Key Success Factors for improving Community-Based Tourism Supply Chain

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Abstract

This research paper is provided key success factors affecting tourism supply chain in Community-Based Tourism (CBT) in Chiang rai. With the aim to determine essential factors that contribute to community-based tourism supply chain, the researcher adopted concept of sustainable development which focused on social, economic and environmental dimensions from the World Tourism Organization and United Nations Development Programme (2017) as a scope of conceptual framework; furthermore, it combines tourism supply chain to figure out supply chain through various aspect of service in community. To analyze the result, the paper was concentrated on supplier-side such as accommodation, accessibility, destination attractions, souvenirs shop, etc. which study relationship among 3 main factors; social, economic and environmental factors by using Correlation Analysis. The outcome reveals that social, economic and environmental factors influence to improving performance management of tourism destinations.

Keywords: Community-Based Tourism, Key Success Factor, Tourism Supply Chain

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Introduction

The World Travel and Tourism Council (2017) stated that, tourism industry is one of the world’s largest economic contributions over the last decade. It provides career opportunity in term of travel and tourism sectors, takes advantages to share tourism goods and services across the country and makes the country as a prosperous place to live. However, the fastest growing tourism cities are affected by negative effects of tourism on social-economic and environment management, for example, uncontrolled of crowds, destruction of tourist destinations and deterioration of natural resource.

Figure 1 Annual report on Thailand tourism revenue and number of tourist in 2013 – 2017

Source: Ministry of Tourism and Sports, 2018

Thailand is one of the most popular tourist destinations in the world. As figure 1 illustrates number of Thai and international tourists and tourism revenue that continuously increasing from 2013 – 2017. This reflects an interesting of travelling in Thailand. In addition, Thailand also got third place in term of global tourism revenue according to statistics report 2017 published by the World Tourism Organization.
The data shows that Thailand has earned THB1.65 trillion (USD49.9 billion). This tourism phenomenon generates economic growth and makes tourist attractions especially in Bangkok hustle and bustle of tourists. On the other hand, it has been affected both positive and negative impacts in term of assessment and management of environment and social. Many development plans launched by Thai government to deal with tourism impacts. One of the state policies is community-based tourism strategic plan (2016-2020), created by Ministry of Tourism and Sports and Designated Area for Sustainable Tourism Administration (Public Organization), as a tool to build infrastructure and problem solving tourism industry in Thailand. The government believes that this is a chance to promote local experiences along with increasing community prosperity by improve quality of life, income distribution, quality standard of attractions, labour skills development, maintaining and building infrastructure, collaboration and integration among government sectors, private sectors and public sectors.

To follow government plan and to cope with the growth of Thai tourism in the future; therefore, the study of key success factor along with tourism supply chain within local communities are needed in order to manage and connect tourism processes and all activities across the supply chain to delivery to the customer effectively. To strengthen competitiveness of Thailand tourism, it is critical to take a closer look at the role of opportunity in demand and supply management in local city to support expansion of tourism in the long-run development.

Research Objectives

The research is studying key success factors in community-based tourism based on three dimensions, namely social, economic and environment. With the aim to find success factors and their relationship to improve tourism supply chain of local communities.

Literature reviews

This article provides review of literature related to key success factors and community-based tourism supply chain which can divided into 3 parts as follows;
1. Community-Based Tourism and Successful in community

Although tourism is a fast-growing industry and a tool of economic growth and development in Thailand, but it also impacts on quality of life, culture changing, environmental problem and so on. With the aims to improve quality of life, contribute income to locals and preserve environment, culture, ethnics and traditions, the Council of Ministers of Thailand has launched community-based tourism on state policy.

Community-based tourism was gradually developed for a decade. It is well-known in the global as well as Thailand since the Rio de Janeiro Earth Summit 1992 hosted by Brazil government also known as The United Nations Conference on Environment and Development (UNCED). Later Thailand pays extra attention to ecotourism in sustainable tourism and uses tourism as a tool for economic development during economic crisis in Thailand by launched tourism campaign “Amazing Thailand” in 1998 to invite tourist around the world come visit Thailand. Consequently, government members had pushed and advocated departments related to tourism such as Ministry of tourism and sports, Designate Area for Sustainable Tourism Administration (Public Organization) and local communities to follow community-based tourism policy planning and development (MOTS, 2017).

There are various studies discuss characterization of community-based tourism as follows;

The report of Tourism Economic Reviews from Ministry of Tourism and Sports (2017) stated that community-based tourism gives their members an opportunity to participate in planning, operating and managing goods and services for individual. In addition, it can generate a large income and offer practical guidance to balance and support sustainable management of social and environment resources. The Mountain Institute (2000) added community is a part of conservation and strategic development to manage environmental and social impacts in tourism. Moreover, Designated Areas for Sustainable Tourism Administration (Public Organization), (2016) mentioned people in community allows to work on their own responsible management task and explore responsible practice in the community (e.g. strategic planning, operations, supply chain, marketing, labour skills, internal activities management). However,
community needs a supporting for government agencies and non-government organization (NGOs) in order to run their tourist activities, for example tourist attractions, accommodations, goods and services providing, smoothly. In the end, Nitikasetsoontorn (2014) realized that all benefits will be returned to its community while all tourists are learning and discovering new experiences from the villagers.

