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## **The agricultural tourism management in family business: case study of Rayong province in Thailand**

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**Abstract** The agricultural tourism management in family business of 7 farms in Eastern of Thailand was studied. It is used the quality research with 7-S McKinsey principle. According to the study, it was found that there were seven farms with the informal organization structure in family business. It was done by using the organic farming and integrated farming. Then, It can stop the application of chemical fertilizer that led to food strategy to service the different tourist attractions. It included with the tour service groups. The most personnel group was the members in family business, and there were a few of alien neighbors to do farming. On the other hand, the owner of farming also has knowledge in agriculture. The management style was differed in family business way with flexibility although not do the full-time work. In this case, they helped each other to determine the tourist numbers with the durian numbers to be consumed in each day. Thus, it was easy to manage because this system to do for the household account as well as no IT system to collect data. In the part of the shared value, it was not regulated clearly with the different uniqueness from business tourist attractions. As the result, it was flexible with no strictness directly to the requirements of the private tourists.

**Keywords:** Family Business, Agriculture Tourism Management, 7-S McKinsey

### **Introduction**

In the current, most population with totally 12.3 million people in Thailand or with 34 percentages are agriculturists when comparing to other occupations (National Statistic Office, 2015). In addition, it was found the incomes problem of agriculturists in Thailand result in the poverty in our Thai society. In addition, there are the factors to cause the poverty for the internal one; namely, 1. The lacking in knowledge for developing the agriculture by themselves including with not knowing of the guideline to increase the value or the incomes to themselves and 2. The lacking in budgets for the agriculturists to do the farming and the external ones; namely, 1. The lowest costs of product prices 2. The weather condition with depending on the water quantity, the temperature, the flooding and too dryness.

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In addition, it has affected to the agriculture products with not being in the goal or gaining the insufficient incomes to pay debts and other expenditures, (Chiengkul, 2004). In this case, according to these problems the government has put the effort to solve the problems as well as training by giving the knowledge for the agriculturists to increase the product values to themselves. Therefore, there are many guidelines to develop for the agriculture, such as the development of the products and the increasing of added value of the agriculture products. Thus, it is involving with the development to increase the products and the adding of values to the agriculture products by increasing for the concept ideas, the innovations, the technologies and others. Then, every guideline has the same goal that are to increase for the incomes and make the better life to the agriculturists as well as developing the agriculture to the tourism as another way to increase the incomes and increase the values to the agriculture products to be called as the agriculture tourism.

Agro Tourism means the travelling or tour to the agriculture areas, the agriculture fruit farms, the herb fruit farms and the livestock farms for admiring, viewing as beauty, making success and feeling pleasure in the agriculture farm. Besides, the agriculture farm is one activity to rehabilitate the agriculture resources and allocate for the benefits of economics and social (Hron and Srnec, 2004). The agriculture tourism of fruit farms are found most in the East of Thailand, especially in Rayong province because of the suitable weather to plant the fruits with several of tourist numbers. In addition, 2015 in Rayong province there were the fruit farms for total of thirty-two, (Tourism in Thailand, 2015). Then, it is accounted as the province with having of most fruit farms when comparing to other provinces in the east region. What's more, 2015 there were the tourists to come for travelling in Rayong increasingly with 14.69 percentages when comparing to 2014 and gaining for the increasing prone in each year. In this case, it is classified into the foreign tourists totally for 176,767 and Thai tourists totally 1,422,038 people, (Tourism in Thailand, 2015). On the other hand, although in Rayong province there are many fruit farms some ones aren't be developed as the agriculture tourism ones. As the result, the tourism in the east region is depending on the putting of efforts for the agriculturists who have their own fruit farms to do the agriculture tourism increasingly to increase the incomes in long term for the future.

According to the last research of Siasawadwanit (2015), the model of agriculture tourism business management is in effective way of the East in Thailand. Therefore, it is the study of the large farming that is Suphattra land one in Rayong province. What's more, Maikhed homestay in Pracheanburi province and the study center of Khao Hin Sorn Royal Development Study Center from the King's saying of Chachoengsao province are the large agriculture tourist attractions. Thus, the agriculturists can develop for the resource areas to be effective for being the agriculture

tourist attractions. After that, it can study for the agriculture tourism attraction management in family business of Rayong province by emphasizing on the labor in the household with 50 percentages. As the result, it is in the characteristic of management with the differences from the large and full circle of agriculture tourism in terms of using the concept idea of 7-S McKinsey Pascale and Athos (1981) for this study. Therefore, the objective is study manage for the agriculture tourism management in family business: Case study of Rayong in Thailand.

