

## Enhancing Competitiveness of OTOP Entrepreneurs in Narathiwat Province

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**Abstract:** OTOP is a product that is promoted to provide grassroots people the ability to become household-level entrepreneurs, thereby increasing the value of the household economy. Therefore, the objectives of this research were: 1) to analyze a causal relationship of government policy on OTOP promotion, market readiness of entrepreneurs, and enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province, 2) to analyze enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province. The sample group consisted of 240 members. The results revealed that 1) causal relationship is consistent with the empirical data. A chi-square = 16.44 and a P-Value = 0.17, indicating that the causal relationship model was consistent with the empirical data when considering various measurement indices. CFI = 1.00, GFI = 0.99, AGFI = 0.90, RMR = 0.005, RMSEA = 0.04 and CN = 365.52. 2) Enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province (COMPETE) has obtained total effect from the government policy on OTOP (POLICY) that affect positively of 0.21 by a total indirect effect. Enhancing competitiveness (COMPETE) is obtained total effect from the entrepreneur's market readiness (READY) positively of 0.60 by an overall direct effect. Entrepreneur's market readiness (READY) has gained total effect from government policy on OTOP (POLICY) that has a positive effect of 0.70 by direct effect. It disclosed that the enhancing competitiveness of OTOP entrepreneurs derives from 2 factors: market readiness of entrepreneurs and government policy on OTOP promotion, due to both are very high relations at 70 percent.

**Keyword:** Enhancing, Competitiveness, Entrepreneur

### 1. Introduction

Strategic operation relating to the development of OTOP product quality standard from local to international or to export domestic and abroad markets. Therefore, the Ministry of Interior has imposed a supporting career in terms of producing the OTOP products as an important, urgent policy by assigning the Community Development Department for supporting, developing, and strengthening the community to have a powerful and sustainable economic growth. By initiating the integration of grassroots people in terms of managing the local resources to produce quality products and services with local identity. It is a way to build self-reliance and community collaboration, in terms of solving unemployment rate of an individual level to household, group, community, village and sub-district level, as well as some professional networks could have the ability to develop and expand to the level of Small and Medium Enterprises (SMEs) (Promotion of Local Wisdom and Community Enterprise Office, 2016).

The research of Chiarakul, Thanaimai (2014), which collected the problems from associated research and summary, it was found that there are 7 main problems of the production of One Tambon One product as follows: 1) enterprise network problems, lack of integration to develop the concrete collaboration; 2) management problems unless the problem of being frivolous in terms of developing people in the OTOP group; 3) marketing problem, it was found that OTOP products were not developed a form of packaging; 4) production problems, lack of raw materials, lack of advance production equipment and skill in production, and uneven quality of the raw materials; 5) finance problems and lack of funds, due to entrepreneurs have no financial and accounting skills, as well as lack of accurate accounting system and have no recording of incomes and expenses; 6) technology problems, lack of implementation of technology in operations and lack of labor skills; 7) problem of earnest support from government sector.

Therefore, this is a business opportunity for One Tambon One Product that should accelerate the development of products in terms of quality and international standards to build trust among consumers. By combining cultural wisdom, technology, innovation, and the development of outstanding presentation models of products to create the perception to consumers to create value in the product and reduce barriers of price competition. Additionally, giving precedence to the product and brand recognition (Putthikanjanakul, Anchara, et al, 2015). Furthermore, an important strategy for developing One Tambon One Product is to increase the capacity of the business operation. However, the competitiveness is not about a comparison of wage rate between countries or the product is comparatively lower prices by devaluation. Since, competitiveness arises from increasing productivity, which makes the country to be higher competitive, improving people's standards of

living, and contributing to sustainable economic growth. Therefore, the empowerment of business operations is a significant solution for Thailand (Porter, 2003).