To manage community in effective development understanding key success factors within community-based tourism supply chain are needed to meet positive impacts on economic, social and environmental conditions. There are varios key success factors effect on community improving for instance resource and information sharing, participation in decision-making, leadership and Lucchetti and Font (2013) explained their study about critical success factors contributeing a financial failure in community such as lack of planning, market access, community assets, collaboration and labour skill development. Supriharjo et al. (2016) mentioned further about essential factors delivering success to community (e.g. commercial viability, market entry and implementation of policy framework and linkage of private sectors).

The table below presents key success factors of community-based tourism based on social, economic and environmental aspects.

<table>
<thead>
<tr>
<th>The Success Factors of Community-Based Tourism</th>
<th>Key Success Indicators</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Development</td>
<td>- Preservation of traditional and cultural heritage</td>
<td>Nitikasetsoontorn, 2014;</td>
</tr>
<tr>
<td></td>
<td>- Participation</td>
<td>Goodwin, H., &amp; Santilli, R.</td>
</tr>
<tr>
<td></td>
<td>- Human rights</td>
<td>2009; Lucchetti and Font.</td>
</tr>
<tr>
<td></td>
<td>- Human resource and skill development</td>
<td>2013; MOTS, 2017;</td>
</tr>
<tr>
<td></td>
<td>- Local ownership</td>
<td>DASTA, 2016; Okazaki, E.</td>
</tr>
<tr>
<td></td>
<td>- Community distribution of benefits</td>
<td>2008; The Mountain Institute, 2000;</td>
</tr>
<tr>
<td></td>
<td>- Government sectors and private sectors support</td>
<td>Dangi, T. B., &amp; Jamal, T. 2016</td>
</tr>
</tbody>
</table>
2. Tourism Supply Chain

According to study of Zhang et al. (2009) described about tourism supply chain as a chain of tourism business included various types of activities both products and services section, such as accommodations, flights, sale of tourism products. Piboonrungroj and Disney (2015) referred to coordination and collaboration between supply chain channel members is the goals of incentive plan providing higher degree of services to customer. Figure 2, Da Costa and Carvalho (2011) illustrated tourism supply chain links between tourism product/service firms and their connections with suppliers and consumers. They stated that cooperation and network relations within supply chain can describe competitive advantage, particularly to small firm. Slusarczyk et al. (2016) further mentioned that coordination within supply chain of tourism product could completely achieve its task and gain essential benefits such as satisfaction of tourists’ expectations, cost reduction and probability of development.
Figure 2: Tourism supply chain links

Source: Da Costa and Carvalho, 2011

Tapper and Font (2004) argued tourism supply chain in the community-based tourism focused on accommodation, transport, food and crafts, ground handlers, excursions and activities based on socio-economic and environment. In community comprised not only supplier goods but it also includes supplier services to the tourists. To ensure that their services and products reach to tourists demand, community need to confirm their process from upstream to downstream supply chain whether products or services are available or not. The study of Kaosa-ard et al. (2007) informed more about incident and factors in the area of tourism logistics supply chain in the local community. The researcher mentioned its infrastructure consist of three groups, firstly physical flow (e.g. accommodation, parking lot, activities), secondly information flow (e.g. guide book, map, guide) and lastly financial flow (e.g. money withdraw, money exchange). The collaboration among aforementioned components is critical tool to achieve development goal in tourism supply chain. In addition, Tigu and Calaretu (2013) added the education and training to staff member can enhance professional of service and achievement of supply chain as well.
Methodology

The research was designed quantitative method to collecting and analysing data. Quantitative approaches tend to focus on key success factors based on three components; economic, social and environmental component, which reflect to intensify operation of community-based tourism supply chain. Questionnaire was constructed by using Likert-scale and open-ended questions. The 5 Likert-scale (Boone, H. N., & Boone, D. A., 2012) are (1) strongly disagree, (2) disagree, (3) neutral, (4) agree and (5) strongly agree.

The targets of the survey are based on community-based tourism record 2017 from Chiang rai Provincial Tourism and Sports along with Provincial Community Development Office of Chian rai. By using Yamane’s formula of sample size with a confidence coefficient of 90% (Yamane, 1973), a total of 90 questionnaires were distributed to leaders/committees in 18 communities which have tourism resource (e.g. tourist attraction, natural resource, cultural resource, infrastructure and support services) and 70 completed questionnaires were collected which obtained a 77.78% response rate.

