

**Development local product of the Small and Micro Community enterprise  
in Thailand**

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**Abstract**

The purpose of this research is to investigate the impact of product commercial marketing, quality enhancement, Local product standards and Perceived quality on the customers' intention to revisit and satisfaction as a mediator in these relationships considering the case example of local products in the community enterprise in Thailand, which is a sub- district and is an important tourist destination. For this purpose, a theoretical framework was established and accordingly, six hypotheses were formulated. The research was carried out by collecting cross- sectional data using a sample of 300 tourists which was selected using purposive sampling technique. Survey method was employed and the sample participants were given questionnaires to fill which consisted of items taken from previously validated scales on these variables. The analysis was done using path modeling. The results proved that these variables have a significant impact on the tourist intention to revisit and that tourist satisfaction acts as a significant mediator in these relationships. Thus, the hypotheses for the study were accepted. This study has theoretical Implications as it has reinforced the results of theory and previous studies by revealing the mediation effect of tourist satisfaction. The study is fruitful for the policy makers of the tourism industry who can apply these results practically and aim to improve the standards of the local product to improve the needs response of tourist so that the fee satisfied and revisit the destination. This can lead to improvement in the revenue from the tourism industry and will help the economy grow.

**Keywords:** Perceived quality, product commercial marketing, quality enhancement tourist satisfaction, intention to revisit,

**Introduction**

In Thailand, “one tumbols one products”, abbreviated as local products is translated into English language as a “sub- district” (Natsuda, Igusa, Wiboonpongse, & Thoburn, 2012), which represents the third smallest unit from the administrative perspective and is below the level of district or province in Thailand (Huttasin, 2008) The total number of tumbols in Thailand



currently is 7,256 this program expanded tremendously from US\$ 7.2 million in 2001 and moved to US\$ 2.24 billion in 2008. Since 2016, this value was projected to grow to US\$ 3 billion. A global confirmation of these tumbols was done after recognizing its importance in 2003 in a meeting of 20 countries held for the Asia-Pacific Economic Cooperation (APEC) in Chiang Mai, Thailand. It was proclaimed that the local products of Thailand must be promoted in ways for the development of society and economy. (Sitabutr & Deebhijarn, 2017) Thailand is a country which has always received a large number of tourists since many past years. The tourism industry has major contribution to the economy of Thailand and efforts must be made to promote it. The Community enterprise of Thailand has immense development opportunities in the tourism sector, hence this study takes the case example of the Community enterprise of Thailand to study the impact the quality, price and trust has on the tourists so that the standard of local and domestic Thai products and services can be enhanced and responsiveness to the consumer needs could be enhanced so that they revisit the tourist spots.

Owing to the increasing customer centricity in the businesses, extensive studies are found on the determinants and the antecedents of customer trust and intention to purchase and revisit, however further investigation must be done to understand these variables with special reference to local products and their contribution towards building the economy of the countries (Akasarakul, Cooharojananone, & Lipikom, 2017; Sitabutr & Deebhijarn, 2017). Consistent with this, the study has the main aim of the Development of local product standards for tourist needs response by considering the case study of local products in the Community enterprise in Thailand.

### Research Objectives

1. To examine the effect of product commercial marketing of local products on the Intention to revisit
2. To examine the effect of quality enhancement of local products on the Intention to revisit
3. To examine the effect of perceived quality of local products on the Intention to revisit
4. To examine the mediation effect of tourist satisfaction in the relationships mentioned above

### Literature Reviews

In these modern ages, electronic media has brought enchanting changes in people's lives, it has influences on every age group; kids, adults, young and old are all equally enchanted in it. Hence, electronic media has become a force that has the power to change up the mind of its



listeners and viewers (ul Haq, Majeed, Magoulas, & Jamal, 2020). However, according to a previous study, messages shown on electronic media have a great impact on listeners and viewer decision making in their corresponding activities. Moreover, it is also observed people become aware of new things, products, announcements, and knowledge with the help of electronic media such as broadcasting, FM Radio, and the internet. Hence, people's tendencies increase towards what they watch on television, listen to FM Radio, or see on the Internet (Kaithong & Phongsiri, 2020). Therefore, different companies design messages, announcements, and offers regarding their already available products or new products for the promotion of these products they advertise them on electronic media. According to this study, product commercial marketing is responsible to generate a message by the food companies for their products for the advertisement purposes of that specific product on electronic media hence, quality enhancement and local product standards can be achieved. According to previous studies, quality enhancement depends upon the available potential in a product. If the available potential of a product is acquired at a possible maximum level by its producers, the product will have a fine quality while if the available potential of the product is yet to be determined then, the quality of the product will not be promising (Branca et al., 2020). According to this study, increase the value of product commercial marketing and more advertisement on electronic media cause an increase in quality enhancement and local product standards.

