

Local Economic Linkage between Private Enterprises and Local Communities: A Comparative Case Study of Thailand Tourism Business Developments

Chachaya Yodsuwan¹, Apisom Intralawan¹, Panate Manomaivibool², Pannipha Dokmaingam³,
Pollavat Prapatpong⁴, Nuttakorn Vititanon⁵, Chadchawan Muongpruan⁶,
Pornpol Noithammaraj⁶ and Jirapa Pradera Diez^{1*}

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Abstract

Today's sustainable tourism makes optimal use of environmental resources and respects socio-cultural integrity. It also ensures fair and long-term economic benefits to host communities. This study focuses on the economic benefits of tourism to host communities. It examines local strategies, documents the practical experience, and explains how benefits to host communities and linkages with private enterprise have been created. Useful lessons and good practices are identified which can be developed into policies aiming to increase benefits to local communities. This study applied case study strategy using mixed qualitative approach (in-depth interviews, participatory observation, and documentation) to explore 3 businesses with outstanding practices of the economic multiplier effect. They were collaboratively chosen according to the criterion selection. Strategies creating local linkages between host communities and private enterprise for three different types of tourism (health, cultural and business tourism) are discussed. Findings indicate that local alliances, local procurement and use of local labor skills substantially contribute to long-term viable economic development at the community level. Also, developing new business opportunities leads to the improvement of community product and service quality as well as local training and empowerment. Involving local communities demonstrates caring values, reduces business costs, increases employee morale and retention, creates trust and stronger bond, and boosts business visibility. The growth of enterprise profiles will

¹ School of Management, Mae Fah Luang University, Chiang Rai, Thailand

² School of Science, Mae Fah Luang University, Chiang Rai, Thailand

³ School of Health Science, Mae Fah Luang University, Chiang Rai, Thailand

⁴ School of Liberal Arts, Mae Fah Luang University, Chiang Rai, Thailand

⁵ School of Law, Mae Fah Luang University, Chiang Rai, Thailand

⁶ DASTA Academy, Designated Areas for Sustainable Tourism Administration (Public Organization)

* Corresponding author E-mail: jirapa.won@mfu.ac.th

lead to better marketing strategies through an increase of brand awareness, customer loyalty, and stronger business value.

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Introduction

Tourism has been a key driver of prosperity and socio-economic development in Thailand. The 1st National Tourism Development Plan (2012-1016) envisioned, expanded tourism destinations and competitiveness. This enables the country to generate greater income and wealth on a sustainable basis. By 2036, it is hopeful that Thailand will be a leading quality destination worldwide through balance development. By leveraging local resources to contribute to the nation's sustainable socio-economic development, this can foster increased wealth distribution as acknowledged by the Thai government (The Ministry of Tourism and Sports Thailand, 2017). Thailand has experienced sustainable growth both regarding the volume of international visitors and contributes to the country's GDP. In 2016, the tourism industry contributed \$50 billion to the national GDP, an increase of 11% over the previous year which already accounts for 16% of the GDP. The tourism sector provides more than 4.2 million jobs, equal to 11% of total national employment. The number of international visitors in 2015 increased 20% higher in 2014, also 8% in 2016. The total number of visitors reached 32.6 million in 2016 (Bank of Thailand, 2017, p. 18). Thailand is now ranked ninth in term of international visits and is the third largest tourism revenue earner, second only to the USA and Spain (The World Tourism Organization [UNWTO], 2017).

Various studies have confirmed the contribution of tourism to the economy. Empirical findings show that international tourism is a significant foreign exchange earner, thereby stimulating investment in infrastructure and other industries through direct, indirect and induced effects (Brida et al., 2016). Evidence from the tourism industry in Spain from 1957-2014 showed a strong relationship between tourism development and the country's economic growth (Perles-Ribes et al., 2017). In Ecuador, tourism has a significant multiplier effect and has contributed to a reduction in income inequality (Croes & Rivera, 2015). In Turkey and Jamaica, the economic benefits of tourism far outweigh any negative impacts of tourism. Yet there is also an increase in demand for imported goods, inflation of land prices and an over-dependence on international businesses. The lack of local population involvement usually results in economic leakage which increases social and economic inequality (Harcombe, 1999). Other top-ten tourist destinations (China, France, Germany, Italy, Mexico, Russia,

Spain, Turkey, the United Kingdom, and the United States), have a strong correlation between economic growth and tourism (Shahzad et al., 2017).

