selection, small and medium enterprises

## 1. Introduction

Researches over recent decades have enhanced understanding about various aspects of firms' internationalization and trade shows especially in developed economies. On the other hand, few studies mainly focusing on the factors that contribute to the internationalization process and trade show performance are conducted in developing countries. Most researches do not focus on small-scale firms (Senik Z et al., 2010, p.285-286). However, in developing economies, SMEs have played important role in global value chain and involve in international business more rapidly than the past (Chelliah S. et al., 2010, p.27). Although trade shows have been proved to contribute to firms' international expansion in developed economies, researchers have not examined trade show mechanisms in regard to firms' foreign market selection and entry mode strategies. In addition, the knowledge and network factors were studied separately. In the case of developing markets, such as Thailand or Southeast Asia, there are also few studies. Therefore, there is not enough evidence to make conclusions about the influence of trade shows on the internationalization process and more studies need to be conducted to identify factors that influence internationalization strategies, particularly in firms from developing economies.

Consequently, in the following section, the aim is to investigate associations between trade shows, types of knowledge, networks and the internationalization process of SMEs. The lack of recent trade fair and internationalization process research on SMEs in emerging markets is bridged by including in the literature review a series of works on related areas even though the sources are mostly from developed economy markets. The review begins with the concept of trade show followed by roles of trade shows. After that, the study presents the knowledge part in both how the knowledge is acquired and types of knowledge obtained from trade show. Then, the paper indicates the sequence of network concept. Important aspects of international market selection and entry mode are reviewed such as pace, pattern, and entry mode types. The review leads to the creation of a conceptual framework.

### **Trade Show**

Black (1986) defined a trade fair as an event that brings together a group of suppliers who set up physical exhibits of their products and services in a single location. Indeed, the term trade show, trade fair, exposition, and exhibition are often used interchangeably (Bettis-Outland H. et al., 2012, p.385). This study defines trade show as a facilitating international marketing event which takes place at periodically recurring intervals, ranging from quarterly to triennially; having pre-established hours of operation during a period lasting between one day and several weeks. The objective is to display the goods and services for business-to-business or industrial purpose, and can be both vertical (same industry) and horizontal (various products from different industries). The geographical coverage is international only.

### **Roles of Trade Shows**

The trade show is a popular medium for the promotion of products and services internationally. Based on the previous section, the two functions of trade shows, selling and non-selling, facilitate the two components, the enhancement of knowledge and networks, which are important to the firm's internationalization. Various research has concluded that firms tend not to focus only on the selling objective at trade shows, but also extract knowledge from various sources at trade shows. Trade shows at present are good platforms for flows of industry information and knowledge. This paper focuses on the role of international trade shows in providing knowledge, which is different from local trade shows in that they allow firms to access global, rather than local, knowledge. Firms can access international knowledge about industry trends, they can evaluate their performance, and they can develop future strategies and new products (Rinallo D. and Golfetto F., 2011).

How does a firm acquire knowledge and information? Knowledge-based theory indicates that innovation, learning, and the creation of knowledge can be the result of the collaborative process involving numerous actors with different knowledge bases and competencies, who interact to solve common problems. Temporary marketing events that bring businesses together can provide firms with access to knowledge and opportunities for interaction similar to those provided by permanent geographic proximity. Trade shows and similar recurrent events may thus be considered as temporary business clusters. By bringing together actors from different geographic origins which are endowed with different resources and competencies, these initiatives are instrumental in establishing external knowledge channels for actors who are embedded in local clusters (Maskell 2001, Malmberg and Maskell 2002, Lundvall 1992 cited in Rinallo D., Golfetto F., 2011 p. 454). The phrase 'information gathering' means collecting information from competitors to acquire better market knowledge (Measson N., Campbell-Hunt C., 2015, p... 109-111).

Acquiring knowledge can be motivation for firms to participate in trade shows. Rosson and Seringhaus (1995) as cited in Evers N. and Knight J. (2008, p.546) found that knowledge acquisition between exhibitors and visitors is the reason to participate in trade fairs. In addition, trade shows act as knowledge hubs as they provide participants to acquire market and product knowledge on trends and developments in their relevant sector (Bello and Barczak, 1990; Bello and Lohtia, 1993; Rosson and Seringhaus, 1995, as cited in Evers N., Knight J. 2008, p.546).

### **Knowledge acquisition and SMEs in international business**

Nonaka I., (1994, as cited in Nonaka I., Krogh G., 2009, p. 635) defined organizational knowledge creation as the process of making available and amplifying knowledge created by individuals as well as crystallizing and connecting it with an organization's knowledge system. The two dimensions of knowledge in organizations are tacit and explicit knowledge. Explicit knowledge is conceptualized as know-what, informational, and declarative knowledge and tends to be easier to codify and transfer between organizational members. Tacit knowledge is referred to as know-how, experiential, and procedural knowledge and is more difficult to codify and transfer. International knowledge tends to be tacit and experiential because it is usually created from one's experience in doing business abroad and may include market knowledge and business practices in different countries (Eriksson et al., 1997; Madsen and Servais, 1997; Michailova and Wilson, 2008 as cited in Huang H. and Hsieh M., 2013). Regardless of whether knowledge is tacit or explicit, Kippenberger T. (1997) cited in Nonaka I. and Takeuchi H. (1996) from the Knowledge Management (1996) conference, viewed the two knowledge types as complimentary. They interact with, and interchange ideas with, each other. Knowledge creation depends upon the assumption that tacit and explicit knowledge are created and expanded through social interaction. This interaction is called

“knowledge conversion”. It is the process with which organizations create knowledge (Balestrin A., Vargas L., Fayard P., 2008, p.95). Knowledge conversion can occur through various media, such as socialization, meetings, telephone conversations, etc. Face-to-face interaction, in which individuals share feelings, emotions, experiences and mental models allows knowledge to be socialized (Kippenberger T., 1997).

Researchers have employed the concept of knowledge creation theory to explain the phenomenon of the internationalization process. Soberg P. (2012) stated that international knowledge is crucial for the internationalization process. The concept of tacit knowledge has been used to analyze the internationalization of research and development (R&D) activities and to investigate differences in the characteristics of knowledge. In addition, the source of knowledge, i.e. knowledge from competitors, can influence the success of internationalization. In addition, Jonsson A. and Elg U., (2006, p.242) employed the phrase “internationalization knowledge” which is defined as the experiential knowledge that a firm utilizes in the form of capabilities and resources for new market expansion. Furthermore, internationalization knowledge can be divided into business knowledge, such as customer knowledge, market knowledge, and competitor knowledge, and institution knowledge such as, knowledge of government, institutional frameworks, rules, norms, and values.

Knowledge is an important factor that drives a firm's foreign market expansion regardless of the internationalization approach such as the stage or born global approach. It provides internationalizing firms with the ability to enter foreign markets and carry out international operations (Kogut and Zander, 1993 cited in Huang H. and Hsieh M., 2013). For the stage approach, market knowledge (and market commitment) affects commitment decisions and how decisions are made. The firm's knowledge of foreign markets is directly influenced by the commitment of resources in foreign markets. The mode of entry is therefore associated with knowledge and starts from the “exporting via agent” stage to the “wholly owned subsidiary” stage. However, Anderson (1993, p.216) said that there is no clear explanation as to the origin of the process, in other words, how the mechanism of knowledge affects the origin of commitment.

The Born global approach clearly explain that the knowledge of a firm plays a critical role in determining the firm's internationalization. A number of scholars have proposed that a knowledge-based capability is particularly important to the competitive advantage of born global firms (Huang H. and Hsieh M., 2013, p.246-247). In particular, the term “private knowledge” is mentioned in the research work. This approach focuses on the advancement of communication infrastructure that can empower and reproduce valuable knowledge at extremely low cost. Therefore, firms must limit the use of its knowledge by outsiders in many countries for it to have commercial value. Knowledge will also help firms be able to internationalize from inception. However, it is not quite clear how could firm obtainsuch competitive knowledge. In term of entry mode, the born global type firms does not need to follow the traditional internationalization process of the stage model. There are various possible modes of entry at inception. It is totally opposite to Stage approach which the firm will start doing international business through agent. Market selection can also be varied, e.g. a geographically focused start up is when the firm internationalizes in a particular region of the world, while a global start-up is a where a firm can internationalize in any countries in the world at inception.

Mejri K. and Umemoto K. (2010) proposed the knowledge-based model of SME internationalization. The model drew upon various theories including knowledge management models. There are three reasons why SMEs are distinct from MNEs. First, SMEs have relatively few resources, which make knowledge vital for growth. Second, the models view internationalization as a result of knowledge. Finally, knowledge is central for the understanding of SME internationalization. The knowledge-based model of internationalization consists of three phases in which four kinds of knowledge impact these phases differently. The model employs two types of knowledge: objective or explicit and tacit or experiential knowledge, from Nonaka and Takeuchi, (1995) to construct four types of knowledge. Market knowledge including market size, competitors, regulations, etc. is objective or an explicit type of knowledge while network knowledge, cultural knowledge, and entrepreneurial knowledge are tacit or experiential forms of knowledge. The model divides internationalization into pre-internationalization (no experience), novice internationalization (short experience), and experienced internationalization (long experience) phases. The degree of importance for each type of knowledge is different for each particular phase. This model uses the stage model as the underlying conceptual model. The fact that the approach views the firm as pre-

internationalization, novice, and experienced firms clearly indicate that it divides the firm's internationalization into stages. The mode of entry and market selection strategies are not specifically explained but may be assumed to represent gradual involvement in the international market based on the stage process explained previously.

### **Types of knowledge gained from International trade show**

The trade show is a popular medium for the promotion of products and services internationally. Based on the previous section, the two functions of trade shows, selling and non-selling, facilitate the two components, the enhancement of knowledge and networks, which are important to the firm's internationalization. Previous research indicates that firms tend not to focus only on the selling their products at trade shows, but also extract knowledge from various sources at trade shows. Trade shows at present are good platforms for flows of industry information and knowledge. Therefore, this paper focuses on the role of international trade shows in providing knowledge, which is different from local trade shows in that they allow firms to access global, rather than local, knowledge. Firms can access international knowledge about industry trends, they can evaluate their performance, and they can develop future strategies and new products (Rinallo D. and Golfetto F., 2011, p.456).

Knowledge-based theory indicates that innovation, learning, and the creation of knowledge can be the result of the collaborative process involving numerous actors with different knowledge bases and competencies, who interact to solve common problems. Marketing events that bring businesses together can provide firms with access to knowledge and opportunities for interaction similar to those provided by permanent geographic proximity. Trade shows and similar recurrent events may thus be considered as temporary business clusters. By bringing together actors from different geographic origins which are endowed with different resources and competencies, these initiatives are instrumental in establishing external knowledge channels for actors who are embedded in local clusters (Maskell 2001, Malmberg and Maskell 2002, Lundvall 1992 cited in Rinallo D., Golfetto F., 2011 p. 454). The phrase 'information gathering' means collecting information from competitors to acquire better market knowledge (Measson N., Campbell-Hunt C., 2015).

Acquiring knowledge can be motivation for firms to participate in trade shows. Rosson and Seringhaus (1995) found that knowledge acquisition between exhibitors and visitors is the reason to participate in trade shows. In addition, trade shows act as critical knowledge hubs as they provide not only a repository of information for buyers and sellers, but also act as a means of short-circuiting the long process of experiential learning about foreign markets (Bello and Barczak, 1990; Bello and Lohtia, 1993; Rosson and Seringhaus, 1995, cited in Evers N., Knight J. 2008).

According to knowledge and international trade show literature, the types of knowledge obtained from trade fair research can be grouped into six main categories as follows.

#### **a. Market Knowledge**

Most of the knowledge in trade show-related literature focuses on market trend knowledge or market knowledge. Market knowledge also refers to information about foreign markets, for example, market size, regulations, export opportunities, etc. (Mejri and Umemoto, 2010, p.7, Seringhaus and Rosson cited in Tafesse W., Korneliussen T., 2009, p.42-43). Trade fairs allow participants to interact face-to-face and to exchange information. Research pertaining to trade show generally lacks definitions of market knowledge and scope. However, some studies mentioned market knowledge in the international business and internationalization field. Jonsson A. and Elg U. (2006, p.242) explained that market knowledge can be divided into general knowledge and market-specific knowledge. General knowledge is defined as specific marketing strategies and common characteristics of particular types of customer. Market specific-knowledge is knowledge about specific markets and individual customer characteristics.

#### **b. Product Knowledge**

Bettis-Outland H., et al. (2012, p.386) explained that information from trade show could be from formal, such as presentation and panel discussion, or informally, such as lunch and dinner discussion. Pre and post trade show activities can include new information including gaining knowledge about product displayed in trade show. Firm can utilize knowledge which benefit to the development of new product idea since it is the place to displays new products. Product innovation is one of the most important attractiveness of trade show especially those in

technology related industries (Sarmiento M., et al. 2015, p. 589). In addition, Gottlieb U., et al. (2014, p. 99) measure trade show effectiveness by various indicators including ability to gather product and/ or service information, identify future trend, and test and see product and/ or service features. Product knowledge can refer to various aspects including packaging. For example, Rinallo D. and Golfeto F. (2011, p.466) mentioned that international fashion and textile trade fairs can provide knowledge about products and the technology used in industry. Evers N. and Knight J. (2008, p.551) referred to packaging, knowledge in exporting procedures.

#### c. Cultural knowledge

Cultural knowledge is one of the knowledge obtained from trade show. Understanding foreign culture is one of the key performance measurement of trade show (Serinhaus F.H., Rosson P., 2004, p.165). Culture refers to the values, manners, and the ways of thinking of people in that particular market. Firms learn new culture when they do business overseas. Cultural knowledge can influence the choice of market entry and as they accumulate cultural knowledge from one market, they possibly seek to enter other cultural-close markets (Mejri and Umemoto, 2010, p.8). This study will focus on how gaining and understanding foreign culture can impact to business activities. Therefore, the elements in cultural knowledge is the perception of different between target market and home country. The more understanding of foreign culture including values, manners, beliefs, etc., the less psychic distance perception according to Uppasala model.

#### d. Competitor knowledge

Competitors and other companies serve as a source of indirect knowledge in regard to internationalization process. Firm in the early internationalization process participate in trade show to imitate those who enter new market before. (Forsgren, 2002, cited in Soberg P, 2012). Rinaldo D. and Golfetto F. (2011) concluded that exhibitors at trade shows were able to observe and compare their products with foreign competitors. They also extend their comparisons to marketing strategies, manufacturing processes, the use of raw materials, innovation, the quality of products, and price levels. This study tend to adapt the study of Ling-ye L. (2008) about resource that firm used in trade show. The mentioned study use resource base model of internationalization to imply five aspects that firms compare their resource and capabilities utilizing with competitors. These are Exhibit resources: determined goodness of booth location, Booth personel resources: indicated quality of booth staff, customer-linking capability: measured ability to develop customer relationship, Partnering capabilities: measure ability to access strategic partners, and Managerial capabilities: measure efficiency in managing resource internally and success rate in exhibiting products at trade show. Since this study will only study competitors' knowledge that affect to market entry, therefore, some internal information of firms are excluded as access to such information is limited and irrelevant to objective of study.

#### e. Technological knowledge

Different type of businesses imply different implication for type of knowledge for internationalization process. Technological knowledge is important for internationalization of the firms when entering emerging market, especially to those that require highly research and development such as automotive equipment or medical supply (Soberg P., 2012). Another aspect of technology knowledge acquired from trade show are new technology knowledge for production and manufacturing (Sarmiento M. et al., 2013, p.589). Information about technologies is important for trade show that specialized in industrial machinery and the knowledge can be acquired from interaction between actors in trade show such as firms operating in complementary sectors (Belussi F. et al., 2008, p.12). In addition, technical training (Bettis-Outland H., 2012, p.386), and learning about latest technology (Rice G., Almosawi M., 2002, p.161) are also one of the items to evaluated effectiveness of firms' objective in participating trade show.

### Networking

Business networks define as sets of interconnected business relationships, in which each exchange relation is between businesses conceptualized as collective actors (Anderson et al., 1994, as cited in Johanson J. and Vahlne J., 2003). Networking involves resource exchange between its different members (Shama, 1993 as cited in Coviello N. and Munro H., 1997). Networking for business activities can be referred to the situation where firms are joining together with a common objective such as sharing ideas, knowledge or technology. (Dean et al., 1997 cited in Gilmore A et al., 2001) This study focuses on network that can determine significant contribution to firms'



decision making in choosing market and entry mode. Therefore, the firms must demonstrate the close relationship that considered as critically important to the firms.

In the internationalization theory, Johansson and Mattsson (1988) developed a network model for internationalization based on business network research. The model showed that firms tend to use agents in the early stages of internationalization, which implies that firms have few relationships in the foreign market. The next stage is the situation where the firm has developed more business relationships which results in the firm being highly internationalized but still with a domestic focus. This situation is called 'lonely international'. Late starters are firms that are in a market that is already internationalized. Finally, 'international among others' represents firms that are internationalized and operate in a highly internationalized market with other highly internationalized firms. The network environment is high and firms can use the network to seek new opportunities.

### **Network and SME in international business**

Many researches state that networks can influence the internationalization process, such as pace, pattern, market selection, and entry mode. Networks create trust. Trust and respect are essential conditions for managers and customers from various cultural backgrounds (Cellich C., 1995). According to Axelsson and Johanson (1992, as cited in Coviello N., 1997, p. 365), a network involves "sets two or more connected exchange relationships". The relationships between various groups such as customers, suppliers, competitors, and families will influence strategic decisions. A network involves resource exchange between its different members.

Networks also play an important role in internationalization theories, especially the born global model or INV. Born global firms may enter international markets in various ways including exporting, licensing, strategic alliances, joint ventures, etc. Born global firms have to make close network alliances in multiple countries to build a competitive advantage (Harris and Wheeler, 2005 cited in Freeman S., et al, 2006). SMEs use networks to develop partnerships and alliances in multiple entry modes to overcome constraints and to be able to present their unique innovative product or service to an international market rapidly (Freeman S., et al, 2006, p.34).

Perhaps the most important type of network, which is mostly mentioned in literature, is perhaps networking with customers. SME owners use networking for international marketing purposes. Building and maintaining good relationships with clients is important. Networking with customers is vital for a company's success. Different types and characteristics of customers influence network relationships. The nature of manager-customer networking and how it is done can contribute to the way that SMEs carry out marketing. The creation and existence of networking impacts an enterprise's survival (Gilmore A., et al., 2001)

Networking also impacts the decision making of SME owners/managers. As the owner/manager gathers more business contacts and networking becomes more strategic, his decision making will become more rigorous. Networking development can help the owner/manager to learn from in the past and to make better decisions (Gilmore et. al., 2001, p.11). Furthermore, decision making can impact the choice of markets to enter. Johanson J. and Vahlne (2003) found that existing relationships influenced the choice of international market expansion in the case of the Nordic healthcare business. The strong connection with research centers and customers made it easier to form partnerships in overseas countries such as the USA and Eastern Europe. SMEs use international trade show as opportunities to establish and strengthen relationships that can lead them to enter international markets. Trade shows are seen as networking platforms that allow people to interact with each other. This gives SMEs the chance to grow overseas. However, research on trade fairs mostly focus on selling and promotion, but there has been little attention on network building opportunities (Evers and Knight 2008, p.544). In the case of emerging markets, there has been even less study

Aside from market selection, entry mode is also the result of business relationships. The same hospital and healthcare research of Johanson J. and Vahlne (2003, p.88) also indicated that the jointly-owned subsidiaries and the establishment of infrastructure overseas are the consequences of long-term relationships between high level/ decision makers of the organization and potential customers. Thus, network can play vital role in entry mode strategy.

### **Types of Network gained from trade show**

Based on the literature review, the types of network acquired from trade fairs can be categorized as follows.

a. Buyers network

Trade fairs allow sellers face-to-face contact with buyers. They bring the customer to the company (Gopalakrishna and Williams, 1992; Godar and O'Connor, 2001 as cited in Sarmento M, et al., 2015, p. 586). The development of a buyer-seller relationship can be classified into five phases: awareness, exploration, expansion, commitment and dissolution. Each phase represents a major transition as to how parties regard one another (Dwyer et al., 1987). Ford (1980) classified the stages into the pre-relationship stage, the development stage, the long-term stage, and the final stage. Based on the higher levels of relationship, Sarmento M. et al., (2015, p.590) indicated that trade fairs lead to relationship reinforcement, act as a source for relationship development and create trust in the counterpart's abilities (Hansen, 1999, cited in Sarmento M., et al., 2015, p. 590).

b. Supplier network

Meeting supplier can be one of the reasons to attend trade shows. Exhibitors at trade shows are able to meet with current suppliers and get to know new suppliers (Gottlieb U. et al., 2014, p. 10). Suppliers are not customer as they do not buy product from firms. But they sell parts or components to firms. Developing relationships with suppliers can help facilitate internationalization of firms. Chen T. (2003) explained the situation of Taiwanese electronic firms entering foreign country, says, Malaysia and seeking new suppliers locally by using local supplier networks. Initially, the firm utilized new suppliers from the supplier networks that were established before from MNEs rather than bringing suppliers from Taiwan. This study is a good example of how networking with local suppliers can benefit to overseas business expansion.

c. Competitors network

Tafesse W., Korneliussen T. (2011, p.42) mentioned three types of network in the trade show performance item measurements. One of such is exchanging information with competitors. SME owners/managers often communicate with competing firms and are supportive of each other. Sometimes, they even know their competitors and help each other or exchange business advice. Another purpose of cooperation is in situations where companies work together if a project is too large for one company, or if a company enters a new field of work and requires new skills to complete unfamiliar tasks.

d. Professional and government network.

Trade show is the event that does not only bring in exhibitors and buyers but also other professional participants such as organizers, press, opinion-makers, industry leaders, etc. Contact initiative can come from all these participants (Sarmento M. et al, 2015, p.590, Menon S. and Edward M., 2013). In emerging markets, government agencies can play a vital role in internationalization by assisting SMEs in export activities. Hashim F. (2012, p.110) mentioned MATRADE, a Malaysian government agency that helps SMEs with investment, participation in international trade fairs and trade missions. Evers N. and Knight J. (2008, p.554) cited Freeman (1999) who stated that links to professionals and government agencies can help to provide information about foreign markets. In addition, trade associations, institutes, and professional associations are ideal places for SMEs to meet each other. Trade associations allows manager to become known to their peers in the industry (Gilmore A., et al., 2001).

### **International market selection**

Market selection is one important aspect of internationalization. Gorecka D. and Szalucka M. (2013, p.32-33) explained that in order to expand business overseas, firm need to go through process of five decision making. First clearly identified reason for involving in international business. Second, define products it wants to sell. Third, identified target market or markets which is known as international market selection. Forth, choose entry mode. Finally, firms must determine the timing of entry.

Different internationalization theory provide alternative emphases on market selection. Stage approach or Uppasala model, market selection is constraint by two elements: psychic distance and experiential learning. This is the main reason why firms in this approach choose the market that has similar economic, cultural, and political system. However, born global firms challenge this theory since new technology and international experience decrease psychic distance, thus, resulting in more choice of market expansion (Sakarya S., et al., 2007, p.211).

The selection of which market to entry is one of the most important decisions in international market entry strategy (Gorecka D., Szalucka M., 2013, p.33). According to Koch A. (2001, p.66-69), firms to enter three stage when making decision on market selection: pre screening, in-depth screening, and final selection. Brewer P. (2001) proposed market selection model which is similar process as what Koch mentioned. The model indicated four steps: establish a country market set, identify a country, evaluate the country and select market. In addition, the study also explained the important of trade show as a tool for entering new market.

The two patterns in market selection are the concept of expansive and contractible patterns. Expansive pattern is when firms seek to expand new market that have least psychic distance. This could result in focusing in some geographic area or as many market as possible if the firms perceive they have least psychic distance. However, firms with contractible pattern are those who screen most of the markets available such as evaluate general market information. Follow by evaluate market potential, trend, profitability, etc, The analysis will indicate the most suitable market or markets for overseas expansion (Koch A., 2001, p.67-68). To be able to examine which pattern the firm go through after acquiring knowledge and network will benefit to internationalization theories namely stage and born global model in term of gaining better detail of new market expansion.

### **International market entry modes**

Entry mode is a strategic firm's decision about the type of foreign expansion. There are various views on the types of foreign entry mode. The well-known types are as follows: Export mode: firms use agents in expanding markets, Contractual mode: such as licensing, franchising or other forms of contract agreement, investment mode: such as joint ventures (JV) or wholly owned subsidiary (WOS) where a firm is involved in equity ownership.

