Foundation economic development for network development community tourism by linking local products and cultural capital Samut Songkhram Province

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Abstract---The development of a foundation for economics and business networks plays a significant role in community tourism by linking local products and cultural capital in Samut Songkhram province. Both the foundation for economics and business networks have different objectives however both factors play a vital role in community tourism. Hence the core objective of the present study is to determine the effects of foundation for economics and business networks on local products, cultural capital, and community tourism. To achieve the objective of the present study, a survey was preferred to collect primary data from the respondents that were tourists staying in Samut Songkhram. Consequently, a survey questionnaire was preferred to collect the data. Moreover, Partial Least Square,
statistical software was used to analyze the data. Results of the present study revealed that economic foundation, business network, local products, and cultural capital have a significant effect on community tourism. According to the results, the increased value of economic foundation and business network also increases the value of local products, cultural capital, and community tourism. The present study is most important for tourists and practitioners to boost community tourism.

**Keywords**—foundation for economics, business networks, local products, cultural capital, community tourism.

**Introduction**

Both economic and business developments have different missions. Economic development is aimed to facilitate economic activities such as creating jobs and generating property tax revenues (Paredes & Fleming-Muñoz, 2021). The development of an economic foundation is focused on a particular geographic region to create economic activities in the region (Breul, Hulke, & Kalvelage, 2021). However, economic developments in a region are aimed to bring more businesses. While business network development is aimed to generate more profits. Instead of focusing on a specific region, business network development focuses on marketplaces aiming to increase profits by establishing new businesses to exploit business and market opportunities (Al-Faridzqi, Darwiyanto, & Husen, 2022).

In community tourism travelers are invited by locals into the locals’ communities to visit daily lives and culture. In most countries, community tourism is sustainable tourism that provides opportunities for tourists to connect closely to the locals they visit. Hence, tourists can know the actual values of a culture. Community tourism is one of the major sources to create the base for increased knowledge and awareness about another culture. Social norms and beliefs system of other cultures are evaluated through community tourism. Thailand particularly its province Samut Songkhram is one of the attractive places that have sufficient potential to attract tourists from all over the world.

However, community tourism in Samut Songkhram is facing various issues. The community tourism business is not sustainable. There are several factors that affect community tourism in Samut Songkhram. The development of a foundation for economics and business networks, are also one of the major factors that affect community tourism in the province. These factors have both direct and indirect effects through local products and cultural capital on community tourism in the province. Among all other factors development of the foundation economic and business network are also responsible for a change in the value of community tourism in Samut Songkhram. According to the present study development of foundation economic and business networks have a major role in community tourism.
The is a pioneer study that demonstrates the development of a foundation economic and business network for community tourism by linking local products and cultural capital in Samut Songkhram province. Several studies have explored the role of foundation economic and business networks in various industries, nonetheless, these studies didn’t consider community tourism in Samut Songkhram. Studies are also available on community tourism in Samut Songkhram however, the role of foundation economic and business network linked with local products and cultural capital is altogether missing. Thus, the present study is a vital contribution to the body of literature.

Because it is clear from the literature that foundation economics leads to an increase in awareness and knowledge. Moreover, it is also evident from the literature that foundation economics brings proficiency in cultural values. Furthermore, a business network is also one of the major things that increase the value of communities. Moreover, local products and cultural capital are the two major elements that play a significant role in cultural values, awareness, and knowledge. Therefore, the purpose of the present study is to determine the effects of the development of a foundation economic and business network for community tourism by linking local products and cultural capital in Samut Songkhram province. Figure 1 shows the relationship between foundation economic, business network, local products, cultural capital, and community tourism.

The present study also has a significant contribution to the literature. Because the present study determines the effects of various factors influencing community tourism. Hence, the present study has both theoretical and practical contributions. Theoretically, the present study determines the valuable relationship between foundation economic, business network, local products, cultural capital, and community tourism. Practically the present study plays a vital role for practitioners to boost community tourism by increasing the value of economic foundation and business network.

**Literature Review**

To enhance tourism business in Samut Songkhram, one of the basic focuses is on community development hence, community tourism can be increased. But analysis shows that community tourism needs to be driven by the government as well as the locals. However, it is observed that various factors play a vital role in the development of community tourism. According to the present study foundation for economics, business networks, local products, and cultural capital are the major factors affecting community tourism. Figure 1 shows the relationship between these factors and community tourism.
Figure 1. The theoretical framework of the study shows the relationship between foundation economic, business networks, local products, cultural capital, and community tourism.