In Thailand, however, the results of local linkages creation and economic distribution are the mix. For instance, despite the economic success of a well-known destination for community-based tourism (CBT) in Chiang Mai, Northern Thailand, Mae Kam Pong faces multiple challenges. Income inequality in the community has widened, rural traditions and culture have declined, and greater dependency on tourism development has been observed (Kontogeorgopoulos et al., 2015). In another Sangkhom district, NongKhai Province, community-based ecotourism plan was draft and revised using Participatory Action Research (PAR) approach (Auesriwong et al., 2015). This technique has been successful in bringing different stakeholders together in enhancing the tourism planning process. However, the long-term outcome of sustainable tourism at Sangkhom district, NongKhai province is yet to be seen. In Thailand, empirical findings show that in many cases of eco-tourism and community-based tourism is usually a complicated affair. It could be an origin of a new opportunity or tension and misunderstanding between visitors and localhost. In many cases, they have failed to improve the livelihoods of local communities (Kontogeorgopoulos, 2005; Sin & Minca, 2014). The factors of success depend on external support and leadership. In general, economic leakages, particularly in rural areas of developing countries, persist. This is mainly due to weak engagement of local communities. Local employment, skills, and financial capital are lacking, and the lack of market and bargaining power has led to an exploitive relationship between core and peripheral areas (Lacher & Nepal, 2010; Hrubcova et al., 2016; Ndivo & Cantoni, 2016).

From an environmental perspective, the ecological footprints of solid waste generation and tourism activities correlate negatively. A high percentage of food waste -56% of total consumption - comes from the big luxury hotels (Manomaivibool, 2015). Another study of tourism impact showed a strong relationship between carbon emissions and resource consumption per tourist (Azam et al., 2018). Improvement of supporting infrastructure and sustainable tourism policies, together with the consciousness of tourism impacts is therefore called for (Phumalee et al., 2018). Sustainable tourism, which means the optimal use of natural resources, cultural preservation and distributional benefits to local communities, is now a top priority in Thailand (Dowling & Weiler, 1997; Azam et al., 2018).

To meet these challenges, practical strategies for sustainable tourism development in Thailand have been designed and are being implemented through a public agency established in 2003—Designated Areas for Sustainable Tourism Administration (DASTA). DASTA's primary role and

responsibility is to promote sustainable tourism by coordinating tourism administration with various government agencies and local administrative organizations relating to economic development, tourism environment, and social and community development. Recently, DASTA adopted and followed the Global Sustainable Tourism Council Criteria (GSTC) which has 4 objectives: (1) to manage tourism sustainably, (2) to maximize social and economic benefits and minimize negative impacts for host communities, (3) to maximize benefits for communities, visitors and cultural heritage, and (4) to maximize benefits and minimize negative impacts to the environment.

DASTA is now working with some selected communities on pilot projects to help them to realize their full potential, and to promote best practices for sustainable tourism development. To evaluate these pilot projects, some aspects of DASTA's work, economic impacts and tourism multiplier effects have been quantified and estimated. A previous study showed that tourism designated areas under DASTA supervision which included of (1) Chang Islands and Vicinity, (2) Pattaya City and its Vicinity, (3) the Historical Parks of Sukhothai Sisatchanalai and Kumphuangphet, (4) Loei Province, (5) the Old Nan City, and (6) the Ancient City of U-Thong created a direct economic benefit of Baht 6,253 billion or about USD \$200 billion. The typical multiple effects of tourism expenditure on the local economy is 2.09 (Leemakdej et al., 2016, p. 350)

Literature Review

Sustainable tourism

"Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (Geethika & Gnanapala, 2015). Sustainable tourism is gaining much more attention due to its authentic possibility as a valuable economic increase to the tourism industry. According to Pillai (2011) the stake of local communities in tourism of utmost importance because they tend to be the people to tolerate the adverse effects of tourism activities. In a situation in which tourism activities happen in local communities or with a resource that directly involves them they genuinely have a claim to the economy proceed, which every local community usually does (Drum & Moore, 2002).

