

# **The Structural Equation Modeling of OTOP Entrepreneur Improvement to Build Sustainable Competitive Opportunity in The Market**

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## **Abstract**

The objectives of this study were to analyze and develop a structural equation modeling of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market. A quantitative research methodology was used in this study, the sample consisted of 286 OTOP entrepreneurs of Tak Bai District, Narathiwat Province. Questionnaires were used to collect data, which were analyzed using frequency, percentage, arithmetic mean, standard deviation, and Structural Equation Modeling (SEM). The results of the research can be summarized as follows: 1) the guideline of OTOP entrepreneur improvement in Praiwan Subdistrict, Tak Bai District, Narathiwat Province, the overall mean is at a high level. The aspect with the highest average was building the competitive advantages, followed by product development, the lowest average was business network; 2) the structural equation modeling of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market; the factors that affect the OTOP entrepreneur development to build competitive opportunity, entrepreneurial potential development, competitiveness enhancement, which had a direct causal effect on the guideline of OTOP entrepreneur improvement.

**Keyword:** Structural equation modeling, OTOP, Entrepreneur, Competitive opportunity, Sustainable

## **Introduction**

One Tambon One Product (OTOP) is an important government policy that aims to challenge the difficulties in the community's production of products and services for ensuring that each community has access to the expertise and traditional knowledge needed to develop products and services, to engage people to participate in job, income, and community creation consequently strengthening communities, self-reliant, and sustainability. The government agencies are ready to strengthen Thai OTOP entrepreneurs for upgrading their professionalism, expanding variously marketing channels as well as allowing them to reach the specific target

group and customers, additionally, responding to the government's economic-strengthening policy to reinforce the local economy. The execution of the Civil-State Policy to establish the local economy referred to building a strong community, developing well-being, the capability of establishing a job, and producing products or services with added value to generate a stable income, it is correspondingly a significant government's goal. The Ministry of Commerce had a collaboration with the Ministry of the Interior, Ministry of Industry, Ministry of Science and Technology, Ministry of Public Health, and private sector to promote OTOP products that have economic potential and can sustainably access the market. The development guidelines should be followed completely, started with product styles that meet market expectations as well as grow into a market-savvy entrepreneur that understands how to do business creatively, as well as how to leverage technology and innovation with the intention of differentiation and adding value to the products and providing the digital marketing to assist in business administration. As online marketing is a key channel for increasing business potential and ensuring sustainable success. As a result, the Department of Business Development has been assigned with disseminating the knowledge and training to the OTOP entrepreneurs in terms of employing online channels, e-commerce, transportation linkages, logistics, and payment systems, as well as working on internet marketing efficiently through online channels (Community Business Promotion Division, 2017).

In addition to the marketing factors, if you want to raise standards and add value to Thai OTOP products to be successful, it should have explicit operational guidelines and strategies, for example, brand building, public relations through various media channels, targeting a niche market, modern package styles are being developed, to be approved for manufacturing requirements, product development must be certified, technology and innovation knowledge development, marketing integration and linking exchange and share managerial skills, and experiences through networking. However, the Department of Community Development under the Ministry of Interior provided the following information that sales of Thai OTOP items generated an economic value of 1.252 billion Baht in 2017, and sales of OTOP products are anticipated to rise by 10% in 2018, totaling 1.377 billion Baht. As a result, the development of potential is important, according to the government's objectives, the Thai OTOP market will be a success. All relevant agencies should collaborate in an earnest and enduring manner. This will allow Thai OTOP products to thrive in the long run as well as generating income for the country (Department of Community Development, 2018).

As a result, the researcher started an investigation in the Praiwan Subdistrict of Tak Bai District, Narathiwat Province. Gardening and farming are the primary occupations of most local people, and an additional occupation is the handicraft industry. Narathiwat Province's Community Development Office and Phatthanakan Tak Bai District that would like to promote and inspire villagers in the subdistrict to join forces and generate new jobs for the locals, to create jobs and generate income until there is an intriguing product of Tambon Praiwan's OTOP such as Krajoed products, Batik products, brown rice group which had been guaranteed as a 3-4-star OTOP standards and it can be found that seven OTOP entrepreneurs have joined together to build a profession and enhance revenue for the group's members. The OTOP

