



# Model and best practice for tourism and hospitality management innovation under the concept of inclusive business

Techita Phattharasorn<sup>†</sup>, Thianrat Chatphattaraphon<sup>\*,†</sup>, Pimmada Wichasin, Sinsupa Wannasuth, Charinda Wisersatana, Waranyaporn Srisawannon

*School of Tourism and Hospitality Management, Suan Dusit University, Bangkok 10300, Thailand*

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## Abstract

The research aims to (1) study Model and Best practices for innovation in managing the tourism and hospitality industry under inclusive business concepts and propelling the local economy sector at the international level; (2) study the context of managing the tourism and hospitality industry under inclusive business concepts and propelling the local economy in Thailand. Moreover; (3) analyze and compare innovation in managing the tourism and hospitality industry under inclusive business concepts and propelling the local economy between the international level and Thailand. Finally; (4) to present models and best practices for innovation in managing the tourism and hospitality industry under inclusive business. The group of information providers is (1) organic farming business group, (2) craft and wisdom business group, and (3) lifestyle learning, culture, and traditions in the community. Content analysis was implemented for data analysis. The outcomes were as follows: The factors that support business operations and society are (1) policy formulation and implementation, (2) knowledge management, (3) necessary and appropriate innovations to collaboration, (4) networks and partners, (5) financing and support; and (6) targeted sectors. Moreover, applying the model and guidelines for management in the tourism and hospitality industry in Lampang Province.

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## Introduction

The concept of socially supportive business or Inclusive Business (IB) is considered a business practice that aims to bring low-income people in the community into being a part to create work and opportunities to generate income that will

lead to a better quality of life for society. From research by the Endeava Institute in Berlin, Germany, on the topic “Destination: Mutual Benefit – A Guide to Inclusive Tourism”, in 2014, it explained and specified the path and steps for doing an inclusive business in the tourism business and compared the concept of Community-Based Tourism,

\* Corresponding author.

E-mail address: [aor\\_lay@hotmail.com](mailto:aor_lay@hotmail.com) (Chatphattaraphon, T.).

† Co-first authors.

and explained that the concept of Community-Based Tourism although it mainly promotes income for the poor, when it stops supporting, the poor will return to poverty as before. Meanwhile, inclusive businesses focus on building relationships between companies and the poor to promote a better quality of life in the long term may be called “Doing business from the grassroots” which means trading or supporting products created by the community in doing business in a way that allows the community and business to grow together.

In Thailand, this form of business has existed for a long time in the form of “cooperatives” or in the form of community enterprise groups that are widespread throughout every region, each of which has different goals to work towards to resolve problems that arise in the local community, including achieving common economic, social and cultural goals. Considering the context of Thailand’s tourism and hospitality industries, there are still not many inclusive businesses operating. Such may still be considered at the beginning level and is not very well known among tourists yet.

According to the United Nations Development Programme [UNDP], 2015, the concept of social enterprise suggests that it is only the low-income or small-scale disadvantaged groups that benefit from participating in and engaging with the value chain of businesses. Additionally, social enterprises emphasize business models or approaches where companies organize resources, cooperation, and relationships with customers to create and distribute value to society and low-income or disadvantaged groups (Cotula & Leonard, 2010). Meanwhile, the operation of social enterprises demonstrates that business models are capable of reducing power, increasing risk, reducing the voice of local communities, and allocating land and local labor under unfair conditions (German et al., 2018). Awareness of diverse experiences both in Thailand and internationally will enrich this research project and generate localized management and operational guidelines for the tourism and service industries.

This research project is therefore based on the knowledge base and work experience of the education sector and network partners in the tourism and hospitality industry from analyzing the problem context (Pain Point), opportunity (Gain Point) and potential of inclusive business operations. Such includes the need for the possibility of studying and developing prototypes based on evidence from among the group of countries that have established guidelines and operational management frameworks for the tourism and hospitality industry under the concept of inclusive business and driving the grassroots economy such as the European Union,

Indonesia and Sweden. This will lead to laying a solid foundation for the tourism economic system within the community.

