A Study of Structural Equation Model from Perspectives of the Community Entrepreneurs in the Northern Thailand

การศึกษาสมการโครงสร้างจากมุมมองของผู้ประกอบการวิสาหกิจชุมชนในภาคเหนือของประเทศไทย

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บทคัดย่อ

บทความนี้มีวัตถุประสงค์เพื่อระบุปัจจัยความสำเร็จที่จำเป็นสำหรับผู้ประกอบการวิสาหกิจชุมชนในภาคเหนือของประเทศไทยโดยใช้แบบจำลองสมการโครงสร้าง และใช้แบบสอบถามเป็นเครื่องมือในการเก็บรวบรวมข้อมูล ดำเนินการการตรวจสอบความถูกต้องและความน่าเชื่อถือของเครื่องมือ แล้วจึงนำข้อมูลที่ผ่านการตรวจสอบแล้วไปสร้างแบบจำลองสมการโครงสร้าง กลุ่มตัวอย่างในการศึกษานี้รวบรวมจากผู้ประกอบการวิสาหกิจชุมชนที่ตั้งอยู่ในจังหวัดเชียงใหม่ เชียงราย ลำปาง น่าน ตาก และพิษณุโลก หลังจากการตรวจสอบความถูกต้องเชิงเนื้อหาแล้วเหลือตัวแปรพารามิเตอร์อิสระจำนวน 39 รายการ พารามิเตอร์ทั้งหมดได้ถูกนำมาใช้เพื่อการกำหนดจำนวนกลุ่มตัวอย่างด้วยหลักการทั่วไป โดยใช้เกณฑ์ที่กำหนดให้แต่ละพารามิเตอร์ควรถูกจัดเก็บข้อมูลได้พารามิเตอร์ละ 10 เท่า ส่งผลให้จำนวนกลุ่มตัวอย่างที่เก็บรวบรวมในครั้งนี้มีจำนวนทั้งสิ้นอย่างน้อย 390 ตัวอย่าง จากนั้นจึงนำมากำหนดจำนวนกลุ่มตัวอย่างที่จะต้องเก็บรวบรวม

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จากแต่ละจังหวัดด้วยวิธีการสุ่มตัวอย่างแบบแบ่งชั้น ข้อมูลที่ได้รับการตอบกลับและตรวจสอบความสมบูรณ์แล้วคงเหลือ ทั้งสิ้น 358 ข้อมูล และถูกนำมาใช้ในการวิเคราะห์ข้อมูลโดยใช้ SEM ผ่านซอฟต์แวร์ LISREL จากการศึกษาวิจัยอย่าง ละเอียดพบว่าปัจจัยความสำเร็จที่สำคัญที่สุดของผู้ประกอบการชุมชนคือการเข้าถึงแหล่งเงินทุนที่เกี่ยวข้องกับการ สนับสนุนระบบการประเมินสินทรัพย์ที่ใช้เป็นหลักประกันสินเชื่อและการแข่งขันที่เป็นธรรมระหว่างผู้ให้บริการทางการเงิน ที่เป็นประโยชน์ต่อผู้ประกอบการชุมชน จากผลการวิจัยพบว่า สมมติฐานแรก (ได้แก่ ความต้องการสนับสนุนการเข้าถึง การเงิน) และปัจจัยความสำเร็จของผู้ประกอบการชุมชนในด้านทักษะการบริหารและการศึกษาโดยการสนับสนุนการเข้าถึง การเงินมีอิทธิพลต่อ ปัจจัยความสำเร็จของผู้ประกอบการชุมชน (เช่น สมมติฐานที่ 3) หมายความว่าผู้ประกอบการชุมชน ควรสามารถเข้าถึงระบบการประเมินทรัพย์สินหลักประกันสินเชื่อที่มีการให้บริการทางการเงินจากผู้ให้บริการอย่างยุติธรรม และเป็นประโยชน์ต่อการดำเนินธุรกิจตามมุมมองของผู้ประกอบการชุมชนในภาคเหนือ

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ABSTRACT

This article aimed at identifying the success factors needed by community entrepreneurship in the Northern Thailand using the Structural Equation Model (SEM).A questionnaire was used to collect data.Validity and reliability were conducted to test the instrument and modelling. A quantitative data analysis was accomplished using SEM. The collected data were analyzed using LISREL. The samplings of this study were the community entrepreneurship located in Chiang Mai, Chiang Rai, Lampang, Nan, Tak, and Phitsanulok provinces. Free parameter variables of this study, after the validity and reliability methods, were thirty-nine items. These thirty-nine parameters were calculated by ten times per each parameter, 390 samplings in total. The stratified sampling was used to find the number of collecting data from each province. The returned and cleaned data remained 358 samplings for analyzing the constructed model using SEM through LISREL software. The thorough research study indicated that the most important success factors of community entrepreneurs were accessibility of financial which related to supporting asset evaluation systems used for loan collateral and fair competition among financial service providers which benefit to community entrepreneur. Based on the results found from this work, the first hypothesis (i.e., the needs of supporting on accessibility to financial), as well as the success factors of community entrepreneur on administrational skill and education through supporting on accessible to financial had an influence on the success factors of community entrepreneurs (i.e., the third hypothesis). It means that the community entrepreneur should be able to access an asset evaluation systems of loan collateral with financial provide by service provider fairly and benefit to operate their business based on community entrepreneurs' perspective in the Northern Thailand.

Keywords: Success Factors, Community Entrepreneurs, Northern Thailand, Structural Equation Model

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Introduction

Community enterprises are considered foundational economies that are important in building a solid base for the country. Community enterprises are groups comprised of at least seven people from different families in the community that produce products and provide services using community capitals. The term community capitals refer to resources, wisdom, cultural richness, and social influences that are available in the community to generate income for the community and families within the community. In 2005, the Community Enterprise Promotion Act was promulgated to promote local knowledge and wisdom as well as to develop a variety of abilities in management. The main purposes of the promulgation are to help and support communities to be self-reliant and to enter a high-level of entrepreneurship.