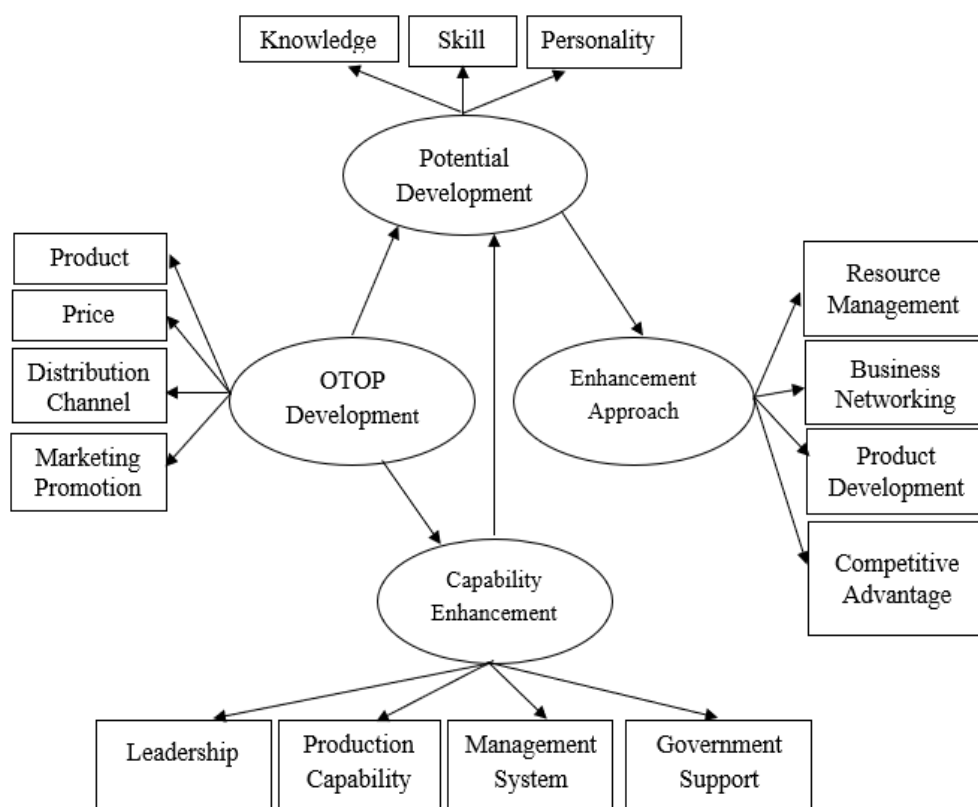
products are classified into processed food and drink, textiles and clothes, consumer products, decorative objects, souvenirs, and non-food, herbs which utilize the strengths or advantages of the resources available in the community. Furthermore, the research team will assist to develop capabilities for entrepreneurs in terms of the development of people, resources, technology, innovation, management, marketing, product development, and networking. These strategies are expected to support entrepreneurs to become stronger.

### Objective

To analyze and develop a structural equation modeling of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market.

### Research conceptual framework

In the research of the structural equation modeling of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market. The researcher has developed the research conceptual framework as demonstrated in Figure 1:



**Figure 1** Research conceptual framework

## **Literature review**

### **Entrepreneurial potential**

Potential refers to a person's ability to handle extremely difficult tasks in the future. Thus, any possible employee should be capable of dealing with any difficulties that may arise in future employment, and most importantly, that the employee should be someone in whom the business can place its future trust. That would be to say, the potential employee (Polwiang, 2016). Potential is a characteristic of human behavior. It is a set of behaviors that organizations expect from government officers because they believe that if government officers behave in the manner that the organization expects, those officials will perform well and lead to the organization's achievement of its objectives; for example, determining excellent management performance is important since government officials' primary responsibility is to offer services to the public, allowing government agencies to fulfill their goals, which include bringing benefits and enjoyment to the people. One primary component in the human resource development components includes 1) Knowledge is the capacity to describe any subject accurately and effectively. It is divided into three types: meaning, process, implementation understanding; 2) Skills: the capacity to do any one thing well to be productive and achieve intended results. There are three levels of skill measurement: the level of complexity in practice, diversity level, and consistency level; 3) Practice is a person's way of expressing themselves or acting in a way that is consistent with the task being performed. Advantageous performance is based on three factors: values, expressive tendencies, and motivation, all of which offer the company an edge over its competitors in terms of passion, patience, and work dedication, constructive feedback in the creation of new inventions, the continual development of work and so on (Anthachai, 2017).

Potential is divided into two parts, each of which includes five important components. The first visible component or Hard Skills is made up of two parts: knowledge and skills. Secondly, an individual's concealed part is buried within the person, it is difficult to grow. There are three components to one's self-image: attitudes, values, and views. Soft skills, often known as knowledge, skills, and abilities, Personal characteristics that influence necessary conduct (behavior) and lead to the individual fulfilling his or her tasks better than others, because of natural ability, job experience, training, and development (Saenthong, 2014).

### **Entrepreneur**

Entrepreneurs are those who establish a small firm with the courage and drive to succeed. They should seek business possibilities and manage whatever they can to ensure their success (Hirunsomboon, 2013). Entrepreneurs play an important role in today's commercial world by inventing and pioneering both domestic and international markets as well as being the catalyst for economic growth in other aspects. Entrepreneurs, as can be observed, are people who use all their strength and talents, along with risk and uncertainty, to build their businesses. Every year, many entrepreneurs start their enterprises which the process has facilitated in the country's economic development and competitiveness (Theeravanich, 2010). Successful entrepreneurship is determined by accuracy, knowledge, creativity, diversity, competency,

trading understanding along with a career in business, high responsibility, risk management, capital owner, confidence, the ability to see things through, and profitability. In addition, entrepreneurs are a group of individuals that play a major part in driving the economy, because they are a group that produces or introduces innovative ideas for existing intellectual property to manufacture products and services, create jobs, generate incomes, and promote official growth. Besides, an investor should be someone with extensive knowledge of specialized talents, as well as a grasp of intellectual property as well as the capacity to organize or efficiently execute creative processes (Wisetmongkol, 2010). However, being an entrepreneur requires risk management to remain dedicated to oneself. The employees who contribute to the company's long-term competitiveness as well as willing to proactively change, strategic goals in response to changing company conditions. While entrepreneurship could well be improved by using innovations to develop the techniques, new tactics, or ideas, looking for new possibilities to produce products or services that can reach the greatest number of customers. Therefore, entrepreneurship has an indirect impact on organizational performance feasible through creativity, and value recognition along with the implementation of innovation in the company. By doing this, increasing assets, return on investment and marketing forecasts, and selling at a lower cost than competitors, and maintaining a healthy cash flow are being used to evaluate such performance (Michael & Gow, 2008).

