

An Approach to Efficient Management Models for Agritourism Businesses in Eastern Region of Thailand

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Abstract

In the eastern part of Thailand, there are lots of tourism businesses in operation with lots of tourist attractions in places like Pattaya, Chonburi and Rayong, and agritourism has increasingly been developed in this region, especially the activities related to agricultural products. However, it appears that agritourism businesses there still lack of efficient management, i.e., most farmers and planters tend to manage as best as their abilities provide. This study, therefore, aims to learn of any efficient models for the management of agritourism businesses in the eastern region of Thailand, so as to construct efficient management models suitable for agritourism businesses, by interviewing entrepreneurs having been awarded with Thailand Tourism Awards in agritourism, and relevant local governments.

Key Word: Agritourism Business, Quality Management

Introduction

In the eastern part of Thailand, there are lots of tourism businesses in operation with lots of tourist attractions in places like Pattaya, Chonburi and Rayong, and agritourism has increasingly been developed in this region, especially the activities related to agricultural

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products. However, it appears that agritourism businesses there still lack of good management.

Therefore, the researcher has had an intention to learn of any efficient management approaches to the agritourism businesses in the eastern region of Thailand, to be used as guidelines for improvement in management and potentiality of the agritourism businesses. The outcome of this research would prove beneficial to planning and management of those who have any ongoing, impending or opportunity to extend business in agritourism, as well as to public and private organisations related to tourism of Thailand and tourism business entrepreneurs in terms of strategic marketing planning to bring fourth popularity and successes in the time yet to come.

Objectives

This research intends to learn of approaches to manage agritourism business in eastern region of Thailand.

Relevant Theories and Concepts

Concepts of Agritourism

Agritourism-related concepts are initiatives in tourism partly originated from the process of agricultural studies of the students and teachers who enjoyed the pleasurable lifestyle of home-stay Agritourism, conducting agricultural activities and trying out different lifestyles and learning different cultures, gaining agricultural experiences and also be able to learn and have uncommon experiences. It is considered a tourism which can create an impression with Green Tourism. Now, Thailand has several agritourism promotion campaigns in aspects of agricultural farms, (Jim Thompson Farm, Takhop Subdistrict, Pakthongchai, and Silverlake Vineyard, Pattaya, etc.) and horticulture (orchards, flower gardens, orchid gardens, etc.), which will expand to green tourism of other categories, fisheries, animal husbandry, garden plant, and so on.

Definitions of Agritourism

Agritourism/Agrotourism is a form of tourism focuses on learning farmers' agricultural lifestyles, emphasising on participation of tourists in activities that will inspire knowledge which in turn would be beneficial and profitable for communities and farmers. Agritourism is thus a mixture of conservation and tourism, so as to avoid any adverse impact to communities and the environment.

Department of Agriculture Extension (2006) has stated that agritourism is a touring and traveling to agricultural communities of gardens, agroforestry, herb gardens, animal and pet farms and aquaculture, and government buildings, as well as institutions that conduct researches and develop technologies on modern agricultural production, to sightsee the successes and enjoyment of agricultural activities in different aspects and gain knowledge and new experiences on a basis of responsibilities and being conscious of preserving the environment of such places.

Agritourism is a tourism emphasised on agriculture for the learning of natures of agricultural products, agrarians, and farmer's way of life.

Benjamas Na Thongkaew (2005, p.12) has stated that agritourism is a type of tourism that aims for the learning and understanding of nature, generating new experiences in agricultural aspects, deriving from the wisdoms and way of life of local people.

Uraiwan Peamnivesana (2001, p.37) has mentioned that agritourism means travelling to visit areas that take agriculture as their main occupation, within which services are prepared to accommodate tourists and to help them learn new knowledge and obtain new experiences and relax, as well as to conserve the areas and agricultural activities towards quality and sustainability for time to come.

Surachet Chettamart (1998, p.17) has defined agritourism as a type of tourism that leads tourists to areas of farms and gardens, which may be guided by farmers or guides but still provides knowledge on farmers' way of life, operations and conducts of economic activities,

which sometimes the tourists themselves engage in helping the farmers.