Tourism sustainability becomes a success when all the relevant stakeholders participated and has been navigated by strong leadership. To achieve a positive, sustainable tourism continuous chain of a process is involved, including continuous monitoring of the effects, presenting the essential corrective action when the need arises (United Nations Environment Programme [UNEP], 2002).

Butler (1993) argued sustainable tourism remains useful for an unlimited period; it should not negatively impact the people involved and the environment in any way (Butler, 1993). According to Tao (2005) sustainable tourism stress on the mutual goals, benefits, and cooperation between the visitors and the local communities.

Sustainable Tourism economic Benefit and Multiplier Effects

Economic gains have been the backbone and major drive for the rapid growth of tourism in countries Thailand. Goodwin (2000) maintained that when tourism was recognized to be a source of generating foreign exchange and employment by both development institutions and national government, that is when the rapid chain of growth happened (Goodwin, 2000). There are negative effects that come with poor administered traditional tourism, economy leakage is one of it, in which sustainable tourism is meant to moderate and rectify. The linkage between the host communities economy and sustainable tourism is very important, the process will share more lights on how both entities are associated with each another and how it is being adopted. Involvement of the local community is an essential factor that defines the failure or success of sustainable tourism. The Local community is encouraged to take part in the process so the socio-economic advantages could be fully utilised. According to Yazdi (2012) sustainable tourism provides a significant scope to increase the possibility of improving the opportunity for entrepreneurs in the destination of more impoverished community and also at the macro level for the national economy (Yazdi, 2012). Sustainable tourism impacts the local community not only through boosting the economy or ensuring money flow but also by a provision of infrastructures and rapid employment in the process (Nana, 2014). Traditional tourism was planned solely by experts and state authorities, the host and local communities were hardly involved in the process, maybe at the hard of the process. The local community has no contribution during the decision making, which generally creates many errors in the whole process.

Stakeholders in Tourism

“The involvement of stakeholders, that is the members of the local society, is crucial for the implementation of the plan, because it is them who will have to obey the rules set in the plan” (Ecological Tourism in Europe, 2009) Sustainable tourism encourages the association of the host communities and the process itself to gain the best out of the process. According to United Nations (2014), to have a sustainable linkage between tourism and the economy, the demand-supply, marketing strategies and factors such as policymakers rules have to be taken into account. Policymakers play a valuable role in protecting the economy leakage, and one of it is by making sure

the local community has a smooth market transition. One of the best ways of ensuring economic linkage is by eliminating the third party and upgrading local goods to international standards.

Methodology

Qualitative method was conducted to gain a more in-depth view of human involvement in activities (Saunders et al., 2009). Data derived through Qualitative research in this study helped in disclosing a more comprehensive interpretable information about the multiplier effect practical experiences, and to explain the creation of economic benefits to host communities. The justification for adopting a case study strategy was because we have to understand the phenomenon in a clear, concise context. The case study allows many sources of proofs and face to examine activities and processes closely. Three businesses were collaboratively chosen according to the criteria selection process by researchers and the Designated Areas for Sustainable Tourism Administration (DASTA). Having multiple case study has helped in understanding whether the finding in one case study could be replicated on a second and third case study. According to Yin (2009), the information generated in a multi-case study is much more robust.

The interview is used as a primary tool to understand the in-depth view of the people involving in the three cases studies. The interview guideline was developed from the conceptual framework of the study which adopted Global Sustainable Tourism Council Criteria, in particular, from the economic dimension. To fully understand how sustainable tourism, affect an environment it is of utmost importance it has been realized through the view of the people involved, in this case, 15 informants were interviewed They were owner of local businesses, staffs, local communities and key government agencies these cases.

Observation is the last data collection tool used for data collection in this study. Observation is one of the truest and authentic data collection tools; it requires observing people within an environment and the structure of the environment (Remenyi, 2012). Site- visit was the form of observation that has been partaken in this study. Three locations of intend for the multi-case study are the visit to have a better understanding of the effect of sustainable tourism in these environments. The three locations were Risasinee resort and spa in Nan province, Phunacome resort in Loei province, and Banpu resort in Trat province. Observation is used to complement the data collected during the in-depth interview of this study, to see the authenticity and accuracy of the data first hand.

