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Factors Affecting Sustainable Development in Local Business Management in The New Economic Era: Tong Chom Market Project

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Abstract

Local economic growth is driven by the expenditure of local people, who have the local market as an intermediary and are essential to increasing gross domestic product. This article aims to study the concepts, theories and factors affecting sustainable development in local business management in the new economic era: Tong Chom Market Project. This is a project that integrates into with the public and private sectors in the form of a civil state according to The Thailand 4.0 Model. Sustainable development of local businesses requires Perceived Value Factor, Customer Satisfaction Factor and Customer Engagement Factor. When local businesses are sustainable, they will contribute to the distribution of income in the community, reducing economic, social and environmental problems. Create sustainability at the community level, strengthening the foundation economy, which is the basis of the country's further economic development.

Keywords: Sustainable Development, Local Business Management, New Economic Era

Introduction

The government has set a vision of the framework of the 20-year national strategy for Thailand to be stable, prosperous, sustainable, and a developed country through development according to the Sufficiency Economy Philosophy and has formulated a strategy to create fairness, reduce inequality in society, create a better environment. To provide everyone in society with access to resources and sources of capital for their careers to raise incomes and drive the local economy and sustainable economic strength and competitiveness strategy by laying the foundation of Thailand 4.0 to take care of people. All Thai people to move forward together without leaving anyone behind. In addition, the Prime Minister has an order for a cabinet meeting on 19 September 2017 that the Ministry of Interior considers the



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implementation of community market promotion for farmers and low-income people in the community, including entrepreneurs that are suffering from lack of the trading facility had space to trade as well as to enhance trade with of the community.

The Cabinet has resolutions to of October 17, 2017 and December 4, 2017, agreeing in principle to implement the Pracharat Market Project under the cooperation between the Ministry of Interior, Ministry of Commerce, Ministry of Agriculture and Cooperatives, Ministry of Finance, Ministry of Industry, Ministry of Transport, Ministry of Public Health, Ministry of Culture, BAAC, Pracharath Rak Samakkee Social Enterprise (Thailand) Co., Ltd., Pracharath Rak Samakkee Province (Social Enterprise) Co., Ltd., and National Housing Authority integrating all 10 types of public markets under the Pracharat Market Project, consisting of (1) Green Market, (2) Thai Smile Market, (3) Happy Local Market, (4) Bangkok Returning Happiness Market, (5) Market provincial goodies, (6) Modern Trade Market, (7) BAAC Community Goods Market, (8) Tong Chom Market, (9) Cultural Market – Cultural Road and (10) Pracharath Housing Market

Tong Chom Market Project operated by the Ministry of Commerce. The project started since 2015, currently there are 222 participating markets (Department of Internal Trade, 2022). It is a community market with a commercial identity, with closed price tags, accurate scales, fair prices, and community identity. The market can be integrated and upgraded to be a tourist attraction of the community. Which has the concept of promoting community marketed management that is ready in the local identity community tourism and stimulating trade. There are areas to operate in community markets, floating markets and markets in tourist attractions across the country. The Tong Chom Market that It will connect all sectors including government, private sector, producer sector and tourism sector to generate sustainable income for the community. Including the integration of projects that is operated on the responsible market. Focus on expanding existing market areas and developing new markets. Increase market management potential for entrepreneurs in each product category at each level There is a place that sells to farmers and low-income people. Entrepreneurs who suffer from the lack of a place to trade are registered as new entrepreneurs, allocate to participating markets, which will bring income to continue living.

Research objective

To study Concepts, Theories and Factors affecting sustainable development in local business management in the new economic era: Tong Chom Market Project.