Regardless of the types mentioned, the two mains factors involved in entry mode from existing researches are those that are classified by "risk" and "degree of control". The Uppasala model suggests an incremental process based on the degree of control in exporting, licensing, franchising, strategic alliance, JV and WOS. The exporting mode of entry has the least or no control over the international operation while a wholly-owned subsidiary involves full control over the international unit abroad. This model also has "risk" in expanding the business overseas which is associated with the entry mode.

Exporting, the first step in the entry mode, has the least risk, while a wholly-owned subsidiary engages the highest risk. Brouthers K. (2002) employed the "risk" concept to study investment mode of entry and concluded that firms manage or avoid higher investment risk by using the JV mode rather than WOS.

Determining how knowledge and network affect to entry mode is essential for this study. A detail answer will provide explanation of role of knowledge and network play and contribute to development of firm in different pace of internationalization, namely Uppasala (stage) or born global model, and also type of contract in choosing international partner (export, contract, or investment).

### **Knowledge acquisition, Networking, Market Selection and Entry mode in international trade show**

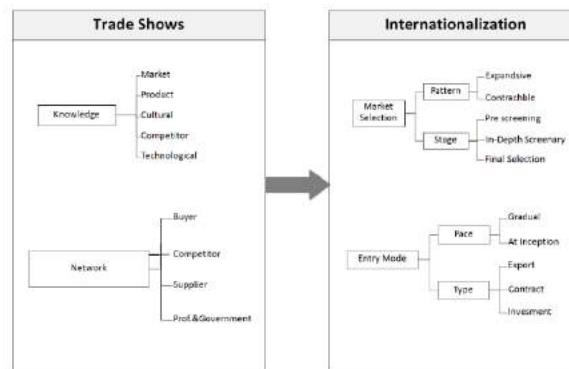
Trade shows are considered as a great source of knowledge and networking opportunities. Trade shows have a good environment for knowledge acquisition. Similarly, trade shows enable communication and contact between people. Trade shows are much more than only a display of products for sale, but are also a platform for knowledge creation and network building. Knowledge and networking are good enablers of successful internationalization especially for SMEs. It should be noted that knowledge and networking gained from international trade shows, and their impacts on market selection and entry mode choice have not been extensively studied. Previous studies rarely investigate the types of knowledge and network acquired from international trade shows. Hence, the results of research should enhance the knowledge of international business theories.

Furthermore, this study investigates the cross relationship between knowledge and networks as both can complement one another. Networks can be a good source of different foreign market knowledge. Networking is relevant to the sharing and exchange of information between parties. Therefore, networking plays a key role in determining knowledge about foreign competitors, customers, and distributors, as well as legal, cultural, and other types of knowledge (Musteen et al., 2014) .

## Conceptual Framework

This research aims to answer the following research questions; 1) what are the types of knowledge and networks acquired from trade shows?; 2) how is each element in knowledge (market, product, cultural, competitor, technological knowledge) and network (buyer, competitor, supplier, professional and government network) affect to market selection in term of pattern and stage? 3) how is each element in knowledge (market, product, cultural, competitor, technological knowledge) and network (buyer, competitor, supplier, professional and government network) affect the two aspects; pace and type of entry modes? The Figure 2.1 presents the conceptual framework for this research. The framework proposes that knowledge and network gained from international trade shows should have impacts on market selection and entry mode.

Figure 2: Trade show and internationalization process conceptual framework



The model consists of two main concepts: (1) Trade shows and (2) The internationalization process. According to the international trade show concept, SMEs gain knowledge and networks from participating in the international trade show. Five elements of knowledge gained from international trade shows are market knowledge, product knowledge, cultural knowledge, competitor knowledge, and technological knowledge. For network, there are four elements: buyer network, competitor network, supplier network, and professional and government network. This study also endeavors to explore two aspects in the internationalization process: market selection and entry mode. Two aspects of market selection to be justified are pattern and stage. For entry mode, knowledge and network are set to determine pace and type of international mode of entry. Based on the literature review, the paper suggests that knowledge and network acquired from participation in international trade shows should affect the international market selection and international entry mode. The framework reflects a set of knowledge and network gained from international trade shows for making decisions on international market selection and entry modes. According to the conceptual model and research questions, this paper aims to find relationship between factors and seeks to obtain detailed description including gains better understanding of interested phenomenon of the elements through critical analysis. Therefore, both quantitative and qualitative research methods can be applied in this study in order to address research objectives.

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# Performance Drivers of Social Media Drop-Shippers

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## Abstract

Performance Drivers of Social Media Drop-Shippers The proliferative expansion of social media applications and technologies has brought drop-shipping as an effective order-fulfillment mechanism for many start-ups and online retailers (e-tailers). A model that exploits the concept of Theory of Planned Behavior (TPB) is adapted in this research, which provides an entry point to better understand social media based retailers behaviors towards drop-shipping that intercepts concepts of logistics-driven and consumer behavior oriented performance drivers. Mixed method is employed: While the in-depth interviews provide the base for measurement instrument design that has the contextual relevancy needed to form the content validity and reliability, the questionnaire-based survey facilitates the statistical confirmation for the validity of the adapted use of TPB, which is statistically significant to  $p < 0.01$  level.

**Keywords:** Drop-shipping, E-Tailers, Online Retailers, Order Fulfillment, Performance, Theory of Planned Behavior

## 1. Introduction

The proliferative expansion of social media applications and technologies has brought drop-shipping as an effective order-fulfillment mechanism for many start-ups and online retailers (e-tailers) as well as an effective distribution channel strategy for the manufacturers. Drop-shippers are the e-tailers who are not carry inventory but earn commission on orders passed on to the brand manufacture. The social media based drop-shipping as an alternative means of order-fulfillment has contributed significantly to complement the geographical limitations of traditional retailers which facilitate space-bounded trades and relationships with limited numbers of customers. In other words, traditional retailers sell to only the customers who live in their proximities, with much less options due also to the constraints of spaces for displays and stocks of goods (Stefanizzi et al. 2017). When Internet is introduced, and in particular with the prevalence of social media, spatial limitation that prevents reaching out to mass customers is a history (Hanks 2014). In view of fast-moving social media trend, the study of how e-tailers behaviorally and attitudinally react to take advantage of the social media-driven drop-shipping, has become not only useful, but academically important because of the dearth of information available.

Nowadays, one can't deny how social media has tremendous impacts on one's daily lives. Social medias such as Facebook and Instagram are very powerful platforms for businesses to interact with their customers. Thai businesses, whether small, medium or large, are using social media to reach new markets, boost up sales and maintain customer relationship.

The social media trend has led the brand manufacturers to use drop-shipping to expand e-tailer businesses that also simultaneously deliver customer's satisfaction in terms of cutting down inventory management by the e-tailers including reducing delivering cost and improving the efficiency for order fulfillment. As such, e-tailers are benefiting from drop-shipping provided by brand manufacturers. The drop-shipping scheme helps anyone who is willing to start a small business by using the communication skills through social media.

Numerous statistics have indicated the accelerating trends social media as platforms for consumers as well as the business owners. For instance, in a report by WeAreSocial (2016), 68.05 million of the Thai population has access to Internet, on active states (Figure 1), with Facebook and Instagram ranking top one and third, with 32% and 19% respective market share in the social media (Figure 2). In the domain of time spent, the Thai spent on average of around 3 hours per day on social media (Figure 3), and is dominated by younger generations, of ages below 30 years old, on Facebook (Figure 4).



**Figure 1:** Digital in Thailand (WeAreSocial 2016)

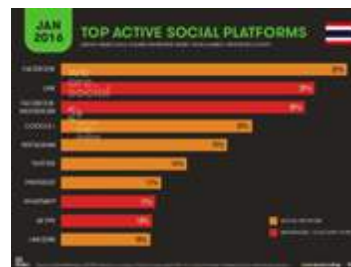


**Figure 2:** Top Active Social Platforms (WeAreSocial 2016)



**Figure 3:** Time Spent with Media (WeAreSocial 2016)



**Figure 4:** Facebook User Profile (WeAreSocial 2016)

The Instagram has also gained impressive momentum of growth, from 3.2 million users in 2015 to 9.1 million users in 2016 (Napoleoncat 2016), shown in Figure 5. Similarly, a nearly 70% of the Thai user population in Instagram has the age group below 30 years of age (Figure 5).

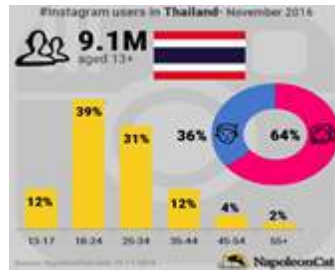


**Figure 5:** Instagram User in Thailand (Napoleoncat 2016)

Based on these statistical user trends and profiles, both Facebook and Instagram based e-tailers that exploit drop-shipping services of the brand manufacturers are targeted. For the e-tailer perspective, social media-enabled platform for business market expansion has many important benefits, such as it is a convenient and cost-effective platform to maximize brand awareness and improves sales through customer relationships and brand community management (Tan 2016). In addition, e-tailers also can use social media for international market expansion (Department of Industry 2015). Nevertheless, there are still some drawbacks facing social media usage for businesses, such as negative feedback, potential for embarrassment, and time intensive (WebpageFX 2017).

Based on the aforementioned potentials and challenges, the following research objective is thus established:

The purpose of this research is to aim to propose a theoretical model to explain the significant performance drivers, which are consisted of the variables intercepting the fields of both consumer behaviors and logistics, in influencing the social media-based e-tailers' intentions to continue to use and expand using drop-shipping for their e-tailing businesses, and thus, their business performances. In particular, the Theory of Planned Behavior is adapted which considers three latent performance-driver constructs, namely attitude towards use of drop-shipping services, subjective norms and perceived behavioral controls. The logistical and consumer behavioral variables would be absorbed into these latent constructs.

## 2. Literature Review

This research is focusing to study drop-shipping on social media platform using Theory of Planned Behavior to figure out the main factors of e-tailers' behavior that effects performance through Thai social media market. The literature review is arranged in four sections, which are social media, drop-shipping, e-tailer, and Theory of Planned Behavior (TPB).

### Social Media:

Saravanakumar and SuganthaLakshmi (2012) and Fuchs (2017) studied that the different methods of communication have been developed and changed during the different time era. Since the 21<sup>st</sup> century, the social medias are becoming the method that enables people to express the belief, ideas and manners in new way directly. It is like a huge community that everyone comes to post and share their attitude, comments, feedback, ideas, norms and bibliography etc.

In other words, social media nowadays has become the center of information and brand community engagement (Tan 2016). Another researcher, Correa, Hinsley and De Zuniga (2010) and Grabher and König (2017) also conclude that the social network has definitely changed human experiences. The more users participate in the social media the more business opportunities are increasing. Therefore, the e-tailers can exploit the social media-induced externality to their advantages, through customers engaging in exchanges of ideas, value co-creation, and experiences of the products and services. However, there are many factors that lead to whether success or failure in this kind of business platform. Among the social media channels, Facebook is the most popular, which is widely used by many companies and celebrities in promoting their brands and themselves. Thus, social media is the best platform for the implementation of strategies, and this research focuses on e-tailers who exploit predominantly social media to market their products and fulfillment order of customers through drop-shipping services offered by brand manufacturers (Fuchs 2017). The next section discusses the nature and role of drop-shipping.

### Drop-Shipping:

Drop-shipping is a supply chain management method which the e-tailers do not need to keep the products in their stock, and instead, transfer customers' order to brand manufacturer for taking the responsibility to deliver the



products directly to customers without passing to e-tailers (Netessine & Rudi 2001). Drop-shipping as means of order-fulfillments have been exploited to also deliver large items or installations such as mattress, fridge, air conditioner. Having pushed the responsibility of stocking to the brand manufacturers, as shown in the logistical flows of goods and order-fulfillments (Bazan, Jaber & Zanoni 2017), in Figure 6, it opens up vast opportunities for start-ups with limited funds (Bertagnolli et al. 2017).

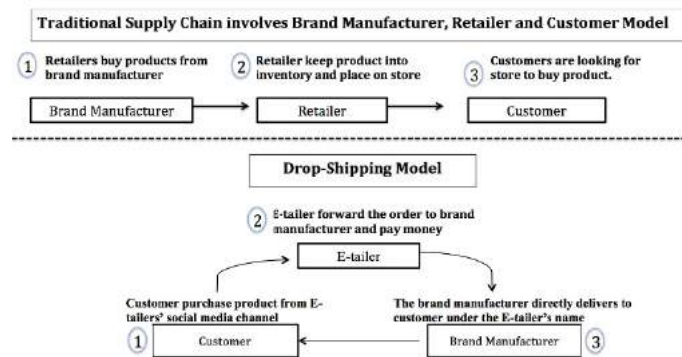


**Figure 6:** Traditional versus Drop-Shipping Model

There are many advantages and disadvantages of using drop-shipping. The advantages are low overhead, flexible location, wide selection of products and easy to scale. On the other hands, the disadvantages are low margins, inventory issues, shipping complexity and brand manufacturer error etc. (Shopify 2017).

In Khouja (2001) and Dennis, Cheong and Sun (2017), it is concluded that drop-shipping has an effective advantage to satisfy the accelerating demands for e-tailers on social media platforms, with key attractions based on the ability to save holding costs and reduce obsolescence cost. To further enhance the responsive requirement to meet the demands and needs of the customers, many e-tailers have also resolved to use a balanced mix of drop-shipping and in-house inventory. For drop-shipping to be effectively implemented to the delight of the customers, supply chain has to manage the inventories properly that are usually ordered from online customers in order to avoid the shortage which will lead to multiple shipping or lost sales because some online customers do not want the multiple deliveries.

However, there are some issues with drop-shipping, which are delivery time and in-stock issues. The manufacturer offers drop-shipping system to e-tailers in order to sell products directly without keeping stock, picking, packing and shipping activities. Many of the order-fulfillment activities are thus the sole responsibility of supply chain from manufacturer, which renders e-tailers solely focusing on marketing strategies. Drop-shipping is becoming a good practice and good start-up support for e-tailers who do not want to stock inventory, have space limitation or low working capital. In a study conducted by Ayanso, Daiby and Nair (2006) and Dennis, Cheong and Sun (2017), it also concludes that drop-shipping is another profitable way comparable to or better than the traditional retail.

Although both manufacturers and e-tailers can enjoy substantial benefits of drop-shipping services, nevertheless, the e-tailers have relatively low market power which also enjoy lower levels of profit margin. As a result of lower bargaining power and the fact that e-tailers do not have the full control of order processing since the manufacturers take control the order fulfillment heavily, some e-tailers gradually become passive and inactive in driving their businesses.

On another account, the most successful in Oberlo.com's users namely Irwin Dominguez from San Diego, California, Irwin (Slimas 2017) mentioned that in drop-shipping there just would not be so much competition and there are still plenty of opportunities in this business. He also said "I can't find a reason why people don't try themselves in social media. With all the technology it costs no money to get started and it can't be any simpler. You literally have nothing to lose. And I'm surprised people don't use this to their benefit". Partly the surprises imply that the nature of how e-tailers perceive drop-shipping and exploit to the advantage, manifested in behavioral intention, is unknown, and it is this practical concern that stimulates the interests and efforts of this research, towards identifying for a theoretical base that can be used to explain the behavioral intention and performance nature of e-tailers in social media oriented drop-shipping services.

### E-Tailers:

Having taken the role of order fulfillment and shipping arrangements by the brand manufacturers, e-tailers rely on social media-enabled communication practices to help them stimulate sales. A similar research conducted by Meiseberg (2016) concludes that e-tailers, who have committed on the use of marketing oriented communication practices, in drop-shopping services, have led to impressive sales growth rate. The traditional retailer, suppliers and supply chain operations also are thus significantly impacted by the accelerating trend of the e-tailers (Barutcu & Tunca 2012).

Although research still confirms that the traditional retailers are often more preferred by the customers than e-tailers to make product purchase (Keen et al. 2004; Jung, Kwark & Cheng 2017), but with fast growing of internet nowadays, the traditional retail trend has started to shift, with momentum, to e-tail trend.

For e-tailers, existing research asserts that the possibility of success is not only related to e-tailer's trust on selling experience goods, of quality, but is also related to the number of ordering method and e-tailer's influence instead (Weathers & Makeinko 2006). The Thais e-tailer's preferences can be separated into four groups which are 1) Celebrity/ Reviewer/ Net idol 2) Serious small ownership 3) Pure using of drop-shipping without investment on inventory (Netessine & Rudi 2001), and 4) Both investment and non-investment on inventory (drop-shipping).

The significant issue for e-tailers, whether they will be successful or fail, is depending on two factors, namely products sold and the service, i.e. drop-shipping provided. Specifically, it is the entire cycle of customer experiences and engagement in the purchase experiences with the e-tailer services, i.e. paying, receiving order, contacting customer services, and trusting on the site method, that determines the likelihood of the success of the e-tailers, that significantly matter to the customers. Nevertheless, the behavioral patterns of e-tailers with drop-shipping services, such as concerning the areas of the brand manufacturer, and perceived ability to control the drop-shipping services, are not known in the available literature, the theory of planned behavior (TPB) is thus suggested to help shed light, which is discussed in the next section.

### Theory of Planned Behavior:

In studying the e-tailer behavior, an adapted version of theory of planned behavior, as shown in Figure 7, would be employed. The elements of the Theory of Planned Behavior (TPB) were classified by Ajzen (1991) into attitude toward act or behavior, subjective norm and perceived behavioral control. These three constructs are connected to behavioral intention, which is leading to drop-shipping performance. To gain the accurate understanding of social media-based e-tailers behaviors in using drop-shipping services offered by the brand manufacturers, the research started with in-depth qualitative interviews to acquaintances' brand manufacturers to determine how they perceive about the e-tailers behaviors.

The brand manufacturer's perceptions would then be synthesized, with the help of the TPB's structure, as shown in Figure 7, to identify the detailed nature of the variables aimed to explain each of the items. The detailed nature of the variables would provide the necessary contents for the self-developed questionnaires, in which efforts are made to following the research quality procedures in order to obtain the required reliability, construct validity and content validity.

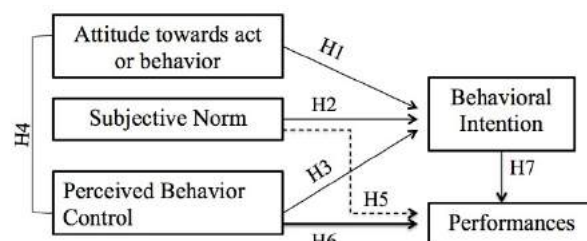


**Figure 7:** Hypotheses and Conceptual Framework

Guided by the adapted version of the theory of planned behavior model shown in Figure 7, the following hypotheses are assumed to take significant roles in Figure 8, leaving the detailed variables of each of the constructs to be the research outcome of in-depth interviews.

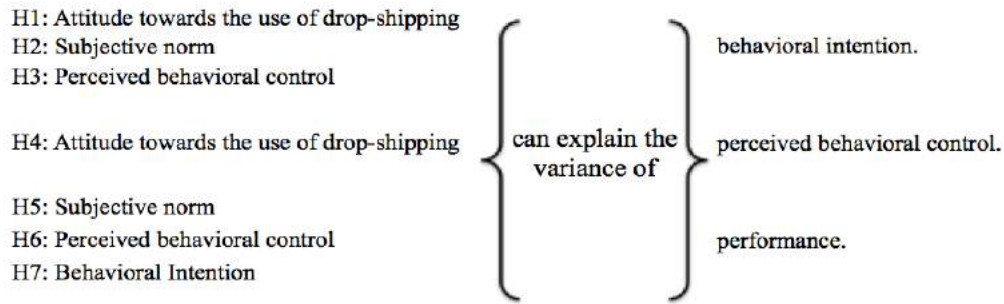


**Figure 8:** Hypothesis 1-7

The next section, Research Method, would address the nature of the interviews and how questionnaires are then designed.

### 3. Research Method

A mixed method approach is used. Due diligence is established during the data collection and at interpretation stage, by providing a feedback to the interviewees to obtain their assurance that the report has reflected their actual perceptions in the meaning they intended to deliver. The mixed method procedure is given below:

- First, theory of planned behavior structure is adapted in this study, but the detailed operationalization would intercept the variables of both the knowledge of consumer behaviors and logistics discipline.
- Second, due to lacking of informed available knowledge in the extent body of knowledge, in-depth interviews were conducted, which provides the relevant variables in the context of drop-shipping, to be incorporated in the theory of planned behavioral study.
- Third, definitions of the each of the possible variable are carefully studied and scrutinized through literature review, which provides the base for measurement operationalization and design. The attempt is made to ensure conformance to yield the necessary construct validity, content validity and reliability requirements for the measurement instrument.
- Fourth, the questionnaire instrument is feedback to one industry practitioner who has had numerous successful years in the social-media based drop-shipping operations.
- Fifth, having accomplished the content validity and pre-date reliability measures, the questionnaires are delivered to the e-tailers who are currently using drop-shipping services of brand manufacturers. Because of difficulty in knowing the target groups, snowballing method is employed, which facilitates the continuing introduction of possible new participations for the research, until the researchers exhaust the further contacts accessibility.
- Sixth, both descriptive and inferential statistical analyses would be performed by use of SPSS software package, version 23. For inferential statistical analysis, exploratory factor analysis would be exploited to ensure unitary construct dimensions and thus construct validity. In particular, this research tested the two dimensions of performances, namely margin improvement and market expansion. To statistically confirm the validity of the adapted TPB, multiple regression analysis is used, which also facilitates the discussion of size effect for the suitability of sample size for the multiple regression analysis, as well as the possibility for multicollinearities of the independent variables. Prior to multiple regression analysis, correlations analysis is performed.

### 4. Results and Discussion

This section presents both the qualitative and quantitative data analysis results. The qualitative context is presented, followed then, by the statistical result and discussion of the questionnaire-based survey.

#### Qualitative Data Analysis Results

A snowballing approach is used to obtain the qualitative in-depth data, which is aimed to shed light on the types of variables involved in characterizing the theory of planned behaviors. The variables identified show the significant themes of the logistical and consumer behavioral issues, which provide a valid base for contribution to the field of marketing logistics as well. Due to convenience nature of the snowballing, the six brand manufacturers participated in the interviews involve brand manufacturers of cosmetic and supplements products on Thai small business selling on social media, Facebook and Instagram. The location of each brand manufacturer is shown in Figure 9, which sees the centralization in and around Bangkok city, reflecting the reality of today's

social media-driven drop-shipping businesses in Thailand.

- Brand manufacturer 1 involves production and selling of vitamins and supplements. The company is located in Uttradit district, being labeled (1) in the map shown in Figure 5. Year of inception is 2014. The selling channel is Facebook-based and Instagram.
- Brand manufacturer 2 involves production and marketing businesses of vitamins for skin care, located in Huay Khwang district, Bangkok. Year of inception is 2015. The selling channel is Facebook-based.
- Brand manufacturer 3 is similarly involved in vitamins and supplements, located in Ratchadaphisek district, Bangkok. The year of inception is 2016. The selling channel is Facebook-based and Instagram.
- Brand manufacturer 4 involves the production and marketing of facial masks, located in Ban Sao Thong district, Samuthprakarn. Year of inception is 2016. The selling channel is Instagram-based.
- Brand manufacturer 5 involves the production and the wholesales of soaps and serum products for face, located in Nonthaburi. Year of inception is 2016. The selling channel is Instagram-based.
- Brand manufacturer 6 involves the production and marketing of face cream, located in Sai Mai district, Bangkok. Year of inception is 2015. The selling channel is own website-based.



**Figure 9:** The Location of Brand Manufacturers Approached for Interviews

What follows are the in-depth expressions of the interviewees relating to their views towards perceived behavioral controls, in various themes, attitudes towards drop-shipping, social norms of drop-shipping and some of the embedded challenges facing the drop shippers or e-tailers.