### **OTOP marketing strategy development**

The marketing strategy will most typically state what each marketing aim is and how we plan to attain them. While the marketing objectives we set should be specified and the boundaries should be clear, the acquisition of consumables in a reverse marketing strategy, on the other hand, has a larger significance, and it will affect the market plan's direction and product positioning. The marketing strategy should also be utilized as a framework for developing programs with Marketing Mix, which allows organizations to specify several strategies (Ratanasuwongchai, 2011).

#### *1. Product*

A product refers to something that is offered to meet a demand or necessity in the market. The product consists of tangible things, services, experiences, events, people, places, properties, organizations, information, and ideas that the vendor makes available for customers to contemplate purchasing (Jitraktham 2012), or items that are offered to the market or consumers to entice them to buy, utilize and purchase something to meet their demands (Untachai, 2013). Additionally, it refers to things that are tangible and intangible, such as packaging, color, price, quality, brand, service, and seller reputation. A product might be a physical item, a service, a location, a person, or a concept. It doesn't matter if the thing for sale is tangible or intangible, but it should be a useful product. Therefore, the product will be sold since it has value in the eyes of the client (Armstrong & Kotler, 2009).

#### *2. Price*

Price refers to the cost of a service as a factor in determining whether a customer would purchase it. The customers weigh the value of the services obtained against the cost of the

service, and if they believe it is worthwhile, they will purchase it; if they believe it is not, they would not. As a result, while determining the pricing of a product or service, there are many factors that must be considered (Jitraktham, 2012). The price of the goods or services that the consumer must pay to the seller to obtain the goods or services. The pricing should be one that the customer can afford and has a reasonable price (Komcharoen, 2013). Moreover, it refers to the amount of money required to receive a product or service. Is it the entire value that the client perceives to get the most out of the product or service for the money spent? The expense of the client is the price. Consumers weigh the price of a product against its perceived worth. The consumer chooses to buy if the value exceeds the price (Armstrong & Kotler, 2009).

### *3. Distribution*

Distribution channel refers to the arrangement of distribution channels for services like physical distribution channels (Jitraktham, 2012) or preparations that make clients or consumers feel more comfortable. Depending on the nature of the product, customer behavior, and access to things or services when the client wants them, many products and services may have different distribution channels. In addition, the marketers should build and construct appropriate systems from distribution channels in terms of location of business and customer address (Komcharoen, 2013), or refer to the channel structure, which consists of institutions and activities. Used to move products and services from the organization to the market. The institute that brings products to the target market is the Marketing Institute. The activities that help in the distribution of goods include transportation, warehousing, and Maintaining inventory (Armstrong & Kotler, 2009).

### *4. Promotion*

Promotion refers to a component of a marketing program that aims to motivate consumers to buy a product or services, as well as enhancing the image of the company. Manufacturers must try to create a strategy that creates an advantage over competitors by using marketing promotion as an important tool (Sukto, 2012). The promotion for services can use the mix of marketing promotion in the right ways, namely advertising, employing staff, public relations, direct marketing, and marketing promotions. Many businesses with high marketing promotion budgets can use integrated marketing communications to achieve the most effective marketing promotions (Jitraktham, 2012). Lastly, the marketing promotion refers to a communication tool to create satisfaction with the brand or service by using it to induce demand or to remind products, which is expected to influence feelings, beliefs and buying behavior (Armstrong & Kotler, 2009).

### **Guideline of entrepreneur improvement**

Improvement refers to an ability of a business to create a competitive advantage in products and services (Ussahawanitchakit, 2014). It is a way to increase the distinctive skills and talents that managers, leaders, or supervisors apply to the corporate management process (Leong & Ward, 1990). Furthermore, competitiveness and ability have highly specialized resources, for instance, the capability for invention, precious resources, distinguishing, and unimitated or substituted. Similarly, increasing the talents, knowledge, capabilities, qualities,

and attitudes that a person needs to utilize to attain efficiency and efficiency following the Organization's aims and objectives (Jian, 2006).

Business improvement, marketing competitiveness strategies perception has been divided into six areas as follows:

1. Product Differentiation Strategy refers to the way to build competitive advantages over the competitors by developing a different product or service. Establishing a difference in a product or service is concerned with putting a unique point to the products, companies must conduct research and development, either incrementally or through the use of innovation, to set product differentiation in terms of pricing, quality, and uniqueness, which distinguishes oneself from competitors.

2. Innovation refers to a company attempting to develop a product or service that has never appeared on the market before, thereby to develop new products and services the company requires to have the competency in applying knowledge, creativities, skills, and experiences in technology or management, to attract consumers and acquire a competitive edge over competitors.

3. Business Network refers to the ways in which firms have a collaboration with each other in various manners, including the way to develop partnerships and associations to build network operation, in order to be capable of performing things that everyone cannot undertake alone. The business network performs various activities together as if it has been a huge business working together for mutual gain, thus have greater abilities increased efficiency, more mobility, and greater initiative than each company could do it on its own. As a result, small and medium enterprises will be able to compete and survive because of business networks.

4. Brand refers to trademarks, symbols, or patterns that have been designed. The brand has been revitalized and strengthened to establish distinction for products and services which foster a positive relationship between the brand and the customers, allowing the consumer to recognize and differentiate the products from the rivals. Whenever the customers perceive a brand, they will develop feelings and images of the brand. As a result, building a selling point for products to prevent the competitors from imitating them.