Narathiwat is a remarkable province in terms of multiculturalism and plural society, due to there are many geospatial structures, architectural histories, and historic sites which are tourist attractions, people's lifestyle and different local traditions from other places which remain original identity and closely linked. Narathiwat has also established many OTOP groups, community enterprises, and small business enterprises which are based on local wisdom that has been passed on from their ancestors. Narathiwat has been attached great importance to OTOP Inno-Life Tourism, which is to organize a public relations campaign for community tourism, initiating proactive public awareness to promote the OTOP Inno-Life Tourism; and Narathiwat tourism model has 3 forms as follows: cultural tourism, adventure traveling and promoting the local shopping. Regarding the operation of community enterprises in Narathiwat, most OTOP entrepreneurs operate their business during leisure time when they are free from their full-time job which will cause uneven productivity and influence marketing management. For steady OTOP operating, it employs the implementation of hiring workers from outside instead of hiring their own members in the group. By doing this, they will produce even productivity, but the group's operations are not powerful. Ultimately, it will change the nature of the personal business. For the trend of OTOP product development, it gives priority to promoting the learning of the potential and limitations of the community. Because of uneven productivity, they cannot produce the product to meet the market demand. As for OTOP entrepreneurs, who can operate their steady job, so they need to be promoted to study and analyze the market demand data and consumer behavior; to plan the productivity, according to market demand, and developing the product quality to be qualified the standard certification and support them to have a best practice of management and the network of OTOP operators in the provinces to jointly solve problems ultimately develop the OTOP network in the future.

From the issues mentioned above, the researcher realizes the importance and the need for the study about enhancing the competitiveness of OTOP entrepreneurs in Narathiwat provinces which affects the success of conducting business. Due to the product of One Tambon, One Product is the main foundation in terms of the local economy which is the main driving force in the country's gross economy; additionally, Narathiwat province is one of the important production bases of One Tambon One Product of Thailand.

### **Research Objectives**

1. To analyze a causal relationship of government policy on OTOP promotion, market readiness of entrepreneurs, and enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province.
2. To analyze enhancing competitiveness of OTOP entrepreneurs in Narathiwat Province.

## **2. Literature Review**

### **Government Policy On OTOP**

One Tambon One Product is one approach to create prosperity for the community to enhance better well-being of the people by producing or managing their local resources and providing them to have a quality, signature and own unique feature product that corresponds to each local culture, which can be sold in both domestic and international markets. There are 3 basic principles: 1) local to global; 2) self-reliance and creativity; 3) human resource development. Besides, the product is not meant to the product itself but the conceptual process, including services, caring and conserving the natural resources and environment, preserving Thai wisdom, tourism, arts and culture, traditions, expanding local wisdom, and exchanging the knowledge to get quality and outstanding product with remarkable selling point throughout the whole country and global (Administrative Committee of National One Tambon One Product, 2020: 3-4); comprises:

1. Product development and entrepreneurship: To develop standards for OTOP Products in global markets. To promote the implementation of information technology in the production process and innovation creativity. To create business leadership. (MR. OTOP). To elevate business administration and globalization. And to develop juristic entrepreneurs to enter the MAI securities market.
2. Promoting on Branding for adding value and product value: To specify a product position and unique selling point. To develop a coaching system and brand development. And to promote Design Patent registration and Brand Patent Management
3. Promoting Entrepreneur Networking: To promote the integration of the entrepreneur network to prepare the orders. To develop entrepreneurial network leadership. And to link with trade associations and local educational institutions to develop in-depth entrepreneurial skills and local wisdom.

4. Market Expansion: To associate the product sales with a trade association, department store, and modern trade. To expand the markets to ASEAN and new trading partners. To advocacy additional distribution channels through electronic media and social media such as Facebook, LINE, and Instagram. To use EXIM BANK for supporting the exports. And to collaborate with major stores for presenting the products in the global market
5. Market Research: R&D for the development of raw materials, products, and production processes to meet international standards. To promote research on the target market. R&D and study for supporting knowledge management and local wisdom. And to promote niche marketing research.

### **Entrepreneur's Market Readiness**

The entrepreneur who would like to enter a medium and small business, the qualification to run the business has been changed from the past which started the business with the passion or passed on the knowledge from their ancestors the particular knowledge to on the production process only. However, at the present condition with the factors of social economy, technology, and competitions that have been changed from the past rapidly. Therefore, the entrepreneur must be the one who has the know-how and struggle in terms of every aspect of important basic skills in conducting business which are production, marketing, finance, accounting, and human resource management. They need to be an entrepreneur who struggles to work hard and unflagging to problems. Therefore, the entrepreneurs must be the one who is courageous to confront both work and problems, taking risks. Even though conducting the medium and small business are low on funding, they must spend their own funds, employing the knowledge and experience of their own learning, trial, and error. Therefore, the chance of making mistakes is as much as the opportunity for success in business operations. It is considered a challenging risk (Chonnasatid, Wannee, 2009).