Findings

Case Studies

Risasinee resort and Spa

The name, "Risasinee," is a combination of the owner's daughter first names: "Merisa," meaning a fair maiden with beautiful skin, and "Sineenart" meaning a powerful lady. Ms.Chiranan Pitpreecha, a Southeast Asian Writers Award winning recipient and a regular client, got interested in the name combination and find it deserving – "a powerful maid who has fair and beautiful skin." Shortly after the introduction of the spa to the society, Nan started attracting travelers. However, visitors had to drive a long way to reach Nan. So, Mr. Sajjapong Jindapol saw a business opportunity; a premium spa to relieve traveler fatigue after their long journeys. The attentiveness and perfection of its owner won the affection of their clients. This led to more business as tourism in Nan to grow further. Four rooms were offered for guests to stay. The availability was limited for both physical and legal reasons (as per the Hotel Act, B.E. 2547 and the Ministerial Regulations Prescribing Types and Criteria for Hotel Businesses, B.E. 2551). The resort focused on best service quality to compensate for the limited availability of rooms. The spa service has since been the mainstay of Risasinee. It offers various massage services from Thai to oil to pressure points. A full package takes typically 3hours to 4 hours 30 minutes and costs between THB 2,000 to 3,800. Guests who stay at the resort receive a complimentary one-hour massage, along with other discounts.

Risasinee's masseurs are all collection of local people with experience and good skills. Many gained experiences working in Bangkok and other big cities before moving back to Nan. They are mostly locals to Nan or are married to one. The masseurs have developed a good knowledge of the province, and they can provide customers with travel tips and other useful information. Risasinee also has a good record of retaining its employees, due to fair wages and decent treatment that employees receive. All masseurs have one day off weekly and still get a standby fee of THB 150 a day. When on duty, they get THB 100 per hour. So, each month they can earn between THB 12,000-15,000 excluding tips. The company also ensures that all its employees are in the Social Welfare System, and they can depend on help from the owners in a time of emergency financial situations.

Risasinee relies on products from Nan connect the resort to Nan Province giving it a strong sense of belonging. It is actively involved in the promotion of sustainable tourism. It continuously participates in many of DASTA's projects, including the Low Carbon Tourism program. Rooms are decorated with hand-made material and local handicrafts. Natural massage oil and scrubbing

products are carefully selected from local resources for the spa. Environmentally friendly alternatives are also preferred in order to reduce the use of chemicals that can have adverse effects on guests, employees and the environment. The use of local products not only enhances the brand's identity and value, but it also cuts costs and improves efficiency.

Risasinee is a small enterprise, and a vertical integration strategy might not be a wise strategy to pursue. By networking with other businesses in the vicinity, it can focus on what it does best. One example is the breakfast service. A premium establishment cannot afford not to serve breakfast to guests, but it makes little business sense for Risasinee to invest in a full-service kitchen for the few rooms it owns. However, in the morning, Risasinee offers guests an authentic Nan experience. They can choose from some of Nan's favorite local dishes at their leisure. The choices include Thai Style pork clear soup with organic rice, original Chinese congee cooked in a wood-fired oven, or noodles from locally famous food stands. Food is served with in-season fruits and sweets from local markets. However, there is always a limit to the use of local products. Some cosmetics, for example, must be professionally produced, tested and certified. Although rock salt from the Nan hamlet of Bo Kluea is an ingredient in several personal care products, the salt comes from outside of Nan. With increasing hands-on experience, Mr. Sajjaphong, the owner of Risasinee, is now a sustainable tourism advocate. He is working with DASTA in passing on his knowledge to tourism networks in Nan Province and beyond.