In brief, agritourism means touring and traveling to agricultural areas of gardens, agroforestry, herb gardens, animal and pet farms, which aim to engage tourists in agricultural activities and tours, so as to inspire new knowledge and experiences on a basis of responsibilities and conscious of preserving the environment that educates on natures of agricultural products, agrarians, and farmer's way of life, leading to the acquisition of agricultural knowledge and way of life, cultures, traditions, and is a means to utilise existing resources to create learning processes beneficial to and profitable for the communities and farmers

Strategic Management

Strategic management is a form of organisational management with capabilities and resources to attain strategic aims by developing and utilising budgets to acquire a tremendous amount of resources to feed into the process of analysing value chain activities to achieve successes in strategies and guidelines in policy making and processes that support the strategies to realise the best possible performance and encourage constant improvement by means of value chain, as well as usage of information, communication and operational systems, allowing for successful demonstration of strategic roles of organisation personnel, motivation to achieve performance objectives and establish good strategic management, and enabling work environment that supports the organisation's strategies and cultures, and the use of strategic leadership to implement such strategies. (Robert, 2003)

Definition of Strategic Management

Strategic management generally means any acts of specifying the organisation's mission, vision, objectives and goals in short and long terms, and then develop plans to achieve these objectives, leading to the fulfilment of such objectives and goals.

Principles of Strategic Management

The key principles of strategic management are the definitions of mission, objectives and goals in both short and long terms. Any

strategic management and strategic decision making would influence performance in short and long term, so organisations require to plan on conducting activities in order to reach the specified goals, so as to respond to changing trends, which could be an obstacle that hinders advancement opportunities of the organisation. So, the organisation must consider using their existing strengths to maximum benefits and identifying weaknesses to work out solutions thereto beforehand. The concept of strategic management differs from general management, which focuses on studying the roles of administrators at various levels of processes and emphasises on internal administration and management, whereas strategic management gives emphasis to many factors, particularly external factors or external environment in various aspects associated with competition, concerning on building competitive edges in long terms and the trends of the industry.

Strategic management also gives a significance to stakeholders, and acts as bridges linking departments of the organisation to enable the management to achieve the organisation's common goals.

How strategic management could lead to an increase in chances of success and failure of an organisation has certain principles as follows:

1. Strategic management entails acts of specifying visions, orientations, missions, and objectives of business organisation systemically. So, strategic management is something that defines the orientation of the organisation and help its administrators adapt to environmental trends. The awareness of such trends would substantially help the administrators in the definitions of objectives and performance orientations in accordance with the trends.

2. Strategic management also leads to better change management, as preparation for changes has already been made, making the organisation seek for the best possible solutions in the face of the changes of relevant factors, because strategic management is an act of defining methods or guidelines to operations and activities of the organisation to attain the specified goals or objectives of the organisation.

3. Strategic management is a process of applying the organisational performance guidelines created by the organisation to pursue goals. Therefore creativity is a necessity among administrators.

4. Strategic planning is the main duty of administrators, as they have to plan the implementation and define the orientation of organisational performance, so production and implementation according to strategic plans are crucial, especially in the long run. Thus, administrators' ability to define a strategy and to control its implementation in accordance with the defined strategy would be something that reflects the potentials of the administrators very well.

5. Strategic management will give the business competitive advantages, efficiency, and potentials, and reinforce the development of management capabilities of administrators, as well as preparing and developing organisation's personnel, since strategic development requires understandings and preparedness plans to prepare for changes that will occur in the environment and competitions. Apart from that, strategic management will also help the relevant parties in the organisation understand the big picture, particularly the performance objectives, allowing for an urgent prioritisation when needed.

6. Strategic management helps establishing harmony in operations, as there are clear definitions of strategies, applications, and monitoring, resulting in a mutual understanding and cooperation, especially the understanding in regards to the organisation's objectives, and also aids resource allocations to proceed effectively in accordance with organisational management of various parts.