- **Readiness on Product**

A product means a thing or anything that can satisfy the consumers when it is owned and consumed whatever physical aspect of products, service, and idea is classified into 2 categories are tangible and intangible. (Sukato, Nuntasaree, 2012). It is also referred to as a thing that presents to the market to meet the need or demand. The product comprises concrete objects, service, experience, situation, person, place, asset, organization, information, and the idea that the vendor offers consumers to consider buying. (Jitraktham, Nittaya, 2012). Above and beyond, the product refers to goods and services that the company offers to the target which embraces the product with various qualities, design, branding, packaging, and service, and so on. Or it refers to characters, functions, and benefits of products to meet consumer demand, which the product consists of tangible and intangible as well as the services that are provided by purchasing the products. (Etzel, Walker and Stanton, 2007).

- **Readiness on Price**

A price is an important approach to business strategy; therefore, pricing should be conformed between product and customer satisfaction. To lower your price for satisfying the customers, does not mean you will always win the sale. The price is another image of the product; hence you must price the product properly when the customers pay for the product and feel that they are getting their money's worth. (Sintrakarnpol, Nattaya, 2010). In addition, price refers to the value of money or non-financial goods and services which are produced for purchasing or it can be referred to all amounts of money or another benefit that can pay for getting the goods and services (Sukato, Nuntasaree, 2012). Moreover, pricing the proper price for the product to be offered to the sale before pricing the business must have a target of pricing whether it was pricing for profit or expanding the market sharing or other purposes. In addition, it must implement a pricing strategy that will be accepted by the target market and competitors in the market competition. Pricing strategy is a tool that the competitors can apply to their business to become successful faster than other factors which include price reduction or pricing the high price for special products to have a good product perception which might cause psychological effects in terms of enhancing pricing implementation. Product pricing may have a credit policy or cash discount strategy, trade discount or volume discount, and so on. Furthermore, businesses must consider any legal regulation that affects prices, product value in monetary terms. Price is the cost of customers; they will compare the value of the product with its price. If the value is higher than the price, then they will decide to buy it.

- **Readiness on Distribution Channels**

Distribution channel refers to the mechanism involved in delivering products from the manufacturer to the consumers whether it will pass through middlemen or not, and management to distribute the products over all the

places and cover a wide area that is dependable with consumer demand (Kongrit, Sonthaya, 2009) Furthermore, the distribution channel means to provide convenience to the customers or consumers to get a comfortable as much as possible in purchasing the goods and services, accessing to the goods or services on time that the customers need by providing several distribution channels according to the nature of products, consumer behavior, location, business location, and customer address. Marketers must design and develop the proper distribution channel system (Komcharoen Pheerawit, 2013). Besides, a distribution channel is a structure of channels that consists of institutions and activities applied to move products and services from the organization in the market. The institutions brought the products to the target market, the activities include transportation, warehouse, and inventory management (Armstrong and Kotler, 2009).

- **Readiness on Promotion**

Promotion is a component of marketing programs that aims to stimulate consumer's interest in purchasing a good or product and enhancing company perception. The producer must attempt to provide the strategies that create an advantage over their competitors by applying for the promotion as an important tool (Sukato, Nuntasaree, 2012). Service product promotion can be applied ingredients of a suitable promotion are advertising, staff, public relation, direct marketing, and promotion. With most high promotion budgets, companies apply integrated marketing communication for the most effective promotion (Jitraktham, Nittaya, 2012). Additionally, it is a marketing effort that the company applies to its consumers, retailer, and wholesaler whether it passed through the media or not for a period. The aim is to encourage people to try the product for increasing more demand or to make the product widespread distribution (Terason, Sid, 2012).

### **Enhancing Competitiveness**

Enhancing competitiveness means the ability in all aspects of an enterprise that allows it to compete with others in the same business. The competitiveness is achieved through possession of specialty resources such as innovation capacity, valuable resources that are different from their original form and unreplaceable (Pongklee, Anirut, 2015). In addition, competitiveness refers to when a company has something that its competitors do not, some actions that are better than another company, or something that others cannot do. Competitiveness will be the essential ingredient for an organization's long-term success and survival (Naweekarn, Somyos, 2009).