A brand manufacturer presents her view relating the ability of the e-tailers to control the order-fulfillment (an instance of perceived behavioral control), which may lead to loss of sales and reduction of e-tailer performances, and thus slowing down the growth for the brand manufacturers in return. The respondent stated:

*“Due to e-tailers act as the middle person, when the customer (end user) orders product from e-tailers but they do not able to answer customer directly whether product in or out of stock. The e-tailers don't know exactly the stock level so then the e-tailers pass the message through brand manufacturers and wait till answer. Thus, it is never straightforward and easy for the e-tailers to be able to provide the right answer to customer whether products are in or out of stock. This could lead to lost sales due to customer can't wait. Some cases were misunderstanding of communication that were conveyed through message because each person can't translate in the same meaning and feeling.” (Personal communication with owner of brand manufacturer 6, 28 March 2017)*

The inactiveness of e-tailers in the social media platform has become a worry from a brand manufacturer, stated:

*“There are many people who want to be e-tailers using drop-shipping but less of them can be a quality one due to impatience. On brand manufacturer side, they also want e-tailers as much as they could without thinking about the ability in order to promote brand awareness. Also, this group of inactive e-tailers can destroy brand image because using drop-shipping does not need to invest so that they don't really have any burden to response. According to low entry barrier of e-tailers, they do not take much effort to do this business. Some might think it is look easy to get money when they try to do. They fail. The old e-tailers are gone and the new is coming like the cycle in this business. The e-tailers can't reach as they wish then the discouragement is happening to them.” (Personal communication with owner of brand manufacturer 1, 25 March 2017)*

Two brand manufacturers highlighted the important roles of marketing of the e-tailers, and they both reckoned marketing oriented factor as also possible factors of the perceived behavioral control. A mixture of response is obtained between the two respondents, noted below:

*"Most of e-tailers don't have the skills of negotiation and marketing to push the products efficiently and effectively. They can't solve many front problems that could easily emerge. To alleviate this weakness, we have to improve our supports to them." (Personal communication with owner of brand manufacturer 6, 28 March 2017)*

*"As a brand manufacturer ourselves, we are actually quite afraid about our brand image that could be negatively affected by the inactive e-tailers. Nevertheless, we realize that, in the real world, we can't deny the e-tailers because they are the best choices for being the marketers for our business as their prevalent uses of social media help quickly spread and introduce our products and services." (Personal communication with owner of brand manufacturer 2, 25 March 2017)*

The trend of being e-tailer in the social media market is quite new trend that many Thai entrepreneurs are eager to explore for entering to the open market because it fundamentally requires no investments, and drop-shipping services are solely the responsibility of the brand manufacturers. One brand manufacturer stated:

*"It is easy to start-up by selling through the social media channels such as Facebook and Instagram. The e-tailers don't need to handle the inventory cost, operating cost and logistics cost etc. They just send the order from customers to us, and we will send the products to customer without passing through e-tailers. We offer drop-shipping services to our e-tailer partners, because we want to give the opportunities to people who want to make profits and establish their own businesses, as entrepreneurs. Nevertheless, less of the e-tailers would succeed. Most of them surrender by the time that they can't wait to build the customer community." (Personal communication with owner of brand manufacturer 5, 27 March 2017)*

To counteract the inherent weaknesses of the e-tailers, such as inactiveness, or commitment, few respondents, stated using rewards as motivators:

*"We motivate the e-tailers by giving them gold who can reach the level of sales that we set." (Personal communication with owner of brand manufacturer 1, 3 & 5, 25-27 March 2017)*

*"We motivate e-tailers by giving overseas tour in order to satisfy their dream. The e-tailers want money to take care of their family or some of them never ever travel overseas so we hope to take them through their dream to motivate them to work hard." (Personal communication with owner of brand manufacturer 1, 25 March 2017)*

*"We won't give gold or oversea tour but we give high range of margin instead of the rewards." (Personal communication with owner of brand manufacturer 2 & 4, 25-26 March 2017)*

In the performance domain, majority of the respondents worried about:

*"In social media nowadays, it is easy to start up the cosmetic brand as well. Many factories use OEM to produce the products. So, there are many competitors." (Personal communication with owner of brand manufacturer 1, 25 March 2017)*

*"The important thing is price. We always find the way to compete in pricing strategy. It is really challenging, on even daily basis. Some e-tailers are not following the price rule. They set the price lower than brand manufacturers' standard, which led the cutting price problem among e-tailers' market." (Personal communication with owner of brand manufacturer 1-6, 25-28 March 2017)*

The above qualitative analysis finally yields the extended version of the conceptual model, which involves the variables that share the knowledge and characteristics of consumer behaviors and logistics, indicated in Figure 10. While the detailed questionnaire items are given in the Appendix, the variables – as the themes – emerged from the qualitative data analysis are shown in Figure 10. For instance, perceived behavioral control construct incorporates many of the logistical variables, such as ease of use of the drop-shipping system, brand manufacturer's actions, communication delay, knowledge provided by the brand manufacturer in facilitating the smooth operations of drop-shipping, risk facing drop-shipping, order-fulfilment capacity, efficiency facet of drop-shipping, inventory advantage, margin status as a result of drop shipping, and delivery reliability of the brand manufacturers. Not only there are logistical issues involved in the perceived behavioral control, Figure 10 also is indicative of the prevalence of logistical significance across all the consumer behavioral domains in the TPB



structure. Thus, Figure 10 provides a valid entry point for contribution to the field of marketing logistics in particular, as well as it expands TPB into areas of logistical research problems.

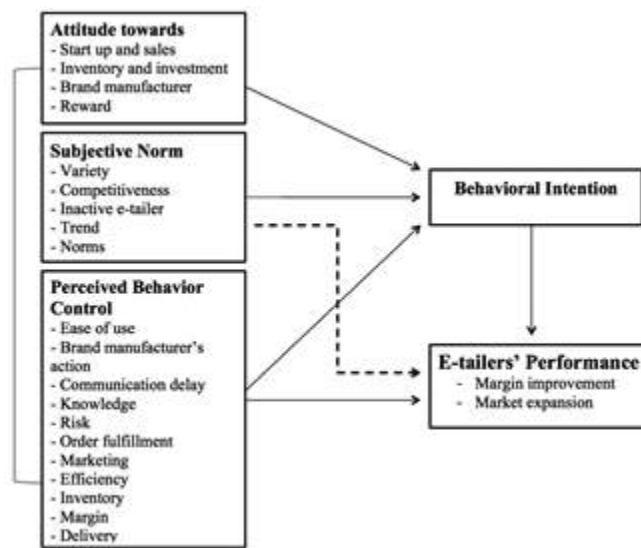


**Figure 10:** An Extended Conceptual Model through Post-Qualitative Data Analysis

### Quantitative Data Analysis Results

The themes provided through in-depth qualitative data analysis, shown structurally related in the TPB (Theory of Planned Behavior), in Figure 9, are used to guide the measurement instrument design, for use in the subsequent questionnaire-based survey. Having established the questionnaire items that are tightly relevant to the context of e-tailers associated with drop-shipping and order-fulfillments, it is assumed the measurement instrument can deliver reasonable reliability. In case of low reliability, at post-data determination stage, the use of exploratory factor analysis is necessary to help re-categorize the questionnaire items into appropriate dimensions.

Reliability is measured based on item consistency, which according to Nunnally (1978), the newly developed instrument can be accepted with Cronbach's Alpha ( $\alpha$ )  $\geq 0.6$ , otherwise  $\alpha \geq 0.7$  should be recommended. The reliability measures are summarized as follows:

- Attitude towards start-up and sales at 0.726.
- Attitude towards inventory and investment at 0.703.
- Attitude towards brand manufacturer at 0.624.
- Attitude towards reward at 0.661.
- Subjective norms at 0.710
- Perceived behavioral control at 0.849, and its detailed nature such as ease of use at 0.741, brand manufacturer's action at 0.719, communication delay at 0.658, knowledge at 0.657, risk at 0.788, marketing at 0.660, margin at 0.716. Others fall slightly below 0.60.
- Behavioral intention at 0.798
- Through exploratory factor analysis, shown in Table 1, two performance domains are found to be distinctive: market expansion and margin improvement. The former has reliability index of 0.870 and the latter has reliability index of 0.531. A feedback to the social-media e-tailers also confirms the tight relevancy to their current business operations that exploit drop-shipping services of the brand manufacturers.

**Table 1:** Exploratory Factor Analysis of the Performance Domain

**Market Expansion = 1**  
**Margin Improvement = 2**

|                                       | Component 1 | Component 2 |
|---------------------------------------|-------------|-------------|
| Expand Market Offers                  | .900        |             |
| Improve Image                         | .820        |             |
| Improve Overall Customer Satisfaction | .820        |             |
| Delivery On Time                      | .774        | .254        |
| Revenue Growth                        | .708        | .280        |
| Market Expansion                      | .627        | .502        |
| Improve Delivery Flexibility          | .624        | .267        |
| Improve Profit Margin                 |             | .780        |
| Reduce Logistics Cost                 |             | .769        |
| Competitive Operating Cost            | .305        | .684        |

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization.  
a. Rotation converged in 3 iterations.

As a result of the snowballing initiation, the participants are all related to e-tailers on cosmetics and supplements products, currently selling through social media, Facebook and Instagram based. As reasoned in the research design procedure and rationales, although 108 participated in the questionnaire-based survey, but the significant contextual relevancy of the instrument design relating to e-tailers and their drop-shipping nature of business operations, deliver a significantly high effect size (more than 0.35, shown in 2; referred also to Cohen (1992) for effect size [ES] index calculation) to justify sample size adequacy for multiple regression analysis with 2-, 3-, 4- and 5- predictors, in Table 3, to statistically significant level of  $p < 0.01$ .

**Table 2:** Effect Size for the Multiple Regression

|                | Independent                                 | Dependent            | R <sup>2</sup> | ES Index (Cohen 1992) |
|----------------|---------------------------------------------|----------------------|----------------|-----------------------|
| Overall Model  | Subjective Norm                             | Behavioral Intention | 0.347          | 0.531393568           |
|                | Perceived Behavioral Control (PBC)          |                      |                |                       |
|                | Perceived Behavioral Control (PBC)          | Performance          | 0.568          | 1.314814815           |
|                | Subjective Norm: Trend Behavioral Intention |                      |                |                       |
| Detailed Model | PBC - Order Fulfillment Capability          | Market Expansion     | 0.589          | 1.433090024           |
|                | PBC - Delivery                              |                      |                |                       |
|                | PBC - Margin Behavioral Intention           |                      |                |                       |
|                | PBC - Brand Manufacturer's Action           | Margin Improvement   | 0.388          | 0.633986928           |
|                | PBC - Risk Behavioral Intention             |                      |                |                       |

**Table 3:** Sampling Size Adequacy as a Function of Effect Size (Cohen 1992)

|                       |  | 0.01  |        |       | 0.05  |        |       |
|-----------------------|--|-------|--------|-------|-------|--------|-------|
| Test:                 |  | Small | Medium | Large | Small | Medium | Large |
| t-test for 2:         |  | 586   | 95     | 38    | 393   | 64     | 26    |
| Simple cor            |  | 1,163 | 125    | 41    | 783   | 85     | 28    |
| Analysis of variance: |  |       |        |       |       |        |       |
| 2 groups              |  | 586   | 95     | 38    | 393   | 64     | 26    |
| 3 groups              |  | 464   | 76     | 30    | 322   | 52     | 21    |
| 4 groups              |  | 388   | 63     | 25    | 274   | 45     | 18    |
| 5 groups              |  | 336   | 55     | 22    | 240   | 39     | 16    |
| Multiple Regression:  |  |       |        |       |       |        |       |
| 2 predictor:          |  | 698   | 97     | 45    | 481   | 67     | 30    |
| 3 predictor:          |  | 780   | 108    | 50    | 547   | 76     | 34    |
| 4 predictor:          |  | 841   | 118    | 55    | 599   | 84     | 38    |
| 5 predictor:          |  | 901   | 126    | 59    | 645   | 91     | 42    |

Based on the correlations analysis result shown in Table 4, the first four hypotheses are supported, significant to  $p < 0.01$  level (2-tailed), namely:

- H1 which shows 0.254\*\*, a positive correlation between attitude towards drop-shipping and behavioral intention to continue to use drop shipping by the e-tailers. The attitude towards drop shipping is the averaging four aspects of attitudes toward, namely start-up and sales, inventory and investment, brand manufacturer, and reward (Tables 5 and 6), at 3.99 level of the five Likert scale. Thus, with 4 as the

agreeable response to the corresponding questionnaire statement, and 3 as the neutral, it signifies that much works are still needed for brand manufacturers to continue to improve the attitudes of the e-tailers, while the e-tailers can also exploit subjective norms (with correlation coefficient of 0.60\*\*, between attitude and subjective norm). The attitude towards startup stands favorably out of the rest of other variables of attitudes toward drop-shipping, at 4.1204.

- H2 which shows 0.499\*\*, a positive correlation between subjective norms and behavioral intention to continue to use drop shipping by the e-tailers. Subjective norms highlight the trend of drop-shipping services offered by brand manufacturers, characterized by the significant number of e-tailers in the markets (variety), brand manufacturers (competitiveness), and consumers as the market norm. Shown in Table 6, the mean of the subjective norm stands at 3.9 of the five Likert scale.
- H3 which shows 0.520\*\*, a positive correlation between perceived behavioral controls and behavioral intention to continue to use drop shipping by the e-tailers. While perceived behavioral control for ease of use is high, at 4.0679 (Table 5), the other domains of perceived behavioral control are calculated to be in the range between 3-4, but skewed towards 4, shown in Table 5. The mean of this summative composition of perceived behavioral control is at 3.8061, out of the five Likert scale.
- H4 is supported which is evidenced by the correlation coefficient of 0.391\*\*, statistically significant to  $p < 0.01$  level (2-tailed). Thus, when e-tailers have the confidence that they can exert reasonable control over the drop-shipping behaviors, a strong positive attitude favoring drop-shipping can also be developed accordingly.

**Table 4: Correlations Analysis Result**

|                                                             |                     | Correlations         |          |                              |                                                             |
|-------------------------------------------------------------|---------------------|----------------------|----------|------------------------------|-------------------------------------------------------------|
|                                                             |                     | Behavioral Intention | Attitude | Perceived Behavioral Control | Subjective norm about e-tailers who are using drop shipping |
| Behavioral Intention                                        | Pearson Correlation | 1                    | .254**   | .520**                       | .499**                                                      |
|                                                             | Sig. (2-tailed)     |                      | .008     | .000                         | .000                                                        |
|                                                             | N                   | 108                  | 108      | 108                          | 108                                                         |
| Attitude                                                    | Pearson Correlation | .254**               | 1        | .391**                       | .600**                                                      |
|                                                             | Sig. (2-tailed)     | .008                 |          | .000                         | .000                                                        |
|                                                             | N                   | 108                  | 108      | 108                          | 108                                                         |
| Perceived Behavioral Control                                | Pearson Correlation | .520**               | .391**   | 1                            | .529**                                                      |
|                                                             | Sig. (2-tailed)     | .000                 | .000     |                              | .000                                                        |
|                                                             | N                   | 108                  | 108      | 108                          | 108                                                         |
| Subjective norm about e-tailers who are using drop shipping | Pearson Correlation | .499**               | .600**   | .529**                       | 1                                                           |
|                                                             | Sig. (2-tailed)     | .000                 | .000     | .000                         |                                                             |
|                                                             | N                   | 108                  | 108      | 108                          | 108                                                         |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

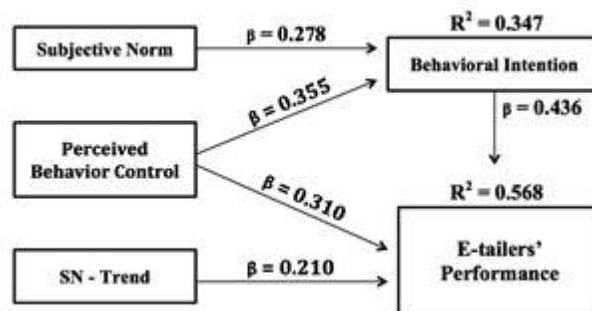
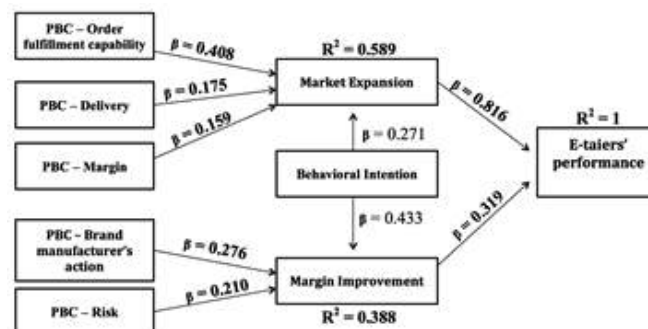
**Table 5: Descriptive Profiles of the Variables**

| Descriptive Statistics                                      |           |           |           |           |                |           |            |
|-------------------------------------------------------------|-----------|-----------|-----------|-----------|----------------|-----------|------------|
|                                                             | N         | Minimum   | Maximum   | Mean      | Std. Deviation | Skewness  |            |
|                                                             | Statistic | Statistic | Statistic | Statistic | Statistic      | Statistic | Std. Error |
| Attitude towards start up and sales                         | 108       | 2.50      | 5.00      | 4.1204    | .53552         | -.427     | .233       |
| PBC Ease of Use                                             | 108       | 2.33      | 5.00      | 4.0679    | .64249         | -.614     | .233       |
| Attitude towards reward                                     | 108       | 2.33      | 5.00      | 3.9691    | .61908         | -.736     | .233       |
| Attitude towards inventory and investment                   | 108       | 2.00      | 5.00      | 3.9383    | .66378         | -.492     | .233       |
| Attitude towards brand manufacturer                         | 108       | 2.00      | 5.00      | 3.9321    | .59552         | -.709     | .233       |
| Subjective norm about e-tailers who are using drop shipping | 108       | 2.60      | 5.00      | 3.9000    | .54103         | -.170     | .233       |
| PBC Marketing                                               | 108       | 1.67      | 5.00      | 3.8765    | .61242         | -.782     | .233       |
| PBC Cost                                                    | 108       | 2.50      | 5.00      | 3.8611    | .59919         | -.042     | .233       |
| Margin Improvement                                          | 108       | 2.67      | 5.00      | 3.8395    | .57190         | .104      | .233       |
| PBC Brand Manufacturer's Action                             | 108       | 2.67      | 5.00      | 3.8148    | .55316         | .137      | .233       |
| PBC Risk                                                    | 108       | 2.00      | 5.00      | 3.8056    | .66217         | -.269     | .233       |
| PBC Communication                                           | 108       | 2.33      | 5.00      | 3.8025    | .58545         | -.075     | .233       |
| PBC Margin                                                  | 108       | 1.50      | 5.00      | 3.7870    | .77098         | -.750     | .233       |
| Behavioral Intention                                        | 108       | 1.67      | 5.00      | 3.7840    | .69461         | -.633     | .233       |
| PBC Knowledge                                               | 108       | 1.67      | 5.00      | 3.7840    | .64177         | -.498     | .233       |
| Performance                                                 | 108       | 2.00      | 4.90      | 3.7704    | .53778         | -.516     | .233       |
| PBC Inventory                                               | 108       | 1.33      | 5.00      | 3.7407    | .68105         | -.789     | .233       |
| Market Expansion                                            | 108       | 1.00      | 5.00      | 3.7407    | .62687         | -1.504    | .233       |
| PBC Order Fulfilment                                        | 108       | 2.00      | 5.00      | 3.7037    | .51019         | -.700     | .233       |
| PBC Delivery                                                | 108       | 2.33      | 5.00      | 3.6235    | .54704         | -.202     | .233       |
| Valid N (listwise)                                          | 108       |           |           |           |                |           |            |

**Table 6:** Descriptive Analysis of the Overall Model

| Descriptive Statistics                                      |     |         |         |        |                |
|-------------------------------------------------------------|-----|---------|---------|--------|----------------|
|                                                             | N   | Minimum | Maximum | Mean   | Std. Deviation |
| Attitude                                                    | 108 | 2.29    | 4.83    | 3.9900 | .42573         |
| Subjective norm about e-tailers who are using drop shipping | 108 | 2.60    | 5.00    | 3.9000 | .54103         |
| Perceived Behavioral Control                                | 108 | 2.81    | 4.97    | 3.8061 | .35644         |
| Behavioral Intention                                        | 108 | 1.67    | 5.00    | 3.7840 | .69461         |
| Performance                                                 | 108 | 2.00    | 4.90    | 3.7704 | .53778         |
| Valid N (listwise)                                          | 108 |         |         |        |                |

Based on Figure 11 (the overall final model) and Figure 12 (the detailed aspect of the final model), which are the results of multiple-regression analyses, the last three hypotheses H5-H7 are supported. In particular, H5-H7 are in total showing the capability of subjective norm (H5), perceived behavioral control (H6) and behavioral intention (H7) to significantly explain the variance of e-tailer's performances, for 56.8%, significant to  $p < 0.01$  level. Shown in the detailed aspect of the final model, in Figure 12, is the two significant domains of e-tailer performances, in market expansion and margin improvements. Significant predictors of market expansion are found to be perceived behavioral control in order fulfilment capability, delivery and margin control, at 58.9%, whereas perceived behavioral control on brand manufacturer's action and risk to drop shopping are significant predictors of margin improvement, for explaining 38.8% of the variance.

**Figure 11:** The Overall Final Model**Figure 12:** Detailed Aspect of the Final Model

The multicollinearity states of the predictors or independent variables for Figures 11 and 12 are shown in Table 7. By following the criterion suggested by Klein (1962), in that if VIF is greater than  $\frac{1}{(1-R^2)}$  or a tolerance value is less than  $1-R^2$ , then multicollinearity can be considered as statistically significant, Table 7 indicates some minor multicollinearity effects for explaining the variance of behavioral intention and performance. Nevertheless, based

on a normal argument for the existence of significant multicollinearity when the tolerance value is less than 0.1 or VIF greater than 10, roughly, Table 7 shows no significant multicollinearity for all the multiple regression analyses.

**Table 7: Multicollinearity Test**

|                                    |           |       | Collinearity Statistics |       |                       |                  | Multicollinearity                 |       |     |
|------------------------------------|-----------|-------|-------------------------|-------|-----------------------|------------------|-----------------------------------|-------|-----|
|                                    | R-Squared | Beta  | Tolerance               | VIF   | 1/(1-R <sup>2</sup> ) | 1-R <sup>2</sup> | Significance of Multicollinearity | Minor |     |
| Behavioral Intention               | 0.347     |       |                         |       |                       |                  |                                   |       |     |
| Subjective Norm                    |           | 0.278 | 0.647                   | 1.546 | 1.136892              | 0.879591         | Yes                               | Yes   | Yes |
| Perceived Behavioral Control (PBC) |           | 0.355 | 0.72                    | 1.389 | 1.136892              | 0.879591         | Yes                               | Yes   | Yes |
| Performance                        | 0.568     |       |                         |       |                       |                  |                                   |       |     |
| Perceived Behavioral Control (PBC) |           | 0.310 | 0.617                   | 1.621 | 1.476285              | 0.677376         | Yes                               | Yes   | Yes |
| Subjective Norm: Trend             |           | 0.210 | 0.704                   | 1.421 | 1.476285              | 0.677376         | No                                | No    |     |
| Behavioral Intention               |           | 0.436 | 0.689                   | 1.45  | 1.476285              | 0.677376         | No                                | No    |     |
| Market Expansion                   | 0.589     |       |                         |       |                       |                  |                                   |       |     |
| PBC - Order Fulfillment Capability |           | 0.408 | 0.728                   | 1.374 | 1.531208              | 0.653079         | No                                | No    |     |
| PBC - Delivery                     |           | 0.271 | 0.753                   | 1.328 | 1.531208              | 0.653079         | No                                | No    |     |
| PBC - Margin                       |           | 0.159 | 0.696                   | 1.437 | 1.531208              | 0.653079         | No                                | No    |     |
| Behavioral Intention               |           | 0.271 | 0.701                   | 1.427 | 1.531208              | 0.653079         | No                                | No    |     |
| Margin Improvement                 | 0.388     |       |                         |       |                       |                  |                                   |       |     |
| PBC - Brand Manufacturer's Action  |           | 0.276 | 0.979                   | 1.021 | 1.177224              | 0.849456         | No                                | No    |     |
| PBC - Risk                         |           | 0.210 | 0.941                   | 1.063 | 1.177224              | 0.849456         | No                                | No    |     |
| Behavioral Intention               |           | 0.433 | 0.921                   | 1.085 | 1.177224              | 0.849456         | No                                | No    |     |

## 5. Conclusions

The theory of planned behavior (TPB) has shown to work well in explaining the current e-tailers' perceptions of the drop-shipping operations. In particular, the theory of planned behavior suggests that e-tailers would intend to continue the drop-shipping services offered by the brand manufacturers when they are perceived to be in control of various logistical driven variables, their attitudes toward drop-shipping and the subjective norms. The logistical variables of the perceived behavioral control are related to ease of use of drop-shipping by the e-tailers, brand manufacturer's actions, communication delay, knowledge provided by brand manufacturers to e-tailers, risk perceptions of drop-shipping, order fulfillment capability, marketing advantage, efficiency advantage, inventory advantage, margin control, and delivery reliability. The subjective norm is characterized by the market popularity perceived by the consumers and thus prompts the involvement of the e-tailers in drop-shipping services offered by the brand manufacturers. Four domains of attitudes are identified in this research, namely attitude towards start-up and sales, inventory and investment, brand manufacturers and rewards.