Currently, the twenty–year National Strategy (from 2018 to 2037) of Thailand, a national development plan, sets a framework and development guidelines for government agencies in all sectors to follow. The guidelines are set as "stable, prosperous, and sustainable". To achieve the vision, the principles of Sufficiency Economy Philosophy are applied. In Thailand, the economy is expanding continuously which increases competition within the country. However, the use of community capitals is the way to promote and develop sustainable community entrepreneurship. The community capitals include human capital, intellectual capital, financial capital and other categories within the community. These developments can not only create prosperity, income, and the quality of life, but also continuously increase production and consumption of environment, amiable, and socially responsible people whose focus is on sustainable projects of the public's interest (http://nscr.nesdc.go.th/ns/). Moreover, the community economic development and strengthening of financial foundations according to the philosophy of the sufficiency economy can help communities be self-reliant, having the right to manage capitals, land, and internal resources, including promoting the careers of entrepreneurs at the community level. Therefore, the Office of the National Economic and Social Development Board give careful attention to the development of the grassroots economy. Currently, the development of the grassroots economy is set as an important policy of the country's economy.

Since the grassroots economy is one of the country's important policies, the development of community enterprises is considered to develop the strength of community enterprises from the foundation by supporting the development of entrepreneurial skills on capability to manage modern business and having ability on applying digital technology into their business operations. Nevertheless, although community enterprises have been assigned as a national policy, but there are still many community enterprises that have not been successful on operating their business as our preliminary survey by our researcher team. Therefore, to increase the potential of the community enterprises and the grassroots economy to be strengthened. This study, therefore, wants to study the success factors that are the main components to identify the current success of community enterprises from the point of view of the community enterprises themselves to promote and support them effectively.

The rest of this article is organized as follows. Section 1 discusses the related literature of critical success factors (CSFs) of small and medium enterprises (SMEs). Section 2 discusses the research design.

Section 3 discusses the research methodology. Section 4 describes our results and discussion. The last section concludes and calculates some managerial recommendations.

Research Questions

This study had four research questions on CSFs of community entrepreneur from their perspectives as following.

1) Which community entrepreneur domains were influence success factors of community entrepreneurship based on community entrepreneurs' perspectives in the Northern Thailand?

2) Which observed variables influence on accessibility of financial factor based on community entrepreneurs' perspectives in the Northern Thailand?

3) Which observed variables influence on accessibility of marketing factor based on community entrepreneurs' perspectives in the Northern Thailand?

4) Which critical factors were influence the CSFs of community entrepreneur from their perspectives?

Research Objective

The objective of this study was to study the success factors that are the main components to identify the current success of community enterprises from the point of view of the community enterprises themselves to promote and support them precisely.

Research Contributions

The contribution of this study is to find out on an influence which affects to the success factors of community entrepreneur from community entrepreneurs' perspectives in The Northern Thailand using SEM in analysis methods.

Literature Review

The characteristics of community entrepreneurship in order to increase the potential of the community administration were also important as critical success factors (CSFs) for entrepreneurs in the Central region of Thailand (Hemaphan, 2022; Srihirun and Pongmakin, 2020). A study of success factors for online business entrepreneurs found that the characteristics of entrepreneurs were using information technology, business strategy, and managing innovation and influenced their online successes significantly. Their success was attained by including the use of digital technology to search and respond to customer needs which was

necessary to rapidly generate market opportunities (Kaewchuer *et al.*, 2019). In addition, in Muang Hadyai of Songkha province, many internal and external factors of small and medium enterprises (SMEs) such as personal, financial, marketing, administration, customer, competition, economy, technology, politics, and law were shown as CSFs affected when operating SMEs (Wangbenmad and Bindulem, 2018). Salim and Abu Dabous (2022) suggested that the six main fundamentals of CSFs used to evaluate and measure investments in solar home systems were political, financial, technical, social, marketing and environmental.

The study on the CSFs of Thailand's SMEs were studied and reported, but the study on the CSFs of Thai community entrepreneurship has not been studied. In Thailand, community entrepreneurships are commonly grassroot businesses that are managed by the people in each community. In most cases, these types of businesses are operated by villagers in remote communities that use their own local traditions to inspire the products they produce and sell products. Those products are very valuable in terms of local arts and culture. However, several research results on CSFs of SMEs were reported that the potential characteristics of community entrepreneurship were important on community business administration in Central Thailand (Hemaphan, 2022; Srihirun and Pongmakin, 2020) as well as some fundamental factors of CSFs, for instance the marketing and financial, were also studied and reported in other parts of Thailand (Wangbenmad and Bindulem, 2018; Kaewchuer *et al.*, 2019; Salim and Abu Dabous, 2022). Nevertheless, none of them had reported on the success factor of community entrepreneurship based on community entrepreneurs' perspectives, especially in the Northern Thailand. These gaps inspired this study to rise four research questions on CSFs of community entrepreneur from their perspectives as indicated in research questions section.

This research is, therefore, focused on the needs and success factors of community entrepreneurships by adopting some important CSFs of SMEs in literature reviewing of this study such as the characteristics, the need of accessing available finances, and marketing systems in the current situation. The CSFs from literature reviews of this study were as followings.

1) Success Factors of Small and Medium Enterprises

Several researches on CSFs of SMEs suggested that characteristics of entrepreneurs were very important for running a business significantly at 0.01 and 0.05 respectively (Hemaphan, 2022; Intharajun and Teeratansirikool, 2019; Kaewchuer *et al.*, 2019; Kaewpakdee *et al.*, 2022; Srihirun and Pongmakin, 2020). Srihirun and Pongmakin (2020) suggested that the characteristics in leadership, attitude, and experiences of entrepreneurships for management were vitally important for successful business ownership. The research study of Mathuros and Chansom (2021) illustrated that among the 1500 of their SME samples in the Central region of Thailand, the achievement-oriented and the dependence factors were the most valuable of successful entrepreneurs in terms of the validity of observed variables. The research results were also reported that those factors could be used as recommendations to drive the strategic planning and strengthen the successful businesses for SMEs entrepreneurs within the region.

The study of Intharajun and Teeratansirikool (2019) suggested that the key determinants of entrepreneurial success factors in terms of SMEs entrepreneurs consisted of five factors. Those five factors

were entrepreneurial orientation, prior work experience, management skills, availability of capital, and educational level. Therefore, in this research article, those five factors were adopted and studied as success factors of community entrepreneurs.