- **Leadership**

Leadership is a crucial mechanism for workers or colleagues, leaders will attempt to make their colleagues accept his influence and persuade them to follow him. Leadership potential has an impact on colleagues in terms of their faith, respect, encouragement, and warmth in working together. Therefore, a leader is a power of leader that can create collaboration towards change, coordination, and convenience; he is a contact, supervisor, supporter, and helper for the colleagues in achieving their goals. Leadership affects colleagues, organizations, and circumstances, whether it is efficient or failed. It is an important qualification for a service provider. A charismatic leader can create a working environment for gathering and collaboration. Where the subordinates or co-workers are satisfied with working as a team, which results in the organization's success and achieving the objectives (Wisalaporn, Sermsak, 2009).

Successful leadership in every organization depends on the ability to apply the skills gained from their experience, learning, and observing. Leadership does not depend on the way to exercise positional power, either prestige or power alone. Effective leaders tend to minimize the proportion of their use of power. What leaders want is consensus from their subordinates rather than cooperation. Therefore, there is a word from the service aspect saying that Pull Leadership is the leader of hope, Push Leadership, or dysfunction administrator will affect many other things. If the leader or administrator is a person who has leadership characteristics, the job will proceed smoothly and progressively. In contrast, lacking leadership characteristics may cause many disadvantages. This is because leaders are the middleman of changing within the organization. Leadership behavior also inevitably affects the productivity of the organization, satisfaction, morale, royalty, enthusiasm, and integration and so on (Kesakorn, Yongyuth, 2009).

- **Production Capacity**

Production capacity refers to an approach of manipulating a limited resource, maximizing the benefit, or in other words producing to obtain the highest output from the specified number of inputs or producing to achieve the specified target by utilizing the least amount of input (Suwankesorn, Supsi, 2013). Effective production considers the factors of quantity, quality, time, and price, which must be integrated into the production system by

planning and control at the core of the production. The activities within the production system can be characterized into 3 steps: planning, operating, and control: 1) Planning, is a process of analyzing existing data and planning for manipulating the resources to meet the goals effectively. The production plan specified the sub-list of objectives in different departments for the period in advance. Since this sub-list of the objectives has been specified, if it is successful that will lead to fulfilling the targets. 2) Operating, is the stage of action. It can only be initiated after the details of the production planning phase have been completed. 3) Control, is a process of examining, advising, and monitoring operations. By manipulating feedback information in every work progresses through a control mechanism, which to improve the work plans and objectives for achieving the core objectives (Chaiyabutr, Yutthana, 2013).

- **Communication**

Communication refers to a process of transmitting a message from one party called messenger to another party which is called audience through several media or communication channels. And it is described the communication characteristic of an effective leader, it depends on 3 fundamental factors as follows: 1) Reliability of messenger which is the creation of attraction and good relationship between people, communication in a concise manner, clearly understanding, creating a positive attitude by implementing of audience trust, eliminating the obstacle of communication and monitoring its results, as well as improving the proper communication to the situation. 2) The proper situation in terms of selection of language, which is according to the target audiences, by considering their knowledge, experience, the difficulty of the language as well as the several circumstances that facilitate the successful communication. 3) Consistency, which is a communication between individuals who act as messengers and audience, which the messenger did not act as messenger all the time, and the audience also did not always act as the receiver, changing their roles to be successful communication (Nandhaphan, Chainand, 2016).

- **Management System**

Management system means an approach of repeated process, analysis of needs, planning, implementation, progress monitoring, supervision, improvement to achieve objectives, operational collaboration, and performance monitoring. As a result, the organization can apply the available resource for maximum efficiency and effectiveness (Phukowluan, Sophone, 2014). The administration is the science and art of working together for achieving objectives. Human resources will be the main resource of the organization that people work together with which these people will be the users of several material resources, machinery, equipment, raw material, funds as well as information to produce the goods or services, to release and to meet the satisfaction of the society. In addition, management refers to the process of coordinating people and other resources to achieve the desired objectives effectively and efficiently. By directing and manipulating people. Where the management is an operation or process of two or more people to accomplish the desired objectives together by considering the most efficient allocation of resources. The important elements of management are as follows: specifying obvious objectives, managing resources, coordinating with each other, and dividing the jobs which the original objective is to make a profit. Moreover, productivity is a process of achieving a satisfactory ratio between outputs and inputs within time allocation with quality and it is obtainable on desired objectives. "Productivity" refers to the effectiveness and efficiency of the individual operations throughout the organization (Drucker, 2008).

