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# **TOURISM VALUE CHAIN MANAGEMENT IN UBON RATCHATHANI PROVINCE, LOWER NORTHEAST OF THAILAND.**

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## **ABSTRACT**

This article aims to 1) Study of tourism value chain management in Ubon Ratchathani province, 2) Create a Tourism Value Chain Management Model, and 3) Evaluate models that affect to performance of tourism service providers. Used mixed research methodology between quantitative research and qualitative research. The sample size was the tourist at 400 people and the tourism service provider at 400 people, the totals 800 people from more than 200,000 people. Defined the sample size to be 10 times of research variable and selected the sample by simple random sampling. Data analyze by various statistics and used Structural Equation Model (SEM). The findings found that 1) Tourism Value Chain Management has a positive direct effect influence on the Tourism Service Providers's Performance at 0.94, with statistical significance at 0.01. 2) Tourism Supply has a positive direct effect influence on Tourism Value Chain Management at 0.95 and positive indirect effect influence on the Tourism Service Providers's Performance at 0.90. 3) Tourism Supply construct, the most weight variable is Tourist Service View at 0.89. 4) Tourism Value Chain management construct, the most weight variable is Inbound Logistics at 0.89, and 5) Tourism Service Provider's Performance construct, the most weight variable is the Profit at 0.82. These findings, the tourism service providers can be used to planning for improve and potential enhancement to tourists services in the area.

**Keywords:** Value Chain, Tourism Value Chain Management, Tourism Value Chain in Ubon Ratchathani of Thailand

## **INTRODUCTION**

Logistics management involves activities in the collection, movement, storage and distribution of goods. While, value chain management in supply chains Is related to the activity Inbound logistics, outbound logistics processing Marketing and sales and services, in which products and services add value when going through each process. Then, therefore plays an important role in driving the economy in both the product and service sectors such as the tourism industry Which is another service industry that has been seriously promoted by the Thai government (Malinee Harnyut, 2008). For the tourism situation in 2018, there are 29.88 million foreign tourists. Increase 20.44%, generating revenue of 1.44 trillion baht, expanding 23.53%, the highest record growth with an increase of 2.7 billion from the year 2014 and total tourism income of 2.23 trillion baht. Which the tourism direction in 2016, the tourism group has a positive view the tourism target is 2.3 trillion baht. Therefore need to make a plan to attract quality tourists Promote entrepreneurial products (Kasikorn Research Center, 2016). Tourism is not popular when compared to other regions.

## LITERATURE AND THEORY

### • **Tourism and tourism construct**

Tourism means traveling to various places for a period of time.

Temporarily The main purpose is to relax. Spend money for tourism according to the budget specified. Or may have other secondary objectives as well (World Economic Forum, 2012; Anongnat Siwichit et al., 2013; Kaewta Roetharattana et al., 2013) Which tourism is very important As the service industry is an important source of income that brings foreign currency, make the highest income in the country. Is a source of job creation and distribution of prosperity to the region. When tourists travel to travel, it will cause income distribution and currency spread in the domestic economy. Which type of tourism Can be divided into 5 types (Thoengsak Chaichan, 2012), such as; 1) Agro Tourism, 2) Ecotourism, 3) Cultural Tourism, 4) Health Tourism, and 5) Business Tourism

### • **Tourism Logistics**

**Tourism Logistics** meaning physical flow or Physical flow / material flow and information flow. The process of tourism logistics begins with Inbound logistics. The tourists began to flow into the tourism circuit, and ending with the outbound logistics process, in which tourists start to flow out of the tourism cycle to return.

However, tourism logistics is necessary to have knowledge from 2 main components. In order to develop a good and appropriate management system, including; 1) Tourism Demand: Perspective, Behavior and Demand for Tourists, and 2) Tourism supply: the viewpoint of a business entrepreneur must travel for preparation to present and deliver products or services that impresses tourists, by integrating these two parts together to create a balance and consistency between demand and supply, To develop as a guideline "Tourism Logistics Management" in line with Supply Chain Management (SCM), which will lead to the best practice and appropriate. Lead to the development of the model. For being applied for operation in the tourism industry To create more value Develop competitiveness And good operating results.