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## Research Objective

Firstly; (1) The research aims to study Models and Best practices for innovation in managing the tourism and hospitality industry under inclusive business concepts and propelling the local economy sector at the international level. Secondly (2) study the context of managing the tourism and hospitality industry under inclusive business concepts and propelling the local economy in Thailand. Moreover; (3) analyze and compare innovation in managing the tourism and hospitality industry under inclusive business concepts and propelling the local economy between the international level and Thailand. Finally; (4) present models and best practices for innovation in managing the tourism and hospitality industry under inclusive business concepts and propelling the grassroots economy of Thailand.

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## Literature Review

### *The Concept of Innovation*

Innovation is the development of new things. New things are developed from old things, which control changes in old values, beliefs as well as value systems, discoveries or inventions of new things (invent) by application using new ideas or new knowledge and discovering new techniques or technology.

Innovations can be classified into numerous categories based on scope. The purpose of the application is to classify according to the target of innovation (Schilling & Shankar, 2019). The details of the classification of innovations in each characteristic are as follows:

#### 1. Product Innovation

There are two significant variables of product innovation: (1) Technological Opportunities relate to scientific and technological information, tools, equipment, and procedures that will allow product development to take place; (2) Market Demand refers to the needs of users who have a desire for the new product and ready to buy or use, and result in economic or social benefits for the owner of the innovation. (Capon et al, 1992; Ettlie & Reza, 1992; Gopalakrishnan & Damanpour, 1997).

## 2. Process Innovation

Process Innovation is a matter of change organizational transformation. It is a tool for production process distribution or organization management style with the goal of leading to the development of product innovation to reach the hands of consumers as efficiently and effectively as possible for the organization (Capon et al, 1992; Ettlie & Reza, 1992; Gopalakrishnan & Damanpour, 1997).

Although product innovation is more apparent, process innovation is as vital in providing a competitive edge to an organization or corporation (Schilling, 2008). Most process innovations focus on quality control and continuous improvement of production and operating efficiency, including activities or processes related to elements in the system, which are process inputs and outputs. (Abernathy & Utterback, 1978; Tushman & Nadler, 1986); Gopalakrishnan et al., 1999) and Damanpour & Gopalakrishnan, 2001)

### *Best Practice*

“Best Practice” refers to the methods or procedures that lead to the success of an organization or contribute to excellence in achieving goals. These practices are widely accepted within a particular academic or professional field and are supported by clear evidence of success. They typically involve summarizing practices or procedures, as well as knowledge and experience documented and disseminated for use by internal or external organizations.

In 2019, Miles Partnership (Adams, 2019) considered the best practices globally in domestic tourism, as part of an international comparative study. Domestic tourism from 30 countries was assessed, and 8 countries, including Australia, Canada, the United States, Ireland, the United Kingdom, Sweden, Finland, and Slovenia, were selected. In Australia and the United States, the focus was on three states in each country, including New South Wales, Victoria, and Tasmania in Australia, and Oregon, Colorado, and Arizona in the United States, concerning the five international best practices for developing and supporting mutually beneficial tourism at the national level, including;

1. Marketing Management: After years of sustained growth, and the COVID-19 pandemic revealed the limits of growth. This starts with a renewed connection to residents and a widely supported destination strategy that defines what is special about a destination and how to protect it.

2. Domestic Tourism Foundation: After the COVID-19 epidemic, domestic tourism is critical in most countries

for long-term growth of a robust and sustainable tourist economy. Even once growth returns, an engaged, loyal domestic visitor base is essential for most destinations.

3. Production Capacity and Ability: Building the ability and competencies of stakeholders as well as local communities requires long-term planning, which is challenging but necessary to create a robust and sustainable domestic tourist business. This is particularly valid in the context of developing new products, online advertising budget availability as well and entrepreneurial and commercial abilities.

4. Event Opportunities arising from important events: Inspired by a community that is authentic, reliable, unique, and innovative. It is an opportunity for visitors to that tourist destination. Therefore, expertise for local people and support activities that can make a clear difference must be created.

5. Balanced Industry Structure: If widespread shared results from domestic tourism are desired, the distribution of tourist attractions must be adjusted according to the time period or season of the tourist destination taking into account tourism resources and local financing.

