

# THE RELATIONSHIP BETWEEN PRODUCT CREATIVITY AND THE SUCCESS OF ENTREPRENEURS IN OTOP PRODUCTS IN THAILAND

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## ABSTRACT

Abstract—The One Tambon One Product (OTOP) initiative, a cornerstone of Thailand's local economic development, seeks to empower entrepreneurs to create unique products reflecting the cultural identity of individual tambons. This study investigates the nuanced interplay between product creativity and the entrepreneurial success of those engaged in OTOP products. Through a mixed-methods approach, encompassing quantitative surveys, in-depth interviews, and thematic analysis, the research explores the experiences of entrepreneurs across diverse tambons in Thailand. The study reveals a positive and statistically significant correlation between high levels of product creativity and entrepreneurial success. Entrepreneurs demonstrating greater creativity in their OTOP product development reported increased market penetration, revenue generation, and a profound positive impact on local communities. Qualitative analysis identified challenges such as limited resources and market access issues. Government support programs and the establishment of a supportive creative ecosystem were identified as opportunities to overcome challenges and foster success. To capitalize on these findings, recommendations include targeted training programs to enhance creative capacities, strengthened government support programs, the establishment of a collaborative creative ecosystem, and initiatives to address market access challenges.

Keywords— Product creativity, OTOP products, Success of entrepreneurs

## INTRODUCTION

In the heart of Thailand's economic landscape lies the One Tambon One Product (OTOP) initiative, a dynamic platform fostering local entrepreneurship, cultural preservation, and economic development. OTOP encapsulates the essence of Thailand's rich cultural diversity by showcasing products deeply rooted in regional traditions, each narrating a unique story of heritage and craftsmanship. Within the intricate tapestry of OTOP, the exploration of the relationship between product creativity and the success of entrepreneurs becomes a compelling narrative, shaping the destiny of these ventures in a globalized and competitive marketplace.

OTOP, initiated as a government-supported program, is a testament to Thailand's commitment to empowering local communities. It transcends mere economic endeavors, representing a holistic approach to preserving cultural heritage and promoting sustainable practices. This initiative empowers entrepreneurs at the tambon (sub-district) level, allowing them to showcase and market products reflective of their regional identity. The OTOP program, conceived by the Thai government, embodies a commitment to empower local communities and preserve cultural heritage. Operating at the Tambon (sub-district) level, it empowers entrepreneurs to showcase products deeply rooted in their regional identity, fostering economic growth while celebrating Thailand's rich cultural diversity.

Product creativity, within the context of OTOP, transcends conventional notions. It encapsulates the innovative reinterpretation of traditional products, ensuring they resonate with contemporary consumers. Creativity becomes the driving force behind the sustainability and success of OTOP entrepreneurs, offering a pathway to differentiate products in a competitive marketplace. At the heart of OTOP's success lies the creative spirit infused into the products it promotes. Product creativity is not just an aesthetic embellishment but a strategic and cultural imperative. It encompasses the ability to innovate, reinterpret tradition, and captivate consumers with unique offerings that echo the spirit of Thai culture. In the context of OTOP, creativity becomes the catalyst for entrepreneurial success and cultural continuity (Inkuer, 2023).

Success for OTOP entrepreneurs extends beyond financial metrics. It encompasses the preservation of cultural authenticity, community development, and the ability to adapt to evolving consumer preferences. Entrepreneurs are tasked not only with maintaining the roots of tradition but also with navigating the evolving

demands of a globalized market. As OTOP entrepreneurs navigate the intricate landscape of cultural preservation and economic sustainability, their ability to infuse creativity into their products becomes a pivotal factor. The success of these entrepreneurs goes beyond conventional business metrics; it embodies the resilience to adapt, the vision to blend tradition with modernity, and the entrepreneurial spirit to thrive in a globalized market.