**Foundation for Economic and Local Products**

Local products refer to a limited geographical area (Josling, 2006). It is firmly believed that local products guarantee quality. These products normally cover a variety of processing, production, distribution, and marketing system. According to a past study, local products especially at food festivals are essential items because people believe that these local products comparatively have a good quality (Lee & Kwon, 2021). According to the present study, the economic foundation plays a significant role in the performance of local products. Local products in the tourism industry of Thailand especially community tourism in Samut Songkhram province have a major contribution. It is observed that the performance of the local products remains low in regions where economic foundations are unable to work properly. However, the performance of the local products is outstanding in the regions in the province where firm economic foundations are producing prominent results. Hence, an increase in the value of the economic foundation also increases the performance of local products. Therefore, it is hypothesized that

**H1:** Foundation for economics has positive effects on local products.

**Foundation for Economic and Cultural Capital**

Cultural capital refers to the accumulation of behaviors, knowledge, and skills that a human can knock at one’s cultural social status and competence (Feldman & Wallace, 2021). In the present study cultural capital is measured with respect to tourists in Samut Songkhram province. Therefore, it can be further defined as tourists’ cultural capital value. It has a significant role in community tourism in the province. How cultural capital impacts tourists whether a cultural capital value is according to the need of tourists or tourists are without skills that are beneficial for them. However, the cultural capital of tourists is directly influenced by a foundation for economic. Various studies proved that the foundation for economics has a relationship with cultural capital. Increase or decrease in the value of foundation for economic effect cultural capital of a tourist. Hence, the state of mind of tourist changes leads to the dissatisfaction or satisfaction level of concerned tourists. Hence, it is hypothesized that
H2: Foundation for economics has positive effects on cultural capital.

**Foundation for Economic and Community Tourism**

Foundation for economics refers to the decision-making skills and application of fundamental economic ideas (Awan et al., 2021). Hence, a foundation for economic includes various methods of allocation of services and goods and scarcity. According to the present study foundation for economics is considered as a factor that has a direct relationship with community tourism. Foundation for economics plays a vital role in the performance of community tourism. A past study proved that increased value for a foundation for economic has a huge positive impact and brings positive changes for local communities however, all is needed to do it in a right and effective way (Kakar & Khan, 2021). Community tourism in Samut Songkhram province in its current position is not producing the required level of performance. However, it is observed that the regions under a strong foundation for economic are prominent for community tourism. Hence, increasing the value of the foundation for economics or creating a new foundation for economics in the region also increases the value of community tourism in the province. Therefore, it is hypothesized that.

H3: Foundation for economics has positive effects on community tourism.

**Business Network and Local Products**

A business network refers to a network that allows business owners, professionals, or potential suppliers who have business experiences, to come close for meetings aiming to grow business (Hilmersson, Johanson, Lundberg, & Papaioannou, 2021). According to a past study, business networking provides opportunities to interact with potential people who can assist businesses in various terms (Aichner, Grünfelder, Maurer, & Jegeni, 2021). Because business networking involves getting to know and meetings where potential people share similar interests to grow business. According to the present study business network is measured as an influential element affecting local products used in the community tourism industry of Samut Songkhram. Various business networks provide multi-level marketing that has significant meaning to the local products. Results of the present study determined that the performance of the local products without multi-level marketing remains low. It is observed that the performance of local products increases by increasing the value of a business network. Hence, a sufficient positive relationship is observed between the business network and local products. Therefore, it is hypothesized that.

H4: business networks have positive effects on local products.

**Business Network and Cultural Capital**

A Business network has various approaches to operate however these approaches depend upon the following five types of business networking: i.e., 1) Casual contact networks: this type of network allows people with similar expertise to connect (Pung et al., 2021). 2) Strong contract network: this type of network includes professionals from various professions (Zhang & Bai, 2022). 3)
Community service clubs: It is a group of people where they connect to run a nonprofit organization running charitable projects (Borders, 2021). 4) Professional associations: it is an umbrella for professionals working in similar fields (Botello-Hermosa & Casado-Mejia, 2021). 5) Online/Social media network: it is used to interact with friends, family, or peers (Liao, Widowati, & Hsieh, 2021). Aforesaid 5 types of networking play an essential role in business networking. According to the present study business network is also measured as one of the significant elements influencing the cultural capital of tourists, especially visiting Samut Songkhram for community tourism. Results of the present study determined that cultural capital value in the tourist is increased that have sufficient knowledge about business networking. While the value of cultural capital in the tourists having less information about business networking, was determined low. Hence, it is hypothesized that.