- **Government Support**

The main role of the government is to support the people in their own country, addressing the problem of the shortage condition by adopting several mechanisms to strengthen the market mechanism in the management of resource accessibility. Therefore, the role of government is related to economic activities for obtaining the objectives of the country administration for their people to get the well-being. The role of government regards the economy which are collecting economic data, analyzing economic problems, providing Economic and Social Development Plan as well as assessing the development results of each phase to provide information for updating plans and as a foundation for further development planning (Jeenjenkit, Usa, 2015). There are many successful government policies out there and those policies can help in a thriving country's economy. It will also help the private sector and citizens to have better performance and livelihood. However, there are still some policies that benefit and affect the economic system, several businesses as well as people in the country (Rodpai, Pich, 2018).

### **3. Research Hypotheses**

Accordingly, two hypotheses were formulated:

H1: government policy on OTOP promotion has a causal relationship with enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province.

H2: Marketing readiness of entrepreneurs has a causal relationship with enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province.

#### 4. Research Method

##### 1. Guidelines or Methods of Conducted Research According to the Objectives

1. To analyze a causal relationship between government policy on OTOP promotion, marketing readiness of entrepreneurs, and enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province. The researcher has studied the general context of competitive advantages, government policy on OTOP, marketing readiness of entrepreneurs, and enhancing competitiveness to determine the relationship between government policy on OTOP and the enhancing competitiveness of OTOP entrepreneurs in Narathiwat Province.
  2. To analyze the competitiveness of OTOP entrepreneurs in Narathiwat Province. The researcher studied the general condition regarding competitive advantages, government policy on OTOP, marketing readiness of entrepreneur, and enhancing competitiveness, to analyze the factors that affecting to enhancing competitiveness.
2. Research conceptualization, the researcher has brought theoretical conclusions by categorizing and classifying data according to variables, to explain the factors that affecting to enhancing the competitiveness of OTOP entrepreneur in Narathiwat Province which consists of the following variables:
    - a. Exogenous Variable is the government policy on OTOP promotion consisting of 5 observable variables: 1) product and entrepreneur development, 2) branding to add value and product value, 3) building entrepreneur network 4) market expansion, 5) market research.
    - b. Mediator consists of variables that mediate between external and internal variables the causal relationship such as market readiness of entrepreneur that consists of 4 observable variables: 1) readiness on the product, 2) readiness on price, 3) readiness on distribution channel; ultimately, 4) readiness on marketing promotion.
    - c. Endogenous Variable, including competitiveness enhancement, consists of 5 latent variables are as follows: 1) leadership, 2) productivity, 3) communication, 4) management system and 5) government support.

#### 5. Results

Figure 1: Structural form of factors for enhancing the competitiveness of OTOP entrepreneur

