

Development Community Enterprise of Local Handicraft Groups in Angthong Province, Thailand.

Panitsupa Thampramuan

Thepsatri Rajabhat University, Lopburi, Thailand. 15000

Kasak Tekhanmag

Thepsatri Rajabhat University, Lopburi, Thailand. 15000

— *Review of* —
**Integrative
 Business &
 Economics**
 — *Research* —

ABSTRACT

This research aims to 1) study procedure of community enterprise of local handicraft groups in Angthong province and 2) develop community enterprise of local handicraft groups in Angthong province. Mixed research method, applied field study and survey, were used. Samples were: 1) 20 committees of local handicraft groups and 2) 480 tourists in Angthong province. Data analysed by content analysis and descriptive statistics.

The important findings were:-

1. Procedures of community enterprise of local handicraft groups in Angthong province were 1) the leaders has management's ability 2) members' participation by division of responsible 3) financial capability by create credit confidence for fund resources and distributed appropriately in investment proportion 4) produce's ability and development of continuous outputs 5) creating identity by product refinement and local wisdom identity and 6) marketing capability by promotion and growth market expand.

2. Two community enterprise of local handicraft groups have potential in high level. Drums community enterprise of Tambon Akekarach, Pamok district and basketwork community enterprise of Tambon Bangchoacha, Pothong district, have high potential.

3. Local handicrafts' purchasing behavior of tourists in Angthong province were : 1) the beauty, refinement, story of local wisdom of product 2) reasonable price with quality 3) distribution by local groups, OTOP centers, fairs and festival 4) products placement is a beautiful and eye-catching 5) the label name easy to remember 6) with systematic and rapid sales process, and 7) politely salespersons and friendly service.

4. Basketwork community enterprise of Tambon Bangchoacha, Pothong district, had business strengthen and opportunities. The strategies for development were

1) develop identity, local wisdom, and symbol of community products and promoting as local souvenirs 2) increase handicraftsmen and their skill to support market demand 3) create an advantaged marketing and 4) develop management and strategy marketing.

Keywords: community enterprise, local handicraft group.

Introduction

Local handicrafts are generally for usage purposes yet some are considered as local art because they are apply arts with usage purpose and able to meet customers and tourists need.

Community enterprise is activity which is relevant to: 1) transformation or value addition from community products 2) productions and services from community resources and wisdom 3) production for internal community usage and 4) marketing development, welfare services which the principles are self-thought, self-decision and self-investment. Government section is only facilitator who support, give suggestion, as well as provide knowledge for community. However, most community enterprises are not successful due to lacking of management skill, leadership and business participation.

Tourism is major industry which gain profit to Thailand for billions baht each years, hence tourism plays an important role for economy, society and politic. Thailand has plentiful of tourism resources; natural, cultural and hospitable (Amorn Wongpeng, 2009) In addition, Tourism creates business continuity and development in many areas (Tourism Authority of Thailand, 2008)

Angthong province is full of local handicrafts for example, courtier dolls, drums, baked clay bricks and weaving products. Besides, there are more than 200 of clean and elaborate temples. The temples have interesting history and background. Overall, Tourism in Angthong has decreased 10.91%, Thai tourists have decreased 10.07%, foreigners have decreased 19.51%. Marketing plans year 2007 of Tourism Authority of Thailand shows that tourism encouragement in each regions of Thailand are different, depend on potential, tourism products and connection between tourist attraction and needs of tourists. Moreover some regions can offer alternative choices to various needs of tourists, especially community enterprises ability to offer products and services to earn income and also gain satisfaction and impression from tourists (Tourism Authority of Thailand, Central Region Area 7, 2008, page 6)

From mentioned problems, the study to develop community enterprises of local handicraft groups in Angthong province is crucial. The study can be used as

guideline to develop community enterprises and support sustainable tourism for creative economy of Angthong province.

Research objectives

1. To study procedure of community enterprise of local handicraft groups in Angthong province.
2. To develop community enterprise of local handicraft groups in Angthong province to support tourism for creative economy in Angthong.

Methodology

1. Study of procedure and potential of community enterprise of local handicraft groups in Angthong province, was research by studying frame in 6 areas : 1) ability of leaders in management 2) participation of members 3) ability in finance 4) ability in production 5) ability in creating identity 6) ability in marketing. The research was conducted by field study from 4 community enterprises of local handicraft groups in Angthong province : 1) drums community enterprise of Tambon Akekarach, Pamok district 2) courtier dolls community enterprise of Tambon Bang Sadej, Pamok district, Pothong district 3) “Niramit” food and dessert community enterprise of Wiset Chaichan district 4) basketwork community enterprise of Tambon Bangchoacha, Pothong district. Data collected by structured interviewing from 20 committees the data were analysed by TOWS matrix and content analysis.