**H5:** Business networks have positive effects on cultural capital.

### Business Network and Community Tourism

Community tourism is promising especially for tourists who are increasingly looking for authentic and unique experiences (Dionisio & Nisi, 2021). Tourists are willing to spend more money on community tourism activities especially they know that the money will benefit local communities. According to a past study, community tourism is a fast-growing niche, and more and more tourists are concerned to interact with local communities and learning about their culture (Alekseeva & Hercegová, 2021). Moreover, according to the present study, community tourism is measured as an element that is directly influenced by a business network. According to a trend rapport of responsible tourists, the value of a business network determines the value of community tourism especially that is affiliated with the business network. Community tourism in Samut Songkhram province has a significant role in the Thai tourism industry. According to the results of the present study, increasing the volume of community tourism is a great improvement that will provide a definite boost to the tourism industry. Hence, it is hypothesized that.

**H6:** Business networks have positive effects on community tourism.

**H7:** Local product has positive effects on community tourism.

**H8:** Cultural capital has positive effects on community tourism.

**H9:** Local products mediate the relationship between foundation economic and community tourism.

**H10:** Local products mediate the relationship between business networks and community tourism.

**H11:** Cultural capital mediates the relationship between business networks and community tourism.

**H12:** Cultural capital mediates the relationship between the foundation for economic and community tourism.

### Research Methodology

To obtain results, the research method plays an essential role in every research study. Hence selection of an appropriate research method is very essential.
Normally, in research three methods are widely used in research. These three research methods are named qualitative research methods, quantitative research methods, and mixed-method. However, the nature of a study determines which research method is to follow to get the required results. The nature of the present study is based on a quantitative research method hence, the present study opted qualitative research method to obtain the end results.

Along with the quantitative research method the present study used a questionnaire survey to extract primary data. Hence, a questionnaire was used in the present study to collect primary data. While the population of the present study is based on tourists visiting Samut Songkhram as community tourism. Tourists coming from various parts of the world are selected as respondents to the present study. Therefore, the copies of the questionnaire were distributed among the respondents. However, for this purpose, area cluster sampling was used. Because area cluster sampling is one of the most appropriate methods to cover a widespread population. As the present study covered the whole province, which is a wide area hence, area cluster sampling was only the best option.

Moreover, the present study used a 300-sample size. However, this sample size was preferred based on the recommendation of Fowler and Lapp (2019). According to Fowler and Lapp (2019) “sample having less than 50 participants will be observed to be a weaker sample; sample of 100-size will be weak, 200 will be adequate, a sample of 300 will be considered as good, 500 very good while 1000 will be excellent.” Hence, the present study preferred a 300-sample size that is satisfactory. Copies of the questionnaire were distributed among the respondents through their WhatsApp numbers. Initially, the basic contact information of the respondents was collected from the head offices of various tourism agencies. Hence, a copy of the questionnaire attached with a recorded voice message briefly explaining the introduction and objective of the present study was sent to every respondent individually. However, it was ensured that the received data from the respondents will remain confidential and will only be used for research purposes. Initially, a few responses were received from the respondents. Hence, two reminder messages were sent to the rest of the respondents after the gap of seven days. From a total of 300 distributed copies of the questionnaire, 160 were returned. Ten questionnaires were containing ambiguities hence, excluded from the survey. Thus, a total of 150 questionnaires were used in data analysis.

Moreover, the questionnaire was prepared based on three major sections. In the first section, the respondents were to fill in their demographic information such as their name, age, number of visits to Samut Songkhram, tourism experience, etc. In the second section of the questionnaire, the respondents were responsible to answer the questions related to the key variables such as the foundation for economics, business networks, local products, cultural capital, and community tourism. The last section of the questionnaire was based on a five-point Likert scale ranging from “1” as “Strongly Disagree” to “7” as “Strongly Agree” for economic foundation, business network, local products, cultural capital, and community tourism. All the measures were selected and adapted from previous studies.
Data Analysis

After the development of hypotheses in the literature review section of the present study, it is necessary to check the received primary data. Because any missing value present in the data and outlier may affect the results. Figure 2 shows the outer model of the data that was created with the help of Partial Least Square. Moreover, hypotheses were also tested.

Table 1 shows the factor loadings of the key variables of the present study. Factor loading should be above 0.7. It is clear from Table 1 that all the values of factor loading are under the minimum threshold level. Moreover, the values of composite reliability and average variance extracted also should be above 0.7. Table 2 shows that all the values meet the minimum threshold level.

