CHAPTER FIVE
ANALYSIS AND DISCUSSION ACROSS CASE COMPARISON:
ANSWERING THE "WHY" QUESTION

5.1 Introduction

The purpose of this chapter is to analyse and discuss the empirical findings in order to achieve the first objective of this thesis: to investigate the nature and character of tourism clusters and the linkages between tourism clusters and universities.

The analysis and discussion of data is done across case studies for the sake of comparison and triangulation with literature. The different themes are analysed and discussed across cases and are compared to literature to confirm, extend or disagree.

This chapter answers the thesis research question of "Why clusters decline or succeed?" by addressing the theme of Characteristics, Challenges and Cluster Development across case studies.

The thesis' research questions will be addressed through across case thematic analysis and discussion comprised of major categories of themes as identified during the research while adhering to the working conceptual framework. The thematic analyses were classified into three categories for sake of data reduction as explained in the methodology chapter.

The three categories of themes are:

Theme One: Characteristics
  a. Current Situation
  b. Strengths and weakness

Theme Two: Challenges
  c. External factors

Theme Three: Cluster Development
  d. Cluster Development
  e. Why clusters were unsuccessful

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f. Barriers against tourism clusters

g. Key Success factors

This chapter is structured as follows: Section 5.2 discusses the characteristic of the tourism clusters and linkages towards tourism clusters. Section 5.3 discusses the challenges of general environments that affect tourism clusters through analysing both influential external and internal factors. Section 5.4 examines the cluster development across all case studies and identifies the pattern of the reasons for failure. This section also examines the key success factors indicating the role of universities towards tourism clusters. The different themes are analysed and discussed across cases and are compared to literature to confirm, extend or disagree with.

This chapter concludes with section 5.5 as a summary to all relevant themes analysed and discussed.

5.2 Theme One: Characteristics of Tourism Clusters

In this section, I analyse and discuss across case comparison concerning the current situation and the strengths and weaknesses of clusters.

a. The Current Situation of tourism cluster

This section analyses and discusses the current circumstance of clusters. It also covers why some clusters have declined and why others still exist.

‘The current situation of tourism cluster’ in this study means the existing circumstance of tourism cluster such as declines or exists.

Table 5.1 below shows the current situation of clusters. After the financial crisis in the year 1997, 152 clusters were established. Later in the year 2005, only 53 per cent of 60 clusters have survived. However there is no research showing how many are still in existence. In addition, when the Government changes the key words also
change. PM Abhisit used the word ‘creative economy’ to communicate to all Government and non-Government bodies. As the NESDB senior official said:

*Of all the cases that KIAsia set up in Thailand, none have continued, and KIAsia in Vietnam failed also.*

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<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
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<tbody>
<tr>
<td>Current situation of tourism</td>
<td>Existing circumstance of cluster</td>
<td>• Less discussion of cluster</td>
<td>• Declined and re-established as the Garment Cluster</td>
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<tr>
<td>cluster</td>
<td>All cluster by KIAsia declined</td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
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<td></td>
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<td>Phuket Tourism Cluster</td>
<td>Edutainment Cluster</td>
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<td></td>
<td></td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
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</table>

Table 5.1 The current situation of tourism cluster; Source: Author

Findings show the current situation of those clusters that I have studied. In the North there were two clusters, namely the Hotel de Charm Cluster and the Edutainment Cluster. The Hotel de Charm Cluster still exists whilst the Edutainment Cluster declined. In the South: pilot case study: the Health Tourism Cluster at Ranong declined whilst the Phuket Tourism Cluster changed its components and was renamed as the Andaman Cluster which now combines five provinces: Phuket, Krabi, Pang-nga, Trang and Ranong. The Northeast-Indigo Textile Cluster has also been rearranged and renamed as the Garment Cluster. In addition, there are several public and public sector and universities that are involved with tourism clusters but I selected only the public and private sector and universities with tourism clusters for study.

b. **Strengths and weakness**

In this section, strengths and weaknesses themes are analysed and discussed across cases and are compared. There are several criteria that were used to select the
strengths and weaknesses of the cluster that make the cluster gain advantage and disadvantages compared to others such as characteristic of the cluster, resources and policy of public, private sector and universities. For example, if the public, private and universities have a policy to support the cluster, their policy can help the cluster stronger than before.

‘Strengths’ in this study means strong quality characteristics that make a cluster gain advantage compared to others.

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<th>Theme</th>
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<td>Strengths</td>
<td>Strong quality characteristic that make a cluster gain advantage compared to others</td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
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<tr>
<td></td>
<td>• Public and private sector and universities support</td>
<td>• Public and private sector and universities support</td>
<td>• Public and private sector and universities support</td>
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<tr>
<td></td>
<td>• Local knowledge</td>
<td>• 1/8 total tourism revenue</td>
<td>• Cooperations among entities</td>
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<td></td>
<td>• Plenty of natural resources</td>
<td>• Natural resources: sea, sand, sun</td>
<td>• Natural resources:</td>
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<td></td>
<td>• Indigo is one of the famous products of city</td>
<td>• Culture-Chinese immigrant</td>
<td>• Chinese Portuguese old building</td>
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<td></td>
<td>• Innovative product</td>
<td>• Historical sites</td>
<td>• Live museum</td>
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<td></td>
<td></td>
<td>• Environment Law</td>
<td>• Royal Phuket Marina International Exhibition and Conference Centre</td>
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<td></td>
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<td>• Unique spa products and services</td>
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Table 5.2 Strengths of the cluster; Source: Author
Table 5.2 shows the strengths of the clusters. It can be seen from the table that each cluster has several strengths. For example, Phuket has sea, sand and sun whereas Chiang Mai has mountains, waterfalls and Lanna culture. I present only a few influential strengths. Findings show that all clusters established by the Government or private sector get support from the public sector. Each is unique. I selected empirical data from the Phuket case study, starting with current tourism situation in Phuket as the Deputy Director of the Research and Development Institute at Phuket Rajabhat University (PKRU) explained:

*Phuket recovered very fast from the bird flu scare of 2003 and the Tsunami in 2004. Previously we expected a growth of seven per cent a year even though we only achieved six per cent. Tourism generates revenue of about 800,000 million Baht (£16 billion) per year. Phuket alone can generate 100,000 million (£2 billion) which means about 1/8 of a total tourism revenue.*

After the Tsunami happened in 2004, the government had the policy to help Phuket to recovery; as a result, Phuket was in good health very quickly.

The study by Institute of Management Education for Thailand Foundation (2002) applied Porter’s diamond model (see the figure 5.1). The institute found that the factor conditions that support the competitiveness of Phuket tourism are beautiful beach, good climate and location and impressive Thai hospitality. The factor that hinders competitiveness in Phuket tourism is insufficient qualified human resources. Also, in terms of demand conditions, there are high purchasing power and long-term sustainability and repeat tourists. However, Brimble and Doner (2007) argued that the Thai economy would find it difficult to sustain growth by continuing to rely on natural resources, cheap labour, good macroeconomic policy, and strong infrastructure.
In addition, Chaisawat and Boonchoo (2005), NESDB (2004) found that the quantity of graduates from educational institutions was sufficient to serve the demand of the industry. However there were problems in terms of quality since graduates’ qualifications were not up to the standards required by employers. They recommend that Thailand should be positioned as a centre for hospitality and tourism studies and training should be located at major tourism destinations. In terms of strategic
implementation of tourism development, tourism education and training institutions should play the catalyst and coordinating roles with the stakeholders in each region or destination.

Figure 5.2 Tourist’s spending per day in Phuket
Source: TAT, BOT

However, figure 5.2 shows that since the Baht depreciation in 1996, in terms of US dollars, tourist’s spending per day in Phuket has decreased gradually, whereas it has but slightly increased in terms of the Thai Baht.

Figure 5.3 Phuket’s Revenues from Tourism
Figure 5.3 shows that since the Baht depreciated in 1996, Phuket’s revenue from tourism has decreased in terms of dollars but increased in terms of Baht. Findings showed that after the number of tourists dropped due to several significant circumstances such as the Tsunami in 2004 and Thai political unrest in 2010, the number of tourists has increased dramatically but spending per day has decreased. The Director of Marketing Research Division of Tourism Authority of Thailand expressed it as follows:

*The premium market won’t mix with the low market so they go to other destinations. The premium market has high loyalty and high spending. What are the concerns? The concern is about wanting higher numbers.*

However, when tourists come to Phuket they go straight to the beach. As a result, the city is quiet. Later, the city organized an Old Town Festival. The Old Town Community started from one local woman encouraging her neighbours to preserve their culture; she then became the leader of the old town community. With help from informal connections such as the foundation, Phuket Rajabhat University (PKRU), the old town community use their own homes which they call live museums to show the way ordinary people live (e.g. Baba dresses and local food) in the Chino-Portuguese old building at Thalang Road. Later, the public sector in the form of the Mayor and TAT came to support the event. The community has organized the Phuket Old Town to present their culture every year. This achievement demonstrates that cooperation among entities can generate unique products and services. Moreover, they pass on their culture - such as how to fix dresses in the traditional way and train the younger generation to be guides who can explain their own community when tourists come to their old town community.

Consequently, this leads the younger generation to preserve their own culture, making them have pride in their culture and in themselves. This is an example of local people using their strengths, with help from universities, to create opportunities so that the public sector will give recognition and support. In reality, Thailand has many such stories in each area but do not use them. As Vice-President of Chiang Mai-Tourism Business Association (TBA) said:
Chapter 5 – Answering the Why question

We didn’t do our homework on things that we are good at. The stories that we have are of tremendous value. Why do we have to build a new city to compete with Hong Kong, Singapore or Dubai? We have a lot of stories. How can Singapore stories compete with us? They don’t have any.

‘Weaknesses’ in this study means limitation characteristics that makes clusters weak compared to others.

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<tr>
<td>Weaknesses</td>
<td>Limitation Characteristics That makes Cluster weak Compared to Others</td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Political unrest</td>
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<td></td>
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<td>Phuket Tourism Cluster</td>
<td>Strategies have often changed</td>
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<td>Edutainment Cluster</td>
<td>Entrepreneur s-old generation-discount price/ price cutting</td>
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<td>Hotel de Charm</td>
<td>Entrepreneur s in tourism are less active</td>
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<td>Few booking online</td>
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<td>Problem of entrepreneurs -Aggregation</td>
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<td>Bring weakness to compete</td>
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<td>Tourism is sensitive</td>
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<td>Foggy city</td>
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<td></td>
<td>• Political unrest</td>
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<td>• Political unrest</td>
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<td></td>
<td>• Sell same products</td>
<td>• Organize same products and events</td>
<td>• Boutique hotels outside of the town</td>
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<td>• Products-lack in design, engulf, packaging and different quality</td>
<td>• Infrastructures problems</td>
<td>Some hotels not well known</td>
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<td>• Product must be package with neighbouring cities</td>
<td>• Lack of man power every level</td>
<td>• Less communication</td>
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<td>• Depends on public sectors and leader</td>
<td>• No long term plan</td>
<td>• Foggy city</td>
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<td>• Structure-Dysfunction</td>
<td>• Same products and events (vegetable</td>
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<td></td>
<td>• Leader</td>
<td>• Infrastructure problems</td>
<td>eating festival)</td>
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<td></td>
<td>• Lack of resources such as capital</td>
<td>• Infrastructure problems</td>
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<td>• Attitude</td>
<td>• Less and narrow roads</td>
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<td>• Lack of cooperation</td>
<td>• 80% of people depend on tourism-</td>
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<td>• Too many participants</td>
<td>sensitive to rumour like Tsunami</td>
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<td></td>
<td>• Communication problem</td>
<td>• Noise and traffic and noticeable smell</td>
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<td>• Distance areas</td>
<td>from vehicles (motorcycles, cars, small</td>
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<td>• Lecturers involve only for their interest</td>
<td>buses, tuk-tuk)</td>
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Table 5.3 Weaknesses of the cluster; Source: Author

Table 5.3 shows the weaknesses of the cluster. My findings demonstrate that each case study contains several weaknesses. I have selected some significant weaknesses that impact towards tourism clusters. The enormous weakness of Thai products and services is imitation. Everywhere people organize the same type of events and sell
the same things. For instance, Phuket, Trung, Ranong all organized the same event (a vegetable eating festival) at the same time. As the Director of the Marketing Research Division, TAT said:

*Thailand is famous for its floating markets. The problem is that they are all the same. When something is successful everyone copies it. But each should be different. Unfortunately, people do not see their own identity. If it is the same with the Vegetarian Festival, they should all be slightly different and be held at different times. The planners need to consult each other before organizing any event.*

Porter’s (2003) Diamond Model shows that in relation to the strengths and weaknesses of Thai’s business environment, Thailand has the advantage of beautiful natural resources but has the disadvantage of low skill labour. However when this beautiful nature was increasingly consumed without taking precautions such as the case in Phuket, the city has grown dramatically but with no direction. In addition, Brimble and Doner (2007) emphasised that although Thailand has emerged in fairly good shape from the 1997 financial crisis, much of the country’s recent growth has come from rising export prices and public investments, not improvements in competitiveness and productivity.

Subsequently Thailand has turned strengths such as rich natural resources into weakness when these natural resources are rapidly and unceasingly destroyed. Moreover, her low-skilled labour must be upgraded. Otherwise how can Thailand compete and survive in a sustainable way. Thus to meet challenges such as tourism trends in environment and wellbeing, Thailand needs to prepare itself.

### 5.3 Theme Two: Challenges

In this section, I analyse and discuss across case comparisons influential factors affecting clusters.

#### c. External Factors

In this section, I consider external factors such as global tourism trends going green, wellbeing and oriental food. In addition, the world economic crisis, natural disasters, and the ASEAN Economic Community (AEC) are analysed and discussed across cases and are compared.
### Table 5.4 Challenges; Source: Author

Table 5.4 shows that there are several external factors have impacted on Thai tourism clusters. The United Nations World Tourism Organisation (UNWTO) forecast that...
the number of people travelling would continue to grow in the 21st century, with the number of international arrivals worldwide increasing to almost 1.8 billion in 2030. I selected some significant factors such as natural disasters, the economic factor, and global trends the economic factor.

In terms of external factors that made tourism decrease in Thailand, the Director of Marketing Research Division of Tourism, TAT explained this as follows:

*TAT is now 51 years old. During that time many interesting facts have emerged. When we looked at the number of foreign tourists coming to Thailand we found that there were decreases in on only six or seven occasions. All these decreases in tourism were due to external factors such as world economies; fuel price; the Gulf War and Bird Flu. There is nothing we could have done about any of these problems.*

In terms of economic factors that impact on Phuket, empirical data shows when the European economy downturn occurred, this made European currency depreciated so their purchasing power decrease so they travelled only short-haul. However, more Asian tourists came to Thailand as the Director of TAT: Phuket said:

*There are more Asian tourists come to Phuket; Chinese, Korean, Singaporean, and Malaysian are the main tourists. There are a lot of charter flights that come to Phuket. (See Appendix 3.3 Question 6)*

In terms of global tourism trends, in the past mass tourism flourished because travelling became easier for tourists and the most popular destination were the 3S: sun, sea and sand. However, the global tourism trend has changed; tourists have unique needs and have become more interested in outdoor activities. They are more concerned with the environment. The present Government, Yingluck, captures this trend, so the Government keyword is ‘Green’. This is consistent with what the Director of Marketing Research Division of the Tourism Authority of Thailand who said:

*The next trend, which will definitely come, is going green. (See Appendix 1.2 Question 22-23)*

It is most important that entities involved with tourism understand tourist behaviour and aspirations. Empirical data shows that tourism’s global trend is toward Asia.
Tourists want to experience the authentic East. The Director of Marketing Research Division of Tourism said:

*Tourists want to see traditional Thailand, but the Thai people think that “traditional means ‘backward’.” They think that eastern is bad and western is good. The next trend in tourism is Green, which is a characteristic of the East. Researchers tell us that oriental nutrition is good and meals are balanced. (See Appendix 1.2 Question 20)*

I have experienced another example. A lady from Austria, who I interviewed, was impressed when she went to Phuket Old Town and saw the very old tea pots that the grandmothers still use today. She told me:

*This is I want to see, the authentic East. This is charming.*

After the Asian Financial Crisis hit Asia in the year 1997, AEC was formed to stimulate our economies and increase competitiveness among the group. This will affect the social structure since our labour force can move and work across ASEAN Countries. The Permanent Secretary of Tourism and Sports talked about how to prepare for this:

*We have 32 courses in preparation relating to tourism. It is vital that our tourism graduates etc. have good English. Because our Thai graduates will be well trained, speak good English; they will be easily obtain good positions both here in Thailand and in the other ASEAN countries. (See Appendix 1.1 Question 9)*

In 2015 Thailand joins the AEC, bringing advantages and disadvantages. When Thailand joins the AEC, there will be more competition. As the Governor of the Tourism Authority of Thailand stated that the Tourism Authority of Thailand (TAT) has announced that the biggest tourism festival of the year called the Thailand Tourism Festival 2013, the key talking point will concern Thailand’s tourism as the hub of ASEAN Economic Cooperation (AEC) regional tourism, developing a high-quality workforce to serve the industry and promoting intra-tourism under cooperation with ASEAN members (www.tourismthailand.org)

In this section, factors such as political unrest and law and regulation are analysed and discussed across cases, and are compared.
As the Director of Marketing Research Division of Tourism, TAT explained why Thai tourists travel or not.

*In terms of Thai tourists, the situation is not too bad. But the worry here is our country’s internal politics. In terms of Thai travel in Thailand, whether Thai people will travel or not, depends on the economy.*

In terms of natural disasters impacting on Phuket, The Deputy Director of the Research and Development Institute of Phuket Rajabhat University described the circumstance as follows:

*Phuket recovered very fast from the bird flu scare of 2003 and the Tsunami in 2004. Previously we expected a growth of 7% a year even though we only achieved 6% Tourism generates a revenue of about 800,000 million Baht (£18 billion) per year. Phuket alone can generate 100,000 million (£2 billion) which means about 1/8 of a total tourism revenue. Thai tourists do not go to Phuket because the prices are too high. A serious disadvantage is that 80% of Phuket is dependent on tourism so when, for instance, a tsunami occurs, tourism crashes. Even a rumour of an impending tsunami can devastate Phuket’s tourist trade. (See Appendix 3.12 Question 16)*

Tourism is a sensitive issue - when a bomb explodes somewhere in Thailand, the media will distribute the news and other Governments will warn their own people not to come. So Thailand must have a quick response system to inform tourists about the true state of affairs. Tourists are able to assess the situation for themselves. As the President of Phuket Tourist Association said:

*I have four hotels with 1,300 employees. In the current situation, there is strong competition among hotels. Purchasing power has decreased and there are political problem and political unrest. These are factors that have had a powerful impact. Starting from the bomb news in the South, several Governments advised their citizens to avoid coming here. This affected tourist confidence. (Appendix 3.13 Question 26-27)*

**5.4 Theme Three: Cluster Development**

In this section, I analysed and discussed across case comparison concerning reasons for cluster formation and why some were unsuccessful.

**d. Cluster Development**

In this section, the reasons for cluster formation were analysed and discussed across cases and were compared.
In terms of the role of clusters in fostering economic development, in the UK, DTI (1998) and Brown (2000) note that clusters are seen as an effective way of promoting regional local and national economic competitiveness across the UK. Whilst work in Australia (2000) and Lade (2006) reveals that clusters have been used as a method to shape economic development in many states and regions of the United States as well as in regions worldwide. In terms of tourism clusters in relation to economic growth, Porter (1998) states that:

*While it is essential that clusters form, where they form also matters. In developing economies, a large proportion of economic activity tends to concentrate around capital cities such as Bangkok and Bogota. That is usually because outlying areas lack infrastructure, institutions, and suppliers. The building of tourism clusters in developing economies can be a positive force in improving the outlying infrastructure and in dispersing economic activity (Porter, 1998, p. 86)*

Table 5.5 below shows the cross case comparison of cluster development in Thailand. Research shows that clusters have been established by the Government to increase the competitiveness of the country. However, it is clear that clusters cannot just be established by the Government organizing a meeting to select a leader and the Cluster Development Agent (CDA) and after that leaving the private sector to run the cluster by itself. Contrast this with Hotel de Charm that was established and led by the private sector. That cluster still exists and is expanding even at a slow pace.

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<td>Cluster Development</td>
<td>Creation/ Original of cluster</td>
<td>Sakon Nakhon Indigo Cluster, Phuket Tourism Cluster, Edutainment Cluster, Hotel de Charm</td>
</tr>
<tr>
<td>Clusters Development</td>
<td>Government initiated, Thailand Competitiveness Initiative (TCI)</td>
<td>Originated from Thailand Competitiveness Initiative (TCI), Government established, Public sector led, Turned into the Andaman Cluster, Privately established, Privately led, Expanding</td>
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Table 5.5 Clusters development in Thailand; Source: Author

This is confirmed by the literature concerning the birth of clusters identified by Porter (2008) that stated that from numerous case studies, it appears that clusters
require a decade or more to develop depth and gain real competitive advantage - one reason why Government attempts to create clusters normally fail. Clusters may also arise from unusual, sophisticated, or stringent local demand. Israel’s cluster in irrigation equipment and other advanced agricultural technologies reflect that nation’s strong desire for a self-sufficient food supply, coupled with its scarcity of water and its hot arid growing conditions (Porter, 2008). Finland’s environmental cluster emerged from pollution problems created by local process industries. (Porter 2008:254).

The Kenan Institute of Asia (KIAAsia), working in partnership with J.E. Austin Associates (JEA), originated the Thailand Competitiveness Initiative 2002-2005. As part of its Accelerating Economic Recovery in Asia (AERA) Program USAID decided to support a competitiveness initiative because it promised to provide value to a large number of SMEs and other companies while putting Thailand (and other regional countries) on the way to a sustainable recovery based on the ability to compete effectively in world markets. The project was established and executed in accordance with KIAAsia’s “Proposal to Support a Competitiveness Program – Building a Cluster-based Competitiveness Process in Thailand and the Region...” (2003); this was incorporated into the cooperative agreement between KIAAsia and USAID.

The former Director of Strategies Integration and formulation for the National Economic and Social Development Board has said:

> From my reading and interpretation, actually, a cluster starts by itself. The Government and policy makers tried to help a little bit. I have never seen a cluster that the Government supported work. I do not think the Government can run clusters and makes them work except by using money to stimulate a cluster that is already running.

In regard to Maeteeta Indigo group at Nadee village, Punna Subdistrict in Sakon Nakhon who started indigo dyeing, the Former Dean of Science and Technology Faculty- SNRU said:

> The objective was to pass on our local knowledge to the younger generation.
Under the umbrella of the Sakon Nakhon Indigo Textile Cluster, there were several indigo groups. Findings show that only a few groups that were born by entrepreneurs can survive and have developed and they were counted as the groups of genuine indigo dyeing. Whilst most of clusters established by the Government declined.

I agree with Porter (2008), in terms of cluster decline. There are two categories: endogenous or deriving from the location itself and exogenous or due to developments or discontinuities in the external environment. Empirical data shows, as a Senior Official of NESDB said:

*USIAD announced how many clusters they would like to have, and called meetings accordingly. KLASia paid for the meetings using money from USAID. Many people attended. However, when the money ran out everything stopped.*

There are several internal and external factors that make the cluster decline. In case of clusters in Thailand, most of clusters declined because these clusters were established and obtained financial support by the public sector. When the government did not allocate the budget, as a result, almost clusters in Thailand declined.

However, I disagree with Porter (2008:260) when he argues that:

*External threats to cluster success arise in many areas. Technological discontinuities are perhaps the most significant, because they can neutralize many cluster advantages simultaneously. Market information, employee skills, scientific and technical expertise, and supplier bases may be rendered inappropriate. Unless the requisite new technologies and skills are available from other local institutions or can be rapidly developed, competitive advantage will shift to another location.*

I agree, technology discontinuities are not always the most significant external threats because most of tourism and hospitality business use technologies to facilitate their business but human resources is the significant key for success of their business. Findings show that boutique hotels in Chiang Mai and Hotels in Phuket use technology to access their customers and facilitate their business but entrepreneurs emphasize on human resources because they believe that their success depends on their own unique products and services and their human capital.
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e. Why clusters were unsuccessful

'Reasons of unsuccessful cluster' means causes that make the cluster fail.

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<td>Sakon Nakhon</td>
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<td>Indigo Cluster</td>
<td>Tourism</td>
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<tr>
<td>Reasons of unsuccessful cluster</td>
<td>Causes that make the cluster fail</td>
<td>• Government policy not continue</td>
<td>• Untrustworthy leader</td>
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<td>• One pattern use all</td>
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<td></td>
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<td>• Cluster is process not project</td>
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<td>• Budget system</td>
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Table 5.6 why clusters were unsuccessful; Source: Author

In this section, I analyse and discuss why most Thai tourism clusters were not successful. Findings show that clusters take time to develop. There are several factors that make clusters unsuccessful. I have selected some significant factors. When the Government established clusters all around the country the Government communicated by using the key word ‘cluster’. Thus, all organisations both in the public and private sectors in each province, used the Government keyword ‘cluster’ and used the Government framework in proposing their budgets. In addition, the Government allocated the budget as a yearly project. As senior Official, NESDB said:

*A cluster is not a project, it is a continual process. When Government money is withdrawn a cluster project will fail. Some clusters have developed over a period of 100 years or more, for example the Industrial District. In my opinion it is a community based cluster-every house in that area forms part of the community. There is a village making shoes and other making leather goods. Each village is unique. Clusters can be developed like this. They do not have to copy each other. This is the way to succeed.*

When the Government changed there was a policy change. As a result, implementation did not continue, whereas the Government bodies targeted clusters as quantity not quality. This is a major problem of the Thai Government. The Former Director of Competitiveness Division, NESDB said:
Chapter 5 – Answering the Why question

I have worked at this job for ten years and never seen a cluster succeed. Maybe the reason for this is that our policy has been superficial. I can say with certainty that when Government changes all projects are put in hold. In one year we could be asked to form many clusters, but a cluster takes more than 10 years to generate. (See Appendix 4 Question 2)

The Government used one pattern to implement all. They called for a meeting, at a hotel, selected the president of the cluster and CDA, and then hired experts to lead a workshop to do Strengths, Weakness, Opportunities and Threats (SWOT) and set the vision. All of the clusters did it this way. After a meeting, they generated one strategic book and then let them do everything themselves. Unfortunately, each cluster has a different character but the Government use the same pattern for everyone. This is one of the reasons why those clusters were unsuccessful. As a Senior Official, NESDB said:

*Each has a different problem. The compositions of the cluster and the people who involved are not the same. But we just copied a formula. It is way of implementation but it did not work.*

f. Barriers against tourism clusters

‘Barriers’ are problems and obstacles that prevent the cluster from achieving its goal.

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<tr>
<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
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<tbody>
<tr>
<td>Barriers</td>
<td>Obstacles that prevent the cluster from Achieving its goal</td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
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Table 5.7 Barriers that affect clusters; Source: Author
Table 5.7 presents barriers that affected clusters starting from the national level, when the Government changes. All organisations at every level are affected when the Thai Government changes. In Thailand an important factor that makes clusters unsuccessful is that the Government changes frequently, consequently, top management in the public sector changes. This dramatically affects organisations around the country including at local level. When policies did not continue, all projects stopped. All organisations, both in the public and private sectors, wait for the new policy to be announced and then start from scratch again. All wait for the new signal keywords because these keywords are very important. If they want to obtain a budget, all organisations in both the public and private sector must link their proposals with the Government keywords. Additionally, there are other barriers such as policy. As the Director of Research and Development Division of Tourism said:

*The significant barriers to implement this model in Thailand are the changes in Government, which means the policy is not continuous. Next are participants' attitudes, and commitment, leadership, and integration.*

In terms of educational policy that were barriers as Permanent Secretary of Tourism and Sports Ministry said:

*The production plan, manpower plan and development plan have not gone in the same direction. These plans do not go together. The manufacturers only produce. This is difficult to solve because we left the institutions in a situation where they must help themselves. The simplest way is to sell academic. Even students do not come to learn and are able to finish a degree. This is difficult. It must count a new one. It goes a wrong way until cannot drag back. Now to build a university, they can do with only one bag. That is why it is not reach the quality of education. I think education reform at this time failed. People who get most are teachers and top management and let misfortune are parents and children.*

Empirical data shows that the leader of the Andaman cluster is the governor of Phuket. It is difficult in practice because the Phuket governor has no authority in the other four provinces. In addition, the leader of the private sector often changes. As the Deputy Director of the Research and Development Institute of Phuket Rajabhat University expressed as follows:

*Phuket President of Association usually changes every two to three years. If the leader does not realize the importance of the policy of the education institutes, he will not cooperate and its policies will not proceed. Entrepreneurs are interested in how they can benefit more than in working together for the social benefit. (See Appendix 3.12 Question 4)*
In terms of key words, as mention earlier in chapter four that senior official of NESDB aimed at objectives not at names.

Another problem in Thailand is that when the public sector has a project, they use a budget allocated in January - officials are in a hurry to spend it all by August. This means that they work only eight months because they have to clear the budget and for four months the projects discontinue because there is no money left in the budget to continue the work. This is a major handicap of the Thai budget system. This is the problem of bureaucracy on a budget.

Another core problem is that every public agency related with a particular development proposes its own budget and then works to the same target. As the Assistant to the President of KU-CSC said:

Some villagers have attended the same training courses several times held by several Government bodies. The reason is that Government agencies receive a budget for running a course but then have to obtain sufficient numbers to fill it because the evaluation depends on the number of people who attended. It is only numbers that matter in evaluation. Villagers attend the courses because they may need Government help and if they have not attended a course they will not get help. At the same time, people who are doing valuable work cannot attend courses because they are too busy working.

Beside the eight months budget, people have to spend time in meetings so they have less time to implement their budget. The President of POA said:

I do not want to just train villagers and give out certificates, but to have a continuing relationship with them. We need to follow up; not run a training course in the morning and give out certificates in the luxury hotel later that day. Weaving is one way to increase villagers’ earnings. They get the entire benefit. We cannot make the people rich but we can help them reduce their expenses.

In terms of policy and budget, the Vice-President of Chiang Mai Tourism Business Association said:

At some level, there was some budget support from PAO. But compared with the help from the local budget at Phuket and at Pattaya Samui, we received a very small amount. We got approximately a million. Chiang Mai should get much more, but every year, we get this rate.
In terms of product problem, the length of stay in Chiang Mai is about two to three days but for Phuket is about seven to ten days. Besides, there are many accommodations approximately 50,000 rooms whilst the political unrest occurred and the Chiang Mai is the hometown of Thaksin so tourists were afraid to come to the area that protested. So it is oversupply in accommodation. Most entrepreneurs cut their prices to compete with each other.

Move-The big problem of Thai entrepreneurs is always that they organize the same events or sell the same products and services. As the Director of Marketing Research Division, TAT said:

> Not only do we have the same type of festival but also they all occurred at the same time. Moreover, they are targeting the same tourists. This strategy is nonsensical. They must arrange different festivals. (See Appendix 1.2 Question 30)

There is the problem of entrepreneur’s aggregations in Chiang Mai because they have their own businesses and have their own opinions. As the Deputy Director of Chiang Mai Provincial Office of Tourism and Sports said

> Chiang Mai is a big city. it is tough for the group. Co-operation seems to look good but I think its structure is fragile. So if we want to accomplish something we have to rely on the public sector to provide the budget and ask for cooperation. The province means the governor has a budget, and in addition the Province Administration Office has a budget. They take care of their own areas. Chiang Mai is a big area. It takes 5 hours to drive from the top of the north district to the bottom of the south district. This area is so big that power must be decentralized among 20 districts. Phuket has only three districts: Thalang, Muang so it cannot be compared. (Appendix 2.6 Question 10)

The name of the cluster can make people confused because they use many names in one area such as Chiang Mai. At the beginning the cluster used the name ‘Chiang Mai Charm’. The name was changed which is depends on where the actors focus; this is confusing for people in Phuket.

In terms of technology, it can be used as a support, but the most important element in service is human. Since tourism is a sensitive issue with involve with several organisations there are many influential factors that can affect Phuket tourism cluster. As the Director of TAT: Phuket Office said:
Between 2008-10, tourism in Phuket has increased dramatically and will continue to increase. There has an infrastructure in place to allow this to happen. Several organisations are making plans to grow approximately 10 per cent. Money has been allocated to build a new international airport but this will cause huge problems with infrastructure such as roads and pollution.” (See Appendix 3.3 Question 18)

As the city has grown rapidly, without direction; this resulted in massive problems with infrastructure such as roads and pollution.

Findings suggest that the public sector takes a lot of time on meeting empirical data from Sakon Nakhon Indigo Textile Case. One significant problem that Thailand must solve is its attitude towards quantity. As the Director of Marketing Research Division, TAT said:

The Government must look at the big picture, it must be farsighted. The present problem is that our attractions are bunched together in the big city. We need to spread out our tourists around the country. Also, we need to discourage the bottom end of the market such as backpackers, people paying very little for package holidays. In other word we need quality, not quantity. (See Appendix 1.2 Question 36)

Empirical data shows that all Government and non-Government bodies lack integration and do not think systematically of the big picture.

g. Key Success Factors

‘Key success factors’ means those factors that influence the aims of a cluster such as leadership, trust, and mutual benefits.

Table 5.8 below shows several important Key Success Factor (KSF) of clusters. When compared, case studies at national and local level, findings show there are many similarities in leadership, vision, value-added, unique/differentiation, story, preserve local knowledge, knowledge, university support, attitude, integration, participation, mutual benefit, and innovation. Whilst different factors are social media, IT, Customers’ needs mechanism such as meeting and CDA.
In terms of leadership, the empirical data shows that leadership plays a very important role not only for clusters but also as the key important person who pushes the organisation forward whether nationally or locally. Thus one influential factor that made the cluster successful is the leader of the cluster. The right leader is capable of leading the cluster so that it will to survive and grow. In terms of trust, as senior NESDB official remarked:

*To have two clusters that work is better than having twenty two clusters that don’t work. The cluster is about trust. Without trust there is no sharing of knowledge so the team does not work together and the cluster fails.* (See Appendix 1.3/2 Question 18)

In terms of vision, at the beginning, when KIAsia established the Edutainment Cluster the Vice President of Chiang Mai Tourism Business Association joined the cluster. When the budget was not allocated the situation became quiet. When the private sector made another proposal the actors changed and this time, because the leader was not trusted by the other participants, the cluster failed. The Vice President of Chiang Mai Tourism Business Association said:

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**Table 5.8 Key Success Factor; Source: Author**
The leader and the top management are of crucial importance. Without excellent leadership and vision how can you expect the team to succeed? (Appendix 2.9 Question 20)

In terms of implementation in relation to the social dimension, Thailand uses technology to develop the country according to the national economic and social plan. As the Assistant to the President of KU-CSC said:

We have already lived through 10 national plans but they were only concerned with the economy and the social aspect was ignored. The plans were published but not acted upon. The new national plan 2011 talked about economics but now includes the social dimension.