2) Need for Accessibility to Finances

Finances is one of the main fundamentals of CSFs, which is an appropriate measure of business success, especially in developing countries (Salim and Abu Dabous, 2022; Walker and Brown, 2004). The CSFs of financial factors include annual savings and profit, revenue, cost, payback period, capital availability, adequate funding, and financial risk identification and assessment (Salim and Abu Dabous, 2022). Access to financial sources for business investment as well as government support are needed to enhance opportunities for investors and entrepreneurs to operate a business with both local and foreign investors (Awunyo-Vitor and Sackey, 2018). In Saudi Arabia, business support such as finances, government, family, and friends are important factors that affect the success of their SMEs (Al-Tit *et al.*, 2019).

3) Need of Accessibility to Marketing

Currently, online marketing has been introduced to most business sectors. The new approach of marketing, namely Marketing 4.0, has an important role which combines traditional marketing with online marketing to be more adaptive and interactive, and to rapidly connect with customers. Marketing 4.0 also involves setting up new marketing strategies and tactics, especially when in the midst of the COVID-19 pandemic issues (Dash *et al.*, 2021; He and Harris, 2020). Rakshit *et al.* (2022) reported that marketing metrics of business-to-business (B2B) had a positive impact on B2B SMEs success in India. In addition, support of SMEs (e.g. low-income, lack of capital and expertise, and insufficient operating space) by the local government, the private sector, and civil society were crucial to drive local economic development (Rakshit *et al.*, 2022). Therefore, the needs of community entrepreneurs should be studied and understood beforehand.

4) Hypothesis Development

Based on the rigorous literature review, three critical success factors were identified: success factors of community entrepreneurship, accessibility of finances, and accessibility of marketing. To investigate the effects of these factors on the success of community entrepreneurships, it was hypothesized that these success factors are influences on community entrepreneurship. Kaewpakdee *et al.* (2022) studied the potential development of agribusiness entrepreneur in Songkhla province, Thailand and found that entrepreneur characteristics and skill had influence on the potential of the agribusiness entrepreneur. The study of Salim and Abu Dabous (2022) indicated that government support was the most important CSF for solar home systems in public housing in UAE. As the government provided finances and marketing support, some items also were included in this study to gather opinions from target respondents. Moreover, the study of Intharajun and Teeratansirikool (2019) also indicated that entrepreneurial characteristics, prior work experience, management skills, availability of capital,

and educational level of the entrepreneurs were the key components of entrepreneur success. Hence, according to the purpose of this study and on bias of literature reviewing, the following three hypotheses were proposed:

Directional Hypothesis 1 (H1): *Supporting of accessibility of financial has positively relationship to the need of accessibility to finances.*

Directional Hypothesis 2 (H2): *Supporting of accessibility of marketing has positively relationship to the need of accessibility to marketing.*

Directional Hypothesis 3 (H3): *The need of supporting on accessibility of financial and marketing has an influence on success factors of community entrepreneurship.*

5) Conceptual Framework

According to the literature review, conceptual framework of this research study accompany with its indicators were proposed as illustrated in Figure 1.
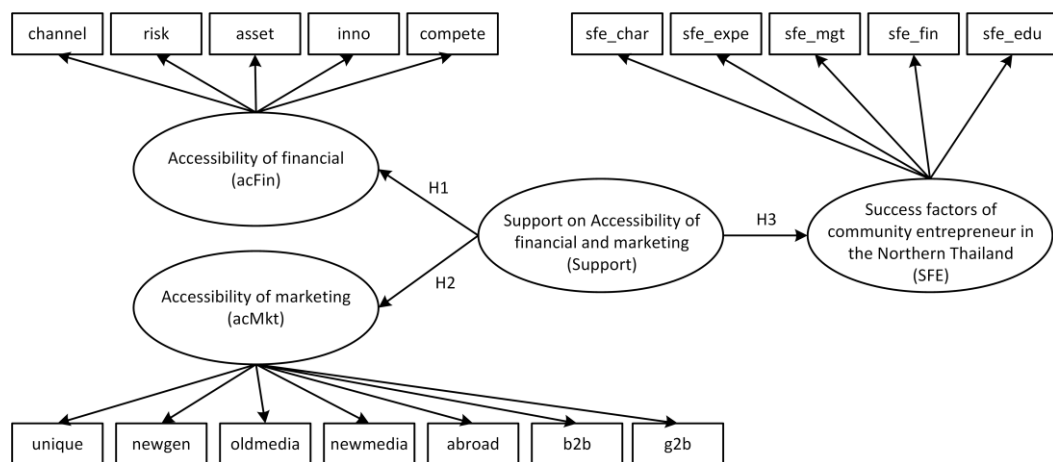

Figure 1: the conceptual framework of this study

Research Methodology

1. Population and Sample

The population of this study consisted of community entrepreneurships located in six provinces of the Northern region of Thailand. The six provinces were Chiang Mai, Chiang Rai, Lampang, Nan, Tak, and Phitsanulok. The population data was taken from the website of the Community Enterprise Promotion Division

of the Department of Agriculture Extension, the Ministry of Agriculture and Cooperatives, Thailand. The sample size of each province was calculated by using stratified sampling with proportions to size as exhibited in Table 1.

Table 1: The sample population and sample size of this research

	Sample provinces in Thailand						Total
	Chiang Mai	**Chiang Rai**	**Lampang**	**Nan**	**Tak**	**Phitsanulok**	
N	4,080	3,474	2,462	1,650	1,249	1,550	14,465
n	110	94	66	44	34	42	390

Source: Data available at Community Enterprise Promotion Division website (https://smce.doae.go.th/)

2. Research Design

1) Instruments

To collect data, a questionnaire was developed using CSFs which were found when reviewing literatures. This study adapted the CSFs to collect data from this research sampling, the community entrepreneurs in the Northern region of Thailand. The totals of 44 CSFs for community entrepreneurship success were identified and included in a questionnaire to identify the importance of these factors based on opinions of the samples. These 44 CSFs were grouped into three components based on the literature reviewing. The three components were as follows:

1. Success factors of the community entrepreneurship factors which were separated into five domains: 1) entrepreneurial characteristics with nine items, 2) prior work experience with five items, 3) management skills with six items, 4) the availability of capital with five items, and 5) educational level with six items;

2. Accessibility of finances factor with six items;

3. Accessibility of marketing factor with seven items.

The questionnaire adopted a five–point Likert-scale from 1 (Least agree), 2 (Slightly agree), 3 (Moderately agree), 4 (Agree), to 5 (Strongly agree) used by Mathuros and Chansom (2021) and Al-Tit *et al.* (2019). Responses with 1 and 2 were regarded as poor responses with 3 being satisfactory, while responses with 4 and 5 were deemed good.

