

CREATIVE ECONOMY PRACHUAPKHIRIKHUN PROVINCE STUDY OF OPPORTUNITY AND FEASIBILITY IN STABILITY AND CREATION ADDED VALUE OF SMALL AND MEDIUM BUSINESS GROUPS

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Abstract

The purposes of this research were to study 1) opportunities and possibilities of small and medium-sized businesses in PrachuapKhiri Khan Province; 2) opinions of consumers towards business running to meet the needs of tourism in PrachuapKhiri Khan Province; and 3) guidelines for developing and promoting small and medium-sized businesses in PrachuapKhiri Khan Province to add value to the economy of business groups and incomes of local community. Samplings of this study was gathered using purposive sampling method of 60 cases with in-depth interviews of seven business fields, food, confectionery, beverages, chili paste, processed seafood, cafes and local clothing. The results were presented as: 1) Female entrepreneurs were more than males, under 30 years old, bachelor's degree with business experiences of 1-5 years, and had 1-3 family members; 2) Local clothing business was the lowest investment budget while food business was the highest income, return and the lowest cost; and 3) Beverage business was the fastest payback (11 months), food business was maximum return on investment (118.62%, present value 121,687.00 baht), seafood processed food was the highest rate of return on sales (39.00%), local clothing business was the highest profit (index 1.09 times to investment budget), and chili paste business was the highest net yield (81.669%).

Keywords: Opportunity and feasibility Business, Economic of PrachuapKhiri Khan Province

Introduction

The term community strengthening is playing an important role in terms of combination and development of skills, wisdom and knowledge of the community. This is to bring benefits and generate income by collaboration between community and research development using locally available raw materials to generate income to the community through the process of using the community skills. This is consequently to create additional careers for local communities in the future (Supada, 2005).

Visions of the development plan of PrachuapKhiri Khan Province for the year 2015 - 2018 has set in order to determine the development direction as a valuable tourist city, the first precedence of exporting pineapple and coconut and the world's friendliest society. This is to be reliant on the Provincial Strategic Issues as following Strategic Issues: 1) Strengthening tourism prominence on the basis provincial identity Strategic; 2) Increasing competitiveness in production and processing pineapples, coconuts and agricultural products to the world market; 3)

Strengthening the support system for cooperation in economic, political, social and cultural administration to support the ASEAN and the world community; 4) Strengthening stability and quality society in accordance with Thai wisdom; and 5) Enhancing efficiency in resource management to balance nature and environment (Data Analysis and Statistics Group Business Information Service Office, 2009) with a policy to promote the province's economy in terms of business, service sector and manufacturing sector. Therefore, this research was to study small and medium-sized businesses in the service and manufacturing sectors to create opportunities and possibilities of economic value in the local community. The designated tourist community areas, namely Hua Hin District and Pranburi District were concerned to create business ventures according to the changing era in a form of bringing in business groups that help promote the province's identity, generating income, career, and reputation of the province in order to receive promotion and further business development.

Research Objectives

This study was

1. to study opportunities and possibilities of small and medium-sized businesses in PrachuapKhiri Khan Province;
2. to study the opinions of consumers towards business running to meet the needs of tourism in PrachuapKhiri Khan Province; and
3. to study the guidelines for developing and promoting small and medium-sized businesses in PrachuapKhiri Khan Province to add value to the economy of business groups and incomes of local community.

Research Methodology

The study focused on the effects of a career in creating a creative economy of business groups and community enterprise products in PrachuapKhiri Khan Province. Business survey areas in Hua Hin District and Pranburi District for small and medium-sized businesses were indicated in terms of costs and incomes from community operations. Population in this study were entrepreneurs who operated the small and medium-sized businesses in the community in Hua Hin District and Pranburi District which were divided into seven sectors namely food, confectionery, beverages, chili paste, processed seafood, cafes and local clothing.

In-depth survey and interview were conducted as a research instrument to illustrate the business cost and return in Hua Hin District and Pranburi District.

Expected Benefits of this study were to gain knowledge about investment guidelines of production systems and potential markets in following areas:

1. Cost of business in Hua Hin District and Pranburi District in small and medium-sized businesses in PrachuapKhiri Khan Province;
2. Returns of business in Hua Hin District and Pranburi District in small and medium-sized businesses in PrachuapKhiri Khan Province;
3. Profitability of businesses in Hua Hin District and Pranburi District in small and medium-sized businesses in PrachuapKhiri Khan Province; and
4. Satisfaction of business entrepreneurs in Hua Hin District and Pranburi District in small and medium-sized businesses in PrachuapKhiri Khan Province.