5. Marketing Strategy refers to a guideline of utilizing marketing tools to accomplish marketing goals which included products, pricing, distribution, and marketing communications. Furthermore, it can be referred to as the ability to fulfill the market need for better products, intimately related to consumer, and the competency of marketing strategy development for efficiently presented products and services.

6. Product and Market Penetration refers to company's opportunities to increase sales of current products in the market by employing advanced marketing efforts to achieve the goal by, has been accomplished in three ways: to persuade existing consumers to raise the volume of their purchases, lastly, finding new consumers by adopting the product testing technique (Suriya, 2014).

Elements of an entrepreneurial upgrading approach

1. Resource availability refers to the process of bringing factors that are important to

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the management of community enterprises to small businesses. To carry out operations to achieve the objectives, including people, budgets, information. information technology, equipment, machinery.

2. Networking and business alliances mean coordinating with various business entities. by joining together to encourage community enterprises to carry out their business to upgrade them to small businesses to create competitive advantages, including dealers, investors, lenders, financial institutions, government sectors, trading partners, manufacturers.

3. Product development refers to the researching, thinking, designing, modifying, improving, changing of the products, and to obtain good quality products for distribution to meet the needs of consumers, including data collection and analysis concept scrutiny, evaluation concept testing, business analysis, product design, and development.

4. Competitive advantage refers to the ability of an organization to run its own business better than other organizations which can create value for their own organization more than competitors that are valuable, hard to find, high cost of imitation and irreplaceable (Grodgangunt, 2020).

### **Building competitive opportunity**

Building competitive opportunity refers to an existing skill or capability which are linked to the wisdom, experience, and competency that are ingrained in objects and ready to express or behave to appear greater than competitors, such as producing the best quality products, providing excellent and consistent customer service, providing less operating cost and a location or useful position more than competitors (Khunthongjan, 2010). Remarkably, gaining a competitive advantage indicates that to develop the operating capabilities of an organization, with superiority over the long-term to other organizations or rivals. If any company has a competitive edge, it will be able to compete and function sustainably (Tukker, 2015). The changing trend of the business world today that the scenario of business is different from the previous, which effects to the business organization that required to the adaptability and gaining the competitive advantage (Dessler, 2000). From the pressure factors, that the organizations require the adaptability to build competitiveness for the winner of today and tomorrow by attempting to meet the responsiveness to the customer, the organization adaptation to be smaller and flatter organization, and increasing employee competency. Furthermore, organizations generally have a competitive advantage due to four factors: efficiency, quality, innovation, and consumer responsiveness. These are useful guidelines for reducing costs and differentiating oneself. It may be used by any organization, regardless of industry or product. However, these aspects would be examined independently. Therefore, these elements are intrinsically linked, for example, the superior quality which can lead to superior performance. Although innovation can improve efficiency, quality, and customer responsiveness (Naweeekarn, 2009). In addition, building competitive opportunity is a critical component of controlling an organization's ability to function efficiently. Therefore, the company should strive to improve its competitiveness aiming to compete for market advantages and ensure its long-term sustainability. This demonstrates whether a company



could establish a competitive advantage and an organization can remain still if it can compete, although, if it cannot compete, it will be unable to continue its operations and will be forced to shut down finally.

#### Elements of competitiveness enhancement

1. Leadership refers to the leader who listens to the opinions of the members, has management capability, paying attention to members thoroughly and equally, owns a vision and the ability, has a good manner as a role model, with enthusiasm for responsibility is ready to help members who are facing various problems and able to solve the problems in the organizations.

2. Production capability refers to the planning of the production of goods and the determination of production procedures, to prepare and procure sufficient raw materials to keep up with demand, to create a wide variety of products and packaging in styles, colors, and patterns. Determine the quality of raw materials that will be used to produce products, to check the quality of the products before they are released, and to invent and improve the new innovative methods in the production of products.

3. Management system means focusing on the goals as planned, providing a strong management structure by dividing the work according to the ability and a certain operating system, transparent, flexible, adaptable management, and focusing on the goals as planned.

4. Government support means budget support and academic support that provide fair opportunities for all groups, to promote the constant marketing promotion, to build a body of knowledge in group management, attending training sessions with various agencies, both public and private sectors as well as going to study visits (Grodgangunt, 2020)

### Research methodology

This research is quantitative research and the research sample included 286 OTOP entrepreneurs in Tak Bai District, Narathiwat Province who were randomly selected by Stratified Random Sampling based on a proportional model according to OTOP type. The data were collected by using a five-part questionnaire that includes: 1) general information of the respondents, 2) OTOP development, 3) entrepreneur potential development, 4) competitiveness enhancement, and 5) guideline for entrepreneur improvement. The questionnaires contained Multiple Choice Questions applying Likert Scale. The researcher distributed the questionnaire to 286 OTOP entrepreneurs in Tak Bai District, Narathiwat Province. To verify the tool's quality, the researcher assessed the questionnaire's validity and reliability, as well as the accuracy of the tool by having it tested by five experts according to the Index of Item Objective Congruence (IOC) technique. The questions with IOC values ranging from 0.6-1.00 would be selected and the IOC value of less than 0.6 is improved or eliminated. The result of questionnaire tool quality, it indicated that all questions that come up with an IOC greater than 0.60, the finding confidence using Cronbach's Alpha Coefficient method, the confidence value was obtained in 0.87, which reveals that the questionnaire is reliable and can be used in the research. The analysis of data and statistics used in this research included Path analysis, Structural Equation Modelling, Guideline of OTOP Entrepreneur improvement in terms of

building competitive opportunity in the market. By using Confirmatory Factor Analysis (CFA), to confirm the constituent indicators of the observable variables in the measurement model of the guideline factors of entrepreneur improvement and applying Structural Equation Modeling (SEM) analysis.