2) Properties of Research Instrument

To validate the research instrument, the content of the questionnaire as it was related to the research objective was validated by six experts. The index of item-objective congruence (IOC) was used to examine the content validity. Thirty–nine items with above 0.80 agreement were used for collecting data. The total items in each component were as follows:

1. Success factors of community entrepreneurship factor which were separated into five domains as follows 1) entrepreneurial characteristics with seven items, 2) prior work experience with five items, 3)

management skills with five items, 4) the availability of capital with five items, and 5) educational level with five items (see Appendix);

    2.   Accessibility of financial factor with five items;

    3.   Accessibility of marketing factor with seven items.

As suggested by Hair *et al.* (2010), research studies should be designed to achieve alpha levels of at least 0.05 with power levels of 80 percent. To achieve such power levels, the alpha, sample size, and effect size must be considered simultaneously. Additionally, if the study predicts that the effect sizes will be small, the study must have larger sample sizes or use other robust methods of parameter estimation (e.g., the SatorraBentler), however, there is no agreement as to what constitutes as large (Raykov and Marcoulides, 2006). Consequently, Raykov and Marcoulides (2006) suggested that researchers should accept that trusted results from the asymptotically distribution free (ADF) should have a sample size that is always ten times of the free model parameters as a rule of thumb among related literatures. For this study, the total free model parameters are 39 parameters as resulted from the content validity method. Therefore, to meet the rule of thumb suggested by Raykov and Marcoulides (2006), the sample size of this study should be collected at least 390 samples which was 10 times of the number of this research parameters.

The reliability of collected data was used to examine the internal consistency of the responses. The reliability result of success factors of community entrepreneurship, accessibility of finances, and accessibility of marketing was 0.716, 0.781, and 0.768 respectively which was above 0.70 and a sufficient measure for the instrument as suggested by Taber (2018). These results indicated that the collected data was reliable, and the items could be measured by the same characteristics.

3) Data Collection

In collecting data process, the research data was collected from each province as shown in Table 1. The total return of data samples was 399 samples. In Thailand, community enterprises are groups comprised of at least seven people from different families in the community who join together for business (e.g. produce products or services) within the community as the grassroots of their economy (retrieved January, 2022 from http://www.sceb.doae.go.th/Ssceb2.htm). The Secretariat Office of Community Enterprise Promotion Board (SCEB) explains on the website that these businesses are not yet SMEs or cooperatives, but it can help the country's economy to a certain extent. For this research, therefore, only 358 samples that had seven or more members were extracted to analyse. The demographic of the collected data reported that 211 sampling were male, and 147 sampling were female which were 58.9% and 41.1% respectively. The sampling age range of 31–40 was 102 sampling, 41–50 was 201 sampling, and 51–60 was 55 sampling, which were 28.5%, 56.1% and 15.4% respectively. Educational level of sampling reported that samplings who graduate lower than undergraduate level was 161 sampling or 45.0%, and undergraduate level or higher was 197 sampling or 55.0%.

4) Variables Used in the Study

The thirty-nine factors identified by the group of academics and practitioners were explored in three different components as described in the research design section. For the first component, five domains of the success factors of community entrepreneurship were calculated into the mean value of each domain for each data response as observed variables. The five observed variables of the first component were entrepreneurial characteristics, prior work experience, management skills, availability of capital, and educational level. However, the second and third components were used as it was. Therefore, the three components and observed variables used in this study were illustrated in Table 2.

Table 2: Observed variables used in this study

Factors	Items	Meaning	Five–point Likert-scale of agreement level
Success factors of community entrepreneurship (SFE)	sfe_char	SFE characteristic	entrepreneurial characteristics is a necessary component in the success factor of entrepreneurship
	sfe_expe	SFE experience	previous experience is a necessary component in the success factor of entrepreneurship
	sfe_mgt	SFE management skill	management skill is a necessary component in the success factor of entrepreneurship
	sfe_fin	SFE financial	availability of capital is a necessary component in the success factor of entrepreneurship
	sfe_edu	SFE education level	educational level is a necessary component in the success factor of entrepreneurship
Accessibility of Finances (acFin)	channel	channel	providing channels of capital sources is a necessary on accessibility of finances
	risk	financial product that reduce risk	developing financial products to provide risk management service is a necessary on accessibility of finances
	asset	asset evaluation systems used for loan collateral	developing various forms of asset evaluation systems to be used as collateral for loan applications is a necessary on accessibility of finances
	inno	using innovation to access financial	using technology and innovation to encourage all sectors to access financial services at reasonable costs is a necessary on accessibility of finances
	compete	fair competition among financial service providers	promoting fair competition among financial service providers in the capital, money and insurance markets is a necessary on accessibility of finances
Accessibility of Marketing (acMkt)	unique	having unique product	supporting community enterprises to have a unique product and a clear branding is a necessary on accessibility of marketing
	newgen	having standard quality products for the new generation lifestyle	developing the domestic market to get standard quality products according to the lifestyle of the new generation is a necessary on accessibility of marketing

Factors	Items	Meaning	Five–point Likert-scale of agreement level
	oldmedia	using traditional media to operate businesses	promoting entrepreneurs at all levels, including farmers and community enterprises to expand marketing channels using traditional media to operate businesses is a necessary on accessibility of marketing
	newmedia	using modern media to operate businesses	promoting entrepreneurs at all levels, including farmers and community enterprises to expand marketing channels using modern media to operate businesses is a necessary on accessibility of marketing
	abroad	readiness to invest abroad	developing readiness for entrepreneurs to invest abroad is a necessary on accessibility of marketing
	b2b	understanding the B-to-B, B-to-C, and C-to-C	encourage entrepreneurs to understand the new economy regarding B-to-B, B-to-C, and C-to-C is a necessary on accessibility of marketing
	g2b	understanding the G-to-B and G-to-C	encourage entrepreneurs to understand the new economy regarding G-to-B and G-to-C is a necessary on accessibility of marketing

Table 2 shows CSFs that were used in this study. Five items were used to measure success factors of community entrepreneurship, namely *SFE*. Five items were used to measure accessibility of finances, namely *acFin*, and seven items were used to measure accessibility of marketing, namely *acMkt*.