We do not follow up on training courses and completely abandon the participants. The only indicator for success lies in the number of participants.

In the tourism industry, technology has become an increasingly influential factor in accessing tourists. However, there are some tourists who long for nature and would like to stay away from modern life. The niche market like homestays with tribal people living in the mountains is one example. The Deputy President of Tourism Business Association in Chiang Mai said:

If tourists are interested in learning how tribal people live, then they can come to Doi Ang Khang. We have a nature lodge where tourists stay and they can also do homestay in villages but they must live exactly as the local people do. I started this project through informal links with the university and the lecturers helped me. The provincial Government knew about my project but they do not give me financial assistance.

When a cluster is established, the president and CDA will be selected from its participants. The roles of president and CDA are important because they are the persons who move forward the cluster with clear and strong aims and coordinate participants regularly to encourage them to join together and cooperate in those activities that will increase their revenue. As the Assistant to the President of KU-CSC said:

The cluster must organize its committee as the first step. Then select two people from the cluster who have potential, and give then training. The CDA must be a local person or else live locally. We must ensure that he or she has a role to play and can coordinate the group.
In terms of mutual benefit, to persuade entrepreneurs to participate in the cluster is not an easy task. The saying “easier said than done” applies. They are unlikely to believe until they are convinced by results. So another key is the mutual benefit, so that when a cluster occurs the participants get the benefit. The benefit will influence others to join. As the Assistant to the President of KU-CSC said:

> Although entrepreneurs understand what a cluster is, they are reluctant to join. But if the KU would obtain a large order for them, they would be anxious to participate. If their sales would increase by 10-20% they would run to us. We must make this happen and use our connections at the Departments.

> I am anxious to encourage the indigo collectives to combine so that they can produce 100 metres of cloth a month. At 100 Bhat (£2) per metre they could earn £200 a month. I do not want them to work individually and sell only 20 metres at a time for very little money. By centralizing they can cut out the middleman. I see that the middleman can drive a luxury car whilst the farmers and weavers producing indigo fabric still take a bus.

Another success story is the Pechakaseam Textile Cluster as mentioned before. With help from the research institute, they are able to produce Nano yellow T-shirts at a high price for the premium market. This is the result of adding value to the product. There are several key influential success factors: such the leader, policy and Objectives. The objectives of private sector entrepreneurs are profit. However, universities are not profit-seeking organisations. People believe that universities are neutral and can help entrepreneurs at some point, so entrepreneurs and universities may do projects together for mutual benefits. However, it often happens that universities pay more or most of the expenses but entrepreneurs do not join the project when the time comes to sign a contract. As the Deputy Director of Research and Development Institute of Phuket Rajabhat University said:

> Even though Rajabhat Phuket University will pay 70% of the marketing project with the Phuket Spa Association, such as Packaging and herbs, the local entrepreneurs are not willing to pay even 30%. Three months have passed since this idea was discussed, but nothing has happened. (See Appendix 3.12 Question 15)

In terms of faith building, this is the crucial factor that can make a cluster successful. The Director of Sakon Nakhon Cooperative said:
Chapter 5 – Answering the Why question

If the leader of a cluster is thought to be untrustworthy by the other members, the other members will not support the leader and will sell their products individually. (See appendix 4.4, Question 2)

The senior official of NESDB said:

The cluster is about trust, if we do not trust and do not have knowledge sharing, we cannot work together. If we do not work as a team, it will not work. (See Appendix 1.3/2 Question 18)

Understanding how important the cluster is. The Director of Chiang Mai-TBA said:

Clusters are more important than ever if we don’t have clusters how can we compete?

Since the cluster takes time to develop, and it is the process not a project, so the public sector and supportive institutes should support clusters in the long term. The public sector at local level must recognise the importance of the cluster issue; this worked in the case of the Indigo Cluster even through the Government changed, the Indigo Cluster was supported continuously. But this cluster still has some problems.

One important factor that makes a cluster successful is to make participants see what the benefits of cluster are to them:

If each participant sees the importance of the cluster and then works together seriously to re-establish it will raise the level of management and service. Clusters certainly help to solve problems in the long run. If we can stick together and work seriously as a group we will succeed.

In terms of Innovation, the director of Research Division of Tourism, TAT said:

Tourism in the future must be an inspiration. It must inspire. It must have activities or something that inspires. You need innovation to build this up. (See Appendix 1.2 Question 11)

In terms of different products and different services, the Director of the Marketing Research Division of Tourism, TAT said:

Phang Nga, Krabi are too similar. There is no differentiation and they compete against each other. They must understand what their differences are and not copy each other. Provinces need to know themselves. (See Appendix 1.2 Question 35)

Clusters that succeed include products within the group that are different. For instance, in the five provinces we should have five different packages each appropriate to the particular province. This would mean Ranong has Hot
Springs. All the products can be sold together because they are located close to each other. Otherwise they will compete to death in price-cutting and not survive.

If SMEs pay attention and use the knowledge advice given by OSMEP, they can add more value to their products and services and differentiate from competitors.

Next is service. This means that the service must be of high quality. (See Appendix 3.13 Question 30)

5.5 Summary

Empirical data shows that all the clusters established by KIAsia declined, including Edutainment and the Indigo Textile Cluster, which was re-established by KU-CSC and renamed the Garment Cluster. Whereas the Phuket Tourism Cluster, which turned into the Andaman Cluster in order to cover five Andaman provinces, expanded so that the group now has a broad policy level and just selects target groups to help. On the other hand Hotel de Charm established by the private sector still exists and is expanding at a slow pace.

In terms of challenges, there are several external factors that impact on tourism clusters such as the world economy crisis, natural disasters, global tourism trends and tourist behaviour. Whereas internal significant factors in the country are: political unrest, and Government changes. However, for internal factors, each cluster has a different internal influential factor. Importantly, there are several major factors that made clusters unsuccessful. The first major problem is that Thai Government bodies target quantity not quality. As a result, their implementation is only superficial, whilst the clusters that come from local people take times to develop but are solidly based. The second reason is that TAT, a highly experienced Government body previously in charge of tourism only has been downgraded. As a result the staff is concerned with marketing and not with tourism in general. Moreover, the local level MOTS (previously TAT) is concerned mainly with sport. The third reason is that clusters established by international organisations do not take account of the needs of local people. A single top-down model used by the Government for all clusters is shown to be inappropriate. A further reason for failure is the selection of untrustworthy leaders. The clusters did not keep to a local identity; instead they
copied successful clusters outside their area. My findings show that there are several significant Key Success Factors (KSF) that make the cluster successful such as: leadership, niche, university support, cooperation, quality, networks, lifelong learning, trust, teamwork: each of these elements is needed to achieve mutual benefits for all parties.
CHAPTER SIX
ANALYSIS AND DISCUSSION ACROSS CASE COMPARISON:
ANSWERING THE HOW QUESTION

6.1 Introduction

This chapter will answer the thesis research question of “How to improve the University-Industry-Linkages (UILs) and How to enhance the competitiveness of tourism clusters through UILs” by addressing the themes of Strategic Formulation, Strategic Implementation and Triple Helix effect across case studies.

I were focus upon my second research objective: to examine a possible model which would be applicable to improving University–Industry Linkages in Thailand in order to support successful tourism clustering. As in chapter six, the analysis and discussion of data is done across case studies for the sake of comparison and triangulation with literature. The different themes are analysed and discussed across cases and are compared to literature to confirm, extend or disagree.

The empirical research revealed some important emergent themes, which are analysed and discussed across case companies as well. These emergent themes are: Leadership and Strategic Entrepreneurship.

The thesis’ research questions will be addressed through a cross case thematic analysis and discussion comprised of major categories of themes as identified during the research while adhering to the working conceptual framework. The thematic analyses are classified into three categories as follows.

This chapter is classified into five themes as follow:

6.2 Theme One: Strategic Formulation

a. Strategies
b. Vision
c. Policy
6.3 Theme Two: Strategic Implementation of tourism clusters
   a. Role of Actors
   b. Structure of Organisation
   c. Resources Allocations

6.4 Theme Three: Social Network of tourism clusters
   a. Social Flow
   b. Physical Flow
   c. Knowledge Flow
   d. Value Flow

6.5 Theme Four: Triple Helix effect
   a. Interaction of University, Private Sector and Public Sector
   b. University Industrial Linkages (UILs)

6.6 Theme Five: Emergent Themes:
   a. Leadership
   b. Strategic Entrepreneurship

6.2 Theme One: Strategic Formulation

In this section, strategic formulations such as strategies, vision, policies are analysed and discussed across cases and are compared to literature to confirm, extend or disagree with.

a) Strategies

I analysed and discussed how strategies of Government and non-Government bodies affected clusters.
Table 6.1 shows how strategies of Government and non-Governmental bodies affect clusters. The Thaksin Government used keywords such as competitiveness and clusters. When the Abhisit Government came into power the Government keywords were changed. As the Former Director of Competitiveness Division, NESDB said:

*There are now no strategies to integrate.* (See Appendix 1.4 Question 5)

However some policy makers tried to think of ways to make their old plan continue to work by linking with the new concept and responding to politicians at the same time. As I mentioned in chapter five and a Senior Official of NESDB talked about the why a strategy did not work as follows:

*Is there still a committee dealing with competitiveness? Yes, the chairman is the Deputy Prime Minister but it is not as active as it was in the Thaksin era. The committee looks at economic indicators. We rank at 26 in terms of competitiveness around the world. However, we are standing still whilst Malaysia is going up. We aim to move from 25 to 24 in the year 2015. The committee does not study the factors that make us competitive and this is the problem.*

And as the Vice-President of Chiang Mai Tourism Business Association said:

*Sometimes we have to draw up two different strategies in one year because the governor changes. This wastes a lot of time for both the Government and non-Government bodies.* (Appendix 2.9 Question 34)
NESDB analysed the strategic Human Resources Planning (HRP) in order to achieve the vision of nation. During the Thaksin era, NESDB analysed HRP in seven industries, one of them was tourism sector. However, the plan was not implemented. The Governmental bodies were unable to link together to accomplish the same vision; that is why gaps occurred and why graduates cannot respond to what employer want. Moreover, companies need to train more graduates.

I drew up a master plan dealing with the supply of graduates to both the private and public sectors. The graduates that the universities are sending out do not match with the requirements of the tourism industry. In the past no one asked the private sector what they required, so the applicants were not suitable because they had not received the right sort of training.

In terms of strategy, the nation cannot just employ low cost strategy by cutting price - another way forward is using partnerships.

We should switch from being competitors to being partners. For example, people undergoing medical operations in Singapore should be sent to Thailand for 15 days to recover.

We should have more new partnerships. We can promote the Thai film industry with festivals like Cannes. Movies that use Thai locations are promoting our tourism industry, but we must be very careful that the films do not give us a bad image. Otherwise foreign tourists will associate Thai beaches with prostitutes and drugs. (See Appendix 1.2 Question 7)

In terms of the person who should take responsibility for the tourism master plan and implementation:

Who should be the person who implements the master plan? The Ministry is at the top. Each level in the hierarchy from village level upwards should follow the national plan. If there is no system and no regulations that must be followed, then nothing will be accomplished. Everything depends on the management. Participation is at the heart of every success story. (See Appendix 1.1 Question 15)

Phuket does not have a long-term plan: there is no sustainability plan. There are some problems such as price-cutting because there are too many suppliers. Empirical data shows there is almost no communication between the parties. The Director of TAT-PK said:

Sometimes, there was a plan but, because there was a change of Government or person involved, nothing happened. The budget is controlled by the umbrella
organisation and we do not take part in the discussions. (See Appendix 3.3 Question 31)

This is consistent with the President of Phuket Spa Association who wanted to see spas in Phuket in long term as explained:

Thai spa products should be high quality product. At present there are low grade products available in Phuket. These must be upgraded, otherwise our image is spoilt. (See Appendix 3.16 Question 33)

In summary, strategies of Government and non-Governmental bodies affect clusters. The Thaksin Government used keywords such as competitiveness and clusters. Then when the Abhisit Government came into power the Government keywords were changed. If there is a vision for the nation HRP) must be aligned with its goals. During the Thaksin era, NESDB undertook HRP in seven industries to meet the market need. However, the plans were not implemented. The Governmental bodies lacked linkages necessary to accomplish its vision. This is why gaps still predominate whilst at the same time, graduates remain out of work. Similarly, despite investment in infrastructure and building, absence of regulation and planning have resulted in a poor quality and an unsustainable environment.

b) Vision

Here, I analyse and discuss how the vision of leaders in the public and private sectors, including universities, influenced clusters.

‘Vision’ in this study means the ability to imagine that a cluster could be developed in the future.

Table 6.2 below shows that different organisations have different visions concerning clusters both at national and local level among three entities; public, private sector and the university. There are several perspectives of vision. I have selected some crucial visions to discuss. The criteria are visions of policy makers at national level and vision of leaders of the clusters, the public and private sector and universities.

Findings show that Thailand lacks people who can control tourism at a strategic level, as the Director of Marketing Research Division of Tourism, TAT stated:
We must have a professionals attached to each area of the country who will concentrate on the big picture at the strategic level. This also applies to clusters. See Appendix 1.2 Question 33)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
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</table>
| Vision      | The ability to imagine that a cluster could be developed in the future | • 11th national plan – Green  
• Detroit of Asia – Thaksin era  
• Quality tourism destination/take volume  
• Picture at strategic level  
• Community – a source of Learning  
• Vietnam Overtook  
• Quantity concentration  
• MICE – Singapore  
• Farsighted Government  
• Same goal | • Indigo Village - tourist attraction  
• Learning Centre/village  
• Indigo-local knowledge preservation  
• OTOP - Indigo brand in shopping mall  
• Indigo-world class product | • Hub of World Marine Tourism  
• Growth without direction  
• Mass Product Destination  
• Beautiful South generate huge revenue and the best in Thailand  
• Thaksin era - Tourism City  
| Sakon Nakhon Indigo Cluster | Phuket Tourism Cluster | Edutainment Cluster | Hotel de Charm |

Table 6.2 Vision; Source: Author

An in-depth interview with a policy maker at national level showed that she was assigned an additional six groups which meant that she did not have the time or energy to work on tourism. Then NESDB passed this task to TDRI but still use the NESDB framework.

At present tourism planning is all done at local level and this leads to imitation. If one area concentrates on elephants, so they are widely copied. It is the same with floating markets. The Ministry of Tourism needs to guide the overall strategy. (See Appendix 1.2 Question 35)

Thailand should have policy makers draw up a plan at the strategic level. The 11th national plan emphasised Green and vision, whilst the National Tourism Development Plan emphasised ‘quality’. However, empirical data from the Indigo Textile Cluster case showed that the Ministry of Industry wanted to use an ISO standard and told the leader of Maeteeta Indigo group to use chemicals with the
indigo because they want all Indigo clothes to have the same standard. As the leader of Punna Indigo group said:

_They do not understand that indigo is unique. It cannot be made to conform to the ISO standard by adding chemicals._

According to Thailand’s National Tourism Development Plan, Thailand has a vision in the years 2012-2016 to become a high quality tourism destination with tourism competitiveness at the international level, thus enabling the country to generate more income and distribute wealth on a sustainable basis (www.thailand.prd.go.th). Even Thailand’s National Tourism Development Plan emphasised quality whilst in reality, Government bodies still focus on “quantity” because it is easier to evaluate and to report. They can obtain a higher budget for the following year because they obtain the budget yearly. Contrast with the quality, if the Government wish to assist in developing tourism clusters, it will take time because each cluster is a continuous process. So how can Government bodies report on ‘quality’ progress? The vision of quality can be realised, if the Government accepts that it takes time to develop and changes the way it allocates the budget as well as the way it evaluates projects. Empirical data already presented shows that the budget system is a major problem in cluster development. A change in Government is a further major problem.

As the Director of Research Division of Tourism said:

_Concentrating on volume is not wrong, but we must take quality into account. Price-cutting is self-defeating and leads to mass-market tourism, which is low on revenue. Entrepreneurs need to think what the customers want. Look at the boutique hotels – they are booked up three years in advance. They have three to eight rooms and they are full even though they are expensive._

A senior NESDB official said:

_The cluster is about trust. Without trust there is no sharing of knowledge so the team does not work together and the cluster fails. (See Appendix 1.3/2 Question 18)_

The Permanent Secretary of Tourism and Sports Ministry said:

_University students studying tourism should be required to take outside work experience as part of their degree. The degree should not be wholly class centred. The local community should be a source of learning for the university and its students._
As mentioned in Chapter Five, government policies made Phuket grow rapidly. A new airport has been built and a lot of new big building. However there are no regulations to control the new buildings. In addition many building were used as hotels, guesthouses or service apartments. Many of these are illegal; as a result we have environmental problems. So the province has grown without proper direction and they lack systematic management. As the Director TAT: PK office said:

*Phuket must preserve its natural resources and stop pollution. There is no strategy.* (See Appendix 3.3 Question 17)

Director of TAT: Phuket Office said about future of Phuket tourism as follows.

*Our vision is to be at the hub of world marine tourism. We want Phuket to attract the premium market.* (See Appendix 3.3 Question 18)

Contrast this with Deputy Director of Research and Development Institute at Phuket Rajabhum University said:

*Phuket will not be a destination for the premium market. It will only serve the mass market.* (See Appendix 3.16 Question 18)

On the other hand, Chiang Mai has different potentials but does not know how to position itself.

*The city of Chiang Mai city is located in the mountain. We cannot sell sun, sea and sand like Phuket. We don’t know how to sell ourselves. We have our local culture and nature. We need help from the university. They need to take a big part in our tourism industry. Without vision and help we are not going anywhere.*

However, without any clear direction, the city created new attractions. On the other hand, in relation to Sakon Nakhon, it is reported that:

*In the Thaksin era we promoted Night Safaris and World Flora. Both of these were very expensive. But we are not promoting our own identity. We have a lot of history. There are mainly local stories that will attract tourists.* (Appendix 2.9 Question 79)

The MD of Crystal Restaurant said:

*Foreign tourists do not know what Chiang Mai has to offer. We local people need to work seriously on the promotion of our city.* (Appendix 2.14 Question 34)
In sum, different organisations have different visions concerning clusters, because there are different visions in the different organisations at national and local level among the three entities: public, private sector and the university. My findings show that Thailand lacks people who manage tourism at a strategic level.

c) Policy

In this section I analyse and discuss how policies of Government and non-Governmental bodies including university have an effect on clusters.

‘Policy’ in this study means declared objectives that the Government wants to achieve.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
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<tbody>
<tr>
<td>Policy</td>
<td>Declared objectives that the Government want to achieve</td>
<td>• Thailand Competitiveness Initial (TCI) • Cluster Mapping</td>
<td>• Indigo Cluster • Garment Cluster • Indigo as tourism attraction • Visiting Thailand-1985 • Phuket Tourism Cluster • Andaman Cluster</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sakon Nakhon Indigo Cluster • Phuket Tourism Cluster • Edutainment Cluster</td>
<td>• Chiang Mai Charm • OTOP Champion</td>
</tr>
</tbody>
</table>

Table 6.3 Policy; Source: Author

Table 6.3 shows how policies impacted on clusters. Government policy can make a huge impact on any province, as occurred in the case of Phuket. The Visiting Thailand policy has changed that city hugely. However, findings show that the city has grown too quickly without direction. Consequently, several problems occurred such as a lot new building, garbage on the beach, lack of drinking water. The President of POA said:

Right now foreigners want to learn about indigo dying so I want to promote Indigo village as tourist attraction. The main attraction is Punna village because it is near the city and has the best quality dye.

In sum, policy impacts on clusters. Government policy can make a huge impact on any province as in the case of Phuket and the Visiting Thailand policy.
6.3 Theme Two: Strategic Implementation of tourism clusters

In this section, strategic implementation such as the roles of actors and the structures of organisations are analysed and discussed across cases, and are compared to the literature so as to confirm, extend or disagree.

a. The Role of Actors

Table 6.4 below shows role of actors at national level and local level. There are several actors at the national level involved with tourism clusters; NESDBE, Tourism and Sports Ministry (MOTS), Tourism Authority of Thailand (TAT) OSMEP, KIAasia.

Whilst actors at local level are involved with several organisations in both the public and private sectors such as the governors, Provincial Administration Office (PAO), Tourism Authority of Thailand (TAT): regional level, Tourism and Sports (MOTS) at provincial level, Commercial Affair Department, Community Development Department, Industrial Department, Cooperative Department, Chamber of Commerce. In terms of the role of Government, Porter (2009:261) argues that:

> Government's most basic role in an economy is to achieve macroeconomic and political stability. It does this by establishing stable Government institutions, a consistent basic economic framework, and sound macroeconomic policies, including prudent Government finances and low inflation. Government's second role is to improve general microeconomic capacity of the economy by improving the efficiency and quality of the general purpose inputs to business identified in the diamond (an educated workforce, appropriate physical infrastructure, and accurate and timely economic information) and the institutions that provide them.

I agree with the Porter. But in my view, the Government does not pay sufficient attention to the microeconomic and social dimensions. Nothing happens because there are no immediate results that can be measured.
### Chapter 6 – Answering How question

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role of actors</td>
<td>Prescribed behaviour associated with particular organisation</td>
<td>• Public sector looked at macro using public finance system and the industry.</td>
<td>• TAT - promote tourism emphasise on marketing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Thaksin was from the private sector -market-oriented, demand-oriented.</td>
<td>• Municipality mission - promote Phuket historical area.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 10th plan, NESDB talk less clusters</td>
<td>Organize activities such as vegetarian festival or Chinese New Year</td>
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<tr>
<td></td>
<td></td>
<td>• OSMEP emphasise networking in SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• MOTS Ministry - the person who should push tourism cluster</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Public sector support-study trip abroad</td>
<td>• TBA - coordinator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• If no OTOP or province does not organize events, will be difficult situation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Province hire organizer not TAT to run events</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• TAT afraid to diminish or join with SAO</td>
<td>• CAMT - consultant</td>
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<tr>
<td></td>
<td></td>
<td>• KU - coordinator</td>
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</table>

Table 6.4 Role of actors; Source: Author

Empirical data from senior official of NESDB stated:

*In the Thaksin era the strategy for national competitiveness was a new one and people did not understand either the concept or the way to manage business. Even now the same strategy is in use despite the language having changed. My wish is to formulate a new plan for the entire country, which would incorporate a new vision of the nation.*

Porter (2008, p. 263) states that not all clusters will succeed, of course, and upgrading in some clusters will reduce employment as firms move to more productive activities. These outcomes should be determined by market force, however, not by Government decisions. Porter thinks that advanced technology will produce unique products. This is not always true, especially in a small developing country like Thailand.
On some important theoretical points, I take issue with Porter’s (1990) analysis, in particular his under-estimation of the importance of the public sector. Let me illustrate this with an example. At Nadee indigo village; Punna district, Sakon Nakhon, the leader of the Indigo group village upgraded the group’s products to a niche market because when she went to Japan (with help from the public sector) and saw machines operated by a few people, she asked herself “how can I compete with these machines?” “High quality unique products” was the answer that she found. She sold her product at a high price and then other women in her village asked to join her group, which expanded. In addition, she encourages members to grow cotton themselves because she does not want to use cotton from factories. Outcomes definitely must be determined only by decisions made inside the cluster and not from Government decisions made outside. Many other examples illustrate the key importance of public-private partnering; a theme significantly absent from Porter’s (1990) work.

The role of NESDB is to formulate the national plan and then translate it into action with a five-year timeframe. To obtain the budget and support from the Government, organisations both in the public and private sectors must follow the national plan, which has a framework and Government keywords. Even when the Government changed from PM Thaksin to PM Abhisit, the keyword ‘cluster’ was still used but less so, as the Project manager of OSMEP said:

I know that there have been meetings of the private and public sectors concerning clusters last year, but I have not seen any Minutes for this year. In any case the clusters may not include tourism. OSMEP are trying to identify SMEs that are using the national plan, but OSMEP is in Bangkok and the SMEs are not in communication with them. (Appendix 1.5 Question 5)

The task of OSMEP is to promote SMEs. They use the master plan as a guideline. The master is produced every five years. As the Senior Operational Office, Competitiveness Project Division, OSMEP reported:

OSMEP works with four organisations: - public agents, state enterprises, the private sector and Government. We have a budget, which we give to the joint organisations to implement, but their own project must be in accordance with the national plan. (See Appendix 1.5 Question 1)
Chapter 6 – Answering How question

The mission of OSMEP is to support the budget of the joint organisations that help SMEs. However OSMEP must do this in advance by setting a meeting with the joint organisations to formulate a plan for the year 2013 and then submit the proposal to the Budget Department. When the budget department allocates the funding, they will look at the projects, which are consistent with the plan. Each organisation carried out tasks according to their own mission. As the Senior Operational Office, Competitiveness Project Division, OSMEP stated:

*This year the budget department approved the allocation of a budget of 200 million Baht for 15 projects for joint organisations to implement. We have to follow up how well the projects generate network development. The importance of the networks, as I told you, is a core factor in the master plan and the promoting plan if you look at the current website. (See Appendix 1.5 Question 1)*

One year clusters are a priority, so the Board concentrates on clusters. Another year it may be the ‘creative economy’ so the direction changes completely. Besides, in a practical way, tourism has a core organisation. So OSMEP does not propose budgets that overlap but will propose to fulfil some tasks that organisations are unable to fulfil. There are several comments in terms of tourism, which OSMEP makes. Finally, OSMEP gives importance to SMEs in the tourism sector. The Senior Operational Office, Competitiveness Project Division, OSMEP gave an example.

*Our experts concentrated on Hot Springs and, in the past, we promoted them for several years. We encouraged local entrepreneurs to form clusters to develop this type of attraction. (See Appendix 1.5 Question 1)*

The OSMEP had branches in each province but they were closed in the year 2007 because the direction was not clear. The Senior Operational Office, Competitiveness Project Division, OSMEP states that:

*We closed all the branches because they were too expensive to run and we found we could not fulfil our mission of helping SMEs to access entrepreneurs. There was no clear direction. (See Appendix 1.5 Question 8)*

In terms of health tourism in Ranong, OSMEP became involved but only to inspire them. They must continue to work by themselves. They cannot rely on only the public sector; if they hope to obtain a budget from the public sector they will fail
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In terms of health tourism in Ranong, OSMEP became involved but only to inspire them. They must continue to work by themselves. They cannot rely on only the public sector; if they hope to obtain a budget from the public sector they will fail
because they are not relevant to the national plan. However, some members asked for increased budgets and demanded to know why this year OSMEP did not allocate budgets to support them.

This confirms Porter’s (2008:263) opinion that

*Government should reinforce and build on established and emerging clusters, rather than attempt to create entirely new ones.*

(Porter, 2008:263)

I agree with Porter (2009:274), individual departments or units of Government that impact on the cluster must be engaged and educated on the effect of regulations and policies and on the quality of Government services.

Since the Government has employed the cluster model to increase the competitiveness of the nation, every official of the units of Government who is involved with the cluster should have a clear understanding of how they work; otherwise they will definitely end up wasting huge sums from the Thai budget.

*The Industry Ministry controls clusters all around the country including the Indigo and Hot Spring Clusters. (See Appendix 1.4 Question 6)*

In Sakon Nakhon, there are several actors involved with the Indigo Cluster. From the public sector there is the governor, plus the Provincial Administration Office (PAO), the Tourism Authority of Thailand (TAT), Tourism and Sports (MOTs), the Commercial Affairs Department, the Community Development Department, the Industrial Department and the Cooperative Department.

These Government agencies have periodically supported clusters depending on the national policy and the budget. Each will work only within their own scope such as TAT is the organisation that promotes tourism. Their emphasis is on marketing. In the past, they covered all areas, but now the Tourism Development Department is the organisation that takes responsibility for developing and attractions or making attraction more beautiful so a budget is allocated to this department. TAT now has the role of promoting tourism; marketing emphasises on PR and advertising: it is headquartered in Bangkok with a branch in each region. Each branch provides
information. In terms of marketing, they promote Thai and foreign tourists to come to Phuket. Their main mission is to encourage Thai people in other areas to come to Phuket. There are more new routes such as Chiang Mai-Phuket, Udon-Phuket, and Ubon-Phuket, so they promote these by taking the private sector to join together to launch attractive packages. Phuket entrepreneurs meet Chiang Mai entrepreneurs and then see how they can do business. Typically they take hotel people, and then they meet tourism entrepreneurs or travel agencies. For example, a hotel will say "if you send me ten customers, I will give this rate for this month, or, we will give you that rate. This is what TAT does. Or Chiang Mai entrepreneurs may sell a package like Air Asia with Phuket accommodation. TAT will cooperate with tourism associations and hotel associations. They cooperate together to promote Phuket as a destination for Thai tourists. In the past they were mostly from Bangkok but now Thai people in other regions who have purchasing power will come if it is convenient; then TAT does PR and cooperates with other organisations by organizing activities such as Chinese New Year, Song Kran (Thai New Year), Loi Krathong and vegetarian festival. TAT also organizes activates to attract more tourists.

However, the Provincial Tourism Committees focus mostly upon tourism solutions such as transport costs or tsunami rescue. Recently, they discussed how to make tourists aware that there is a warning system that helps when it happens. So every sector is involved with tourism because we are a tourism city. The municipality's mission is to make the city beautiful; promote Talang Street to be Phuket's historical area. They put electric wire underground in order to beautify the street and then organized activities such as the vegetarian festival or the Chinese New Year so that tourists can come and enjoy themselves.

In terms of the role of TAT, there are several events where different organisations cooperate with each other. In addition, they do road shows abroad; for example, TAT cooperates with associations in Phuket such as PAO. In terms of the role of PAO

PAO has a supporting role because they collect revenue of 1 per cent from local tax on room sales, which means a lot about 50-60 M (£1-1.2 M). This money is used for Phuket marketing in order to penetrate new markets. They
will go to tourism events such as ITB at Berlin, which is the international tourism trade show.

The role of Chiang Mai Tourism Business Association is:

*When we organized our events in the past, we concentrated only on trade. But this time we were divided into three sectors; seminars, trade, and road shows. This is the new way which has never happened before. Right now we are developing our organisation by operating in a different way and we are more efficient.* (Appendix 2.9 Question77)

In terms of the role of MOTS at local level the cluster was established by KAsia so the MOTs were not involved and did not know about this cluster. In terms of the role of MOTs, it takes responsibility for the implementation at local level of the MOTs policies. As the Deputy of Director of Chiang Mai Provincial office of Tourism and Sports said:

*We also have responsibility for provincial tasks in tourism areas in Chiang Mai, Lumpoon and Lumpang. We take part in the planning of provincial development for the whole group, integrating projects and managing the budget for many projects and managing the tourism of the province. This means that for every tourism project that belongs to us we need to integrate with many other organisations such as those that belong to the Nature Department. There are also some links with the Commercial Affairs Department because the products of tourism are of many varieties.* (Appendix 2.9 Question10)

In terms of graduates at Chiang Mai University, tourism was a minor course when since CMU opened 47 years ago, but we began a bachelor course in 2007. In terms of policy, the Head of the Tourism Department, CMU said:

*Chiang Mai University ran a master degree course on tourism for many years but in 2007 the Board changed the level to a bachelor degree. Whilst the master degree graduates were outstanding, we do not know how good the new graduates will turn out to be.* (Appendix 2.3 Question 5)

In terms of the academic service, the Director of Knowledge and Innovation Centre, College of Arts, Media, and Technology, CMU reports that:

*It is a project I recently started. I have just signed the contract on the part of the Innovation Centre… This would be like Technology Transfer of College of Arts, Media, and Technology. It works with the private sector and other*
CAMT has a clear policy. The college will act in areas of visual tourism. The budget was allocated by cooperation between Thailand and France. The Director of Knowledge and Innovation Centre, College of Arts, Media, and Technology, CMU stated:

'It means we do not have to stay in the actual location such as Ayutthaya. What this means for a group visiting the old town where there is nothing left but ruins, is that we create a three-dimensional model on a mobile phone. We also provide information about travel and organized packages, as well as creating new tourism packages.' (Appendix 2.2 Question 11)

In terms of budget, CAMT has been allocated the budget from many capital sources but a huge grant has been given from the EU budget. The Director of Knowledge and Innovation Centre, College of Arts, Media, and Technology, CMU said:

'Most of the budget is allocated from the EU because it's a lot. It is a big budget. It was not a single budget but also applies to the lecturers who went to study and worked in the labs over there and then returned to develop tourism in Thailand.' (Appendix 2.2 Question 13)

At the beginning, CAMT-CMU was a consultant to the cluster and then acted as a CDA. It explained to entrepreneurs why it was important to join together as a cluster. And then we assisted in setting objectives. The Director of Knowledge and Innovation Centre, College of Arts, Media, and Technology, CMU states:

'They did not have specific objectives for the cluster. We came together and had to analyse what were our objectives. What does the cluster expect? So the first thing is to let them see the benefit of the cluster, although the cluster will combine loosely, they know that if they share something in the cluster, then they will get something in return. As for the college itself, the consultant will help in trying to shape the framework.' (Appendix 2.2 Question 5)

When the university sends a representative to a meeting of a tourism cluster they should send the same person each time; that person should be senior enough to make decisions.
In summary, there are several actors at the national level involved with tourism clusters; NESDBE, Tourism and Sports Ministry (MOTS), Tourism Authority of Thailand (TAT) OSMEP, KIASia. Whilst actors at the local level are involved several organisations from both public and private sectors such as the governors, Provincial Administration Office (PAO), Tourism Authority of Thailand (TAT): regional level, Tourism and Sports (MOTS) at provincial level, Commercial Affair Department, Community Development Department, Industrial Department, Cooperative Department, Chamber of Commerce.

The role of NESDB IS to formulate the national plan and then translate it into action with a five-year timeframe. To obtain the budget and support from the Government, organisations both in the public and private sectors must follow the national plan, which has a framework and the Government keywords. Even when the Government changed from PM Thaksin to PM Abhisit, the keyword ‘cluster’ was still used although less frequently.

The Government has significantly influenced and impacted on the birth and growth of clusters. Government should reinforce and build on established and emerging clusters, rather than attempt to create entirely new ones. Each actor should take it seriously, cooperate with others, make a commitment, and be a person who can make decisions.

From Porter’s perspective, advance technology will produce unique products. This is not always true, especially in a small developing country like Thailand. Thailand never runs as fast as developed countries in terms of IT. The government could consider Thailand’s strengths and bring them to the forefront with help from public and universities. The Government could pay attention to groups that have potential to develop and not waste money in establishing new clusters that operate for one year and then disappear.