### • **Tourism Value Chain**

In the value chain of the supply chain, products and services add value when passing each process. The value chain model consists of 2 activities to drive the company's operations to achieve success, bringing profits. (Porter, 1980; 1985; 2001) include

#### **1) Primary activities consisting of**

1. Inbound Logistics is the preparation of raw material movement. Products or services enter production or business locations
2. Operations is the production, testing and storage of products, products and services.
3. Outbound Logistics means bringing products, products and services From the production site or from the factory to be moved for distribution to the distribution center
4. Marketing and Sales (Marketing and Sales) is marketing and promoting the sale of products and services.
5. Service (Service) is the customer service and after-sales service.

#### **2) Support Activities consisting of**

1. Procurement is the procurement of goods, services and facilities.  
For operation
2. Technology is the information technology system to support the work of the organization.
3. Human Resource Management is the management of human resources in every department to coordinate work together smoothly.

4. Firm Infrastructure is an organization management project that is agile, agile, supports decision-making and can solve problems in time.

Consistent with Anongnat Srivichoke et al. (2013), which said that the value chain of travel and tourism Consists of supporting activities and main activities Which the main activities will consist of on-site services, transportation, packaging, wholesale, retail, marketing and sales and customer management. While supporting activities consist of the company's infrastructure General management, financial planning, strategic alliances Integration and merger, integration and quality control all of which will lead to the profit of the tourism business.

## METHODOLOGY

The research methodology was used mixed method between quantitative research, and qualitative research.

The sample size was the tourist at 400 people and the tourism service provider at 400 people, the totals 800 people from more than 200,000 people. Defined the sample size to be 10 times of research variable and selected the sample by simple random sampling. Data analyze by various statistics and used Structural Equation Model (SEM).

The quantitative data collection was In-depth interview, 12 people. The questionnaires have three parts with 26 items, used 5 rating scale, evaluated by 3 experts, IOC value = 1 and Confidence value = 0.95.

## RESULTS

The results analyzing show as follows.

**Table 1**  
Show statistics describing the characteristics of variables.

(n = 800)							
Variables	$\bar{X}$	S.D.	MIN	MAX	Interpret	Skewness	Kurtosis
TS_P	3.57	0.68	2.00	4.80	Much	-0.05	-0.68
TS_V	3.68	0.59	2.00	4.80	Much	-0.27	-0.41
TS_O	3.90	0.76	2.67	5.00	Much	-0.08	-1.42
PA_L	3.44	0.42	2.67	4.20	Much	-0.07	-0.95
PA_O	3.42	0.27	2.64	3.94	Much	-0.27	-0.28
PA_D	3.56	0.40	2.53	4.53	Much	-0.13	0.89
PA_M	3.69	0.46	2.48	4.62	Much	-0.88	0.78
PA_S	4.01	0.42	3.17	4.75	Much	-0.07	-1.00
SA_L	3.90	0.33	3.25	4.75	Much	0.75	0.54
SA_O	3.90	0.50	2.92	4.81	Much	-0.67	-0.29
SA_I	3.32	0.58	2.33	4.67	Moderate	0.58	-0.12
SA_F	4.06	0.73	2.00	5.00	Much	-0.09	-0.69
TLFP_E	3.45	0.81	2.00	5.00	Much	0.09	-0.48
TLFP_P	3.89	0.83	2.00	5.00	Much	-0.38	-0.40
TLFP_I	3.73	0.48	2.75	4.75	Much	-0.28	-0.55
TLFP_C	3.70	0.66	2.50	5.00	Much	0.13	-0.78
TLFP_G	3.14	0.89	2.00	5.00	Moderate	0.33	-0.69
TLFP_S	3.42	0.60	2.00	5.00	Much	-0.30	0.58