According to Table 2, all components were tested and extracted the related components by using statistical technique (i.e., Confirm Factor Analysis (CFA)) in LISREL 8.7 for Windows (Jöreskog and Sörbom, 2004). Then a constructed model was generated both good and perfectly fit. As exhibited in Figure 2, three related items (i.e. channel, asset, and compete) were related to factor 1 (acFin), three items (i.e. newgen, newmedia, and abroad) were related to factor 2 (acMkt), and three items (i.e. sfe_mgt, sfe_fin and sfe_edu) were related to factor 3 (SFE).

Research Findings

1. The Initial Constructed Model

To find an effective measurement model, the CFA was used to extract the related component for each factor. Based on this process, each factor was examined separately to find the related components. Then the first–constructed model was proposed. As shown in Figure 2, the first construct model consists of four factors which were acFin, acMkt, Support and SFE. The related component of acFin consists of channel with value of 0.908, asset with value of 0.938, and compete with value of 0.920. The related component of acMkt consists fo newgen with value of 0.853, newmedia with value of 0.917, and abroad with value of 0.720. The related component of SFE consists of sf_mgt with value of 0.389, sfe_fin with value of 0.350 and sf_edu with value of

1.056. The goodness–of–fit was shown that *Chi–square = 154.936, df = 24, p–value < 0.001, Chi–square/df = 6.456, GFI = 0.912, AGFI = 0.835, NFI = 0.953, CFI = 0.959, and RMSEA = 0.124.* Hence, this first–constructed model was used to conduct research hypothesizes.
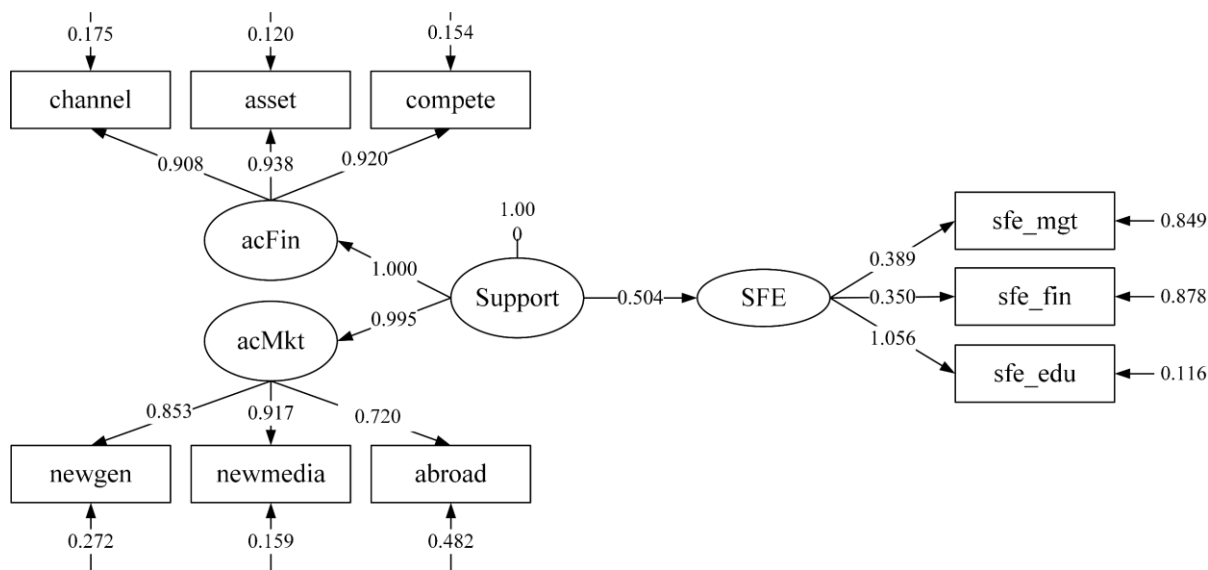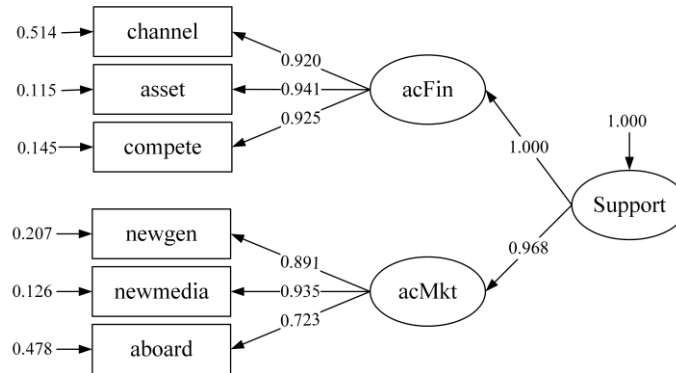