**Structure of Organisation**

‘Structure’ in this study means employees were grouped hierarchically with line authority.
Table 6.5 Structure of public & private sector; Source: Author

Table 6.5 shows the structure of public and private sectors in relation to tourism clusters. TAT was first under the PM’s office and took responsibility for all areas of tourism; later it was the under MOTs, and its duties were reduced. TAT has the role in promoting tourism; marketing emphasises on PR, advertising. Head quarter is in Bangkok and branch in each region. Each branch will provide information. In term of marketing, they promote Thai and foreign tourists to come to Phuket.

In terms of the budget, empirical data is presented as to how the Government allocates the budget to implement clusters. The Permanent Secretary of Tourism and Sports said:

*I think the best system for tourism for everyone in the country. If attractions belong to the locality, the people in that locality will take responsibility using their budget. It is not right to use the central budget. Attractions in the district are a district responsibility. Attractions in the province are the responsibility of the province. But for attractions over several provinces, the central Government should take responsibility. Phuket is an international tourist attraction. Phuket alone cannot handle it. The central Government must take responsibility directly. The central Government must help. (See Appendix 1.1 Question 16)*
When the Phuket cluster was established it was further expanded to cover five provinces called The Two Ocean Cluster because the policy makers thought that they could not look at Phuket alone. The thinking behind this was of the whole group because destinations are linked together so when tourists come, they travel all around this cluster. Whilst at the national levels, policy makers think strategically but in a practical way, at the local level, policy makers and participants still think and implement individually.

In summary, organisations taking responsibility for tourism such as TAT have been reduced in role to only marketing whilst MOTS take responsibility of development and attractions. There is dysfunction for instance, TAT region1 take care three provinces: Nakohn Panom, Sakon Nakhon, and Mudahan. However, MOTS: Sakon Nakhon office is under Nong Kai in terms of budget. Then cluster as the policy level, Phuket tourism cluster has expended to be Andaman Cluster, which is difficult to implement.

b. Resources Allocation

'Theme Description National Level Local Level

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
<th>Sakon Nakhon Indigo Cluster</th>
<th>Phuket Tourism Cluster</th>
<th>Edutainment Cluster</th>
<th>Hotel de Charm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources Allocation</td>
<td>Physical assets that the public sector support especially financial support.</td>
<td>• 11th national plan</td>
<td>• Industrial Promotion Centre Region 5 (Khon Kaen) support</td>
<td>• Andaman Trade Show</td>
<td>• Meeting</td>
</tr>
</tbody>
</table>

Table 6.6 Resources Allocation; Source: Author

Table 6.6 shows how Government bodies give support in terms of resources. The Industrial Promotion Centre Region 5 (Khon Kaen) supported the cluster for the first year and will make a decision later if they see progress.
6.4 Theme Three: Social Network of tourism clusters

a. Social Flow

'Social flow' in this study means the interaction among actors within and outside the cluster.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Flow</td>
<td>The interaction among actors within and outside the cluster</td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
</tr>
<tr>
<td></td>
<td>* 11th National Plan</td>
<td></td>
<td>* TAT brainstorm – promote Thai civilization Basin</td>
</tr>
</tbody>
</table>

Table 6.7 Social Flow; Source: Author

In Table 6.7 I have selected some significant social flows that impact to tourism clusters. On 1 October 2011, Thailand started using the 11th National Plan year 2012-2016. There are six strategies: 1) strategy of promoting a just society; 2) strategy of developing human resources to promote a life-long learning society; 3) strategy of balancing between food and energy security; 4) strategy of creating a knowledge-based economy and enabling environment; 5) strategy of strengthening economic and security cooperation in the region; 6) strategy of managing natural resources and environment towards sustainability (NESDB, 2010). It took two years to formulate this national plan. The starting point was the National Economic and Social Development Board (NESDB) and then the ministries, and their departments. When the ministries approved; both public and private sectors in each region brainstormed the plan. They adjusted the plan several times.

Findings showed that social flow was the significant key on success of the cluster especially informal connection such as in the case of the VP of Chiang Mai Tourism Business Association. He started his projects by connecting with universities in informal way and then did projects together. When their projects were successful, then he did projects with universities in formal way. In addition, in the case of the
Orchid Cluster, the President of the Orchid Cluster continually looks for networks, so he can move the cluster forward. He organizes activities and an annual meeting. The leader of the cluster kept organizing activities and inviting participants from the private and public and universities outside and inside the cluster to come to share knowledge every month. The activities were being held at member’s house. The cluster has movement, and more people are joining. Having identified the insect problem he started to do research with Kasetsart University. Mr Jul, a researcher, joined the cluster at the beginning and they carried out experiments together. finally, they can solve the insect problem and they still have cooperated all the time with product development.

There are several groups in Phuket. They have cooperated with each other for mutual benefits to some degree. For example, universities try to link with several associations to find out what entrepreneurs want, so that they can try to adjust their own curriculum. However, because of central regulations or the universities’ policies this is more difficult to do than they expected. As the Director of TAT: Phuket Office said:

> Local Universities ought to look at the market; at what the market wants. Sometimes they should meet and share information with entrepreneurs to know the trend of the market so they can produce graduates to respond to what the market wants. This is the thing that ought to happen in universities in a tourism city like Phuket. (See Appendix 3.3 Question 12)

As the Vice-President of Chiang Mai Tourism Business Association reports that:

> If we do not stick together as a group, and each person goes in a different direction, we will be in a difficult position.

In terms of hospitality human resources, the private sector like TBA has contacted universities to tell them what kind of employees they want. As the Vice-President of the Tourism Business Association advises:

> You ought to produce graduates in response to our needs. (Appendix 2.9 Question 17)

In the past, tourists found it difficult to find information, but now with the Internet they can search for as much information as they want, including comparing prices
and seeing the place and hotels. So entrepreneurs cannot hide information to tourists because the social networks will reveal everything. As the Vice-President of Tourism Business Association says:

Now that there was a World Wide Web the customer knows everything. Businesses which are not up to standard were cause complaints. (Appendix 2.9 Question 20)

It took two years to formulate this national plan and it was adjusted several times, but when there is a change of Government the entire plan is abandoned. Findings show that Chiang Mai formulated a plan twice in some years, it then stopped.

b. Physical Flow

Physical flow in this study means change in tangible assets including the budget allocation to support the cluster.

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<tr>
<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
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<tbody>
<tr>
<td>Physical Flow</td>
<td>Change in tangible asset including the budget allocated</td>
<td>• Budget allocate to the Creative Economy</td>
<td>• No budget</td>
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<tr>
<td></td>
<td></td>
<td>Salon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
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<tr>
<td></td>
<td></td>
<td>Edutainment Cluster</td>
<td>Hotel de Charm</td>
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Table 6.8 Physical Flow; Source: Author

After the PM Thaksin era, on the tenth plan, the Abhisit Government used the keyword ‘Creative Economy’. However, Prime Minister Abhisit still supported clusters through OSMEP controlled by The Industry Ministry. Clusters were part of the concept to emphasise SMEs. OSMEP has a training institute. It was written into the national plan that OSMEP takes responsibility for clusters; therefore, the Budget Department allocates budgets to this department. In 2007, they targeted to establish 22 clusters. Tourism clusters were taken care of by MOTS, but in order to obtain a budget, clusters such as The Health Tourism Cluster, The Hotel de Charm Cluster and Indigo Cluster had to apply to the Ministry of Industry. When OSMEP did not allocate the budget, the Health Tourism Cluster at Ranong disappeared. However, to
prevent overlapping; OSMEP attempted to support SMEs in the tourism industry only in those areas that MOTS does not, but sometimes this raises some difficulties as the project manager of OSMEP suggests:

*We are attacked about tourism. They said the projects had already been covered by the Tourism and Sports Ministry. For example we did the route map. But we showed where you will find SMEs from which you can buy their products. What did they sell? We did not do the same as MOTS such as which direction should tourists take to see the waterfall. The maps have different is content, but people think “why do organisations repeat and overlap each other all the time?” If we do overlap, the Budget Department definitely will not allocate the budget. We emphasise at SMEs. (See Appendix 1.5 Question 5)*

The problem experienced by the chief of Tourism and Hotel Management Department, KU-CSC is that the public sector did not give priority to tourism.

*At meetings, they say tourism is important, but when the time comes to allocate, the budget, most goes to other things. (See appendix 4.15 Question 5)*

The number of tourists in Phuket has increased dramatically. However, there is the airport problem because its capacity is 6.5 million people so the airport is very busy. To prepare for increasing tourists in the future, the Abhisit Government allocated a budget to expand the capacity of the Phuket airport. This project is at the design stage. Besides, more roads will be built. As the President of Tourism Business Association said:

*The present airport is now too small because its capacity is for 6.5 M tourist per year so we plan to expand to 12.5 M. It is in the process of building and will be finished by 2014. In addition, there are more roads. We are thinking about the environment so we are building a tunnel road and expanding roads to the airport. Even the water: we have accepted that it is not fast enough for the growth of the city because Phuket has 40,000 rooms, 700 hotels and a lot that are illegal. (See Appendix 3.3 Question 7)*

However, when they have more tourists and more roads, they have drawn up plans for what Phuket will be; how to control the growth of building, and how to manage the environment systematically and successfully.

*Thousands of rooms were added in the year 2010 and 1000 rooms in the year 2011. (See Appendix 3.3 Question 8)*
In summary, the clusters were included in the concept emphasizing SMEs. It is written into the national plan that OSMEP takes responsibility for clusters; therefore, the Budget Department allocates budgets to this department. In this study, the Indigo Textile Cluster was under OSMEP whilst the Andaman Cluster was under the Interior Ministry. However, the national Government takes responsibility only for big projects such as Phuket International Airport, whilst the local level must take care of itself.

c. Knowledge Flows

Knowledge flow in this study means intellectual capital collectively helps to increase the competitive advantage of the cluster.

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<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
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<tbody>
<tr>
<td>Knowledge Flow</td>
<td>Intellectual capital collectively helps to increase the competitive advantage of the cluster</td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
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<td></td>
<td></td>
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<td>Edutainment Cluster</td>
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<td></td>
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<td></td>
<td>Hotel de Charm</td>
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<tr>
<td></td>
<td>• KU and Orchid Cluster</td>
<td>• RSKU, KU - CSC Product development</td>
<td>• CMU &amp; CMRU &amp; Payap U support</td>
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<td></td>
<td></td>
<td>• Learning centre</td>
<td>• Hill tribe homestay projects</td>
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<td></td>
<td></td>
<td>• Tourism attraction</td>
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<tr>
<td></td>
<td></td>
<td>• Indigo website</td>
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</table>

Table 6.9 Knowledge Flow; Source: Author

In terms of research and academic service, each lecturer and researcher works according to his or her individual interest. Findings show that the success of live museum at the Old town Community at Phuket, Hill tribe Homestay in Chiang Mai because the leaders of the group has connection with local universities in informal way which lead to knowledge support. For example VP of Chiang Mai Tourism Association told that his hill tribe homestay projects are successful because of universities support starting from inviting lecturers who he knows in person to give advice on homestay projects. So they gave advice to him and hill tribe people how to mange homestay, how to save environments and how to produce green products such as tea pillow. Similarly, universities in Sakon Nakhon can help the indigo village to be the learning centre and tourism attraction. As the Vice Governor of Sakon Nakhon Province argues that:
I said to lecturers of Rajamongkol University that Tamtao village should do as the Indigo village. But the lecturers want to do Mao (fruit). So I told them to have the Mao village. Demonstrate as we go aboard to see wine. Wine factory; they let us see at the beginning until we taste wine, right? I want this happen in the Indigo village. (See appendix 4.1 Question 3)

KU especially specializes in agriculture. We will support plant breeding that will make good indigo cloth and is suitable for the area. How can we grow and supply enough? Yesterday, I went to open the training course and asked ‘Do you have enough indigo?’ They said ‘sometimes not enough.’ So I want KU to help in developing plants which are suitable for us. Comparing indigo with rice, in term of profit, indigo can grow faster and in one year can grow several crops so it generates a better income. (See appendix 4.1 Question 1)

In terms of quality, the Vice Governor of Sakon Nakhon Province says:

How can we produce good quality indigo whose colour does not fade, and without adding chemicals to make it last? When they sell, they should have a label giving washing advice. We must have someone to study how to make indigo cloth that does not fade. Sometimes, I bought very expensive cloth but after a while, the colour fades.

In terms of management, the Vice Governor of Sakon Nakhon Province says:

Most of the people who make indigo clothes are housewives and farmers who grow indigo when they have free time. They do not know how to manage. Then universities are capable of providing this knowledge. The other worry concerns the accounting system. They need to be trained. They are not like a shop, which has a system. I want a development official to devise an accounting system so they will know how much profit they get. (See appendix 4.1 Question 1)

However, there are different perspectives in term of marketing. The deputy governor does not worry because she thinks that some leaders are good at it, such as Maetheta group. Right now, the heads of groups do not have to weave. Their task is to get orders and find new designs. Whilst the leader of the Maetheta group still wants universities to help in searching the target group by using IT, because her products are unique, so it is difficult to find unique, customers too. The President of Province Administration Office needed help from academics, as he says:

I would like the university to help us think in a commercial way about products: bags, clothes, clothes roll. We need to follow a path to sell in the Central Department Stores in big cities. What is the path? The working unit is
me. Yes. Maybe design the logo. Designing clothing not the same as it was before. We should increase our standard to the international class.

In terms of product development, the president of PAO wants universities help in logo design. He wants professional packaging because today they use plastic bags. He mentioned that when we go to foreign countries we see nothing different from here but the packaging system. The president of PAO wants to build a brand for Indigo dye clothes to the brand that can sell in the department store such as in Chalermri Central Plaza. He thinks that products like Arrow, Guylaros are similar. The President of Province Administration Office (PAO) said:

The story and the way we present the product can bring added value. These are things that academics and the university can help with.

In terms of training, entrepreneurs often invite lecturers to be the trainers or consultants for their organisations. At the same time, one of the university missions is academic service. So there are mutual benefits. In addition, lecturers provide service without charge or charge at the public sector rate, which is cheap. As the Deputy Director of Research and Development Institute of Phuket Rachabhat University said:

Our role is to provide a professional service. Our service is cheaper than if the community has to hire private consultants. (See Appendix 3.12 Question 13)

However, in terms of research and investment, there are practical difficulties for entrepreneurs, the universities and the public sector. It is hardly shared research or shared investment as counterpart fund except through an organisation or an association.

In terms of technology advantage, it can be used to help in distributing and sharing information and solving problems. As the President of Phuket Spa Association suggests that:

Chulalongkorn University has a website for parents called Kids.com where doctors reply every day. I think this can reduce the workload of doctors a lot because people who read can help themselves with basic problems. At the same time, kids do not have to go to a hospital in every case. I think this service is good and not too difficult to access. Technology can help, but the problem is that the public sector is not dynamic. We might have a project for a year but
then, if the Government changes, sometimes they do not support us and we have to stop. (See Appendix 3.16 Question 32)

The linkages between entrepreneurs in the private sector and universities are informal. Between them they can exchange knowledge. Consequently, this leads to mutual benefits. However, it is not easy for entrepreneurs to meet lecturers in universities except if they meet at a provincial meeting or at seminars or projects.

In terms of research, universities can support by conducting research to find the solution for entrepreneurs in a practical way, and then the private sector can make a proposal to the public sector so that it will happen. As the Vice President of Chiang Mai Tourism Business Association reports:

> Yes we must join together to solve the problem. Boutique hotels want to be in the system but they cannot meet the conditions. Universities could help by doing research and making recommendations. (Appendix 2.9 Question Q10)

In terms of website, when people search for travel via the Thai tourism website, they will be frustrated because it takes too long so they turn to other websites. Thai people still want the website to look beautiful and think this will bring tourists to come, however slow loading or difficult to navigate websites simply turn customers elsewhere.

> Just look at the Vietnamese website and the Thai website and see the difference. Our website looks beautiful but takes time to access. The Vietnamese website is just like one sees in Europe, plain, easy, simple, but convenient. For us, we forget that although the host is in Thailand, our customers are abroad. When they open our website, it is very slow, so they lose patience and go to open other sites. The others don’t emphasise the beauty. But we are addicted to beauty. We made it so beautiful that it is too heavy. We forgot the convenience that tourists expect. We don’t think of what the consumers need. To open the Thai web one has to wait for a half an hour. (Appendix 2.9 Question 86)

> But in terms of how academics can help tourism, I was told by a lecturer that the trend of tourism is not the same as before. It will become more niche market, more special, and entrepreneurs must create a unique story about their products and services. After that, the lecturer went on to give ideas to several companies, including my company. We followed the advice and I changed my way from being a tour agent doing only sightseeing to focus on adventure and trekking. Now I can look to the future and we are surviving in the present world of free competition. (Appendix 2.9 Question 1)
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I see the cluster, as a mechanism to increase the group’s potential for tourism. They are the cluster of knowledge, marketing, and management. (Appendix 2.9 Question 66)

In summary, my findings show that universities sourced knowledge in order to increase the competitiveness of tourism clusters via their mission: to produce graduates, research, and giving academic service. These cover many areas such as IT, websites, product development, production, marketing and packaging.

d. Value Flow

‘Value flow’ in this study means the worth of products and services added in order to meet or go beyond customers’ expectations.

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<th>Theme</th>
<th>Description</th>
<th>National Level</th>
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<tbody>
<tr>
<td>Value Flow</td>
<td>Worth of products and services added in order to meet or go beyond customers' expectations</td>
<td>• Creative Economy</td>
<td>• Creative Economy</td>
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<td></td>
<td></td>
<td>• Preserve local knowledge in a story</td>
<td>• Value-added</td>
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<td>• Demonstration Village</td>
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<td>• Quality</td>
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<td></td>
<td>Niche market Stories/ Differentiation Value-added</td>
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<td></td>
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<td>High quality and unique products and services Premium market</td>
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Table 6.10 Value Flow; Source: Author

Table 6.10 presents the value flow of the cluster. I have selected some significant findings that impacted on the clusters to explain this concept. The creative economy is the way to take local knowledge to create and then generate more revenue in the area. One Vice Governor of Sakon Nakhon Province used to talk with the head of the Tumtao village about being the Indigo Village. She does not want people, to forget about this; the process of dyeing. Then, she told the Community Development Official to keep records about the whole process. Before the dyeing begins the people must carry out rituals. It is their local knowledge. The process of dying Indigo has a story. She wants people to know that the procedure of production is not easy. It is like when tourists go to see wine production; they see the vines and white or red wine. As the Vice Governor of Sakon Nakhon Province said:

When I went abroad I saw how they make wine and now I would like tourists to see how we make indigo. I said this to some lecturers of Rajamongkol
University but they said that they wanted to produce Mao (fruit) not indigo. (See appendix 4.1 Question 1)

The Vice Governor wants to see universities support more in several areas such as packaging because the indigo groups still use plastic bags, so she would like to see value-added in indigo products. As she says:

*We, as the public sector, support indigo production. Can Kasetsart University (KU) help us to understand how to reduce the cost of making indigo clothes? Which plants suit our geography? Does each indigo plant give the same quantity of indigo water? Also, KU can help us with packaging. Our packaging now is not beautiful. I want to invite experts to help us. This would add value. When we give souvenirs to people who we respect, there is a different feeling between beautiful packaging or a plastic bag. If we wrap indigo clothes beautifully they are good to give to older people. (See appendix 4.1 Question 12)*

Once I got a gift like in a traditional style bag. When I opened, it was beautiful and had details to explain that this bag was made from Kok plant and who had made it. It was sold at the Phupa shop that belongs to Princess Sirinthon. The clothing that was inside came from Kusuman District which is in Sakon Nakhon. (See appendix 4.1 Question 13)

Consistent with the President of PAO who would like to see the indigo story, he also wants to centralize all the indigo groups so as to ensure the same quality. As he said:

*We lack a centralized system for production, quality, and market trends. Today they produce without a plan for the future. Indigo dyed clothes are only made in one country and we want to tell the stories and preserve the local knowledge of farmers who have overcome many challenges to do this work. (See appendix 4.2 Question 4)*

Thailand has a lot of competitive products in poor packaging and sells them at a cheap price. Thai snacks, for example, are delicious but are not wrapped in attractive packaging like Japanese snacks where the wrappers add value so they can be sold at a high price. During the Abhisit Government, they used the key word ‘Creative Economy’ so entrepreneurs can get benefits if they propose project that relates to the keyword. The President of Phuket Spa Association reports that:

*The policy that this Government uses and is good is the creative economy. I think it is good because Thailand has a lot of know-how in how to make basic products but we do not develop them. For example we might have a very good product but, with bad packaging, it has very low value. (See Appendix 3.15 Question 32).*
Most of the people making food are small entrepreneurs. They have limited resources and do not have any knowledge of management and marketing. They will become sustainable if the public sector and universities support them.

In terms of value-added, there are several ways to proceed as the President of Phuket Spa Association argues:

*This is one of the strategies that we must sell because spas add value to hotels. The cost to the hotel is not high and hotels can include the spa in a package instead of rooms. If tourists use the spa service once, there is a chance that they will do so again. For the rooms, you give 11 nights: they will stay only 11 nights and then go home. The challenge is how to make them use the spa service the first time and then chance that they will use the service again. It depends on the sales techniques. Some hotels think spas have a cost but rooms do not. It depends on the perspective in marketing. (See Appendix 3.15 Question 20)*

Actually, the spa issue was popular six to seven years ago and then disappeared, but now public organisations have begun to pay more attention because in their opinion, spas are big issues in the creative economy. It uses a high number of skilled workers and it has high added value and a lot of local skill and knowledge which means that we hardly use any foreign materials. (See Appendix 3.15 Question 1)

Similarly, the value-added can be used for the whole cluster because each province in the Andaman cluster has their own character and potential. If the clusters join together and sell as one package, this makes their products and services more interesting. From the tourists' perspective, when travelling they think of the whole area; they do not think of each province separately so they plan their journey as the whole and this can save them money. If, for instance, you have variety on products and services like Phuket with its beaches and Pang-Nga with its mountains, tourists might plan to relax on the beach for a week and then go to climb the mountains for a few days. As the Director of TAT: Phuket Office said:

*When tourists travel they do not think about the province separately but we do, because this is the way of Thai management. So TAT takes care of whole areas as one cluster. We see the big picture and when we support the whole group we save on the budget. (See Appendix 3.3 Question 23)*

Whilst TAT supports tourism, they do not support each province but take responsibility for the routes that link destinations to each other like Phuket, Pang-Nga and Krabi. These areas are linked to each other and have expanded to five provinces. So the cluster can create more variety of products to tourists. Instead of
only coming to Phuket for the beaches, they can go to Pang-Nga for the mountains. In addition, there are hot springs at Ranong: there is more variety and repeat tourists have new alternatives. As the Director of TAT: Phuket Office says:

So if we promote the whole cluster, we may for example, have flights between Phuket and Ranong so that when they fly to Ranong, they can do some activities and then can fly back to Phuket. We can add value for the tourism industry and make the tourist experience more convenient. (See Appendix 3.16 Question 22)

Each destination has its own identity and culture such as Luangprabang where (for example) giving sticky rice to the monk can be the selling point. Thailand has many similar narratives to add value, however they are overlooked. As in the past, people compare Phuket with Bali’s sea and beaches, yet Thailand cannot compete with Balinese culture. Phuket culture is unlike Bali because Bali is unique. Phuket Municipal has worked promoting old houses; our history does not stretch as far as Bali. A Singaporean TV series called Babayaya; airing on weekend at Thai PBS, is about Chinese people who have migrated to Malaya, including Phuket. Firms are shown promoting Thai local culture such as the way people eat and their way of life. The movies reflect the way people dress, then food and beliefs. Phuket has strong cultural links with Penung: Phuket is called Baba and Penung called Yaya. They try and promote this culture. Though Phuket cannot compare with Bali but we have culture that we are capable of promoting including that of the Chinese immigrants who came to work in mining. Also, Australian, Dutch and English people have worked in Phuket and many Chinese people fled from China to Thailand. These stories can be selling points.

In terms of hotels, entrepreneurs think that the location is the most important because it is the first thing that attracts tourists. However, service is very important too, because if they have a very beautiful hotel but employees do not provide good service, their guests will leave. So their employees must offer high quality service.

In terms of the research related to tourism, the Vice President of Chiang Mai Tourism Business Association was told that the trend of tourism is not the same as before. It will become more of a niche market. Entrepreneurs must adjust their
attitudes and make their products more special that is, more unique. As the Vice-President of Chiang Mai Tourism Business Association says

*We talk about the word 'knowledge', but old generations don't even know this word. Right now the global community talks about deep knowledge but entrepreneurs in our country can only do one thing, price cutting. This issue I have tried to talk about with the university, the persons who have power in the province and tourism officials.* (Appendix 2.9 Question 1)

From the entrepreneurs’ perspectives, universities have some potential, but if the Government would give support by allocating a budget for them to have a study trip, this can be useful.

In addition, the university gave advice to the Vice President of Chiang Mai Tourism Business Association, as a result, he realized that he must adjust his business from mass marketing to niche marketing in order to survive, he opened a cooking school, which has been successful. As he said:

*First I opened the cooking school; today I think I am successful at it. Then I set up an adventure centre. There are bicycles, off-road bikes and a lot of equipment. I understand that I have a tour company that has more equipment than other's.* (Appendix 2.9 Question 34)

In summary, universities can help tourism clusters by adding worth to products and services in order to meet or go beyond customers’ expectations. My findings show that the Thasin Government and Abhisit Government used OTOP and creative economy to take local knowledge in order to create and add value to generate more revenue for Thai products and services such as the live museum at Phuket and Traditional North noodle rice in Chiang Mai. Each place has its own identity but how to bring this to show what they have. Like local people in the old town community in Phuket, They still dress traditional clothes, eat food and live in the Chino-Portuguese house as their grandparents used to do before. However, Universities helped local people to bring their own identity to present to tourists. The head of old town community started the old town community from the informal connection with local people and universities. Then universities taught them several things such as architect of their Chino-Portuguese house and how to present in English. In addition, local people was taught about their own local histories, food, dresses. These were taught to the young in own town community as well in order to prepare them to be
guides. Later, public sector allocated financial support for events. When tourists come, the head of old town community, local people both old and young will wear well-dressed traditional clothes and welcome tourists with traditional food and show around their Chino-Portuguese houses.

6.5 Theme Four: Triple Helix effect

In this section, I apply the Triple Helix model to analyse and discuss across cases and compare with literature to confirm, extend or disagree. Triple Helix effect is the impact of interaction among three entities: the public, the private sector and university towards the cluster.

a. Interaction of University, Industry and the Public Sector

I analyse and discuss how the public and private sectors and the universities interact with each other to achieve their goals. Interaction between university, industry and the public sector means interpersonal action among three entities: university, industry and the public sector.

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<th>Theme</th>
<th>Description</th>
<th>National Level</th>
<th>Local Level</th>
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</table>
| Interaction    | Reciprocal action among participants within the   | • NESDB Plan
                | cluster or outside the cluster.                                                | • Garment and KU-CSC
                                                                                       | • Punna group and RSKU
                                                                                       | • Tamtao Group and KU-CSC
                                                                                       | • PSU-MOU with Marriott
                                                                                       | • PSU and Hotel and TBA
                                                                                       | • Spa Association with RPKU
                                                                                       | • Lack of people who look at the big picture
                                                                                       | • TBA and KIA
                                                                                       | • TAT and CN17
                                                                                       | CMU
|                |                                                  | Sakon Nakhon Indigo Cluster                                                   | Phuket Tourism Cluster                                                      |
|                |                                                  |                                                                            | Edutainment Cluster                                                         |
|                |                                                  |                                                                            | Hotel de Charm                                                               |

Table 6.11 Interaction among 3 bodies
Chapter 6 – Answering How question

Table 6.11 shows the interaction among three entities; private and public sector and the university. Findings present several integrations among the Government and non-Government bodies. I have selected some significant one for discussion.

When the Government changed from PM Thaksin to PM Abhisit, the Government paid less attention to the cluster issue. People talked less about it. Less integration occurred. As the Former Director of Competitiveness Division, NESDB says:

There are now no strategies to integrate. (See Appendix 4 Question 5)
However, TAT think of tourism in each area as a cluster and should integrate as a whole not separately. Because when tourists come to Phuket, they do not travel only in Phuket the destinations are spread around other provinces such as Kabi, Trung and Pang-Nga. So when organisations both public and private look at the picture, they do not see Phuket alone. They look at the whole group as the cluster but each province must differentiate itself from the other. Positioning must be different. However, they have to integrate in terms of logistic because tourists travel all around. How to make travel flow by land, air and sea? How to link to each other?

As the Director of Marketing Research Division of Tourism, TAT reports:

We have to integrate the logistics of travel by land, air and sea. Tourists want to travel from one place to another. (Appendix 1.2 Question 35)

Besides integrating in terms of logistics; they should integrate with plans and festivals. The public sector looks at the private sector separately. In contrast with the private sector, they think all areas are related to tourism As the Vice President of Tourism Business Association suggests that:

We must communicate to the public sector that if tourists decrease everybody suffers. Now when I asked people in the public sector If there are no tourists, where do you get your revenue from? They continue to say that their revenue does not come from tourists but comes from restaurants. (Appendix 2.9 Question 29)

In each province, there is a joint committee of the Government and private sectors to solve economic problems. In Chiang Mai, the Vice President of Tourism Business Association was the secretary. He said:

Tourism is the best revenue generator in Chiang Mai, so why can’t the DIW have a meeting just about tourism? We need to discuss the direction of tourism. They need to send executives who have vision and can talk seriously, not
inexperienced junior representatives. In the provincial meeting they asked me: “how many tourists will come this year?” “How much revenue will tourism generate approximately?” I probably could answer these questions approximately but they should be ashamed that they don’t know. I asked them “how much support?” Now we try to build better connections and the relationship is getting better. Hopefully, the future will be better. (Appendix 2.9 Question 16)

Normally, when the province calls for a meeting, organisations from both public and private sectors will send their representatives to attend. Sometimes some organisations send young officials who cannot make a decision and send different people the next time, so the private sector thinks the public sector and university do not take the meeting seriously. As the Deputy Director of Chiang Mai Provincial of Office of Tourism and Sports reports:

No matter what the issue, every meeting has a representative from the university to attend committees such as engineering, tourism, research, and marketing. (Appendix 2.9 Question 13)

In terms of integration between the tourism and sports ministry and universities, it seems there is less linkage. The Permanent Secretary the Ministry of Tourism and Sports argues that:

At this stage, cooperation between universities and ministry is not as good as it should be. Universities have expertise in producing graduates and curriculum management. (See Appendix 1.1 Question 10)

He realized that the factors that make the tourism industry successful depend on planning and integration. However the difficult part is about participation. How to make all participants work together and see the same goal because tourism involves several organisations? How to form integration with all participants? The Permanent Secretary of MOTS points out:

Participation. This is the problem. This is difficult. (See Appendix 1.1 Question 10)

In addition, the plan must be an integrated plan because integration must practise participation because tourism is not a single picture. In terms of Government, there are several sectors, and in the private sector, there are several sectors. He emphasises that:
It depends on the management style and the integration plan. Participation is at the heart of every success story. (See Appendix 1.1 Question 15)

Porter (2008:495), states that pioneering value chain innovation and addressing social constraints to competitiveness are powerful tools for creating economic and social value. At the same time, investments in competitiveness have the potential to reduce constraints on a company's value chain activities. Marriott Hotels for example, provide 180 hours of paid classroom and on-the-job training to chronically unemployed job candidates. The company has combined this with support for local community service organisations, which identify, screen, and refer the candidates to Marriott. The net result is both a major benefit to communities and a reduction in Marriott's cost of recruiting entry-level employees. Ninety per cent of those in the training program take jobs, a substantially higher retention rate than the norm.

Empirical data confirms the literature above by Porter (2008), in terms of integration between the university and industry. Findings show there are integrations between industry and the university. For example, in the case of Phuket: the Hospitality Faculty, Prince Song Kla University signed a MOU with Marriott on-the-job training for students. Another example is the president of Phuket Spa Association who was invited to teach at RPKU. In the Chiang Mai case, the Vice president of TBA was invited to teach at CMU.

More empirical data shows the integration between Government bodies and the university. As the Senior Operational Office, OSMEP said:

*OSMEP has professionals to give advice but if OSMEP cannot help, OSMEP will coordinate with universities and invite lecturers to help.*

My findings also showed that Government and non-Government bodies at national level often asked for the local level to do the work. Finally the entity to help at local level is the university in that local area. However at national level, there is less cooperation between the Ministry and the university as the Permanent Secretary of Tourism and Sports Ministry.

This is confirmed in the literature by Porter (2008:275). Surprisingly often, cluster participants never meet, and there is little public or Government recognition of the clusters' significance to the local economy.
This study showed that there is less linkage between the Ministry and the universities. The Permanent Secretary of Tourism and Sports Ministry accepted the potential of universities. However, if there is cooperation between the MOTS, Higher Education Ministry, universities, industry, associations, this will benefit dramatically all the Governmental and non-Governmental bodies.

My study shows another finding on interaction among several groups at local level. The Indigo Textile Cluster was supported by OSMEP and then stopped. The new cluster called the Garment Cluster was established in 2011 by KU-CSC and the Industrial Ministry supported the budget. However, most are the same indigo groups. Moreover, making the indigo group into a the learning centre and attraction, as the president of PAO wants, has not occurred yet even though there are several actors involved but not TAT and MOTS. So there was no interaction among TAT, MOTs and the Indigo Cluster. The Chief of Tourism and Hotel Management Department, KU-CSC reports that:

The central person can be from the public or private sector, but they need to do it seriously. If they are from public sector, it can be easier to get a budget than if they are from private sector. The Private sector will do only the part from which they get benefits, for example tour agents will focus only on tours. They are not interested in other things. But if the central person is from the public sector, there are several departments and they can coordinate among them. (See appendix 4.15 Question 5)

In terms of readiness to support communities, the Assistant President of KU-CSC thought that the university is ready to support Indigo clothing, yet support is minimal because the university did not initiate the project. The university is capable of helping to meet the cluster’s needs. Mrs T who is the Chief of Marketing Department, KU-CSC, helped because at that time we thought we could assist the group management taking products to the market, design in varieties styles. However, the university would not work on the dyeing because this technology was from RSU and there are a lot of RSU experts working in technology area. Mrs T takes care of transforming clothes. She does not design, rather she focuses on dyeing.
Right now, in order to develop a shared understanding among heads of several organisations, we use two ways. One way is where we have a meeting chaired by the governor. The other way is where we sign on MOU directly... The leader’s vision is important. If they think academics are important they invite us to be an advisor. (See appendix 4.12 Question11)

My empirical data shows conflict of interest made the Sa paper-making Cluster unsuccessful. This confirms the literature Etzkowitz (2008:21): the movement across helices is sometimes viewed as creating conflicts of interest due to close association of roles in different spheres.