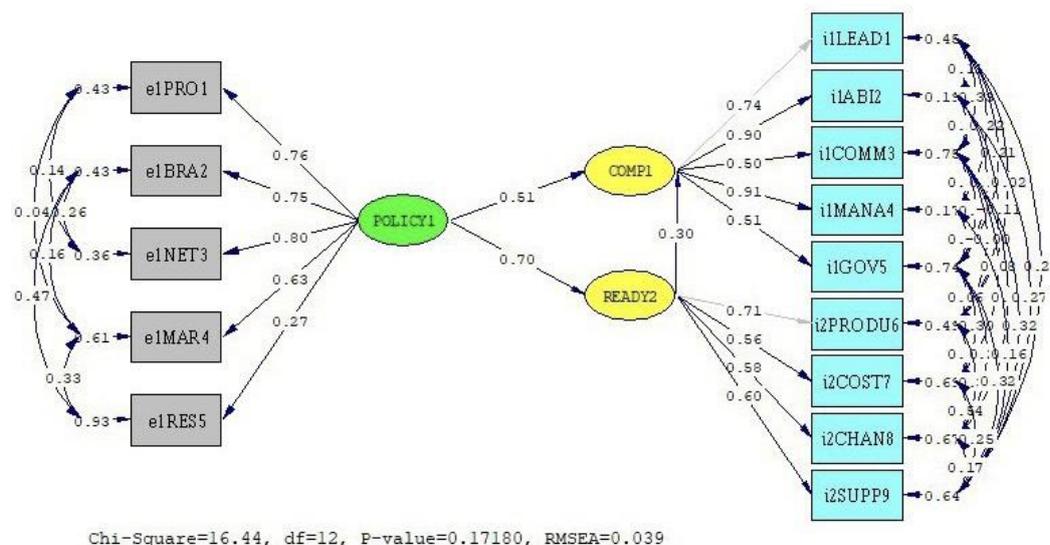


Figure 1. Structural form of factors for enhancing the competitiveness of OTOP entrepreneur

1. Structural forms of factors for enhancing the competitiveness of OTOP entrepreneurs. The causal relationship is consistent with the empirical data. The results of the investigation of the adjusted correlation model had a chi-square = 16.44 and a P-Value = 0.17, indicating that the causal relationship model was consistent with the empirical data when considering various measurement indices. The CFI = 1.00, the GFI = 0.99, the AGFI = 0.90, the RMR = 0.005, the RMSEA = 0.04 and the CN = 365.52. It can be found that all indicators meet the specific criteria to obtain more information in terms of research result explanation. Therefore, it will evaluate the capabilities of the variables which was observed applying the latent variables in the correlation model. It was determined by the significance of factor loading, evaluating the extracted variance, and the confidence of the studies of latent variables. Subsequently, when all data were analyzed at the same time the variables in the correlation model were transmitted and mutually influenced that cause to change in the values obtained from the independent measurement of correlation measurements from other variables.

**Table 1:** Displays direct effect, indirect effect, and total effect between each latent variable

Effect Variable		Government policy on OTOP Promotion (POLICY)			Market Readiness of entrepreneurs (READY)			Enhancing the competitiveness of OTOP Entrepreneurs (COMPET)		
		TE	IE	DE	TE	IE	DE	TE	IE	DE
<b>Government policy on OTOP Promotion (POLICY)</b>	weight	-	-	-	0.70	-	0.70	0.72	0.21	0.51
	SE	-	-	-	0.03	-	0.03	0.03	-	0.03
<b>Market Readiness of entrepreneur (READY)</b>	weight	-	-	-	-	-	-	0.60	-	0.60
	SE	-	-	-	-	-	-	0.03	-	0.03

2. Factors that influenced of 3 Ingenuous Variables are as follows: Government policy on OTOP (POLICY), Market readiness of entrepreneurs (READY) lastly, Enhancing competitiveness (COMPET). By the following analysis results: 1) Enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province (COMPETE) has obtained total effect from the government policy on OTOP (POLICY) that affect positively of 0.21 by a total indirect effect. Enhancing competitiveness (COMPETE) is obtained total effect from the entrepreneur's market readiness (READY) positively of 0.60 by the overall direct effect. Entrepreneur's market readiness (READY) has gained total effect from government policy on OTOP (POLICY) that has a positive effect of 0.70 by direct effect. It disclosed that the enhancing competitiveness of OTOP entrepreneurs in Narathiwat Province derives from 2 factors: market readiness of entrepreneurs and government policy on OTOP promotion, due to both factors are very high relations at 70 percent.