Figure 2: The first-constructed model

2. Composite Reliability and Average of Variance Extracted

To develop an effective measurement model, confirmatory factor analysis (CFA) was used. Each factor was examined separately to find an effective way to carry out this study. As suggested by Hair *et al.* (2010), the factor loading of items above 0.50 are considered to have a strong enough relationship with the factor to be retained. In addition, this study was focused on positive factor loadings. Hence, not only the factor loadings above 0.50 were selected, but also the positive factor loadings found in each CFA process were adopted in this study. As exhibited in Figure 2, all observed variables were accepted.
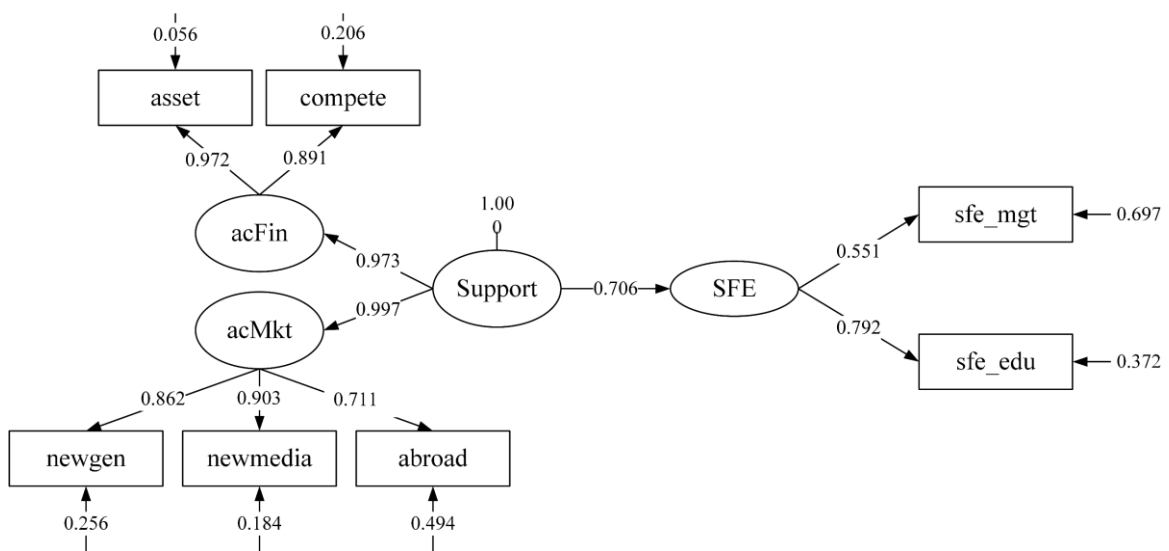
3. Construct Validity

To validate the constructed model. The remaining independent variables were validated using second order model to assess model fit. The Chi-Square test, RMSEA, CFI, GFI, and NFI were indices to assess model fit. The results of fit indices revealed good fit indices (*Chi–square = 7.719, df = 6, p–value = 0.259, Chi–square/df = 1.287, GFI = 0.993, AGFI = 0.975, NFI = 0.998, CFI = 0.999, and RMSEA = 0.0283*). Altogether with the independent variables in the model, see Figure 3, the R-squared values represented the proportion of variance (*channel = 0.514, asset = 0.115, compete = 0.145, newgen = 0.207, newmedia = 0.126, aboard = 0.478*) and the strength of the relationships in the model *(path coefficient of Support to acFin = 1.00, Support to acMkt = 0.968, acFin to channel = 0.920, acFin to asset = 0.941, acFin to compete = 0.925, acMkt to newgen = 0.891, acMkt to*

newmedia = 0.935, and acMkt to abroad = 0.723). The model represents a good overall fit to the data as well as an appropriate of the data with strong relationships between latent variables and observed variables.

Figure 3: The construct validity using second order model of confirmatory factor analysis

After construct validity, the model was recalculated for the new correlation results. The results revealed that the model fit with empirical data. As exhibited in Figure 4, the final–constructed model was established. The final–constructed model consists of factor 0.973 (acFin) with two items (i.e. asset with value of 0.972, and compete with value of 0.891), factor 2 (acMkt) with three items (i.e. newgen with value of 0.862, newmedia with value of 0.903, and abroad with value of 0.711), and factor 3 (SFE) with two items (i.e. sfe_mgt with value of 0.551, and sfe_edu with value of 0.792). The goodness-of-fit summary confirmed that this model fit the data well (*Chi–square = 14.449, df = 9, p–value = 0.107, Chi–square/df = 1.605, GFI = 0.989, AGFI = 0.964, NFI = 0.995, CFI = 0.998, and RMSEA = 0.041, SRMR = 0.026, NNFI = 0.995*).

Figure 4: The CSFs model of community entrepreneurship in the Northern region of Thailand

Table 3: The results of composite reliability (CR) and average variance extracted (AVE) of the model

Items	Standardised Factor Loadings (λ)	Composite Reliability	AVE
Accessibility of Finances (acFin)		*0.930*	*0.869*
asset	0.972		
compete	0.891		
Accessibility of Marketing (acMkt)		*0.868*	*0.688*
newgen	0.862		
newmedia	0.903		
abroad	0.711		
Success factors of community entrepreneurship (SFE)		*0.628*	*0.465*
sfe_mgt	0.551		
sfe_edu	0.792		
Support on Accessibility of Financial and Marketing (Support)		*0.927*	*0.813*
acFin	0.973		
acMkt	0.997		
SFE	0.706		

To confirm reliability and validity of the constructed model, composite reliability (CR) and average variance extracted (AVE) were adopted in this research study. As indicated in Table 3, the CR of all factors were greater than 0.70 and most of the AVE of all factors was greater than 0.50. As suggested by Hair *et al.* (2011), the CR values of 0.60 to 0.70 and greater are regarded as satisfactory, and an AVE value of 0.50 and greater are sufficient to explain more than half of latent variables of its indicators' variance. However, Fornell and Larcker (1981, cited in Lam, 2012) suggested that the AVE reflects the amount of variance in the indicators that is accounted by the latent constructs, and is more conservative estimate of the validity of a measurement model. Therefore, the composite reliability and validity of the constructed model met the required criteria.

Table 4: The Variance Inflation Factor (VIF) and Tolerance as indicators of multicollinearity for the model

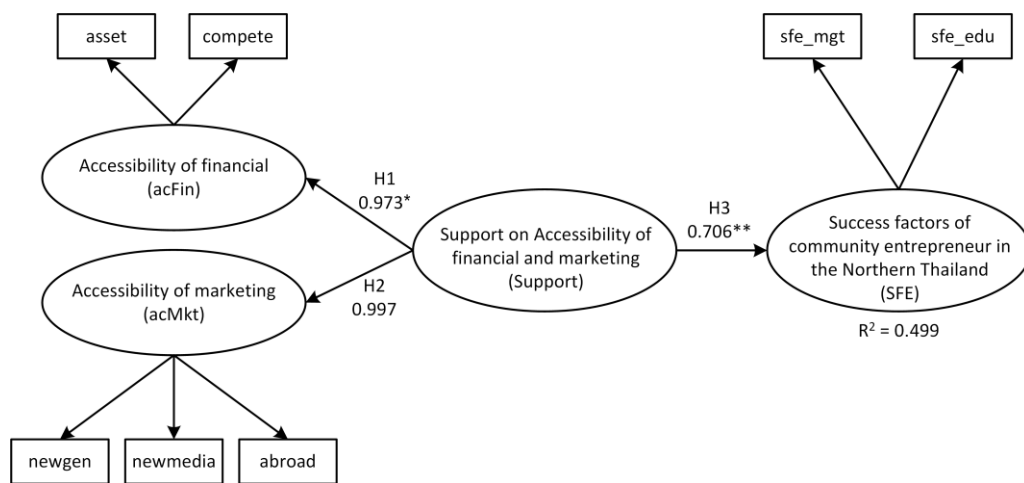| Independent variable	Collinearity Statistics	
	Tolerance	VIF
asset	0.165	6.066
compete	0.209	4.785
newgen	0.306	3.270
newmedia	0.211	4.729
aboard	0.489	2.044