**Table 2**  
The Pearson product moment correlation coefficient was observed.

ตัวแปร	TS_P	TS_V	TS_O	PA_L	PA_O	PA_D	PA_M	PA_S	SA_L	SA_O	SA_I	SA_F	TLFP_E	TLF_P_P	TLFP_I	TLFP_C	TLFP_G	TLF_P_S
TS_P	1																	
TS_V	0.750*	1																
	*																	
TS_O	0.643*	0.746*	1															
	*	*																
PA_L	0.654*	0.734*	0.708*	1														
	*	*	*															
PA_O	0.586*	0.677*	0.656*	0.760*	1													
	*	*	*	*														
PA_D	0.588*	0.635*	0.561*	0.634*	0.598*	1												
	*	*	*	*	*													
PA_M	0.620*	0.655*	0.590*	0.645*	0.598*	0.743*	1											
	*	*	*	*	*	*												
PA_S	0.578*	0.637*	0.615*	0.668*	0.639*	0.674*	0.660*	1										
	*	*	*	*	*	*	*											
SA_L	0.591*	0.681*	0.578*	0.666*	0.602*	0.588*	0.598*	0.632*	1									
	*	*	*	*	*	*	*	*										
SA_O	0.592*	0.665*	0.612*	0.667*	0.580*	0.602*	0.605*	0.651*	0.737*	1								
	*	*	*	*	*	*	*	*	*									
SA_I	0.596*	0.671*	0.633*	0.677*	0.593*	0.591*	0.582*	0.627*	0.674*	0.745*	1							
	*	*	*	*	*	*	*	*	*	*								
SA_F	0.596*	0.653*	0.636*	0.673*	0.605*	0.626*	0.643*	0.626*	0.654*	0.662*	0.681*	1						
	*	*	*	*	*	*	*	*	*	*	*							
TLFP_E	0.591*	0.653*	0.611*	0.674*	0.580*	0.570*	0.601*	0.604*	0.624*	0.661*	0.693*	0.750*	1					
	*	*	*	*	*	*	*	*	*	*	*	*						
TLFP_P	0.511*	0.594*	0.519*	0.586*	0.523*	0.559*	0.537*	0.574*	0.543*	0.550*	0.599*	0.638*	0.626**	1				
	*	*	*	*	*	*	*	*	*	*	*	*	*					
TLFP_I	0.712*	0.627*	0.546*	0.557*	0.473*	0.493*	0.493*	0.491*	0.490*	0.509*	0.523*	0.546*	0.524**	0.479*	1			
	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*			
TLFP_C	0.509*	0.724*	0.565*	0.585*	0.510*	0.494*	0.468*	0.506*	0.522*	0.495*	0.535*	0.532*	0.548**	0.537*	0.763*	1		
	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*		
TLFP_G	0.489*	0.614*	0.773*	0.611*	0.550*	0.493*	0.489*	0.516*	0.491*	0.501*	0.548*	0.555*	0.515**	0.524*	0.615*	0.718*	1	
	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
TLFP_S	0.472*	0.593*	0.572*	0.767*	0.615*	0.520*	0.541*	0.529*	0.511*	0.543*	0.544*	0.549*	0.559**	0.539*	0.643*	0.729*	0.697**	1
	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	

Bartlett's test of sphericity = 10439.424, df = 153, P-Value = 0.000, KMO = 0.937