### *Inclusive Business*

Inclusive Business is a business that gives low-income people an opportunity to participate in the business process and connect to the global market (Global Value chain), in addition to benefiting the business itself. Increasing income and providing access to services for low-income people will help reduce poverty and achieve the SDGs at the same time. The characteristic is that it brings together the community and society sectors to work together or enter into the business supply chain system. When doing any business, instead of purchasing raw materials or products with the entrepreneurs themselves, change to buying from local communities that have the raw materials they need, which is considered to create income and provide opportunities for that local community, which is different from donation income or donating things completely. This, consistent with the goals of the ASEAN Community in 2025, is making ASEAN a people-centered community.

The main elements of a socially inclusive business consist of three aspects: being an open business, involving the community, and creating sustainability within society. The concept of being an open business means that entrepreneurs do not solely own and control every aspect of the supply chain from start to finish.

An example of a socially inclusive business in the tourism and service sector is Once Again Hostel.

Founded by Khun Sannat, Wanarot Paitoontakorn, an engineer, and an architect, this hostel aims to revitalize the disappearing ancient community in downtown Bangkok. They achieve this by hiring locals, serving community-prepared breakfasts, organizing hostel activities that showcase the local community, establishing an instant taxi network operated by locals, and even contributing to a volunteer Saturday School—a shared space for everyone in the community. All of these efforts contribute to mutual benefit, where both the business owners and the community win, demonstrating a win-win scenario.

### *Benchmarking*

Castro & Frazzon (2017) explain Benchmarking is a process used to develop the best practices. Benchmarking is related to the processes of other organizations or sectors. It is a process of measuring, comparing, or systematically comparing the organization's operations.

The 5 Steps of Benchmarking (Castro & Frazzon, 2017) are as follows;

1. Planning: Organizations need to have adequate planning before starting operations including the following planning;

1) Specify activities that must be obtained before comparisons can be made.

2) Specify the techniques to be used for collecting data from survey research techniques such as new engineering analysis, process mapping, quality control variance report, financial ratio analysis or review of other performance indicators.

3) Identify and reference performance measures for improvement.

2. Data Collection: Primary and Secondary data must be gathered. Primary data collection means collecting information directly from agencies or organizations that make benchmarking while secondary data refer to information created from media, publications, or the internet.

3. Data Analysis: All collected data are analyzed to understand actual and expected performance gaps. The root causes of all such gaps are analyzed and searched to find appropriate solutions for the root causes.

4. Implementation: Implementation is an actual problem-solving process designed for the root cause of the gap that includes action and a solution to achieve the expected improvement in performance.

5. Audits: Audits are regular and systematic assessments of progress made to achieve improvements in key performance indicators from operations. This must be done through a process of benchmarking.

### *Selection of Model Organizations*

The selection of model organizations is an operation that is in the planning stage for making comparisons or benchmarking. In selecting a model organization, what is important is that the prototype organization to be selected must have characteristics according to criteria jointly determined by the team and be an organization that can be a good example or be successful in its operations. There are two methods for selecting model organizations as follows: (Lauff et al., 2018).

1. The Self-Initiated Approach: where the team jointly provides information on model organizations where they should be and which are model organizations that are likely to receive cooperation in making benchmarking.

2. The Group-Initiated Approach: It uses the cooperation of group members to make comparisons. Comparisons within one's own group may provide limited information on how to improve work but are less expensive.

In conclusion, benchmarking is more than just rating. It measures an organization's strategy and performance against the "best" organizations both within and outside the target industry to identify the best practices that organizations can implement to develop organizational performance. Therefore, benchmarking is part of the overall quality management system and fits well with the new initiative.

### *The Concepts of Tourism and Hospitality Industry*

Tourism is a form of activity defined as a large hospitality industry that is connected to the way of life of people in society and is related from the industrial level to local community enterprises. In addition, tourism is an activity that demonstrates sustainable development for future generations. It is also an activity that is a tool for cooperation between landowners and tourists (Lemos Baptista et al., 2019). The tourism industry is important in promoting the growth of various aspects of society such as economy, heritage and culture that have been revived to promote and conserve the environment, which demonstrates the process of continuous change and development of the region despite its limitations and complexity as a tool (Harilal et al., 2019).