Source: researchers, 2024

As indicated in Table 4, all tolerance of observed variables was higher than 0.1 and all the Variance Inflation Factor (VIF) values were less than 10 which met the common threshold of tolerance and VIF suggested

by Hair *et al.* (2010), Snee (1983) and Vanichbuncha (2022). These results revealed that all observed variables (i.e., asset, compete, newgen, newmedia, and aboard) had no multicollinearity problematic and could be used as free indicators of model construction.

4. Structural Model

   As exhibited in Figure 4, the squared multiple correlations (R^2) for structural equations, acFin, acMkt, and SFE factor, was calculated. The result revealed that the R^2 of acFin was 0.947, acMkt was 0.994, and SFE was 0.499. This result confirms that the acFin and acMkt factor can be used in conjunction to describe up to 49.90 percent of the SFE factors. These findings suggest that the structural model does a good, but not perfect, job in explaining the hypotheses of this study.

   The structural model indicates that H1 is positively relationship to the need of accessibility on finances significantly at p<0.10, meanwhile, H2 is rejected. Therefore, H3 reveals that the needs of supporting on accessibility of financial has significantly influence on success factors of community entrepreneurship at p<0.01. These results are summarized in Figure 5 and Table 5.

Figure 5: Hypotheses Results

Table 5: Summary of the structural model results for hypotheses of this study

Hypothesis No.	Path	β	S.E.	t–value	p–value
H1	Support ⟶ acFin	0.973	0.033	1.701	0.062*
H2	Support ⟶ acMkt	0.997	0.031	0.173	0.433
H3	Support ⟶ SFE	0.706	0.128	4.274	0.001**

Note: ** means p-value < 0.10, ** means p–value < 0.01, df = 9*

   As seen in Table 5, the standardized coefficients (β) of path Support⟶acFin was 0.973, Support⟶acMkt was 0.997, and Support⟶SFE was 0.706. The results that only H1 and H3 are accepted. Specifically, the needs of accessibility to financial (i.e., H1) has positively relationship (p-value=0.062) on the

success of community entrepreneurship (i.e. H3). In another way, supporting on marketing accessibility (H2, p-value=0.433) is rejected.

The most important factors that influenced the success of community entrepreneurs in the Northern region of Thailand revealed that setting asset evaluation systems used for loan collateral (λ_{asset} = 0.972) as well as supporting a fair competition among financial service providers ($\lambda_{compete}$ = 0.891) were needed. This research results positively related to empirical data on community entrepreneurs' perspectives in the Northern Thailand. This results were also agreed with Walker and Brown (2004) studied that the financial factor should be one of the main CSFs fundamental for developing countries measure of business success. There were also related to the study of Salim and Abu Dabous (2022) that supporting on accessibility to financial accompany with government support were required by small and medium entrepreneur. Meanwhile, the factors of developing the domestic market to get standard quality products according to the lifestyle of the new generation (λ_{newgen} = 0.862), using modern media to operate businesses ($\lambda_{newmedia}$ = 0.903), and readiness to invest in abroad (λ_{abroad} = 0.711) were rejected. However, these results were not agree with Dash *et al.* (2021) and He and Harris (2020) studied that marketing domain were positively related to success factors of enterprises.

In addition, not only the accessibility to financial factor, but also the success factors of community entrepreneurship were considered as important and positive CSFs of this study. These factors were related to management skill (λ_{sfe_mgt} = 0.551) and educational level of the entrepreneurs (λ_{sfe_edu} = 0.792) which were dependent variables in this study. These results were in agreement with the studies of Intharajun and Teeratansirikool (2019), Mathuros and Chansom (2021) and Srihirun and Pongmakin (2020) as an important success factor of entrepreneurs in Thailand.

Research Discussion

In this study, we extracted 44 CSFs from the heavy literature review. Thirty–nine of 44 CSFs items were used to collect data using a validated questionnaire as the research instrument of this research. The 39 items with reliability above 0.80 were grouped into three factors. The first factor consists of success factors of community entrepreneurship (SFE) with five categories of success factors totally with 31 items as described in the research methodology section. The last two factors consist of accessibility of finances (acFin) with five items, and accessibility of marketing (acMkt) with seven items. Three hundred and fifty-eight satisfactory samples with Cronbach α reliability above 0.70 were used to model and analyse in this study. The confirmatory factor analysis (CFA) was used to confirm the satisfactory items of each factor. The factor loadings of each factor with above 0.70 were selected to construct the structural equation model (SEM) of this study using LISREL 8.7 for Windows. The final-constructed model (see Figure 4), reveals that the goodness-of-fits of the model were satisfactory for the criteria of SEM measurements of this study. The composite reliability (CR) and the average variance extracted (AVE) were used to confirm the reliability and validity of the constructed-model. The results revealed that most of satisfactory items of each factor were internally related within factor categories. These

results confirmed that most of the measurement models were good fit and adequate to explain the influences of each factor on the community entrepreneur success factors with common goodness of fit indices and their thresholds for evaluating a construct model in SEM as suggested by widely known as SEM experts (Bentler, 1990; Bentler and Bonett, 1980; Hu and Bentler, 1999; Jöreskog and Sörbom, 1984; Steiger, 1990), as indicated in Table 6.