2. Study of tourists’ behavior in purchasing local handicrafts when visiting Angthong. The research was conducted by marketing mix which including : 1) products 2) price 3) distribution 4) marketing support 5) personnel 6) purchasing procedure 7) physical environment. Survey research was applied by inquiring 480 tourists in Angthong. The data was analysed by descriptive statistics: frequency, percentage, average and standard deviation.

3) The development of community enterprise of local handicraft groups in Angthong province was research and development conducted by SWOT analysis. Development of situation strategy was determined TOWS matrix from basketwork community enterprise of Tambon Bangchoacha, Pothong district in Angthong province because the products are stable and have higher opportunity.

Research conclusions

1. Overall procedures of Community enterprise of local handicraft groups in Angthong province are as follows:
 - 1.1 Leaders are able to manage by inventing new forms, furthering and

blending identity and fashion. They can see market perspective, solve problem from real situation, give advice to customers, clearly allocate duty, cooperate government to support and publicize, assess from orders and improve from customers comments.

1.2 Members participate by allocating duty, fundraising to expand market and helping community's activities that associate to community's tourist attractions.

1.3 There is financial ability by creating credit from source of investment funds and properly allocates funds.

1.4 There is production ability by supplying materials, raw materials, equipments, high quality utensils and improving production regularly.

1.5 Create identity by producing elaborate and unique products from local folk wisdom.

1.6 There is marketing ability by having certain distributors, distributing constantly, supporting and expanding market.

2. 2 groups of community enterprise of local handicraft groups in Angthong province have potential and possibility in overall developing and particular improving areas in high level ; 1) drums community enterprise of Tambon Akekarach, Pamok district and 2) basketwork community enterprise of Tambon Bangchoacha, Pothong district.

3. Tourists in Angthong have local handicraft products purchasing behaviour respectively from high to low mean as follows: 1) appearance, fineness, unique /wisdom and background of products. 2) reasonable price comparing to quality 3) proper place to purchase: source of production, OTOP centre, tourist attractions, fairs and festivals 4) attractive and orderly displays for easy decision 5) sign with name of shops for easy recognition 6) speedy and safe procedure of sell package and delivery and 7) friendly and polite shopkeepers with service mind.

4. The development of basketwork community enterprise of Tambon Bangchoacha, Pothong district, Angthong province in promoting tourism for creative economy in Angthong are as follows :

4.1 basketwork products of Tambon Bangchoacha are stable and have high opportunity to stay on business and have more chance to stay in market (external factors analysis summary : EFAS = 2.85) and stable enough to compete rivals (internal factors analysis summary : IFAS = 3.25) hence basketwork products of Tambon Bangchoacha are selected to be expanded.

4.2 SWOT analysis result of basketwork community enterprise of Tambon Bangchoacha was analysed for making decision on development strategy by TOWS matrix. The analysis result was as the table 1.

Table 1 TOWS matrix of basketwork community enterprise of Tambon Bangchoacha

<p>Internal Factors</p> <p>External Factors</p>	<p>Strengths</p> <p>S₁: Most of raw materials are local so the cost is low and up to par</p> <p>S₂: Products are local folk wisdom and have identity.</p> <p>S₃: Products are elaborate handicraft.</p> <p>S₄: Products have various designs.</p> <p>S₅: Processors group are crafty and skillful.</p>	<p>Weaknesses</p> <p>W₁: Unclear management within group</p> <p>W₂: Consume too much time per item.</p> <p>W₃: Unable to produce on time if the order is big.</p> <p>W₄: The group has low circulate funds</p> <p>W₅: The group does not have market strategy.</p>
<p>Opportunities</p> <p>O₁: More women in working age are likely to increasing distribution.</p> <p>O₂: Tourists expect to buy souvenirs.</p> <p>O₃: The province hastens to promote Angthong tourism.</p> <p>O₄: Government has policy to support and promote local wisdom conservation</p>	<p>SO Strategy</p> <p>S₁S₄S₅O₂O₃O₄: Develop products' identity and symbol of community by emphasizing on local folk wisdom, fineness and promoting products as souvenir of community.</p> <p>“Basketwork products of Tambon Bangchoacha go for market”</p>	<p>WO Strategy</p> <p>O₂O₃O₄ W₂W₃: Develop excellent skill and skillful labor to meet market needs.</p> <p>“Basketwork products of Tambon Bangchoacha are adjustable”</p>
<p>Threats</p> <p>T₁: Have direct and indirect rivals</p> <p>T₂: Many substitute products</p>	<p>ST Strategy</p> <p>S₁S₄S₅ T₁T₃: Create advantage on marketing competition.</p>	<p>WT Strategy</p> <p>W₁W₃W₄W₅T₁T₃: Develop administration, management and marketing strategies</p>