Porter (2008:279) advises early and on-going communication and discussion that will educate cluster participants about competitiveness and help to shift mindsets. I disagree with Porter on the basis of my empirical findings. OSMEP once organized a meeting and then let experts explain how important the cluster is - following which nothing happened. OSMEP lacked on-going communication and after initiation added no value.

I do not agree with Porter (2008:225), that the productivity and prosperity of a location rests not on the industries in which its firms compete, but on how they compete. Firms can be more productive in any industry - shoes, agriculture, or semiconductor,- if they employ sophisticated methods, use advanced technology, and offer unique products and services. I argue, the way to compete does not always use advanced technology to create the unique product.

Empirical data comes from the Nadee indigo village; Punna district. Mrs P: the leader and her members have unique design products inspired by nature. As she said:

*Once when I was driving and saw the sun set, I really appreciated how beautiful it was. So I stopped my car and drew the picture and decide to make the indigo with this design. Besides, I told the members of the group, most of whom are senior woman to look at nature. Once one aunty saw the stem and leaf of banana and now she can weave that pattern.*

Her product is unique of high quality and has a story so she can sell products at a high price. When the Government promoted OTOP and the Sakon Nakhon governor asked the public and private sectors in the province for support, people started to wear indigo clothes every Friday. This situation made the indigo raw material more
expensive. Whilst other groups increased the price from 200 Baht to 300 Baht, she told that she still sells at the same price (at 1,500 Baht) because her product is unique with high quality and she had already set this high price a long time before.

However, she still needs help from Governmental and non-Governmental bodies such as raw materials, high quality indigo seed, and packaging. In terms of IT, she said there should be an Indigo website that is the centre of everything about indigo because she thinks her products are unique so her customers are unique too, so she thinkst a website can help her to find or access these unique customers. Importantly, she does not change the way of life of woman in the village; she lets them weave their indigo clothes when they have time after farming. She also encourages members to grow raw material by themselves such as cotton. If they do, she gives more money.

Whilst another indigo group, Tamtao village has a variety of products using natural colours, the group and KU-CSC use the lotus flower to produce the pink colour which they weave into scarves. Now, they are in the process of patenting. This is an example of innovation by local knowledge and the university.

Sakon Nakhon has several indigo villages under the umbrella “The Indigo Textile Cluster” and these villages are well known. Their products are unique and different from other groups. Similarly, the Andaman Cluster can make their products unique in the eyes of tourists by careful branding and marketing.

In the Andaman Cluster, there are several organisations such as the Tourism Business Association, Hotel Association, Spa Association, and Transports Cooperative. Members of these organisations are moving in and out all the time so it is difficult to measure where the boundary is. The tourism cluster is dynamic; yet though the boundary is not clear, tourists get more benefits if each province joins together and provides a variety of products and services: The smaller the boundary, the greater the benefits.

In order to differentiate, amongst entities, they must understand each other. Entrepreneurs must understand that developing themselves is important and that
change will inevitably occur inevitable. So they cannot continue to do the same as they did before. They must realize that they have to develop themselves in order to survive. As the President of Phuket Spa Association said:

"When we did the project with IMED; we talked to them a lot because they were in a rush and they pushed us to work hard because we only obtained the budget just before it closed. Sometimes we do not like to change, but the private sector must understand what the public sector does to help us. Second, the public sector must understand the business style of the private sector and how they do business. Both of us have different ways. We must tune into each other. The public sector must understand that the public sector has its own documents that they must use when proposing budget. At the same time, the public sector must understand that some documents are difficult to use by the private sector. Sometime, the private sector has its own documents but must use the public agent's documents. (See Appendix 3.15 Question 24)

To summarise, entrepreneurs need discourse on how to integrate and differentiate: even if each has its own unique products and services, they can integrate to sell them as a package. Thus, Thailand can solve the problem whereby the public and private sectors organize and sell the same thing. Also, local communities can grow sustainably with help from three entities; the public sector, the private sector and the university.

In terms of interaction, as Etzkowitz (2008:46) states, Government, university, and the private sector play various roles, in different combinations, to assist firm-formation and growth in the US. Nevertheless, despite the decades-long existence of Government support for firm-formation, the concept of public venture capital is relatively unknown, and is even viewed as a contradiction in terms. Although this perception is changing, many technology entrepreneurs still cannot imagine that Government programs can provide funds that can help them start a firm and so do not apply.

I do not agree with some of Etzkowitz's (2008) arguments, for example my empirical data shows that the integration of the Government and private sectors and the university can affect local business greatly.

My empirical data above shows that unique products can be produced using local knowledge and this make local people proud of themselves that they preserve local
knowledge and create innovation. At the same time the local university can carry out its mission in relation to research and academic service on innovation. Thus findings extend in terms of role of cluster in the social dimension.

According to Porter (2008:226) the presence of sophisticated foreign firms often enhances the productivity of domestic firms and vice versa. Instead, I argue that in order to grow sustainably in the long-term, local business can use their home grown talents, natural resources, and local knowledge with support from the public sector and local universities to make unique products and services such as Maeteeta indigo group; Punna Subdistrict. To sum up, my findings presented several integrations among the Government and non-Government bodies. When the Government changed from PM Thaksin to PM Abhisit, the Government paid less attention to the cluster issue. People talked less about it. Less integration was made. However, TAT thinks of tourism in each area as a cluster, which should be integrated as a whole and not separately since when tourists come to Phuket they do not travel only in Phuket because the destinations are spread around other provinces such as Kabi, Trung and Pang-Nga. Organisations both in the public and private sectors concentrate on the big picture, they do not look at Phuket alone. They look at the whole group as one cluster, but each province must differentiate itself. Their positioning must be different. However, they have to integrate in terms of logistics because tourists travel all around. Findings show that there are integrations between industry and the university; for example, in Phuket the Hospitality Faculty, PSU signed MOU with Marriott Hotel on-the-job training for students. Another example is the president of Phuket-Spa Association who was invited to teach at RPKU. In the case of Chiang Mai the Vice president of TBA was invited to teach at CMU.

b. University Industrial Linkages (UILs)

I have analysed and discussed how the public and private sectors and universities interact with each other to achieve their goals. The philosophy of the university is to provide knowledge and to serve society. As the Director of Research Institute at RPU said:
The philosophy of the university is to provide service to society. The university must provide service in knowledge or helping local communities besides teaching. (See Appendix 3.11 Question 1)

I argue, both, the public sector and entrepreneurs do not think about what the university can do. The Government bodies and private sector think of the university only in term of producing graduates. They do not think about the whole system. Also, in terms of training, Government bodies and the private sector think only about short courses, not lifelong learning.

The Permanent Secretary of MOTS said:

If you want the university to play a role in support of the clusters, you must add a new mission for the university. Thailand uses the rule of law. We must think as a law-oriented legal system, otherwise it is impossible because law allocates the budget.

The key economic actor is increasingly expected to be a cluster of firms emanating from, or at least closely associated with, a university or other knowledge-producing institution (Etzkowitz, 2008:29). The entrepreneurial University is driver of the triple helix: strong emphasis on wealth creation, as is now current in the UK, is only one direction for academic development. Universities may undertake business and social development goals simultaneously.

**Producing Graduates**

‘Producing graduates’ in this study means the academic process that the lecturers use to motivate students to learn. It is the first mission of the university including curriculum.

Table 6.12 below shows the first mission of the university in Thailand. My findings show that the clearest and the easiest point that universities cooperate with entrepreneurs is to send students to be trained and to get experience in their career. This is the clearest because entrepreneurs get the benefit. In terms of welfare, some employers pay students a salary whilst others provide transport or food. The season when the universities send students to be trained is the high season, so most entrepreneurs apply at that time.
Chapter 6 – Answering How question

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<th>Theme</th>
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| Producing graduates    | Academic process that the lecturers motivate students to learn. It is the    | • University is core                                                          | • Add Indigo course in local curriculum
|                        | first mission of university including curriculum                             | • University is vital of production of people, knowledge and technology        | -Doi koi school
|                        |                                                                              | • Add Indigo course in local curriculum                                      | RSU: bachelor, master
|                        |                                                                              | • RPU-Marine curriculum but lack of lecturers, equipment and swimming pool    | • Slecturers/curriculum
|                        |                                                                              | • Curriculum related to spa; Rangsit University-Oriental Medical courses and  | • Curriculum
|                        |                                                                              | Thai Medical College in Abububet Hospital                                     | related to spa
|                        |                                                                              | • HRD-entrepreneurs want student who ready to work                           | • Curriculum
|                        |                                                                              | • RPU-lectures teach 18-20 hrs so do not have time for doing research         | related to spa

Table 6.12 Teaching; Source: Author

to be trained is the high season, so most entrepreneurs apply at that time.

However, there are some problems about training; sometimes entrepreneurs do not give the correct tasks as agreed with the university. So universities have to solve this by sending a document containing what is the job description for the student. If there is no change, the university will call the student back. This happens less than five percent of the time. Mostly they have made the mistake of taking too many students so the student’s work is disorderly. Another issue is when the student is forced to work from 7am until 22.00-23.00. This is illegal; at induction, universities will provide information to students. If they have to work too hard or something else is wrong, the student must inform the university as soon as possible.

As the Deputy Director of Research and Development Institute of Phuket Rajabhat University said:
Besides sending students to be trained, I have not seen any cooperation. It is not the university's job to work to develop a unique city or to build an excellent centre in Phuket. This should be the role of the province because entrepreneurs tend to respect the provincial governor. (See Appendix 3.12 Question 24)

In terms of tourism human resources, there are enough lecturers for teaching but all are teaching at least 12 periods and for 7 days so they do not have time to do other activities such as research or academic service. If they want to do so they must find their own time. So it depends on the vision of province. Now the university wants to save cost. Now a lecturer teaches about 18-20 hours per week - a heavy workload. If we look at the national policy, nine universities chose to be research universities so they concentrate on research. The way the universities position themselves is important, as the Deputy Director of Research and Development Institute of Phuket Rajabhat University argues:

The Rajabhat University is not really for the community. They interpret the word 'for the social' as accepting all students who apply. Normally, a lecturer should not teach more than 12 hours, but in reality they teach 18-20 hours a week. Lecturers get only a maximum of 2 hours per week for doing research to count towards their performance, so it is not worth it.

All of this depends on university recruitment, and also on the vision of the university. There are 10 lecturers for 2 curriculums. If the university wants to open a Marine curriculum it must recruit new lecturers. (See Appendix 3.3 Question 10)

Recently, Phuket Rachabhat University would like to open a marine curriculum and they want people who can dive, but the owners of diving companies are 99% foreigners. They provide both equipment and a swimming pool. However the university does not have a budget to build a swimming pool. The governor proposed this project to the minister, but was refused. So if the university opens this curriculum, foreign firms will have to provide the diving pool, which must be 2.5 meters deep. As Deputy Director of Research and Development Institute of Phuket Rajabhat University said:

When we developed our Marine curriculum I was so surprised by the difference in foreign and Thai firms. The firms that helped are foreign firms, and they were very nice. They see the importance of HR development. The Thai firms want students to be good at everything. They just want benefits. How can students be good at everything? Entrepreneurs want students but do not want to invest. It is not like that. That is why firms have HR departments to develop employees' capacity. (See Appendix 3.12 Question 24)
My research shows that even though some Government bodies who supported the Phuket vision for a World Marine Hub and the PKRU wanted to open a Marine curriculum, they were not prepared to find more lecturers because, according to the regulations, if they open a new curriculum for a bachelor degree they must hire 5 lecturers. The university did not want to pay. It can be seen immediately that the public and private sectors and the university did not plan together to integrate and achieve their vision.

In addition, in terms of teaching, since the university focuses on quantity; the Permanent Secretary of MOTS said:

*The university is the core. The university is the organisation that produces graduates who will be the leaders in tourism development. Tourism needs people who have knowledge and are competent at doing research. The university is vital in the production of people, production of knowledge, and technology.* (Appendix 1.1 Question 6)

Empirical data confirms Etzkowitz (2008:56-7) argument that universities are especially important to the creation of knowledge-based firms since they have people with many of the resources such as skills, time, and equipment to realize the initial stages of this strategy. In terms of organisational factors, university policies designed to (a) encourage faculty members and students to interact with industry, (b) give academic credit for promotion and award degrees for this work, and (c) provide clear guidelines delineating appropriate activities.

In terms of curriculum, as the Permanent Secretary of MOTS says:

*Not all learning happens in the classroom. We need to integrate education into the curriculum. For example, if I want to know about birds, I go to see birds in the forest. Or, if I want to know about a farm, I go to learn in a farm. Not all subjects are learned in the class. We should build people eager to learn and build educational curiosity from their education. The school is the source of the learning process through the local curriculum; they will take great pride in their local area. If we make a community into a source of learning they will love their place. The Government does not require much investment, and it has good qualified people too.* (Appendix 1.1 Question 7)

A previous study by Munar and Montano (2009) shows that although Spain has many tourism degrees and a long tradition of tourism research, knowledge about how the Spanish tourism labour market judges the competence attained by graduates during their education is limited. To contribute to a broader understanding in this
area was one of the objectives of this study. The other was to critically discuss how the demands of the labour market should be used in the design of a tourism curriculum that meets the Bologna criteria.

A study by the Institute of Management Education for Thailand Foundation (2002) applied Porter’s diamond model and found that the factor conditions that support competitiveness in Phuket tourism are: beautiful beach, good climate and location, and impressive Thai hospitality. However, the factor that obstructs is insufficient qualified human resources. Empirical data supports this literature. As the Permanent Secretary of MOTS reports:

*The production plan, manpower plan and development plan have not gone in the same direction. These plans do not meld together. The manufacturers only produce.*

To summarise, my findings show that the clearest and the easiest point that universities cooperate with entrepreneurs is to send students to be trained to get experience in their career. This is the clearest because entrepreneurs gain benefit. In terms of welfare, some employers pay students a salary, others provide transport or food. However, there are some problems about training; sometimes entrepreneurs do not set appropriate tasks as agreed between the university and entrepreneur.

In terms of curriculum, my findings show that even some Government bodies need reminding about the Phuket vision as the World Marine Hub; the RPKU wants to open a Marine curriculum but do not want to hire more lecturers (regulation stipulate that new programmes must be covered by five lecturers) and the university claims it cannot afford the expense. It can be seen that the public and private sector and the university lack integration around a shared vision.

**Research**

‘Research’ in this study means investigation or experimentation aimed at the discovery and interpretation of facts, revision of accepted theories or laws in the light of new facts, or practical application of such new or revised theories or laws.
Table 6.13 Research; Source: Author

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<td>Research</td>
<td>Investigation or experimentation aimed at the discovery and interpretation of facts. (<a href="http://www.merriam-webster.com">www.merriam-webster.com</a>)</td>
<td>Sakon Nakhon Indigo Cluster</td>
<td>Phuket Tourism Cluster</td>
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<td>• MOTs-university as a key</td>
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<td>• Increase indigo trees/acre</td>
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<td></td>
<td>• Learn from the field</td>
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<td>• Product-Quality, better plant breeding, colour not fade, machine, reduce costs</td>
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<td>• RSU organized 1st Indigo seminar that made indigo well known</td>
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<td>• Innovation-KUCSC and Tamtao Indigo Village</td>
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In Thailand there is a gap between research and practice. As the president of Northern Travel Federation, Chiang Mai and the Vice President of Chiang Mai Tourism Business Association has said, research has been kept on the shelf.

Since I have worked here, I have told top management that, no matter how hard we try we cannot catch up with the necessary research. I said that I would act as a coordinator. I will tell researchers what we are looking for. In Thailand, we have a lot of research units but they are operating individually. The most important marketing is to know our customers. (See Appendix 1.1 Question 50)

More than 200 US universities currently maintain technology transfer offices to facilitate the commercialization of research. Patents and licenses based on academic discoveries contributed over 40 billion dollars to US economic research in 1999. These economic outcomes were based on disclosures of commercial potential in research findings that academic scientists made to their universities. (Etzkowitz, 2008:31)

Empirical data from the Sakon Nakhon, Chief of the Tamtao Village, shows that the group working with KU-CSC produced natural colours such as pink from the lotus flower. Local knowledge is transferred from generation to younger generations with the help of knowledge from its university; such that it helps local people to preserve their knowledge and to grow in a sustainable way. The budget from the Government
from the tax allocated to local universities should support the grassroots in each region to help them grow in a sustainable way. This can help support the economy of the village.

However, if researchers are forced to find the money to support their work, they will focus on big companies in big cities and ignore local and SMEs in small cities. Empirical data demonstrates this from the case-of CAMT-CMU that is the autonomous college that has to earn money to pay for itself. They must try to obtain big projects in order to survive.

**Academic Service**

‘Academic service’ in this study means services that the university provides to help communities such as courses, training courses and consultancy. It is the third mission of the university.

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<td>• Help to build a learning centre in a village</td>
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<td>• Local knowledge-story</td>
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<td>• Marketing-packaging, product development, brand building</td>
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<td>• Value-added: Consultancy, Coordinator</td>
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<td>Phuket Tourism Cluster:</td>
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<td>• Creative Economy- RPU- SPA programme</td>
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<td>• Short courses, Training, Consultancy</td>
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<td>Phuket Tourism Cluster:</td>
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<td>• CMU and Mae Jo U and TBA-Hill tribe homestay</td>
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<td>• CMU-Visual tourism-3D on mobile- provide information about travel, create new packages for Chiang Mai</td>
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Table 6.14 Academic Service; Source: Author

Table 6.14 shows that the third mission of the university in Thailand is academic service. I do not agree with Etzkowitz, (2008:35) who argues that a third mission of contributing to economic and social development through technology transfer is integrated into the university in various ways. Dissemination of academic knowledge takes place through patents as well as publication. Empirical data shows this third mission of supporting economic and social development is not occurring systematically in Thailand.
Etzkowitz (2002) concludes that as the academic entrepreneurial paradigm takes hold, interface capabilities spread throughout the university. Within academic departments and centres, faculty members and other technical personnel may be assigned special responsibility to assess the commercial salience of research findings and encourage interaction with external partners. For example, a faculty member in the Columbia University Medical School divides her time between traditional academic and technology transfer responsibilities. The success of incubation will ultimately be seen in the disappearance of the incubator as a separate entity in a remote or off-campus site. The university will play a more prominent role in society, through exchanging functions with industry and Government, and by creating the pre-conditions for regional economic and social development. The structure of the triple helix depicts the university as a regional innovation organizer.

The empirical data by Permanent Secretary of MOTS confirms Etzkowitz’s (2002) view that adding a legal stipulation to the mission of universities, then discussing workload and appraisal performance, may be a way forward in Thailand. Thus the university trains organisations in incubators as well as individuals in classrooms. Moreover, as the university engages in technology transfer it becomes a source of new product development, which is, of course, a traditional industrial function. (Etzkowitz, 2008:10)

It is not only technology that the university is capable of transferring but also knowledge in terms of working together with local people. This may lead to new product development. Moreover, integration between them helps to grow regional sustainability. Empirical data from the Vice-President of CM-TBA illustrates some of the difficulties.

People don’t understand knowledge so they set the question ‘why they don’t have customers?’ The association does not look for them the province does not look for them. This means they get used to waiting. Even TAT was blamed for Chiang Mai lack of tourists on the grounds that TAT did not help enough.

Currently, I am developing tourism at Pang, Mae Eye, Pok Cave. There are 22 villages; we took tourism bicycles there. There were many stories that the tribes didn’t get revenue, there was no tourism etc. They wanted us to take the urban people to visit them. At first I went, privately, to ask at Chiang Mai
University to speak with lecturers at the business faculty, which is providing homestay management. When the project became more effective, we got a high score from the homestay contest. Now, the university has supported the project officially.

This is the private sector specific between the university and me. Villagers do agriculture as their main career and tourism as a secondary career. At Doi Pha Hom Ponk, right now, our homestays are already very successful because we take foreigners to learn about real life. Right now, Chiang Mai University helps with homestays, Mae Jo University will help with agriculture and we are talking to Fareast University about help with handicrafts. We are training local people in many things. Tourists who want to come must stay in the natural lodge, learn the way of life and live with the local people. When foreigners enter our areas we set the rules. If you come just to take photos, looking at them as products, we do not allow you to go. We teach the local people to do their own marketing, and the university helps us to think of new products and management.

The Permanent Secretary of the Tourism and Sports Ministry says:

But I have to admit that local people lack something. What do they lack? They lack academic knowledge, lack management skills, lack manpower. The central Government has to help them. We cannot build a house on their land; we cannot sweep the house for them. We have to tell them how to take care of their own homes. We must give them a standard. We should put academics in to train them.

In terms of Innovation, Etzkowitz (2003) argues that innovation is increasingly based upon a Triple Helix of university-industry-Government interactions. The increased importance of knowledge and the role of the university in incubation of technology-based firms have given it a more prominent place in institutional arrangements. The entrepreneurial university takes a proactive stance in putting knowledge to use and in broadening the input into the creation of academic knowledge. Thus, it operates according to an interactive rather than a linear model of innovation. As firms raise their technological level, they move closer to an academic model, engaging in higher levels of training and in sharing of knowledge. Government acts as a public entrepreneur and venture capitalist in addition to its traditional regulatory role in setting the rules of the game. Moving beyond product development, innovation then becomes an endogenous process of "taking the role of the other", encouraging hybridization among the institutional spheres. The university can play industry’s role, in assisting firm-formation and technology transfer, but not as a for-profit enterprise. (Etzkowitz, 2008:18)
This study expands the literature on technology transfer by investigating how universities can support industry in the Thai context; as data from the Deputy Director of the Research Centre-KU-CSC which would like to do more but is under-resourced confirms.

An enhanced university role in innovation also involves the creation of new business concepts. Some of them may derive from formal research, like biotechnology from recombinant DNA. However, like the Google search engine, they may also arise from informal interactions among colleagues that result in a new idea. It has taken a further step of creating organisational and educational innovations within the university and through collaboration with external groups, such as business angel networks, to put academic ideas with industrial potential into practice. (Etzkowitz, 2008:31)

I disagree with Etzkowitz (2008:31) who over-generalises his conclusions. In recent years universities have explored various ways to add value to early-stage university technologies by conducting marketing surveys, seeking development support, and embodying the technology in a firm. In terms of value-added, it does not necessarily only apply to advanced technology. Thai data shows value-adding stories such as selling Traditional North Rice Noodle. The owner of the restaurant added the story, and then sold at a higher price from 30 Baht (£0.60) to 120 Baht (£2.40). There are other cases such as Hill tribe homestay in the North.

In addition, Etzkowitz (2008:31) focuses on advanced technologies only when, in the Asian context, and perhaps historically in other countries, early university-industry clusters focus on low-tech businesses such as textiles, clothing, and leather goods, and only later on agglomerations of high-tech firms emerging from university laboratories and research centres at universities such as MIT and Stanford. These technology-based firm’s strength and competitive edge derives from the engineering know-how of people who are integral to the firm, and upon the subsequent transformation of this know-how into products or services for a market. Such firms are often part of overarching virtual networks that transcend companies and infuse the individual firm with new sources of innovation.
I agree with Etzkowitz (2008:63) that in a triple helix economy, firms collaborate to develop standards and new products, often with academic partners and Government support. The empirical data confirms the literature in the case of the Indigo Cloths Cluster where, with help from Government bodies and the university, participants obtain benefits both directly and indirectly.

In terms of the role of the university towards the cluster, the Deputy Director of Research Centre, KU-CSC says:

*KU can do act as a coordinator; bringing several organisations to join together and support each other. Then, in three to five years, we will phase out so that they can run by themselves. Then we will act as a consultant.* (See appendix 4.13Question 16)

In summary, the empirical data from the case of the Indigo Cloths Cluster illustrates that a triple helix can operate in Thailand, however it is likely to focus on intermediate technologies and is limited in its reach.

6.6 Theme Five: Emergent Themes:

From my findings, there is an emergent theme that I did not expect, and this factor has significantly impacted on the cluster. This theme is a strategic entrepreneurship, which plays a key role in making the cluster successful.

However, there are few studies on leadership and clusters. For example, a study by Elencov *et al* (2005) focused on the relationship of strategic leadership behaviours with executive innovation influence, and the moderating effects of a top management team’s tenure, heterogeneity and social culture on that relationship in an international multi-cluster comparative study.

Surprisingly Porter does not discuss leadership and clusters. He has written briefly about the role of leadership in *On Competition* (2008) amounting to only one and a half pages out of 544. He states that:

*In many companies, leadership has degenerated into orchestrating operational improvements and making deals. But the leader’s role is broader and far more important. General management is more than the stewardship of individual...*
functions. Its core is strategy: defining and communicating the company's unique position, making trade-offs, and forging fit among activities.

a. Strategic Entrepreneurship

Leadership has been neglected in discussion on regional clusters, while research on networks and clusters has barely studied leadership issues (Sydow 2011).

From my findings, leaders play an important role in the success of clusters or groups. Leaders such as the President of the Orchid Cluster, Vice President of the Chiang Mai Business Association, Mrs P, the chief of the Nadee indigo village; Punna district group, Mrs Y, chief of the Old Town Community are enthusiastic, are always open-minded and seek any opportunity to learn. They are willing to meet new people, have a passion about what they do and find any channel to improve their own competency. In their products and services, they try new ways and experiment to achieve their goals. They have vision and never give up. They are competitive advantage-seeking, analytical-thinking, and coordinators, willing to help individuals and groups, hardworking people who develop continuously. More importantly, leaders are trustworthy persons. All have similar characteristics and want to preserve their culture and way of life but they do not want to change the lives of local people. They want to defend local cultures, but engage in tourism as a second career. In addition, they would like to save environments: for example, Mrs P told her members to grow their own cotton and she would give them more money.

The President of the Orchid Cluster continually looks for networks, so he can move the cluster forward. He organizes activities and an annual meeting. The cluster has movement, and more people are joining. Having identified the insect problem he started to do research with Kasetsart University. Mr K, a researcher, joined the cluster at the beginning and they carried out experiments together. This is the competitive advantage of seeking to improve their products. It is the character of the president of the Orchid Cluster and his opportunity-seeking and advantage-seeking behaviour that has made him and the cluster successful. He is also seeks new markets, to develop products, and how to improve packaging. My findings support
the literature that states that strategic entrepreneurship involves simultaneous opportunity-seeking and advantage-seeking behaviour (Kuratko and Audretsch, 2009; Ireland, Hitt, and Sirmon, 2003).

In terms of leadership at national level, the empirical data shows that leadership plays a very important role not only in clusters but also as the key factor in pushing the organisation forward. As the Director of Marketing Research Division of the Tourism Authority of Thailand suggests:

*It was the first time in my working life. The Prime Minister of Thailand called the head of the entire unit. Normally the chair is the Minister of Tourism. The PM asked what problems we had. What are the causes of your problems? How can we solve them? Who will solve them? The meeting took place at Chiang Mai. All the head people were present for a Power Point presentation. The Prime Minister was the Chairman. About Immigration Division, what problems are there? The PM knows how to solve problems, and how many months it takes. At that time, the national problems were clear. It is my understanding that it was the first time to solve the problem likes this, seriously. H acted as though we are a private company. He followed-up just as we were part of his company. The budget department came and sat and calculated how much to allocate. The structure of the country must be organized this way to solve our problems; nobody is bigger than others. In terms of tourism, no organisation is not involved.*

In terms of vision, at the beginning when KAsia established this cluster the Vice President of Chiang Mai Tourism Business Association joined the cluster. When the budget was not allocated, the situation was quiet and then, when the private sector proposed its reinvigoration, the actors changed. But this time the leader was not transparent and participants had no confidence in him. Finally the cluster died.

In terms of implementation in relation to the social dimension, Thailand uses technology to lead and develop the country according to the national economic and social plan.

*We think wealth will solve all problems and then the country will be successfully developed. Sometimes we ignore society. We write about it but do not develop society much. We use technology to develop the economy but ignore the social issues. The 10th national economic plan will end in the year 2012. From the year 2012: the leader of the country said that it is not only the economy that can help to solve the problems of the country; we must emphasise...*
Chapter 6 – Answering How question

society as well. Our one example is that we provide training courses, but we only train. After training, what is next? The indicator is only the number of participants and how many times they attend, but we do not talk about outcomes, and we do not follow-up.

In summary, my findings show an absence of strategic leadership. At local level there are several organisations involved with tourism clusters but no core organisation to set the vision in relation to tourism. My findings indicate that strategic entrepreneurship plays the key role that makes a cluster successful, filling a gap in the literature not addressed by authors such as Porter.

The person who strategically leads the cluster should operate at the provincial level provided the Province gives clustering priority. If the Province gives importance, what areas will they support? How can the public sector help to support the development of service and make it quicker? Contexts and opportunities vary. However, if the Province does not offer strategic leadership then the cluster group must provide it itself.

6.7 Summary

When the Thaksin Government said they would support clusters, every Province was encouraged to established clusters. Then, when the Abhisit Government came into power the policy changed and people talked less about clusters. However, my findings from the empirical data in the private, public and the university sectors reveals that no matter which Government is in power tourism lacks overall strategic leadership. The multiplicity of organisations at a local level and their competing goals, make it difficult for local organisations to bind together around a shared agenda; a situation not helped by dramatic shifts in policies when Governments change.

I find that the Thai Government pays insufficient attention to the microeconomic and social dimensions of clustering, evidenced by the OSMEP's lack of commitment over time: clustering is a social process that takes time for trust-building and goal
negotiations; central Government seems to operate on a shorter timescale requiring unrealistic immediate results.

Moreover, the Government established 22 clusters in one year and then withdrew because the clusters had not arisen from the real needs of the private sector. People joined the clusters because money was available: when the projects ran out of the money, clusters declined. The alternative strategy is a long-term, bottom-up building of clusters, with the added advantage of helping to overcome recent social divisions in the country around a shared economic agenda, allowing the Government to add social equality as an important ingredient in the 11th National Plan.

However, Porter (2008:246-247) alternatively argues that in developing economies, a greater proportion of industries are locally based or are foreign subsidiaries serving the local market. Exporting industries tend to be resource or labour-intensive. Clusters in developing economies tend to be shallow and to rely primarily on foreign components, services, and technology. Firms in such locations must often vertically integrate, producing not only their own components but even back-up electricity as well. They must sometimes also build and operate not only physical infrastructure but their own schools and other services. The relatively competitive companies in developing economies tend to operate more like islands rather than as cluster participants.

I disagree with Porter (2008). If the Government would pay attention to the groups at local level, there are some groups that actually are micro clusters even though they are not described as clusters. As a senior official of NESDB states:

Rewrite—There are two keys of the cluster: one look in the physical that in the industry, usually it is supply chain. It requires people to supply things then it goes out of the car. Parts to be assembled into car, absolutely, they must have a production. It is sure. But the cluster did not look only that. It requires a horizontal linkages support supply chain is vertical linkage. Horizontal linkage has a relationship with others outside the group as well such as cooperation linkages means how to cooperate with the Government, association and educational institutions...Communication is limited, and linkages between existing firms and institutions a are not well.
My findings present an alternative strategy to Porter’s (2008) for developing country clustering. For example, the Maetheeta Indigo Group at Punna Village has strong vertical integration in the supply chain. Starting from upstream; they rely on their own raw materials. Since the leader encouraged members to grow cotton to save the environment, they grow their own indigo leaves, but if there is a shortage, they buy from other indigo groups. In terms of downstream, they have good relationship with customers. Even though their products are expensive they are all are unique and of good design and high quality, so customers are willing to pay. Horizontal integration is grounded in deep social relationships. The leader, Mrs P, has a good relationships with the public and private sector and universities because she is often invited to be a guest speaker or a trainer on indigo issues, especially the quality of indigo clothes.

My findings contradict Porter’s hypothesis. The cluster at local level does not rely on foreign components. They can be strongly based upon local knowledge and help from local universities. When this happens, each village builds up from within. This is a sustainable core competency not reliant on FDI. Groups such as Maetheta indigo group, Tumtao indigo group, Tribal group, Old Town Community are models to which the Thai Government should pay attention. All of them have fought for several years and grown gradually. However, they need support from universities in many areas. From my research findings, the Indigo groups have local knowledge but need support from universities in many areas starting from upstream suppliers to downstream customers such as quality of indigo leaves, increasing productivity per acre, design, packaging, brand building, website, and how to access their target group. Findings showed that local public universities in terms of academic service could support all of these needs. In addition, my findings show that a rewrite-unit in university that turn to be autonomous unit which means has to survive by itself. This unit was busy as a consultant in large cities and striving to find funding from abroad to cover costs; ignoring the local level and social development. Even when they created innovative products these were not for local benefits.

I dispute Etzkowitz’s (2008) argument that the interaction between university, industry, and Government is the key to innovation and growth in a knowledge-based economy. Etzkowitz (2008) emphasised that each take the role of the other in triple
helix interaction. The university takes the role of industry by stimulating the development of new firms from research, introducing the capitalization of knowledge as an academic goal: the triple helix draws attention to universities as a source of entrepreneurship and technology. However, his perspective concentrates on technologically-advanced innovations whereas my finding show that local universities supporting clusters such as the Orchid Cluster can also be successful. KU helped in terms of innovation by helping to produce new plant breeding. In addition, empirical evidence shows KU working with Tumtau indigo group, producing natural colour from lotus flowers which they are now in the process of patenting. These fill a gap in terms of academic service and innovation for social development that Etzkowitz overlooks.

I have therefore, identified a gap in the research literature that can be filled by local universities fulfilling their mission on academic service to help local communities in terms of innovation to create unique products and services for niché markets. This can also help to solve the problem of imitation between provinces in Thailand e.g. replicating successful vegetable eating festivals. Clustering in Thailand needs to operate within a clear strategic vision for the country's tourism sector, placing resources and energy at the disposal of local groups, who are allowed the time necessary to bond and create new tourist and official working closely with local universities.

6.8 Conclusion and final framework

To conclude, a summation of all themes and processes discussed in this research are presented in a final conceptual model (figure 6.1). The final model adds the emergent themes to the integration of the three strands of literature, which was presented in the initial theoretical model in chapter two.
The model has four components: Cluster Theory, Triple Helix Model, Social Network and Strategic Entrepreneurship. The cluster comprised of three entities: private and public sectors and universities. The framework starts from the formation of the cluster. Local government focuses on the potential of existing small groups. These local small business groups were born from the private sector and from its own real needs; in other words, from the bottom up.

