

Entrepreneurial Characteristics Affecting the Success of Service Businesses in Tourism Industry of Entrepreneurs in Khon Kaen Municipality, Thailand

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Abstract

The objectives of the research were to (1) study entrepreneurial characteristics affecting the success of service businesses in tourism industry of entrepreneurs in Khon Kaen Municipality, (2) study service business of entrepreneurs in tourism industry, (3) analyze the success of the entrepreneurs in tourism industry and (4) design entrepreneurial characteristics affecting the success of service businesses in tourism industry of entrepreneurs in Khon, Kaen Municipality Mueang District, Khon Kaen Province. The mixed research method consisting of quantitative research and qualitative research was employed for the study. The sample subjects of the study were 385 tourism entrepreneurs in Khon Kaen Municipality. The data was collected by a questionnaire with a 0.978 reliable index. The research statistics used were percentage, mean, standard deviation and Structural Equation Modeling (SEM) analyzed by Mplus. The research study showed that (1) the characteristic of entrepreneurs affected directly the success in tourism business. The coefficient value was 0.203 and the positive influence value in the success of entrepreneurs was 0.912. (2) The efficient value of service business affecting directly and positively the success of the tourism entrepreneurs was 0.771 and (3) the coefficient value of the causal entrepreneurial characteristics affecting indirectly tourism entrepreneurs regarding the service business was 0.704.

Keywords: Entrepreneurial Characteristics, Service Business, Quality of Tourism Industry

Introduction

Large industry and export and import industries have been affected greatly by political and economic stability in the country. The stability of politics and economy is the major factor for increasing incomes and strategies for controlling cost, which affects directly the rate of unemployment of both the employees and new graduates. The report of the Thai Kasikorn Research Center of Thailand showed that the number of the unemployment including agricultural labors decreased slightly approximately from 460,000 in 2009 to 410,000 positions in 2010. The problems of the employment and low wages regarding the current cost of living are the major cause for Thai people to run more various businesses for living and job security under the serious competition. Consequently, many business entrepreneurs have created various strategies and innovation for efficient and effective business management. However, some business entrepreneurs have the limitation of resources, technology and capital while the government of Thailand has emphasized innovation development, creative thinking and business environment.

Tourism industry is an important business for economic development of Thailand under the serious competition. As a result, tourism entrepreneurs have adapted and improved themselves for improving the ability in tourism business and service business. The entrepreneurs have focused on service quality, need of the customers, acceptance and reputation. Additionally, the tourism entrepreneurs take both investor and business runner. It is obvious that the entrepreneurs have always developed themselves for both marketing and products. Moreover, entrepreneurial characteristics affect the success of service businesses in tourism industry. Therefore, the entrepreneurs have to create the strength of their business and develop both skills and ability in tourism management (Kharasawai, 2011).

Accordance with the problems and conditions, the author has conducted a research on entrepreneurial characteristics affect the success of service businesses in tourism industry of entrepreneurs in Khon Kaen Municipality, Mueang District, Khon Kaen Province. The previous report showed that there were many both Thai and foreign tourists to visit Khon Kaen, which is the central province of northeastern region of Thailand. Khon Kaen is famous for fascinating tourist attractions, festivals, handicrafts and transportation. As a result, there are many new tourism entrepreneurs in Khon Kaen province.

Objectives

- 1) To study entrepreneurial characteristics affecting the success of service businesses in tourism industry of entrepreneurs in Khon Kaen municipality, mueang district, Khon Kaen province
- 2) To study service business of entrepreneurs in tourism industry of entrepreneurs in Khon Kaen municipality, mueang district, Khon Kaen province
- 3) To analyze the success of the entrepreneurs in tourism industry
- 4) To design entrepreneurial characteristics affecting the success of service businesses in tourism industry of entrepreneurs in Khon, Kaen municipality, mueang district, Khon Kaen province

Hypothesis

Entrepreneurial characteristics affecting the success of service businesses in tourism industry of entrepreneurs are consistent with the empirical data.