To measure quality of construction and evaluation of instrument, validity and reliability are tested (Nitikasetsoontorn, 2014). As validity testing, the researcher constructed questionnaire following conceptual framework, proved by advisor and specialists in tourism and improve it continuously. To test reliability, the researcher hand questionnaire out to 30 people who have similar characteristics as the study group by using Alpha Coefficient from Cronbach, the number between 0 and 1. A reliability coefficient of 0.70 or higher is considered acceptable for the study (Tavakol and Dennick, 2011). The result of reliability is 0.889, it means acceptance for this study. At the end, the researcher will analyse the data through statistical analysis.

Hypotheses Development

\[ H_1: \text{The better community social management, the higher profit community is.} \]
According to Tourism Economic Reviews from Ministry of Tourism and Sports (2017), the Thailand Community Based Tourism Institute described awareness of local community participation, management based on Thai lifestyle, advocating local experience and cooperation in relevant Thai government agencies is an essential element of development in the community.

\[ H_2: \text{The better community economic management, the higher profit community is.} \]

Suansri (2003) mentioned that tourism is an activity that generates income to local people in community; therefore, good management and fairly distributed of benefits is important element of community-based tourism administrative organization.

\[ H_3: \text{The better community environmental management, the higher profit community is.} \]

Goh, H. C. (2017) discussed about a significant of nature resource in community. Villagers can gain opportunity from nature resource as tourism attractions so that the restoration of degraded forest and conservation management represent a key resource for keeping villagers survival.

Result

Table 2 The variables and their correlation in community-based tourism improvement

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlation (P-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Management (S)</td>
<td>.247 (.039)*</td>
</tr>
<tr>
<td>S1  Preservation of traditional and cultural heritage</td>
<td>.125 (.304)</td>
</tr>
<tr>
<td>S2  Participation</td>
<td>.319 (.007)*</td>
</tr>
<tr>
<td>S3  Human rights</td>
<td>.069 (.570)</td>
</tr>
<tr>
<td>S4  Human resource and skill development</td>
<td>.163 (.177)</td>
</tr>
<tr>
<td>S5  Local ownership</td>
<td>.318 (.007)*</td>
</tr>
</tbody>
</table>
Table 2 describes correlation of successful factors in community-based tourism located in Chiang rai, Thailand, compares with the community’s income per year by using statistical method. There are three main sectors and fifteen sub-factors tested namely social, economic and environmental management with a degree of confident 95 percent.

Followed to the findings above, the variables of social, economic and environment management are statistically significant. Economic dimension has the highest correlation when tested with community’s revenue in a year with a figure of correlation 0.485, following by environmental dimension with 0.427 and social dimensions with 0.247. It means that economic factor is the most important key for successful community-based tourism supply chain. The results reveal further that Pearson correlation’s coefficient of income distribution has the strongest relationship with a figure of correlation 0.682 because income is recorded on tangible assets. The more villagers earn, the higher development community is. In conclusion, better community management in social, economic and environment will result in higher profit to community.

| S6 | Community distribution of benefits | .317 (.007)* |
| S7 | Government sectors and private sectors support | -.055 (.653) |

**Economic Management (E)**

| E1 | Income distribution | .682 (.000)* |
| E2 | Transportation | .314 (.008)* |
| E3 | Accommodation | .441 (.000)* |
| E4 | SME/local business | .115 (.344) |
| E5 | Advertisement | .157 (.195) |

**Environmental Management (EN)**

| EN1 | Preservation and protection of nature | .345 (.003) |
| EN2 | Waste and disposal management | .318 (.007)* |
| EN3 | Spending natural resource in community | .293 (.014)* |

*significance at alpha = 0.05
Discussion

This paper aim to find key success factors that improving community-based tourism supply chain by applying sustainable development concept; social, economic and environmental conditions in order to explain direction of local community improvement.

The contextual relationships among three main factors to implement development of tourism supply chain have been achieved by using statistic methodology. In this study found that social, economic and environmental factors are essential for community-based tourism. Economy is the most important one for community development but consideration only economic context may achieve a good result in short-term. To keep balance among economic, social and environmental context is required to be a successful community in long-term. Meanwhile, cooperation and collaboration within supply chain partners (e.g. tourist attractions, accommodations, transportations and food and beverage) in the village could lead to an effective operation entire the trip from beginning to end.

Recommendation

The outcome of tourism development is not instantly appearing after promote communities. It may take times depend on demand and supply in tourism along with tourism trend in the country. As development is an important for successful communities; meanwhile preservation culture and maintaining resources is one thing that equally important. For that reason, to study in the detail particular in background, characteristics, tourism supply chain and key success factors in each community is required for sustainable development within community in the long period.

Reference


Journal of sustainable tourism, 16(5), 511-529.