Results

Results of this study were presented as follows:

Table 1: Result of Demography

Business Sectors	N	n
Chili paste	5	2
Confectionery	10	5
Beverages	50	30
Food	20	10
Processed seafood	15	6
Cafes	10	5
Local clothing	10	2
Total	120	60

Table 2: Results of Possibility seven business sectors

Type	Confectionery	Beverages	Cafes	Local clothing	Chili paste	Processed seafood	Food
Budget	476,125	506,340	506,285	3,701,510	476,125	1,245,635	2,565,220
Break-even point (Baht)	1,010,299.61	868,875.00	980,850.00	9,000,000.00	581,310	4,215,743	5,423,484
Break-even period (Baht)	1 year 5 months	1 year3 months	1 year4 months	1 year5 months	2 years	3 years11 months	1 year
Income per year	430,246	663,000	702,000	6,480,000	305,784	2,466,000	8,712,000
Expense per year	255,820	411,585	452,745	3,712,358	173,902	1,518,814	5,669,070
Net profit	174,426	251,415	249,255	2,767,642	131,882	947,186	3,042,930
Payback period	3 year 1 month	11 months	1year 11 months	1 year11 months	3year8 months	1 year4 months	1 year
ROI	33.18%	45.76%	48.52%	55.67%	27.70%	80.36%	118.62%
ROS	27.85%	34.95%	34.99%	31.80%	26.85%	39.00%	34.92%
NPV	52,403.50	1,338.00	9,271.00	341,791.00	97,061.00	65,211.62	121,687.00

PI	1.03	1.00	1.01	1.09	1.05	1.05	1.04
IRR	53.24%	24.19%	25.25%	34.37%	81.66%	59.63%	23.50%

Conclusion and Discussion

According to the findings, they were summarized and discussed into four significant areas as:

1. The majority of respondents' demographic was more female entrepreneurs than male entrepreneurs with the age of under 30 years old. The educational background was bachelor's degree with a smaller family structure. They had mostly 1-5 years of business experience that did not require much investment budget. The highest business sector was beverage business, followed by food business, processed seafood, confectionery, cafe business, local clothing business and chili paste business, respectively. The growth of more business branches to create an expanding community economy depended on the number of tourists.

2 The highest initial investment budget for business operations was local clothing business. In addition, the selling price level was suitable for business operations as it presented the highest profit and the highest return. Food business, highest second level was presented a high investment budget, income, cost and return as well. This might be because food business is the heart of creating popularity among small and medium-sized businesses in Hua Hin District and Pranburi District in PrachuapKhiri Khan Province. The following highest business sector was processed seafood, confectionery business, cafe business, and beverage business. and chili paste business, respectively. However, all businesses are involved in driving the economy for small and medium-sized businesses in Hua Hin District and Pranburi District in PrachuapKhiri Khan Province as they were recognized as essential dimensions of economic wealth (Somnuk and Duangmanee2009).

3. There were 6 indexes used to measure the possibility of investing in industrial or business operations, namely, payback period, return on investment (ROI), return on sales (ROS), minimum present value at break- even point (NPV), profit index and return on investment (IRR). It was summarized that the food business received a break-even point before other businesses. The shortest period was beverage business, payback of 11 months compared to investment budget, faster payback. The rate of return on investment (ROI) was calculated to compare the profit per investment budget. The highest rate was food business as the rate of return on investment was 118.62%. The rate of return on sales (ROS) was calculated to compare profits per sales which the maximum rate was processed seafood (the rate of return on sales was 39.0%). From the calculation of the business with the highest value was the food business, the present value was 121,687.00 baht when deducting the current year's investment budget, the profit from the business could be obtained from the expected return on profit in the future. to be the return value in the current year based on the rate of return that is higher than the current borrowing interest rate which was charged at the rate of 8 to 10 percent of the profit index calculation. The business with the highest profit index was the local clothing business. The business that received the highest net return was the chili paste business. The net rate of return was 81.669 percent. In summary, the study report of each small and medium-sized business in Hua Hin District and Pranburi District in PrachuapKhiri Khan Province did not only compare whether any business earns more returns than other businesses, but also considered small and medium-sized businesses

in Hua Hin District and Pranburi District in PrachuapKhiri Khan Province that every business has the possibility of growth and can also be a guide for new entrepreneurs has foreseen the importance of choosing to operate a business in all seven business sectors according to expertise, preferences, experience and factors that will guide you in choosing to operate in this market without risk of loss (Capital Market Knowledge Development Institute: The Stock Exchange of Thailand, 2010).

4. Satisfaction of the Pranburi Old Market was at a very reasonable level. The results of the overall analysis of attitudes towards the prices of various types of products was in a high level of suitability in case of comparing attitudes towards distribution channels and the convenience of using small-scale services. Observation from the cases separated by various topics in terms of convenience distribution channel factors was found that diversity from convenient delivery channels supported an increase in flexibility in expanding income in the creative economy of PrachuapKhiri Khan Province. The results of an overview analysis of the promotion of creative economy in PrachuapKhiri Khan Province was a high satisfaction level in the promotion of creative economy in PrachuapKhiri Khan Province Promotion via free shipping sales channels with the highest level of suitability.

Suggestions

Approaches to adjusting new strategies for small and medium businesses in PrachuapKhiri Khan Province should be considered in order to create new products that are in line with recent's modernity.

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