Tourism is classified as an activity that humans use as a recreational activity, learning in the wider world as well as strengthening relationships within the family or study tours in various forms of integration agencies. The experience of traveling classification of tourism

destinations (Type of Destination) can be divided into groups or experiences that tourists receive from 6 tourism types (Lee, 2013; Nunkoo & So, 2016; Woo et al., 2015) as following;

1. Ethnic Tourism: Tourism to observe the expression of customs, traditions and culture, including the lifestyles of people of different ethnicities.
2. Cultural Tourism: Traveling to experience in traditional ways of life, including food, festivals, traditional costumes, folk dances, art performances, and ancient handicrafts, etc.
3. Historical Tourism: Tourism to museums, places and old churches that emphasize the prosperity of the past, which might be visiting monuments, ancient temples, various events in history, etc.
4. Environmental Tourism: That is a return to nature and an appreciation of people's relationship with the earth. It includes photography and hiking, mountain climbing, and small boat trips. and camping, etc.
5. Recreational Tourism: Tourism involves participating in sporting events, mineral springs for treating disease, sunbathing, and joining clubs in various places to relax.
6. Incentive Tourism: Incentive Tourism is tourism that is organized to reward employees of a company or individuals doing various labors of the company.
7. Business Tourism: Business Tourism is meetings gatherings or seminars that often combine other types of tourism.

However, tourism and planning for tourism development depends on the support of local communities and residents. The attitudes of residents towards tourism are a well-researched area of tourism studies (Sharpley, 2014). Perceptions of the positive and the negative impact tourism. Personal benefits from tourism, power to travel, community ties, community participation, knowledge about tourism, and trust in the government are considered to support residents' tourism development (Lee, 2013; Nunkoo & So, 2016; Woo et al., 2015). Such can create sustainability for the tourism industry and service by setting policy travel planning and setting up a good tourism management system which will make tourism successful. Therefore, it is necessary to improve a system to use as a mechanism for developing tourist attractions and being able to attract tourists.

### Research Conceptual Framework

Figure 1 shows the research conceptual framework. This study focuses on “Innovation management in tourism and hospitality under the concept of inclusive business”, advancing through four stages.