While the multiple-regression analysis confirms high R-squared in the ability of the TPB's predictors in explaining the variance of the e-tailer's performance, the descriptive profiles imply to the brand manufacturers that more systematic works are needed to bring about positive attitude of e-tailers towards dropping services, by subjective them to feel in control of the logistical advantages and conveniences of drop-shipping, and the subjective norms which can be facilitated through social-media brand community exchanges and relationship management (Tan 2016).

The exploratory analysis identifies two important domains of performances, namely: market expansion and margin improvement. The market expansion is positively influencing from perceived behavior control of the e-tailers in order fulfillment capability, delivery and margin factors are positively motivated through behavioral intention of the e-tailers. On margin improvement domain of the performance, it is positively influenced by brand manufacturer's action and risk in perceived behavior control and positively motivated through behavioral intention of the e-tailers.

In other words, by utilizing these findings, new start-up businesses can also exploit the opportunities to adapt. In sum, this research has significant benefits to both brand manufacturers and the e-tailers, pointing out to the former to prioritize its relational campaigns and strategies to improve the perceptions of the e-tailers on various supply chain and logistics domains such as order fulfillment capability, delivery, margin, that help to improve their behavioral control levels. Besides, brand manufacturers should also exploit the subjective norms, such as trend of drop-shipping and the social media, to significantly influence the e-tailers' performances, as well as their behavioral intentions. Both the brand manufacturers and the e-tailers should recognize the market expansion and margin improvement performances as the two ultimate success criteria from which the supply chain and logistics, and psychological drivers are nurtured and enabled. Thus, the research objective is addressed, in which the strategic responses can be embraced within the adapted TPB model.



In the aspect of market expansion, as shown in this research finding, the brand manufacturers are suggested to look backward into the critical factors that drive market expansion. There are three factors;

- Order fulfillment capability which includes pick-pack-ship activities. Brand manufacturer should design the order-fulfillment process to minimize error and delivery cost.
- On time delivery is a key milestone to satisfy both e-tailers and end users. By implementing track and trace system it is also expected to improve market expansion.
- Product cost is not only the cost of raw material of the product but includes order fulfillment and delivery. Implementation of pick-pack-ship process and track and trace system should lower the product cost which helps to improve profit margin.

Having improved the above three performance drivers, brand manufacturers will be able to expand to more market territories, target more customers and expand more product lines.

In the aspect of margin improvement, there are two significant performance drivers:

- The higher number of inactive e-tailers could lead to poor performance; hence, it is vital the brand manufacturers strictly screen and focus on quality e-tailers. In addition, by simplifying the drop-shipping arrangement and enabling quick responsiveness in ordering and billing process, it would lead to improvement of e-tailers' performance in terms of end user retention, brand image and loyalty, and maintain perseverance of the e-tailers which help increasing the sales volume and lead to margin improvement.
- Managing the risk is another key factor to consider which includes order deliverable risks, price cutting from competitors, readiness of brand manufacturer, inventory and investment. These factors are important drivers and predictors of the e-tailers' performance.

Behavioral intention is important predictor of these two domains of performance as it will drive the organization to lean towards market expansion and margin improvement.

Relating to limitation, using snowball sampling often cannot determine the sampling error or provide information about the population as it was. The limitation is also owed to the challenge, which exists in the current e-tailing industry in Thailand, in that many are not registered as e-commerce commercial registration.

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## Appendix: The Measurement Instrument

| <b>1. Attitude of E-tailers towards using drop-shipping</b> |                                                                                                                           |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>1.1 Attitude towards start up and sales</b>              |                                                                                                                           |
| 1.1.1                                                       | Using drop-shipping is the other chance to make revenue to e-tailer.                                                      |
| 1.1.2                                                       | Using drop-shipping is easy to startup the business.                                                                      |
| 1.1.3                                                       | Using drop-shipping is easy to sell on social media platform.                                                             |
| 1.1.4                                                       | Using drop-shipping allows to increase sale volume easily without financial burden.                                       |
| <b>1.2 Attitude towards inventory and investment</b>        |                                                                                                                           |
| 1.2.1                                                       | Using drop-shipping can make revenue without investment on logistic cost e.g. delivery, packing cost etc.                 |
| 1.2.2                                                       | Using drop-shipping can make revenue without stocking product.                                                            |
| 1.2.3                                                       | Using drop-shipping can make revenue without increasing unnecessary inventory cost.                                       |
| <b>1.3 Attitude towards brand manufacturer</b>              |                                                                                                                           |
| 1.3.1                                                       | The brand manufacturer provides sufficient answer/support about product information.                                      |
| 1.3.2                                                       | The brand manufacturer can support order from my customer everyday.                                                       |
| 1.3.3                                                       | The brand manufacturer should be friendly to e-tailer.                                                                    |
| <b>1.4 Attitude towards reward</b>                          |                                                                                                                           |
| 1.4.1                                                       | Giving tour travel oversea as the reward to who can get high sale volume is the important part to motivate e-tailer.      |
| 1.4.2                                                       | Giving gold as the reward to who can get high sale volume is the important part to motivate e-tailer.                     |
| 1.4.3                                                       | Giving high range of margin instead of reward to who can get high sale volume is the important part to motivate e-tailer. |

| <b>2. Subjective norm about E-tailers who are using drop-shipping</b> |                                                                                    |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 2.1                                                                   | <b>Variety</b> : There are a lot of e-tailer using drop-shipping in online market. |
| 2.2                                                                   | <b>Competitiveness</b> : There are a lot of brands that provide drop-shipping.     |
| 2.3                                                                   | <b>Inactive e-tailer</b> : There are many inactive e-tailers in market nowadays.   |
| 2.4                                                                   | <b>Trend</b> : Drop-shipping is currently a new hot trend in the market.           |
| 2.5                                                                   | <b>Norms</b> : Many people around me use drop-shipping.                            |

| <b>3. Perceived Behavior Control of E-tailers who are using drop-shipping</b> |                                                                                                                  |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>3.1 Ease of use</b>                                                        |                                                                                                                  |
| 3.1.1                                                                         | Being an e-tailer by using drop-shipping is easy.                                                                |
| 3.1.2                                                                         | Drop-shipping is ease in payment.                                                                                |
| 3.1.3                                                                         | Drop-shipping is easily working that I can make sales everywhere.                                                |
| <b>3.2 Brand manufacturer's action</b>                                        |                                                                                                                  |
| 3.2.1                                                                         | The brand manufacturer has been able to strictly screen quality of e-tailer in order to avoid inactive e-tailer. |
| 3.2.2                                                                         | The brand manufacturer repond to my request very fast e.g. ordering.                                             |
| 3.2.3                                                                         | Drop-shipping arrangement with the brand manufacturer is relatively simple.                                      |

|                                |                                                                                                                                                                        |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.3 Communication delay</b> |                                                                                                                                                                        |
| 3.3.1                          | Cut off time system for drop-shipping cause delay in delivery.                                                                                                         |
| 3.3.2                          | To juggle the communication between the brand manufacturer and customers separately often causes confusion to me in responding correctly and efficiently to customers. |
| 3.3.3                          | To juggle the communication between the brand manufacturer and customers separately often causes delay in responding to my customers.                                  |



|                                         |                                                                                                                        |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>3.4 Knowledge</b>                    |                                                                                                                        |
| 3.4.1                                   | The brand manufacturer provides a lot of know-how about the products which I drop-ship.                                |
| 3.4.2                                   | The brand manufacturer provides a lot of know-how about drop-ship procedure to facilitate my drop-shipping efficiency. |
| 3.4.3                                   | The brand manufacturer provides freedom to negotiate terms on drop-shipping to suit my business needs.                 |
| <b>3.5 Risk</b>                         |                                                                                                                        |
| 3.5.1                                   | I often have to delay the delivery of goods to customers as the brand manufacturer can't cope.                         |
| 3.5.2                                   | I face many times with the order that cannot be delivered on time from the brand manufacturer.                         |
| 3.5.3                                   | I often face price cutting from competitors which affects my drop-shipping business a lot.                             |
| 3.5.4                                   | I face with unreadiness from brand manufacturer many times eg. shortage of product.                                    |
| <b>3.6 Order Fulfillment Capability</b> |                                                                                                                        |
| 3.6.1                                   | Drop-shipping enhances the fulfillment capability of e-tailer.                                                         |
| <b>3.7 Marketing</b>                    |                                                                                                                        |
| 3.7.1                                   | Brand manufacturer provides sufficient information and support to facilitate drop-shipping promotion.                  |
| 3.7.2                                   | Brand manufacturer often uses celebrity in the promotion campaign which helps drop-shipping.                           |
| 3.7.3                                   | Brand manufacturer often has attractive marketing campaign to help facilitate drop-shipping.                           |
| <b>3.8 Efficiency</b>                   |                                                                                                                        |
| 3.8.1                                   | Drop-shipping has been able to reduce operating cost.                                                                  |
| 3.8.2                                   | Using LINE as a communication channel to order product from brand manufacturer is efficient to communicate.            |
| <b>3.9 Inventory</b>                    |                                                                                                                        |
| 3.9.1                                   | My cost of inventory has been reduced significantly because of using drop-shipping.                                    |
| 3.9.2                                   | The brand manufacturer shares information about stock level to facilitate my drop-shipping efficiently.                |
| 3.9.3                                   | I no longer have risk in inventory while using drop-shipping e.g. obsolete products.                                   |



|                                                                                                                 |                                                                                     |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>3.10 Margin</b>                                                                                              |                                                                                     |
| 3.10.1                                                                                                          | Profit margin from using drop-shipping has been lower than without drop-shipping.   |
| 3.10.2                                                                                                          | Cost of product increased because of drop-shipping.                                 |
| <b>3.11 Delivery</b>                                                                                            |                                                                                     |
| 3.11.1                                                                                                          | The brand manufacturer provides track and trace system to facilitate drop-shipping. |
| 3.11.2                                                                                                          | Drop-shipping has made delivery more on time than without drop-shipping.            |
| 3.11.3                                                                                                          | Drop-shipping has increased delivery time to customers.                             |
| <b>4. Behavior Intention of e-tailers who are using drop-shipping</b>                                           |                                                                                     |
| 4.1                                                                                                             | I will strongly recommend others to use drop-shipping in the e-tailers business.    |
| 4.2                                                                                                             | I will continue to expand using drop-shipping in my e-tailer business.              |
| 4.3                                                                                                             | I will continue to use drop-shipping and choose more other brands to sell.          |
| <b>5. Performance : The use of drop-shipping have positively effected the following in my e-tailer business</b> |                                                                                     |
| <b>5.1 Margin improvement</b>                                                                                   |                                                                                     |
| 5.1.1                                                                                                           | Reduce logistics costs.                                                             |
| 5.1.2                                                                                                           | Improve profit margin.                                                              |
| 5.1.3                                                                                                           | Make the operating cost more competitive to win business.                           |



# **Value-based economy in Thailand's MICE cities: The case study of Airbnb markets**

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## **Abstract**

Economic restructuring by creating value through innovation in the Thai tourism industry has continued over the past decade. However, the rapid alterations in technology, information technology, and online communications have rather transformed dramatically in response to the changing needs of business traveling and leisure tourism markets. Airbnb is one of the marketing channels in tourism technology. This online intermediary working on collection, screening, and offering private or non-enterprise accommodation providers illustrates a wide range of experiential activities and sojourns in more than 65,000 cities in 191 countries impact 150 million people in 2016. According to statistics, Airbnb clustered intensely in major MICE cities of Thailand. This paper applies a narrative and interdisciplinary review to explore Airbnb in Thailand's MICE cities as its potential impact on tourism contribution to GDP and also examine whether Airbnb can be countable to an economic modification based on innovation and technology as the concept of value-based economy of Thailand 4.0 plan. The findings show four major MICE cities, such as Bangkok, Phuket, Pattaya, and Chiang Mai having the highest numbers of rooms available on Airbnb. However, this online intermediary is confronting with pervasive controversies along with its sharp growth around the world. Although it is an opportunity to broaden the structure of tourism revenue in Thailand tourism, Airbnb is viewed as a threat to all traditional hotels, rental accommodations, and housing. Thai authorities should consider the impacts based on contribution to GDP in tourism, consumer reports, and market research to set the rules, necessary tax regulations, and punishment to Airbnb and its hosts for unethical or non-compliance performances. The paper is a preliminary study intending to invoke further researches and investigations on the how technology and innovation in value-based economy can be applied in tourism industry especially in MICE cities. It can be useful for management in hotel and tourism firms, policy makers, and governmental organizations.

**Keywords:** Airbnb, MICE, Thailand, value-based economy

## **1. Introduction**

Thailand was upgraded by The World Bank from lower middle-income economy to be an upper-middle income economy in 2011 (The World Bank 2011). The government was pleased and celebrated temporarily; however, it started calling this good news as a trap recently. Since the GDP was plummeted after the country's political turmoil, the current government tries to retrieve the loss by creating the new roadmap supporting the use of technology and innovation to modify economic activities. What is the term of economic modification in manufacturing and service industry? Kirida Bhaopichitr, a World Bank Senior Economist, mentioned that 'for Thailand to sustain its growth and avoid the middle income trap, it needs to pay attention to raising the productivity of not only the manufacturing, but also the agriculture and services sectors. Higher levels of education and skills as well as creativity, innovation, and competition will be necessary. These would not only promote higher growth but also inclusive growth which will help reduce the persistent high income inequality in Thailand (The World Bank 2011).' Thai government has adopted the concept of value-based economy (Skarzynski & Gibson 2008; Gibson 2009; Maesincee 2016) or innovation-based economy is the industrial revolution age 4.0 applied five major technologies comprising with 'internet of things', 'big data', 'artificial intelligence (AI)', 'simulation and 3D printing', and 'cloud computing' based on Fraunhofer Institute for Industrial Engineering 2013 (as cited in Luankeaw 2017). If Thailand wants to move to the age 4.0, the country needs to open for all potentials application of those areas with both manufacturing and service industry. Tourism is one of the major service industries in Thailand, including hotel, restaurant, leisure activities, and MICE, which also needs to acquire technology and innovation in the operation process to grow. Meeting, Incentive, Convention, Exhibition (MICE) industry is officially added up in the National Economic and Social Development Plan number 12 as one of the service sectors that will be fully supported by the government. MICE industry has been expanded in Southeast Asia immensely and attracted more than 900,000 business travellers accounted for approximately 100 billion to Thailand in 2015 (Changsorn 2016). Travel and tourism had the contribution to GDP at 9.2% in 2016, divided into leisure travel for 82.8% and business travel for 12.2%, owing to 79.2% from foreign visitors spending and 20.8% from domestic

spending (WTTC 2017). In order to catch-up with the digital economy, the government encourages entrepreneurs and enterprises in leveraging innovation and supports the proper application of social media to grow their businesses for local and international markets (Office of The National Economic and Social Development Board 2016, p.93). With the higher competition caused by new mobile applications, various online travel agency (OTA) platforms, social media interaction, and apart from political instability, Thailand MICE industry has been impacted by new players from intra and extra businesses. This can be called as a modification of economic activities from traditional to digital economy. In fact, the markets of MICE industry have been gone in the digital platforms for decades. Many new start-ups from US and Europe have emerged in the western counties before gradually entering Thailand markets.

Similar to Uber and Grab companies offering the digital platforms used online internet access to serve those unmet needs of transportation for leisure and business, Airbnb, based in San Francisco found in August 2008 and expanded to Thailand since 2010 (Akaraphanth 2016), provides an unprecedented experiences of traveling and tourism at any price point. It also confronts with the same challenge as Uber, Grab, and possibly other technological companies that are successfully serve the consumers around the world. This phenomenon can be called as an example of a process innovation in tourism because they create new forms of distribution, mobile application and online reservation, and strategic alliances (Weiermair 2004, p. 2, 7). Airbnb can be accountable to the market extension of Thailand tourism. Nevertheless, Thai government have not legalised those economic activities through Airbnb and all the same concepts of technological and innovative companies. Since it may upset the existing service providers, the government remained inactive and stated that they are illegal service operations in Thailand. Moreover, Airbnb is accused of unfair competition due to no clear legal entity registration, no rules to compliance to standard regulations, and tax payment rate (Landy 2016; Lehr 2015). It is viewed as a threat to the existing competitors who have been or claimed that they are affected by the potential of shrinking market shares and values after long time domination in the markets as traditional incumbents. Certainly, they are many existing hospitality providers, such as luxurious and business hotels, boutique hotels, service apartments, rental housing, and hostels, who are frighten to its unceasing growth. Although this negative impact tarnish the possibility of economic growth based on innovation and technology, there are also many positive values to local community, employment, and ultimately the country's economy. Due to the demand of consumers in Thailand markets keeps climbing up, the growth of Airbnb markets in Thailand was 149% in 2016 (Koumelis 2017). This paper is a preliminary research aiming to invoke potential studies relating to technological disruptive in hotel and tourism industries. It intends to search the potential linkage of Airbnb and Thailand MICE cities and to answer the questions of how Airbnb's situations in Thailand MICE cities are, and whether Airbnb can add an economic value to MICE industry based on value-based economics.

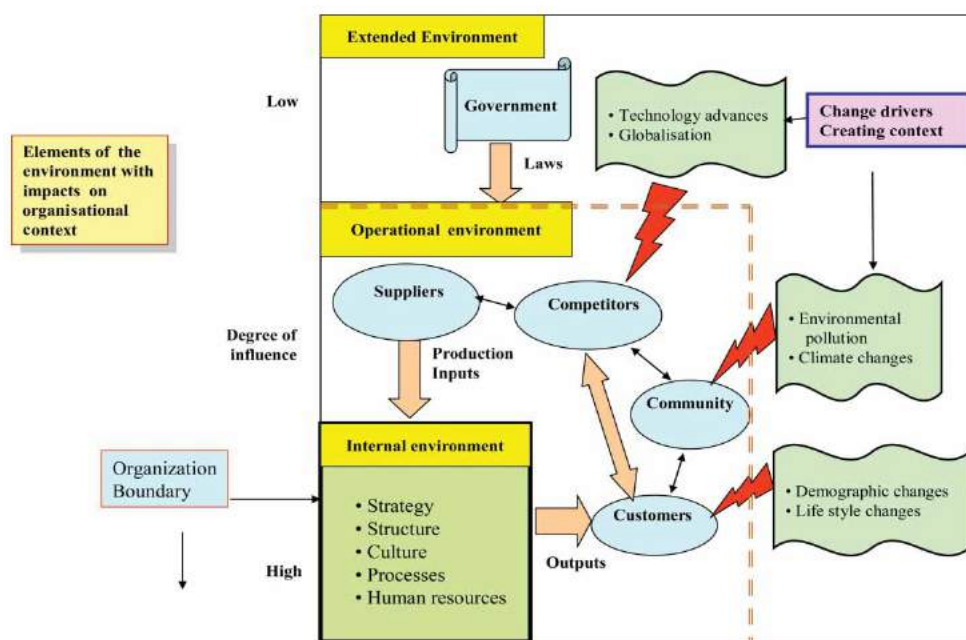
## **2. Review of Literature**

### **Value-based economy**

The word value-based economy refers to how business use innovation as the sustainable resource to create value (Gibson 2009; Maesincee 2016). Value creation can derive from technology and innovation, as a result, this concept is also called as the innovation economy (Antonelli 2003) or innovation economics (Atkinson & Ezell 2012; Datta 2014) or innovation-based economy (Lalkaka 2002; Kelli & Pisuke 2008; West et al. 2013, 2012) which are more widely used in most academic papers and literatures. The explanation of value-based economy is more or less the same as innovation-based economy because the core contents emphasize on the sustainable and competitive economic growth. However, the growth of economy due to value-added into social, economy, and environment can be accomplished by well-supplied knowledge transforming into the innovation. Datta (2014) explained that innovation economics formulated from knowledge, technology, entrepreneurship, and innovation to have economic growth or so called as 'knowledge-based economy (p.52).' In order to generate economic growth, businesses nowadays should focus on innovation and bring it to the marketplace rather setting the main goal at profit-orientation (Ahlstrom 2010). Mihaela (2015) supported in an empirical study that knowledge and innovation can become the key elements to have the progress development in the economy beyond the country's boundary (p.44). Many countries in the world have set their goals toward innovation-based economy since mid-1990s, when in US; despite being an example, the leading country of innovation and research development, and competed with global competitors greatly after World War II, America had been inactive and preoccupied with other political issues since the beginning of 1980s (Atkinson & Ezell 2012, p.2).

This innovation-based economy cannot be developed by only from the government but it is compulsory to have the government to accumulate knowledge from businesses and industries. Antonelli (2003) suggested that the primary sources of government knowledge come from companies and organizations where practical and application of technology, knowledge, and innovation appeal to marketplace. 'The understanding of the governance of technological knowledge and of the demand-side externalities in technological knowledge makes possible important contributions to the economics of governance (Antonelli 2003, p.30). The economic transformation can be initiated and progress through the government understanding of cumulative from businesses and industries who actually implementing the innovative and knowledge-based values to support in the economic infrastructure. Nevertheless, companies also have more challenges in the value-based economy due the dynamic of external factors, such as legal, environment (resources), customers, and technologies. An outlined six measures of innovation-based economy proposed by Lalkaka (2002), that the government can use to examine its own implementation, comprises with 1) an establish supportive policies and instruments, 2) building and education system, 3) attacking the hurdles from venture concept to commercialisation, 4) providing financial support to promote innovation, 5) providing business development services, and 6) promoting innovative structures such as technology business incubators (TBIs) (p.168). Moreover, Dervitsiotis (2012) pointed out that under the current instable environment, firms are not only confronting with the complexity from the operational environment, but also strategic complexity to manage proper process to deliver products and service under innovation-based approach, see Figure 1.

**Figure 1:** A strategic complexity view of organisations by Dervitsiotis (2012, p.998)

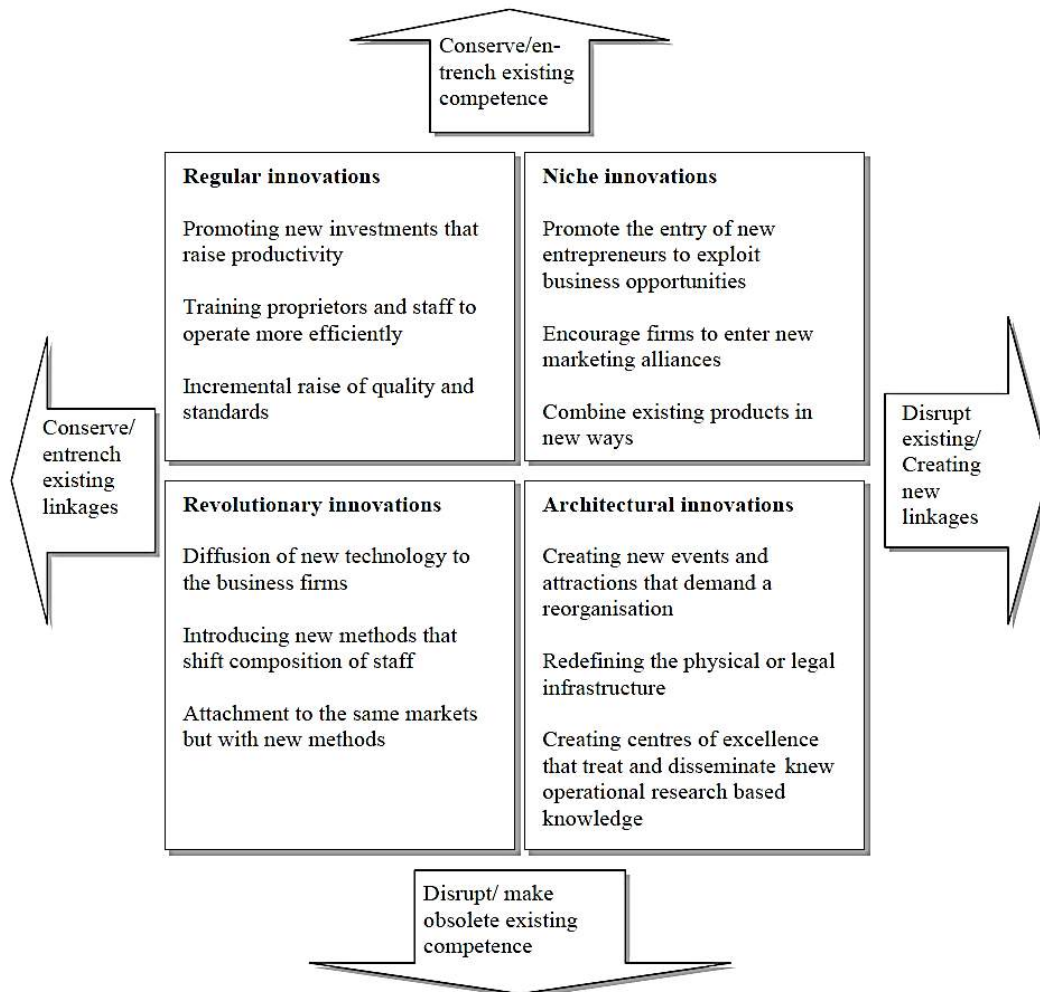


Customers today are not looking for perfect quality but innovation as the primary locus of choosing, buying, and becoming loyalty to certain brands or countries. Then how the company can choose to go innovative and employ which technology, especially in tourism industry. Weiermair (2006) referred to the concept of a world economist-Schumpeter 1997 (as cited in Weiermair 2006) about five areas for companies to be innovative as 1) firm should generate new or improved products; 2) firm can introduce the new production processes; 3) firm develop the new sales and markets; 4) firm develop the new supply markets; and 5) firm can reorganise and/or restructure the company (p.2). This concept is also applied in the explanation of innovation in tourism industry. Hjalager (2002) identified that innovation is rather a practical notion than invention, such as slight adjustment in products and services, and can be used in tourism in five categories; product innovations, process innovations, management innovations, logistic innovations, and institutional innovations (p.465-466). A comprehensive explanation of innovations in tourism adapted from Abernathy and Clark 1985 (as cited in Hjalager 2002) was illustrated as figure 2, the four types of innovations which are regular, niche, revolutionary, and architectural (p.466-467). Each



type has distinguished in characteristics, key activities, and contributions to the market environment. Company can consider both internal and external environments to capture the proper knowledge and technology to create value based on certain innovation appealing to the consumers. Travel and tourism industry expose to more than one single economic activity. Consumers don't look at tourism only as a transportation or accommodation or leisure activities anymore. Instead, they quest to ultimate experiences as a holistic impression and memory of every stage progress from home to destination and the way back. Hence, the value creation through innovation and technology can enhance consumers' entertainment, adventure, excitement, artistic, cultural, and many more in combination as so called experiential economy (Pine II & Gilmore 1999).