Phunacome Resort

The natural beauty of Loei province in northeast Thailand, and the passion it inspired in her as a university student led Ms. Neeracha Wongmasa, the owner of Phunacome Resort, to return and to build her own home in Dansai, "the land of oaths and goodwill." With the intention of spreading the good life to local people, Ms. Neeracha transformed her home into an environmentally friendly resort where local people could work while preserving their ties to natural resources. That was the beginning of Phunacome Resort, and it was used as a prototype of eco-tourism services for other hotels nearby. The name Phunacome is derived from the combination of location and local culture: The resort is on a hill, or "Nernphu" in Thai, surrounded by rice paddies, or "Na". In ancient times, local people offered their gold, or "Tongcome", to build the Srisongrak pagoda. The Phunacome resort is green, environmentally friendly, and provides a return to the local community. Tourists participate in activities of local people and learn the traditions, culture, and beauty of the Dansai district. Also, tourists learn to appreciate simple life and the value of a self-sufficient economy. The resort has won many

environmental awards for its achievements, foremost 2012-2014 ASEAN Green Hotel Award, and 2014-2015 Thailand best boutique Green hotel.

Upon arrival at Phunacome Resort, one can feel the warm hospitality of the staff. A welcome sign awaits in the reception. In the rooms, one will find a basket of vegetables and fruit grown at the resort and complimentary water. The rooms have an environmentally friendly design, which won the 2014 Thailand Energy Awards for energy conservation. Also, the signs in the rooms invite guests to reduce the consumption of natural resources like water. Decorations and amenities are from local products such as local made natural shampoo and body lotion. Breakfast also comes from produce grown locally. Guests will be able to enjoy biking, swimming, walking around the resort or could participate in local customs like Ton Puoeng making, vegetable planting, and rice cultivation.

The resort staff usually lead the activities since they are local people and know local traditions. Ms. Neeracha, concerned about her staffs' welfare, decided not to lay them off during the low season. The management system of the resort provides a supporting network. In-house training programs improve staff skills, and they can now carry out every task in the resort. The staff can also communicate directly to the management about their ideas. The resort waste provides money which is used for training courses or social activities. For these reasons, the resort has a zero staff turnover rate. The owner also serves as president of Thai Ecotourism and Adventure Travel Association (TEATA). She is a founder of the Hug Dansai network. As a member of the business owners in Dansai district, she helps with social projects in the area. Moreover, Ms. Neerachahas influenced Phunacome Resort to become one of the Green hotel networks.

Banpu Resort

This area was once a crab farm on the eastern seacoast of Thailand. In 1984, the land area was renovated to be a restaurant open on weekends. Banpu restaurant became popular by human recommendation, particularly for its fresh ingredients and scenic views of coastal mangroves on the Thai Gulf coast. The Banpu Resort developed from the original restaurant. It was later upgraded to a hotel in 1994 under the supervision of Ms. Vipha Sunet. She, known as Doctor Vi. She earned her Bachelor degree in Dentistry from Chulalongkorn University. In return for her scholarship, she served as a government officer in Trat province. This work led her to meet Mr. Sakol Sunet, her future husband, who is from the local Laem Hin village. Her husband already had many businesses, such as an ice factory, a garden landscaping service, a photo printing shop, a local transportation service, and a crab farm for export to Taiwan. It was this crab farm that was later converted into the Banpu Resort.

Banpu Resort serves primarily and emphasizes Meetings, Incentives, Conventions, and Exhibitions known as MICE tourism. It has different types of meeting rooms. Its location offers convenient links to travel to neighboring countries—Koh Kong in Cambodia and Southern Vietnam for example. In addition, Banpu Resort can accommodate various types of events, among them, are meetings, seminars, catering, weddings, ceremonies, reunions, and organizational training. Another aspect of Banpu Resorts reputation is its food, especially its selection of fresh local ingredients. Among its most famous dishes are curry with horseshoe crab eggs and pineapple, Pak Kud stir-fried with garlic, fish with sweet and sour peanut sauce, sour and spicy fish soup with rakum palm. Banpu resort also offers a taste of various traditional local deserts and snacks of Trat province, known locally as Kanom Banduk, Kanom Mudtai, Kai Toa Chao Wang, and Kanom Plakrim. Herbal drinks made with basil, mint, or Indian marsh fleabane tea are served with fresh seafood. After each meal, simple local snacks are served; for example, sticky rice with shrimp, crackers, deep-fried banana, and local fruits like pineapple and durian. All of these low-carbon dishes use local ingredients and fruits which are grown nearby.