## Results

### 1. Data analysis on development of entrepreneurial potential

**Table 1** Mean and standard deviation on development of entrepreneurial potential

| Development of entrepreneurial potential | $\bar{X}$ | S.D. | Interpret |
|--|-----------|------|-----------|
| 1. Knowledge                             | 3.87      | 0.86 | great     |
| 2. Skill                                 | 3.76      | 0.95 | great     |
| 3. Habit                                 | 4.07      | 0.89 | great     |
| Total average                            | 3.90      | 0.90 | great     |

From Table 1, it was found that the development of entrepreneurial potential, overall, it's at a high level which the mean was 3.90, standard deviation 0.90. The aspect with the highest mean was habit aspect, mean was 4.07, standard deviation was 0.89, followed by knowledge, mean was 3.87, standard deviation was 0.86 skill. Lastly, the lowest level was skill aspect with the mean was 3.76 and standard deviation 0.95, respectively.

### 2. Data analysis on OTOP development

**Table 2** Mean and standard deviation on OTOP development

| OTOP development       | $\bar{X}$ | S.D. | Interpret |
|------------------------|-----------|------|-----------|
| 1. Product             | 3.95      | 0.87 | great     |
| 2. Price               | 4.01      | 0.97 | great     |
| 3. Distribution Chanel | 3.65      | 1.03 | great     |
| 4. Promotion           | 3.56      | 1.02 | great     |
| Total average          | 3.79      | 0.98 | great     |

From Table 2, it is found that the development of OTOP to create opportunities for sustainable competition in the market. Overall, it's at a high level. The mean was 3.79, the standard deviation was 0.98. The highest mean was the price, the mean was 4.01, the standard deviation was 0.97, followed by the product with the mean was 3.95 and standard deviation was 0.87. Lastly, the lowest level was promotion with the mean was 3.56 and standard deviation was 1.02, respectively.

### 3. Data analysis on competitiveness enhancement

**Table 3** Mean and standard deviation on competitiveness enhancement

| Competitiveness enhancement | $\bar{X}$ | S.D. | Interpret |
|-----------------------------|-----------|------|-----------|
| 1. Leadership               | 3.98      | 0.95 | great     |
| 2. Production capability    | 4.02      | 0.85 | great     |
| 3. Management system        | 4.06      | 0.81 | great     |
| 4. Government supports      | 3.84      | 0.95 | great     |
| Total average               | 3.98      | 0.89 | great     |

From Table 3, it was found that the enhancing competitiveness, Overall, it's at a high level. The mean was 3.98, the standard deviation was 0.89. The aspect with the highest mean was the management system. The mean was 4.06 standard deviation 0.81, followed by productivity. Lastly, the lowest level was government support with the mean was 3.84 and standard deviation was 0.95, respectively.

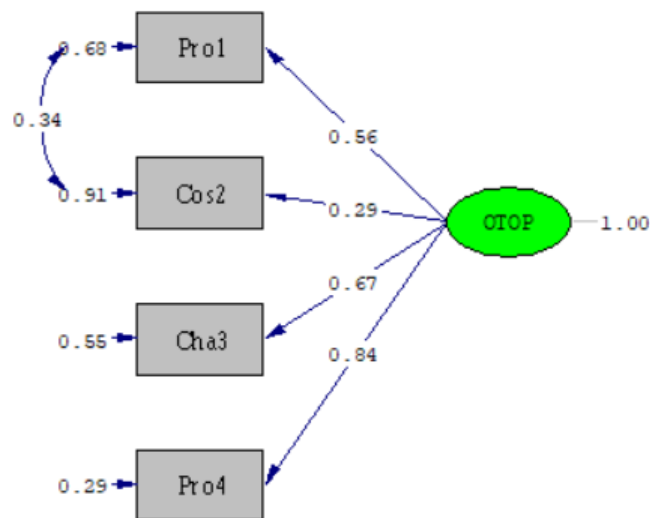
### 4. Data analysis on entrepreneurial upgrading approach

**Table 4** Mean and standard deviation on entrepreneurial upgrading approach

| Entrepreneurial upgrading approach | $\bar{X}$ | S.D. | Interpret |
|------------------------------------|-----------|------|-----------|
| 1. Administrative resource         | 3.76      | 0.89 | great     |
| 2. Building a business network     | 3.68      | 0.86 | great     |
| 3. Product development             | 3.93      | 0.82 | great     |
| 4. Competitive advantage creation  | 4.14      | 0.71 | great     |
| Total average                      | 3.88      | 0.82 | great     |

From Table 4, it was found that the approaches for upgrading the level of entrepreneurs, overall, it's at a high level. The mean was 3.88 standard deviation 0.82. The aspect with the highest mean was the competitive advantage creation with the mean was 4.14 standard deviation 0.71, it followed by product development aspect with the mean was 3.93, the standard deviation is 0.82. Lastly, the lowest level was building a business network with the mean was 3.68 and standard deviation was 0.86, respectively.