Table 1
Factor Loadings

<table>
<thead>
<tr>
<th>Factor Loadings</th>
<th>Business Networks</th>
<th>Community Tourism</th>
<th>Cultural Capital</th>
<th>Foundation For Economics</th>
<th>Local Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>BN1</td>
<td>0.695</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BN2</td>
<td>0.749</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BN3</td>
<td>0.774</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BN4</td>
<td>0.689</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC1</td>
<td></td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cronbach's Alpha</td>
<td>rho_A</td>
<td>Composite Reliability</td>
<td>Average Variance Extracted (AVE)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Business Networks</td>
<td>0.704</td>
<td>0.706</td>
<td>0.818</td>
<td>0.529</td>
<td></td>
</tr>
<tr>
<td>Community Tourism</td>
<td>0.791</td>
<td>0.81</td>
<td>0.864</td>
<td>0.615</td>
<td></td>
</tr>
<tr>
<td>Cultural Capital</td>
<td>0.749</td>
<td>0.758</td>
<td>0.768</td>
<td>0.53</td>
<td></td>
</tr>
<tr>
<td>Foundation For Economics</td>
<td>0.779</td>
<td>0.703</td>
<td>0.803</td>
<td>0.506</td>
<td></td>
</tr>
<tr>
<td>Local Products</td>
<td>0.742</td>
<td>0.764</td>
<td>0.807</td>
<td>0.583</td>
<td></td>
</tr>
</tbody>
</table>

Discriminant validity is conformed with help of Heterotrait-Monotrait (HTMT) which is given in the Table 3.

<table>
<thead>
<tr>
<th></th>
<th>Business Networks</th>
<th>Community Tourism</th>
<th>Cultural Capital</th>
<th>Foundation For Economics</th>
<th>Local Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Networks</td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Tourism</td>
<td></td>
<td>0.712</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural Capital</td>
<td>0.548</td>
<td>0.588</td>
<td>0.527</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation For Economics</td>
<td></td>
<td></td>
<td>0.644</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Products</td>
<td>0.654</td>
<td>0.612</td>
<td>0.725</td>
<td>0.825</td>
<td></td>
</tr>
</tbody>
</table>

Furthermore, based on the t-value all the hypotheses were tested. All the hypotheses having t-value above 1.96 were accepted, However, in the present study, no hypothesis was observed having t-value below 1.96. Hence, all the hypotheses were accepted. Results are shown in Table 4.
### Table 4
Direct Effect

|                                 | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ($|O/STDEV|$) | P Values |
|--------------------------------|---------------------|----------------|-----------------------------|-----------------------------|----------|
| Business Networks -> Community Tourism | 0.438               | 0.442          | 0.164                       | 2.669                       | 0.008    |
| Business Networks -> Cultural Capital | 0.426               | 0.435          | 0.117                       | 3.654                       | 0        |
| Business Networks -> Local Products | 0.681               | 0.681          | 0.111                       | 6.134                       | 0        |
| Cultural Capital -> Community Tourism | 0.14                | 0.15           | 0.03                        | 4.61                        | 0        |
| Foundation For Economics -> Community Tourism | 0.088               | 0.083          | 0.043                       | 2.01                        | 0.039    |
| Foundation For Economics -> Cultural Capital | 0.313               | 0.31           | 0.118                       | 2.645                       | 0.008    |
| Foundation For Economics -> Local Products | 0.046               | 0.051          | 0.011                       | 4.11                        | 0        |
| Local Products -> Community Tourism | 0.025               | 0.036          | 0.012                       | 2.05                        | 0.035    |

Table 5 shows the indirect effect of the mediating relationship between the variables of the present study. Results in Table 5 show that two hypotheses are supported while the last two are not supported. Because t-value is below 1.96 and p-value is above 0.05 of the mediation relationship of local products between business networks and community tourism. The same kind of result is observed for the mediation relationship of local products between foundation for economics and community tourism.

### Table 5
Indirect Effect

|                                 | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ($|O/STDEV|$) | P Values |
|--------------------------------|---------------------|----------------|-----------------------------|-----------------------------|----------|
| Business Networks -> Cultural Capital | 0.06                | 0.066          | 0.03                        | 1.99                        | 0.043    |
| Foundation For Economics -> Community Tourism | 0.044               | 0.045          | 0.012                       | 3.61                        | 0        |
| Foundation For Economics -> Local Products | 0.017               | 0.022          | 0.071                       | 0.243                       | 0.808    |
| Local Products -> Community Tourism | 0.001               | 0.003          | 0.018                       | 0.064                       | 0.949    |
Discussion and Conclusion

To achieve the end results of the present study ten hypotheses were developed. The first hypothesis of the present study is: foundation economics have positive effects on local products. According to Kesgin, Murthy, and Lagiewski (2021). Local products are excessively used on festivals such as traditional gatherings, national events, and food festivals. Local products are designed based on need, requirement, and according to the wish of people living in a specified geographical area representing cultural values of the area hence, it is believed that such products meet the satisfaction level of the consumers (Moulin, 2000). While firm economic foundation adds significant meanings to the performance of the local products. Hence, it is concluded that a strong economic foundation increases the performance of local products.