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Literature Review

Concept of Local Business Management

Local business refers to activities that rely primarily on locally available inputs, which are activities that complement each other's production and service. Suitable for lifestyle as well as the ecosystem of each community. Local businesses are formed primarily by the gathering of local villagers, with the aim of all members being to participate in decision-making at every step from production to distribution in order to comply with local needs of the majority in the community and for the villagers to be ready to be able to rely on themselves effectively. In this regard, community members must elect to be the majority shareholder in the event of incorporation. The goal of the community business is to be as self-reliant as possible both in production and marketing. (Jaimanus, 1997)

The majority of local business management focuses on locally aligned group or organization management systems based on self-reliance and community co-operation, as well as providing members with the opportunity to learn about the management of local businesses groups in various fields. The composition of the local business organization is similar to the general business management in which it is managed in areas such as production, processing, marketing, finance, accounting, personnel management through management processes as follows: planning, organization, personnel management, administration and audit control. Which is consistent with the concept of general business, which can be divided as follows: (1) Production, (2) Marketing, (3) Personnel work, (4) Accounting and control, (5) Finance and cost of the business and (6) Statistics and Information (Dumrongsak, 2003)

In addition, the concept of the elements of rural business management that divides management into production management, marketing management, financial management, manpower management and general administration. The main management processes are planning, systematization, manpower management, administration and performance control (Paiboon, 1999). From these concepts, it can be seen that the nature of general business management and local business management have similarities, that is, the nature of work is divided into many areas of that community.

New Economic Era (Thailand 4.0)

Thailand 4.0 (Thailand 4.0) is a model of economic development of Thailand that wants to bring Thailand out of various traps under the context of the 4th Industrial Revolution. Develop from a middle-income country to a high-income country according to the 20-year National Strategic Plan by building strength from within along with connecting with the



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international community according to the Sufficiency Economy Philosophy. Driving through the Pracharat mechanism by transforming the economy into an innovation-driven economy. The major system transitions to change the economic structure of the Thailand 4.0 model are (1) The transition to traditional agriculture to modern agriculture., (2) The transition to traditional SMEs to smart enterprises and startups with high potential., (3) The transition to traditional services to high-value services., and (4) Shifting from low-skilled workers to knowledgeable workers Expertise and high skills. (Ministry of Industry, 2016, p. 4)

Therefore, Thailand 4.0 is developing a new engine to drive economic growth by converting the country's "comparative advantage" in two areas, "biodiversity" and "cultural diversity", into "comparative advantages". Which by using science in creativity, innovation, science, technology and research and development by emphasizing 5 technology groups and target industries as a base for creating "New Startups" consisting of (1) Food, Agriculture and Biotechnology Group, (2) Public Health, Health and Medical Technology Group, (3) Smart Devices, Robotics and Electronic Controlled Mechanics Group, (4) Digital, Internet Technology that connects and controls devices artificial intelligence and technology Embedded brains and (5) High-value creative, cultural and service industries. (Suwit Maesincee, 2016, p. 3)

Concepts, Theories and Factors affecting sustainable development in local business management in the new economic era

Perceived Value: Perceived Value is the assessment of the overall usability and properties of goods and services as a direct influence on customer satisfaction, which positively influences behavior and customer purchase decision. Therefore, the perception of value is one of the key elements in doing business because the perception of value leads to customer engagement to on the continued use of products and services. It also creates a long-term competitive advantage and further sustainable business development. (Kim, Lee & Yoo, 2017; Moliner, Sanchez, Rodriguez & Callarisa, 2017)

Customer Satisfaction: Kotler and Keller (2009) define Customer Satisfaction as the level of customer sentiment that results from comparing the benefits of a product's features or functionality with customer expectations. Customer satisfaction is often something that has been studied for a long time. Carlson, Rahman, Taylorc & Voolad (2019) have conducted a study showing that satisfaction is compounded by the shared experience of the service provider-to-consumer relationship. Customer satisfaction is the feeling that combines the mental reaction to against the consumer that results from the consumer's perception of value. Olsen (2020) argues that the fundamental process of consumer satisfaction depends on the



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perceived performance that exceeds expectations. On the other hand, if the cognitive performance is lower than the consumer's past experience, it will lead to negative dissatisfaction or dissatisfaction. Kumar et al. (2018); Van Doorn et al. (2018); Hill & Alexander (2020) by Rust & Oliver (2017), adding in the same direction that satisfaction leads to future decisions in which consumers will recognize that brand and induce repeat consumption, continually building engagement, leading to business sustainability. (Cronin, Brady & Hult, 2020)