Scope of Research

1) Content

1.1) Documentary study was employed for specifying the entrepreneurial characteristics affecting the success of service businesses in tourism industry consisting of innovative person, person with risk centered skill, frequent self-study, willingness and self-confidence; concepts of service business consisting of confidence, need of customers, taking care and image; concepts of the successful entrepreneurs consisting of finance, customer, internal business process and learning and development; tourism industry context and research concerned with.

1.2) Qualitative research was used to collect the data by in-depth interview from thirty-two informants consisting of customers, officers, scholars and government officials.

1.3) Quantitative research

2) Population was tourism entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province in 2018 and the samples were 385 tourism entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province. The formula of W.G. Cochran was employed for calculating the sample size based on 95% of reliability (Wanichbancha, 2006, 74).

3) Research area was in Khon, Kaen municipality, Mueang district, Khon Kaen province.

4) The research was conducted from 1st January-30th September 2018.

Research Methodology

The research was divided into three phases:

Phase 1: Creating conceptual framework through in-depth interview, documentary study and research design

Phase 2: Data collection and analysis by qualitative and quantitative research methods

Phase 3: Research writing and dissemination

The data of qualitative research was collected by semi structural interview with eight tourism entrepreneurs, eight customers, eight officers and eight government officers. The data of the recorded interview was decoded and analyzed.

The data of quantitative research was collected by a questionnaire from 385 tourism entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province. The questionnaire was divided into four parts: (1) personal data, (2) opinion toward 385 entrepreneurial characteristics consisting of innovative person, person with risk centered skill, frequent self-study, willingness and self-confidence (Frese, 2000: 152), (3) opinion about the service business of tourism industry consisting of confidence, need of customers, taking care and image (Parasuraman and others, 1998: 45-49) and (4) opinion about the successful entrepreneurs consisting of finance, customer, internal business process and learning and development; tourism industry context and research concerned with (Kaplan and Norton, 1996: 52-63).

Process for constructing research instrument and assessing the quality of research instrument:

- 1) Write a drafted questionnaire and propose it to the thesis advisor.
- 2) Develop a questionnaire and propose to the experts in language, contents and statistics for assessing the accuracy and consistency.
- 3) Try out the questionnaire with forty tourism entrepreneurs in Khon, Kaen municipality, and the discrimination index was ranged from .269-.760 and the reliability index of the questionnaire was .978.

The validity of the data was analyzed as follows:

- 1) Normal distribution of the data of each variable was analyzed by Normal P-P Plot.
- 2) Homoscedasticity was analyzed the relation between standardized residual and prediction value for path correlation analysis between variables (Wiratchai, 1999: 50).
- 3) Multicollinearity was analyzed for independent variables and non-multiple correlation.
- 4) The relation between latent variables were analyzed and the relation was positive significantly at the .01 level. The value of correlation coefficient was .800-.868.
- 5) The relation between observation variables were analyzed and the value of correlation coefficient was .422-.860.
- 6) Factor confirmation of the latent variables was analyzed for path analysis validity and the data was consistent with the empirical data.

Data Analysis

- 1) Analyze personal data of the respondents in Khon, Kaen municipality, Mueang district, Khon Kaen province by frequency and percentage.
- 2) Analyze entrepreneurial characteristics of the entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province by mean and standard deviation.
- 3) Analyze the successful entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province by mean and standard deviation.
- 4) Path analysis was employed for structural equation modeling of entrepreneurial characteristics affecting the success of service businesses in tourism industry of the entrepreneurs in Khon Kaen Municipality, Mueang District, Khon Kaen Province by the Mplus program.

Research Results

1) The research study showed that the entrepreneurs in Khon Kaen Municipality, Mueang District, Khon Kaen were 227 males (58.96%), 157 entrepreneurs at the age of 41-50 years (40.78%), 137 entrepreneurs of bachelor degree (35.58%) and 233 entrepreneurs of marriage (60.52%).

2) opinion about the service business of tourism industry consisting of confidence, need of customers, taking care and image (Parasuraman and others, 1998, pp. 45-49) and 4) opinion about the successful entrepreneurs consisting of finance, customer, internal business process and learning and development; tourism industry context and research concerned with (Kaplan and Norton, 1996: 52-63).