**Figure 2.** Innovation types, adopted from Abernathy & Clark (1985) by Hjalager (2002, p. 467)



According to Figure 2, the case of Airbnb can be categorised in terms of Niche innovations disrupting the existing players and creating new linkage of participants and alliances through host network and membership application. Moreover, it can be counted as a revolutionary innovation since it diffused a new technology with data mining in guiding new way of traveling parallel with existing markets and opening to new opportunities that inevitably disrupting and force existing competitors in the market to adjust or out of business.

### Thailand MICE industry

Since MICE industry in Thailand is a niche market extremely supporting by Thailand Convention & Exhibition Bureau (TCEB), who collecting and providing the most up-to-date data on MICE industry in Thailand, this section uses a major report of TCEB in 2017 as a primary source in examining the situation of Thailand MICE industry.

MICE industry is a sub-category of tourism industry. Its abbreviation of the full four words of meeting, incentive, convention, and exhibition represents four economic activities that contribute to Thailand in 2015 GDP 0.84% , divided in meeting 0.23%, incentive 0.16%, convention 0.26%, and exhibition 0.18%, according to Bank of Thailand database and Thailand Macro Economic Indicators of Frost & Sullivan analyst (as cited in MICE Capabilities 2017). Each traveller in MICE industry is accountable for 3.5 times spending per day and 1.9 times spending per trip more than general leisure traveller in Thailand because there are dissimilarities of MICE and leisure travellers. The differences between MICE and tourism in general are divided into five major factors, which participants' characteristics, purposes of visit at the destination, boosting business investment opportunity, distribution channels, and marketing approach (MICE Capabilities 2017). Most tourists travel individually, or couple, or small groups of people when MICE participants are business travellers and professionals who come to the same place at the same time at least 300 to 10,000 delegates. MICE travellers come for business building, network creation, and education or study program to obtain certificates and experiences when tourism when most tourists travel for relaxation, exploration, and entertainment. MICE industry encourages more investment on innovation of venue, accommodation, transportation, communication infrastructures, which mostly are capital intensiveness. MICE industry has different distribution channels from tourism market in general because it has the complex stage of preparation and presentation. Hence, the marketing approach for MICE industry has to be strategic planning to attract customers who are business markets rather than mass market consumers. Since it involves with peer-to-peer lobbying, bidding, and direct selling after a long range of marketing communication, MICE industry has a more challenging marketing implementation in terms of financial rate of returns and time consuming to receive the result of marketing investment.

Thailand has grown this industry dramatically in the past decade. Most of MICE travellers are from ASIA region for 76% when MICE travellers from European region for 26% and America region for 6% as shown in Figure 3. According to Information Provider and Consultants (IP&C) company limited, Thailand had MICE visitors of 686,609 contributing to 53,714 million Baht revenues in 2009 and gradually rising to 1,273,465 visitors giving revenues of 102,936 million Bath in 2016 as shown in the Figure 4.

**Figure 3.** MICE visitors to Thailand divided by region  
Source: TCEB MICE Statistics report, IP&C (2016)

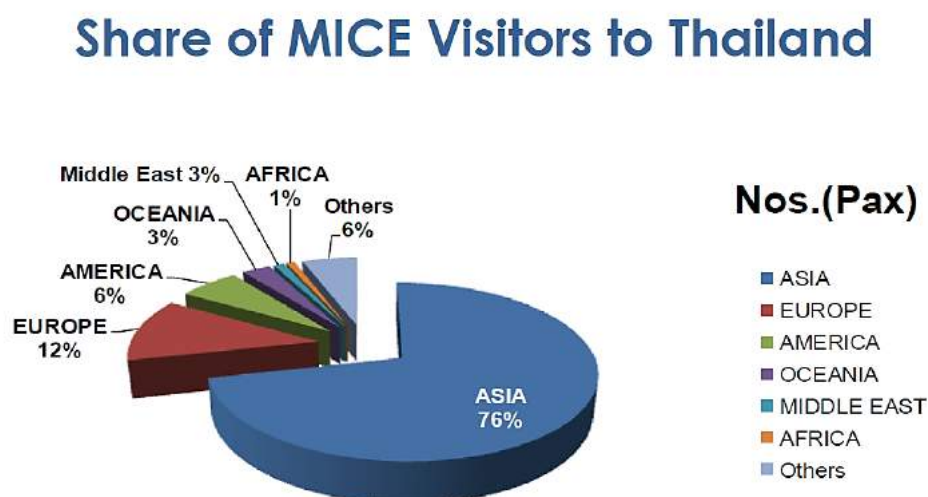
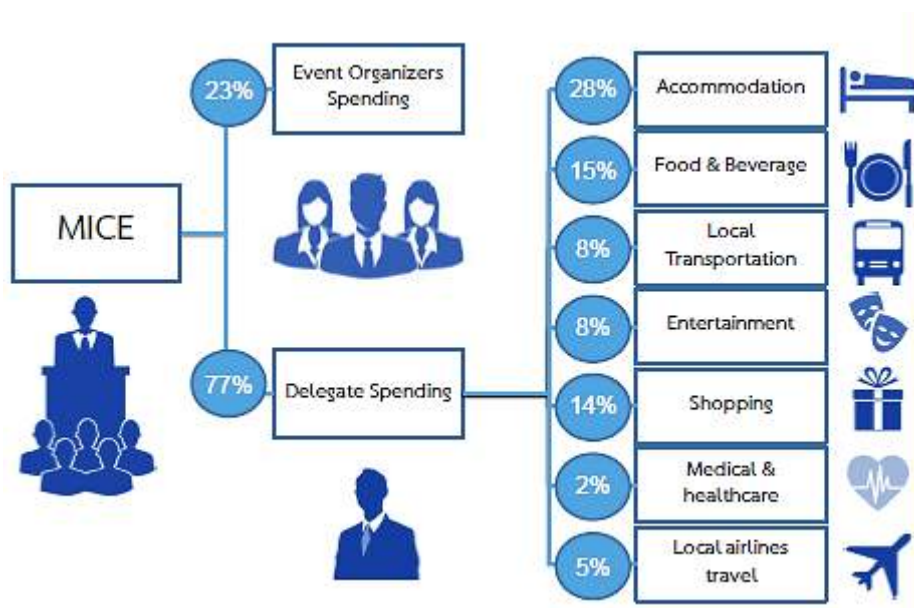


**Figure 4.** MICE visitors to Thailand from 2009 – 2016  
Source: TCEB MICE Statistics report, IP&C (2016)

| MICE Visitors to Thailand |         |         |         |         |           |         |           |           |
|---------------------------|---------|---------|---------|---------|-----------|---------|-----------|-----------|
|                           | 2009    | 2010    | 2011    | 2012    | 2013      | 2014    | 2015      | 2016      |
| Visitors                  | 686,609 | 679,585 | 840,054 | 895,224 | 1,013,502 | 919,164 | 1,095,995 | 1,273,465 |
| Revenues (MB)             | 53,714  | 53,515  | 70,625  | 79,770  | 88,485    | 80,800  | 95,875    | 102,936   |

The most important issue that this research intends to relate to the potential connect with the impact of Airbnb is about how MICE travellers spend when they are in Thailand. It is projected that the average spending portion of MICE industry are shared into two main portions, which are first for event organizers 23% and the rest for delegates or MICE travellers' transportation, accommodation, leisure activities, and health. As illustrated in Figure 5. It is obvious that a major spending on accommodation and leisure activities, such as food and beverages, entertainment, and shopping, dominate 65% of total spending of each traveller and accommodation is the largest portion of total expenditures. This is portion showing the potential of Airbnb market entrance. The size of this market is large enough to attract new entrants who can add values of distinctive experiences to the trip.

**Figure 5.** Proportion of spending based on MICE visitors average spending percentage  
Source: TCEB MICE Statistics report, IP&C (2016).



Apart from online travel agency (OTA) that used information technology in creating a convenient and prompt booking process online and mobile application, Airbnb is a new player to Thailand offering so called all-in-one alternative of accommodation plus leisure experiences for individual or group of travellers. Unlike travel agency, the application does not open for a large group booking yet. If the demand in MICE markets increases, the potential supplies adjustment to fulfil can be anticipated in short time. There are motivations for Airbnb to enhance in the business market which will add competitive level into the hotel industry (Kurt 2014; Thakur 2015). Zervas et al (2016) studied the relationship of the incremental change of impacted hotel revenues to the increasing size of Airbnb market in from around 3,000 hotels mainly in Austin, Texas. They found that every 10% increasing in size of Airbnb market would give a consequence of 0.39% deduction in hotel revenues (p.3). Another study by

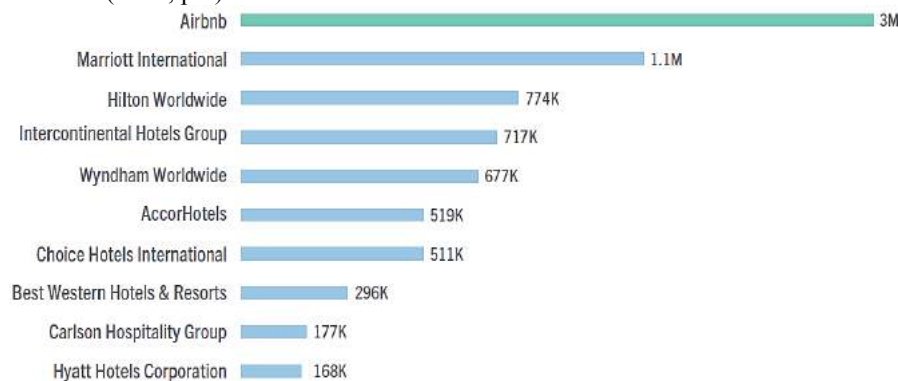
Gutiérrez et al. (2017) applied geolocated photographs in Barcelona, Spain to analyse on bivariate spatial autocorrelation between Airbnb and hotels and revealed that Airbnb had the proximity advantage on the city's major tourism attractions more than hotels. These kinds of phenomena are not restricted only in North America or Europe but global expansion. Supported by peer-to-peer (P2P) platforms technology, Airbnb can rapidly expand its market into hotel and other accommodation industry in more prime and closer locations in tourism destinations around the world. In order to penetrate into the business traveling sector, it had collaborated with for example American Express, Global Business Travel, BCD Travel, and Carlson Wagonlit Travel (Akaraphanth 2016, p 2).

### The case study of Airbnb in Thailand

The phenomenon of rapid growth of Airbnb is widely discussed in the concept of sharing economy on legal and economy (Oskam & Boswijk 2017; Domenech-Pascual 2016; Lehr 2015; Zekanović-Korona & Grzunov 2014) because it primarily refers to how the business initially sharing space and assets of individuals to primarily budget travellers without compliance to corporate tax and hospitality laws. This peer-to-peer (P2P) platform is also known as Online Vacation Rental Platform (OVRP) in US. Major brands apart from Airbnb are Homeaway Family of companies includes Vacation Rentals by Owner (VRBO), VacationRentals.com, Homelidays, Ownersdirect, Abritel, Travelmob, and others (Lehr 2015, p.36). The report of Haywood et al. (2017) about the performance comparison of Airbnb and hotel data in 13 global markets revealed that disruptive technology, supply of new entrants to the accommodation markets, the growing of supply of rooms, and macroeconomic landscape are the major forces in hotel industry (p.34). They also identified that Airbnb has grown the number of rooms and listings up to November 2016 to rank first in the largest lodging provider comparing to hotel chains as shown in Figure 6.

**Figure 6.** Number of rooms/listings in Airbnb and Hotel companies as of November 2016

Source: Haywood et al. (2017, p.9)



Other sites acting as intermediaries in lodging in the example of Los Angeles during year 2014-2015. Furthermore, the disruptive technology based on the internet application create major changes in the hotel and tourism industry worldwide such as 'prompted disappearance of intermediaries, emergence of new mediators on the internet with changing roles of traditional ones, enabling direct access to end-users or consumers, providing currently transmitting reliable information, enabling display of financial position in real time, decrease in organizational and distribution costs, and increase in convenience and flexibility' (Zekanović-Korona & Grzunov 2014, p.1575). The nature of peer-to-peer sharing network can decrease the role of traditional land tout agents and online travel agencies who act as the intermediaries in booking accommodations for tourists and travelers. Table 1. Shows the significant number of listings and percentage of market share of Airbnb over Online Travel Agency (OTA) such as Expedia and Hotels.com along with

**Table 1.** Competitive rivals in short-term rentals (STR) in L.A. market as of October 2014-July 2015

Source: Samaan (2015, p.1) and Lehr (2015, p.37)

| Company name        | Listings | Private room | Countries | Sample in L.A. market share in 2015 |
|---------------------|----------|--------------|-----------|-------------------------------------|
| Airbnb              | 15,031   | 32% - 38%    | 190       | 64.6%                               |
| <i>Major rivals</i> |          |              |           |                                     |
| VRBO                | 6,295    | N/A          | 171       | 9.8%                                |
| HomeAway            | 2,286    | N/A          | 171       | 9.8%                                |
| Flipkey             | 1,734    | N/A          | 160       | 7.5%                                |
| <i>Major OTAs</i>   |          |              |           |                                     |
| Expedia             |          |              |           |                                     |
| Hotel.com           | 34       | N/A          | N/A       | 0.4%                                |
| <i>Other sites</i>  |          |              |           |                                     |
| Roomorama           | 355      | N/A          | N/A       | 1.5%                                |
| Booking             | 349      | N/A          | N/A       | 1.5%                                |
| Wimdu               | 190      | N/A          | N/A       | 0.8%                                |
| 9Flats              | 129      | N/A          | N/A       | 0.6%                                |
| TravelMob           | 117      | N/A          | N/A       | 0.5%                                |
| HomeStay            | 112      | N/A          | N/A       | 0.5%                                |

Like many countries in the world, Thailand has not been prepared to react to this internet-based company properly. The growing of Airbnb sharply rose up 500% in year 2015 due to the support and promotion of Alipay and Union Pay in bringing Chinese tourists to visit Thailand and booking lodging via Airbnb (Akaraphanth 2016). Although the differences in prices of hotels and Airbnb are not significant, Airbnb market in Thailand has a sky-rocketed increase over the recent years (p.2). Airbnb launched an upgraded platform to deliver more than 800 experiences accessible by mobile application and online website (Suchiva & Fernquest 2017). With the concept of 'You're your business travel', Airbnb set the eyes on the intimate experiences of individual business travellers, meanwhile hotels counter offer a wide range of multiple amenities and supporting services that Airbnb couldn't be able to obtain (Oskam & Boswijk 2017; Lehr 2015). The statement made by Joe Gebbia, Airbnb's Co-Founder and Chief Product Officer of Airbnb when he came for the official launch in Bangkok on March 2017 was inspiring to follow Thailand's digital economy that;

*'We want to make travel magical again by immersing curious visitors in local cities and communities, offering the opportunity to see the true character of a city through the people who live there. Thailand is an incredible tourist destination, with inbound travel on Airbnb growing by 149% in the last year alone, but we know that travellers want to see the real soul of a place, especially in Bangkok - a leading creative capital in Southeast Asia known for its distinctive culture, edgy energy and rich heritage. I'm so excited to be launching Trips in Bangkok today (Koumelis 2017).'*

It is obvious that Airbnb aims to tap into the business market where MICE related businesses will be affected in the near future. However, it is not certain that Airbnb can convince business travellers who prefer luxury, comfort, convenience, and hygiene to change their choices from hotel chains to Airbnb networks in Thailand.

### 3. Methodology

This research applies the case study approach (Yin 2009) with deductive method (Hak & Dul, 2009) to relate theory to the case study and explain the findings by applying thematic and narrative literature reviews (Creative Commons Attribution 4.0 2016; Grant & Booth 2009). Sources of data collection are Search database, library online catalogue, web of Science, Google Scholar, Science Direct, Scopus, Proquest, Web of knowledge, Sage, Ebcohost, SpringerLink, Routledge Taylor and Francis, SSRN, Emerald insight, TCEB's publications with key criteria of inclusion and exclusion. Documents are included when they discussed on the related key words, statistics, and explanations, meanwhile excluded literatures are not in English or Thai languages and relevant to the research questions.



#### 4. Findings

There are two major articles identifying the comparison of hotels and Airbnb in Thailand. One is Landy (2016) who had matched four MICE cities, Bangkok, Pattaya, Chiang Mai, and Phuket, based on the room numbers of hotel and Airbnb as shown in Table 2. Bangkok has the highest numbers of rooms in both hotels and Airbnb, followed by Phuket, Pattaya, and Chiang Mai.

**Table 2:** Numbers of room comparison between hotels and Airbnb in four Thailand MICE cities

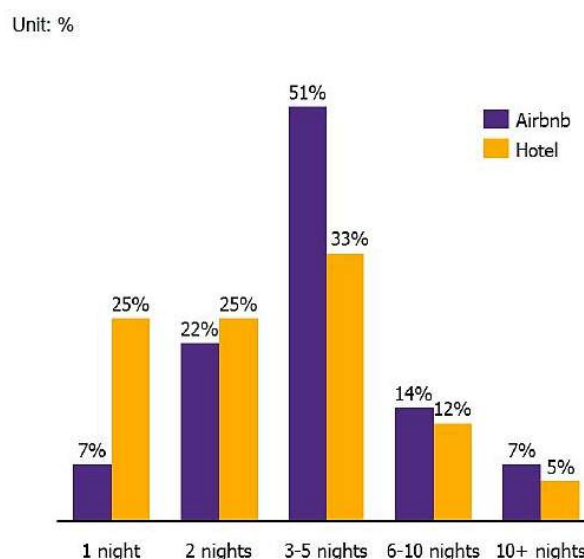
Source: Landy (September 2016) based on Department of Tourism and AirDNA

| MICE Cities | Hotels' rooms | Airbnb rooms |
|-------------|---------------|--------------|
| Bangkok     | 138,286       | 8,891        |
| Pattaya     | 40,758        | 2,945        |
| Phuket      | 82,962        | 8,238        |
| Chiang Mai  | 34,510        | 2,423        |

The other is Akaraphanth (November 2016), from Economic Intelligence Centre (EIC), Siam Commercial Bank Public Company Limited. He pointed out that Airbnb had the longer length of stays, such as the lengths of 3-5 nights, 6-10 nights, and more than 10 nights, over hotels in 2016 as the below Figure 7.

**Figure 7. Travellers' length of stay in hotels and Airbnb in Thailand in 2016**

Source: Akaraphanth (2016, p.4) based on EIC analysis based on data from UBS Research and the Department of Tourism



#### Airbnb in MICE cities in Thailand

According to AirDNA (2017), Airbnb has penetrated in Thailand's MICE cities for four provinces in Bangkok, Phuket, Pattaya, and Chiang Mai. There is no record of Airbnb host in Khon Kaen yet, which possibly there are not significantly abundant presently. More interestingly, there is a famous tourism destination province in Surat Thani province which is not one of MICE cities, Ko Samui or Samui Island, where has the highest growth with the highest average daily rate of active rental rooms of Airbnb. The summary of major indicators of Airbnb markets in Thailand MICE cities are shown as the Table 3.

**Table 3: Overview of Airbnb markets in Thailand's cities in 2017**

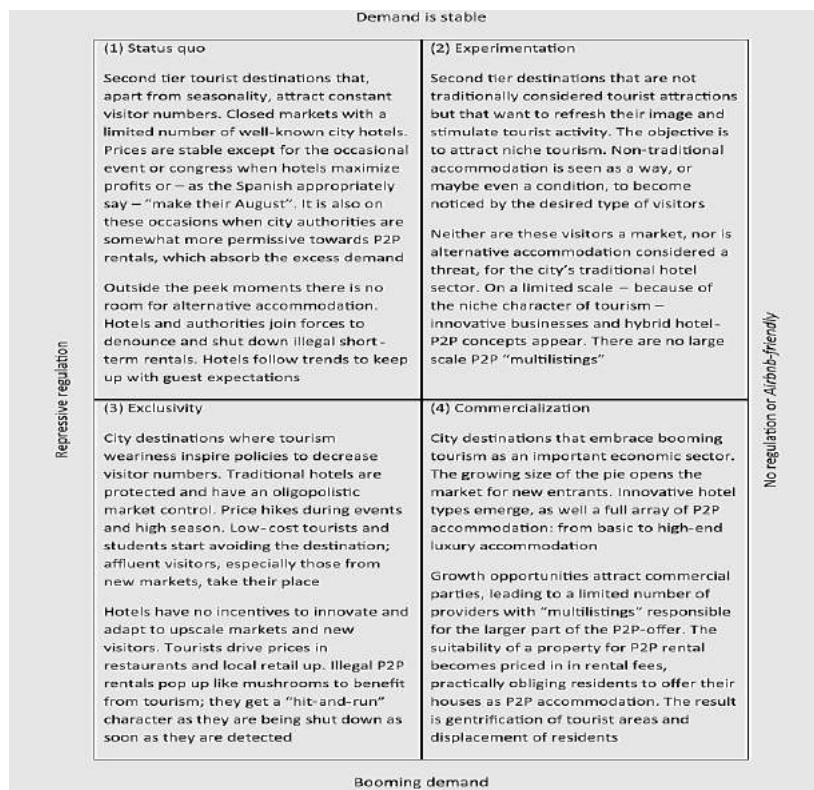
Source: AirDNA

\*Remarks: ADR: The average booked nightly rate plus cleaning fees for all booked days in the last month, OCC: The number of booked days divided by the total of days available for rent in the last month. Properties with no reservations are excluded.

| MICE Cities                    | Number of active rentals (rooms) | Average daily rate* (ADR) | Occupancy rate* (OCC) | Growth from 2010-2017 |
|--------------------------------|----------------------------------|---------------------------|-----------------------|-----------------------|
| Bangkok                        | 12,224                           | \$USD 47 (1,211 THB)      | 67%                   | 108%                  |
| Pattaya                        | 4,485                            | \$USD 46 (1,234 THB)      | 45%                   | 110%                  |
| Phuket                         | 10,237                           | \$USD 94 (1,219 THB)      | 38%                   | 96%                   |
| Chiang Mai                     | 3,797                            | \$USD 47 (1,067 THB)      | 62%                   | 131%                  |
| <b>Non MICE city</b>           |                                  |                           |                       |                       |
| Ko Samui, Surat Thani province | 4,527                            | \$USD 203 (1,360 THB)     | 48%                   | 120%                  |

Oskam & Boswijk (2016) studied on many arguments on Airbnb primarily on legal, social, and economic perspectives. Their empirical studies with Delphi method had revealed the four possible future directions of Airbnb around the world as displayed in Figure 8.