Table 6: Common goodness of fit indices and thresholds for evaluating of a construct model in SEM

Fit Index	Acceptable Fit	Good Fit	Constructed Model Results	Constructed Model Acceptance
Chi-Square Test	Chi-Square/df < 3	Chi-Square/df < 3	1.605	Good Fit
Comparative Fit Index (CFI)	CFI > 0.90	CFI > 0.95	0.998	Good Fit
Tucker-Lewis Index (TLI) or Non-Normed Fit Index (NNFI)	TLI or NNFI > 0.90	TLI or NNFI > 0.95	0.995	Good Fit
Root Mean Square Error of Approximation (RMSEA)	RMSEA < 0.08	RMSEA < 0.06	0.041	Good Fit
90 Percent Confidence Interval for RMSEA	RMSEA 90% CI upper limit < 0.08	RMSEA 90% CI upper limit < 0.06	0.079	Acceptable Fit
Standardized Root Mean Square Residual (SRMR)	SRMR < 0.08	SRMR < 0.05	0.026	Good Fit
Goodness of Fit Index (GFI)	GFI > 0.90	-	0.989	Good Fit
Adjusted Goodness of Fit Index (AGFI)	GFI > 0.90	-	0.964	Good Fit

To sum up, the structural model exhibited in Table 5 indicated that hypothesis 1, *the accessibility of financial (acFin)*, had a *significant relationship and influence* on the success of community entrepreneurship (SFE) through the latent variable namely *supporting on accessibility of financial and marketing (Support)*, while hypothesis 2, *the accessibility of marketing (acMkt)*, had *no influences* on the success of community entrepreneurship (SFE) through the *Support* latent variable.

The success factors of the community entrepreneurs in the Northern region of Thailand from this research results revealed that the management skill of entrepreneurial and the education level of the entrepreneurs were CSFs of the community entrepreneurs' perspectives. This research finding agreed with a study by Intharajun and Teeratansirikool (2019) as well as Kaewpakdee *et al.* (2022) that entrepreneur education, and skill were success factors of entrepreneurship.

The community products in each area in the Northern region are unique. Most of the products were produced by using local material within the communities. The use of material within the community is the strength strategy on production product that also found in Chueasraku (2022). Moreover, the producers of the local products were a member of the community who has lived in the community for their whole life. Additionally, the knowhow of producing the community products were transferred from generation to generation as local wisdom. The gathering of families within the community as well as the use of local materials to produce

the local products became the benefits of using social and culture as the capital of the community entrepreneurial business. The local products of the community enterprise mostly be minor careers. They came together and produced the product when they were available from their main careers. In addition, the local products usually were pre-order products. It means that the accessible to finances for the capital investment are required. These situations could be implied the rationale of the marginally significant at the 10% level (p = 0.062) of the path Support→acFin which got a positive β coefficient value of 0.973, S.E. of 0.033, and t-value of 1.701. Hence, these were agreed with the hypothesis 1 that the accessibility on finances (acFin) has influences to the success of community entrepreneurial (SFE). A study of financial domain in success factors of community entrepreneurs' perspectives is suggested to repeat study in the other regions of Thailand and in developing countries within the similar context of community entrepreneurial operations.

In another way, some contextual factors of the sample themselves such as management skill and educational level might not affect to their perspective which represented a specific factor of accessibility of marketing (acMkt) solely. Some researchers and practitioners might concern on the positive direction on the secondary order model (see Figure 3) that had almost the same categories with very high factor loading with a good fit to confirm factors in each category. The purpose of the model in Figure 3 was validating constructed model to confirm that the latent variables (acFin and acMkt) directly influence observed variables of the study, while the model in Figure 4 represented the evaluating research hypotheses of the study. As seen in the constructed model, the latent variables (acFin and acMkt) influence another latent variable (i.e., Support to SFE) which influenced observed variables (sfe_mgt and sfe_edu) of the study positively direction. There are widely known that once an increase in one variable leads to an increase in another. Conversely, negative path coefficient implies an inverse relationship, where an increase in one variable lead to a decrease in another. Hence, it seems no conflict to the real world beside this study where the results suggest that higher values of accessibility financial perspectives were associated with higher values of the success factor of entrepreneurial in a community. Nevertheless, in collecting data process of this study, informal interview with some responders reflected to researcher team acknowledge that community business operations used material available in the community which were the strength of community on cost of raw material. In addition, a strategic planning tools such as SWOT analysis were what community entrepreneurs do not quite understand the meaning and the benefits of the tools. This acknowledge might be a cause factor that reflect to the results of this study based on community entrepreneurs' perspectives. Therefore, further research study on a qualitative research may require in this context to confirm the research results.

In Addition, this work reveals that the accessing of marketing (acMkt) is not quite effect to the community entrepreneurs. These results were not positively related to a study by Chueasraku (2022), Rakshit *et al.* (2022) and Salim and Abu Dabous (2022) that the characteristic of product that had a modern style, environmentally friendly, marketing channel, promoting, and supporting from government were factors of the success factors of community enterprise. However, as mentioned that independent variables of this study were very close to each other. Those indicators might relate and interchangeable with its rationale such as using modern media in the present day might support the community conquer the enterprises who sufficiently enough

financial on running their business. Meanwhile, success factor of having knowledge on managerial and higher level on education might lead them to run community business successfully and bring them to sell community product globally. Therefore, community developers, government, or related organizations should focus on accessibility of financial, including support them by educating knowledge on business process management, business strategies, simple business tools, and some simple marketing knowledge on using new medial on selling products are needed based on community entrepreneurs' perspectives.

Recommendations

From this research results, the future research based-on this research results should be study further as following.

1. A study on the customer's lifestyle that matches on each product and service to find the matched or unique product and service for both customer and community entrepreneur.

2. A study on community entrepreneur marketplace application with fully functions as B2B or B2C online business to help them sell products and service globally, especially by a non-profit organization.

3. A study of a competitive advantages on making a difference in marketing and product quality are also suggested to research as suggested by Kerdumpang (2023).

4. According to this study, research findings were studied rely on the research questions, researcher interest, testing based-on theories, and predicting on a body of the study (Kline, 2016). It is also widely known that a finding of good fit does not imply that a model is correct or true, but only possibility. Therefore, repeating on the proposed indicators and factors are suggested to study in the other regions, including in Northern Thailand.

5. A study of in-depth interview on the need of financial and marketing domain are needed for community entrepreneur as a qualitative research.

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