The second hypothesis of the present study is: foundation economics has positive effects on cultural capital. This hypothesis is supported by the results of the present study. It indicates that a firm foundation for economic increases the cultural capital of tourists. Hence, an increase in the value of the foundation for economic increases the value of cultural capital of tourists. As Ashdown, Dixe, and Talmage (2021) proved a strong foundation for economic increase cultural capital of a person. Moreover, Zugravu-Soilita, Kafrouni, Bouard, and Apithy (2021) also proved that cultural capital can be increased by increasing the value of the foundation of economics. Hence, an increase in the value of foundation for economics increases the value of cultural capital of tourists, especially in Samut Songkhram province.

The third hypothesis of the present study is: foundation for economic has positive effects on community tourism. It is clear from a past study that both the economic foundation and tourism create job opportunities and allow local communities to share their experiences, stories, customs, and cultural values with others (Poort, Persson-Fischier, Martinsson-Wallin, Elf Donaldson, & Schaub, 2021). Furthermore, it is also obvious from the past literature that economic foundation plays a significant role in valuing local people over profit and helps to sustain local values that ultimately benefit community tourism. Hence, the result of the present study describes that increasing the value of foundation for economic promises an increase in the value of community tourism.

The fourth hypothesis of the present study is: the business network has positive effects on local products. Mohamad and Chin (2018) proved that business networking allows entrepreneurs to make a decision and include potential entities into their businesses hence, they can increase their business performance. Hence, local products get more recognition in marketplaces with a strong business network. Moreover, Çivi (2020) determined that networking plays an essential role in the development of small hospitality businesses. Hence, it is clear from the literature that an effective business network promises better performance of local products.

The fifth hypothesis of the present study is: business networks have positive effects on cultural capital. Foley (2008) examined that the social and cultural capital of entrepreneurs is affected by the networking attributes. A past study
discussing a comparison between Austria and Slovenia conducted by Moreover, Schwarz, Wdowiak, Breitenecker, and Kuntaric (2009) proved that the cultural capital value of entrepreneurs is positively influenced by the value of business networking. Hence, according to the results of the present study, the increased value of the business network also increases the cultural capital of tourists, especially visiting Samut Songkhram province for community tourism.

The sixth hypothesis of the present study is: the business network has positive effects on community tourism. A past study conducted by Pasanchay and Schott (2021) proved that business networks provide a sustainable foundation for the development of community-based tourism. Moreover, a prior study describing a proposed community-based tourism-oriented general model proved that a firm business network helps to attract more tourists from various parts of the world (Dłużewska & Giampiccoli, 2021). Hence, it is clear from the results of the present study that a strong business network directly influences community tourism. Increasing the value of business networks promises an increase in the value of community tourism.

The seventh hypothesis of the present study is local product has positive effects on community tourism. A study published in Development of Policy Review by Forstner (2004) proved that the role of local products in the market is positively significant that adds certain meanings to community tourism. Moreover, Lan, Hang, and Huy (2021) also concluded that the enormous availability of local products attracts more tourists hence, community tourism increases. According to the results of the present study, it is also clear that the massive opening of local products increases the value of community tourism.

The eighth hypothesis of the present study is cultural capital has positive effects on community tourism. A study conducted by LEEPANYAPORN and ROONPHO (2021) determines that raising the economy, cultural capital is very important because it has a significant role in tourism, especially in community tourism. In this education research, it is concluded that the value of cultural capital has a critical influence on community tourism. Furthermore, Stone and Nyaupane (2018) also determined that community tourism and the value of cultural capital have a significant positive relationship. Results of the present study also describe that increasing the value of community tourism also brings an increase in the value of community tourism. The last four hypotheses of the present study describe the mediation role of local products and cultural capital between foundation for economic, business network, and community tourism.

**Practical Implication**

The present study has investigated the relationship between foundation for economic, business network, local products, cultural capital, and community tourism. Hence, this study has practical implications. Practically the present study help practitioners and the population of the present study to boost their community tourism performance. Moreover, the present study adds significant value to the body of literature by exploring sufficient knowledge about local products and cultural capital that will provide an adequate amount of knowledge
to the scholars and researchers interested in community tourism, especially in Samut Songkhram province.

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