Knowledge Management

The concept of knowledge management is a concept that reinforces management systems, involving forms of knowledge management in critical knowledge utilisation, strategies to develop existing knowledge, and in processes of knowledge gathering and further exchanges of knowledge. (Nanaka & Takeuchi, 2000 / Wijarn Phanit et al., 2012)

Knowledge management is an act of collecting bodies of knowledge scattered among people or documents within a

government unit, in order to develop into a system which everybody in the organisation can access to the knowledge and improve themselves to be knowledgeable and competent in work performance, which in turn will maximise the organisation's competitiveness. There are two categories of knowledge:

1. Tacit Knowledge is the kind of knowledge derived from an individual's experiences, talents, or instinct when attempting to understand things, difficult to transfer to another person by means of writing it down or verbalising it, e.g., work skills, crafting skills, critical thinking skills, sometimes called abstract knowledge.

2. Explicit knowledge is knowledge that is collectible and transferable via various methods, e.g., records, theories, and manuals, sometimes called concrete knowledge.

Innovation Management

The discipline of innovation has been studied and talked about for quite a long while, but the definitions or meanings of innovation, including understandings thereof, still vary from academic to academic depending on their backgrounds and perspectives, thus a universally agreed definition is yet to be determined (Gopalakrishnan & Bierly, 1997). The root of the word innovation derived from a Latin word "innovare", which means "to do something new" (National Innovation Agency, 2007).

National Innovation Agency (2006), an organisation acting as the national representative of promotion and development of innovation, has defined innovation as "new entity originated from knowledge and creativity that is advantageous to the economy and society". And from that definition, we will see by implication that it is distinct from "invention" as innovation seeks commercial and social benefits, but invention only refer to an act of realising a new idea and made it tangible (Chairat, 2004; Smith, 2006).

Innovativeness

By reviewing Somnuk Aujirapongpan et al. (2010), a literature on types of innovation, it has been revealed that, in the present time,

types of innovations have been referred to differently depending on the objectives of usage and education, e.g., product innovation, process innovation, radical innovation, incremental Innovation, technological innovation, and management innovation (Utterback, 1994; Cooper, 1998; Smith, 2006; Schilling, 2008).

Studying on entrepreneur's innovativeness is another subject that has been talked about and applied in the study of business competencies of entrepreneurs, which has been found studying in two dimensions, organization's innovativeness and individual's innovativeness (Rutherford & Holt, 2007). Hence, the definitions of innovativeness would have different focuses, for example, Schumpeter (1934) highlights innovativeness in the aspect of new product and service development and new production processes, as well as new marketing approaches, corresponding to the innovation.

Marketing

The concept of marketing is another concept that is no less significant than management principles in establishing agritourism businesses in the eastern region of Thailand and running them sustainably with efficient and effective management processes. The entrepreneurs may use marketing approaches systemically and innovatively in the integration of tourism service provision and agricultural product distribution as an alternative to the management of their agricultural businesses to generate additional values and be able to expand business services further in accordance to modern marketing concepts (Kotler, 2003)

The 7 P's of services marketing mix, according to Philip Kotler, are comprised of:

- 1) Product
- 2) Price
- 3) Place
- 4) Promotion

Apart from these, there also are other elements, which are:

- People; requires selection, training, motivation, to satisfy customers beyond the levels of competitions, to be proficient, to be

morale-driven, to be responsive to the customers, to be initiative, to be able to solve problems and generate values for the company

- Physical Evidence and Presentation

- Process

- So marketing approaches are required in the management of the whole system of an agricultural business unit, so as to respond to the constantly-changing needs of consumers, and prepare for changing market conditions as well.

1. Marketing processes include market opportunity analysis, marketing strategy development, marketing programme planning, and marketing effort management

2. The analysis, planning, implementation, and control of programs designed to create, build, and maintain beneficial exchange with target buyers for the purpose of achieving organisational objectives.

- To develop an organisation towards a systemic work practice in order to respond to the needs of consumers, which is the organisation's aims, in an efficient manner, the organisation must be under the definition of the market, must be defined to meet consumers' needs, and must have a mechanism to assess the needs of the consumers in place.