### **Materials and methods**

The agriculture tourism management in family business in case study of Rayong province; we studied the internal aspects of the organization can be identified with the help of “The McKinsey 7S Framework” method, developed at the beginning of 1980’s by Tom Peters and Robert Waterman, two consultants working for “McKinsey & Company” consulting firm. The basic premise of the model was that there are seven aspects of an organization that needed to be aligned if it is to success. The model can be used in order to identify the needs of an organization, to improve performance and to maintain alignment throughout different types of changes (Insight, 2013). The McKinsey 7-S model involved in seven interdependent factors which are categorized as either "hard" elements: strategy, Organization structure, systems or "soft" elements: shared value, skills, management style, staff, and it may be used in a wide variety of situations to help to: i) improve the performance of a company; ii) examine the likely effects of future changes within a company; iii) align department and processes during a merger or acquisition; iv) determine how best to implement a proposed strategy (Gaspar *et al.*, 2018).

### ***Samples***

In this research study, the population was the farming agriculturists to do the agriculture tourism in Rayong province with thirty-two people, (Agriculture tourism office and sports in Rayong province, 2013). In this case, it was selected for the specific group sampling that was the agriculturists to do the agriculture tourism in family business because it is used mostly for the people labor in family business. On the other hand, it can develop for the agriculture tourism in easier way for the business in full way. In this case, the agriculturists were done the agriculture tourism in family business of Rayong province totally with thirteen people by surveying in the area and collecting the data with seven people. Similarly, it was done for the agriculture tourism, such as Lamduan farm, Sukchai farm, Phajim farm, Khunthud farm, Khunnoi farm, Sangdad farm and agriculture community of Ban Chak Makrud with totally of seven people. The

population representative for thirteen people with the similar characteristic of the agriculture tourism in family business was used. This research was to collect the data totally for three months during June to August in 2017.

### ***Data Collection***

Tool was used as a structural interview to classify into three parts: part 1 was general information of farms, part 2 was the McKinsey 7S Framework that was organization structure, strategy, staff, skill, management style, organization management system and shared value, and part 3 was the problem and obstruction. This research study was used to interview as the tool for gathering information and testing the quality with the interview for content validity. In addition, this interview is created to measure the required objects. Then, the researchers brought three experts to evaluate, while the consultants made to improve before collecting data.

### **Results**

Lamduan farm, Sukchai farm, Phajim farm, Khunthud farm, Khunnoi farm and agriculture community of Ban Chak Makrud involved with the family business operation style with 90 percentages while in Sangdad farm with 80 percentages. Moreover, it had the people labor to help for doing the gardening with 1-2 people. There were seven farming with the informal organization structure. In this case, it had the main manager as the owner of the farming to take care, solved the problems and prepared the fruits without travel guide, except for the ticket employees. Thus, it was easy structure with not clear position and duties due to the less workers. However, they were helped each other and replaced their tasks.

For seven farms, it emphasized the agriculture and the tourism as the organic farming and the mixed farming. In addition, it was focused on the quality of products by using fertilizers from the left over of fruits or the shells of fruits. Therefore, it included with the bio-extract to help agriculturists to reduce the costs of fertilizers. Similarly, the strategy of agriculture tourism attractions is varied from the business tourist attractions that was the flexibility and the strict rules. In this case, it depended on the requirement of the tourists who really like to travel in personal or walk around in the farms with comfort and pick the fruits from the farms. In this case, it was no limit of time to walk around the farms because there has not many people in agriculture tourism attraction. As the result, the fruits were consumed as the fresh one coming from the tourist attraction farms with 90 percentages. Therefore, it was confident to consume these quality and fresh fruits. The strategy of most tourists, it should determine the tourist numbers from the durian numbers. In addition, if they let some tourists to consume too many durians in the near future, they may not come back to use this

service. Then, it was continued to inform the other tourists for not coming back at these farms. However, it can reduce the satisfaction problem for the tourists by determining the tourist numbers per day. For the strategy of buffet prices for each fruit, it represented that in each farm could not determine the lower price than the one of competitors. Besides, the employees in Department of Tourism in Rayong had the meeting and the regulation of the fruit prices in A.D. 2017 with 380 baht. However, each farm can not reduce for prices. Then, they created for the strategy to increase the food or other desserts in the buffet food as well as reducing the labor costs and fertilizer management. There was a strategy to attract the tour groups to travel in their farms by offering food and fruits for the guide vans and tours. In this case, it was due to the peoples were the important ones to make suggestion for the agricultural tourist attraction to the local tourists.

Most staff was the members in families, so there were only the farmers to use the labor of the outside people with the nationality of Burmese and Cambodian. In this case, the searching of the labor is depended to inform the workers at the closely farms to let them helped in the farms as the siblings for kindness and co-benefits. Thus, there was no problem to work, and most of the owners' age were more than 60 years old.

For the position and duty of person in the agricultural tourism in family business was not determined in clear way. On the other hand, the decision making or management of the powerful ones depended on the owner. Then, the buffet ticket sellers were changed to include the fruits and the peeler of durians with suitability or with the characteristic of daily labor. In this case, they were mostly the temporary employees.