<p>from another materials. T₃: Instability of politic T₄: OTOP center is not attractive for tourists. T₅: The deceleration of economy has lowered purchasing.</p>	<p>“Basketwork products of Tambon Bangchoacha wait for the right time”</p>	<p>“Basketwork products of Tambon Bangchoacha are homing”</p>
---	---	--

From table 1 Strategies for developing basketwork community enterprise of Tambon Bangchoacha is able to be selected in 4 strategies as follow:

Strategy 1 Develop basketwork products of Tambon Bangchoacha’s identity and symbol of community by emphasizing on local folk wisdom, fineness and promoting products as souvenir of community.

Strategy 2 Develop excellent skill and skillful labor to meet market needs.

Strategy 3 Create advantage on marketing competition.

Strategy 4 Develop administration, management and marketing strategies.

4.3 In 2014, basketwork community enterprise of Tambon Bangchoacha has action plan as in table 2

Table 2 Action plan of basketwork community enterprise of Tambon Bangchoacha 2014

No.	Activities	Objectives	Expecting Results
1	Marketing development (e-commerce)	1. To increase channels. 2. To increase personnel potential in marketing area.	1. Products are widespread in market. 2. The enterprise is well improved. 3. Personnel have higher potential.
2	Pattern development (increase weaving skills)	1. To learn new weaving technique. 2. To improve variety of pattern and add competing potential.	1. Producers have more weaving skills. 2. Products have more designs. 3. Ability in competition.
3	Develop weaving local wisdom center	1. To pass weaving wisdom to youth and general. 2. To create career for villagers	1. Weaving wisdom is inherited and conserved 2. Weaving career training center can provide job for people.

4	Develop into wisdom tourism resource.	To develop group/community into wisdom tourism resource,	Bamboo weaving products community enterprise of Tambon Bangchoacha becomes wisdom tourism resource.
---	---------------------------------------	--	---

Research Discussions

The development of community enterprise of local handicraft groups in Angthong province to promote tourism for creative economy in Angthong province is able to implement by the following strategies:

1. Strategy 1 Develop products’ identity and symbol of community by emphasizing on local folk wisdom, fineness and promoting products as souvenir of community by 1) emphasizing on local wisdom conservation 2) planning on variety of products designs 3) gathering people in community 4) producing modern products for sales and 5) planning on business cooperation with network party which relevant to Wichai Wanpet (2006) who studied development on community enterprise cluster management to strengthen of community systematically and sustainable in Bangkok and suburb. He found that enterprise cluster management strengthen community. Relationship between external institutes and integration to develop learning and marketing data are related to the study of Anuchit Sonnut (2010) of guidelines for the development of folk handicrafts in Samut Prakan. The study showed that combination among original folk wisdom, fashion and creativity develops variety of products. The variety is alternative for consumers without shortage of quality, identity and forms. The study related to Panitsupa Thampramuan who studied development of brass handicraft group’s potential and marketing strategies for brass handicrafts in Ban Tah Krayang, Muang district, Lopburi province. The study was conducted by participatory action research and found that difference and folk wisdom of products are able to create identity.

2. Strategy 2 Develop craftsmen’s skill and excellence to meet market needs. New members participate by distributing and seeking for new markets/customers. The members should to be trained in marketing and selling. All concerning related to Sombat Singkharat (2010) who studied the processing development of cotton handmade weaving groups in Donluang village, Maerang sub-district, Pasang district, Lamphun province. He found that members should to be encouraged to develop and improve the products, as well as, look for market and new channel. According to Apisit Promchai and Supalak Suwannachod’s (2011) study of factors and affecting the success of Huaykan community enterprise, showed that the success is from the

gathering of members who interested and decisive. Most members are direct partner by sharing in the investment. Moreover, the structure action plan is clear and support is provided from another community. Raw materials are from the community. People in the community have extra income. All mentioned concern with Kanjana Misilpwickai (2008) who studied the modelling of advertising and social responsibility relationship and found that marketing communication consists of participation in expo to gain brand recognition from customers and create more chance to meet customers, devices or equipments and sales support for example, discount, free gift or products demonstration.

3. Strategy 3 Create advantages in marketing competition which is related to Wichai Wanpet (2006) who studied development on community enterprise cluster management to strengthen of community systematically and sustainable in Bangkok and suburb. He found that enterprise cluster management strengthen community. Relationship between external institutes and integration to develop learning and marketing data. In addition, It is related to Panitsupa Thampramuan's study about development of brass handicraft group's potential and marketing strategies for brass handicrafts in Ban Tah Krayang, Muang district, Lopburi province. The study was conducted by participatory action research and found that entrepreneurs need to cooperate in product development, making connection to another enterprises, planning, exchanging materials and equipments, exchanging products with another enterprises and planning on capital usage by proper allocating.

