

COMPLETION REPORT

Success of OTOP business in Lower Northern: An entrepreneurial approach

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There are two main objectives in this research. The first is to contribute to knowledge and debate on describing the structure of the OTOP products. The second is to identify the determinants of OTOP business success as perceived and experienced by rural entrepreneurs on internal and external factors.

A sample of small rural entrepreneurs under OTOP in lower northern Thailand was surveyed using a structured questionnaire. The questionnaires were given to the heads of OTOP projects. Because the data and information on the socio-economic performances of OTOP was quite complicated, this study used a data set collected from the field survey but also relevant secondary data. With regard to the secondary data, the author employed the data provided by the Department of Community and Development. Most part of this study is cross-sectional survey research.

The sample respondents in this study were rural entrepreneurs from the list of the Community Development Department (<http://www.otoptoday.com/wisdom/index.php?p=27>) called Thai OTOP Wisdom. A multi-stage random sampling was constructed to reduce common heterogeneity among OTOP groups. The sample frame in this study employed 141 observations, ten percent from the entire population of 471. Finally, through random sampling, we got 102 observations (incomplete data) less than 141 statistically required observations but still enough for a reliable estimation.

The research instrument was a questionnaire which consisted of four sections: profile of the business owner, the business background, internal success factors, and external success factors with 36 questions in total. In this research, the determinants of OTOP success are separated theoretically into 7 categories, including entrepreneurial characteristics, government supports, market accessibility networking, external atmosphere, human resource and pricing, delivery, and service. There were direct observations and in depth interviews and a focus group with the OTOP leaders as the respondents to represent the sampled OTOP firms. As for the first part descriptive statistics were used, such as ranking, means, percentage; we summarize the profile of the rural entrepreneurs and their businesses. As for the inferential statistics part, factor analysis and regression analysis were applied to identify the determinants of business success as perceived by the small rural entrepreneurs. The collected data were statistically analyzed to illustrate the profile of the owners and their business incentives, as well as their assessment of OTOP policy, for example their type of business, the scale and ownership motive of the start-up, and their perception of their achievement.

The first part is the descriptive statistics to summarize the profiles of the rural entrepreneurs, their business response rate, demographic variables, main occupation, and other OTOP related information. Most of them were around 50-59 years old. With regard to educational background, 45 respondents (44.12%) finished primary education and 67.65 % of them were married.

The second part, the mathematical technique indexes the region's revenue of OTOP to a larger reference (national) scale. Furthermore, this research intends to provide a case specific study and some useful feedback to the rural poor enterprises and also to the policy makers. The study points out that the location quotient of food and textile production of the OTOP scheme in lower northern Thailand was greater than one. In contrast, the LQs of crafts, beverages and herbs were 0.77, 0.35 and 0.44, respectively. The results revealed that the first two products are concentrated in the lower northern region compared to a larger geographic area. Therefore, the economic and workforce development planners should provide the right support to make the regional economy unique.

In the third part with 102 number of observations and the use of factor analysis and regression analysis, the determinants of these factors were identified. This research project has empirically presented that internal and external factors are important for the achievement of OTOP enterprises as perceived by OTOP entrepreneurs. Accordingly, this study has gathered the arguments of other researchers in the literature that both internal and external factors which contribute to be the successful determinants of small business also generate benefits for the OTOP business. On the other hand, the consequences of the study reveal that the external factors are more important than that of the internal ones in granting success to OTOP business in the rural areas. It indicates that internal factors are necessary, but not sufficient for the business success of the OTOP entrepreneurs.

Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

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Endogenous Regional Development: The Case of One Tambon One Product in the Lower North of Thailand ,
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Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)