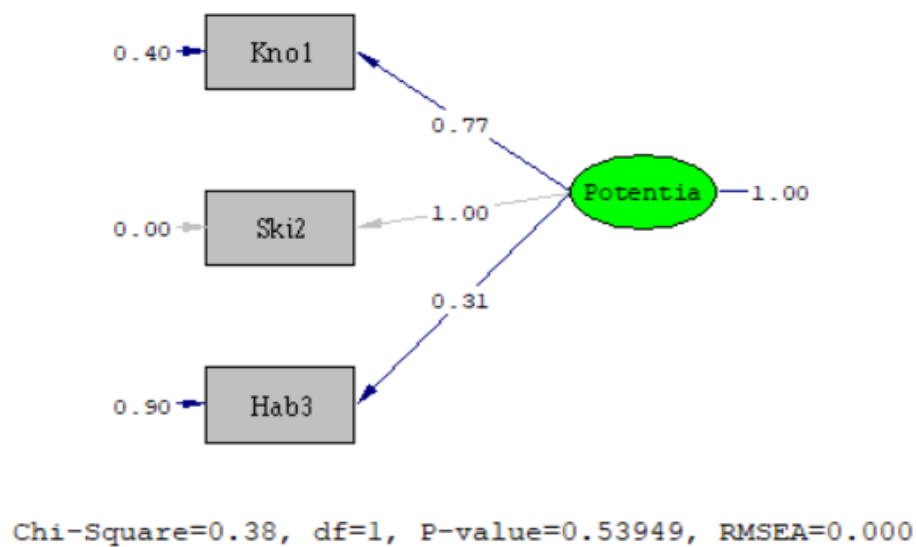
**Objective:** To analyze and develop a structural equation modeling of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market.



Chi-Square=0.45, df=1, P-value=0.50306, RMSEA=0.000

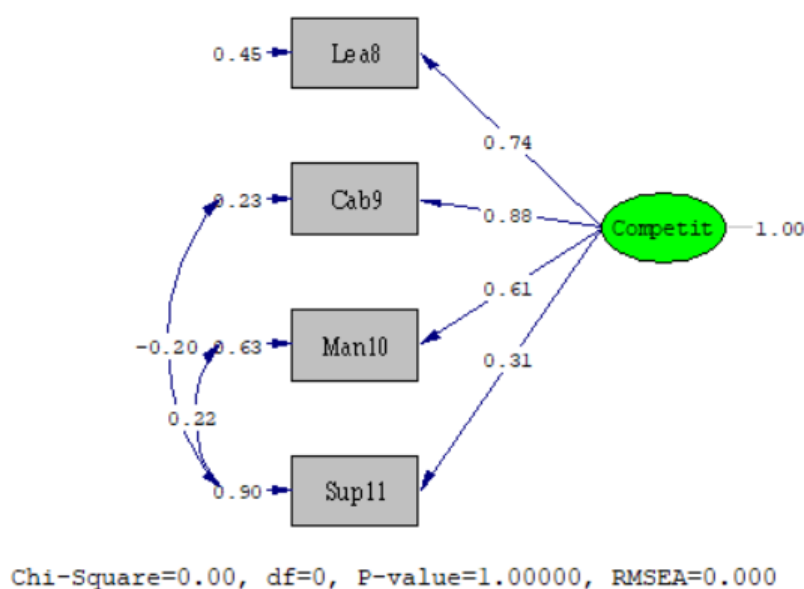
**Figure 2** Confirmative component analysis of OTOP development factors to build sustainable competitive opportunity in the market

From Figure 2, it was found the Applying the confirmative component analysis of OTOP development factors to build sustainable competitive opportunity in the market to confirm the indicator of variable elements. It could be observed in measuring model of OTOP development factors which were discovered that the weight of each variable element with statistically significant ( $P > 0.05$ ), indicating that there are four variable elements includes products, price, distribution channel, and marketing promotion which were an essential indication of the OTOP development in order build sustainable competitive opportunity. The component weights of the variables, which range from 0.29 to 0.84.



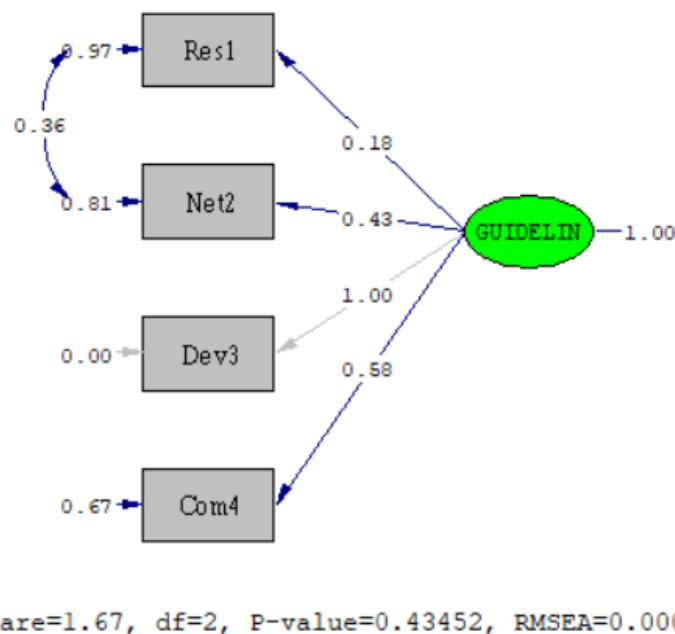
**Figure 3** Confirmative Component Analysis of Entrepreneur Potential Development Factors

From Figure 3, it was found that applying the confirmative component analysis of entrepreneur potential development factors to confirm the indicator of variable elements. It could be observed in measuring model of entrepreneur potential development factors which were discovered that the weight of each variable element with statistically significant ( $P < 0.05$ ), indicating that the three variables included knowledge, skills, and personalities, which were important indicators of potential development factors of entrepreneurs. The variables have a component weight between 0.31 and 1.00.