**Figure 8. Future scenarios for Airbnb impact by Oskam & Boswijk (2016, p.33)**



Oskam & Boswijk (2016) projected four scenarios of Airbnb directions based on levels of demands and levels of repressive regulation since they are crucial factors affected on Airbnb market expansion or shrinkage. When

demand is stable, the two scenarios are expected to be either remaining 'status quo' – keeping certain numbers of visitors in famous destinations but confronting with P2P legal force or having 'experimentation' – motivate niche market with non-traditional lodging and encourage innovation and hybrid hotels to serve P2P concept. On the other hand, the other two situations when demand is booming or increasing are 'exclusivity' – with repressive regulations, protected hotels having no reason to innovate or adjust to new visitors along with the decreasing numbers of budgeted visitors avoiding the tourism attraction places and 'commercialization' – with no or less force of regulations, full stream of P2P offering in multi levels of accommodation from basic to luxury, attract more players, innovative hotels, enhancing the size of market value contributing economy from tourism but resulting in less residential areas replacing by tourist destinations.

## 5. Conclusion

As the present government in Thailand has launched the policy to encourage the concept of value-based economy through technology and innovation in product and service sectors, tourism industry is also one of the forefront sector influenced by the technology extensively. Since it has various commercial parties in every stage of supply-chain in leisure tourist and business markets, the opportunities to have new challenges from information technology-based or innovation-based start-ups are multifarious. Airbnb has already been tremendously successful in leisure tourist sector started from budget travelling to upscale experiences throughout destination cities in the world. It is potentially stepping to the luxury and business traveller sectors, such as MICE industry, in very near future. According to Bloomberg news, Airbnb initiated recently to launch premium application for upscale accommodation to capture business travellers in order to compete with boutique hotels (Grass 2017). Nevertheless, the situation may not be in the favour of Airbnb in destinations where hotels and other registered accommodation under hospitality laws are protected by the authorities. Thailand has to ponder the advantages and disadvantages as claimed by traditional hotels and rental accommodations as well as by Airbnb. Whether there are bigger sizes of pie in tourism contribution to GDP or higher competitive atmospheres over the same size of markets with widespread use of technology and innovation to capture target visitors, they are certainly established on the model of value-based economy. Hence, the possible four scenarios for the case of Airbnb in Thailand's tourism including MICE industry are anticipated. It is not the question whether Airbnb will successfully settle in the business traveling market since the current working generation Y has the fine line in separation of leisure and work (Oskam & Boswijk 2017). The expansion of Airbnb in low-end markets with the enhancement of qualities and offerings can win the budget tourists for various traveling purposes. However, which direction is still unclear for Thailand. It depends on how affected parties can deliver a competitive performance and gather economic and financial reports supported by market research with a strong data analysis to convince authorities to take action. Thai authorities can study on the case of Airbnb in US where transient occupancy tax (TOT) is applied to home sharing business like Airbnb and every Online Vacation Rental Platform (OVRP) in Portland, San Francisco, San Jose, Amsterdam, Chicago, and Washington D.C. (Lehr 2015). On the other hand, the case of successful Airbnb in Amsterdam, Netherlands where hotels and Airbnb can go along together to increase the contribution to GDP and increase ADR (Average Daily Rate) for a whole industry should also put into consideration due to the positive opportunity for the country. Otherwise, the companies or start-ups like Airbnb can have the same problems that may inhibit the growth opportunity or even cease to exist.

## Limitation and recommendation

This study has a methodology limitation in employing secondary data in finding relevant information and data analysis from several studies and sources that may not cover all aspects of Thailand's phenomena. To affirm and elaborate in Thailand perspectives, suggested further studies can be progressions to collect the primary data quantitatively and qualitatively from multiple impacted parties, for instance, traditional hotels; rental accommodations; governmental authorities; residents in tourism destinations especially in MICE cities; different segments of tourists; and business travellers.

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# The Role of Language in Data Collection from Qualitative International Business Research: An Under-explored Issue

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## ABSTRACT

This paper reviews the articles that used qualitative research methods in top-5 journals in the field of international business, namely Journal of International Business Studies (JIBS), Journal of World Business (JWB), Management International Review (MIR), International Business Review (IBR) and Journal of International Management (JIM) from 2007-2011. It discovers that these articles tended to focus on interview. Textual materials were not well elaborated. Observation was just name-dropping. The readers of these articles are still left to guess how the authors pursued their qualitative research. The paper demonstrates some good and bad examples of these articles and pinpoints the gap for improvement, including the translation of the interview guides and transcripts, the textual materials, the observational protocols and the field notes.

**Keywords:** Qualitative research, International business, Languages

## 1. Introduction

International business (IB) research emerged as a distinct stream around the 1960s (Schöllhammer, 1969). A growing numbers of IB scholars have conducted research into several cultural settings. Reymonds, Simintiras and Diamantopoulos (2003) classified IB research into four streams: (1) descriptive research examining attitudes and behaviour within particular countries, (2) contextual research examining attributes of a cross-national group, (3) comparative research examining similarities or differences between countries and (4) theoretical research examining the cross-national generalisability of a theory or model. In general IB research deals with multicultural settings. The issues of language and translation are important. However, most conventional IB researchers presume that language operates as a medium even if an imperfect one owing to noise, distortion and ambiguity which ideally reflect the real-world situation (Alvesson & Kärreman, 2007). These issues in IB research are usually taken for granted and gets little attention from many IB scholars. Recently *Academy of Management Review* (2004) volume 29 issue 4, special section, *Journal of World Business* (2011) volume 48 issue 3, special section, *International Studies of Management and Organisation* (2005) volume 35 issue 1 and Tietze (2009) have discussed these issues. Even though the strength of qualitative research stems from its ability to investigate the dynamic, context-dependent and interactive phenomena which are the substance of IB research (Welch, Marschan-Piekkari, Penttinen & Tahvanainen, 2002), most discussion on these issues has been predominantly from a quantitative perspective (Douglas & Craig, 2007; Harkness, 2003; Usunier, 2011; Yang, Wang & Su, 2006). Only few scholars (e.g. Polsa, 2007) address these issues from a qualitative perspective.

The comprehension of the role of language in people's lives goes beyond the study of their grammars into the contexts that these people learn their languages (Duranti, 2009). The communication process does not merely imprint words into the brain of the others, but it also includes the interpretation of these words. Language is a system of culturally bound sounds, symbols, words and expressions naturally conceptualised to arrange inner experience and to share the meanings with other through communication (Mariampolski, 2006). Hence, it is a medium for locating, negotiating, communicating and articulating culture as the words describing behaviour and beliefs are not independent of their cultural roots. From the cultural dimension of language and the linguistic dimension of culture, language is culturally mediated and embedded. From the viewpoint of linguistic anthropology, language is a system of meaning that is central to conceptualising corporate, social and global realities. Language symbolises the connections among different socio-cultural, institutional and individual words (Tietze, 2008). As the use of language is a window on culture or worldview, challenges are the transfer of local data that are deeply socialised and context-specific across the comparable research procedures and settings.

The cultural perspective views translation as mediation between different cultures that constitute part of a larger socio-cultural context (Tietze, 2008). Translation is a cross-cultural activity that relates two different meanings system. As a cultural process, any deviation from the original texts is essential to create a new understanding across cultures. Translation is used as a buffer between the original and translated texts, where meaning is produced, not exclusively reproduced. The accurate translation in IB research is often missing owing to

linguistic relativity and linguistic functionalism (Duranti, 2009). Linguistic relativity infers that the different conceptual systems represented in various languages would direct their native speakers to devote attention to different facets of reality, thereby conditioning their mentality. Objective accounts, and formal correspondence between languages do not exist. The grammatical structures between languages often share little similarity (Smith, 2003; Xian, 2008). In certain domains of words, multicultural comparisons uncover fundamental differences in a number of ways that people perceive the world. Many words and concepts are not fully intelligible without a consideration of the socio-historical context within which they are functioning as a problem of contextual equivalence. Linguistic functionalism infers that languages would develop distinctions and categories that are required to cope with reality surrounding the people who speak them. Native categories which are self-generated and valid in any local contexts are very important. IB researchers need to recognise that every society has its own particular words and categories that are socially derived and mediated at every level, and cannot be easily replicated from one society to the next (Buckley & Chapman, 1997). Studies of native categories often focus on analysis of semantic domains (Bonvillain, 2003). A semantic domain is an aggregate of words, all sharing a core meaning, associated with a specific topic, such as management jargons, financial terms etc. in terms of both similarities and contrasts. In some domains, distinctions are unambiguous and unequivocal, whereas in others, components and categories are more complicated.

The purpose of this paper is to examine the role of language and translation in qualitative data collection that has long been ignored from IB scholars. This paper starts with exploring the different roles of language in qualitative and quantitative research. Then, it discusses the issues of language and translation in terms of interviews, textual materials and observations as these three data-gathering methods are most widely used in qualitative articles published in top IB journals. Its examination of interviews includes the nature of interviews, the role of language in verbal communication during the interviews, the use of multilingual interviews and interpreters. Its discussion of textual materials comprises their advantages and weaknesses and the role of language in choosing such materials in multilingual research settings. Its discussion of observation constitutes the nature and strategies of observation, the influence of language in observation and the use of multilingual observers. Afterwards, it investigates the translation of research instruments in and data collected from these data-gathering methods before it explores the use of language for multiple sources of data. Then, it reviews the qualitative IB articles in top-5 IB journals ranked by Thomson SSCI's impact factor. After the review, it analyses these articles in terms of the percentage of qualitative articles published in these top journals. Then, it discussed the issues of language and translation in these articles in general, before analysing these issues concerning interview, observation, textual materials and multiple sources of data in detail. Eventually, it recommends how to improve the review process, and reminds both reviewers and authors to consider the issues of language and translation.

### **The Difference between Quantitative and Qualitative Methods in terms of Language**

Organisations, especially multinational corporations (MNCs) as the main focus of IB are widely complex and dynamic systems of interdependent factors that are difficult to observe. Hence, the complexity of IB topics requires IB researchers to utilise an array of data-gathering methods and analytical techniques, both qualitative and quantitative (Bluhm et al, 2011). Gephart (2004) argues that the differentiation between qualitative and quantitative research exaggerates the dissimilarities between these overlapping types. With respect to the issues of language, the differences between qualitative and quantitative methods constitute the nature of data, the cultural perception of IB researchers and their research subjects, translation and data-gathering process.

Firstly, qualitative data can be terms, images, idioms, labels, frame, phrases, categories, sentences, stories, pictures, maps and metaphors (Alvesson & Kärreman, 2007; Van Maanen, 2011). These data are self-consciously embedded in a world system with its recognised narratives. These data start from and return to words, talks and tests as meaningful representation of concepts as an inherently literary and humanistic focus. Since the impact of culture is more evident in qualitative method than in quantitative one, the qualitative method can detect underlying cultural difference better than quantitative method. It normally uses multiple sources of data, such as interviews, textual materials and observations, so that these data involve language and translation more extensively than the survey response.

Secondly, it deals with people's perception of their experience. It is essential for delving into processes, individuals, teams and organisations through individuals' experience and how they interpret their experience. It includes their cultural bias. It utilises the meanings in use by cultural members to explicate how they directly experience everyday realities. It deals with the circulation of cultural meanings, practices, objects and identities in diffuse time-space (Kjeldgaard, Fauscholt & Güliz, 2006). As sociolinguistics is related to the social context of linguistic use, it uses qualitative methods involving work with informants, informal observation, and sometimes questionnaires. Language is 'a cultural resource' that reproduces the social world (Duranti, 2009). The language is more related to qualitative data than quantitative data.

Thirdly, an emic-etic distinction is by far one of the most controversial issues in the translation of research instruments and collected data in multiple languages (Craig & Douglas, 2005; Temple & Young, 2004). The emic school emphasises studying the specific context of each country, so as to understand unique attitudes, interests and behaviour in their own cultural terms. The etic school underscores specifying and assessing universal attitudinal and behavioural concepts for pan-cultural comparison. A quantitative cross-cultural survey involves mostly composing questionnaires in multiple languages and devotes substantial attention to equivalence of meanings and translation issues (Usunier, 2011). Hence, quantitative method tends to emphasise the etic translation of the questionnaires. On the other hand, in qualitative IB research the chosen language affects the translation of research instruments, such as, interview guide, observation protocols, and collected data, such as interview transcripts, texts and field notes, the communication between interviewers and respondents and the interpretation of observation. Thus, the issues of language in qualitative research are more extensive than that in quantitative research. A balance between emic and etic translation tends to be held.

Finally, differences in cultural and linguistic contexts make the problem of standardised research process more severe in a qualitative inquiry than in a quantitative one (Crimp & Wright, 1995). Language links different socio-cultural, institutional and personal worlds together. Language may act as a sort of psychological priming that affects interview response, observation interpretation and textual translation. The main issues are multilingual terms, translation process, the contexts of different languages, cross-cultural communication in the interviews, intercultural perceptions in the observation and the alternative between language standardisation and contextualisation in the research process.

The difference in the language issues between qualitative and quantitative methods is expressed in Table 1. Because qualitative data are more sensitive to language, qualitative IB researchers should consider language as a conduit for gaining deep contextual knowledge of exploring dynamic, interactive and intertextual phenomena unlike their quantitative counterparts who employ just a comparative, functionalist or structuralist approaches. These IB researchers should pay attention to the issues of language-sensitive research, such as literacy rates, ways of data storage and collection differ from countries to countries.

**Table 1** Comparison between qualitative and quantitative methods

| Qualitative Methods                                                                                                                                                                                                                                    | Quantitative Methods                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• More language sensitivity</li> <li>• More than equivalence of meaning and translation</li> <li>• More visible sociolinguistic impact</li> <li>• Translation of both instruments and collected data</li> </ul> | <ul style="list-style-type: none"> <li>• Less language sensitivity</li> <li>• Only equivalence of meaning and translation</li> <li>• Less visible sociolinguistic impact</li> <li>• Mainly translation of instruments</li> </ul> |

### Language in Interviews

Interviews are aimed to capture the depiction of the life-world of the respondents with regard to interpreting the meanings of the described phenomena (King, 1994). There are many interview strategies including in-depth interview, both structured and unstructured, focus group, brainstorming and panel discussion (Craig & Douglas, 2005). Semi-structured interview is the most widely used strategy, because they are highly flexible and capable of generating data of great depth. It can examine managerial phenomena deeply through discussion with each respondent (Snow & Thomas, 1994). Advances in information technology have driven down the cost of interactive online interviews through mobile phone, the internet and e-mail without interaction in person (Polsa, 2007). Focus group, brainstorming and panel discussion are rare in qualitative IB research because getting all involved busy executives at the same time is almost impossible.

The nature of interview is verbal communication, so it is hard to insulate the issue of language from the interview. Because language is more than a medium of idea exchange, data are always biased and distorted. Language becomes a constitutive act, not just a medium of information exchange. Language, symbols and discourses play an important role in shaping the meanings and power during the interviews and provide the contexts for the thoughts, interactions and social identities (Welch & Marschan-Piekkari, 2006). In case of the high status respondents, the degree of status distance varies across cultures. It is difficult to separate linguistic effects from the rest of the interview contexts owing to the contextuality of language. The interviewers need to think how context affect the meanings. Because communication in the interview is not merely translation, the interviewers need to take contexts into consideration, especially when their respondents have different cultural backgrounds and assumptions.

Even though a monolingual interview is convenient, it should be avoided and a multilingual interview with the respondents in their native languages is preferable (Søderberg, 2006; Welch & Marschan-Piekkari, 2006; Wright, 1996). The use of interpreters and audio-recording devices is helpful in the multilingual interviews. An interpreter needs a real skill to convey nuances of meaning and contexts (Karra & Phillips, 2008). The problems of managing the interviews through the interpreter include missing details and opportunities for probing questions and answers as the interviews lose much of the most important aspects. As it can be retrieved overtime, audio records can detect the various forms of communicative trouble where the linguistic and socio-cultural backgrounds of the interviewers and the respondents are not shared (Mariampolsky, 2006).

### **Language in Textual Materials**

Textual materials are data written or published in the form of texts. They can be both internal and external and can be divided into documents and archival records (Brannen, 1996). Documents deal with current and ongoing reports on the companies under study (Yan & Gray, 1994). Archival records deal with historical documents about the companies under study. They can help researchers to look more closely at company's history and development and to develop chronology for later interpretation (Forster, 1994).

There are three advantages of textual materials over interview, observation and other retrospective methods (Forster, 1994; Orton, 1997): 1) unobtrusiveness, 2) less time for data collection, and 3) more details for analysis. It is very difficult to collect textual materials in multicultural research settings. IB researchers need language skills and translators to collect data in multiple languages. If they do not know the languages in the textual materials, they cannot understand, collect and classify these materials. They need language skills or translators to verify authenticity and completeness of textual materials.

### **Language in Observation**

Observational method requires IB researchers to watch people's behaviour in their natural settings. The observers can use both field notes and audiovisual-recording devices. Then, they can analyse the field notes and video clips. Because this method is commonly used in cross-cultural research in social sciences, it is proper for qualitative IB research. It can provide an insight into managerial behaviour, underlying or hidden motivations and future trends that other methods cannot (Craig & Douglas, 2005). It is more cost-saving and accurate than other qualitative data-gathering methods (Kumar, 2000). It involves both subjective experience of the observed participants and the observers' interpretation of cultural meanings or theoretical accounts of this experience. It only requires minimum cognitive skills and is specifically suited to the research in emerging and developing countries where secondary data and literate respondents are hard to come by (Craig & Douglas, 2001, 2005; Ekström, 2006). Mintzberg (1973) used these methods to study strategic decision-making process in companies in his famous work. The observers can gain insights into a different and unfamiliar culture without imposing their own cultural frame of reference or native categories (Craig & Douglas, 2005). The observation can grasp the meaning autonomous of language because some actions need neither verbal understanding, nor spoken language (Buckley & Chapman, 1997). Although language is a crucial aspect of meaning, action may inhibit a field of meaning which is to some extent independent of language even when it usually intersects with a greater or lesser degree. The interpretation of the phenomenon under study is both highly subjective and almost reliant on the observers, so that their cultural and linguistic biases play an important role in this interpretation (Kumar, 2000). Their interpretation is often subject to cultural logic, especially when they have to write down a field note. When approaching, observing and analysing multiple societies, the observers often impose their own native categories on the societies under study. This imposition leads to confusion that will fade away if the observers take their native categories seriously and allow the expression of native reality in those societies. These categories incorporate many important features which are seldom expressed verbally, but often through repeated and comprehensible actions (Buckley & Chapman, 1997). Physical attributes always show clear significance to different interpretations. For example, the concept of eye contact or gazing means sincerity in most Western countries. However, it means challenging in most Asian countries.

The observers can also avoid imposing categories on the observed participants through the constant process of negotiation between all participants (Buckley & Chapman, 1997). Literal language learning is important for observation (Ekström, 2006). Their reflection is also important because it shows what they see in either their native language or the language in which they are fluent. The use of multiple observations by multicultural observers is recommended for enhancing inter-subjectivity; thereby balancing out the effect of each observer's cultural biases (Usunier, 1998). The multicultural observations can detect the native categories that are a living part of a lexicon, action and comprehension. However, when the multicultural observers notice some behaviour, they tend to write down the field notes in their native languages. For example, an English-speaking observer hears the sound made by an adult male chicken as 'Cock-a-doodle-doo'. A Thai observer hears it as 'Ek-ee-ek-ek'. A Portuguese speaker hears it as 'Gi-galo-galo'. Hence, the same sound may produce different observational accounts in multiple languages.



An audiovisual-recording device is helpful in cross-cultural research when video clips reveal behaviour in different cultures (Craig & Douglas, 2005). These clips can preserve the observational accounts in a concrete form of what happened interactively (Lüder, 2004). A good set of video clips helps the observers to review and analyse non-verbal languages which is difficult with only interviews with an audio-recording device (Mariampolski, 2006). For example, the difference between 'to flirt' in English and 'dragner' in French can be detected only through the video clips. Even though both verbs explain the same thing, but their definitions in the dictionary do not convey the same meaning and connotations.

### **Language in Multiple Sources of Data**

The multiple sources comprising both within- and between-method triangulation is used to confront the problem of bias and validity (Snow & Thomas, 1994). To have a balanced view from employees at different organisational levels, IB researchers should collect data throughout the organisation, by paying special attention to rank-and-file viewpoints (Dawson, 1997; Sjöberg et al, 1991). The combination of different data sources can contextualise, cross-validate and cross-check each other (Dawson, 1997). Because all sources of data have advantages and weaknesses, the combined use of multiple sources can offset the weaknesses and delinquent use of language for each other source. Data corroboration can enhance the effective use of language and translation. The use of multiple sources provides a useful reference sources for composing a time-line of key events and help IB researchers to immerse themselves in the cultures under study. Textual materials can supplement the missing information during the interviews or observations owing to loss in translation, perception and interpretation owing to the different languages between the interviewers and respondents, or the observers and observed participants. The use of only one language in interviews, observations and textual materials might obscure cross-cultural difference.

### **Translation of Research Instruments**

Language plays an important role in comparing multicultural settings. Because language contain both universal and specific items across cultures, translation from one language into another is not easy. The contexts and meanings of the concepts are often either distorted or lost through a translation, because the exact concept in one language may not exist in another. Because language is very cultural specific, translation is often inconsistent and subjective (Holden, 2008). Additionally, different socio-linguistic patterns across languages can complicate the translation further. The distinction between emic-etic often plays an important role in a translation. Translation in quantitative method is mostly text-based, but that in qualitative method is context-based. A translation of qualitative research instruments, such as the interview guides or the observation protocols tends to be less literal than that of the questionnaire. Among the qualitative instruments, a translation of the observation protocols is easier than that of the interview guides, because the translators need merely to work with the items of behaviour to observe, not with the sentence of questions. To compose a research instrument allowing the attainment of comparable questions or events across different languages is a real challenge (Smith, 2003). The complexity of translation and the subjective nature of translation appraisal require the multiple skills, especially both linguistic ability and skill in composing research instruments (Douglas & Craig, 2007). This task is difficult when IB researchers lack extensive experience or familiarity with corporate behaviour in another cultural context (Craig & Douglas, 2005).

Back translation is the most common procedure used to test accuracy and error of translation in multicultural research (Douglas & Craig, 2007). This procedure requires a bilingual native of the target language to translate the research instruments, such as the interview guides, the observation protocols to the target languages, and a bilingual native of the original language, in turn, to translate them back to the original language. Then, both translated versions are compared for similarities and differences. Because bilingual translators may not use a language in the same way as monolingual people, they may be able to detect a poorly written target translation. Back translation often fails to detect subtleties, implicit meanings, and special or idiomatic connotations, especially when translating a sentence from low-context languages (i.e. English) to high-context languages (i.e. Thai, Chinese) and vice versa. Hence, the use of a collaborative approach through either a committee or an expert team with parallel or double translations has been proposed to improve the accuracy of meanings (Harkness, 2003). Such a committee or expert team constitutes two from-source-to-target-language translators, and other two from-target-to-source-language translators (Usunier, 2011). To assure a reliable and accurate translation, the multilingual or bilingual experts review the meanings and equivalence of translations, and to choose the 'best translation' with extensive checking, pretesting of translation and debriefing. The committee approach requires a team of translators to work together in the same place, but the expert team approach requires translators to work individually (Douglas & Craig, 2007). Hence, the expert team can operate as a virtual team where translators are geographically dispersed. However, the collaborative approach is more costly, complex and time-consuming.

To facilitate observation, observation protocol is recommended to be composed usually on the basis of the behaviour to watch. The protocol is concerned with the result of 'transformational process' which is substituted for a meaningfully structured and contextually organised managerial phenomenon (Lüder, 2004). To guide the events to watch in advance, the observers should use preconceived items from the literature. However, they should not treat the protocol as loyal reproductions or unproblematic summaries of what is experience, but rather for what it is. They should compose these texts with available linguistic resources in their field notes for a meaningful summary of their observations and recollection after the events, and to put these notes in contexts and mould the intelligible protocol into the forms of texts. The questions in the interview guides and the items in the observation protocols must be comparable. Otherwise, the answers from the respondents or events from the observation might be misinterpret or misunderstood. Even though the identical questions and items across cultures are virtually impossible, the interview guides should be able to grasp the relevant answers (Van de Vijver, 2003). New research instruments such as interview guides, observation protocols can be developed either in multiple languages at once or in one language and then are translated into multiple languages (Douglas & Craig, 2007; Usunier, 2011).