4. Strategy 4 Management and market strategy development by looking for inexpensive and quality raw materials equipments and utensils for members, expanding production by developing skill to meet market need and developing alternative options for customers. This is related to Wichai Wanpet (2006) who studied development on community enterprise cluster management to strengthen of community systematically and sustainable in Bangkok and suburb. His study showed that ineffective network and market management limit enterprises' opportunity. Hence, network need to be strengthened, relationship with external institutes has to be built and knowledge and market data should be developed. All of these are relevant to Panitsupa Thampramuan who studied development of brass handicraft group's potential and marketing strategies for brass handicrafts in Ban Tah Krayang, Muang district, Lopburi province. The study was conducted by participatory action research and found that having particular distributors or dealers and distributing products regularly are important to marketing management. It is also connected to Albert (2005) who studied marketing situation analysis and found that marketing

communication is a way to advertise products, to inform customers that products are launched and also persuade them.

Research suggestion

1. General suggestion

1.1 Business financial resource usage analysis result (BCG) showed that basketwork community enterprise of Tambon Bangchoacha, is 3rd category (cash flow). There is more opportunity to gain highest profit because the project has already been started; it is currently in promoting period and developing products to be more modern. Hence, basketwork community enterprise of Tambon Bangchoacha has to develop basketwork products by emphasizing on 1) more modern design which adjust according to time change 2) more various size ; small medium large 3) colors; natural color and artificial color and 4) more elaborate weaving pattern; natural pattern and textile pattern.

1.2 The result of pricing analysis between price and quality by comparing products quality could applied by 9 strategies since basketwork products of Tambon Bangchoacha applies designing skill and plans marketing plan, high-value strategy was selected. Basketwork community enterprise of Tambon Bangchoacha aims to produce high quality product yet average price to reach target consumers.

1.3 Analysis result and assessment of risk of basketwork community enterprise of Tambon Bangchoacha showed that there were 4 significant risk, as a result, basketwork community enterprise of Tambon Bangchoacha should have defensive measure or risk reduction in each areas as table 3

Table 3 Suggestion and defensive measure or risk reduction

No.	Risk	Chance	Effect	Suggestion to reduce risk
1	Raw material shortage	always	most	Advance and big lot orders and buy material from another communities
2	Labor shortage	little	most	Develop labor skills and prepare for special occasions and festivals
3	Unable to produce in time	little	most	Plan production, raw material and labor for opportunities and festivals
4	Sale falls short	always	most	Look for new customers, retain old customers and increase selling channel

2. Suggestion for next research

2.1 Cooperating format of local handicraft products producers in central region and national level should be studied.

2.2 Developmental studies of local handicraft products should be conducted to get ready for competition in ASEAN Economy Community (AEC)

REFERENCES

- Albert, S. H. (2005). **SWOT analysis**. **Businessballs.com**. Retrieved May 14,
- Amornrat Wongpeng. (2009). Marketing Factors Influence to Thailand Touring of Europe Tourists. **RMUTT Global Business and Economics Review**, 4, 2. pp. 39-57.
- Anuchit Sonnut. (2010). Development of Folk Handicrafts in Samut Prakan. **Esarn Study Journal**. Vol.7 No.17: pp.250-262,
- Apisit Promchai and Supalak Suwannachod. (2011). Factors and Affecting the Success of Huaykan Community Enterprise, **Local Administration Journal**. Vol.4 No.2 (April-June 2011).
- Kanjana Misilpwickkai. (2008). **SMEs and Public Relation for Production Images**. Found March 10, 2013. <http://mansci.tru.ac.th/perfect/data/9/pic/1244.doc>
- Panitsupa Thampramuan. (2011). **Development of Brass Handicraft Group's Potential and Marketing Strategies for Brass Handicrafts in Ban Tah Krayang, Muang district, Lopburi province**. Thepsatri Rajabhat University.
- Sombat Singkharat. (2010). **The processing development of Cotton Handmade Weaving Groups in Donluang Village, Maerang Sub-district, Pasang District, Lamphun Province**. ChiangMai.
- Tourism Authority of Thailand, Central Region 7 Office. (2008). Found March 10, 2013. <http://www.tat7.com/fish-festival1.html>
- Wichai Wanpet. (2006). **Development on Community Enterprise Cluster Management to Strengthen of Community Systematically and Sustainable in Bangkok and Suburb**. Pranakorn Rajabhat University.