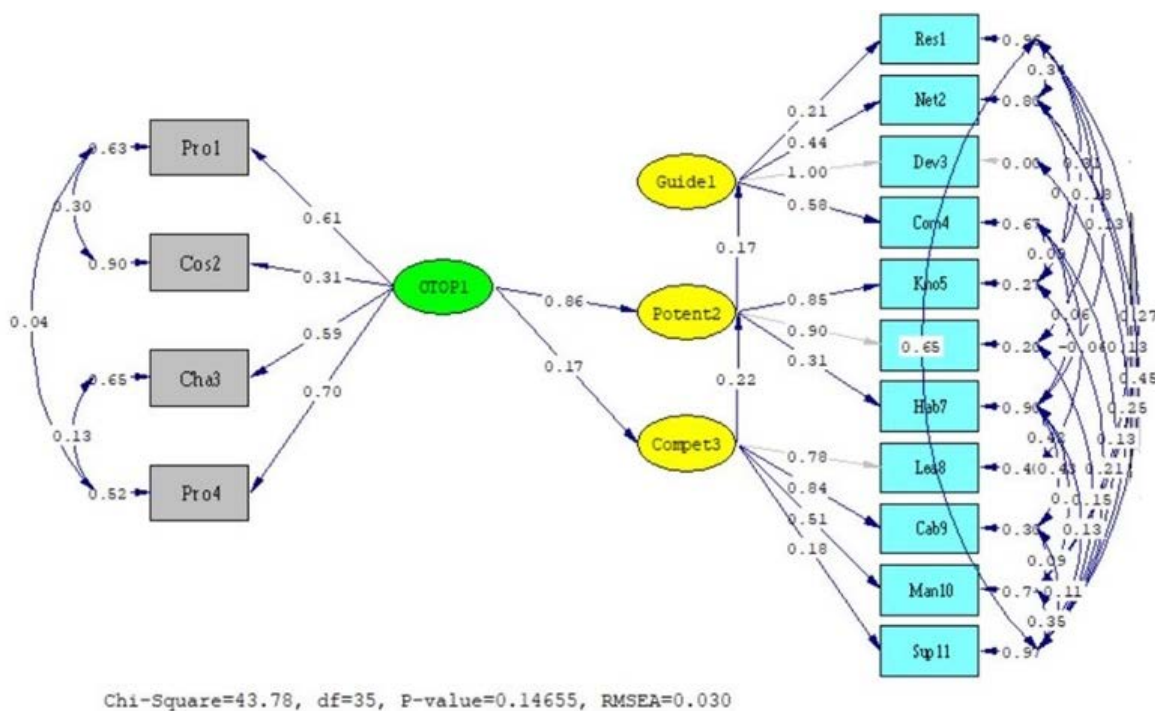
**Figure 4** Confirmative Component Analysis of Competitiveness Enhancement Factors

From Figure 4, it was found the confirmative component analysis of competitiveness enhancement factors, by applying corroborative component analysis for confirming an indication of variable elements in competitiveness enhancement factors, which were found that the weight of each variable element with statistically significant ( $P < 0.05$ ), it showed that the four factors were leadership, productivity, government support management systems which were a significant indication of competitiveness enhancement factors. The above-mentioned variables weigh between 0.31 to 0.88.



**Figure 5** Confirmative Component Analysis of entrepreneur improvement guideline

From Figure 5, it was found the confirmative component analysis of entrepreneur improvement guideline factors, by applying corroborative component analysis to confirm the indicator of variable elements which was observed in the measurement model of entrepreneur improvement guideline factors. It was found that the component weights of all variables were statistically significant ( $P < 0.05$ ), it showed that the four variables comprised administrative resources, business networking, product development, and competitiveness enhancement, which were a significant indication of entrepreneur improvement guideline factors. The above-mentioned variables weigh between 0.18 to 1.00.



**Figure 6** Confirmative Component Analysis of the structural equation modeling analysis in the factor of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market.

From Figure 6, it was found the confirmative component analysis of the structural equation modeling analysis in the factor of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market. According to the empirical data, the model is consistent with the empirical data, the chi-square statistic was 43.78 and the P-Value 0.15 which showed that the causal relationship model was reliable with the empirical data when considering the measurement indices: CFI was 1.00, GFI was 0.98, AGFI was 0.93, RMR was 0.02, RMSEA was 0.03, and CN was 366.88. It was found that all the indicators were within the specified criteria.

**Table 5** Summary of hypothesis testing

| Hypothesis  | Accept | Reject |
|---|--------|--------|
| H1: The OTOP development component has a direct impact on the entrepreneurial potential development component.            | ✓      |        |
| H2: The OTOP development component has a direct impact on the competitiveness enhancement component.                      | ✓      |        |
| H3: The competitiveness enhancement component has a direct impact on the entrepreneurial potential development component. | ✓      |        |
| H4: The entrepreneur potential development has a direct impact on the entrepreneur improvement guideline.                 | ✓      |        |

From Table 5, it was found that the hypothesis test results, an analysis of the effect of variables in the structural equation modeling of the guideline of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market. It was found that OTOP development, entrepreneurial potential development, competitiveness enhancement factors, which had a direct causal effect on the guideline of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market.