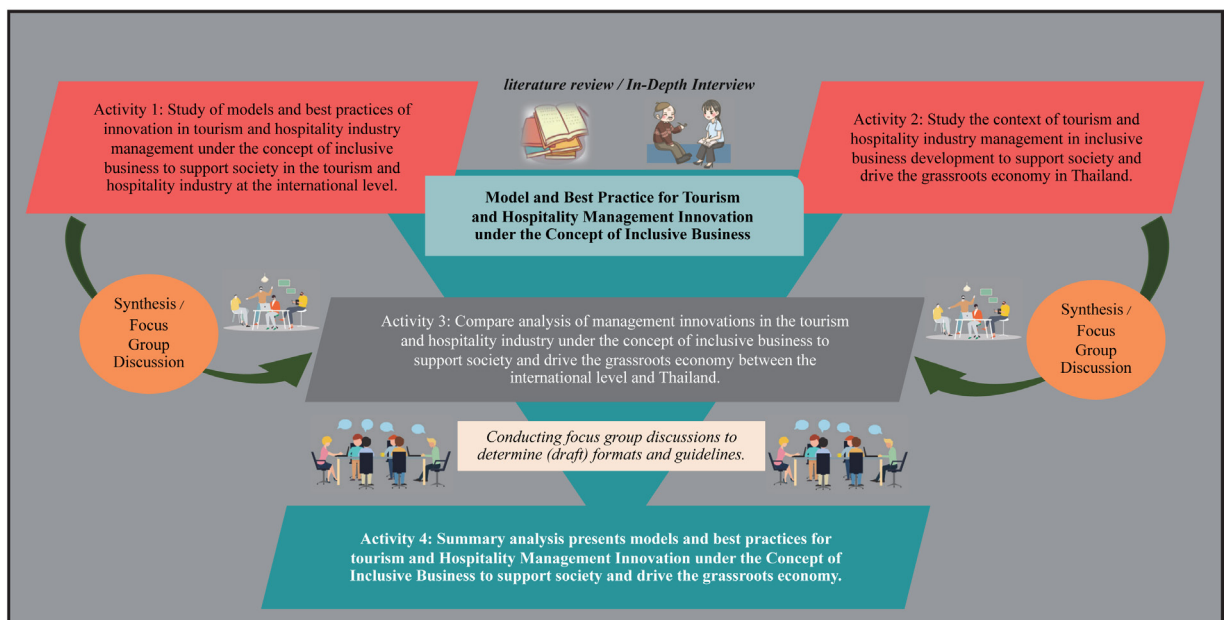


Figure 1 Research conceptual framework



## Methodology

This research is qualitative research. The researcher uses interview and documentary study method such as research papers, theses, articles, journals, books, and other publications related to Information Technology (IT) as well as data from organizations relevant to the best practices of innovation in managing the tourism and service industries under the concept of participatory business for social development in the international tourism and service industries. Subsequently, data collection from document sources is conducted, studying strategic frameworks, policies, and plans that align with conducting business under the concept of participatory business for social development, drawing from the successes and lessons learned internationally. This involves studying both primary and secondary sources of documents. Then, the researchers select documents considering their credibility and accuracy, utilizing the framework of Diebold (1962), which consists of two criteria: External Criteria: this considers credibility based on four aspects, including the document's sources, the document's author, its purpose, and the content of the document. Internal Criteria: this evaluates expertise, references, factual accuracy, clarity of content, and relevance. The details of interview method are as follows.

### Population and Sample

Selection of groups of informants: Select key informants who have direct knowledge, expertise, and expertise in educational issues, which are sample units that are interested in studying or seeking information that the research team deems able to be the best people to provide information, and are the target group to have a direct stake in doing business under the concept of inclusive business to support society. The main informants are classified into 3 groups: (1) Entrepreneurs in the tourism and service sector; (2) Entrepreneurs of inclusive businesses to support society in the tourism and service sector; and (3) Surrounding communities of tourism and service business operators.

### Research Tools and Tool Quality Inspection

Tools and methods used to collect data: According to the qualitative research method (Qualitative Research) to collect field data (Field Research), the researcher used an interview form. To collect in-depth information in every aspect, the researcher has brought objectives, conceptual frameworks, and related assumptions and studied various documents and information, theories, concepts, principles,

and related research to serve as guidelines in determining the scope and content of the creation. The interview form and the reliability of the interview questions were checked. (Credibility) The researcher took it to 3 experts to check the coverage of the content to adjust it to be more complete.

### Data Collection

The steps for collecting data are as follows;

1. Step 1: Survey and collect data from various documents, including research reports, articles, theses reports, magazines, newspapers, books, textbooks and overviews related to the context of tourism and hospitality industry management in inclusive business development to support society and driving the grassroots economy in Thailand.

2. Step 2: Conduct in-depth interviews using semi-structured interviews. (Semi-structured Interview form) with entrepreneurs in the tourism and service sectors in the study area, inclusive business operators to support society in the tourism and service sectors and surrounding communities, tourism and service business operators.

3. Step 3: Organize a group discussion. "The Context of Tourism and Hospitality Industry Management in inclusive business development to support society and drive the Grassroots Economy in Thailand" presents a model for managing the tourism and hospitality industry that supports society.

### Data Analysis

The researcher took information from document studies, interviews and focus groups and organized the information according to the research issues. From the results of the synthesis of objectives 2 and 3, we proceeded with the classification of data (Typological Analysis), presented a descriptive approach based on the issues laid out, and summarized lessons learned from new findings as a model for further development, and expanded the results to synthesize models and best practices for innovation in tourism and hospitality industry management under the concept of inclusive business to support society and drive the grassroots economy.

### Research Areas

The target area for studying case studies of models and best practices for innovation in the management of the tourism and hospitality industry under the concept of inclusive business to support society and drive the grassroots economy includes Bangkok, Chiang Mai Province, Chiang Rai Province, Nakhon Ratchasima

Province, Nakhon Pathom Province, and Lampang Province because such are areas that are outstanding in inclusive business to support society concretely.

## Results and Discussion

From conducting research activities. The researcher reports the results of the study according to the research objectives as follows:

### *Models and Best Practices of Innovation in the Management of the Tourism and Hospitality Industry at the International Level*

Three case studies were found to have differences in goals and directions for implementing inclusive business concepts to support society in the industrial sector, tourism and services by applying innovation to play a part in developing both administration and management models linked to the tourism and service industries that emphasize newness in improving methods, processes and procedures. Practically, the heart of doing business to support society emphasizes creating innovations that interact in the form of promoting participation and cooperation between people in the community, community leaders and the tourism and hospitality industries (Damanpour & Gopalakrishnan, 2001).