Networking

The concept of networking is an approach to conduct tourism business by building tourism-related networks, and then develop to agritourism accordingly. The improvement of the nation's economy requires contributions from tourism industry, which is an industry that has a high rate of consumption and is related to the environment, both directly and indirectly. The circumstance where everybody in tourism industry turns towards environment preservation and helps the others in the same business area is deemed critical to the development of tourism toward sustainability.

Tourism businesses nowadays have increasingly begun to change their business strategies towards a form of alliance, forming a network of businesses in the same area. If a business is community-based, it

would be for common objectives needed to be achieved, such as to develop agri-tourist attractions that would strengthen the community and bring about jobs and revenues and pass on the value-adding traditional wisdoms in a strong and sustainable fashion. Forming a network so as to exchange strengths and weaknesses to compensate each other, creating a synergistic effect that will yield better results by twofold, would always be better than doing things separately and bring together later.

As for the concept of community enterprise, which is derived from the initiation of the approach to build learning networks within a community, will depend on such networks that can be used as a stage for knowledge exchange, because the exchanges of new knowledge, experiences or lessons learnt from practice are of great value to stimulate the learning of network members, which will also lead to a close and consecutive coordination. (Inwang et al., 2003, 2007)

Building a network to foster meetings will give members access to useful information that will benefit the performance of the network at the greatest extent. To drive a community enterprise toward a sustainable community's economy will require gatherings to reinforce the community further.

Literature Reviews

Pariwat Somnuek (2009) has conducted a research on "Development of Phu Khratae Island of Community-based Tourism Business, Nonklang Sub-district, Phiboonmangsa-harn District, Ubonratchathani Province" and concluded that:

- 1) The fact that tourist attractions of Ko Phu Khratae community meet the potentiality criteria of the area, according to the Office of Tourism Development's standards, reflects the potentials to develop to eco-tourism attractions even without any prior management. Apart from that, the board of the club also has the capability to manage and service and a desire to run the community tourism business and be able to form a tourism club of the community, which can be seen after

the process of education provision by testing with statistics t-test (degree of knowledge; $t=-7.79^{***}$, $p=0.00$ and degree of attitude; $t=10.34^{***}$, $p=0.00$)

2) The tourism club of Ko Phu Khratae has three types of tour programs to offer, half-day tours, full-day tours, and overnight tours, with a clear allocation of roles and responsibilities of the board of the club. They also have touring management processes in place, from receiving customer data, tour preparation, tour management, to service satisfaction evaluation.

3) At the first stage of the evaluation, the tourists were a bit dissatisfied in various aspects of services in overall, but a bit satisfied in aspects of guides, servicing fees, and orderliness of the community. Later, in the progress evaluation phase, the tourists were still a bit satisfied in various aspects of services in overall, yet it is an improvement from the first stage.

4) The people in the community has considered the tourism activities as favourable to the states of economy, social, culture, way of life, and environment, that is, such activities provide incomes and opportunities to make more incomes for the locals, improve relationships within the community, better the grouping and cooperation within the community, strengthen the locals' sense of pride in their distinction and cultural traditions, and proud of the values of their own culture. The activities also push the locals closer to the nature, as well as promote their cooperation and contribution in the preservation and protection of natural resources to a superior degree, reflecting greater consciousness towards the values of the environment and nature.

Nipharat Saiparsurt (2010) Community-based Tourism Management Model at Huaysatyai Sub-district, Hua-Hin District, Prachaubkirikhan Province. Doctoral Dissertation in Philosophy, Maejo University

1. Area Scope: this research has selected Huai Sat Yai, Hua Hin, Prachuap Khiri Khan, Thailand, as the study area, targeting only the area of Moo 3 of Ban Paladu, to develop and analyse the form of tourism management of Huai Sat Yai Community.

2. Population scope: the population and informants of this study were

- Group of academics in the field of tourism and environment, and a group of individuals who were familiar with tourist attractions of Huai Sat Yai district.