Note \*\* P-Value < .01

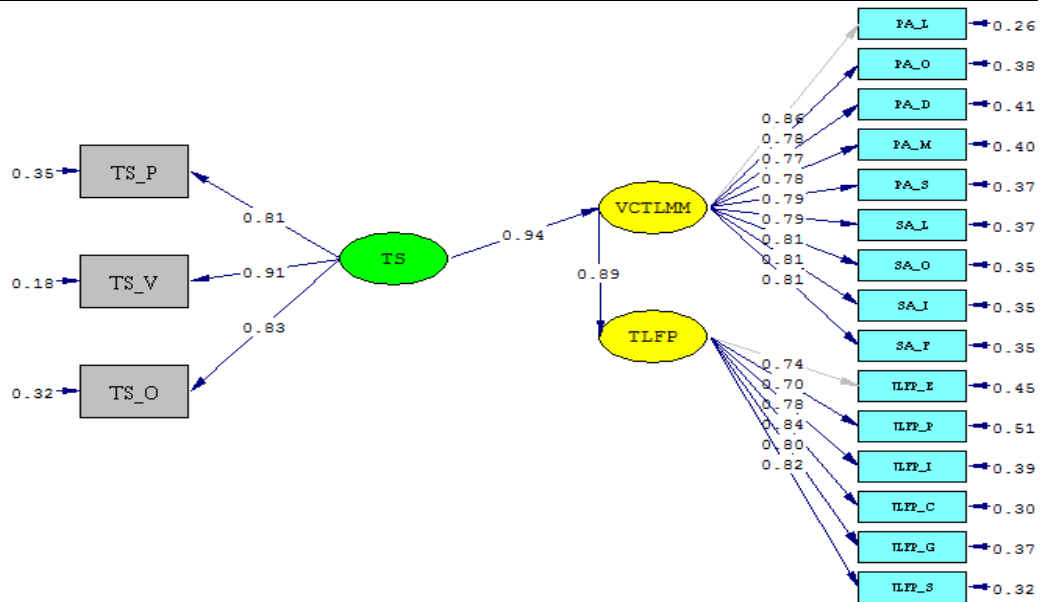
**Table 3**

Show the index value of confidence index and fit indexes of the sub-elements

Construct	No. of Items	Cronbach 's Alpha	Composite Reliability	Average Variance Extracted	$\chi^2/df$	P-Value	GFI	CFI	NNFI	SRMR	RMSEA	IFI	AGFI
Tourism supply													
Tourism service potential	5	0.780	0.801	0.552	1.18	0.316	1.00	1.00	1.01	0.014	0.017	1.00	0.99
Tourist service perspective	5	0.815	0.815	0.570	1.77	0.171	1.00	1.00	1.04	0.011	0.035	1.00	0.98
Tourism Logistics	3	0.770	0.694	0.532	0.03	0.858	1.00	1.00	1.02	0.002	0.000	1.00	1.00
Management of Entrepreneurs													
<b>Value chain management, tourism logistics</b>													
Inbound logistics	5	0.830	0.836	0.511	1.28	0.276	1.00	1.00	1.01	0.011	0.021	1.00	0.99
Operation	3	0.752	0.756	0.511	0.10	0.756	1.00	1.00	1.00	0.003	0.000	1.00	1.00
Outbound logistics	3	0.810	0.811	0.589	0.34	0.561	1.00	1.00	1.00	0.004	0.000	1.00	1.00
Martketing and Sale	3	0.788	0.799	0.573	0.08	0.779	1.00	1.00	1.00	0.004	0.000	1.00	1.00
Serices	3	0.810	0.814	0.593	0.64	0.423	1.00	1.00	1.00	0.007	0.000	1.00	1.00
Transportation	7	0.894	0.887	0.532	1.24	0.289	1.00	1.00	1.00	0.009	0.019	1.00	0.98
Management													
Organizational structure	6	0.886	0.868	0.526	0.30	0.581	1.00	1.00	1.00	0.004	0.000	1.00	1.00
Information technology	3	0.807	0.809	0.588	0.04	0.844	1.00	1.00	1.00	0.002	0.000	1.00	1.00
Resources and facilities	3	0.793	0.798	0.571	0.07	0.794	1.00	1.00	1.00	0.003	0.000	1.00	1.00
<b>Performance of companies in tourism business</b>													
Performance of companies in tourism business	6	0.895	0.897	0.595	1.19	0.314	1.00	1.00	1.00	0.007	0.017	1.00	0.99

**Table 4**  
Show the Fit indexes of the second element

Construct	$\chi^2/df$	P-value	CFI	GFI	AGFI	RMSEA	SRMR
Tourism supply	1.18	0.184	1.00	0.99	0.97	0.017	0.020
Value chain management, tourism logistics	1.09	0.109	1.00	0.97	0.94	0.012	0.022



Chi-Square=1746.74, df=133, P-value=0.00000, RMSEA=0.139

**Figure 1** Analysis of the consistency index of the overall model

## **Recommendations**

For apply to use should be,

1) Recommendations for using research results in short-term corporate strategy planning (up to 1 year) should start with "preparation" for determining the management approach according to the VCTLMM model, which the results of this research suggest that The operators of all 7 business groups, including the hotel business Travel agencies, transport companies, spas and health services, entertainment venues, restaurants, shops and souvenir shops Able to prepare and plan the management by using the model according to the above VCTLMM model to achieve good business results.

2) Suggestions on how to use the research results in the strategy of the company in the medium term (2-3 years) next is "Implement the guidelines in the VCTLMM model", which must be performed in both components of the value chain (PA) activities and the value chain support activities (SA).

3) Recommendations for applying research results to the company's long-term strategy (3 years) are final, "Monitoring, Evaluation and Improvement" after the implementation of the VCTLMM model. The results obtained from the implementation Used in 7 business groups, may have different results

For the future research should be,

1) Further research should be conducted in-depth studies of each business, such as building a network of hotel operators Travel agencies, transport companies, spa and health services, entertainment venues, restaurants, shops and souvenir shops For tourist services.

2) May choose to use other methods of research. Aside from the mixed method

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