In the first case, among European countries that have tourism and hospitality industry management with tourism and service formats using knowledge and creativity to promote and support community groups and farmers in the area holistically, in addition to being together, the network group must also have the ability to absorb knowledge and expand on knowledge from businesses in the area that represents the cooperation between business organizations and surrounding communities in creating knowledge-based collaborative innovation. Even though there is cooperation, if there is no knowledge that is the driving force, it often causes the cooperation process of the support system to not create efficiency and effectiveness. In fact, the results of the research also indicate that business operations support society. Social innovation is an important part of promoting mobility in European countries. In addition to conducting numerous processes in the business process, it also needs community participation and the ability to absorb knowledge collectively.

In the second case, the inclusive tourism business in Indonesia points to operating a business that supports society from economic benefits and society benefits. Commercially, it is part of innovation that creates

additional value from goods and products from farmers to consumers, both in the community and for tourists. From the guidelines, it can be considered an activity or set of new activities that occur to allow groups of farmers and fishers to have their lives changed for the better.

In the third case, inclusive business in Sweden is a case study that reflects a holistic framework for conducting business to support society. Sweden aims to promote and support farmer and fisher groups. This includes poor people in developing countries where Swedish business plays a key role in tackling the global challenge of poverty increasing agricultural production, ensuring access to energy, water, sanitation, healthcare, communications and improving environmental sustainability and creating jobs both domestically and abroad. This in line with Best Practices, namely, procedures that make Swedish business organizations successful according to their goals, which are accepted in professional circles, that use knowledge the Swedish experience can disseminate to internal and external agencies for use. Sweden's Incentive Business (IB) movement has 9 sub-steps (Workstreams) in cooperation among 6 sectors, including agriculture and forestry, energy, ICT, water and sanitation, healthcare textiles and clothing. In Sweden, there are the potential and ability to respond to needs and support knowledge, technology, innovation, production processes, marketing, etc., which reinforces the importance of innovation in the local development of both products.

### *Context of Management of the Tourism and Hospitality Industries in Inclusive Business Development to Support Society and Drive the Grassroots Economy in Thailand*

A total of 6 spatial case studies in Thailand, from which social business operations in Thailand show a wide range of roles are in agreement on the need to support smallholder farmers to increase productivity and return on investment that is worthwhile and fair, such as supporting family farms, supporting small food producers to enter business networks that support the entire production process, product processing distribution area marketing that reaches quality consumer groups. This includes off-farm employment for poor or low-income earners who do not have land or investment. From the results of this research, it was found that Inclusive Businesses in Thailand are divided into (1) organic farming business groups; (2) handicrafts and folk wisdom business groups; and (3) a group learning about lifestyles, cultures, and traditions in the community that affect the expansion of operations into actual practice in space. Out of all the main case studies, this one is a case study that reflects business operations in the tourism and service industries that include social innovation as follows:

1. Social Value: Research results from spatial case studies have the qualities of being valuable to society and the economy in that area. Local communities will recognize and realize together with entrepreneurs the value in operating a business that supports a society that emphasizes the participation of the community and people in the community to create motivation to act according to common guidelines. In addition, running an inclusive business in Thailand also reflects the double dimension of social innovation that creates value in the perception of people in the community, leading to the determination of community and business issues in the area that must be addressed, receive corrections and support systematically creating jobs, careers and stimulating income in the community.

2. Newness: This is a feature that is necessary and important for the development of products, products and services to have quality and standards based on local wisdom and local resources by changing old values to new values, old familiarity to new familiarity to benefit from the business operations of the tourism and hospitality industry, which people in the community have never operated before or have operated in an unsystematic manner that needs to disappear over time. Furthermore, it influences the preservation of culture and customs, handicrafts and local wisdom to be passed down through generations, in addition to producing new innovations in the creation of community commodities, products and services.

3. Social Motivation: directly related to the creation of network coalitions in creating a business operating system that supports both tourism and service operators in the area. It can be used as a criterion for considering the results of business that supports society. A community that reflects that being involved in a network group to promote and support the business and community together or that everyone has the same opportunity to receive value from the tourism and service business reflects that those who join participate in a business system that supports society based on true social motivation.