In order to develop the cluster, the Triple Helix model was used in terms of interaction between these three entities. They work closely with each other. Local government bodies should take local small business seriously and make commitments to them because they are the grassroots of the country. The private sector thinks the public sector does not take it seriously. A big problem is that national and local government often changes, so the public sector often waits for the new government to give the signal. However, if there could be a written agreement between the three entities for economic and social development in the long run, and these plans could be in agreement with the national plan, the tourism development plan and the provincial plan, on-going projects would not be so easy to terminate. In addition, the government should motivate local government bodies to participate more. For
instance local government bodies such as Subdistrict Administrative Organisation (SAO) should participate more with universities and the private sector when they develop tourist attractions. According to the Triple Helix model, for example, I was told that in Nakhon Panom, hundreds of dinosaur footprints have been discovered on a local riverbed. The local government body subsequently built a WC and a cement parking lot on the site in order to encourage visitors. However, if the local university had been asked to cooperate with the government department, the tourism potential would have multiplied hugely. This is, after all an important historic site that requires academic input such as display boards showing how dinosaurs looked.

In terms of the role of the university, local public universities have a key role to play in rural development. Their missions should be balanced. Recently, because the government wants the public universities to be autonomous, universities have become self-reliant by creating more connections with the private sector. However, findings show that the universities have made connections with big companies that get support from abroad and so they have less time for local development. The government should reconsider its decision to make all public universities autonomous universities. Some are the core of the country’s development. The findings showed that recently, lecturers have too big a teaching workload with the result that they do not have time for other missions. Consequently, they have fewer connections with local communities and the outside world. Policy makers at national level have stated that the local university should serve local communities, so universities should balance all their missions, putting an emphasis on local projects. In addition through control mechanisms such as appraisal of performance and quality assurance, universities should have incentive programs to encourage staff to do additional work such as research and academic service. These must be specified in local universities’ missions. The government should have a policy of emphasizing the quality of graduates and motivate universities to balance all their missions.

Local public universities are dependent upon the government because of their budgets and because of legal regulations which state that they must carry out their missions as assigned and stated in terms of academic services and cooperation with the public and
private sectors. To utilize the intellectual capital of a university in all its missions, including academic service to support clusters, all these must be continuous processes, not just yearly projects. The framework can be used effectively if the government would adjust the way of evaluating performance by thinking in the long term.

In Thailand cluster formation was established by the government for use as a mechanism to increase the competitiveness of the nation. Findings revealed that most of these clusters declined because the government used the same pattern for every cluster; calling participants for a meeting, holding a workshop and then producing a report. When the government body left, and there was no more money, all the participants left. That was why the clusters’ initiative established by the government failed.
CHAPTER SEVEN
CONCLUSION

The aim of this research, as stated in chapter one, was to enhance the understanding of the development of tourism in Thailand through integrating three strands of literature: cluster theory, the Triple Helix Model and Social Networks. This aim was to be achieved by answering the fundamental research questions – a) ‘what are the influential factors affecting the Thai tourism clusters?’ and b) ‘How might University-Industry Linkages assist the success of such tourism clusters?’ An important finding of this research is that strategic entrepreneurship theory was revealed in the behavior of all the case studies analyzed and discussed throughout the investigation. This chapter presents conclusions both of theoretical and empirical nature, recommendations, evaluation of the study and future research, all of which are derived from this study of the relationship between universities and industry featuring case studies of Thailand’s tourism clusters.

7.1 Theoretical Contribution

This study used an integrated framework as the model for University-Industry Linkages (UILs) toward tourism clusters. The University-Industry Linkages provide support to enhance the competitiveness of Thai tourism clusters as illustrated in Figure 6.1 This research has a number of theoretical contributions, which I will discuss in details in the following sections

1. Although there is research about the impact of University-Industry Linkages in other sectors like automotive, textiles and cola industries, but there is limited research on the tourism cluster in Thailand. My research fills this gap by focussing on this important sector of Thai economy.

2. This research challenge the present understanding that to be innovative, developing economies must rely on foreign knowledge and FDIs. However, the findings indicate that innovation can be based on local knowledge with the help from local universities.

3. This research has highlighted lack of research on leadership and strategic entrepreneurship, particularly in the small business context.
4. Theoretical Contribution:

The Research provides an enhanced (improved) theoretical framework by introducing a new component - Strategic Entrepreneurship that will increase/improve our theoretical understanding of UIL impact on Cluster

First, my findings have addressed some gaps left by Porter (2008). As he mentioned, clusters in developing economies tend to be shallow and to rely primarily on foreign components, services, and technology to create innovation so that developing countries need FDI. Findings showed that the cluster at local level does not rely on foreign components. They can be strong by themselves drawing on their local knowledge and help from local universities. This happens in each village; building on its local knowledge and identity to meet a niche market. In addition, Porter (2008) stated that producing unique products comes from advanced technology through innovation. Advanced technology does not always build unique products. The findings showed that local people can use local knowledge that has been passed from generation to generation to produce unique products and services using natural resources from their villages. For instance, the study gave an example of Green Innovation of colour dye from lotus flowers used to dye material. This meets the global tourism trend in terms of environmental concern. This is the real core competency, and it does not rely on FDI but only on help from local universities.

So universities can help both vertical and horizontal integration with clusters that even policy makers at national level think is difficult because they think in macro terms but have no experience the at local level, especially in villages. Groups such as Maeteta Indigo Group, Tamtao Indigo Group, Tribal Group, and the Old Town Community should be paid attention by government and developed to be sustainable in the long run. All of them have fought for several years and grown gradually. However, they need support from universities in many areas. The Indigo groups need support from universities starting from upstream suppliers and going downstream customers in order to promote their local identity. Examples of this include supporting the quality of indigo leaves, increasing productivity per acre, design, packaging, brand building, website construction, establishing a learning centre. The
findings showed that all of these needs can be supported by local public universities in terms of academic service.

Both Lynch & Morrison (2007) argument together with Siriluk’s table 2.1 is being elaborated to highlight the value of this table on p41.

I disagree with Lynch & Morrison (2007) agreed with Rosenfeld’s argument (2001) Table 2.1 based on my empirical research findings as they emerge from my analysis so this is another theoretical contribution from your research. Findings show each area that the cluster located has its own identity like Sakon Nakhon Indigo Textile Cluster Case , they has local knowledge pas from generation to generations which is the specialized skills of natural dying and weaving skills. It is contrasted with views’ of Lynch & Morrison and Rosenfeld on specialized feature that the cluster needed specialized services to a region and network allow firms to access specialized at the lower cost. In addition, the products are high quality hand made using local natural resource. The leader of Maeteeta Indigo group encourage members to grow their own cotton even she has to pay more than buying from factories but because she has a goal to produce 100 percent organic high quality products. So my research rejects these definition in terms of specialized and cooperation feature on Table 2.1 on p. 41

In addition, the cluster theory has not given adequate importance to SME leaders even though most of the businesses across the country are SMEs. The findings showed that strategic entrepreneurship played an important role as the key success factor (KSF) in clusters or groups. Strategic leadership is opportunity-seeking and advantage-seeking to create niche markets. They are enthusiastic, always keep an open mind and seek any way to learn new things. They look for opportunities, are willing to meet new people, have a passion about what they do, find any channel to improve their own competency and their products and services, as well as continue to find new ways to achieve their goals.

Regarding the barrier between UILs and tourism clusters, the findings showed that there are several barriers as follows
University

- Due to self-reliance, universities emphasise the recruitment of students in quantity with the result that lecturers have too big a workload with teaching, and do not have time to undertake other missions such as research and academic service.

- The university did not have sufficient budget to respond to local requests for particular subjects to be added to the curriculum requested by the tourism industry. For example, Phuket wanted to be the world marine hub and Rajabbut Phuket University wanted to open a marine curriculum but there was no budget to hire lecturers and invest in facilities such as a swimming pool for diving courses.

This illustrates how the stated objectives of the national plan, the local tourism plan and the universities’ mission were not integrated with each other.

Private sector

- There are several private associations so it is difficult for them to cooperate and set out the same goals

- Entrepreneurs use only a price-cutting strategy

Public sector

- The government and top management of governmental bodies often changed

- The government body does not have a short and long term plan for tourism at national and local levels

- The national government invests only in mega projects such as an international airport. So they ignore the local level.

- Dysfunctional government structures and lack of commitment

- The Tourism Authority of Thailand has been given a reduced role to that of marketing.
• Most staff of the Tourism and Sport Ministry at provincial level are keen only on sport.

In summary, my findings have filled gaps that Porter (2008) did not discuss since his focus was on clusters in developing economies that tend to rely on foreign contributions such as technology. These findings showed that the cluster at local level does not rely mainly on foreign components. They can be strong by themselves through their local knowledge, and with help from local universities and government support. Moreover, findings showed that successful clusters can occur at the local level, for example the Orchid Cluster, the Maeteta Indigo Group and the Tamtao Indigo Village Group. In terms of horizontal clustering, strategic entrepreneurs have developed their relationship well with universities. They have developed good relationships both within the cluster and with the private and public sectors. In terms of vertical clustering, they have worked closely and continuously with the university to develop from upstream suppliers to downstream customers by creating unique products and services and adding value or creating innovation.

7.2 Empirical Contribution

In terms of the empirical contribution, all four case studies showed evidence of greater understanding that key influential factors such as strategic leadership and help from universities have an effect on the Thai tourism clusters. This in turn contributed to improving the performance of tourism clusters. In addition, the results of this study make known the current dynamic of the relationships between the universities and the Thai tourism clusters.

This research uniquely developed a data-set from eighty personal, in-depth interviews from top management in the public and private sector and universities in different regions in Thailand. Accessing to these interviewees was extremely changing. Nobody did this before. This data-set can be used for further research.

Moreover, it is hoped that this study will assist in the strengthening linkages between the tourism industry and its universities. Importantly, the study will help to develop...
economic growth through job creation and through enhancing skills and entrepreneurship activities at local level in a sustainable way.

7.3 Recommendations

There are recommendations for the public and the private sectors and universities.

7.3.1 Recommendations for the public sector

In terms of cluster formation, the national government was concerned only with quantity. For example, after Porter's visit to Thailand, the industrial Department allocated a budget to establish 22 clusters in one year. All of these clusters failed because they were instituted from the top-down and did not meet the real needs of the Thai people and entrepreneurs. The clusters previously studied by Porter were situated in Italian villages and had been growing for many years and, moreover, these clusters originated in the private sector.

In terms of strategy, national and local government bodies do not have a clear short and long term plans to develop tourism clusters in local areas, even though these are the grassroots of the country.

In terms of provincial cluster group policy, this is difficult to implement because the scope is too broad. For example, the Andaman Cluster covers five provinces. The government should select an existing group/cluster and develop such specific areas as spas. It is important that the groups they choose have a trustworthy leader.

In terms of the role of both the national and local government, the government body should support and not intervene; should give incentives and not restrict existing groups in local areas that have the potential for further development.

In terms of interaction between the three entities, the national and local government bodies should make a commitment and take their actions seriously. In addition, the government body should understand what the private sector needs and be prepared to
adjust themselves to fit into the rapidly changing circumstance that face it especially ASEAN Economic Community (AEC) in 2015.

In terms of strategic control, the government budget system should be adjusted to suit current circumstances. Importantly, the cluster is the process not the project. This means they take time to develop which means that budgeting should be adjusted to suit the particular circumstances of each cluster.

7.3.2 Recommendations for the private sector

The private sector does not recognise the potential of universities. They identify them only in terms of producing graduates whereas universities have a legal requirement to contribute to social development.

The private sector should cooperate with the public sector and universities to carry out both short and long term tourism development planning to match the needs of the tourism industry.

In terms of trust, tourism clusters can survive and grow if the members of the cluster trust in the leader. So transparency and a trustworthy leader are very important factors in making the cluster successful.

In terms of strategy, entrepreneurs, especially in small businesses, must adjust themselves to the highly competitive world by changing the way they do business; they cannot use the price-cutting strategy anymore. They must realize that they have limited resources, so the way to survive is to join with others to share resources and produce unique products and services that are different from their competitors.

7.3.3 Recommendations for the university

Local universities are expected to serve tourism clusters as follows:

The first mission is to produce graduates

Tourism clusters expect universities to provide a suitable curriculum which will produce graduates qualified into meet their needs, produce graduates who are ready to work, produce graduates who can solve problems by themselves when they face
unexpected circumstances, and serve local market needs by launching curricula tailored to local circumstances.

The second mission is research

The university should ensure that lecturers’ teaching workloads do not restrict research activities. Research should be encouraged that will help tourism clusters in many areas from upstream suppliers to downstream customers especially in creating innovation and making unique products and services.

The third mission is academic service

Tourism clusters expect universities to offer academic services in many areas such as training courses and consultancy such as law. The universities can help to create and support local clusters in terms of IT such as the indigo website, virtual tourism, finding unique customers, sharing information, online consultancy. In terms of marketing, the universities can help in marketing and especially the design and packaging of products. The universities should observe strict neutrality. Top management will undertake to give all necessary support to staff offering academic services to outside bodies. Staff should be evaluated on their contribution to community development and academic service when being considered for promotion.

7. 4 Evaluation of the Study

This section evaluates the theoretical and methodological contributions as follows:

7.4.1 Evaluation of Theoretical and Methodological Contributions

Theoretical contributions consist of new models, principles, concepts, or frameworks-for-thought, or important variations on those that already exist. These may be quantitative or qualitative in nature, but are always structured so as to be useful in the pursuit of future knowledge (Wobbrock, 2012).

In terms of analysis, the purpose of the analysis was to uncover the meaning of the question, to make explicit its presuppositions and thereby the implicit conceptions of
qualitative research it implies (Kvale and Brinkmann, 2009). In addition, Yin (2009) emphasizes that the analysis of case study evidence is one of the least developed and most difficult aspects of doing case studies. He also states that unlike statistical analysis, there are few fixed formulae to guide us; instead, much depends on an investigator's own style of rigorous empirical thinking along with the sufficient presentation of evidence and careful consideration of alternative interpretations. Thus, I selected developing a case description that is one of four analytic strategies presented by Yin (2009) for conducting case study analysis. As little is known about University-Industry Linkages between Thai tourism clusters and its universities, an exploratory study is appropriate at the preliminary stage of this study. Then the findings from the first stage will be used for the second stage. As Yin (2009) states a descriptive approach may help to identify the appropriate causal links to be analysed - even quantitatively.

The evaluation of the theoretical contributions in this thesis have enhanced understanding of tourism in Thailand through integrating three strands of literature for the first time in a comprehensive exploratory study.

The evaluation of the theoretical contributions of this thesis has enhanced understanding of tourism in Thailand through generating new concepts from emergent themes that were evident through the investigation and research process of this study, such as the leadership and strategic entrepreneurship strands.

In addition, this thesis contributes to integrating new theories together in new geographical areas.

This study demonstrated that it is possible for Thai tourism clusters to utilize the use of UILs together with the assistance of both private and public sectors.

In terms of methodological contributions, Wobbrock (2012:4) stated:

Methodological contributions are evaluated on the basis of the novelty and utility of the new or improved method. Demonstrating the utility of a method often requires empirical validation. Such a validation may be formal in nature.
(e.g., an experiment in which one of two groups uses the new method, while the other group uses an extant de facto method), or a case study (e.g., where the method is applied in a particular setting and outcomes are analysed and reported). The goal of validating a methodological contribution is to convince readers that the new method or method improvement is useful, valid, and reliable for its intended purpose. As the method is to be used by others, it must be described well enough to be employed by researchers or practitioners, including its pitfalls and shortcomings.

The gap addressed in the literature that so few empirical studies have examined, is the integration of Cluster Theory, Triple Helix Model, Social Networks, and Strategic Entrepreneurs.

The purpose of the empirical contribution in this thesis is to reveal insights and provide new data about UILs toward tourism clusters. Empirical methods used cases studies.

This study used a large number of interviews. Interviews were conducted face-to-face. Data was collected by in-depth interviews over a period of six months. I interviewed 80 participants in one pilot case study and four main case studies in three regions, together with the successful cluster in the central region. I interviewed three groups, most of them in top management in; 1) the public sector at national and local levels; 2) universities’ participants; 3) the private sector. Each interview took between one and two hours and was tape-recorded. In addition to the eighty professionals listed above, I also interviewed 32 tourists at random.

Consequently, this study was a huge undertaking usually through questions that do not always capture the essence of rich qualitative work conducted in a previous survey.

7.4.2 Generalization in the Context of Other Developing Countries

The model generated in this thesis can be used in other developing country contexts; only if other developing countries through highlighting their own competencies, adopt the support of their local universities as has been the case in Thailand. They cannot compete with a big country such as China. They cannot compete in mass production by using low cost labour. This model could be replicated in other developing countries, provided all the factors are similar, and there is a high chance
that the clusters will survive and grow. This position concurs with Porter's studies where he states that clusters are usually takes time to be born and survive for many years to gain the real competitive advantage.

7.4.3 Limitations

There are some limitations in this study such as time and budget. Porter (2008) stated that the geographic scope of a cluster can range from a single city or state to a country, or even a network of neighbouring countries. In Thailand the government established clusters at the regional level such as the Phuket Tourism Cluster that became the Andaman Cluster. Consequently, the scope of that cluster covers five provinces making it difficult to find a boundary. Also, there are several, both public and private sector, participants involved. However, I used Cluster Mapping to select my sample frame and it pointed me to the participants in the Phuket Tourism Cluster. When I went there I found that there were additional participants, such as OSM Andaman, and that this government body took responsibility for the Andaman Cluster. As Stake (1995) stated, “The case is complex, and the time we have for examining its complexity is short.” I had a limited time and budget so I chose to interview only those participants from Phuket. Additionally, three other clusters had similar complexities during data gathering and interviews as discussed in Chapter Three. Due to limited time and money, I was unable to cover every area. However, Cluster Theory and the Triple Helix Model, Social Network and Strategic Entrepreneur and Leadership models can be applied to other areas such as agriculture in any future research.

7.5 Future Research

This study investigates the nature and character of the tourism cluster and the linkages between tourism clusters and their universities, and is aimed at creating a model applicable to improving University-Industry Linkages in Thailand. Its purpose is to enhance the competitiveness of tourism clusters. This study has contributed to a better understanding of the interaction among the public and private sectors and the universities to benefit tourism clusters in Thailand. Successful tourism clusters are essentially dependent on many factors including several actors both in government
and non-government bodies. My findings show that strategic entrepreneurship is the essential key success factor. In light of such an important factor, further studies that investigate the role of local universities, local government, and strategic entrepreneurship with strategic leadership are advisable.

Work in the area of the interaction of the public and private sectors with the universities has tended to be exploratory until now. I hope to apply this University-Industry Linkages (UILs) model to the tourism clusters in Sakon Nakhon Province. This will hopefully give a greater insight into the practicalities of cluster competitiveness.

Kasetsart University, Sakon Nakhon Campus can apply this study to develop the “Stars surround the Moon” Project which concerns rural development, local strategic leadership, local strategic entrepreneurship, Green Innovation and Green Innovative products development. Local universities can help to develop rural areas by helping develop local knowledge.

One possible future research project is to help the Indigo Cluster which to be a as a learning centre and a tourism attraction. Also the university can help to build the website as the centre of indigo information within and outside the cluster. This website demonstrates the way of life of local farmers in Sakon Nakhon Province.

Findings demonstrate that for the Maeteeta Indigo Village group, the Old Town Community and the Hill Tribal Homestay Groups, the leaders did not change the way that local people live their lives. Tourism is their second occupation and they both serve their environment and preserve their culture. For example, the Old Town Community still lives in Chino-Portuguese houses and has ordinary lives but when tourists come, the leader and the house owners will welcome them and explain the history of the house and their ancestors who came from the China. This case study should set an example to other areas so that they can develop their own community into a lifelong learning centre both for their own community and visitors.
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the Summer Conference 2009 on CBS - Copenhagen Business School, Denmark.


**APPENDIX**

**Appendix 1-4: List of Interviews and Excerpt from Interviews**

**A. NATIONAL LEVEL**

Appendix 1.1: Permanent Secretary of Tourism and Sport Ministry  
Appendix 1.2: Marketing Director of Tourism Authority of Thailand (TAT)  
Appendix 1.3: Senior Official, National Economic and Social Development Board (NESDB))  
Appendix 1.4: Former Director of Strategies Integration and formulation for National Economic and Social Development Board  
Appendix 1.5: OSMEP  
Appendix 1.6: Senior Official of Kenan Institute Asia (KIAsia)  
Appendix 1.7: President of Orchid Cluster

**B. LOCAL LEVEL**

Chiang Mai  
Appendix 2.1: Dean College of Arts, Media, and Technology, CMU  
Appendix 2.2: Director of Knowledge and Innovation Center, College of Arts, Media, and Technology, CMU  
Appendix 2.3: Chief of Tourism Department-CMU and the Tourism Professor  
Appendix 2.4: Payap University  
Appendix 2.5: Tourism lecturer at Rajamangala University of Technology Lanna  
Appendix 2.6: Deputy Director of Tourism and Sports Office: Chiang Mai.  
Appendix 2.7: Director of Tourism Authority of Thailand: Chiang Mai office  
Appendix 2.8: President of Tourism Federation Association: North 17: Chiang Mai Office  
Appendix 2.9: Vice-President of Tourism Business Association  
Appendix 2.10: President of Hotel De Charm cluster and MD of Sukuntara  
Appendix 2.11: GM of Bann Num Ping boutique hotel  
Appendix 2.12: GM of Jatuporn Tour  
Appendix 2.13: GM of Peak Adventure Tour  
Appendix 2.14: GM of Crystal Restaurant  
Appendix 2.15: CEO of Chida Spa

Phuket  
Appendix 3.1 OSM Andaman  
Appendix 3.2 Director of Phuket Provincial Office of Tourism and Sports  
Appendix 3.3 Director of TAT, Phuket office  
Appendix 3.4 Mayor  
Prince Songkla University  
Appendix 3.5 Dean of hospitality faculty  
Appendix 3.6 Assistant Dean (administrative)
Appendix 3.7 Assistant Dean (students' affairs)
Appendix 3.8 Chief of Tourism Department
Appendix 3.9 tourism lecturers
Phuket rajabhat university
Appendix 3.10 Dean of management faculty
Appendix 3.11 Director of research institute
Appendix 3.12 Deputy Director of Research Institute
private sector
Appendix 3.13 President of Tourism Business Association
Appendix 3.14 President of Hotel: South Chapter
Appendix 3.15 President of Spa Association
Appendix 3.16 President of Co-op Transport
Appendix 3.17 on behalf of the President of Chamber of Commerce (tourism)
Appendix 3.18 the leader of the Phuket old town community
Appendix 3.19 MD of Exotic Travel

Sakon Nakhon
Appendix 4.1 Vice Governor of Sakon Nakhon
Appendix 4.2 President of PAO
Appendix 4.3 Senior Official of PAO
Appendix 4.3 Director of Tourism and Sports
Appendix 4.4 Director of TAT
Appendix 4.5 Director of Commercial Affair
Appendix 4.6 Senior Official of Community Development
Appendix 4.7 Director of Industrial Promotion: Regional 5
Appendix 4.8 Director of Co-operative
Appendix 4.9 Former President of Technology Rachamongkol University
Appendix 4.10 Former Vice-President of Rajabhat Sakon Nakhon University
Appendix 4.11 Assistant President of KU-CSC
Appendix 4.12 Director of Research Institute, KU-CSC
Appendix 4.13 Deputy Director of Research Institute, KU-CSC
Appendix 4.14 Dean of Liberal Arts and Management Science Faculty, KU-CSC
Appendix 4.15 Chief of Tourism and Hotel Management Department, KU-CSC
Appendix 4.16 Chief of Marketing Department, KU-CSC
Appendix 4.17 Former president of Sakon Nakhon Commerce Chamber
Appendix 4.18 President of Tourism Club
Appendix 4.19 Former President of Indigo Cluster
Appendix 4.20 President of Indigo Garment Cluster
Appendix 4.21 Cluster Development Agent of Indigo garment cluster
Appendix 4.22 Chief of Maeteeta Indigo group
Appendix 4.23 Chief of Tumtao Subdistrict Indigo group
Some Excerpts from Interviews

1. Interviews with Permanent Secretary Ministry of Tourism and Sports

Q1: In your opinion, what do you think about the role of the university?
A: A university is not only for teaching but also for doing research so as to develop knowledge of how to teach. We should not teach from an instruction book but teach from the research that we have done. In addition, social services in no matter what dimension need a university because the university relies on society. The preservation of our art and culture is one of the core goals of our country. Moreover our university should be prime source of knowledge regarding both arts and culture. We rely on our universities to stand up for the social good. But I do not know what has gone wrong. They are lacking in social trust and faith. They have turned into an academic market. These days, universities pay less attention to society, very few actually do, right? In the past, even high school students, these are students. Right now, it is an academic market that sells degrees. It does not change anything. I was worried. Like developed countries, If he or she goes to the university that has all parts of body to develop social and develop the nation, he or she has a sense of elegance. Is it true, I don’t know?

Q2: Do we focus on the wrong direction? We emphasise quantity because the universities have to be self-reliant. I have just come back from Chiang Mai. Right now, hotels are hiring Burmese because they can speak several languages. How do we prepare?
A: The production plan, manpower plan and development plan have not gone in the same direction. These plans do not go together. The manufacturers only produce.

Q3: How do we solve this?
A: Difficult because we left the institution in a direction that must be self-sufficient. The simplest way is to sell academic. Even students do not come to learn and are able to finish a degree. This is difficult. It must count a new one. It goes a long way until cannot drag back. That is why it is not reach the quality of education.

Q4: How to solve?
A: I think education reform at this time failed. People who get most are teachers and top management and less fortune are parents and children.
Q5: How to solve?
A: severely because people in education sector look at their own interests rather than the interests of the country and society. Quality of graduates, today, is not good. Graduates who worked here and out do not work even light or hard works. Graduates with a master's degree almost do nothing people who I use every day. Therefore, we need to focus on quality rather than quantity. Quantity is ok such as Ramkamhang University, which it maintains such a standard. Ramkamhang University especially law. It is the number one to be the judge. OK, we can increase the amount but do not decrease quality. It is different from the past; potential of the brain and other things are very good. No filtering and freely refined too much.
Q6: So do you think the university can support the tourism industry or not?
A: It is the core. The University is the organisation that produces graduates who will be the leader in tourism development. Tourism needs person who are competent at doing research and source for university records. The university created the concept and is the primary source to give the direction of tradition and culture from local to national level. Thus, the university is vital in the production of people, production of knowledge, technology and a belief in academic to be occurred.
Q7: So how can we link between the university and tourism?
A: Means the university must be the real source of knowledge. Need to integrate education into the curriculum such as I want to know about birds, go to see birds in forest, or want to know about a farm, go to learn in a farm. It does not learn all subjects in the class. The hotel is in the school, the factory in school in order to pass. It is not the real core of tasks. Therefore, build a man eager to learn from and build educational curiosity from an education, education process. The school is the source of the learning process. The local curriculum, they will take great pride in their local area. They will love in his place. If we make a community to be source of learning, the government does not require much investment, and it will has good qualified people too.
Q8: How do you implement plan from NESDB to ministry and then to action plan?
A: The NESDB is as the path that they travel to Chiang Mai; direction, why go there what for? Set the direction that what to do in Chiang Mai. When we know the goal, we explore our capital. What we have? Do we have the resources to travel to Chiang
Mai? Human resource is the basic, materials while we are away, what we will do; preparing for materials, technologies. Prepare all everything altogether. The development plans will tell that it is going to build what it needs to do. Therefore, taking the national plan to implement means to objectives analysis, goal analysis and results are expected to get it clear. Provide a clear implementation plan, and prepare manpower. The plan is clear, it will work fast. But it must have resources: cars, human resource, petrol, equipment and materials to perform.

Q9: How to prepare?
A: To prepare especially group-related tourism. We have 32 courses. We have a strong competency base to make to good standard of ASEAN. Instead, we will fear they influx, if we prepare well, we may go outside. Thinking in terms of advantages, although many countries around our country speak English well but in competitiveness, many not compete with us. It depends on our competency. Our courses are prepared.

Q10: 32 courses from universities.
A: By the Ministry by co-competency as well as the international competency of the course.

Q11: In your opinion, how is the cooperation between universities and the Ministry?
A: At this stage, it is not as much as they should. Higher education institution has expertise in this regard. We have not yet cooperated as much as it should. Coordination is on-going because we have to admit that specializes in graduates producing program, curriculum management, the universities have expertise.

Q12: Factors that make tourism industry successful”?
A: Factors that make tourism industry successful depends on planning and integration as factors that will lead to success. Participation...

Q13: Quite difficult because like Phuket started from tourism cluster and then expended to 3 provinces and now to 5 provinces.
A: This is the problem. This is difficult. Planning, studies, analysis, foundation information based on well-researched analysis... In addition, the plan must be integrated plan because integration must have the practice of participatory because tourism is not the only one factor. It is not a single picture. In term of government,
there are several sectors and the private sector, there are several sectors. They must go together. This is one factor. The plan to integrate the whole...

Q14: How to do?
A: Not difficult at all. If people are thinking in the same direction and do the same, the same goal, it is not difficult.

Q15: Who should be the place to push this?
A: The Ministry. They need to go down to see to mediate; the villages must have the district's administration to take care. The district must have province to take care, the province must have Department to take care. Departments, the Ministry takes care all sectors and make the Department take care of the province. How to make the province to see the districts there are structures, regulations if we work systematically, being in good order occurs. If we do not have a system and regulation, being in good order will not happen. We can create their star Therefore, we have national tourism development plan because the plan is the core, and the integration plan is the plan of participation.

Q16: I attended the seminar of 5 provinces. The age of the governor who is the host is a hindrance.
A: If we have a clear plan. It is up to the administration. I was younger, but I am in highest positions. Look at the Prime Minister Abhisit, the President Obama, right? It depends on management, integration plan. Participation is the heart of every success story. Thailand; if each creates a star for its own, do different activities, cannot survive. In our life live with many people. The organisation cannot stay alone either. The failure of the project, it broke the nation. Projects must rely on justice. Don't build different star. Why build a road, to public traffic back and forth and to the occupation develop to tourism. It must be used together to make a living as a highway transportation. So that is why the Department of Highway built it but which road will be built first. I think the best system for tourism for everyone in the country. If attractions belong to local, it is the duty of the people their take responsibility using the budget there to take responsibility. It is not right to use the central budget. Attraction in the district is a district responsibility. Attractions in the province are the responsibility of the province. But the attraction between the provinces are responsible, the central will take responsibility. Phuket is an
international tourist attraction. Phuket alone cannot handle. The central government must take responsibility directly. The central government must help. Otherwise it goes bad. But I have to admit that local lack they have resources, what do they lack? Lack of academic, lack of management, lack of manpower, the central government has to help them. We cannot build a house on their land. We cannot sweep the house, for them. We have to tell him how to take care of your home. The good way is like this. They do not what to do. Giving a standard... Principle must be likes this. Put academic. Still cannot do, must train. Those are limitations of local
Means lack of academic, lack of manpower but not just put people who lack competency.
Practice in the real field is important factor because tourism is capability. Tourism is not a theory. Performance skills are therefore welcome skill, hospitality skill, they need to work in the field. So curriculum, of course must add capacity means that the university and the curriculum must have a practical part. And assessment to evaluate the performance of real work practice and must have the R and D as well.
Q17: Yes, we have. It is one of four missions of the university; to meet the locals.
A: We must think we want to develop country or local. The cluster division of the province for tourism, if the framework, it can fulfil. If not, have to add another mission to the university. There is not only a province but look at the entire cluster. The frame or area, or scope of work involved, it makes sense responsibility. It happens to all participants and resources we have. If we work full duty or If the university looks after the cluster, it must add a mission of the university. The cluster means the same culture; we must look at the root. It is the rule of law. It is the law.
When think, must think as a system, as a law-oriented, legal system otherwise impossible because the budget is allocated by law. The manpower was given the responsibility by law. It's official fix. The government is a major fix. If a government manages by 360 degrees, it manages all dimension of management. The way to manage people on the earth to be happy is managing security and mentally happiness.
Q1: Could you please explain the whole picture first?
A: That is really an overview is that it does not separate. We are separated into two parts. One is that foreigners come to Thailand. The other is Thai travel Thailand. Now, if the real number of foreign tourists has not decreased. Even there are several things have occurred. We often say that politics are not stagnant. Most of it is that politics are not stagnant. But now I see. I need to tell you more deeply that TAT is 51 years after the first year is the year 1960. From 1960, and all over 50 years, some interesting things were found. Is that we look at foreign tourists, there were only 6-7 times that foreign tourists came to Thailand less. I mean that the number of foreigners visiting Thailand, fallen in the past 50 years only 6-7 times in the past. Then we will see that it was caused by external factors that made tourists decreased. The economic crisis around the world, the problem of fuel oil, oil price, or that problems in the Gulf War, or the bird flu problem. Everything is a problem of external factors. These external factors we cannot manage. Now that the issue of conflict within our own country, now in the last 3 years, it's quite clear that it turns out that it is the cause of the people, what they call for it, start out as a factor in the decision that I should have a trip to Thailand or not. This was an issue. But ultimately, this time it's looking like it was a fair while to find that the foreigners themselves. They understand; Bangkok is in chaotic means all of Thailand is chaotic too. In the past, it was chaotic, Phuket, but it does not matter so can come to Phuket. Samui is okay. To talk about Phuket because it is the International Airport to fly to Phuket. Now I do not see the country but it looks like the city such as New York, Paris. When asked about Paris, how fashionable it is. They do not ask about France. They do not look anything like this is what is so big. They look at small but it is undeniable that people are afraid. It turns out that this is a problem. But overall, we take a look at the numbers. It does not decrease but it may be increased but not much as the international market. But if I want to know other markets; Malaysia, Japan,
China, Korea, we can see the line of market with numbers. But ultimately, our main customers are top ten still in Asia, top five are Asia.

Situation would not be too bad. But that worry is the country's internal politics. In term of Thai travel in Thailand, Thai people will travel or not, it depends on the economy. It does not decrease. We do not have the numbers of the Thai people abroad. However, we assume a rough estimate; increase. The trip overseas both long and short trip; now people go to Ubon and then Laos, or go to Mukdahan then Laos and Vietnam, or go to Chiang Rai and then China. Nation State began being not clear. What it is called; tourism is unbound; travelling without frame and unboundary. It has started with the technology, a lot. Tourism unbound. Boundary is no longer. This is a common situation. The Thai travel in the country itself, it would mainly be a matter of economics. This would help format it. To answer that if the economy is not good, people will not travel. This is a common situation. Instantly, pull the low market to come. Good at marketing. But premium market won't involve with low market. Actually, it is very different. If like this, I go somewhere else.

Q2: I took a taxi once. The taxi driver said. Scandinavian tourists said if Russian comes, I won't come.