Result

Based on the GSTC Industry Criteria and qualitative research technic, four aspects of local linkages where tourism businesses create a network of interdependence with other local enterprises and communities were identified. These businesses are reliance on local employment, local goods and services, local entrepreneurs, and local activities. The benefits of working with DASTA are shown clearly in the case of procurement and participation. The network enlarges the business circle of those involved. These benefits companies that work in the MICE business like Banpu Resort. The levels of the other two types of interdependence vary as they depend on the internal policies of the enterprises. Phunacome Resort has an active human resource development program for example. It recruits local people and supports its employees in obtaining new skills and grows as individuals. Risasinee Group has been fostering the strength of local entrepreneurs. Its newest businesses, such as Coffee De Hmong, helped the company to further develop with its local partners. The strategic growth direction learned from the three cases is discussed below by applying the growth strategy from Igor Ansoff's product-market framework. There are market development, product development, and diversification.

Risasinee Spa and Resort

The result shows that Risasinee's forte in forging local linkages is in the area of supporting other local entrepreneurs. Coffee De Hmong, a local coffee shop at Risasinee Spa and Resort is not

just another profit intermediary. The business is built around its specialty coffee and the ethnicity of Hmong farmers. So, it adds value to Risasinee services and creates a platform for a long-term relationship with the community. The fair trade practices lead to trust. Coffee De Hmong bought more than 80% of its coffee beans from the local community—Manee Pruek. Access to the secure and stable market also gives farmers confidence in shifting from swidden farming to shaded coffee cultivation, which in turn, benefits reforestation.

The development of Coffee De Hmong is based on an alliance/product development strategy carefully chosen by Risasinee. Besides revenue from the coffee beans, brand awareness can bring in loyal travelers who fall in love with the coffee. The brand benefits not only coffee farmers but nearby areas. Alliance with the local community can enlarge visitors' choice of activities resulting in more extended stays and more spending. The local tours and souvenirs are then added to the portfolio of Risasinee. This synergy will allow all involved parties to realize their potential fully.

Phunacome Resort

Phunacome with its strong focuses on environmental conservation. The resort building is eco-friendly, designed using natural lighting and local material. The resort also offers various eco-learning activities including rice planting and cultivation, organic vegetable and mushroom farming, also cooking. Including the production of bio-char and natural fertilizer. Not only do guests learn about minimal production and consumption lifestyles in the natural environment, but at nearby communities also benefit from financial social and eco-development guidance. The resort uses local resources that reduce transportation fees thereby keeping money in the local community. This also reduces waste and air pollution from tourist activities. For the community, Phunacome strengthens and supports social activities related to cultural traditions like festivals and local ways of life.

All the activities mentioned above require skilled labor and human resource development has been where Phunacome invested a lot of its efforts and energy. While recruiting local people, it has an uncompromising training scheme for staff to understand and comply with standards in the hospitality industry. Besides, for the various cultural and environmental activities it offers to guests, it reaches out to local communities and has many capacities building training with them. The goal is to have some villagers working for them on a part-time basis in leading these activities. Because they are local people, it is not difficult for them to take the leading role. This reduces costs for the resort by avoiding tourist campaigns that need to vary from time to time. This system allows the local people to maintain their activities and lifestyle without relying on the expectations of their guests. Phunacome

uses a diversification strategy which is in line with current travel trends. The combination of cultural and ecotourism together form the creative tourism which allows visitors to create their own experiences through active participation. Together with strategic alliances, nearby communities also benefit from Phunacome business.

Banpu Resort

In early years, tourism promotion in Trat focused on conventional tourism about 'Sea Sun and Sand.' This led to tourism congestions on the islands. More recent changes under DASTA policy focus on direct experience tourism. Some of the examples are the visits to learn about local food and culture, reforested mangroves, agro-tourism, and fruit orchards. These attractions help tourists appreciate local culture and livelihoods while supporting the socio-cultural development and environmental conservation.

Banpu Resort has gradually adjusted its business to these niche markets and learned the values of niche groups, like elderly tourists and government officers. The resort can offer different services, like reunion parties and training seminars by linking the needs of the customers along with the economic ties to local communities. This market development strategy along with a brand-building increases the visibility of the business as a corporate social responsibility enterprise.