The first method is preferable as it can eradicate the dominant structure and cultural bias of the original language. Some questions or items are taboo in one language, but acceptable in another. Some topics are culturally specific. For example, the topic of monarchy is not relevant at all in the US and France. Thus, composing the research instruments in multiple languages concurrently is the best way to tackle the problem of discrepancy in translation. Moreover, parallel translation prefers the emergence and the discovery of emic meaning owing to different insights among independent translators. It can be combined with both back-translation and a collaborative approach for composing the final texts of the translated instruments. The second method starts from a broad etic conceptual domain, then ask native speakers of the target language and culture to identify keywords related to the broad conceptual area and relate them to each other. Then, the translators choose the most frequently quoted terms related to the concept in each language or culture and translate them. They may then debrief to generate etic and emic conceptual dimension.

### **Translation of Collected Data**

The method of translating of collected data is the same as that of the research instruments. However, translating interview transcripts, textual materials and field notes is more difficult and time-consuming than translating interview guides and observation protocols. More linguistic and cultural barriers involve the translation of collected data than that of the research instruments. This translation includes data analysis. Data translation from several multilingual research sites is very problematic, because the accurate transmission of meanings is often missing owing to linguistic relativity and linguistic functionalism (Duranti, 2009). Because a lack of objective accounts between languages, and native categories in each language causes translation to be a tricky process, the translation of collected data should focus on contextual consistency rather than verbal consistency between the original language and the target one. The meaning-based, conceptual and contextual approach is far more important for than the literal approach for this translation (Karra & Phillips, 2008; Xian, 2008). The translation of textual materials tends to emphasise preciseness, whereas that of interview transcripts and field notes needs to deal with linguistic, socio-cultural and methodological problems. However, the transcripts need more detailed and exact translation of the verbal records than the field notes (Mariampolski, 2006). The field notes need the contextual rather than literal meanings of the words and concepts. From a sociolinguistic perspective, the linguistic forms of word are related to the social context of their use (Duranti, 2009).

The translators must understand and make sense of the translated materials before transmitting true, objective knowledge between languages, and their active roles in constructing socio-cultural meanings in IB research. They have to transmit the accurate meanings of the data from the original language to the target one. They are likely to have an opportunity for close attention to intercultural meanings of complex social phenomena, and to analyse data from their first-hand experience at the same time. This data translation involves some data analysis including their presumption of semantic equivalence. Unlike the research instruments, there is no demarcation between data interpretation and data translation in the translation of collected data. The translators who analyse the data can decide how data are translated and what information should be included in the final texts. To avoid the data in translation lost beyond recall, they should be constantly conscious of their own categories of understanding. They are an integral part of creating knowledge as the co-producers who exerts an influence on the translated data (Buckley & Chapman, 1997; Xian, 2008). To avoid the pitfalls of the translation process, this translation requires them to think profoundly about the discrepancies induced by crossing languages and cultures.

### **2. Data Collection**

This paper examines qualitative IB articles in top-5 IB journals based on the impact factors stated in Treviño et al (2010), namely *Journal of International Business Studies* (JIBS), *Journal of World Business* (JWB),

*Management International Review* (MIR), *International Business Review* (IBR) and *Journal of International Management* (JIM). It excludes qualitative articles that were published in the mainstream management journals, such as *Academy of Management Journal* (AMJ), *Strategic Management Journal* (SMJ) because the number of qualitative articles in those journals is significantly low. It also excludes journals in the field of international marketing, such as *Journal of International Marketing* and *International Marketing Review* as they publish much fewer qualitative articles using quite different research methods, especially projective techniques. It does not separate research into one foreign country from research into multiple countries. To focus more on the role of language in qualitative data collection, all articles including the qualitative ones in these top-5 journals are considered to be IB articles even if some articles are written by native speakers of English who conduct qualitative IB research into English countries (e.g. Lamb, Sandberg & Liesch, 2011; Lampel & Bhalla, 2011). This review also excludes mix-method articles as their numbers are insignificant.

All data were collected manually, classified by journals, research methodology, data-gathering methods and the specification of language and translation. This categorisation process was replicated for all five journals under study (approximately 867 articles) over the five-year period from 2007-2011. These articles encompassed a wide range of IB topics, such as strategies, internationalisation, entry modes, IJV, FDI, international M&A, knowledge transfer, strategic alliances, networks, MNCs, HQ-subsidiary relations, the use of language in MNCs and so on. No published review has yet provided a thorough examination of the role of language and translation in qualitative data-gathering process.

**Table 2:** Percent of articles devoted to qualitative research from 2007-2011

| Journals | 2007   | 2008   | 2009   | 2010   | 2011   | Total  |
|----------|--------|--------|--------|--------|--------|--------|
| JIBS     | 2.89%  | 5.06%  | 4.81%  | 3.40%  | 14.51% | 11.39% |
| JWB      | 11.11% | 20.00% | 12.19% | 30.43% | 15.78% | 18.13% |
| MIR      | 2.50%  | 11.76% | 5.40%  | 5.88%  | 5.40%  | 9.01%  |
| IBR      | 14.63% | 24.52% | 9.25%  | 9.80%  | 17.85% | 23.78% |
| JIM      | 18.18% | 29.03% | 15.00% | 13.15% | 9.67%  | 16.76% |

From the review of 867 articles, only 140 articles were qualitative (16.14%). The number of qualitative articles published in top IB journals was still very low. From Table 2, IBR was the leading publisher of qualitative articles (23.78%), whereas MIR ranked last among these top-5 journals (9.01%). Despite having the highest impact factor in IB field, JIBS, by the way, did not rank well among these top-5 outlets (11.39%).

**Table 3:** Percent of issues of data gathering specified in qualitative articles

| Issues                   | Percentage |
|--------------------------|------------|
| Interview                | 85%        |
| Textual Materials        | 60%        |
| Observation              | 20%        |
| Multiple Sources of Data | 54.28%     |
| Language                 | 23.57%     |
| Translation              | 17.85%     |

From 140 qualitative articles reviewed, only 119 articles used interviews. Eighty-four articles used textual materials. Twenty-eight articles use observation. Seventy-six articles used multiple sources of data for triangulation. Despite the calls for more discussion of the role of language and translation in IB research (Polsa, 2007; Usunier, 2011), only thirty-three and twenty-five articles discussed languages and translation respectively.

### 3. Analysis

#### Language and Translation in Qualitative Articles

From the review, the authors have recently elaborated more about research methodology in terms of research process, data collection, research instruments and data analysis more extensively than in the past (cf. Parkhe, 1993; Yan & Gray, 1994). However, few authors paid attention to the issues of languages and translation in the data-gathering process in a multicultural setting as discussed earlier by Piekkari, Welch and Paavilainen (2009). From the review, such a translation and crossing language borders mostly went un-mentioned and un-problematised in the methodology sections of the top-5 journals and therefore did not stimulate methodological

debates. These articles discussed mostly on data collection and the research instruments, rather than on the translation of collected data, such as interview transcripts, field notes and textual materials. No author discussed the translation of interview transcripts, textual materials and field notes in detail, especially the impact of linguistic relativity and linguistic functionalism on the translation process. The articles that addressed the role of language in the interviews often failed to address this role in the textual materials. They rarely identified the translation of textual materials. No author explained the observations. Most articles written by multiple authors implied the use of a multicultural research team, but these authors did not state it.

Many authors and the journals' reviewers apparently assume that their readers can infer which languages used in the data-gathering process from merely reading the articles. Some authors apparently assumed that the readers could identify the language used from the countries of research sites. For example, Bruton, Khaval and Chavez (2011) used multiple cases in Guatemala and Dominican Republic. They might assume that their readers would know that they used Spanish for data collection. However, when they did not identify the languages used and translation, how could they assume that the readers would understand the transformation from data in Spanish to an article in English? Meyer and Altenborg (2008), two Norwegian researchers inferred from their nationality in the short curriculum vitae (CV) and affiliation at the end of their article conducted qualitative research combining participant observation, consulting, interviews and textual materials. They investigated a failed merger case of Telia-Telenor, a Swedish and a Norwegian company. As they did not specify the languages used, it was very hard for non-Scandinavian readers to imagine how they collected data in Swedish. These readers might ask questions, such as 'Did they really need translation?' 'Did they just automatically understand Swedish?'

Some articles investigated multinational settings. For instance, Jonsson and Foss (2011) employed an embedded single case study of IKEA, a Swedish company. They used a combination of interviews, textual materials and observations in Russia, China, Japan and Sweden. As they did not mention the languages used and translation of interview transcripts, texts and field notes, how could the readers know whether they get accurate data or not? This assumption that the readers should know is getting worse as some countries have more than one spoken and written languages. In case of multilingual countries, the readers are often left to guess about the language used. For example, Vivek, Richey and Dalela (2009) used interviews to collect data from two Indian companies, but did not specify the language used and translation. As India has about 150 spoken languages, how could the readers know which languages used for data collection? Johnson and Duxbury (2010) used interviews to explore Canadian foreign missions around the world, but did not identify the languages used and translation. As Canada has two official languages, how could the readers know whether it is English or French? However, some good qualitative IB articles articulated how the authors dealt with the issues of language and translation in multiple sources and every step of data collection (e.g. Gersten & Söderberg, 2011; Sun, Mellahi & Thum, 2010; Yagi & Kleinberg, 2011; Yu & Zaheer, 2010). These articles gave a clearer picture to the readers who wanted to the research process. It was easy for them to follow this process to verify accuracy, validity and reliability of their research.

### **Analysis of Interview**

Most qualitative articles used interview as a main sources of data. Semi-structured interviews were the most widely used method. Few articles used focus group. However, no author discussed the translation of interview transcripts. Even if the authors identify the languages used, they mostly specify the ones used in the interviews. So did the authors who used interviews as the main sources of multiple data collection. As most articles used interviews, their authors discussed the strategies of the interview in detail. The interviews deal mainly with verbal language, but no article discussed the proficiency in languages of both interviewers and respondents. In principle, the authors should obtain the information about each respondent's proficiency in languages before choosing the language with which each of them is comfortable (Karra & Phillips, 2008; Söderberg, 2006). If the authors discussed this proficiency in the interviews, it would be easier for their readers and reviewers to evaluate their papers and suggest how they could improve the interview or how they could discuss the issues of language in the interviews better. The authors have to discuss cultural impacts on their interviews. They have to identify and explain underlying cultural assumptions in the interview situation (Karra & Phillips, 2008; Xian, 2008). Because the languages of the authors, the project and the report are likely to determine the languages used in the interviews, many authors tended to select the language at their convenience. The use of multilingual interviews is very important for qualitative IB research, but it have not been well discussed in the methodological section of the top-5 IB journals' articles. Some of them conducted monolingual research in their local language and translate it into English for publication (e.g. Gassmann & Keupp, 2007). Some of them used English even it is not their native languages (e.g. Heikkilä & Samale, 2011). Few articles (e.g. Witt & Redding, 2009) discussed why they interview non-native speakers of English in English. Few articles (e.g. Harzing, Köster & Magner, 2011; Stayaert, Ostendrop & Gaibrois, 2011) specified the composition of interview guides in multiple languages. What they need to improve here is examining the guide they used in the interviews. They have to



discuss how they compose their interview guides in multiple languages and translation, because culture has an influence on how the questions should be phrased in different languages. They have to discuss the effect of language on data accuracy and the authenticity of response, relation-building between the interviewers and the respondents and, the construction of shared understanding between both of them (Welch & Marschan-Piekkari, 2006). No author discussed the translation of the interview transcripts in detail, especially the impact of linguistic relativity and linguistic functionalism on the translation process. Some articles (e.g. Bruton, Ahlstrom & Puky, 2009) identified the use of interpreters. The authors have to discuss the impact of the interpreters on data, such as missing details and opportunities for probing questions as the interviews lose much of the most important aspects. These authors sometimes solved the problems from multilingual research sites through using a team of translators when they were not native speakers of the languages used in the research sites.

### **Analysis of Textual Materials**

Even though almost 60% of the reviewed qualitative articles use textual materials, few authors (e.g. Yu & Zaheer, 2010) discussed the issues of translating textual materials, because the translation is often related to their sociolinguistic backgrounds (Temple & Young, 2004). The readers can merely infer the languages used from the authors' affiliation, family names, and sometimes, the titles of the media specified in the textual materials. They are often left to guess the languages used in the research process. It is very hard for the readers to infer which languages were really used, and how these authors could come up with their reports without mentioning the translation process. It is very difficult for them to guess how the authors collected, analysed and interpreted the evidence from their review. Therefore, they cannot assess these articles accurately.

The translation problems have been a source of even more profound difficulty, so that the authors should specify their proficiency in languages and how they use it in the research settings. They should examine the sociolinguistic nature of original and translated languages, because the contexts of languages have some influence on the translation. From the review, no author used a collaborative method. Most authors still preferred the back translation. The translation from a high-context language to a low-context one requires the translator to add explanation of language connotations, hidden meanings and subtleties. Otherwise the readers of the low-context language cannot understand the hidden message. On the other hand, the translation from a low-context language to a high-context one is not easy. The translator needs to fit more declarative and explicit messages from the low-context language into the concise word that contain the equivalent meanings in the high context one. No author discussed the difficulty in data classification, comprehension and collection involving language. Without language skills and translators, it is hard for IB researchers to verify the authenticity and completeness of textual materials.

### **Analysis of Observation**

Only few qualitative articles used observation. Some authors of these articles used the observation as a supplement to the interviews (e.g. Soltani & Wilkinson, 2011; Yagi & Kleinberg, 2011). Even if they discussed the role of language in their interview comprehensively, they failed to explain how they observe the phenomena in detail, let alone the issues of language in the observation, probably because it deals mainly with non-verbal language. Participant observation was the most prevalently used method (e.g. Jonsson & Foss, 2011), because the participant observers get close to the action enough to reveal who engage in managerial process and how they exert and influence on managerial outcomes, and the situation and understand the phenomenon very similar to what the observed participant do, but they have the problem of detaching themselves from the situation for an objective telling of the phenomenon under study (Snow & Thomas, 1994; Watson, 2011).

As the authors did not address the issues of language and translation in the observation, none of them discussed the translation of observation protocols and field notes. Hence, the impact of linguistic relativity and linguistic functionalism on the translation process has not yet investigated. The readers are left to ask many questions about the language used in the observation. Which language these participants used during observation? Which language was used to write down the field note? Were the language of field notes and participants different? How the observers perceived what is going on, such as behaviour, visual materials, physical environments? Did they use multicultural observation? How could they achieve inter-subjectivity? The observers might write down the foreign settings in either their native language, or in the report language (i.e. English). Both languages might be the same or different from the language under observation. They should explain how they understood and perceived the language used in natural setting under observation. If the languages of field notes and observed participants are different, the authors should verify any discrepancies between both languages.

### **Analysis of Multiple Sources of Data**

More than half of qualitative articles utilised the multiple sources of data, but their authors did not explained the relationship between the different sources of data and the use of language and translation. The authors should address the use of multiple sources, the advantages and weakness of each source in terms of language, and



explain how they can cross-validate data from multiple sources in multiple languages. The cross-validation of data from multiple sources should be conducted in the same language, but no article addressed this issue. The article using multiple sources of data did not pinpoint how multiple sources could improve data collection and quality in terms of languages. Hence, the credibility of these articles is questionable. Most authors used textual materials supplements the interviews. To explain the difference between official answers from the interviews and unofficial way of doing thing through the participant observation, the authors have to cross-check different types of data, in this case, from the interview transcripts and the field notes.

#### 4. SUGGESTION

From the analysis, these top-5 journals do not have clear criteria to review qualitative IB manuscripts. Their editors should provide a clear guideline for reviewers and separate criteria for qualitative papers from those for quantitative one. The future authors or potential reviewers should look at good qualitative IB articles (e.g. Gersten & Soderberg, 2011; Sun, Mellahi & Thum, 2010; Yagi & Kleinberg, 2011; Yu & Zaheer, 2010) as the standard bearers. The editors should use these examples to develop better criteria for the reviewing process. If possible, they should state the language issues for their reviewers and the authors on data collection, interpretation, analysis and translation before the write-up of the articles. JIBS includes the short curriculum vitae (CV) of their authors at the end of their articles. This is a good policy. However, these CVs contain only authors' countries of birth, their nationalities and affiliations, but not their language proficiency. Hence, IB journals should require their authors to reveal their countries of birth, nationalities, affiliations, and language proficiency in their attached CV. Moreover, the editors of these journals should remind their reviewers to take the issues of language and translation more seriously because these issues have influence on the research process. The reviewers should look at good examples of qualitative IB articles for improving their criteria for the submitted manuscripts' quality. The proficiency in and acquaintance with languages of the reviewers tend to determine the review process. If the authors articulate these issues in their articles, the readers can examine the role of language in the research process for better evaluation. However, the editor, the reviewer and potential authors still have to pay attention to the data analysis, too.

#### 5. CONCLUSION AND DISCUSSION

This paper reviews qualitative articles published from 2007-2010 in top-5 IB journals based on impact factors. From the review, qualitative research became the growing minority. More and more IB researchers used qualitative method to explore many managerial issues in global business. The explanation of data collection in these qualitative articles was much better and clearer than the ones published earlier. This comparison implies that qualitative IB researchers pay more attention to elaborate their data-gathering method more than in the past. However, this effort is not enough. Only 16.14 % of articles published in these journals are qualitative research. Almost half of them used multiple sources of data. Semi-structure interview was most widely used. Textual materials and participant observation ranked second and third respectively. The issues of language and translation were largely absent from methodology discussion in many qualitative articles. From 140 articles, only 23.57% and 17.85% of them discussed the language used and translation respectively. The effort to explain the language used and translation in the data-gathering process is not enough. The articles discussing these issues tended to focus on interview. This discussion was well articulated in terms of composing interview guides in multiple languages, the language used in interviews, the use of interpreters and the translation of data. Textual materials were not well elaborated. Observation was just name-dropping. Their readers are still left to guess how they come up with their articles. The paper illustrates some good and bad examples of these articles and pinpoints the gap for improvement, including the translation of the interview guides and transcripts, the textual materials, the observational protocols and the field notes.

In the future, the editors and reviewers should encourage potential authors to discuss the issues of languages and translation more comprehensively before submitting their manuscripts for publication. These authors should report their sociolinguistic backgrounds. They need to explain these issues extensively enough for their multicultural readers' understanding. This explanation involves multiple sources of data, interviews, textual materials and observations. The editors and reviewers should take these issues more seriously. Otherwise, as their readers become more multinational, some readers may be left behind to guess everything. Hence, the editors need to beef up the criteria for the review process of qualitative papers and require their authors to identify their proficiency in language, not just their affiliation and nationalities. A limitation of this review is that it focuses only on the role of language and translation in data collection. It does not include this role in data analysis as qualitative data analysis is numerous as quantitative one. Future IB scholars may examine the role of language and translation in several qualitative data analyses, such as grounded theory method, thematic analysis, discourse analysis (See Bryman, 2008). The result of this examination may improve the criteria for reviewing qualitative manuscripts in the future.

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# A Study of Metaphorical Meaning of Animals in French Proverbs and Aesop Stories

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## Abstract

This article is a study on the Aesop Fables and the impact those stories have on shaping the perception of those animals even today. The objectives of the study were to examine the metaphorical meaning of the animals in the French proverbs and Aesop stories and to verify whether French people's perception on the animals found in the French expressions and Aesop stories are correlated with their metaphorical meaning. In this study, 15 animals both present in the fables and in the French idiomatic expressions were studied. The data on French people's perception were collected. The results from the survey showed that the correlation between the fables and the influence of such stories on people's point of view is not valid. Most of the similitudes are clearly between the biased depiction of the animal in the fables and what they represent in idiomatic expressions. Therefore, it is conceivable, to assume, knowing that the idiomatic expressions came from old France (mostly 1800's) that the fables point of view were of most influence during those times in people's mind regarding the studied animals. The influences of the culture and new types of media on individual opinion have already been demonstrated and cannot be refuted. The influence of the animals pictured in Disney or Pixar movies and the high sale of such animals following the success of the film is one example out of many.

**Keywords:** Aesop, French proverbs, metaphorical meaning, perception

## 1. Introduction

The animals which live among humans or in the wilderness are part of the everyday life and culture. They are featured in numerous stories, movies, and songs since childhood. The French language is also one of many to use idioms with animal reference used for several generations in the common language. The different and multiple references to those animals tend to shape the mind and opinion about them. Indeed, from a very young age in France, Grade 1 and 2, French children are starting to study and learn the Fables of Jean de La Fontaine. Written, and compiled from 1668 to 1694 those fables have been shared and discussed in the "French Salons" since 17th century (M. de Sévigné, 1972). With their influence in the education and their underlying political message they became part of the French tradition and an unmissable part of the school program since their establishment in 1888(R. Albanese, 2004).

However, it is less known that before being part of the French Literature, those Fables were part of the Greek History. Written by Aesop, a Greek writer presumed "father" of the Fables as literature genre, whose history and origin remains unclear, the moralistic narrative were primarily an oral tradition for century which were then written in compilation and translated in different languages. One of the first known French translation is the one written by Isaac Nevelet (Bodson Liliane, 2001) in 1610 which is the one that has been used as Jean de La Fontaine's inspirational source and material.

It is important, while studying the connotative aspect of the critical short stories representing human society's aspect with animals, to remember that with each oral report or writing relay of the infamous tales, the text became increasingly biased shaping a common perception in the population's mind.

As an example, a comparison of two different French translation of the famous fable "La cigale et La fourmi" (the cicada and the ant) has been made. The story is about a cicada coming to an ant during the winter asking for some seeds to eat, the ant refuses to give her stating that she should have been preparing for winter instead of just singing all summer.

In the first example related by Bruce DB, it is a relatively neutral exposition of the fact with the mainly use of denotative vocabulary to describe the animal except for "oisive" (idle), used by cicada to defend that she was active during the summer time, and "négligent" (careless) used to describe the cicada in the sermonic sentence. Which appear as a general warning explicitly representing the cicada as the person in the wrong in the story, with the ant however refusing to provide for her in the end.

*"Il ne faut être négligent de rien, sous peine de s'exposer aux chagrins et périls"*

*(One must not be negligent of anything, or one risks exposing oneself to the sorrows and perils)*

In the second example, John Cech gave a different overall tone to the story. The cicada is still sermonized at the end but the ant shows her compassion and gives her some seeds. The cicada is shown as pitiful with the use of the vocabulary “criant famine” (screaming of hunger”) and “quémanda” (begging) which leads to the ant being merciful while still giving her a direct warning, even though less threatening than in the first story.

*“Ceux qui ne travaillent pas en été auront faim en hiver” (“Those who do not work in summer will be hungry in winter”)*

In those two different expositions of the same story the cicada and the ant are both represented as being wrong and right in the situation. However, the different use of vocabulary shows the preconceived view of both authors about what the story should relay to the public.

In the La Fontaine version of Aesop stories the animals are always represented with a two-way opinion. Talking about the passive cicada as joyful and the unwilling to share ant as prideful and selfish. With those character's definitions imprinted in the mind through a connotative vocabulary the reader implicitly understands a double warning.

*“You must work and be prepared for harsher times but you should also be ready to understand and help others.”*

The perception of those animals evolved in the mind depending on which values prevail for each individual.

Nonetheless, in the three translations and interpretation, the ant is always shown has a hard worker which is something seen in a positive light and that also transpired in one of the French idiomatic expression.

*“un travail de fourmi”* which metaphorically means a thorough and detailed job which requires patience.

It is interesting to note that while the quality of the ant is praised the animal itself isn't branded mainly as being good or bad in the mind of the sample of the people studied. The main idea about the ant remain neutral however, positive, and negative point of view have the same number of answers.

Another famous fable that can be studied as an example is “the rabbit and the tortoise”. The rabbit and the tortoise decide to compete to see who will win in a race, the rabbit thinks he has the time and take a nap while the tortoise keep going. In the end, the rabbit notices too late that the tortoise is at the finishing line and loses.

Again, in Bruce DB's version the exposition is quite neutral, stating that the rabbit and tortoise were arguing with each other when they decided to compete. In this version, the wild rabbit is overconfident about his ability and will lose against the persistent tortoise that was aware of her disadvantage. Then, the moralistic ends by:

*“Bien doué, mais négligent, on se fait souvent battre par qui prend de la peine” (Gifted, but negligent, we are often beaten by those who strive to achieve)*

In Cech version however the wild rabbit is described as “boastful” and looking for someone to challenge aimlessly to affirm his superiority.