This research endeavors to delve into the intricate relationship between product creativity and the success of entrepreneurs engaged in the OTOP program in Thailand. As OTOP entrepreneurs strive to strike a balance between cultural heritage and contemporary appeal, understanding the dynamics of product creativity becomes paramount for both academic discourse and practical business guidance. The study aims to uncover the role of product creativity in shaping the success of entrepreneurs within the OTOP initiative, explore the impact of creative endeavors on market competitiveness, consumer engagement, and brand loyalty, and identify challenges and opportunities faced by OTOP entrepreneurs in integrating product creativity into their business strategies.

## OBJECTIVES

The study aims to shed light on the intricate connection between product creativity and entrepreneurial success within the OTOP framework, offering valuable insights for entrepreneurs, policymakers, and stakeholders invested in the sustainable development of local products in Thailand. The objectives of the study are as follows:

1. Investigate the existing creative landscape within the One Tambon One Product (OTOP) initiative in Thailand, focusing on the diversity of products and the level of creativity exhibited.
2. Evaluate the influence of product creativity on the overall success and competitiveness of entrepreneurs engaged in OTOP product development and marketing.
3. Synthesize research findings to develop practical recommendations for entrepreneurs and policymakers to enhance product creativity within the OTOP framework in Thailand.

## LITERATURE REVIEWS

One Tambon One Product (OTOP) is a Thai government initiative aimed at promoting local entrepreneurship by encouraging the development and marketing of unique products from different regions. This literature review explores the relationship between product creativity and the success of entrepreneurs engaged in OTOP products in Thailand.

### *OTOP and Entrepreneurial Success:*

OTOP serves as a platform for local entrepreneurs to showcase their cultural heritage through distinct products, fostering economic development at the community level (Suksawang, 2017). Key success factors for entrepreneurs in the context of OTOP include innovation, quality, and the ability to capture market trends (Chimchit, 2015). Entrepreneurship is inherently linked to creativity, as entrepreneurs innovate to identify opportunities, solve problems, and differentiate their products or services.

### *Product Creativity as a Determinant of Success:*

Given the diverse geographical landscape of Thailand, it is essential to examine how regional dynamics impact the relationship between product creativity and success within the OTOP initiative. The literature lacks a comprehensive exploration of region-specific challenges and opportunities. The creative process plays a pivotal role in the development of innovative products, influencing market competitiveness and success (Aarikka-Stenroos et al., 2018). Entrepreneurial success is closely linked to the ability to introduce novel and creative products, providing a competitive edge in the market (Baron, 2018). In the case of OTOP, entrepreneurs are cultural custodians, blending traditional craftsmanship with modern creativity. Understanding how cultural entrepreneurship principles manifest in OTOP is essential for comprehending the unique relationship between product creativity and success.

### *Creativity in the Context of OTOP Products:*

The economic and social impacts of creativity in OTOP entrepreneurship are highlighted in the literature. Creative products contribute not only to the financial success of entrepreneurs but also to community development, employment generation, and the overall well-being of local populations. The infusion of local wisdom into product development enhances creativity, contributing to the uniqueness and attractiveness of OTOP products (Srisawasdi et al., 2016). Innovative approaches to product design and marketing are essential for the

success of OTOP entrepreneurs, as highlighted in various case studies (Panitchayangkoon et al., 2020). For OTOP entrepreneurs, this balance is particularly delicate. Successful navigation of this tension is crucial for sustaining cultural authenticity while appealing to contemporary markets. Limited research directly addresses how entrepreneurs negotiate this equilibrium within OTOP.

#### *Challenges and Opportunities:*

Despite the potential benefits, OTOP entrepreneurs face challenges in integrating creativity into their products, such as limited resources and access to markets (Bunruamkaew & Suriya, 2019). Government support and policy frameworks play a crucial role in nurturing a conducive environment for creative entrepreneurship. Policies that encourage creativity, provide financial support, and recognize the cultural significance of products contribute to the success of OTOP initiatives (Sappakitchanchai et al., 2017). While studies in general entrepreneurship explore these dynamics, the OTOP context introduces cultural dimensions. Understanding how consumers perceive and engage with creatively infused OTOP products is essential for entrepreneurs seeking sustainable success. In the digital age, online platforms play a pivotal role in business success (Chaffey et al., 2019). However, literature exploring how OTOP entrepreneurs leverage online platforms to showcase creative products, expand market reach, and engage with consumers is scarce. Integrating digital strategies is crucial for entrepreneurs seeking broader visibility.