Some employees were lack of agricultural knowledge, except for the owners of the fruit farms. Fortunately, the peeler of fruits was the good knowledge skill on peeling the durians. However, the most employees in agriculture tourism were still lack of the guide skill and the tour guide including with the language to welcome for the foreign tourists, especially for English language and Chinese language. On the other hand, there were a large number of European tourists and the Chinese tourists who come to travel in Rayong province. Besides, the Chinese tourists were found to eat durian of our country. Then, with these problems made these tourist attractions gain less foreign tourists.

The management style in families was not in complex way. The seven farms were used the fruits in their farms with 80 percentages. However, if the fruits in the farms were not enough, it should compensate from the member in families at the agriculture tourism attractions or from the networks of the agriculture group. In this case, there were several tourists. They may purchase the fruits from the markets, but the most difficult management. Furthermore, it should prepare for the ripe because the tourists always expected to eat durians at the planting location.

Therefore, the tourists should have the opportunity to consume the delicious and ripe fruits. In this case, the success of the agricultural tourist attractions is based on the owners of farms with really like to train, acquired for the new knowledge to develop for the tourist attraction.

The management organization was not cleared the system as well as IT technology to collect data of the tourists. In this case, there was to make an account in the household. The agricultural tourism for the tourists were setup only in the festivals during May to July. The employees are paid the incentives for working on Monday to Friday of 300-400 baht per day. In addition, on weekends, the employees can receive the incentives with 500-800 baht per day, which the peelers can gain the most.

There are seven locations of the agricultural tourism in family business. However, it was not determined for the main value in obvious way. According to interview at Suankhunthud, the value of farming is depended tourists come as well as picking up the fruits in the farming by themselves, such as rambutans and mangosteens. In this case, for Sukchai farm and Jim farm, they are emphasized to view at farming by themselves.

Problems were rccountered as it is lacking in making public relations to the tourists, less management and the fewer networks,,lacking in sign at the main street, small farm, fruit limited and the restriction of the tourist numbers per day, lacking in tourist guide, who have agriculture knowledge, English and Chinese language, lacking in the main labor and the inheritor in the future.

One factor was to make the success for the agricultural tourism is involved in servicing the leader of tour, the drivers or the tour guides. Besides, the most tourist attractions are selected by the suggestion from driver or tour guides. Therefore, agriculture tourism entrepreneur should provide special food to tour guides and drivers.

## **Discussion**

According to the result with the concept idea of 7-S for McKinsey (Pascale and Athos, 1981), it was found that the agricultural tourism in business family of Rayong is involving with travelling, walking around the farms, eating fruits and purchasing the agriculture products. The tourism industry officers' opportunities for relatively easy entry into a number of business types that specifically appeal to sole proprietors and families because of small size, desirable location, or connection with leisure and lifestyle preferences (Getz and Carlsen, 2000). On the same way, there are the good points of the agriculture tourism in business families that are from the fresh fruits and good quality of fruits. With this case, it has used the fruits in their own farms with 90 percentages which the agriculturists are the knowledgeable in agriculture at the excellent level (Steve *et al.*, 2010; Mahajan and Gupta, 2011). What's more, they also have the skills in

training and developing themselves conforming to the research of Thawanhathaikul *et al.* (2007) and the research of Meechai (2015). Thus, the owners of the farms are the intelligent to acquire of knowledge. However, the problems and the obstructs to be found are coming from the agriculture tourism attractions in families. On the other hand, it is lacking in the good public relations conforming to the research of Siasawadwanit (2015). In this case, the lacking in public relation making contributes to the limited tourists while the employees have the speaking skills and the knowledge skills to be the leader tourist guides in the farms. On the other hand, they are lacking in language skills conforming to the research of Phongwirittorn (2015).

Mostly, the agriculture tourism in family business is depending on the making of public relation from words including of allowing the guide vans or the tour guides to make the advice for the tourist attractions. Besides, most people are popularly to travel with the good public relations or in the large fruit farms. In this case, the tourists have come to travel so often by finding the new locations to be fond of as well as coming back repetitively in the future if they are fond of that location.

It is recommended that the tourism agency in Rayong province should make the public relations, especially in the large and famous fruit farms. Thus, this agency must see the importance of small agriculture tourism locations by supporting on the sign, the public relations and the promotion. In this case, it should reduce the price for the small one to develop the farming in the future. The agriculturists who can manage of the fruit farms should be the acquiring people by participating in training as well as gathering in group to find the network including of develop themselves and their tourist attractions. The management in family business style has the agriculture knowledge problem with depending on the owners of the fruit farms. Then, it should train to give knowledge for the workers in tourist attractions. In this case, it can develop for the tourist attraction in the future. The curriculum in school of Rayong province is involving with being the tourist guide of fruit farms. It should study the comparison of tourism management style in family business and other business style, and the fruit management style to be in the sufficient way for the tourist requirement.

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