Although the results show that Banpu has not gone as far as the other two cases in terms of local employment and local entrepreneurs (but we have to keep in mind that these three are among the best in terms of local linkages in DASTA's network), its relationship with local communities is by no means any weaker than the others. In addition, it also capitalizes on local products and services through its procurement policy. This points out to two types of local engagement. There are those essential elements that should be necessary conditions for local linkages and the other more specialized strategies that businesses can add on in particular areas to suit their local conditions and targeted market.

Conclusion and Discussion

All three case studies are successful businesses which are profitable and continue to grow.

They were created and developed by three entrepreneurs in different ways and strategies – Risasinee developed from a massage service using a product development strategy, Phunacome developed from a small homestay using a market development strategy and Banpu developed from a crab farm using a diversification strategy. However, all three entrepreneurs demonstrated vision, leadership, strong work ethics and benefited from some good fortune. It is not easy to select a single

strategy for successful business development based on these entrepreneurial qualities, but one common factor was the use of local products and the involvement of local culture and communities to differentiate their businesses. These local links are highly appreciated by resort customers which have helped to develop a solid base of satisfied customers. Based on the GSTC Industry Criteria and qualitative research, four aspects of local linkages were identified. They are local employment, procurement of local goods and services, supporting local entrepreneurs, and participation in local activities.

Local Participation – The Strong Foundation

The private sector-community partnership plays a very crucial, synergistic role in facilitating sustainable tourism development. In all three case studies, private enterprises participated in product and market development. Creating local linkages can be done at different levels from expanding business opportunities at the micro level through developing a policy to support the local community at the macro level. These case studies reveal practical lessons at the local level. It explains how private enterprises together with communities develop products and destinations based on local culture. By investing in business skills, paying attention to expected demand, absorbing business risk, and covering the transaction cost of business marketing strategies, the commercial viability of both private enterprise and community products can be ensured. At the macro level, the community development aspect has also been incorporated into Thailand national policy through the establishment of DASTA. To have a more significant impact at the national level, lessons learned from these case studies should encourage policymakers to be more concerned more about establishing local linkages at all levels. This requires a shift in national policy focus from economic growth through industrialization alone to broader development portfolio of rural community development, environmental protection, and social inclusion and equity issues.

Local Procurement – The Quick Win

It is still easy for enterprises to identify local products and local services that already exist and can enhance its business. An obvious example is using fresh fruit and vegetables from local markets to serve at the resort restaurants. Resort staff can list it on their menus which fruit and vegetables were grown locally and where they were purchased. Resorts located in rural areas can buy rice from local farmers and also buy fish from local fishpond owners. This approach provides fresh produce for resort guests and minimizes economic leakage. Another idea is to hang the carbon or water footprint ranking of different food. This will increase the awareness of the environmental impact of different food source.

Visitors may ask resort staff about these charts which should promote further dialogue between visitors and resort staff.

Local Employment – The Future Investment

This is no longer easy. The successful local enterprise must really commit to the community and invest resources on staff development. Employing local staff at resorts has many advantages (staff likely to stay in the area so less turn-over, provide valuable local knowledge to resort visitors) but local people may require more training (compared to better educated urban candidates) and this costs time, effort and money. This human resource management effort may not have a short-term return but will increase the sustainability and potential of the business in the longer run. Only Phunacome scored well on this.

Local Entrepreneurs – The Wider Horizon

Tourism is a business that relies not only on private enterprises but also on environments which can attract tourists. A private enterprise can work with other local enterprises to create added value in the destination. However, this is not easy to achieve as it may involve activities and projects with shared management and funding by several private enterprises. This approach requires businesses to work together and with external parties outside their direct control. Mishandling other parties can lead to frustrations. Risasinee is good at dealing with these situations.

The three businesses studied in this paper evolved more by entrepreneurial initiative rather than by carrying out detailed feasibility studies and developing formal business plans to achieve their visions and objectives. Nevertheless, the three businesses provide good examples of business development combined with local linkages for the optimal use of local resources. This synergy resulted in successful businesses and many benefits to local communities. Furthermore, the issue of inequality of income distribution among stakeholders is recommended to study more in the future for better sustainable tourism development.

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