Table 1

Entrepreneurial characteristics of the entrepreneurs	\bar{X}	S.D.	Level	Order
1. Innovative person	4.28	0.54	High	1
2. Person with risk centered skill	3.89	0.73	High	5
3. Frequent self-study	4.04	0.64	High	4
4. Willingness	4.25	0.58	High	2
5. Self-confidence	4.15	0.60	High	3
Total	4.12	0.54	High	

The findings showed that the average entrepreneurial characteristics of the entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province was at a high level (\bar{X} = 4.12; S.D.= 0.54). The five high rated items of the entrepreneurial characteristics were Innovative person (\bar{X} = 4.28; S.D.= 0.54), Willingness (\bar{X} = 4.25; S.D.= 0.58), Self-confidence (\bar{X} = 4.15; S.D.= 0.60), Frequent self-study (\bar{X} = 4.04; S.D.= 0.64) and Person with risk centered skill (\bar{X} = 3.89; S.D.= 0.73) respectively

3) The level of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province as shown in table 2.

Table 2

Service Business of Tourism Industry	\bar{X}	S.D.	Level	Order
1 Take care	4.08	0.67	High	5
2. Confidence	4.36	0.50	High	2
3. Need of customers	4.28	0.57	High	3
4. To meet the needs of customers	4.45	0.48	High	1
5. Image	4.25	0.56	High	4
Total	4.29	0.49	High	

The findings showed that the overall service business of tourism industry was at high level (\bar{X} = 4.29; S.D. = 0.49). The five high rated items of the service business were to meet the needs of customers (\bar{X} = 4.45; S.D. = 0.48), confidence (\bar{X} = 4.36; S.D. = 0.50), need of customers (\bar{X} = 4.28; S.D. = 0.57), image (\bar{X} = 4.25; S.D. = 0.56) and taking care of customer services (\bar{X} = 4.08; S.D. = 0.67) respectively.

4) The level of the success of entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province as shown in table 3.

Table 3

Success of Entrepreneurs	\bar{X}	S.D.	Level	Order
1. Finance	4.27	0.50	High	1
2. Customers	4.27	0.49	High	2
3. Internal Process of Business	4.03	0.60	High	3
4. Learning and Development	3.86	0.69	High	4
Total	4.11	0.51	High	

The findings showed that the overall observation variable affecting the success was at a high level ($\bar{X} = 4.11$; S.D. = 0.51). The four high rated items of the success were finance ($\bar{X} = 4.27$; S.D. = 0.50), customers ($\bar{X} = 4.27$; S.D. = 0.49), internal process of business ($\bar{X} = 4.03$; S.D. = 0.60) and learning and development ($\bar{X} = 3.86$; S.D. = 0.69) respectively.

5) The findings indicated that the structural equation modeling regarding linear structure analysis of the casual factors affected the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province as shown in diagram 1.

6) The symbols of presentation for data analysis

χ^2 = (Chi-square)

df = (Degree of Freedom)

TLI = (Tucker-Index Index Goodness)