In La Fontaine, the Tortoise is the one challenging the wild rabbit which makes him react as boastful and questioning the tortoise sanity in a vain manner. However, after her win the tortoise is not humble and ridicules the rabbit by saying:

*Eh bien, lui cria-t-elle, avais-je pas raison ? De quoi vous sert votre vitesse ?  
Moi l'emporter ! et que serait-ce si vous portiez une maison ?*

*(Wasn't I right? what's the point for you to have speed? Me, winning and what would it be if you have to wear a house?)*

With this statement, La Fontaine shows that the tortoise won despite her slowness and despite what she must bear everyday “wearing a house”. The rabbit is supposed to be “gifted” not only by ability but because he is privileged by nature in this instance.

In all those versions, the wild rabbit is represented with a negative point of view; being boastful, negligent, privileged. The wild rabbit is also commonly used in the idiomatic expressions in the French expressions.

For example: “Poser un lapin” (standing someone up) or “Courir deux lièvres à la fois” (meaning dating two persons at the time or trying to achieve two different goals) the latest often ends by the statement that if you try to “catch two rabbits at the time you will lose both”. In this metaphorical image, it is better to stay focus and loyal to one goal or one person.

For both expressions using the rabbit, the meaning is negative which could reflect the influence from Aesop's work and the continuation of the stereotype the fable generated. However, during the study the rabbit has been depicted by a high majority as positive in their point of view.

Therefore, based on these two examples, there should not be a link between the point of view and Aesop fables, even though it has a correlation with the idiomatic French expressions. However, in the more thorough study of the survey results it is visible than some patterns of similitude still emerge between the ancient Greek story and the French point of view today.

Definitions: (Oxford online dictionary)

Perception: The way in which something is regarded, understood, or interpreted.

Representation: The description or portrayal of someone or something in a way.

Connotation: An idea or feeling which, a word invokes for a person in addition to its literal or primary meaning.

Idiomatic: Using, containing, or denoting expressions that are natural to a native speaker.

Denotation: The literal or primary meaning of a word, in contrast to the feelings or ideas that the word suggests.

\*The translation from French to English have been supported with word reference website and Collins French and English online dictionary

## 2. Objectives of the Study

1. To examine the metaphorical meaning of the animals in the French proverbs and Aesop stories
2. To verify whether French people's perception on the animals found in the French proverbs and Aesop stories is correlated with their metaphorical meaning

There are 15 animals found in both French proverbs and Aesop stories: frog, toad, rat, mouse, cat, hen, ant, hare, monkey, donkey, dog, goat, flea, lamb, bear

In order to examine the second objective of the research, the online survey on French people's perception was created. There were 250 both male and female respondents with an age range from less than 20 years old to more than 50 years old. Most of answers being in the age range of 20 to 30 years old are explained by the amount of daily internet usage of this part of the population.

## 3. Results

In this survey, the meaning was not to influence their point of view by reminding them of fables de la Fontaine they all have likely studied in school, but to ask bluntly about the animals and which representation they had in their mind of those animals and finally what influenced their choices with a possibility of an open answer.

Primarily, it is important to note that while similarities have been found between the people opinion and the representation of the said animals in the fables, similar similitudes have been noticed between the fables and the idiomatic expressions. However, only one example studied is congruent of the three (the lamb).

And one example stands out as drastic opposites of the fables in people's mind and in the idiomatic expression (the rat).

The animals with the clearest positive advantages were:

The dog (91.3%); the cat (86.1%); the lamb (82.1%);

It is interesting to see that the dog, same as the lamb (sheep or goat) is always represented in a positive light in the fables studied when compared to another animal. The exception being when the dog, confronted with its own shadow drown because of its cupidity. However, in this story the moralistic end clearly states that it is an allegory for cupidity in the human being. Every story is supposed to be a metaphor for human being in different situation however only in this preaching does the author clearly apostrophes the humans, therefore it is unclear for this story that the dog, the animal is to be represented in a bad light.

In the French idiomatic expression however, the dog is not used in positive manner with the use of “un temps de chien” (dog’s weather) to describe a rainy and cloudy day. “Être en chien” (being as a dog) means being openly and almost ridiculously desperate for something.

The cat is not represented in a positive light in neither the fables or the idiomatic expressions “Quand le chat n’est pas là, les souris dansent” (when the cat isn’t around, the mice are dancing); “avoir un chat dans la gorge” (having a sore throat) or “donner sa langue au chat” (giving up/ being unable to speak)

In the stories, the cat is represented as cunning, described as mean, selfish and ill-intended. Yet, in the survey the cat scored one of the highest percentiles for positive point of view.

The lamb always seen as a symbol of purity in the fables, in the bible or in different media (movie: silence of the lamb) is one of the only that is represented in a positive light in the three instances studied, the fables, the people point of view and the idiomatic expression “doux comme un agneau” (sweet as a lamb).

On the other hand, the animals with the clearest negative percentage were:

The flea (92.2%); the Rat (76.6 %); the toad (50.6%)

The flea and the rat are both animals associated with diseases and unpleasant situation (the plague or an infestation) therefore it is not surprising to have them score such a high negative percentile in people’s mind. The rat, however, is represented as positive in most of Aesop stories being depicted as highly intelligent and a creature capable of learning from its mistakes.

When asked in the survey the samples of person were offered three choices for the reason of their choices.

The appearance of the animals, personal judgement or others and they could enter their own answer. A compelling number of answer chose personal judgement (74.9%) versus the animal appearance (16.7%) while the remaining chose other not realizing that it was choosing “personal judgment” while wanting to justify themselves for the choice.

In those answers, two types of reasons were provided. The first one was the utility of those animals and their interaction with the human beings; in other words, what they represent in the reality. While the remaining stated that it was because of the symbolic and the preconceived idea that was inspired by such animals.

One very interesting results to study is the toad and the frog, which while being from the same family gives completely opposite results while remaining in similar percentile.

Toad (negative (50.6%) ; neutral (36.4%) ; positive (13%))

Frog (positive (51.9%); neutral (38.1%) ; negative (10%))

The reason to such results lie not only in the reason each individual favor or not an animal and what motivates their opinion but also what difference could influence such a drastic reversal when those two animals are from the same family.

What was interesting is that there was not a major distinction in the answers depending on the age range. The main result apparent was that men tend to choose “neutral” more often than woman who seemed to have more definite opinion. The reason for woman to have a more positive view of the frog could be because of the influence of fairytales and the resurgence of the “friendly frog” image in cartoon such as “the princess and the frog” or “the swan princess” for example, however it does not exist a study that demonstrates such influence.

These final results will help determine the final element of the study: the impact of the fables, tradition and the overall culture on people perception and point of view.

#### 4. Conclusion

The results from the survey showed that the results based on the correlation between the fables and the influence of such stories on people's point of view is not correlated. Most of the similitudes are clearly between the biased depiction of the animal in the fables and what they represent in idiomatic expressions. Therefore, it is conceivable, to assume, knowing that the idiomatic expressions came from old France (mostly 1800's) that the fables point of view were of most influence during those times in people’s mind regarding the studied animals.

However, one could argue that those animals had symbolic representations since the antic times. For example, the rabbit was a symbol of fertility therefore lack of "rabbit" was considered as a sign of poorness and the sense of the expression "poser un lapin" could mean as the beginning "leaving without paying a girl's services" which slowly evolved to the meaning French people give it today.

Therefore, it is unconceivable to affirm without doubt that the fables influenced the point of view of the animals before or even today. Even notwithstanding that the main sense got lost in the numerous translations and interpretations it is highly probable that the original author, Aesop itself, was influenced by the biased opinion of those animals when he created the fables. Moreover, each translator and transmitter always has his own personal touch shaping the stories to what they believe it means or it should be.

However, the influences of the culture and new media on individual opinion have already been demonstrated and cannot be refuted. The influence of the animals pictured in Disney or Pixar movies and the high sale of such animals following the success of the film is one example out of many.

Therefore, the fact that the study of those fables, even if altered by times, continue to be an essential part of the studies in the early age of all French people after so many generations must have had a general influence in the shaping of the young mind; however, the effect does not show in the general opinion of the studied animals.

For a further study, it will be interesting to compare the expressions using animals in other languages with the French expressions in order to study similitude and differences between the cultures.

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### Online Resources

- <https://www.etudes-litteraires.com/figures-de-style/connotation.php>
- <http://www.alloprof.qc.ca/BV/pages/f1461.aspx>
- <https://www.frenchtoday.com/french-poetry-reading/poem-la-cigale-et-la-fourmi-la-fontaine-audio>
- L'histoire des expressions et des proverbes
- <http://www.france-pittoresque.com/spip.php?rubrique888>
- <http://www.linternaute.com/expression/langue-francaise/177/donner-sa-langue-au-chat/>
- <http://www.expressio.fr/expressions/donner-sa-langue-au-chat.php>
- <http://www.linternaute.com/proverbe/466/quand-le-chat-n-est-pas-la-les-souris-dansent/>
- [https://fr.wiktionary.org/wiki/poser\\_un\\_lapin](https://fr.wiktionary.org/wiki/poser_un_lapin)
- [http://www.lemonde.fr/big-browser/article/2016/06/21/dory-heroine-de-pixar-et-vrai-poisson-tropical-risque-d-etre-victime-de-son-succes\\_4955257\\_4832693.html](http://www.lemonde.fr/big-browser/article/2016/06/21/dory-heroine-de-pixar-et-vrai-poisson-tropical-risque-d-etre-victime-de-son-succes_4955257_4832693.html)
- [http://www.huffingtonpost.com/entry/finding-dory-nemo-pet-fish\\_us\\_573fb10ae4b00e09e89f2814](http://www.huffingtonpost.com/entry/finding-dory-nemo-pet-fish_us_573fb10ae4b00e09e89f2814)
- Finding nemo effect
- <http://news.nationalgeographic.com/2016/05/160503-marine-aquarium-trade-captive-bred-wild-caught-fish/>
- <http://www.thatpetblog.com/2010/09/02/pets-and-disney-how-animated-movies-effect-the-pet-trade/#.WbF09cgJIU>
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# Learning from the Past of Education?

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## **Abstract**

The University model has been around, at least for Europe, since the medieval period, where monks in the Catholic Church set the model for the educational system revolving around their system of worship, chanting and singing. The idea at the center of this type of education is the idea of the 'puer', it is an idea where the human is seen as an empty vessel ready to be filled with knowledge. It is the very idea of human as empty vessel and the similar idea of the human as a blank slate ready to be filled with knowledge, these are some ideas that have influenced much of the philosophy behind learning and the educational processes. The catchphrase in education nowadays is student-centered learning, what is it and how can educators use it as another tool in order to help educate a new generation? Generation Z has entered the University and is perhaps smarter and more ambitious than previous generations, how can educators deal with them? Catching up with current trends in the newer generations like understanding and using social networks and digital technology could be an answer for educators, the key to success will be the integration of technology and social network into the processes of education. The understanding of these technologies are needed by educators to keep up to date with the continuous changes of trends and technology. The future of education will be based on how well the educators can understand the students, bridging a gap between generations.

**Keywords:** Education, Student Centered Learning, Teacher Centered Learning, History of the University.

## **1. Introduction**

Has the system for education slipped behind the times? What is education and teaching nowadays? What is the philosophy behind learning? It can be very easy for an educational system to become outdated and fall behind the times, in technology, understanding the profession that students will go into and also in developing an understanding the students' expectations and aspirations. This paper will look into the historical context of university institutions in order to contextualize the current trend and techniques of education.

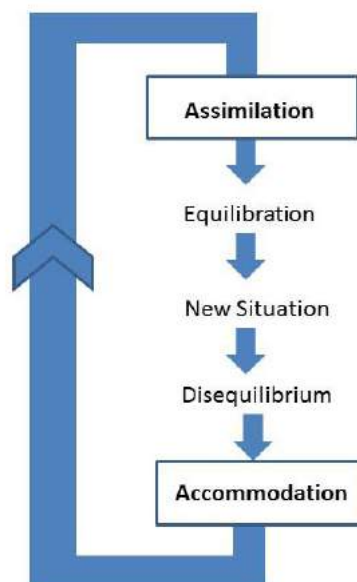
## **Early Universities**

The model for the university system in Europe evolved from a direct link to the system of training developed by monks in the medieval period in Europe, specifically in France. The history goes further back than that, in India from a Hindu religious context.

The history of University Education as we know it, has commonly been linked with the traditions of monastic practices in Europe. There was a need for the younger monks to learn the skills and ideas from the elders, a system that would help teach key skills to clerics in the Catholic Church. Of course the main reason was to educate other monks on things that relates to Christianity and the worship and praise of the Christian God. However in the book *Medieval Monastic Education* by George Ferzoco, Carolyn Muessig (2000), it traces the monastic practices in European monasteries, states that originally there was heavy emphasis on singing and chanting. These practices did indeed need a teacher to mentor and guide the younger male monks. Eventually writing, reading and music theory were also included in the education process. The studying related directly to liturgical (public acts of worship) practices and performances of the day (Muessig and Ferzoco, 2000). It seemed like this education was designed for public choir singing and chanting recitals and became the backbone for the traditions of university learning. Parallels could actually be drawn between these methods of transferring information, from the older more experienced Monks to the younger lesser experienced monks, the process of passing information that we still see in the traditional teacher-centered learning that still is being used in many contexts today. Often the monks responsible for this type of teaching, for liturgical education, was also in fact the librarian too (Muessig and Ferzoco, 2000). Ferzoco and Muessig (2000) go on to add details about the teacher's duties in these monastery schools; 'He is required to supervise the final 'dress rehearsal' but also to teach a long list of skills: reading, singing, writing, notating, preparing parchment and binding books, and writing the brevis (notation)' (Muessig and Ferzoco, 2000). The author also notes the increased use of books in this monastery educational system. The authors further note that writings from that period actually aimed to educate orally, with minimal use of books, perhaps as a system that promotes reliance on an actual teacher rather than self-study; 'the distribution of books does not replace close individual supervision, but rather fits into a programme involving both private practice and individual teaching' (Muessig and Ferzoco, 2000). There was overall a sense of learning shared and taught verbally and literally. However in the book *Medieval Monastic Education*, it mentions; 'The Cluniacs, the subject of this chapter, did not believe that they needed to 'break in' the child to make him fit the monastic life; however, they certainly did not pay attention only to his mind. For them, the 'puer' was essentially an empty vessel which

needed both to be molded physically, and filled up spiritually and intellectually in order to mature into a perfect monk.' (Muessig and Ferzoco, 2000). This idea that would be iterated again in America by John Locke the author who wrote about learning and teaching around the idea of '*Tabula rasa*' a philosophical term that relates the human as being born completely blank and therefore knowledge and understanding that comes from experience through perception. The term '*Tabula rasa*' relates directly to the wax tablet and writing tool that the Romans used, and the ability for the tablet to be wiped clean. Locke's thinking certainly fell on the side of nurture over nature where what the person experienced was much more important. It can be further noted that the writings of Locke has greatly influenced the American educational system since the 17<sup>th</sup> century. These ideas relating to '*Tabula rasa*' and especially Locke (1689) who in his book '*An Essay Concerning Human Understanding*' describes the learning process to be, 'an agreement or disagreement of two ideas' (Locke, 1689), it is an idea that bases knowledge accumulated through the observation of subjects and ideas where they are methodically compared to existing knowledge. Next comes the process that either accepts new information or realization that this is old knowledge, something previously observed and learnt or collected and added to the collection of understood knowledge in the subject. It is easy to see that this philosophical idea on the development of knowledge in a person whom is a blank slate directly relates to the philosophy of cognitive development, an idea later developed by Jean Piaget.

**Fig 1. Diagram of how a child learns through Assimilation and Accommodation and Equilibration**



McLeod (2019) summarizes Piaget's learning process as three parts, 'Assimilation', 'Accommodation', and 'Equilibration'. Assimilation uses the current understood schemas of knowledge to deal with a new situation which could be called understanding the new data. Accommodation happens when old Schemas/knowledge do not work or fit with new concepts; disequilibrium, a state of being uncomfortable, then happens and therefore the next stage of trying to achieve equilibration (understanding) is the driving 'force' that pushes learning where the new knowledge needs to be assimilated and absorbed into the other Schemas/knowledge of that child. So with these observations in older forms of education what can be learnt? Perhaps that the thing to be observed relates to this traditional method of teacher-centered learning, where the teachers would fill students up with correct knowledge in order for them to become better. There is also this other idea and philosophy about human as blank slate, where through the processes of observation and comparison learns.

### **Student Centered Learning**

In more recent times and within the last 10 years there has been a wave of influence from the philosophy of Student-centered learning, there has been a change in the delivery of education, the way that information and learning has been delivered, relating to trends of technology and the new generation of student's attitudes towards learning.

The basic principles of student centered learning is 'a cultural shift in the institution. It also builds up on the successful implementation of Bologna tools, such as recognition procedures and ECTS based on learning outcomes.' (European Students' Union ESU, 2015). There are several other principles that talks about consist

student reflection, trying to accommodate diversity and student learning styles, and there is an emphasis on students exploring their area of study with a strong collaborative element (European Students' Union ESU, 2015). On the whole this is a positive change and an attempt to move with the times updating a system to be more in touch with the newer generations.

According to the Website of Concordia University (2016), that compares the two different approaches student-centered vs teacher-centered. The Student-centered methods have many advantages firstly group work is encouraged a lot more, therefore allowing students to learn about 'communicative and collaborative skills' (Concordia University, 2016). Students will also direct their own study and in theory be more interested in that area of study due to these interactions. The cons of student-centered learning is that the classroom environment often becomes noisy and somewhat chaotic (Concordia University, 2016). The teacher or instructor becomes a manager having to take care of all the different activities happening in the room and at different stages of development (meaning more work for teachers) and furthermore some students might actually like to work on their own (Concordia University, 2016). With teacher-centered learning the students put all their focus on the teacher meaning the classroom is orderly and quiet and the teacher keeps control. Teacher-centered learning emphasizes independence and is easier to keep control of the various topics studied so less or no things are left out (Concordia University, 2016). On the other hand the cons of teacher-centered learning is that there is no group work, it can get boring and students can lose interest, the students may not get to express themselves as much as with student-centered style learning (Concordia University, 2016). In Pacific Standard Magazine, the author Bettina Chang (2014) in her write up of student-centered learning studies done by Paul Morgan, an associate professor at Pennsylvania State University on first grade students in the US, found that student-centered approaches had little or no effect upon the students with which had been tested! The report concludes that,

'Results indicated that teacher-directed activities were the most effective techniques in terms of improving students' academic performance. Student-centered instruction only improved outcomes among students who did not previously exhibit difficulty learning math.' This means that the more problematic students, whom are usually the students who brings the most concern, did not actually improve, in fact the report discusses how some student-centered activities can actually be a distraction from what the students are actually meant to be learning.

These negative results are specific to math classes, but with other subjects like Art and Design, where what is taught is an emphasis on creativity and personal style, means that student-centered learning may be more suitable for certain subject and not all.

A key idea in student-centered learning is the principle that teachers need to be adaptive ready to use all methods of teaching, whether that is the more traditional lecture based learning or something relating to a collaborative process. What this actually tells teachers is that they need to be adaptable, willing to switch gears when the specific needs come up. Both techniques and philosophies are useful. Perhaps the adaptive and hybrid style of education should be used in order to gain the best from students.

### **Bridging the Generational Gap**

Today in 2017 the youngest students that are entering Universities were born in the early 1990's. This cohort is typified by being born around the mid-1990s to the mid-2000s. So our current cohort of students are between the ages of 18-22 are in this category. This is the generation more comfortable with technology, where they were born at a time when telecommunications technology had already established itself and they were already using these device at an early age. They grew up in a time where social networks began to gain widespread popularity. The slide show that helped to gain the popularity for the term of Generation Z was written by Advertiser Sparks and Honey (2014). This forecast of trends (from an advertiser's point of view) states some traits and trends of this new generation, such as growing up in a classroom environment where they were 'collaborative team players' (Sparks and Honey, 2014). The slide show even goes on to say that the parenting style of Gen Z encouraged these children to do more self-directed study and were trained to actually find answers from the internet, in fact the internet plays a big role in this generation, they shop more online, socialize more online and even educate themselves online. They are also entrepreneurial and competitive. They use social media as a research tool, have an 8 second attention span, communicate in 'bite sizes', overly rely on communication devices and are unaware of situations, meaning they like using mobile devices in the classroom (Sparks and Honey, 2014). Written language has changed and evolved to a mixture of emoji images and coded abbreviations, communication becomes imprecise (Sparks and Honey, 2014). So we can begin to get an idea of what the lecture/classroom situation has become, a place where students lack attention and have so many distractions, over reliance on the internet as a research tool, and imprecise communication. So the important question emerges, should the trends in these new generations be resisted, seen as a threat to the classroom or embraced and seen as a positive thing

and to be worked with. Student centered-learning would have lecturers and tutors embrace these trends, however educators from a previous generation, whom may have gotten used to a way of delivering education, may experience some issues to do with the generational gap. The expectations of the educator would be different to expectations from a student from generation Z which would create an environment in a classroom or lecture room where both parties would feel alien towards each other. If this is the case then the necessary updates in methods of educating should be a necessity. Overall there is a generational gap problem mixed with the misinformation and assumptions that newer generation students are not as smart, or that there is a dumbing down on the educational process. The fact is that newer generations consume more information in a different way and they are computer literate in many of the most up to date technologies and read a lot, should be something that could be worked with. Both parties need to understand each other in order to find common ground from which to build upon in order to avoid miscommunication and unreasonable expectations.

**Fig 2. Showing the traits of each generation in the USA**

| GENERATIONAL CONSTELLATIONS SINCE WORLD WAR II |                              |                                |                                 |  |
|------------------------------------------------|------------------------------|--------------------------------|---------------------------------|--|
|                                                | Boomer                       | Xer                            | Millennial                      |  |
| Phase of Life                                  | Childhood Era:<br>c. 1945–65 | Childhood Era:<br>c. 1965–85   | Childhood Era:<br>c. 1985–today |  |
| Entering Elderhood                             | Tough<br><i>Lost</i>         | Entitled<br><i>G.I.s</i>       | Empathic<br><i>Silent</i>       |  |
| Entering Midlife                               | Powerful<br><i>G.I.s</i>     | Experimental<br><i>Silent</i>  | Judgmental<br><i>Boomers</i>    |  |
| Entering Young Adulthood                       | Conformist<br><i>Silent</i>  | Narcissistic<br><i>Boomers</i> | Pragmatic<br><i>Xers</i>        |  |
| Entering Childhood                             | Indulged<br><i>Boomers</i>   | Overlooked<br><i>Xers</i>      | Protected<br><i>Millennials</i> |  |

### The future of education

In the newspaper article by Claire Povah and Simon Vaukinsin (the Guardian, 2017) in the Guardian newspaper website discusses that the new generation Z students are now entering university and speculates the changes that need to take place. The article quotes that Generation Z is actually smarter than the Baby Boomers and more ambitious than Millennials. The article suggests that the Universities need to be prepared for this new cohort of students that are technology savvy, the authors write mentioning that Universities must engage with digital technology and social networking more if they are to be ready for this generation. The article finishes by saying that educators need to work with these new generations in order to help design a suitable service. As a good example of practice the article mentions Lancaster University creating an app for students. From the tone of the writing it seems that Universities are not yet ready to adjust to the new generations.

Perhaps robots and computers will take over teaching in the coming years, the fact that computers and mobile devices already play a huge role within the educational process is a sign of the future. Perhaps robots taking over is not such a farfetched idea especially with the increase in success of self-study and online courses without a physically present teacher. Other things we will see happening is perhaps the greater integration of social networks in the educational process, also a blurring between lifestyle and education, where there are less formal times set for learning, but further blurring between education, entertainment, social life, being online, and consumerism. Perhaps standardized testing and grades as we know them may even disappear replaced by self and peer assessment judged by a committee of fellow students.

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### **List of images**

#### **Fig 1. Diagram of how a child learns through Assimilation and Accommodation**

Saul McLeod (2009). *Diagram of how a child learns through Assimilation and Accommodation and Equilibration*. [image] Available at: <https://www.simplypsychology.org/piaget.html#schema> [Accessed 18 Jul. 2017].

#### **Fig 2. Showing the traits of each generation in the USA**

Howe, N., Strauss, W. and Matson, R. (2000). *Showing the traits of each generation in the USA*. [image] *Millennials rising*. New York: Vintage Books.