### 2.1. Product Commercial Marketing and Quality Enhancement

A process of advertisement in which a product is promoted and sold to a purchaser. To increase the intermediate relationship between the end consumer of a product and its brand awareness and product development is also called product commercial marketing. When a new product is invented there is more need for its promotion or advertisement that is called a product commercial marketing. Product commercial marketing is accountable for developing messaging, differentiation, positioning, and permitting the marketing and sales crews to confirm they are associated and work proficiently to produce and close prospects (Cheng, Gaur, & Rahim, 2020). According to the previous studies, strategy for product commercial marketing should be focusing on enhancing market share and receiving existing purchasers to use more of the product hence, quality enhancement of the product can be achieved. Furthermore, the previous literature says that for the product commercial marketing development combination of already available products with the new product is mandatory. Because product commercial marketing mainly focuses on new spectators and new markets with different pricing and packaging. According to this study, new products produced by food companies in Thailand are commercialized that is promising for more business gains as well



as for the quality enhancement of the product. Hence, the increased value of product commercial marketing also increased the quality enhancement of a product while the lower value of product commercial marketing quality enhancement of a product decreases. Hence, it is hypothesized that;

### 2.2. Product Commercial Marketing and Local Product Standards

The product commercial marketing concept relies on the following pillars: customer needs, profitability, target market, and integrated marketing. According to the previous studies, product commercial marketing provides eminence amount of business profit for a company for its products. Hence, product commercial marketing is compulsory for companies, particularly for their new products. Because people are unaware not only about the product but they yet don't know about the standard of the product (Kamasak & Cansever, 2019; Bunker, Bärnighausen, Woodward, & Bullen, 2020). Therefore, product commercial marketing has a very important role for a local product standard. According to this study, product commercial marketing for products produced by food companies particularly from Thailand is mandatory because it has significant impacts on local product standards. Therefore, the role of product commercial marketing is not negotiable. In regard of product commercial marketing, a product itself should be capable to compete with available other products of the same category, its price must be balanced hence, customers don't have hesitation while purchasing it because it helps for a product commercial marketing that ultimately causes for the increase in local product standards (Kerdpitak, 2019; Martínez et al., 2020). According to a previous study, promotion basically makes the product notable among customers, then the packaging has a very crucial role as a beautiful and descriptive packaging attracts customers hence both the promotion and packaging are mandatory for a product commercial marketing. Moreover, the place of a product in a shop has a very important role, if it is placed at the front end of a shop it will cause more sales of the product. Therefore, place, people, and position of a product have a significant role for the product commercial marketing that eventually cause the increment in the value of local product standards. While lower values of product commercial marketing for a product particularly products produced by food companies in Thailand, don't retain higher values for local product standards. Hence, it is enclosed that;

### 2.3 Impact of Perceived Quality of local products

Perceived quality includes the various characteristics of the product or service relating to the durability, the quality and the product standardization. (Sitabutr & Deebhijarn, 2017) The experts of marketing on the performance of the Thai sector firms have suggested that the features of the product are an important determinant of performance. The remaining three



factors are the market characteristics, commitment and competition. For the features of the product, the product flexibility and the uniqueness of product predict their need in the market. They have proposed that the product or service excellence regarding the perceived quality is a key determinant of the success of a firm. Tsotsou, (2006) has concluded the perceived quality as a comparison for competition and success. (Türkyılmaz & Özkan, 2007; Kamasak & Cansever, 2019) has also cited the overall product and service quality can generate the appropriateness and the purpose of the product or service usage. He has discussed various strategies that show the product quality adds to the value of the product. Such products tend to meet the expectations and preferences of the customer. Other scholars have also proved that exceptional qualities of any product are important elements that build its perceptions about its quality in terms of product reliability and durability. A recent study carried out by (Abdulla et al., 2019) have found out that various factors that determine the quality of the services had positive effect on the intention to revisit the state of Dubai as a tourist place. They revealed that the quality factors are important antecedents of intention to revisit by building trust and satisfaction in the tourists. This shows that a positive relationship can exist between them and based on this, it can be said that the perceived quality of local products and Intention to revisit are significantly related to each other. Thus, the hypothesis:

### Research Methodology

In accordance with this research model factors impacting on quality enhancement and local product standards, were obtained from earlier existing scales. Moreover, to conclude the values of impacting factors and impacted factors along with the relationship of a moderator according to this study, were essential for the collection of primary data. Hence, a survey was conducted from 300 tourists. Hence, the official who is responsible for the advertisement for the products has declared the respondents of this study. Initially, it was decided that the sample size of this study will be 300 because this sample size is considered as a good sample size among the investigators working for the research purposes. Hence, 300 respondents were selected as respondents for this study.

With the selection of sample size for this study, it was decided that this study will use a quantitative research method hence, this method is according to the nature of the study. The reset two methods the qualitative and mixed-method were not selected for this study because they both don't suit this study. Hence, the quantitative research approach was finalized for this study. Furthermore, area cluster sampling was opted, because area cluster sampling is this best option when the area under examination of a research study is a widespread region. Because this study covers the whole of Thailand. Hence, area cluster sampling was chosen for this study because it is just according to the nature of this study.



### Conclusion

Product commercial marketing has many advantages however, according to the results of this study it has significant positive impacts on quality enhancement and local product standards. Such as commercial marketing for the fresh fruits-based juices produced by the food industries increases standards and quality of these products. Moreover, electronic media is also responsible for the increased standards and quality of products specially produced by food industries in Thailand.

Electronic media opens flexible opportunities for product commercial marketing and cause for the quality enhancement and local product standards. Furthermore, theoretically, this study has illustrated the importance of the product commercial marketing via electronic media for quality enhancement and local product standards especially for the products produced by food industries in the country.

Whereas practically this study helps the practitioners to meet their business performance and set business goals by increasing the quality and standards of their products. Furthermore, this study is also helpful for electronic media to generate more revenue. However, there is some limitation of this study such as electronic media demands high budget allocation for the advertisement due to competency among advertising industries for their products. Hence, most of the food industries are unable to allocate as much a high amount for the advertisement for their products for a long time. Moreover, it is suggested to design a well descriptive advertisement message for a short period of time as it is possible because of electronic media charges as per seconds for the advertisement messages

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