A: That is. The premium market, they have high loyalty. I do not why they worry. What are the concerns? The concern is about wanting a high number. Then again, one thing that is entrepreneurs must manually adjust them self. Like Chiang Mai that is over supply; the oversupply of rooms. It likes a competition so it started out as a mass. This would be a 300 or 500 room hotel; seeing the market suddenly arose. Like fly into the fire like a bug. I want to be big. Now, the problem started; cutting price. You charge 2,500; I charge 1,800 and other charge 1,500 or 1,200. Used to hire graduates with bachelor degree, now hire Myanmar who do not speak Thai. They started competing like this. Quality is reduced. Competition with the price; cutting price- killing each other... Lecturer, try to gradually look into it. People who really look at the real situation understand will catch the right market. The people who understand the tourists' behaviour of people who really understand that now what trend it is. They will 3 or 8 hotel rooms. These hotels are fully booked three years in advance. It's tiny but full for 3 years in advance.

Q3: Boutique Hotel is full.
A: Yes, it is, People won't stay at 5 stars. People who are very rich, I know that they have the money to spend but rich people boast to each other. For example staying at hotels like Imperial Hotel, imagine this. They would say sheets are the same colour. TV is the same size. However, for the boutique, they are not interested in star rating 5 stars or not. Don't have to give me a rating. I am just like this. Boutique design is completed different, eight rooms, eight sized beds, eight colours baskets, eight towels. Do not complain. You do not adapt. How can I help? I just told that right now what the kind of tourist visitors are. I always say to people where ever I go, I have acted as humble younger not act as a customer. I go to pay respect to them not to ask for money. You are worried a lot and then Oh! You invited Phuket, Samui to teach. I do not agree. Let's talk a little, that is, Chiang Mai; I gave a lecture to entrepreneurs. I do not know what. They gathered a small group no, quite large. I spoke directly and showed a number on the PowerPoint; the numbers of tourists in Chiang Mai the last five years, we projected that the number of tourists has not increased much, less than 1 per cent. Because the base is large, if it increased, it was not shaking, right? If a small increase to 100 per cent, if one person came, it was 100 per cent; excited. I said that it increased but a little bit. The base is large. And then I said OK to see the numbers, then I said a little bit is OK. The average stay is the same so just OK, but the average occupancy is good it sounds ...Suddenly; TAT told that the average stays the same. Last year, they stayed like this 1 or 2 days. It does not excite. The average cost per person when look at the number of previous years, a little more I said OK, and the they said how it can be okay. I told that you need to understand it has new players coming into your field. You must be playing old games. I told that you, if it is a ball, you have to play like Sedan. They would be to chop leg trick. You cannot stand to play it. You have to play with the brain. You need to understand that you are the old players, you must play smart. You pretend to chop leg against the throw race to Pai, Mae Hong Son, they are new as they are, it has always a new play coming but they do not have experience. We just need to know that where our position are. Why I have to stay at Chai Mai many nights? I will stay only 1 night and then go to Lamphun, Mae Hong Son. Then they will undercut each other and I was OK, and then what we want to make them pay? Eight hundred and get excellent while the eight hundred baht at Chiang Mai’s hotels. For Mae Hong
Son, it is two thousand four. Marketing, you have to look at your competitors. I do not know what it is now in the field that is coming; Pai, Mae Hong Son, and Nan. Ok, what you want to be? Calm down. Want to do mass. So sell mass market. Sell of Eco or culture. Know our customers. When it is time we look at friends like Phuket. We do not have to excite to see whatever fights are full. But we gradually see people walking down from the plane that who is coming. If they are not who we want it, if you do not want this, you tell that you do not want this type. Do not have to do marketing. Our position is clear. Don’t want impolite just say so. We made the top market ran out. We must make it clear; Want to target mass so mass.

Q4: To know how to manage and then in your opinion, how will the future of the tourism be?

A: Thailand can go. But it’s tiring. It’s so competitive. People would fight to the death. Do you have tactic? Do you have a strategy to fight? Do you put the strategy clear? Oh! we say that Vietnam overtook. Yes, definitely, it overtook. Go to see how they planned. The government; when the time they looked at his plan to use. They told anyone making a commercial with them, they will divide his land or give, I don’t know cheap or expensive, try to follow, to build, to make a living from it for ten years, suppose fifty, it will be the government. They have incentives. They do not do pure tourism so do as parallel. They know the game very well. Or even look gradually at Singapore Infrastructures, superstructure to the utmost degree to penetrate the MICE market; meeting, convention. When we look, we should look for.

Q5: a partner.

A: Partnership. To switch from competitors to partners. Like medical issues. For example, Singapore has medical technologies at a very high tech. It does not matter. If we shake hands with them, is that operation will be there but come for recovery time is interchangeable. Assuming the full five days for operating and another fifteen days for recovery. If we fight with technology, probably just tired but Singapore is clear when they invaded. Lecturer, try to see that really strange case occurs like the adjacent side legs, adjacent the head, Singapore arrives first. It means they are ready. When we look at crisis, I wrote articles about the crisis.
That was it. Whether it is the subject of the movie. What’s the movie about the music. May be the subject of music. It is good to have it.

3. Interviews with the Senior Official of NESDB

Q1: Please tell me about tourism cluster.
A: Phuket tourism, I did with the team of Porter. And then did the study in the topic ‘Thailand Competitiveness’. The approach, here was the NESDB with SASIN. At that time, I was with the team as well. At that time, we focused over all. Tourism was the 1 of 5 as well. However, the NESDB will do overall. SASIN team was divided into five groups; did in each subject. NESDB did all over Thailand Competitiveness. I and Mr Y were at the all over the picture. I have to write my own. It's quite a lot of it. 80 per cent is me. It is my own. After that, I did a lot about clusters.

Q2: Thank you so much.
A: When the cluster faces challenge its ability to compete. How they deal with it? How they manage? How they solve the problem is variety of forms call institution Modality (in her academic word) if technical side, mean there are several forms. It means the government leads. The second is the private join together; the third is the association leads, the private association leads. The core party who figures in solutions may be a government partnership with private. Public-private partnership has several types, other private investors. Who run? Private invest and the government. Many forms I try to understand what conditions this phenomenon occurred. Because the way the cluster makes a decision using role of private sector based. It has a lot of factors such as the private sector is not strong without a strong private sector in cluster. There is therefore no leadership. So finally under condition, this must let the government solve the problem. In some very strong association so the association will lead. Then the association help to deal with the government and help to deal with various people in solving problems. There are several condition factors in solving problems. There are several condition factors and their relationship and actors in the cluster: there are public, private sectors, educational institutions. Key actors: public, private, educational institutes, and associations. I would like to
know that these 4 actors if there is normal time and no problem occurs, how they interact to each other.

Q3: I would like to know the interaction between them. In the past, clusters were established and then why they were silent. How did the clusters happen in Thailand?

A: It must accept that clusters were occurred by the government who initiated at Thaksin era; brought clusters in. When the government said the government will support clusters so every province, every government agencies, Industry Promotion Department, every departments, every ministry, every province, and every governor established the clusters in every province. I hate this word a lot “clusters establishing.

Q4: It seems that each province has clusters.

A: Even the Federation of Thai Industries established ten years to establish more than 10 clusters. In term of Industry Board, they are divided into sub-industry; vehicle. Automotive parts, steel, something like this. They went to establish that and this cluster. The cluster is not the committee. The cluster cannot be established. It happens from the basic of the cluster which is the trust to share to work together. They work as a team. The cluster in Mr K’s perspective, the cluster have to have location, must located in area, must concentrated in the same area because he has the perspective of Economic geographic; means look in area; must group together so that can lead to share resources; having efficiency, having economy of scale. It is the traditional economic science. Mr S went to the trip with me to Harvard to meet Professor Porter. There were five people who met with Porter. Today, even Porter also admitted that he wrote this theory since 1990 or 1989. In that time, globalisation did not had much impact. IT has not the width of this size. It did not have a network of this size. So here now, the cluster does not define how many kilometres away. It must be concentrated. How concentrated? One province or district to another? Or both. Or the whole country? He accepted, the cluster, now because it has globalisation, it has IT development, advanced IT so it is not necessary to be near each other. How they will work together? There are 2 keys of the cluster: one look in the physical that in the industry, usually it is supply chain, right? It requires people to supply things then it goes out of the car. Parts to be assembled into car, absolutely, they must have a production. But the cluster did not look only that. But that requires a horizontal linkages support supply chain is vertical linkages. Horizontal linkage has
a relationship with others outside the group as well such as cooperation linkages means how to co with the government. Or how to co with association? Or how to co with educational institutions? Co with communities? Cooperation like have shared direction that say want to develop this area about industry to be the main. The direction of development that I will go this direction, everyone come to support. The other factors: the association, government or education, are the supporter not the main but has the direction in supporting. So they must understand the same view. So I called cooperation linkages and product linkages. It has two parts. Some people look only productions linkages. There are in the Eastern automotive industry, Here, Toyota opened. This looked far too much in area. Looking at the concentration. Of course, if it does not operate then how it can produce. Production linkages definitely grow. So I have a feeling that the people who understand the vehicle cluster or other cluster. They are only production. That is the issue of the interface linkages. However, it is beyond.

Q5: And then how you see the cooperation between governments?

A: The government was the person who pushed, and tried to set so all of people followed to establish. I just went to Cholburi, It has wooden furniture industries here. It can be the cluster. This is a major automotive technology. Top of the major auto parts company. The Industry Promotion Department want to promote SMEs and how they can be promoted to major. Since their role is to promote SME's and there are a lot of wooden SME's. They called for a meeting. We need to set the cluster. Come for the meeting. Register as a group. Of course, definitely, it did not work. However, it is fortunate for them that one group worked. But I will tell you why it worked, but these were events that occurred in many provinces across the country, said the province called, seemed more potential in their Economic perspective that this exported a lot. This generated a lot of revenue for the province; the main products of the province. So the province called companies to talk that we will establish the cluster. Do MOU or whatever. We say that we already join as a cluster. This group this cluster started asking for the budget request for the government to help. The Promotion Department provides funds to help each group to imagine that how much money, don't know. I have a project like this. Within one year to two years. three years, If pass the evaluation, they get help of the following year. This is another one.
The cluster is not a project. The cluster is the process. *It is wrong support.* A look at this project when run out of money, they leave.

Q6: Yes, so when there is no money, they are quiet.

A: Yes, because they were set in. They did not work. Right now I do not call it the cluster. I don't count it the cluster at all. The key word of the cluster, I may send, actually I just present about the cluster to people in NESDB to listen. The keyword of the cluster is that the cluster cannot be established. It is not a committee. It is a process; it is not the project that has to develop a continuous process. Some clusters have developed for more than a hundred years such as the Italian cluster which they called industrial district. In the past they looked at an area of concentration. They think it is about subject of a community. It is more about based - Community. Industrial district. In my feeling is community-based cluster of the community in that area; every house in that area know all each other. To undertake something like an activity, like the hand-made leather village. This village makes shoes. And another is that each of the cluster, it is unique. It has its own unique. Assume that the can be developed along this, it does not necessary to copy others and follow them, and then it will work. Because everyone has the different problem. The composition of cluster, people involved are not the same. It's a different character. But we will just copy his solution. It's another way of implementing. This did not work. So each has its own cluster. This is the other one that when the government pushed by taking only one pattern, one method, mass and use with all. The cluster must come to work together and have a vision, vision, do strategies together; call for the meeting, conducting the meeting, organizing the seminar in a hotel, workshop, come out to hire consultants. Hotel de Charm, whatever, all of these pass this process. Call on everyone who involve. Lecturers said that help each other to think about strategies, problems analysis, do SWOT. It came out as one strategic book. From now on, everyone looks in this way. Setting the cluster agent. They called the Cluster Development Agent (CDA). But I did not say that CDA is not good. But I, again, told that CDA cannot suddenly set. Sometimes it happened by itself. It will shine on its own. In my opinion, I think CDA is important. But the way that the government set CDA is wrong by telling that this people talk most so seem this person would be the best. So take him or her to be a CDA. Train them to speak and them to be CDA.
4. Interview with the Former Director of Strategies Integration and formulation for National Economic and Social Development Board

Q1: Please tell me about strategies integration and formulation department?
A: The Strategies Integration and formulation Division was established from the government who wanted us to be the Detroit of Asia including Logistic issue. The cluster is the one of the strategies that we use Michael E. Porter’s following model. I have wondered how clusters have affected.

Q2: Why?
The cluster is the one of strategies that we use- Michael E. Porter’s model until now. From the beginning of clusters from my reading and interpretation, actually, a cluster starts by itself. The government, the policy makers help a little bit. I never saw a cluster that the government supported work, and so I would like you to go to talk with the NESDB senior official who is the cluster expert. She knows better because actually- does the cluster work or not? Even Michael- he has studied the cluster that already exists for more than ten years. I have never seen clusters that the government established work. Maybe the reason it does not work because 1) the theory mistakes. Flaw of theory; 2) it means implementing mistook. It means I can say certainly our implementation lack of continue. We did it superficiality. That is to say our public policy runs superficiality. For example in 1 year, we will run how many clusters. The cluster takes more than 10 years to generate. Once one ministry or NESDB, the way to measure how it success? How many can success? So it is the expectation on the untrue foundation on the real untrue process. I don’t think the government can run and makes clusters work except the government put money more to stimulate except the cluster run by itself and we put the knowledge even so as Michael; he studied the cluster that already remain for more than 10 years. It can easily say the established cluster by the government I have never seen. Now look this way. The easy concept of cluster is the integration both vertical and horizontal. It is very difficult. Here is supply chain, is it right? I do logistic after I did competitiveness. We have pushed logistic issue for 7 years. 5 years in strategies. The things we want is supply chain
and competitiveness. The things we compete is the competition on the whole line; finish at retail start at production. Even this we cannot integrate.

Q3: Why can’t we integrate?
A: It is about relationship management. Supply chain is about relationship. I do not think business persons have lessons or much wisdom to work this out. Our strategies are now to plan the target of supply chain integration but the way to look at the supply chain integration maybe is too far. In the pat we looked at logistic efficiency. For last 5-6 years. Logistic is not a cluster, logistic is a small part of a cluster. Even logistic was not born. Supply chains just the vertical. Ok the horizontal is happened. I’ve never seen the real one.

5. Interviews with the Senior Official of KIASia

Q1: How did the clusters begin?
A: The clusters were begun about eight or nine years ago. For Kenan, we have funding from the USAID. I was in this program. It was called TCI (Thailand Competitiveness Initiative). The program promoted a variety of clusters and inspired knowledge about clusters. After giving knowledge, try to compare the TDA, and to talk to various groups that we might called GAP: Western Region of Nakon Phatom. that export the safety of vegetables to Tosco in the UK. Then they are grouped together to be the upstream and then link to KU-KPS for training on packaging? These are things that they do. And then the group of orchids, Ratchaburi orchid cluster, we were talking in several stages, in the past. We have done several clusters. Some are successful and some failed. As I look I was in this program. But we do not focus much on tourism. 1. Why? When this project launched, I did it about the last 4 years about clusters. Later, I focus on agricultural industries such as cattle fattening at Ponyangkham. Kamphaeng Saen. The project was paid from the funds of the Ministry of Commerce of the FTA in order to remedy this group of people. Thailand, Australia, New Zealand tax on imported beef so now, it as if when signed, those farmers who raise cattle fattening. Beef cattle suffer. Then the project had to
set up to treatment this group in order to fund this project. I help this project both at the first phase, and then the second phase. What did I do? There are two Cooperatives joined together for the first phase which are Ponyangkham and KPS beef. I trained CDA. And then I will do a variety of strategies. In order to convince consumers to have confidence that the beef is safe, we implement until to downstream to the consumer. We can check via the website through the SMS. Now in the second phase, it turns out that became larger scope by dividing into five main scopes. It operated for almost nine months; starting from recharge to find the channel to send out beef both chilled and frozen beef and cattle life. The second is giving the knowledge of the cluster. However, for the KPS and Ponyangkham will be extended to the upstream of it, this is a matter of the cluster. The third is the system of traceability. They implement all four cooperatives. However, KPS and Ponyangkham implement at the upstream of it while at Nong Sueng thought about at the downstream first. The fourth is training about the knowledge to cooperative both members and committee, about four-five things. The first is in the IT business skills. The second one is the brand building and professional services. The third one is about GIP; agricultural practice. There are five scopes; here is mainly that we do in this phase. We did for the main host. Nine months ago we went through it. We took the route of Hanoi for studying. Then we took them to open booth at the Thailand Trade Exhibition in Hanoi on last October. The four cooperatives grouped together to rent one booth. They called the booth Thai premium Beef. Then they went from the Hanoi to Hanming by car, seeing how the logistics is. Actually, going to Hainan is a good opportunity. But there is a problem which is our beef. Other countries try to discourage by accusing that we are not the country free from foot-mouth disease but actually, the cattle are killed everyday life. I just returned from Mukdahan last week. Earlier this year, exported 80,000; killed on the Thailand- Laos Bridge. Now we have a problem. Cattle hardly go out now because the appreciated baht. This is the problem to find out. This is an issue of appreciated Baht. Here, I would like to tell that because I have a chance to form the leather cluster. The leather cluster was the first cluster that I did about the year 2005 which receiving the budget from the Department of Industrial Promotion. The group will focus on the leather tannery in the settlement of the 30th km. and the groups who produce, the dialysis bags, shoes,
come to gather as a group. This is the first cluster project that I did. Also, I received the budget from the OSMEP through the Industry Council for training CDA for a group of leather as the main. This is the project in the second year, as the result, I met an expert; I work at the upstream from leather first. Then I did for OSMEP. Then went to see the group as an official; the group made beef and then extended to three years later. This is the thing I started, I did for 4 years. For my cluster unit, I highlighted the industry. The other duty, we do for the Ministry of Industry. We did for total 3 years. For the second year, I trained Industrial Provincial officials; seven people per province. All seventy-five provinces across the country, I have trained about forty provinces. Training takes about three-four days. What is in the process of doing, something is very similar to the NESDB to update. But it was as if we have the Diamond model that was like a check list. Let people to do the Survey. Then I evaluated it. It was not exactly as much of it. It will give more accurate information. The do a strategic plan; suppose it is your province, you are the industrial director. How will you develop the cluster? Then you present to me. I did forty provinces. This is in the second phase. The first phase took them to observe activities in Japan which I did not go or do. I just finished the third phase. I trained as the same but a staff of industrial promotion. They called the promotion head of each province This was done for each province and has just completed seventy five provinces last October; trained for three days. The first day, invited the Indian experts. I also went to be trained in India. Training at Fortune then invited two people per province; one hundred and fifty people came to listen. Training CDA about how to. These two days it was about conflict resolution, how it conflict violate with the cluster. In the afternoon, took them to the study trip to see the industrial cluster such as Ratchaburi cluster, leather cluster. The two-day trip is divided into four groups. The study trips were different in each version. In determining when you do it, you will see the clear picture. We take care of image and this is what we do.

Q2: What obstacles have you experienced?

A: they are two aspects; that is about the procedure of the industrial promotion department; they will allocate the layered budget, for example, the leather, the first year budget is not to exceed one million and nine hundred thousand Baht. For three years, the first year to form the cluster. When you can form okay, the second year,
the budget will be down to only about four hundred thousand Baht. For the third year, the budget decrease to just two hundred thousand Baht. It is not continuous. All have not known yet about the cluster, but it is finished and then gradually decreased. But we understand that they have a somewhat limited budget. This is the one thing that happened. It is that the budget is not continuous. I have a lot of burden for the last previous years. The project was short. If the budget was approved in September. And then the budget will be received in February and then almost project, money is not enough; nearly cannot do anything. Then it has TOR. Regardless of no matter how many cluster use the TOR, when finishing the first year, for clearing, they will do one of two, three, four, five and save the one lump sum for the shared purchase and sale of various activities and then finished. Something likes this. This is the view that the private sector look that the budget is not continued. However, how does the view of the government look? The public sector might think that. I already gave. How can I carry you all the time? This is the view of the public sector. So here, for the clusters, we can survey to look at it in Thailand. The real clear, there are a few and that it is really that I can I think is the Ratchaburi orchid and GPA Nakon Phathom. This is the thing that was seen. The Ratchaburi Orchid Cluster is successful because their main leaders push for business and make personal sacrifices. This cluster took up to eight years to develop and finally succeeded. The government put a little money and see the quick results. It is not possible. And then they will fight to each other. This is one of problems as I told. Secondly, when they receive the budget, they dispute, for example, I did the leather group. At first I received a expert to help me, we wanted it to be the knowledge sharing; Opening the leather S and M's house. At first, I opened the shoe factory; members took me there. The owner has the small shoe factory at Petchkasem; a few small rooms. How the people who open receive benefits? Their friend will tell the owner that the problems can be solved. After that, the bag factory quickly opened and then I opened the next issue. However, the local contacts did not open. Our SME are narrow-minded people, for others, we want to see but when others want to see us, we do not allow them to see, skimp on it, and we think this is superb, it is really excellent. Actually, It is what it is really amazing, it's not. To share this, they help each other.

Q3: This is means that we share Information. We share resources.
A: This was I opened it in a cooperative in what I did. There is somewhere that is not fair, not fair is that I want to see all of other people out, but I do not really want other people to see mine. Actually, in the matter of the cluster, I told them not to open all. What the know-how is you kept it, it is ok. But what we called share and then cause benefits, please do it. The concept of the cluster, I went to study in India about four to five days that they held. There are all Indians in the class. There are few words that they say do not cooperate at the time of competing. That's it; the definition. Competition; I went to see the depth definition, white competition. This's just enough, I told them 'What you close if anyone comes to take it's not fair, right?' So you close, don’t tell anybody. But as you work together here, this collaboration is beneficial to do, please do it. These were things that I experienced a lot. That can really be happened. It can really be used in Thailand. At the time I trained for the Provincial Industrial Department; the training in the second year. I invited the cluster to talk. I saw several clusters that people came to tell me so I invited speakers to come, for example, pork sausage cluster, if you think about sausage; around the base of the root Ya Mo, there is a lot of sausage shops. It did not work at the first time, everybody closed. Then there was one entrepreneur of them inspired. So they told that instead of buying yourself a little, not anymore so they grouped altogether and purchased orders in a cartridge. It means they grouped to buy when they grouped to buy so power was more. This is clear, and then the recipes are different. You just keep it. What to cooperate and cause benefits, do go together. Korat pork cluster is successful. The cluster has the five common unity; that are united in the mind. You have to come with your heart and with some sacrifice. Next, united to buy, united to buy, you don' have to pay, you buy and distribute later, United to buy, united to sell like the leather cluster. The project had a little budget. We rent a booth at Bang-Na for the Bangkok International Fashion and Furniture. The booth size is about a six-square-meter site. I had the budget about 100,000. So I said OK, this was free for anyone to come to do; here's money to decorate the booth. Then help each other to get orders in. This person was good at English; took and distributed to another one. If you did not do here and then paid some fee for the cluster. Doing things together is just to sell it together Just now, united to purchase and sell and then co-production. Like the yellow T- shirt, it was OK that the big plant will give orders to small
factories. Producing a yellow T-shirt to keep up with time, this is cooperating, then to co-create an innovation. We cooperate we need to have this happen. According to the cluster, when it groups together if it does not have an innovation, it does not work. You have to have differentiation. I was trying to say here is that when they do like Ponyangkham here. We are trying to build like a traceability system. It is one kind of innovation to make participants in terms of ensuring more in the safety food. Five united, to be successful, do five united and you don’t have no problems in cases of conflict.

Q4: How about if they sell the same products?
A: Yes. So they have to discuss to make it clear. Sometimes I find it difficult. That is to talk among three, four people. Actually, I’d really like to make it as a cooperative group, for example, when we go aboard, we should sell in a single brand. Then there is the person who is older, is the head to tell who will sell in which group. We let them compete. We did not say that we prevent to compete. You must compete if you do not compete, you are not strong. The concept is good. But something, you want to do, and want to perform together. Actually, to sell together, in the boots may be sold as a package. The cluster that was succeeded is that the products in the group are different. Otherwise, they compete to death in price.

Q5: So their products should be different?
A: They should be different. Otherwise it will not survive. The head can control.

Q6: The leader must be good.
A: The leader must be very good. The leader is a selfless dedication. This is the success of the cluster. And the core of it is, there is one word, I continuously described, Private Lead, Government Support. The government do not behave as they know all everything that what to do. The government should listen to the questions in variety of efficiency, what they want. Then the government allocates the budget to support. This is the private lead and the government just only support. We tried to establish perhaps it did not work. It was a break away.

Q7: In addition to the leader and private lead, what else those make the cluster successful? A: The University. Like the case of GPA cluster at Nakon Phatom. We trained how to do the organic farming; training farmers. In term of university,
lecturers also can obtain academic benefits and support private sector as well. The Group's private sector support as well. Some parts went through the real grassroots. The university is very important work. Private lead means use business to drive the cluster. You join together, you waste time to come to eat, it does not mean the shared table. For entrepreneur, time is very valuable. It must have benefits. Benefits are essential. This is the business lead. When businesses join together, it must have something better. United to buy, and then what we will we do. How to share? For example, the orchids cluster in Thailand, Mr Su, the owner, right now; he sent a bouquet of orchids, cut flowers in a box to America. When they open and found only one snail so all were totally burned; losing hundred thousand. He did not know what to do so he went to talk to a professor at KU-KPS. We talked and trained, he began OK. We organized to see the park and invited a professor from the university to give us knowledge. Professors also enjoyed because of research problems as well. Then someone comes in here were happy as well because they learned something new and had a chance to visit the local orchard. This was the roaming meeting and then we had a meeting before noon. Some were hungry, then about 1 or 2 we ate. We are Thai, actually, we have a big face, when our friends come, then we have a big Chinese feast. It is a burden to one another. Instead of using a little technique and then at Ratchaburi, they went hand in hand with teachers to teach student biology. When they graduate, they go to work about the orchid, the agricultural industry. This is important. The university must create the innovation and then solves the current problem of SME's. Then producing graduates and answer to problem. This is what things that want from the university. In term of financial institutions, it didn't quite work. The government will build, they called what, energy environmental, means create the atmosphere to make it become the clustering; atmosphere conducive to competition, this is what the government must do to make things easy; one stop service. In term of regulations, don't make it too much. Can do it without pay under the table? But it's hard because money under the table, then the behavior is really long. The government must create an innovation that is like this. The university creates an innovation. And then about people who are in the part of political sector, it is necessary. If they can come to join, it's special privilege. And then, when we develop in term of business or core business, we must look that which
blocks that is weak so in each block that is weak must go to help both in terms of variety of knowledge.

6. Interview with Director of Tourism Authority of Thailand: Chiang Mai office

Q1: Please tell me about TAT’s policy?
A: We support PR Marketing. Sometimes people think we are experts in tourism. I don’t know if it is true or not maybe because we are the organisation. You possibly know we take care of the whole area: Development, PR, and Marketing. But now we have the new Ministry of Tourism and Sports so they are separated and each takes part a section of the work to do.

Q2: So what about the current situation of Chiang Mai tourism?
A: The current situation, especially in Chiang Mai and the areas I take responsibility for Chiang Mai Lumpoon, Lumpang?
Q3: Yes.
A: The current situation is not as good as it ought to be. One or two years ago maybe the political problem.

Q4: Yes
A: Chiang Mai has become politicized. We accept that this has affected us in our PR work, news issues consume us. I do not want talk much about this. But ok. When it on the news. People do not want to come to Chiang Mai. They are afraid something will happen. But actually, there are not such huge problems as people think.

Q5; Yes
A: That’s it. 70% of our tourists are Thai. When the current situation happened it was peak season and the airport was closed. The protest was held in April, and the other 30 % were foreign tourists. So it continued
But if compared with last year, it is not so bad.

Q6 How many percent decreased?
A: We cannot tell exactly, but approximately 5%-7 % I believe that at this level we can handle things.
The number comes from the Development Department. But we know the number of people who book hotels and we use this information to analyze and the private sector collaborate at some level. But if you ask about the true number, they are afraid of tax so they told us at first a low number but as I know by sampling such as try to book
the room for friends. So we see that for boutique hotels or hotels that do not have many rooms, the rate of booking is nearly full for the coming new year.

Q7: 80%?

A: I think more than that. But the mass hotels that have 200-300 rooms still need to fill up. Right now, I estimate about 70% but because Thai people book in advance only one week ahead, I think the rate will go up to a satisfactory level. I cannot be sure, but we believe if it does decrease it should not be by more than 5%. At this level, it is ok.

Q8: As regards the problems that you mentioned, we have both the political and PR problems. How can we solve these problems?

A: For the political problem, there is no solution to solution.

Q9: Because it is a national problem?

A: Yes. But we give the number and PR. Even the polit problem, We are giving information. The tourists can travel without problems. Now we are doing

Q10: How about other problems?

A: Chiang Mai is the second biggest tourism city. We were awarded from travel magazine. Chiang Mai is the second most living place in the world. In the past Phuket came to learn from us but now we learn from Phuket. The rate of growth is lower than Phuket's because of many problems; the first one I believe concerns tourism products. Our type of tourism is different from Phuket which is for nature and for relaxation. The length of stay with us is shorter than in Phuket. So people stay 2-3 days but they stay 7-10 days at Phuket. This is the problem. So we have to think about how to expand the length of stay, this is of utmost importance. The rate is different; Phuket is sun, sea, and sand, but we are culture. The rate is different - 70:30 Thai: Foreign tourists, but for Phuket 70:30 Foreign: Thai tourists. So I think it is a Product problem. As regards the location problem, the position is that we are located up north and we think we are the gateway to Indochina. We are, therefore, in the group of Laos, South of China, and Burma. For Phuket, they get the sea and they get Singapore. Then there are the Europeans who want to avoid the winter time to bask in the sun. The first one is the Product problem. Next is the problem of entrepreneurs aggregation means private sector. Because we are a big city, so everybody has a big ego. It is a big city, it is tough for this Aggregation seems to
look good but, I think its structure is fragile. So if we want to accomplish something we must rely on the public sector to provide the budget and ask for cooperation. Chiang Mai the organisation that comes to help the province does not mention. The province means the governor has the budget, besides, Province Administration Office has budget too. They take care of their own areas. Chiang Mai is a big area. From the top of the north district to the bottom of the south district: 400 Kms and takes five hours to drive. This area is so big that power must be decentralized (distribute) among 20 districts. Phuket has only 3 districts: Thalang, Muang. So cannot compare. So why the public sector means government) help. 400kms 5 hrs drive and have minor tribes so budget distribute to other parts cannot only for tourism so the private sector think why the public sector (government) does not help. Ask why PAO does not help but PAO must think about helping make a living. That is why I understand. Chiang Mai is different from Phuket. That is clear. In Phuket, the revenue is from tourism. So decision making and other things are fast and immediate. For us, we are like a giant, hard to move. In the private sector, each person has self-confidence. So marketing is slow as we are so large.

Q11: How to create coordination?
A: Means we do as we can. TAT is the central organisation and it is our duty to link. If we know they cannot handle something, we try to help. We help as we can. We put in people, and energy to help and support. I am like the glue that makes things work successfully.

Q12: In your opinion, can the university support the tourism industry?
A: Now the university and we coordinate all the time. As educational institutes, they are sources of knowledge. They have academic know-how. We use both public and private universities. Sometimes universities are willing to coordinate with us but sometimes it is outside their remit and they do not have sufficient budget. If they have the budget they will come.

Q13: So, if they get a budget from the government through the province will they come?
A: Yes. No matter whatever it is about cluster or the province, every task has a representative from the university to attend committees such as engineering, tourism, research, and marketing.
Q14: Do the academics come as requested by the entrepreneurs?
A: It is in the form of committees. If we want this, the head must be the governor.
Q15: The form is formal and order top-down?
A: Yes, yes. Ask for coordinating.
Q16: I would like to ask about clusters; here there are two clusters; one is an edutainment cluster which does not exist anymore; however the other one still exists and is called Hotel de Charm.
A: Yes. Hotel de Charm is the boutique hotel. They group together for joint promotion and marketing but at the same time they are competitors.
Q17: There are two clusters. How about the other one? I show him the report from NESDB about the clusters. These cluster happened after the financial crisis. The edutainment cluster does not exist anymore.
A: Disappeared. As I said the private sector always makes it look good at first. I came to this quite recently so they were already established before I came. As regards to associations, there are many. As I told you, there are many associations such as Chiang Mai Tourism Business Association, The Association of Northern Tourism Federation Chiang Mai, Guide Association, and Hotel Association. Besides, there is the Jungle Tour Association. Each has its own character. But for Hotel de Charm, it is ok. They are associated because they would like to reduce costs of promotion. It works better, for example N17 means north in 17 provinces. So these Tourism Associations join together. Their objectives are the same. Their members may belong to the same group. Their activities are the same. The only difference is who is strong. But all, I think, cannot be as strong as Phuket.
Q18: Yes. I attended the seminar.
A: Yes. Their unity is not as strong as Phuket’s. As we said, in the past they come to see us, but now we go to see Phuket. The province admitted this. So is the name they created. The name is very beautiful: Edutainment.
Q20: So the problem lies in the entrepreneur aggregation?
A: Everybody has intention, but there are other factors. I think they have good intentions but there are several factors.
7. Interviews with Vice President of Tourism Business Association

Q39: How about the association, how many members does the association have?
A: 200 plus.

Q40: In the past, did the association get support from the public sector?
A: At some level, there was some budget support from PAO. But when compared with the help from local Budget at Phuket and at Pattaya Samui, we got a very small amount. We got approximately a million. But the next year Chiang Mai announced on tourism, Chiang Mai should get much more but every year, we get this rate. If I don’t have these products, I will stop, lecturer. In my work, the tasks are separated very clearly. Volunteer foreigners were hired for some tasks such as adventure knowledge and management because I have very little knowledge of how to manage professionally. I hired them only for some tasks because I don’t have money to hire for all the necessary tasks. For example, we take from some tribes. Before going for a tour, I request the customers to sign some documents of about 7-8 pages; this requires meetings, brief which is not the behavior of the northern people at all. We must manage systematically. The northern people hardly work systematically. Mine is the only company which requests that customers must sign a document before going on the tour. It is not the case that if you have money and you can go: you must pass this system first: you must listen for the information from the guide first. If you act outside the rules, you must take responsibility of yourself. You cannot complain to us later.

Q41: But it is the right thing because foreigners want to have a certain standard.
A: At first, they were frightened that this system would not happen in Chiang Mai but together with their familiar with system very much, it was easier so they were ok.