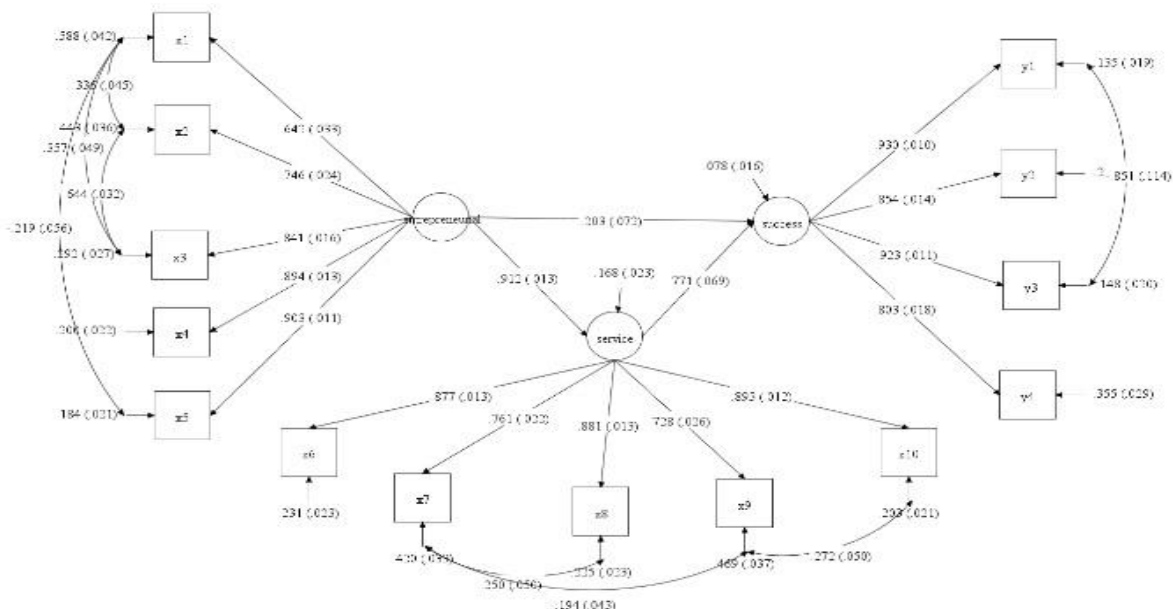
CFA = (Confirmatory Factor Analysis)

P-value = the level of statistical significance

RMSEA = (Root Mean Square Error of Approximation)

SRMR = (Standardized Root Mean Squared Residual)

7) The findings indicated that the structural equation modeling regarding linear structure analysis of the casual factors affected the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province as shown in figure 1.



$\chi^2 = 144.814$, $df = 54$, $\chi^2 / df = 2.681$, $p\text{-value} = 0.0517$, $CFI = 0.985$, $TLI = 0.974$, $RMSEA = 0.066$, $SRMR = 0.030$

Figure 1 Structural Equation Modelling

The figure 1 indicated that the Structural Equation Model was consistent with the empirical data. The value of (χ^2) was 144.814. The value of degree of freedom (df) was 54. The (p-value) was at the 0.0517 level of statistical significance. The value of (χ^2 / df) was 2.681. The value of CFI was 0.985. The value of TLI was 0.974 The value of RMSEA was 0.066, and the value of SRMR was 0.030 as shown in table 4.

Table 4 Comparison of the statistics between the consistencies with the empirical data

Test Statistics	Modified Model	Standard Criteria
Chi-square (χ^2)	144.814	-
df	54	-
p-value	0.0517	More than 0.05
χ^2 / df	2.681	Less than 2.0 or 5 (case of complex model)
TLI	0.974	More than 0.90
CFI	0.985	More than 0.90
RMSEA	0.066	Less than 0.05 or 0.08-1.00
SRMR	0.030	Less than 0.05 or 0.05-0.08

The findings indicated that the entrepreneurial characteristics affected indirectly the tourism entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province at the.01 level of the statistical significance. The coefficient value of path analysis was.203. The entrepreneurial characteristics affected positively the tourism entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province at the.01 level of the statistical significance. The coefficient value of linear structure analysis was.912. The service business affected positively the success of the entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province at the.01 level of the statistical significance. The coefficient value of linear structure analysis was.771. The entrepreneurial characteristics regarding the Csual factors affected indirectly the success of the entrepreneurs in Khon, Kaen municipality, Mueang district, Khon Kaen province at the.01. The coefficient value of path analysis was.704.

Discussion

1) The study showed that the most important entrepreneurial characteristic affecting the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province was innovative person. Additionally, the entrepreneurs have advance thinking skills for upgrading their business, finding new channels and applying technology for business development and management in decreasing the cost and strengthening their business for the competition. Moreover, the entrepreneurs have managed the business with their clear vision, self-decision making and self-study based on their previous work experience and attending the seminars. Regarding the risk centered skills of the entrepreneurs, they are smart and brave to invest for more benefits of the business. Wanwisa Chikpromanan (2014: 82) states that the entrepreneurs with willingness affects positively the success of service businesses. The benefits of the research indicate that the entrepreneurs of service business of tourism industry in Khon, Kaen municipality are the person with self-esteem, risk centered skills and regular self-study for improving the efficiency of their business and meeting the customers' needs.