Customer Engagement: Phuriwat (2017) said that the current market is more competitive. Products and services are less differentiated. Developing customers to create brand engagement must start from developing relationships of customers at 4 levels: Level (1) Building confidence for customers., level (2) Creating customers to be born integrity and sincerity., level (3) Building customer pride., and level (4) Developing customer passion. This creates the customer to see the charm of using the product until it makes the customer feel that there is nothing that can replace the product that is used, which will lead to the sustainability of the business as well. Dick & Basu (1994) argued that the consumer's commitment to a brand is comparable to that of the consumer's unquestioning commitment to the product, an intrinsic feeling of satisfaction, combined with attitudes and beliefs. The support from Oliver (2019) found that the behavior of consumers who buy repeatedly in products that they like and continue to buy in the long term. Consumers will buy the same products or products of the same brand on a regular basis, resulting from a deep bond between the brand. And in studies in the context of today's interactions with consumers, there will be factors of social communication channels to play a role in planning marketing strategies for the sustainability of the business even more.

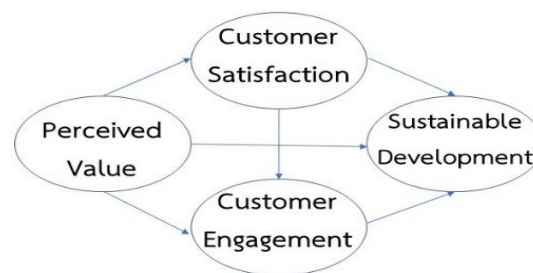


Figure 1: Shows the factors affecting sustainable development in local business management.



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From the Figure 1, it can be seen that the sustainable development of a local business requires a perceived value factor, customer satisfaction factor, and customer engagement factor. When local businesses are developed in a sustainable way, they will contribute to the distribution of income in the community, reducing economic, social and environmental problems. Create sustainability at the community level and strengthen the local economy, which is the basis of national economic development. The Tong Chom Market Project will be one of the ways to create a career, generate income and create jobs of people in the community. It is a place that both locals and visitors from abroad must visit, stop by to shop, experience the local culture, lifestyle and lifestyle of the unique villagers. This is to generate income while preserving the traditions, arts and culture of the community under the operation with all relevant sectors in the form of a civil state in order to keep the local economy strong and sustainable.

Conclusion and Suggestion

Thailand 4.0 is a country's economic development model that aims to lead Thailand out of various traps in the context of the 4th Industrial Revolution. Which will lead the country towards stability, prosperity and concrete sustainability. Develop from a middle-income country to a high-income country by building strength from within coupled with connecting with the international community according to the Sufficiency Economy Philosophy by driving through the Civil State mechanism, which is transforming the traditional economic structure of an innovation-driven economy. Therefore, Thailand 4.0 is developing a new engine to drive economic growth by converting the country's "comparative advantage" in two areas, "biodiversity" and "cultural diversity", into "comparative advantages"

Local economic growth is driven by the expenditure of local people, who have the local market as an intermediary and are essential to increasing gross domestic product. "Tong Chom Market Project" is a local business management project in the new economy era. This is a project that integrates into with the public and private sectors in the form of a civil state under the strategic framework for creating fairness, reducing inequalities in society and creating opportunities for everyone in society to have access to resources and capital. To pursue a career and to raise incomes and drive the local economy and strategies to build economic strength and sustainable competitiveness according to the Thailand 4.0 model. Sustainable development of local businesses requires a perceived value factor, customer satisfaction factor and customer engagement factor. When local businesses are sustainable, they will contribute to the distribution of income in the community, reducing economic, social and



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environmental problems. Create sustainability at the community level, strengthening the foundation economy, which is the basis of the country's further economic development.

The government should focus on promoting and enhancing the existing market potential by organizing activities to promote and create awareness, promoting knowledge development by organizing training and study visits to traders and entrepreneurs in the field of product development, packaging products, calculating costs and preliminary accounting, as well as organizing tourism market capacity building activities, which will upgrade the public market to be viewed as a tourism market to generate income for the community which will stimulate a local economy allows community traders to continue to trade sustainably.

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