## 6. Discussion

Analysis of the causal relationship of government policy on OTOP promotion, market readiness, and competitiveness enhancement of OTOP entrepreneurs in Narathiwat province. The competitiveness enhancement of OTOP in Narathiwat is raised from entrepreneur readiness (READY) about 60 percent with a deviation of 0.03. For entrepreneur readiness (READY) is derived from the government policy on OTOP promotion (POLICY) approximately 72 percent with a deviation of 0.03. Ingenuous Variables are; (1) Enhancing competitiveness (COMPET) has obtained total effect from the government policy on OTOP (POLICY) that affect positively of 0.21 by the total indirect effect. (2) Enhancing competitiveness (COMPET) is obtained total effect from the entrepreneur's market readiness (READY) positively of 0.60 by overall direct effect; (3) entrepreneur's market readiness (READY) is gained total effect from government policy on OTOP (POLICY) that affect positively of 0.70 by the direct effect. It revealed that enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province arises from 2 factors: market readiness of entrepreneurs (READY) and government policy on OTOP promotion (POLICY), due to both factors are very high relations at 70 percent that corresponds to Metharat Chantane (2020: abstract) has studied in a causal relationship model of factors affecting the competitiveness of Thailand OTOP products. The research results were found that the analysis of the causal relationship of factors affecting direct and indirect competitiveness revealed that congruent with the Chi-Square = 253.48, p-value = 0.056, GFI = 0.957, AGFI = 0.958, SRMR = 0.046, and RMSEA = 0.047. These findings indicated that the competitiveness of Thailand OTOP business (Y) was positively affected from the factors of five competitive forces (Z) at 0.30, and the diamond model (Z) at 0.68 as indirect effect while it was directly affecting from the cooperative network (X) positively at 0.71. The five competitive forces (Z) were indirectly positively affected from the diamond model (Z) at 0.59 and the cooperative network (X) had an

indirect positive effect at 0.43. the diamond model (Z) had indirect positive affecting from the cooperative network (X) at 0.62. and it is corresponding to Thitima Kasemsuk (2020: abstract) had researched on competitiveness increasing of trade operators at Thai-Cambodia Border Aranyaprathet Sa Kaeo Province. The results indicated that the analysis of the causal relationship includes 4 elements that are consistent with empirical data of Chi-Square = 311.86 (P-value = 0.0526) with the indexes of CFI, GFI, AGFI, RMR, RMSEA, and CN were equal to 0.999, 0.966, 0.956, 0.008, 0.014 and 719.238 respectively which all meet the specific criteria. The highest factor loading is operation factors; the second factors are corporate strategy, structure, and competition on related industry and promotion. And market demand had factor loading equally to 0.997, 0.938, 0.913, and 0.841 respectively. The proportional shares of reliability were 99, 88, 83, and 71 percent respectively.

## 7. Conclusions

1. The causal relationship is conformed to empirical data. Results of correlation model examination, chi-square = 16.44 and P-Value = 0.17, which demonstrated that the causal relationship model was conformed to the empirical data. When considering the indexes such as CFI = 1.00, GFI = 0.99, AGFI = 0.90, RMR = 0.005, RMSEA = 0.04 and CN = 365.52. It can be found that all indicators meet the specific criteria.
2. Enhancing the competitiveness of OTOP entrepreneurs in Narathiwat Province (COMPETE) has obtained total effect from the government policy on OTOP (POLICY) that affect positively of 0.21 by the total indirect effect. Enhancing competitiveness (COMPETE) is obtained total effect from the entrepreneur's market readiness (READY) positively of 0.60 by the overall direct effect. Entrepreneur's market readiness (READY) has gained total effect from government policy on OTOP (POLICY) that has a positive effect from 0.70 by direct effect. It disclosed that the enhancing competitiveness of OTOP entrepreneurs in Narathiwat Province derives from 2 factors: market readiness of entrepreneurs and government policy on OTOP promotion, due to both factors are very high relations at 70 percent.

## 8. Recommendation

1. Suggestions for applying research results: (1) Entrepreneurs who wish to apply research results should develop entrepreneurial readiness by beginning to develop management and personal readiness. This can start immediately without needing to wait for the government to support the policy first. (2) The government sector that wants to apply the findings should focus on policies related to one district and one product. This is because it is a factor that has a very high correlation to the development of OTOP operators, especially the policy on meeting the needs of entrepreneurs.
2. Suggestions for further research: (1) The entrepreneurial development model should be studied in enhancing the competitiveness of OTOP operators in other areas. In order to study the causal relationship that results in entrepreneurs increasing competitiveness in other economic areas (2) An entrepreneurial development model should be studied in enhancing the competitiveness of OTOP operators in Narathiwat for each industry or individual product or product. This is to be an in-depth study of the condition, strengths, weaknesses, problems, and obstacles, which will make entrepreneurs Understand the context of business operations, competition and responsive to market and customer needs.

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