- All members of the Pakayortorpalau Club

- Group of tourism initiatives visiting and receiving services from Pakayortorpalau

- Local people

3. Content scope: the area of study has been defined to cover various issues:

- Evaluation of potentiality to arrange a tour by Huai Sat Yai district community, Hua Hin, Prachuap Khiri Khan, Thailand, which would be presented in four aspects:

- Community context

- Context of tourism of the community

- Assessment of tourist attractions in terms of tourist reception capacity by the community

- Selection of a suitable village to develop tourism by the community

- Develop and analyse the organization of tours by Huai Sat district community, Hua Hin, Prachuap Khiri Khan, Thailand, in three aspects: economy, social and culture, and natural resources and environment.

Research Methodology

The researcher has studied both internal and external environmental factors, reviewed literatures, and examined relevant research papers and media to deduce a means to develop tourism businesses of the eastern region of Thailand.

Results and Conclusion of Results

The results have revealed that, presently, there is a total of 136 attractions in the eastern region that met the criteria and registered as agritourism attractions, as shown in Table 1.

Table 1 Number of Agritourism Attractions in Eastern Region

| Province | No. of Attractions |
|-----------------|---------------------------|
| Chanthaburi | 29 |
| Chachoengsao | 31 |
| Chonburi | 37 |
| Trat | 4 |
| Prachinburi | 2 |
| Rayong | 33 |
| Sa Kaeo | 0 |
| Total | 136 |

Source: Development and Promotion of Agritourism Workgroup, Bureau of Farmers Development, Department of Agricultural Extension (2012)

Therefore, regarding the quality standards in running a agritourism business, the Tourism Authority of Thailand has established criteria for the Thailand Tourism Awards in the area of agritourism as follows: 1. Orientation and Definition of Tourist Attraction Development Planning 2. Management of Tourist Attractions Towards Sustainable Tourism and Under Sufficiency Economy Approach 3. Promotion and Participation in the Management of Tourist Attractions to Contribute to Global Warming Reduction 4. Value Management of Tourist Attractions 5. Appropriateness of Tourism Activities 6. Management of Learning, Information, and Communication of Tourism Definitions and 7. Appropriateness of Tourism Activities and Marketing Extension. And from those criteria, the agritourism entrepreneurs in the eastern region having been awarded with Thailand Tourism Awards in

Agritourism by the Tourism Authority of Thailand are thus in a total of just 3, which are Suphattra Land, Maiked Homestay, and Khao Hin Sorn Royal Development Study Centre, Chachoengsao. From that information, it is disclosed that the development of quality standard of agritourism businesses is still an important issue to the development of agritourism businesses in the eastern region, and together with the lack of study on problems and approaches as well as any suitable form of management, a study to obtain information that would benefit the development of farmers and strategic planning of the public sector in the future in order to enable the agritourism business to cope with the growth of tourism business in the eastern region is considered essential. So, the researcher has constructed a research/domain framework as a means to derive an efficient approach to the management of agritourism businesses in eastern region of Thailand by analysing the 3 agritourism entrepreneurs in the eastern region who have awarded with the Thailand Tourism Awards in agritourism from the Tourism Authority of Thailand, Suphattra Land, Maiked Homestay, and Khao Hin Sorn Royal Development Study Centre, Chachoengsao, so as to lay a guideline to promote entrepreneurs' abilities in management of agritourism in the eastern region and reinforce the potentials in running agritourism businesses, which would be of benefit to the planning and management of entrepreneurs who have any ongoing, impending or opportunity to extend business in agritourism, as well as to public and private organisations related to tourism of Thailand and tourism business entrepreneurs in terms of strategic marketing planning to bring fourth popularity and successes in the time yet to come, as shown in figure 1.

Research/Domain Framework

Entrepreneurs (Suphattra Land, Maiked Homestay, and Khao Hin Sorn Royal Development Study Centre):

Marketing Mix 7Ps

- Products
- Price
- Place
- Promotion
- People
- Physical Evidence
- Process

Management

- Strategic Management
- Networking
- Knowledge Management
- Innovation Management
- Participation

Figure 1 Research Framework **Source:** Researcher

Public Sector (Regional and Local):

Policy and guidelines for the support, promotion, problems, and challenges of development of agritourism businesses

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