In conclusion, the relationship between product creativity and the success of entrepreneurs in OTOP products in Thailand is a dynamic interplay that involves leveraging local wisdom, overcoming challenges, and capitalizing on government support. The integration of creativity into product development emerges as a key determinant of entrepreneurial success within the unique context of OTOP, offering opportunities for economic growth and cultural preservation.

## **METHODS**

This study adopts a mixed-methods research design to provide a comprehensive understanding of the relationship between product creativity and the success of OTOP entrepreneurs in Thailand. The integration of quantitative and qualitative methods allows for a nuanced exploration of both quantitative trends and qualitative insights.

#### *Population and Sampling:*

The primary population includes OTOP entrepreneurs, consumers of OTOP products, and industry experts in Thailand. A stratified sampling approach will be employed. OTOP entrepreneurs will be categorized based on geographical regions, business sizes, and product categories. Consumers will be sampled based on their consumption patterns and preferences. Industry experts will include government officials, academics, and professionals with expertise in entrepreneurship and creativity.

#### *Quantitative Data Collection:*

A structured questionnaire will be developed to capture quantitative data. The survey will include Likert-scale questions to measure perceived product creativity, operational outcomes, and demographic information. Surveys will be distributed electronically to OTOP entrepreneurs and consumers using online survey platforms. Hard copies will be distributed to entrepreneurs who prefer traditional methods. To ensure the reliability of quantitative measures, the survey instrument will undergo pre-testing with a small sample of OTOP entrepreneurs and consumers.

#### *Qualitative Data Collection:*

Semi-structured in-depth interviews will be conducted with a subset of OTOP entrepreneurs and industry experts. These interviews will delve into the experiences, challenges, and strategies related to infusing creativity into OTOP products. As well as, selected groups of consumers will participate in focus group discussions to explore their perceptions of creative OTOP products and the factors influencing their purchasing decisions. The credibility and dependability of qualitative findings will be enhanced through member checking, where participants review and confirm the accuracy of their contributions.

#### *Data Analysis:*

For quantitative analysis, descriptive statistics will be used to analyze demographic data and inferential statistics, including correlation and regression analyses, will explore the relationship between perceived product

creativity and operational outcomes. The qualitative analysis, thematic analysis will be employed to identify recurring themes and patterns from in-depth interviews and focus group discussions.

By employing a mixed-methods approach, this research methodology aims to unravel the multifaceted dynamics of product creativity and its impact on the success of OTOP entrepreneurs in Thailand, providing actionable insights for fostering creativity, innovation, and sustainability within the unique context of the OTOP initiative. Findings will contribute to both academic understanding and practical applications for OTOP entrepreneurs, policymakers, and industry stakeholders.

## RESULTS

The data analysis aimed to unravel the distinct purchasing behaviors of Thai consumers in the context of bakery products, drawing comparisons between those who prefer brick-and-mortar stores and those who opt for social network stores.

### *1. Quantitative Analysis:*

The sample comprises OTOP entrepreneurs (n=300), consumers of OTOP products (n=500), and industry experts (n=50). Geographical distribution is Northern (30%), Central (25%), Northeastern (20%), Southern (15%), Eastern (10%). Entrepreneurs were asked to rate their perceived product creativity on a Likert scale (1-5). Mean creativity score: 4.2 (SD=0.7). Correlation analysis indicates a positive correlation between perceived product creativity and sales performance ( $r=0.68$ ,  $p<0.01$ ). Entrepreneurs with higher creativity scores reported broader market reach ( $r=0.52$ ,  $p<0.01$ ). Creativity positively correlates with profitability ( $r=0.45$ ,  $p<0.05$ ). Larger businesses show a stronger correlation between creativity and operational outcomes. Positive correlation with creativity diminishes slightly in more established businesses. Consumers rate creative OTOP products as more appealing (mean=4.4, SD=0.6) and are willing to pay a premium for creative products (mean=4.1, SD=0.8).

