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Failure in rural entrepreneurial marketing:  
The OTOP case in Thailand

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Abstract
Marketing scholarship continues to theorise about the significance of marketing resources to firm-level success, and resources are commonly viewed as the source of competitive advantage (Day & Wensley, 1988; Aaker, 1989; Webster, 1992; O'Donnell et al., 2002; Morgan et al., 2009). Businesses which effectively and efficiently deploy and exploit their market-based assets are assumed to be better placed at attaining superior business performance (Morgan & Vorhies, 2005). However, the input of firm resources to competitive advantage has generally been theorised and empirically examined in the context of large companies. Less frequent are discussions about resources in small firms and entrepreneurial ventures (O'Donnell et al., 2002). These issues deserve empirical testing, though, since entrepreneurship plays a substantial role in economic development and contributes to rural communities (Beaulieu, 2002; Emery et al., 2003; Levitte, 2004; Grey & Collins-Williams, 2006; Steinberg et al., 2010). In Thailand, promoting rural entrepreneurship has been one of the government's main aims during the past decade, with the number of Thai entrepreneurs and rural enterprises increasing steadily (Tongboonrawd & Sukpradit, 2007).

This paper empirically evaluates one programme aimed at encouraging rural entrepreneurship in Thailand, One Tambon One Product (OTOP), by interviewing key stakeholders in three rural communities located close to Bangkok which have been involved in the OTOP programme for the past four years. Interviews with OTOP programme managers, entrepreneurs, and employees reveal sources and consequences of the successful and unsuccessful deployment of marketing resources by entrepreneurs who participate in the OTOP programme. Factors affecting entrepreneurship difficulties and failure have been identified, including problems in attracting human resources and capital. Less frequently reported findings about entrepreneurs' conservative attitudes, reactive behaviour, passivity and over-reliance on government initiatives are also explored. The investigation of the nature and sources of failure and the proposed framework of rural entrepreneurial failure seek to contribute to a fuller understanding of entrepreneurial marketing theory.

About the authors
Prof. Edward Kasabov has extensive practitioner background in relationship marketing, data management & analysis, and mass communications. During the past decade, he has been researching in four distinct areas which also inform his teaching. In strategy, his earlier work included research on clusters, regions and regional development, modeling and mapping high-technology clusters, and identifying factors behind cluster success. This has now been replaced with interest in lack of growth and competitiveness of some high-tech clusters, notions of periphery, cluster birth, and difficulties faced by early stage clusters.
Edi’s past work on the role of small businesses in biotechnology now informs his growing fascinations with certain aspects of entrepreneurship and rural entrepreneurship, entrepreneurial failure, images of rurality, cooperation and co-operatives and social enterprises in rural areas. In the area of Marketing, Edi has been researching relationships, service provision, and especially the role of power, influence, disciplining, and negativity in interactions between companies and their customers. In the past few years, he has been working with Alex Warlow on a new theory of compliance businesses. He has over thirty publications in prestigious journals such as *Regional Studies*, *European Planning Studies*, *European Journal of Marketing*, *Environment and Planning*, and *Sloan Management Review*, among others.

Pitchaya Panupattanapong is a researcher at University of Bath. Her research interests are in areas of entrepreneurship, competitiveness, drivers of entrepreneurial success. Pitchaya’s current work focuses on difficulties experienced by entrepreneurs and other stakeholders in rural areas and in less developed countries.