Considering the case studies of businesses under the concept of inclusive business to support society and drive the grassroots economy of Thailand, successful results depend on spatial conditions in integrating social innovation, administration and management, and marketing of establishments because it was found that communities with different contexts were able to integrate business operations that supported society in the surrounding areas. In addition, if considering the overall picture, it can be seen that most inclusive business operations are connected to three elements: companies or entrepreneurs; society, and people or communities. It shows the importance of entrepreneurs in society working together to create

changes in business operations to support society to drive the grassroots economy by integrating cooperation in all dimensions, including policy dimensions, administrative and management dimensions, academic dimensions, spatial and social dimensions.

*Benchmarking Innovations in the Management of the Tourism and Hospitality Industries under the concept of Inclusive Business to Support Society and Drive the Grassroots Economy between the International Level and Thailand*

There are factors supporting the operation of a business that support society: (1) policies that have differences in the level of policy formulation and implementation; (2) knowledge management is similar to management; (3) collaborative innovation. There is a similarity in creating support and promoting innovations that are necessary and appropriate for networks and communities that cooperate with each other; (4) networks and alliances; (5) finance and support; and (6) target sectors that are different in Sampran will conduct inclusive business operations. A specific society is not yet diverse. This conforms to the concept of Benchmarking. (Castro & Frazzon, 2017) explain that the benchmarking or comparison is a process used to develop best practices. It is related to the processes of other organizations. It is a process of measuring and systematically comparing the organization's operations. Developing innovations in inclusive business management to support society can begin with building business competitiveness through holistic approach, driven by the creation of shared value in terms of profit creation (economic dimension), social responsibility (social dimension), preserving and protecting the environment (environmental dimension) and paying attention to the needs of all involved parties (political dimension). Equally, relying on each other on balance is a guideline for sustainable development that aims to distribute prosperity from the center to more local support, the concept of planning from the bottom up (Bottom-up Planning) in many areas, such as occupations, skill development and the development of the grassroots economy, etc. It also emphasizes the importance of good governance principles in administration and management that emphasize transparency and accountability, which is consistent with the concept of Anand and Kodali (2008). Benchmarking or comparing is a systematic method where, continuously, the organization will compare products and or services as well as procedures for working with the work of appropriate leaders, such as local or global industries. It assumes that the leader is the operating norm for the industry. Benchmarking with the baseline will

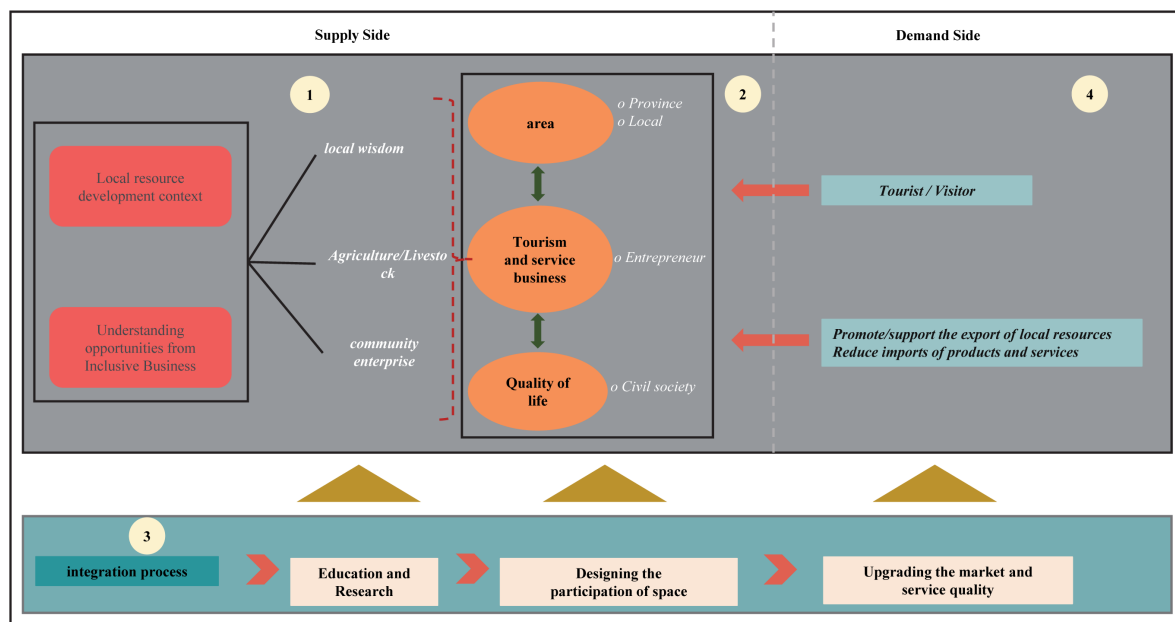


show the organization, current status of defects, Things that should be fixed, improved and developed within one's business. Benchmarking is a systematic and continuous process of evaluating an organization's products, services, procedures, and work processes in comparison with other excellent products, services, procedures and work processes. It can be used to represent the best way to achieve organizational improvement objectives.