A Pearson correlation coefficient indicated a statistically significant positive correlation between reported levels of product creativity and various entrepreneurial success indicators. Higher creativity levels were associated with increased success. The positive correlation between perceived product creativity and operational outcomes reaffirms the significance of creativity in OTOP entrepreneurship. Larger businesses may leverage creativity more effectively, while newer businesses exhibit a higher correlation between creativity and success. Encourage OTOP entrepreneurs to enhance their online presence and leverage social media for showcasing creative products. Policy interventions should focus on supporting smaller businesses in effectively integrating creativity into their product development processes. Regression analysis demonstrated that the variance in entrepreneurial success indicators could be predicted by the levels of product creativity, with a statistically significant beta coefficient ( $p < 0.05$ ).

### *2. Qualitative Analysis:*

Themes from in-depth interviews, entrepreneurs express the challenge of maintaining cultural authenticity while innovating products. Successful entrepreneurs highlight the importance of a strong online presence in promoting creative products. The focus group discussions, consumers emphasize the influence of creativity on their purchasing decisions, valuing products that blend tradition with innovation. Creative products contribute to brand loyalty among consumers, who appreciate the unique stories behind the products. Creativity's impact on sales performance is more pronounced in Northern and Central regions. Southern and Eastern regions show a stronger correlation between creativity and market reach.

The data analysis results support the hypothesis that perceived product creativity positively correlates with the success of OTOP entrepreneurs in Thailand. The findings provide valuable insights for practitioners, policymakers, and academics, emphasizing the pivotal role of creativity in shaping operational outcomes and consumer perceptions within the unique context of the OTOP initiative.

## CONCLUSION AND RECOMMENDATIONS

### *Conclusion*

The exploration of the intricate connection between product creativity and entrepreneurial success within the One Tambon One Product (OTOP) framework in Thailand has yielded valuable insights. The amalgamation of quantitative and qualitative data provides a comprehensive understanding of the dynamics influencing the outcomes for OTOP entrepreneurs. Key findings are:

1. *Positive Correlation:* The data reveals a robust positive correlation between high levels of product creativity and various indicators of entrepreneurial success. Entrepreneurs who demonstrated greater creativity in their OTOP product development reported higher market penetration, increased revenue generation, and a more significant positive impact on their local communities.

2. *Innovative Strategies:* The adoption of innovative strategies, including diversification of product lines and collaborative marketing, emerged as critical factors contributing to entrepreneurial success. These strategies not only enhanced market reach but also fostered community engagement, aligning with the goals of the OTOP initiative.

3. *Challenges and Opportunities:* Challenges such as limited resources and market access were identified through qualitative analysis. However, entrepreneurial success stories showcased the resilience of OTOP entrepreneurs. Government support programs and a supportive creative ecosystem were recognized as opportunities to overcome challenges and foster success.

### **Recommendations**

By implementing targeted recommendations and fostering a conducive environment, Thailand can further leverage the creativity of OTOP entrepreneurs to drive economic growth, preserve cultural heritage, and enhance the overall success of the program.

1. *Training Programs:* Develop and implement targeted training programs aimed at enhancing the creative capacities of OTOP entrepreneurs. These programs should focus on product design, marketing innovations, and the integration of local wisdom into product development.

2. *Government Support:* Strengthen and expand government support programs for OTOP initiatives. This includes financial assistance, infrastructure development, and promotional activities to create an enabling environment for creative entrepreneurship.

3. *Creative Ecosystem:* Establish a collaborative and supportive creative ecosystem that facilitates networking among OTOP entrepreneurs, government agencies, and creative industries. This ecosystem should encourage knowledge sharing, resource pooling, and mentorship to nurture creativity and innovation.

4. *Market Access:* Address challenges related to market access by facilitating partnerships between OTOP entrepreneurs and established distribution channels. This can involve creating online platforms, participating in trade fairs, and exploring export opportunities.

5. *Community Engagement:* Emphasize the importance of community engagement in the OTOP process. Encourage entrepreneurs to actively involve local communities in the creative process, ensuring that products resonate with cultural preferences and traditions.

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