2) The findings reveal that the variables affecting the success of service business of tourism industry in Khon, Kaen municipality consist of take care of customers, confidence, meeting the customer's needs, trustfulness, politeness, gentleness and quick problem solution. The major aim of the service is to make the customers satisfied and happy. The service quality is

always assessed by both the external and internal stakeholders through face book and website for improving the service quality. Supanee Chimdee (2012: 69) claims that the suggestions of tourists for the facilities such as camping site, food center and learning corner are important for improving the service quality. Nathacha Sopaporn (2016: 71) states that the customers emphasize the behavior of service officers, including other factors. The research study reveals that the opinions of the managers towards the quality of all services are at the highest level, and the opinions of the customers towards the quality of all services are at the high level.

3) The four high rated items of the success of service business of tourism industry in Khon, Kaen municipality are finance, customers, internal process of business and learning and development respectively. The results may be caused by applying new technology for quick service and efficient management by providing various services with high quality based on the customers' needs and building good relationship with the customer. And the suggestions of the customers are useful for planning and improving service process. Thitima Polpuak (2016, 105) states that the efficient strategies for service business affect positively the success of the organization. The research results are useful for planning business management and training human resource in the organization. Wethaka Maneenet (2018: 263) asserts that the MODEL of AMMO SPA is important to apply for the success and sustainability of service business.

4) The linear structure relation between the entrepreneurial characteristics affecting the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province was consistent with empirical data. The entrepreneurial characteristics are innovative person, a person with risk-centered skills, regular self-study, willingness, self-esteem and service business; service business consisting of trustfulness, confidence, in response to the customer's needs, taking care of customer service and image. The characteristics are adopted by documentary study and in-depth interview all key informants such as scholars and entrepreneurs. The appropriateness of the characteristics are assessed by the experts before the relations of the entrepreneurial characteristics and the success of service business of tourism industry are analyzed. The research results are consistent with the studies of Nathawut Wongsasathian and Penpitcha Kasempongpakdee (2015: 124) on the entrepreneurial characteristics affecting the success of radio communication in Thailand, Thitima Polpuak (2016, 105) on the Effects of excellent service strategies on the success of hotel business in the northeastern region of Thailand and Orpan Suebmueangsai (2016: 78) on A Study of the Relations between Professional Services and the Success of Tour Business Companies in Thailand.

5) The entrepreneurial characteristics affected positively the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province. The results may be caused by the major business management of tourism industry consisting of finance, customers, internal process of business, and learning and development. Orpan Suebmueangsai (2016: 78) states that the professional services are related closely and affected positively the success of the organization. The professional services consisted of standard and trustfulness, confidence of the customers, which are important for the tourism industry. Chen (2013: 152) the factors affect the service quality of hotel business consist of building outstanding image, assistance and collaboration of the hotel officers.

Conclusion

1) The major entrepreneurial characteristics affecting the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province are was innovative person, willingness, self-esteem, regular self-study, risk-centered skills; and service business consisting of take care, confidence, in response to the customer's needs, image and trustfulness.

- 2) The four high rated items of the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province consist of finance, customers, internal process of business, learning and development.
- 3) The entrepreneurial characteristics affecting the success of service business of tourism industry in Khon, Kaen municipality, Mueang district, Khon Kaen province regarding the relation of the linear structure analysis is consistent with the empirical data.

Suggestions

- 1) The tourism entrepreneurs should be an innovative and creative person for upgrading their business.
- 2) The entrepreneurs should have a regular self-study on their expertise in tourism business management.
- 3) They should be strong enough to run their business when they are facing the uncertain business situation.
- 4) The previous work experiences should be used for the efficient business management.
- 5) Feedback of the customers should be used to improve service business.
- 6) The service should be valid based on the promotion provided to the customers.
- 7) The service officers should be always friendly and polite to the customers.
- 8) Various facilities should be available to the customers for the outstanding image of business.

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