**Table 6** Direct effect Values, indirect effect, and total effect between each latent variable

| Dependent variable  | Cause variable | Entrepreneurial potential development (Potential) |       |        | Competitiveness enhancement (Competitive) |    |       | Entrepreneur improvement guideline (GUIDELIN) |        |        |
|---|----------------|---|-------|--------|---|----|-------|---|--------|--------|
|   |                | TE  | IE    | DE     | TE  | IE | DE    | TE  | IE     | DE     |
| Development of OTOP to build competitive opportunity (OTOP) | weight         | 0.89**  | 0.04* | 0.85** | 0.17*                                     | -  | 0.17* | 0.16**  | 0.16** | -      |
|   | SE             | 0.04  | 0.01  | 0.04   | 0.09                                      | -  | 0.09  | 0.03  | 0.03   | -      |
| Entrepreneurial potential development (Potential)           | weight         | -   | -     | -      | -   | -  | -     | 0.17**  | -      | 0.17** |
|   | SE             | -   | -     | -      | -   | -  | -     | 0.07  | -      | 0.07   |



| Dependent variable                        |        | Entrepreneurial potential development (Potential) |    |        | Competitiveness enhancement (Competitive) |    |    | Entrepreneur improvement guideline (GUIDELIN) |       |    |
|---|--------|---|----|--------|---|----|----|---|-------|----|
| Cause variable                            |        | TE  | IE | DE     | TE  | IE | DE | TE  | IE    | DE |
| Competitiveness enhancement (Competitive) | weight | 0.22**  | -  | 0.22** | -   | -  | -  | 0.04*   | 0.04* | -  |
|   | SE     | 0.03  | -  | 0.03   | -   | -  | -  | 0.01  | 0.01  | -  |

\*\* There are statistically significant at the level of .01 \* with significant at the statistical level of 05.  
 Noted: TE = Total Effect IE = Indirect Effect DE = Direct effect.

From Table 6, it was found that direct effect values, indirect effect, and total effect between each latent variable of factors affecting the guideline of OTOP entrepreneur in terms of improvement to build sustainable competitive opportunity in the market. The factors influencing the latent variables within 4 variables included the development of OTOP to build competitive opportunity (OTOP), entrepreneurial potential development, competitiveness enhancement, and entrepreneur improvement guideline. The results of the analysis are as followed: 1) the entrepreneur improvement guideline (GUIDELIN) which was effected by improvement to build sustainable competitive opportunity in a positive direction with equal to 0.16 with all indirect effects; 2) the entrepreneur improvement guideline (GUIDELIN) was affected by competitiveness enhancement in the positive direction equal to 0.04 with all indirect effects; 3) the entrepreneur improvement guideline (GUIDELIN) was affected by entrepreneur potential development component in the positive direction, equal to 0.17, which are all direct effects. It exhibited that the guideline of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market, which happened into three factors, namely the development of OTOP to build competitive opportunity, entrepreneurial potential development, and competitiveness enhancement. The data are in Table 6.

### Conclusions and discussions

The structural equation modeling analysis in terms of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market. According to the empirical data, the model is consistent with the empirical data, the chi-square statistic was 43.78 and the P-Value 0.15 which showed that the causal relationship model was reliable with the empirical data when considering the measurement indices: CFI was 1.00, GFI was 0.98, AGFI was 0.93, RMR was 0.02, RMSEA was 0.03, and CN was 366.88. The variable effects in the structural equation modeling in terms of OTOP entrepreneur improvement to build sustainable competitive opportunity in the market. It can be found that OTOP development factors, entrepreneurial potential development factors, competitiveness enhancement factors, and entrepreneur improvement guideline factors, which have a direct causal effect on OTOP entrepreneur improvement to build sustainable competitive opportunity in the market. This is consistent with the research of Phongphaw (2016: 159), who had researched on the model of competitiveness OTOP SMEs entrepreneurs in Thailand. The result indicated that the causal relationship model

of competitiveness affected the performances of OTOP entrepreneurs which were consistent with empirical data. However, the statistical value of chi-square ( $\chi^2$ ) equal to 146.19 at 121 degrees of freedom (df), p-value was 0.059, and the relative chi-squared ( $\chi^2/df$ ) was 1.208. The absolute Fit Index GFI was 0.962 and the AGFI was equal to 0.940. Lastly, the RMSEA was 0.023. In addition, the research found that (1) intellectual capital had a positive effect on competitiveness; (2) innovative ability positively affects competitiveness; (3) marketing entrepreneurship positively affects competitiveness (4) competitiveness positively affects performance. However, the results confirm that the causal relationship model of competitiveness was related to each other, with the possibility and accuracy which could be applied in accordance with the concepts, theories, and research concepts.

### **Suggestions**

The researcher suggests the following implementations based on this study:

1. Entrepreneurs who wish to utilize research findings should develop their entrepreneurial preparedness by initiating to grow in the areas of management and personal preparedness, which may be started instantly without expecting government policy assistance.
2. The Government sectors interested in implementing research findings should concentrate on policies associated to One Tambon One Product. This is since it is a significant component in the growth of OTOP entrepreneurs, particularly the policy of satisfying entrepreneur requirements.

### **Suggestions for future study**

1. The researcher should examine the entrepreneurial development model in enhancing the competitiveness of OTOP entrepreneurs in other areas, because of investigating the causal relationship that results in the entrepreneur's competitiveness enhancement in other economic sectors.
2. The researcher shall investigate the entrepreneur development model to improve the competitiveness of OTOP entrepreneurs in Narathiwat Province in each sector or product. This is an in-depth examination of the conditions, strengths, weaknesses, difficulties, and barriers, which will allow entrepreneurs to grasp the context of company operations and competition, competency of rivals and genuinely respond to market and consumer demands.

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