Q42: You managed very well. How about other entrepreneurs in the association? What problems did they face?
A: It depends on the satisfaction of each person. For the insurance, some companies do, some don’t. Some have accessories, some don’t. Such as parachute for rafting, some don’t have.
Q43: So how does the association take responsibility because it reflects on the reputation of the association as a whole?
A: The association sets the standard but, because of freedom, there are no laws to support us. We discussed. But if you act outside the set of international rules, we might somewhat block you. You don’t miss, if you miss, we can attack you according to the condition.
Q44: You mean that you supervise but only don’t go outside the rules. We don’t have the laws to support. And then what is the agreement that joint?
A: There are the agreement MOU with entrepreneurs but it rarely works, for instance, on price cutting. It inspects receipts. But these receipts can be falsified. They wrote 3000 but collected money for guests a thousand.
Q45: How about communication within the association?
A: We use both the Internet and telephone.
Q46: How often do you have a meeting?
A: Once per 3-4 months
Q47: what are the most common problems that the association experienced?
A: People don’t understand knowledge so they set the question ‘why they don’t have customers?’ The association does not look for them the province does not look for them mean they are get used to waiting then they get. Even TAT had a hit (attack) question that lack of tourists because TAT did not help enough. Come to help me this task a bit. This is a new thing that I do in my organisation. I understand that nobody has done this before. This is the place that I develop my specific tourism at Doi Ang Khang. I went to the field and work more on specific task. This group is a nature lodge and volunteer at product at Doi Ang Khang. We went to the fieldwork, and then we let students come to help. This, we are tourism that we separated ourselves to be specific. Everybody will receive the question that how to do, how to develop, develop our own product and develop local people as well. I used to be successful in forest tourism at Mae Smeng, Mae Tang, Doi Chiang Dao. Currently, I went to develop at Pang, Mae Eye, Pok Cave. There are 22 villages; we took tourism bicycles there. There are many stories that the tribes didn’t get revenue, no tourism enter etc. They want us to take the urban people to visit them and we want them as well.
Q48: Did the universities support you?
A: Personally, at first I went to ask at Chiang Mai University with lecturers at the business faculty which is providing homestay management. I went privately. But when it is more effective, more responses then get high score from the home stay contest. Right now, the university is the organisation.

Q49: At first you went informal and now, formal.
A: Rating is very high from the Thai homestay contest. From the homestay standard part, we get the highest score, even our brand cannot compete with Mae Slong. But from the field inspection of the central academic committee, our score is high. When our score is high instantly, the university is coming as the formal large group.

Q50: At that time, who did you contact?
A: Mrs. T. I helped to do research with the lecturer in issue on the winter fruits or went to help about Hemp which is the queen project that will take it to make clothes apparel. I myself know the areas very well so the lecturer asked me to help. As the result, when I asked the lecturer, she could not refuse me. Sometimes I supported the fare, the lecturer help me to develop the homestay. Right now, about the agriculture, I went to sign MOU with the university that is good at agriculture. Let us develop together so my works is different from others. When we went to do fieldwork, we shared, help each other suggest, help to comment, summarize together.

Q51: How about the support from the province?
A: The province agreed. This is the private sector specific between me and the university. But I told the province to know and they said it is good but they didn’t allocate the budget to support by some means. For all of my works, it went well at some level so I prepare myself to be ready. The group that help me right now, the works was separated to be several parts; one group went to help the community tourism at Sun Pang Tong; the other group starts working at Sun Sai Mae Jo District, they will do the farmer university; went to bay lands and then make in agriculture, then take tourists to enter and involve. The revenue from agriculture might not well enough. But we made in agriculture but we will make an earning from tourism. But tourism is not the main behavior only secondary. But we should get money from tourism; doing homestay, making cottages, hovels at the end of village. Let them do agriculture and we take foreigners to learn; like Farmer University. If we do for
tourism, there is experiment garden. This is fake. But this we will make it real. At Doi Pha Hom Ponk, right now, our homestay are already very successful. There is agriculture that we went to do agro tourism. We will have the learning center. When foreigners enter to the field, they must pay for learning; let them see and learn everything, we will take local people who will learn with us, and then they will be the person who continues to work in agriculture, in the way of life, in hand craft. Right now, Chiang Mai University help in homestay, the help in agriculture will from Mae Jo (University), and hand craft is going to talk with Fareast (University)

Q52: So the universities have helped you?
A: Yes. Both Chiang Mai (University) and Mae Jo (University) are willing to take people to help and go to do fieldwork and may also try to find funding. We are training local people in many things. Tourists who want to come must stay in the natural lodge, learn the way of life, and stay with nature. I expect that the person who experiences local life there when they return to normal daily life, will have learned from the experience and will apply it in stopping a climate change by not accelerating the deployment of natural resources too much. We set the question our lodge should be really natural lodge; no electricity, no chemical. To clean clothes, we use local fruits or shampoo or soap, we will find local materials for customers, it means we don’t use chemical things; pillow and bed maybe use tea; use more natural light. No electricity.

Q53: Are the universities involved in helping to think of new products and management?
A: This one, foreigners must learn, we build the areas that foreigners learn, charge for learning. These days, when foreigners enter to our areas, we set the rule that you must go to our field, you must pay for the accommodation, and you must hire the local people to teach you. For instance, teach you how to collect tea. But if you come to just take their photos; looking at them as products, like that we won’t allow you to go up. With the local people, we teach them to do their own marketing.

Q54: We must establish an understanding with the community as well.
A: We must establish the rule like this. That is you must not rely totally on us. You must find your own customers. Whoever goes up (the mountain) must do under the rules, I must also stay under the rules as well. Must use the local car to go up there,
it is the adventure way. The way is rough to enter. Local car must be managed; must have a queue. They have management such as for the fare which is 2000 baht for going up. That is 1000 baht for the owner; 50 baht for people who do soldering; 30 baht for the village's project. Similar to homestay, assume you collect 150 baht; it will go to the person who manages 20 baht, 30 baht goes to the village's funding; you get 100 baht. Whoever comes and goes must be under this rule. It is the agreement that we established, then having the committee to supervise unless having the tour company go to see the product or the person who takes entrepreneurs to see, we are flexible because it is the promotion in PR, marketing. But if they are tourists, we use this rule because if we collect from the person who wants to monitor activities, then they are not in mood already. If they don’t go, we don’t have a chance to sell because it is about marketing.

Q55: So tourists are a part of the community; spending their life as a part of the village by using the frame that tourists must learn and be involve.

A: There are 2 groups go up; if they want to just take photos, we don’t allow them to go up. This behavior we cannot control in other areas because it happened long times a go. But in this area we are just beginning so we can set the new rule before tourists are allowed to go up.

Q56: Trends have changed. The new generation is willing to pay for living in a village and helping the community.

A: This trend is the need of consumers. Tour operators must adapt. Like me in the past, I only did trekking. Ten years ago, I had the chance to be accustomed to villagers, so I added that resource. This is the new venture that I will continue to develop. I am keen on cooking, so I went to see the local materials: I saw how to apply this to what to cook for foreigners. The way to cook in some local areas, sometimes it maybe not favor for foreign customers to eat because of the taste, for some local dishes, they don’t use fire. So we must go to the field in local area to see what else we have; and what else we can use. We try to do this. What does it work? We give to local villagers ideas such as tea spicy salad, top tea tempura. The things that we have in the local area, we need to do research, and talk more. We must go to the field more often to collect data. Whatever we get, we give to the villagers. Right now, the government supports them to plant tea which make them have a good
income at some level, but the current environment such as competition, exploit labor, harassment, and not static price. These days, it rarely good, we will change to move tourism to mountain areas.

Q57: Europeans like to have tea a lot. The current trend is changing to a mix between tea and herbs.
A: We have a goal to make tea responsible to melting fat, and help to reduce pressure.

Q58: Actually, there are a lot of herbs in our home. It should go well.
A: We have naturally accommodated but we do not have knowledge of herbs. They are effective. Like me, do trekking for a long time, we will see the result of the good health; people who eat well, they will trek, their body will be healthy. But there is a group that has problems, that is Americans who have big upper bodies but their ankles are small. When they walk and leave a little slip, their bones break. But people who eat food like Chinese or Asian or Europeans don’t have problems like Americans. These days, we have problems with Americans who trek more than with other nations. Suppose they walk on the big stone, then slip, that is a problem.

Q59: How can we manage and prepare?
A: We have a meeting at adventure center, lecturer. We have to prepare in case accidents happen.

Q60: What are the important factors you think will make the cluster successful?
A: I am not sure what factors that will make the cluster successful. But I think if each person sees the importance of the cluster, and then works together as the cluster seriously and intentionally. I think the cluster will be born, and then it will raise the level of better management or service. If we turn back to the cluster seriously, does not the cluster loosen Not in a perfunctory manner

Q61: Means you must do it seriously and cooperate seriously as well?
A: Also the university come to locate problems, not self-problems, then make it finish but locate the problems, that is how it will happen.

Q62: So do the clusters should help to solve problems in the long run?
A: Certainly. Before the cluster, we just like this. Like Vietnam Singapore, The south (of Thailand) or Malaysia, when they expanded tourism, their teams said the similar thing. If we do not stick together as a group, and each person goes in a different
direction, we will be in difficult position. In the past, it was different. If we open a market; if we announce we have one product; if have 3 hotels; it will show that our city hasn’t the potential and preparedness. If in the very old dimension, we may see this is good because we don’t have many competitors but at present, it is not like that. They must be seen in a different way. Once they look carefully, they will see that your city has only 3 tour companies. This means your city does not have a high standard. It is the same with our golf, we have 3 courses; the score on golf was low. Today we have more than 10 courses, our ratings have gone up. This shows that people have more preparedness, their vision has changed. We might think having a small number is good, we don’t have much competition, but this if we have many will show that our city has preparedness.

Q63: We must have many and everybody must give importance, and then work together, and cooperation.

A: For tourists opening a brochure about Chiang Mai when they see one rental car and 5 hotels. What do they think? But when they open it and see 15 golf courses, 50 hotels, tour operators, hundreds of entrepreneurs. People will say Whoa (Wow)! This city is very well prepared.

Q64: This mean that there must be a variety to choose from?

A: It means that if they want to come, they want preparedness. Then, if in the future, more foreign entrepreneurs come; the Thai entrepreneurs should have to join and work together more.

Q65: The more foreigners, the more we join together.

A: The cluster is more necessary. If we don’t have the cluster, then how can we compete with them?

Q66: So you see the cluster, as a mechanism to increase the group’s potential for tourism?

A: Yes. They are the cluster of knowledge, marketing, and management.

Q67: My model is about a knowledge-based unit that will support the cluster. What do you think?

A: Good. They must have base of knowledge, must have creative, marketing, and management.

Q68: Who will be the head who will push this to happen?
A: We, who are the entrepreneurs, will push for it to happen, but the head should come from the academic section. The association should take the role of inspiring at the beginning, but the head should be the educational institute.

Q69: One thing that still confuses me is about the name of the cluster. Do they have a formal name? Because according to the documents of KIAasia, they use the name ‘Educational Tour, then, from the mapping project report, they used the name’ Edutainment. So what name do they use ‘Ecotourism’ or ‘Educational Tourism’, or ‘Edutainment’?
A: In the past we used the name Chiang Mai Charm. It depends on where we focus. But for the big picture in the past, we use the big problem in overall picture that our home to be agenda. So we used Chiang Mai Charm but the deep mission, then we separated into adventure, eco etc. We separated into sectors. KAsia, where did they do it?

Q70: KIAasia established 152 clusters all around the country. There were 2 clusters in Chiang Mai; one is Hotel de Charm, the other one is Edutainment. If the vision or the name is not clear, it makes people confused.
A: Hotel de Charm is separated from the agenda.

Q71: Did they make a formal announcement, clearly written by the participants?
A: Yes, they did. You should ask for the document from KIAasia. There were two persons who worked with KIAasia: one was Johnnie and the other was me who coordinated with KIAasia all the time.

Q72: I saw the name of Confederation of Tourism Northern 17 provinces.
A: This is the variable. At the end the Confederation Association associated, and then it became the network.

Q73: So, when the Confederation Association associated, it turned into be the network.
A: The reason is we became established and then told the province that we wanted the cluster was that we wanted to join to engraft. At that time, about 2-3 years before they set the budget to be approved, the Confederation Association joined with the province. In the meantime, we had some mission (can’t remember what mission) so we didn’t attend the meeting. Therefore, they appointed the Confederation
Association to join with the university which is not the same group. Where it was before, Chiang Mai University (CMU) will be the unit that takes control of academic matters and they will rotate to be the province consultant. And then the new governor came, and then wrote strategies with this group. The governor was rotated; this group was rotated as well. The Chiang Mai strategy was changed often. It was new beginning frequently. The group of lecturers circulated to be the consultant. The new group came and put the self into.

Q74: How can we make the plan successful if the plan lack of continuing? So if we have the vision of Chiang Mai which we have already discussed and studied, our vision will be like this so we do only this point clearly.

A: Who is going to be the head because the governor changes. Who else can obstruct. Some year, we do the strategy 2 times. Sometimes we wasted a lot of time to do strategy. We wasted time on this process many time, and then must analyze. Finally, must take to criticize, take NGO join to comment strategy. Strategy, it is not easy to acquire.

Q75: Yes. That is why I see that after brainstorming session over the entire province, the governor can then change the agreements.

A: It happens like this every time. And Chiang Mai is the area that will change frequently because it is the path of politicians; because Chiang Mai is the major city – a city that welcomes visitors. The government changes often, as odes the governor.

Q76: This is the problem at the national level.

A: For example, in Pattaya, they do things the right way. They have a specific local law on zoning so that it is a special administrative region. Pattaya city, it is not up with the big rule. They separated the zone so that this zone is foreigners, that zone is tourists. They manage their zoning. But for us, we have only one rule. Foreigners cannot have night life after midnight or 1 am. We didn’t do zoning and we didn’t specify that we are a tourism city. A tourism city should have some more rights. Suppose we rule that we don’t sell alcohol. Tourists when they come want to relax want to enjoy themselves. As we see in Pattaya, Patpong, and Phuket, tourists come for eating and drinking. Some people on the way to Pattaya, Phuket, something may be ethical but it is in a special administrative region so we compromise. If want to answer the tourism question, sometimes it must build the rule like this but we use
one rule. I do not know. I spoke like this. Some people may think that people who work in tourism area talk only for their own advantage. When they talked like this; we lodge in the throat. I can’t argue anymore. But if you ask ‘Do we want the money from foreigners?’ Money will be circulated in our society. I understand that there are 2 kinds of money; in term of new money that suppose enter about 10,000 million; this is the full value 10,000 million. But the money that circulated from the left pocket to the right pocket has a value of less than 10,000 million. It is the same circulating. It circulates to the system of tax that is ok. I don’t know. I didn’t study economics. I give an example, if we gamble, we gather to gamble about 10 people; everybody has 100,000. Today I win everyone loses, I get nearly 100,000. I cover all my expenses and have some left over. Tomorrow, I play, and others win. When you obtain money from tourism or export, it is new money that enters. It is not much but it is new money to add to the kingdom.

At this time, DIW will have a meeting on 17, I receive the tasks that will propose to the province about depth marketing that the result of doing marketing or not doing, how the different, and why we have to do it?

It must be clear because there will be different results before and after we do it. But it has one disadvantage. That is that we don’t have academics to collect the effectiveness of the clear number. I don’t know what happened. Like we did Chiang Mai Forum, this year is the 6th year, for the 7th year, we invited foreign entrepreneurs come to visit, come to trade. If you ask whether it is effective or not, the entrepreneurs were happy: I say that we have new partners. But if asked for numbers, nobody collected the data. We used to organize big events at an international level. People came from all around the world; such as Bier came last year up to 700-800. We sent information to the universities that to take students come to see but nobody came. That is things that we did, we want people to engraft so we want them to study to inspect activities first. Come to study and learn but there was Naresuen (University) that we paid so they came. Nearly hold in arm to come. I don’t understand why the universities are hardly interested. The came very little.

Q77: Actually, lecturers should bring their students. They should come to see benefits and see what the current situation is and gain knowledge
A: When we organized our events in the past, we organized only about trade. But this time we were organized into 3 sectors; seminar, trade, and road show. This is the work of the association that thinks in the new way that has never happened before to separate to be 3 sectors. In the past, we invited to trade only, it was less efficient but right now we have developed by changing to do different variety styles.

Q78: So in your opinion, the universities should still have a small role to play in the tourism industry in Chiang Mai?

A: Personally, I have received cooperation from universities. But in the whole picture, entrepreneurs have received little cooperation from universities.

Q79: Do you think the universities have the potential to support the local tourism industry?

A: Today, they have at some level that it should have although it is not on top form. If want to be top form, I use to set the question ask PAO to take the budget to support lecturers who work in tourism areas to go to make a study trip abroad, then, analyze together. In the past, in era of PM Thaksin boomed, he tries to develop Chiang Mai to be tourism city; he invited these people to make a study trip but we turned to put modernity into us. We didn’t study. We went to see Hong Kong. We went to see Singapore, we forgot to look at ourselves. We must look at thing that like us; examine, and then use that to develop ourselves - new things such as Night Safari, World Flora, try to make an easy comparison. There is a mango tree in Australia, aged 100 years old. There was a lot of promotion to see this mango tree. But in our home, there are a lot of hundreds-years old trees. We have a lot of stories. How can Singapore stories compete with us? They don’t have any. But we bring what we weak to compete with them. We are going to follow. Actually, we must use our competency; we have a lot. Ask that Holy want our country? Singapore wants our country? If ask now, can swop, they are willing to swop. They pay more for us thousand million, hundred thousand million, they will pay (means they really want) if they can swop.

Q80: Because they have human capital so they can do but if we swop, we will be worse.

A: We didn’t do our homework on things that we are good at. Like Vegas, and other cities that developed their tourism by preserving their churches. They didn’t destroy
the buildings that are very old. They said you must improve inside but outside you must not change. Inside you can do anything to make things more comfortable, but outside don’t dismantle anything. We should go to see like that not us to go to see Hong Kong. Like this, how many tens years that we follow them? For example, at Dubai, if they didn’t make mistakes with their finances, I think it would have worked very well that they built the new city.

Dubai tried to be a tourism city, but it doesn’t have the story, nothing. So they built a new city. But we have our own. We don’t compete with Dubai, we must make it outstanding. The stories that we have are of tremendous value. Why do we have to build a new city to compete with them? If the could buy, they would definitely buy our country.

Q81: How about the current situation whereby the government and the province give support by allocating a budget to this network and then the university participates; turning from a cluster into a network? Right now, what activities does it have?
A: Right now, everything is stopped. But there is one thick book launched. I received it about 6-7 years ago. The reason why that it finished was because there is no option to continue that how it will be, and then nobody will be the core person so it became silent. The turning point is we did cluster but we didn’t continue, we didn’t run. When we didn’t have the core person to continue it became distorted because we knew about the cluster before. We know the objectives before.

Q82: But you want to have the cluster; would like the cluster to recover?
A: Certainly. Because that is the one question that makes us can stand (mean survive)

Q83: So you think the tourism cluster should be one thing that will help to solve the problem of sustainable tourism?
A: Yes. Look at this. I got the form of work starting at Dubai. They wrote the project, they designed, actually, Thais did it. They did it at Gad Suen Kaew; using 50-60 people to do before they went to build over there. They rent the big room to stay together. Thai people were in the team but the head is not Thai. But the persons who did the basic are all Thai. It took 2 years in project planning, all designs, and then they took this frame to propose all around the world asking where do you want to invest?
One thing that Dubai has is a desert area, and then road show to sell the project. Do you want to invest in hotels? Do you want to invest in hospitals? Do you want to invest in restaurants? Who want to invest in what? Dubai only developed its infrastructure. Other projects came from all that engrafted. This, I took the idea. I went to see it's structure that how they did it, how to engraft. I knew one guy inside.

Q84: I think we are not inferior to other nations, but how can we join together and make it happen?
A: The persons who thought are Thai; most of materials are from Thailand. But we didn’t joint together to do something for our country.

Q85: We must look at ourselves a lot, must build understanding together, and then, in your opinion, how will we cooperate - because it seems we each do different things?
A: The nature of Thai people may be that they are not good at teamwork. Look at sports in single sports, we do well; badminton, weightlifting. But if football, it is rarely good. I am familiar with Singapore; they have homework that the question must answer as the team. It is more remarkable, we are Thai but we are less patriotic than the Singapore are. There are 3 different races living in Singapore, but they can stimulate all 3 races to love their country. They behave differently from us. They teach their kids and teenagers that if they have free time, they should search for learning centers. So kids with computers will search out information to find where there seminars are taking place. We push them but they don’t want to go. Singaporean kids also were accustomed that when they attend a seminar they would sit in front, listen, and participate in the seminar. For us, our kids will sit at the back in the seminar, leaving seats at the front to punish the people who come late. We must use the potential of the universities more than this.

Q86: So you think the universities or educational institutes ought to cultivate children from a young age so as to change the way that they learn.
A: Right now, whatever city opens tourism, we always append it. Look at Vietnam, it open duo long after us but its tourism is booming. It overtakes us by far. Just look at its web and our web to see the difference. Our web still puts the emotion beautiful so much technique, but for Vietnam is just like Europe, plain easy, simple but convenient. For us, we forgot that the host is in Thailand, our customers are abroad. When they open our web, it is opened very slowly so they went to open others. For
other, they don’t emphasise the beauty. For us, we addict to the beauty. Take our emotion be important. Make it beautiful until it is too heavy. We forget the convenience that tourist’s expect. We don’t think of what the consumers need. To open the Thai web one has to wait for a half an hour.

Q87: My work is about the potential of the universities in supporting tourism. Do you have some more advice about the cluster and how to make cooperation happen?
A: I want your research be made available to the public sectors so that they can see its value. It should go into details and point up the issues to make it effective. It should point out how it benefits the economy. Don’t let it remain as an academic work but let it be recognized by the people in power.

Q88: Why don’t we have the link from theory to real practical?
A: Actually, we deceive ourselves. We understand that research is good, but do only we have, it is not for public use. Let them know as well. That type of research you want and I want as well. We want both sides. If only you know about this research but we don’t know, how can it happen in a practical way? But if we participate from the beginning when it is effective, so we can share its use. We must have an action plan, not only a master plan, but mostly we plan a lot but plan and then go quiet.

Q89: My idea is just like yours, because of the things that we do to help local entrepreneurs, then homestay. After the harvest, farmers will have more revenue. They may weave clothes, they may do their farms or do other work but we will bring tourists. Actually, I believe in something like your project because I think each area has its own unique selling point.
A: I have a problem, which concerns the persons who cooperate but don’t understand our concept, or maybe they think our work is too complicated. We must do fieldwork; go through hardship, stay with villagers, take their knowledge and put it onto paper, then translate it into English to ensure results. So many procedures more than the society does. Doing this is extremely important because if thesis no goal, it will go nowhere. Then only one side of academic, it is not enough, it must have entrepreneurs to develop as well to make it happen in a practical way. We decide on the question that we want answered and we have this condition: Do the entrepreneurs agree? Some entrepreneurs may see 10, we can’t hope for 100. If in this concept and then this 10 people push it to happen. Then a little more, this way, it will be a
product that is stronger such as at Pai, Mae Hong Sorn. Over there, it started like this. The public sectors didn’t come to support to make it happen. It happened from the group of local entrepreneurs. Right now, Pai is very strong because Pai is the one area that people must go to. As regards the trekking, the government doesn’t promote it but our trekking is ranked number one of one thousand of 1000 that people must come to see. And the well-known trekking must be only Chiang Mai.

8. Interviews with the Deputy Director of Tourism and Sports Office: Chiang Mai. Time 15.00 PM Interviewed 1 hour

Q1: How long have you been working in this city?
A: For 2 years, and I would like to find a way of going back.

Q2: Don’t you like Chiang Mai?
A: My home town is over there. And then here, there is a lot work. I don’t have time to go back home for weekends or even overnight. The director goes out for meeting all the time. A lot of meeting... Suddenly for ministry once for the province so there are a lot of meeting... At Nakon Phanom, it was we did not have to work all the time. But here there are meetings nearly every day. Once private sector the, public sector. Especially this is about tourism.

Q3: How about the current situation in Chiang Mai?
A: I think it is better. From the information I have received from hotel bookings. A written report has not been sent to me yet, but I found this only from talking to them.

Q4: Oh, it is that informal?
A: It is better since the New Year. For New Year, they are fully booked .It is different from last year. Last year there were problems. Elephant showing, guide, the foreign tourists; all the areas that use activities for foreign tourists faced problems. The elephant showing center came to protest in front of the bureaucratic center, there was no foreign tourists. No activities over there. They have only a few Thai tourists. The customers of the elephant showing center and adventure are foreign tourists. So when these tourists stop coming, they faced problems instantly, so they appealed to me. It became a national problem.
Q5: It is the external environment that we cannot control?
A: Yes

Q6: So you think this external environment factor has impacted on us dramatically?
A: Yes, very much. I think that foreign tourists come for adventure, jungle experience, trekking, and rafting.

Q7: So these are the activities that foreign tourists come to Chiang Mai for?
A: Most come for these. For all these activities, I see these as our main revenue. For example, the Elephant village at Me Tang, during the low season, almost 300 foreign tourists went there. Only for this one area. We are not talking about other place where they have the same activities. I was told by the Subdistrict Administration Chairman (SAC) that almost 300 foreign tourists come during the low season and 500 people during the high season. So the impact caused the foreign tourists to disappear.

Q8: You mean an external factor is the economy of foreign tourists?
A: No. I mean the politics in our own country. As for economy of foreign tourists, I don’t think they have problems. It was the protests especially at Chiang Mai that affected us at that time.

Q9: So now the situation is better?
A: Yes, the situation is better. Now tourists are coming. Hotels continue to be fully booked. From the end of last year until now, the hotels are fully booked. According to the information I received from the hotel and people who do activities, the situation is better. I don’t know how much better.

Q10: How about the role of the department?
A: Actually, we are rep. of the Ministry. We implement policies. We also responsibility for provincial tasks in tourism areas in Chiang Mai and the group(meaning Lumpoon and Lumpang as well.). We take part in the planning of provincial development of the whole group, instigating projects and managing the budget for many projects. We take responsibility of the tourism of the province. This means that for every tourism project that belongs to us we need to integrate with many other organisations such as the Nature Resources department. There are also some in the Commercial Affairs Department because the products of tourism are of wide variety.
Q11: So several industries are involved? (Prob)
A: Yes. It depends. If it is relevant to the Commercial Affairs, they depend on Ministry of Commercial Affairs. If they are about health, they depend on Health Care Department. For us, most of the activities take place all the year around which we coordinate with Chiang Mai Chamber of Commerce (CMCC) or Chiang Mai Tourism Business Association (CMTBA). There are new activities such as sports that we would like to promote to attract people to come for the low season. There is a loophole at the low season. How to attract people to come here?
Q12: So who you coordinate with?
A: TAT, PAO, CMTBA and CMCC
Q13: Sounds many organisations (sounds good but seems difficult to implement so I ask) but when the time comes for action how do you integrate?
A: As a first step, we start on planning. The rep. from Chiang Mai University also takes part. It depends on whose organisation is the proposer. Each organisation proposes its own projects.
Q14: Do you have this meeting every month or is it a yearly meeting??
A: It is a yearly meeting. But it is not only one time. Right now we are working on next year’s plan. We have joint meetings since mostly there are huge projects. This activity belongs to one organisation, that project belongs to another organisation. All will help each other. Then all have many activities.
Q15: So they are one project but have many subprojects?
A: Yes.
Q16: So it depends on who are the secretaries?
A: Yes.
Q17: Who is the host?
A: I am. Mostly I cooperate with CMCC, CMTBA. Some big projects may depend on the Commercial Affairs Department. We integrate because it continue like Commercial Affairs, their products relate to tourism so tourism products, they will take it and work within their group. And about the tourism village, this we develop with the Community Development Department (CD).
Q18: How about the budget?
A: In the case of tourism activities, the budget will be allocated to us. It may be driven by CMTBA or CMC.
Q19: But the budget is yours?
A: Yes. But it is driven by the private sector. When they implement they ask for money from us, but we monitor their implement action. We must take care to make sure they will follow the government regulations - what one can do, and what one cannot do.

Q20: How about the university? In your opinion, do you think the university can support the tourism industry?
A: You mean your university?
Q21: No. My research is about the local university in that particular area.
A: Well. Here there are 7 universities; all are participating in village for example, we have each university take responsibility for its own area. They will help villagers about knowledge. It depends on what we agree together. We ask universities to come, here and ask, then which areas they will help.

Q22: Do you establish them as the committee?
A: Yes. We do.
Q23: Do you set out the agreement in writing?
A: Ur... Yes we do.
Q24: Because there are projects do you have to have a committee on how to use the budget?
A: Yes we do. Such as which university will take care of what area. For example, not long ago, there was the Standard of Tourism project which belongs to the province. I cannot 5-6 standards which each university for one standard. So they will take responsibility for the whole process of training with courses such as tourism community or homestay or restaurant entrepreneurs so about the standard of restaurant.

Q25: Are there any problems because they are many groups?
A: Yes, especially about the budget. The way to propose for budget, they do not understand each other. Previously organisations use their own ways to ask for a budget, but here they must do it my way. My formula, which has to follow government regulations, can cause problems. For the private sector, the problem occurs because we have so many procedures. But sometimes they produce just one receipt. If we continue this way we die. We must monitor everything from the
beginning. Even with the universities we have the same process and still have some problems. For example, lecturers who are academics and do not know about budget regulation, so obstacles occur.

9. GM of Bann Num Ping Boutique Hotel

Q1: How did you start this business?
A: OK. We wanted to do something like this and we looked first in the South and then we came to the North. We decided to come to the North because I like the North more than the South and the people are different. In the South, you have the beach but in the North, there are many things to see. We looked for properties to rent for so we think we can do this business. But in the meantime half a year, it’s very difficult. Our circumstance, we have a nice place but people don’t know about it. It is important thing right now is that we go for the advertising in magazines and so on so that people will know about us. The second thing is that in CM, there is too much accommodation.

Q2: You think there is an oversupply?
A: Yes, absolutely, absolutely. According to the list, there are more than 300 and many guest-houses they are not even not registered. I hear thee may be around 600, so I think there are not enough tourists is not enough for these places. So the bigger ones with 40 or 50 rooms are finding it very tough. You know, to fill. If you have 10 or 15 rooms, you have a chance. Take time until the tourists come.

Q3: So you analyzed the situation before you chose the number of rooms?
A: I didn’t have any real knowledge about this at that time, but one thing was clear to me: I wanted to be in control myself. I wanted the place to be like a homestay for our customers just like they live in their own homes. With 50 rooms you cannot do this need more staff and do not even have a chance to talk to customers because there is too much going on. With 13 rooms it is much easier to do everything ourselves.

Q4: So you can take care of your customers more easily?
A: Sure. Sure. Sometimes I pick them up at the airport, send them to some places so we can talk during driving, during lunch or dinner which gives them a good feeling.
And we try and really put support into our service. This is the most important factor, and it should be not only for us but for everyone.

Q5: So the key Success Factor, you think, is the service?
A: Yes.

Q6: Beside service, what are the other key success factors?
A: The location. But you know you have different kind of customers. Some want to stay in the city, because it is easy to get around. Then the backpacker: they want everything to be cheap and only need a place to sleep. And you have the package holidays as in our place. Sometimes people stay in the city for 3 days and then come here for 3 days

Q7: Really?
A: Because they don’t like the city.

Q8: So your target group is those people who come to relax?
A: Yes, absolutely. Here the groups of people are different. Sometimes, they don’t go out for the dinner. They eat here because they like this atmosphere. You know they enjoy it.

Q9: It is a very nice and very beautiful place.
A: This week, we have visitors from Oman, they like here very much.

Q10: Most of your customers are Middle Eastern?
A: No. Not altogether.

Q11: A mix?
A: Yes. Since we took over in the period from September until January 95% are Thais

Q12: 95% are Thais?
A: Yes. It is until 15 of January, and after that it is 89% foreigners. It changed completely. I think there are 2 reasons; first of all, Thai people don’t have as much holiday as European and outside countries. Christmas is not important, but New Year is important, so they keep their money and spend all during this time. Europeans and outside countries are different because, if they come to Thailand, they stay longer because they have to fly here so must arrange everything in advance. I have not advertised outside this country before, but now I am advertising outside the country. Now we have 2 lines of booking until December. You know something like this.
hasn’t happened before. This is a big change for us because Thai culture and outside
countries are totally different. Ha! Because Thai customers call 4 o’clock in the
morning from nearby and ask ‘Do you have rooms?’ This is the Thai style. They do
not plan in advance. Europeans and outside countries have to book in advance. I
don’t talk about backpackers but the normal people, family, they booking in advance.
Everything’s done before they start. This is the big difference.
Q13: Thai culture and western culture are different.
A: totally different.
Q14: So now you’re fully booked?
A: No. This place is not well known. 2 things; the Thai culture, one neighbor does
not known what is happening on the opposite side of the fence. You know. They take
care of themselves. I know this because I have stayed a long time in Thailand. If the
opposite side start moving the garden and I want to know what’s going on, but Thai
people, when you ask say they don’t know. I don’t know. I don’t know why, maybe
it is the culture. No, it’s in the nature.
Q15: So you think advertising is important to this business?
A: The best advertising is word-of-mouth. But they have to come in first If they
come to stay in Chiang Mai they will come to stay here again because it is a very
nice place and everybody is very happy. They talk to other people. This takes time.
One speaks and 1000 listen.
Q16: So you think word-of-mouth is the best?
A: Yes. Also we have had a homepage for last year. Mrs. L has a homepage which is
very nice but it can’t be used for selling because it does not focus on the important
point. As for the Thai, they look for nice pictures of the rooms. But for foreigners, it
is very important that they see inside the room itself, and the bath room,. They get
the feeling they’re buying. Europeans want to see what they Will get for their money.
I travelled a lot for many years. Always important, when I booked the hotel, I asked
to see everything available for a particular price. Some hotels are very new and
sometimes they don’t understand. Then the mix pictures; photos of bath rooms and
everything are mix up. You do not see what you will get for the price you are paying.
This isn’t good. This must be changed. If I go somewhere at night in the city, I don’t
care, there is no need for a homepage. You get what you pay for. It is very important.
If people come here and want to pay 200 baht (about 4 pounds) they cannot expect a place like this. It is very clear. When I tell the price they say it’s expensive. You get what you pay for. If I want to pay 200 baht, I will get a room and water. That’s it. If I want a booking for 200 baht, I don’t expect a shower and bath.

Q17: How many rooms do you have?
A: 13 rooms

Q18: How about situation right now?
A: Very quiet. It is too quiet, in my opinion. The flooding in the South; people are not in the mood. Next week is Songkran (Thai New Year) even the Thai are not asking in advance. Nobody phones, no email, nothing. I do not believe this.

Q19: It’s very quiet.
A: Too quiet. The questions you know. There are too many hotels so nobody can be full. Now we see something has happened in Japan. If I live in Europe, why should I go anywhere near Japan. I’m happy to stay far away. You understand? Interesting, we were getting in one week, a lot of requests from Denmark, Germany, and Switzerland for between October and December. After what happened in Japan, there are no requests anymore. Zero...

Q20: Maybe they think of Chernobyl.
A: If you live in Germany, you have no choice but you live far away, so why would I go too close? For what reason? You understand?

Q21: So it is a problem.
A: It can be a problem for the future also. One is also important, if you go 2 years back, 2 years and a half back, holidays in Thailand were cheaper by 20% The Baht is too strong.

Q22: Too strong for foreigners.
A: Nobody know why the economy and so on. Even the dollar is weaker, the baht is too strong.

Q23: So currency is important?
A: Yes.

Q24: So now external factors have had a major influence..
A: Sure. And I haven’t talked about the closing of the airport and The ‘Red’. I’m not even talking about it. I’m too scared. See. They are starting something again. I’m
really afraid of this thing because how many times they have learned economy? They lost money they closed the airport. This time I’m taking a different approach. German businessmen who have just arrived in Bangkok but cannot leave for the next step of their journey so they take one week for a holiday. You know they must follow their schedule. Next time they come even they changed the hotel because it is not far from Hyatt Hotel so I cannot pick you up because I don’t know I can move or not so means very inconvenient for them. If this country continues like this, why they should come? They buy 2 million pairs of shoes. So they are big customers. You know. They imported the shoes from Thailand. Every year get less and less. Before, when customers came, they enjoyed Bangkok very much. When you have long night life, it is nice than Vietnam and China. But now we have 2 times working already. Something starts out again. Maybe we cannot sell shoes again. They cannot send shoes to their customers.

Q25: Shut down their factories?
A: I am very scared about this. You know business is moving to other countries already. And… the Baht is too strong. It makes the shoes more expensive. It is not only hotels. They lose 15% - that is a lot. Pay more for nothing extra. This is important.

Q26: So what do you see in the future, what do you think is the future of Chiang Mai tourism?
A: Very difficult. I’m talking now about foreigner. People would like to go for the nice weather and for the beach. Holidays for foreigners, are now coming from the South. Then they stay here 3 or 4 days maximum or they go afterward to the South for 10 days. So it means that the South is getting the largest slice from tourism. They’re getting 70% for the high season; the North’s getting 30%. Forget about Bangkok because they stay only1 or 2 days. If you compare the South and with the North, they take 70% and we take only 30% . On the other hand, you have tourism for the whole year in the South because there is no rain season, but in the North, July is the rain season. For Europeans, on holiday, if it rains you can do more here. Now you see what is going on Krabi and Samui Island. I must tell you one thing. If I wanted to go on holiday I would not go there because they damaged but how they recover, how fast they can do. I’m not go. If other countries no problems, why I
should go? So I think the tourism industry has been damaged by closing the airport. You cannot recover completely. It may be after 10 years or so quickly because people can't get back to their jobs. This is so and so on. Nobody likes this.

Q27: You still have hopes because you still do business/
A: Yes, I'm starting a business but I am started to think very much about whether to continue or not. There are very high costs every month. When I see the returns, getting smaller and smaller, then I started to think about what to do. You understand. I do not need to lose money. No need. Absolutely and I don’t understand. They are building new hotels whilst another has to close. With our kind of special place with its special service and with our size, 10-20 rooms, nice areas with the good service. It can work out. But we need time to get established. We need time, but time is money, so the question is really what is going on all around us? Nobody knew about Japan before this. Nobody knew about the floods in the South. Anything can happen. But it is a very tough time. It is a really tough time. And I think many people are thinking about what to do. I don’t know why people open so many guesthouses. They make 30 and then 31. They think they can make money, but it's impossible. It is too many accommodations.

Q28: the tourists in Chiang Mai.
A: Sure. Sure. I am not talking about the South. I don’t know if it is the same story or not.

Q29: I went to the South, there were a lot of tourists but most tourists came from Russia. They spend less.
A: Yes, everything must become cheaper because people don’t want to spend much money.

Q30: Even they expanded more hotels but they get less.
A: Everything goes down because they have more rooms.

Q31: Yes, it was. You join the cluster?
A: Yes, because of the previous owner joined.

Q32: Have you met others in the group?
A: No. No.

Q33: So don’t you think it is good to have friends or share costs?
A: Yes, sure. It's ok. This is a philosophy. Some people speak well of this. For me, I think there is no need because it is not about helping each other. If you create something like this, you have to share something not only the cost of homepage. In my opinion, you have to share advertising or share something like this.

Q34: Share information
A: Yes, but I never get in touch with them. One of them and opposite side and nobody get touch with us. It is may be with Mrs. L but not with us.

Q35: So do you think it’s good?
A: It can be good, but as it is now, it’s useless. It's a logo and there is nothing in it for me. It's not very helpful. If you want it to work, you must meet many times, and share information. Share advertising as a group and not everyone but they do it by themselves. No of our guests come from this. The guests come through our advertising, our performance, our homepage. This is where the people come from. We have the search machine booking on and Expedia because this is worldwide. The maximum we can do. Now we have started advertising in restaurants. More people come here to see regular and for the rooms, no need the restaurant for itself.

Q36: Has the public sector support ted you?
A: No. We do everything by ourselves. There is no help for something like this.

Q37: How about the university?
A: Ok. We had some professors come here on the opening. Everybody said it’s nice. All is trees. Maybe this takes time. Nice place and so on but there is not only nice place but so on so on but not directly.

Q38: In your opinion, does the university can support the tourism industry?
A: How can they support it? Only by one thing: advertising. I don’t know whether the university can do such thing. In Chiang Mai, advertising is very important so that people come to Chiang Mai. It's a very good luck to have a lot of activities in Chiang Mai, but in other areas you cannot. I came to Thailand 22 years ago. Several time a year, and live nearly 3 years permanently in Thailand but never came to Chiang Mai. I don't like the beach. For me, myself, I don’t like the beach. I don’t need the beach. I never came to Chiang Mai. People said Chiang Mai is nice. Why different? Not really the point. Maybe they didn’t give me the correct point. Maybe I could not catch the point. Maybe it isn’t necessary to come here. When I came to
Chiang Mai with my son, I really liked this area which is very green. I don’t need air-conditioning. This is a new experience. Chiang Mai is very different from Bangkok; office, car, home without air-conditioning is impossible. But here there is no need. Sometimes a little bit but sometimes no. It’s best for the health, so we decided to come to the North not the South.

How do you know Mrs. L?
I was looking on the Internet for somewhere to rent. I went to a broker and the broker had this place on his list. We looked at 10 places and then we came here. We decided to go for this place.

Q39: What is the reason you are in this business?
A: Yes, because it is part of pre-retirement. We have a nice location. It’s not big. It could be the next job after retirement for 5 years or more because of my sons. They don’t want to stay in Germany. They can come here and take over. This is the reason I decided to come here to do business. But I didn’t expect this business to be so hard. Not the work but the financial part. It’s getting so hard.

Q40: And about the situation.
A: Yes, exactly.

Q41: Do you still have a hope?
A: Yes. I still have hope. We like this place. We want to continue. You’re going but not sure can catch up or not. You must see something.

Q42: The sign.
A: Something’s growing. If this coming. It’s ok. I do not expect.

10. Interview with GM r of Crystal Restaurant CM: Time 10.00 am

Q1: Please tell me about how you started business?
A: The owners are Bangkokian but they have a house in Chiang Mai. Actually, their concept is wanted to be Lanna, Thainess but they serve Western food. Sometimes it looks contradictory. The style of this restaurant is that they want foreigners or tourists to come and see that there are still restaurants like this that have a Thai atmosphere but serve real western food. Actually, we can make western style but it is
contradicted with Lanna because when foreigners come, they want to see Thainess both garden, all also decorated with Thai flowers which smell beautiful. Some people disagree with this but we think they are harmony.

Q2: Is it difficult to find a chef because the food is in western style?
A: At first it was quite difficult, but then it fell into place because the company provides welfare - many things to make chef develop themselves. At first it was difficult because we just opened the restaurant in Chiang Mai. It is a risk to work here but when they come and received good welfare, received good care, good environment so they have their own development, and then there are courses to train the chefs.

Q3: Your chefs are Thai. Are they from the local area?
A: Both from the local area and Bangkok.

Q4: How many employees do you have, here?
A: There are 10 employees, right now in the kitchen but altogether approximately 20 people. If you include with the office, there are about 26 and all are Thai. Foreigners gave a compliment that here is excellent. If you ask whether we look like western style, then maybe not; our skill may be quite different. But if you ask us whether we are doing well, then yes, we do well, so it is what we are proud of.

Q5: What are they impressed by?
A: The overall picture of the restaurant; partly the location, service and food. Above all is food. Our service, we provide our employees with training course and we train them about beverage and food. Our location is good. The important things are service and food that make customers' loyalty.

Q6: Just now, you said you provide training. Who are the trainers?
A: There are several. That is, we train each other from the head that have experience. As regards the chefs, if have new things, new products we will train employees and tell them where this comes from, and what quality it is. Besides, there are trainers from outside such as wine. Some come from Bangkok or some from companies that come to train employees about wine.

Q7: Which part is involved with the universities?
A: Some students who are study tourism come from several institutes for an internship.
Q8: Are there a lot of students who come for internships?
A: Yes, every year, 2 students. It depends on whether they ask.
Q9: How about the employees who work here. Are they graduates in this area?
A: Some.
Q10: Do they work as the restaurant wishes?
A: We have some problems. That is their lack of experience. They know the theory, know the equipment, and how to serve, but they lack experience. This is also important. They need to continually practice. We give opportunities to new employees to let them practice, practice how to approach customers and how to talk to customers. They must be trained. Some don’t want to be trained and cannot cope, especially with foreigners. It is mostly language that is the important problem. They are afraid of speaking. They know what to say, and how to ask about tea, coffee etc. but they afraid of speaking. The students, who have just graduated, are afraid to speak, so have to be trained.
Q11: So are most of your customers French or which other nationality?
A: General. Only a few French. In general they are Europeans; there are a lot of Swiss, German, Austrian, and so on.
Q12: I saw the name of the restaurant and read some details it gives about French food.
A: That is widespread food that people know, called high-class food. Actually, the French don’t eat this kind. They eat commonly like us. They will eat on special occasions.
Q13: Are most of your customers foreigners?
A: Both Thais and foreigners, actually, there are a lot of Thais; a lot of rich Thai people.
Q14: How about public relations?
A: PR from printing media, tour magazines both inside and outside country, and airlines. A lot of advertising, I think quite a lot.
Q15: How did the restaurant join the Hotel de Charm cluster?
A: It is the part called alliance. That is, knowing each other and then participating. If we know each other, it is easy. Suppose we have a club, we join the club so we know
many people. It is easy to talk. But if we don’t know anybody, it is hard to talk. Also it is hard to cooperate. So joining the club makes it easier.
Q16: So are you the person who contacted Hotel de Charm?
A: My boss was the person who contacted them.
Q17: What do you expect from your participation with Hotel de Charm?
A: We expect cooperation more than to be business competitors. We are business cooperation such as set the price. If we set the price too high, it is not good. Too low, it is not good. Either Ok, we compete about this. Apart from this, it is up to how prominent you are. It depends on what customers choose. For the person who has sufficient capital when someone drops the price, they won’t care. But for the person who has a small capital, when the price drops, they cannot survive. The price must stay in the middle. Then, it is up to customers to make decisions to use the service. But it still doesn’t work because it is about business and it is difficult to set the same price. It is difficult. Everyone wants their own business to succeed.
Q18: Does the website help for advertising? Do you ask the customers how they know about your restaurant?
A: Mostly we ask. We observe whether they are local people or not. Mostly, we know them because at first we advertised a lot. For customers that we are not accustomed to, we will ask how they know us. People come from Bangkok, and other provinces, how they know us. There are several means such as customers from Bangkok who used to come and then tell others or they know from the hotel where they are staying. Medias that we advertised in also brought in customers. And the Medias that we selected have been reliable, such as City Life, Suwannapoomi, and Hello Chiang Mai. We advertise in all of these.
Q19: How about the current situation?
A: The current situation is rather better. If nothing happens, compared with 2-3 years ago, it is a lot better; at least there are no circumstances that interfere with investment.
Q20: How about the number of customers?
A: Customers have also increased in number.
Q21: How do you know that customers have increased?
A: We have records of revenue and the number of customers that come each day and each month. We will record them, and our revenue has also increased.

Q22: How many per cent have you increased, can you estimate?
A: It is not much because it is the period of getting better; it is about 20 per cent up compared with last year. We also have functions such as dinner or buffet. We are full of customers when compared with 2 years ago when seats were empty, rather empty. People were anxious the condition of the country was not good, so people stayed at home. But recently, it is quite good, now the situation is good people want to relax.

Q23: So what is the problem you experienced?
A: The major problem I experienced was the problem of the country's instability. This is very sensitive concerning our business of tourism. When we didn’t have tourists, we lost half our revenue because half our tourists are foreigners, and half Thais. If foreigners won’t come we lose half. Half means a lot. But if the stability of the country is good, it encourages tourism. The public sector should cooperate to improve tourism in our province. I think it can be better such as in the year of tourism. That was a boom year. It was a very good year for tourism business, and hotels. Since then it has continued for many years. When the circumstance happens, we must recover quickly because our revenue comes from tourism and is widespread.

Q24: So you think that if the government would support tourism more, the situation will be better?
A: Yes, both the situation and the well-being of the people. I think it will be much better and the image of the country will be much better in term of the global society. Our country should be the country that foreigners want to see. Actually, it is. Our country is the country that foreigners want to see but why have tourists decreased compared with previous years?

Q25: So you think the political factor affected a lot?
A: It affected a lot. If the country is not peaceful, they don’t want to come. Even we don’t want to go to Bangkok; otherwise we meet military checkpoints, and then meet police checkpoints. It is a mental disturbance. If the country is peaceful, anyone can travel anywhere and they are happy. People will come more, spend more. I think tourism, or the organisations involve with tourism were very bad at the time of the Rachaprasong closing. There were a lot of tourists in hotels in that area, but nobody
took care of them. They didn’t take care of the tourists and the news of this that spread out damaged Thailand. No matter what circumstance happen, we must look after tourists first. But if we take good care of them, they will understand that it is a normal problem. But we did not take care of them at all. So Tourists had to drag their luggage out of Rachaprasong, It was bad. We must adjust here and manage. The private sector is ready to invest and have enough money to invest. If they receive good encouragement, I think it would be a good thing. The economy of the country will improve due to spas, hotels, and new resorts.

Q26: Beside the political problem, are there any other problems?
A: There are rarely other problems at the moment. Mostly, in the past we had the problem about food: beef was a problem but right now there is no problem. It depends on the quality control of each place. Each service place will control food and beverages - it should not be a problem. If tourists come, we have the chance to show the potential of the country as a whole. But if tourists won’t come, they won’t know what potential we have. If tourists come, I think Thailand, people always smile, and everyone that comes will receive good service. They will be impressed and come. I have meet customers who come every. They like travelling, and they like to travel in the south as well. They will come every year, they are European. They like to travel in the south more.

Q27: Did you ask them why they like the south more?
A: They want to relax, want sunshine, and want to relax in peaceful place. Mostly, the south has beaches, calm seas, more sunshine. They like to stay there often. They said they don’t care about the situation of the country; they don’t care because when they come they fly to Phuket or Krabi. They said with Thai culture, with being of Thai people that they are cheerful, others don’t have; weather it is at Laos, Cambodia unlike Thailand.

Q28: This is the unique reason why they come?
A: This is the important factor that foreigners should know. I think it should be engrained such as Thai tradition makes them want to come to visit Thailand. To engrain, not just we get money but when they come, they have a good impression as well. It is important, no matter they come as a backpackers or come as a group tour,
no matter how rich they are, they must be impressed. We must control the flea that overcharging too expensive. If we charge too much, they won’t come again.

Q29: How can we solve? And what do think?
A: We must cooperate with entrepreneurs and must take care of tourist attractions too. We must have an organisation that takes care of things such as, suppose we go to a temple, tourists come, some people come to sell. We must have an organisation to supervise, so that you sell at this price and cannot sell at more than that price. We must have an organisation that controls more no matter what they are, hotel, but have the organisation that come to control; do not take advantage from customers too much. Don’t make customers in bad mood. Ok, I think, to charge is a normal thing. We sell to foreigners at a special price but we should not make it too much.

Q30: So do you think network/this group (the cluster) can help?
A: Being in an alliance is good. We take care of each other not to exploit each other, and then if we have the same goal, help each other to develop, do not make thing overdo. When we do something we must think of the group first. It is the way to take care of each other, help each other take care. It also makes each organisation more advanced. We have a network with one center, not too much, not too low, we help each other take care.

Q31: How about in the past, was there any public sector support for the business?
A: A little because actually, the government office doesn’t want to be involved. They left it. Mostly they more control things. According to the law such as, food and beverage, and checking for cleanliness. They will give assistance in general ways such as Refund Tax, special discount, but only a little. In tourism they will organize events that will attract tourists to this area but still a little. Not much will attract Thai people more than foreigners. The promotion plan is still in its infancy actually. Chiang Mai is a big city; we should promote it a lot more, make people come to Chiang Mai which received the second most attractive place to live of the world, something like this. But when they come for a real visit, and then probably not because when they come, there is nothing to attract them. They go to see temples which nothing. The people who stay in the city as the government offices, at the high season, we should have events, we have the walking street which nothing.; we should have arts and culture shows whatever either every day or alternate days because some foreigners
come to Chiang Mai for 3 days and then go to Chiang Rai for 3 days and then go to other places. They don’t stay for the whole week. We should organize events which customers can come to see. At the Night Bazaar, the walking street, if they don’t come on Sunday, they won’t see anything. Going to the Night Bazaar, they will be charged a lot, if they come to stay but nothing to see.

Q32: So you think that we should have the shows that represent Lanna which are unique and that will attract more tourists.
A: It is like when you go to England and would like to see what English people have that shows they are English. So tourists coming here want to see us but we have nothing to show.

Q33: When I stayed in Edinburgh, there was the Fringe Festival, and the military tattoo which I saw. I was really excited.
A: We should promote more culture. We must have culture enough to attract them.

Q34: What do you think about tourism in Chiang Mai in 5-10 years?
A: I think The Chiang Mai tourism can be sold for a long time because even Thai people want to come to Chiang Mai at least once and so do foreigners. But foreigners don’t know what we have. Only think that the attractive country, people are cheerful, but there is a lot that we can promote in tourism. We must do more a lot and must serious. There are a lot of projects; green city, eco city, and then stopped not serious; there are streets for bicycles, but they are full of parked cars.

Q35: So you think the public sectors should be more serious.
A: Yes, much more serious. Bicycle lanes must be only for bicycles. Foreigners like to ride bicycles a lot. When the cars are parked, they cannot ride bicycles so they rode motorbikes. They don’t taste the Lanna sightseeing style.

Q36: So you think that in future tourism will increase much more, but we must prepare for the green city which is already planned. We have a lot of plans but we haven’t taken them seriously. So in your opinion, ought the universities to support the tourism industry?
A: They ought to support it a lot. All the universities those have teaching and learning about the tourism industry and that produce graduates. These students should receive the right education, they must learn about being service-minded starting from the first year. We must emphasise the service-minded. In the tourism
industry, the important thing is service-mindedness. If you are not service-minded, you can work but it is not good enough. If you are not service-minded, you can do everything; being ready to greet customers; being ready to serve customers. The students that are studying must train a lot and have loads of experience. Maybe take training courses or educational trips. The crucial thing is the language. I have seen that many know the theory but cannot speak. It is difficult because we must talk to tourists. We must communicate to make foreigners understand.

Q37: Beside English, what else should students learn?

A: One more; Japanese, Spanish, German. It is up to them to choose. Then communicating with customers will be easy. At least knowing a little is good. Like me, I use the experience, when I meet Japanese I speak a little and they like it. At least we know their language. Meeting with Spanish, know their language. At least they are satisfied more than we are interested in their countries. They are happy if we greet with their language. These languages are important to communicate with customers.

Q38: In the past, beside internship, did the universities support the business side such as research, IT, Consultancy?

A: No, only internship. Or sometimes are educational trip about the way to eat western style, but very little. We give students a special price to come to eat and the trainers will explain several things.

Q39: So you don’t have links except for graduates who work here.

A: Some. If we have a lot of work, we contact lecturers to send students to work

Q40: What is the most important factor that you think will make your business successful?

A: In the food business both food and service. The location we cannot change but we can adjust and control by keeping up good standards of food and service. And we must always improve, must often train, learn to know whether we should talk or not with customers. There are other things if the whole picture of the city is good, every place should be competing against each other.

Q41: So joining the cluster can be of some help?

A: We promote Chiang Mai as whole. If the whole image is good, then customers will know everywhere will be good.
Q42: How many seats do you have?
A: Full capacity is about 120 seats.
Q43: How about in the future, will you expand?
A: probably not. We will emphasise more on quality. Quality is crucial. If there are too many people we cannot service our customers in time. Sometime customers arrive as a big group. We must inform the organizer that foods are different from the buffet we must arrange on a plate, control the temperature of the meat, it takes time. We must inform them first whether they want a buffet service or not. If we tell customers in advance, they will understand. We are rather careful.
Q44: How many departments are there?
A: In the office: secretary, public relations, marketing, and personnel. The main departments are service and kitchen. PR and marketing will find our customers
Q45: How about the vision and top management. Is it important to have a vision?
A: It is crucial because one’s view of the world is always changing. Also culinary culture has changed a lot, so top management must keep up with what food is now popular, which beverage is popular. We must keep up with the trend which wine from where, and if we should have more. To consume a French meal took 3 hours from start to finish, but now they have adjusted from 5 courses to 4, or 3 courses; decreasing continuously to make it faster Thai people in particular don’t like waiting for 3 hours so we must adjust for our customers. Westerners don’t share, but Thai people like to share when eating, so we must adjust accordingly. For other vision is the promotion that makes customers to be more impressive, more variety. Sometimes when customers come, we don’t talk to them, so they just eat. This means there is no relationship at all, but if we have a relationship such as when we talk to them; giving service is more impressive. This will make them more likely to come back.
Q46: Half are Thai, and half are foreigners.
A: For Thai most stay in Chiang Mai. In the high season, a lot come from other provinces such as Bangkok. In the winter time, they must be in Chiang Mai.
Q47: Thank you very much.
A: Sometime I maybe a little bit confused. On academic matters, I am not very skilled
Q48: You gave me a lot of information. In part of the universities, I think they have a variety of knowledge.

A: The universities have experts in tourism or whatever. If we promote cooperation with each other, maybe organize a special seminar, then might invite entrepreneurs to listen to the experts. I think this will make us widen our goals more. Having foreigners to give lectures... I think the universities can do a lot, and it also improves the education as well. I think we can develop a lot because sometimes entrepreneurs have money but they don’t have much knowledge. Sometime they have knowledge but we have to use it in many different ways because some people don’t have only one business but others as well. This point is important because entrepreneurs or representatives will listen to each place. However, in business it is hard to be completely open because we keep some secrets, we cannot reveal everything. But for the university, I think in several areas such as seminars we can all learn the same things and it is quite a good thing. It is good to have organisations to help. It is a good thing. Perhaps better wait from the government offices, rather slow, wait for budget. Increasing the organisations to help, it makes a good overview.

Appendix 5: List of Interviewees and places

1. National Level

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Date</th>
<th>Time</th>
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<tbody>
<tr>
<td>National Economic and Social Development Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Former Director of Strategy Formulation and coordination</td>
<td>11 March 2011</td>
<td>18.00-19.00</td>
</tr>
<tr>
<td>2. Plan and policy Analyst-</td>
<td>8 March 2011</td>
<td>19.00-21.00</td>
</tr>
<tr>
<td>Kenan Institute Asia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Senior Official</td>
<td>7 March 2011</td>
<td>14.00-15.00</td>
</tr>
<tr>
<td>Tourism Authority of Thailand (TAT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Research and Market Director of TAT</td>
<td>15 March 2011</td>
<td>14.00-15.00</td>
</tr>
<tr>
<td>5. Permanent Secretary of Tourism and Sports ministry</td>
<td>7 April 2011</td>
<td>14.00-15.00</td>
</tr>
<tr>
<td>OSMEP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. President of Orchid Cluster</td>
<td>15 December 2011</td>
<td>13.00-15.00</td>
</tr>
<tr>
<td>7. Permanent Secretary of Tourism and Sports ministry</td>
<td>5 April 2011</td>
<td>17.00-18.00</td>
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Total = 7
## 2. Local Level

### 2.1. NORTH-CHIANG MAI

<table>
<thead>
<tr>
<th>Type</th>
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<th>Date</th>
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<tbody>
<tr>
<td><strong>1. Policy Makers</strong></td>
<td>1. Director of Tourism Authority of Thailand: Chiang Mai Office</td>
<td>13 Dec. 2010</td>
<td>13.30-15.00</td>
</tr>
<tr>
<td><strong>Local level</strong></td>
<td>2. Participants</td>
<td></td>
<td></td>
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<tr>
<td><strong>1. Private Association</strong></td>
<td>1. Vice President of Tourism Business Association</td>
<td>10 Dec 2010</td>
<td>10.00-13.00</td>
</tr>
<tr>
<td></td>
<td>2. President of Hotel de Charm Cluster-Hotel de charm</td>
<td>8 Dec 2010</td>
<td>14.00-16.00</td>
</tr>
<tr>
<td></td>
<td>2. Hotel- MD of Baan Num Ping</td>
<td>26 Nov. 2010</td>
<td>15.00-17.00</td>
</tr>
<tr>
<td></td>
<td>3. Spa-CEO of Chida Spa</td>
<td>8 Dec. 2010</td>
<td>14.00-16.00</td>
</tr>
<tr>
<td></td>
<td>4. Adventure- MD of Peak Adventure-</td>
<td>9 Dec. 2010</td>
<td>10.00-12.00</td>
</tr>
<tr>
<td></td>
<td>5. Transportation/tour operator- Manger of Jatuporn Tour and Travel</td>
<td>26 Nov. 2010</td>
<td>15.00-17.00</td>
</tr>
<tr>
<td></td>
<td>6. Restaurant-Assist restaurant manager of Crystal Restaurant- Edutainment Cluster</td>
<td>14 Dec 2010</td>
<td>10.00-11.30</td>
</tr>
<tr>
<td></td>
<td>7. President of South 13-</td>
<td>14 Dec 2010</td>
<td>11.00-12.00</td>
</tr>
<tr>
<td><strong>3. Education Institutes</strong></td>
<td>Payap University</td>
<td>25 Nov. 2010</td>
<td>16.30-18.30</td>
</tr>
<tr>
<td></td>
<td>1. Assistant dean of Business Administration, Payap University-Chiang Mai University</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Chief of Tourism Department, Chiang Mai University</td>
<td>29 Nov. 2010</td>
<td>14.00-16.00</td>
</tr>
<tr>
<td></td>
<td>3. Assoc.Profesor-Tourism Department, Chiang Mai University</td>
<td>29 Nov. 2010</td>
<td>14.00-16.00</td>
</tr>
<tr>
<td></td>
<td>4. Director of knowledge and Innovation Center Chiang Mai Rajabhat University</td>
<td>14 Dec. 2010</td>
<td>14.30-16.00</td>
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<tr>
<td></td>
<td>5. Former Deputy Dean Rajamangala University of Technology Lanna</td>
<td>3 Dec 2010</td>
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<tr>
<td></td>
<td>6. Senior Lecturer</td>
<td>13 Dec 2010</td>
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**Tourists 8**

**Total=14**
### 2.2. SOUTH - PHUKET

**Phuket Tourism Cluster**

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<tr>
<td>Prince Songkha University</td>
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</tr>
<tr>
<td>1. Dean of Hospitality and Tourism Faculty</td>
<td>11 Jan 2011</td>
<td>13.00-14.30</td>
</tr>
<tr>
<td>2. Deputy Dean-Academic</td>
<td>11 Jan 2011</td>
<td>15.30-16.30</td>
</tr>
<tr>
<td>3. Deputy Dean-Student Affairs- Tourism lecturer</td>
<td>11 Jan 2011</td>
<td>11.00-12.00</td>
</tr>
<tr>
<td>4. Hotel lecturer</td>
<td>11 Jan 2011</td>
<td>10.30-12.00</td>
</tr>
<tr>
<td>5. Hotel lecturer</td>
<td>11 Jan 2011</td>
<td>09.00-11.00</td>
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<tr>
<td>Rajabhat Phuket University</td>
<td>18 Jan 2011</td>
<td>13.30-14.30</td>
</tr>
<tr>
<td>1. Dean of Management Faculty-Assist. Prof.</td>
<td>24 Jan 2011</td>
<td>11.00-12.00</td>
</tr>
<tr>
<td>2. Director of Research Center and hotel lecturer-Assist Pro</td>
<td>15 Jan 2011</td>
<td>11.00-12.00</td>
</tr>
<tr>
<td>3. Deputy of Research Center and tourism lecturer</td>
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</tr>
<tr>
<td>Private sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Chairman of Tourism Business</td>
<td>18 Jan 11</td>
<td>10.00-11.10</td>
</tr>
<tr>
<td>2. Association President of Thai Hotels</td>
<td>28 Jan 2011</td>
<td>13.00-14.00</td>
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<tr>
<td>3. Association Southern Chapter</td>
<td>18 Jan 2011</td>
<td>14.00-15.30</td>
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<tr>
<td>4. On behalf of President of Thai Chamber of Commerce-Tourism</td>
<td>23 Jan 2011</td>
<td>16.00-17.30</td>
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<tr>
<td>5. Chairman of Phuket Taxi Cooperative</td>
<td>31 Jan 2011</td>
<td>15.00-16.00</td>
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<tr>
<td>6. Tour Operator-Exotic Sea Venture Tour</td>
<td>31 Jan 2011</td>
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<td>7. The old town community leader-</td>
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<tr>
<td>Public Sector</td>
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<tr>
<td>1. Director of Tourism Authority of Thailand</td>
<td>19 Jan 2011</td>
<td>10.30-11.30</td>
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<tr>
<td>3. Director of Tourism and Sport-</td>
<td>28 Jan 2011</td>
<td>14.00-16.30</td>
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<tr>
<td>4. Senior Policy and Planning office/ Strategic Management for Southern Province Cluster (Andaman)</td>
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<tr>
<td>5. Phuket Mayor</td>
<td>26 Jan 2011</td>
<td>19.30-21.30</td>
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Total = 20
### Sakon Nakhon Indigo Cluster

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<td><strong>Public sector</strong></td>
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<tr>
<td>1. Director of Tourism and Sport</td>
<td>15 February 2011</td>
<td>15.30-17.30</td>
</tr>
<tr>
<td>2. Director, office of Commercial Affair-Sakon</td>
<td>16 February 2011</td>
<td>09.30-11.30</td>
</tr>
<tr>
<td>Sakon Nakhon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Chairman of Sakon Nakhon</td>
<td>17 February 2011</td>
<td>12.00-12.30</td>
</tr>
<tr>
<td>4. Province Administration Office</td>
<td>23 February 2011</td>
<td>14.00-15.30</td>
</tr>
<tr>
<td>5. Director of Tourism Authority of Thailand: Northeastern: Nakon Phanom</td>
<td>24 February 2011</td>
<td>11.30-12.30</td>
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<tr>
<td><strong>Private sector</strong></td>
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<td></td>
</tr>
<tr>
<td>1. Former director of Sakon Nakhon Chamber Commerce</td>
<td>24 February 2011</td>
<td>14.00-15.00/</td>
</tr>
<tr>
<td>2. President of Indigo Cooperative Cluster</td>
<td>16 February 2011</td>
<td>19.00-20.00</td>
</tr>
<tr>
<td>3. Chairman of Panna Indigo group</td>
<td>15 February 2011</td>
<td>17.30-19.30</td>
</tr>
<tr>
<td>4. Chairman of Tumtao Indigo group</td>
<td>23 February 2011</td>
<td>10.30-11.30</td>
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<tr>
<td><strong>University</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kasetsart University</td>
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<tr>
<td>1. KU-CSC Assistant President - Assst. Prof.</td>
<td>29 March 2011</td>
<td>10.00-11.00</td>
</tr>
<tr>
<td>2. Director of Research Institute- Assoc. Prof. Deputy Director of Research Institute-</td>
<td>26 February 2011</td>
<td>10.00-11.00</td>
</tr>
<tr>
<td>3. Chief of Marketing Department</td>
<td>1 March 2011</td>
<td>16.00-17.30</td>
</tr>
<tr>
<td>4. Chief of Tourism Department</td>
<td>28 February 2011</td>
<td>14.00-15.00</td>
</tr>
<tr>
<td>5. Dean of Liberal Arts and Management Science</td>
<td>25 February 2011</td>
<td>14.00-15.00</td>
</tr>
<tr>
<td>Sakon Nakhon Rajabhat University</td>
<td></td>
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</tr>
<tr>
<td>1. Former VP- Assoc. Prof.</td>
<td>23 March 2011</td>
<td>17.30-18.30</td>
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<tr>
<td>2. Assoc. Prof. Saithong</td>
<td>23 February 2011</td>
<td>17.00-18.30</td>
</tr>
<tr>
<td>1. Former President Sakon Nakhon Rajamongkol</td>
<td>26 February 2011</td>
<td>08.00-09.00</td>
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<tr>
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Appendix 6: Interview Guide

At the interview stage, I used an interview guide by introducing the brief in which I defined University-Industry Linkages and the competitiveness of tourism clusters and explained the purpose of my study and posed direct questions to interviewees. The guide’s topics are as follows: the interviews were conducted face-to-face. Interviews with participants tended to be semi-structured, guided by a prepared list of issues in three groups.

A. Interview guide for private sector
   a) In your opinion, what is the tourism cluster? When and why does your firm participate in the cluster?
   b) Who made the decision to participate?
   c) What factors affected this decision?
   d) In your opinion, what factors affect the tourism industry and your firm?
   e) Do you have a firm’s policy about clusters?
   f) What expectations do you have from the cluster?
   g) Which university does your firm collaborate with?
   h) How far does your firm collaborate with that university?

B. Interview guide for public sector
   a) Please explain the reasons why the government establishes a cluster?
   b) What is the expectation that the government has?
   c) Please explain the current situation of Thai tourism clusters?
   d) How does the government support Thai tourism cluster?
   e) What are the barriers that prevent a cluster being successful?
   f) How can the government overcome these problems?

C. Interview guide for Universities
   a) What is your policy about supporting the tourism industry?
b) What kind of programme does the university have to support the tourism cluster?

c) Does the university have any internship or cooperative programme to develop?

d) Does the university have a consultancy to a tourism cluster?

e) Does the university have an incubation project to support a tourism cluster?

f) How does the university cooperate with tourism clusters?

g) In your opinion, how can the university support the cluster and be successful?