Giving importance to engaging people and communities in the area, it is assumed that society consists of a small, diverse group of people. There are different stakeholders. "Set common goals" and plan for business and economic development of the community. Such is adjusted according to the situation and experiences of people in the community. Expand the results of each area according to the theory of incremental planning (Incrementalism Model) and negotiation to achieve acceptance because some groups of people have power making more decisions than other groups and limiting options. Therefore, it is necessary to demonstrate the most feasible practices and plan to support and push them into reality according to the theory of advocacy planning (Advocacy Model).

Business planning to support modern society (Modern Planning) is a method of combining and creating a balance between market rationality (Market Rationality) and social rationality (Social Rationality); balancing market and social reasoning to control marketing activities so that they do not have an impact on society, especially

the issue of "food", which is a basic factor that affects everyone. Therefore, a systematic analysis of the "tourism and service business ecosystem" is a tool for expressing reasonableness regarding the benefits and disadvantages of choices in practice, and is the main basis of decisions that have an impact on society. However, systematic analysis requires adequate data preparation. There may be resource limitations. The way to improve such is to consider two levels separately: Analysis of all decision alternatives in the system without going into details, then focusing on the issues and analyzing the guidelines; only those that are most practically feasible according to the theory of mixed planning (Mixed-Scanning Model). The local economic system is a measurement index. According to supply-side growth theory (Supply side approaches), areas grow because of supply. Existing internal resources are increased or used more efficiently with a comparative analysis of demand-supply analysis of production factors, analysis of internal and external activities, analysis of the proportion of public and private investment, etc. Figure 2 presents a model for promoting tourism and service industry management in Lampang Province through inclusive business. It builds on local resources—such as wisdom, agriculture, and community enterprises—to link local areas, entrepreneurs, and civil society. The integration process includes education, participatory design, and service upgrading, as shown in Figure 2.



**Figure 2** Model for promoting management in the tourism and service industry in the area Lampang Province based on Inclusive business

**Source:** Research team

### *Models and Best Practices for Innovation in the Management of the Tourism and Hospitality Industry under the Concept of Inclusive Business to Support Society and Drive the Grassroots Economy*

Models and best practices for innovation in the management of the tourism and hospitality industry under the concept of inclusive business to support society and drive the grassroots economy are to be used as a guideline for promoting prototype areas. “Lampang Province” is a model and practice guideline that shows the relationship between the process of doing business that supports society that is appropriate for the management of the tourism and hospitality industry in Lampang Province in promoting and driving the operation of a supportive tourism and service business. Society or community surrounding the establishment: It presents models, systems and best practices for innovative management of the tourism and hospitality industry under the concept of inclusive business to support society and drive the grassroots economy. This is consistent with the concept of selecting prototype areas where there are two methods for selecting prototype organizations, starting with the self-initiated Approach (Lauff et al., 2018), which is a management model. In the tourism and hospitality industry in Lampang province developing the supply side from the foundation of starting to develop a prototype area in Lampang province and actors of the social business network in Lampang province, and demand side from tourists and visitors who will experience and be a part of supporting tourism businesses and services that support society and promoting the export of local resources and reducing the import of products and services. To come back and support products within the community area instead of importing from outside the area and connected with the group-initiated approach (Lauff et al., 2018). The model promotes management in the tourism and hospitality industry in Lampang province based on social supporting business consisting of (1) the foundation for starting the development of a prototype area in Lampang Province; (2) areas for conducting business that supports society; (3) the process of integrating business that supports society; and (4) consumers and external situations. There is a connection between the guidelines of the system for promoting the administration and management of the tourism and hospitality industry in Lampang Province based on the concept of inclusive business in each step. It should be supported by the government, the educational sector, and the private sector. The position of entrepreneurs in managing tourism and service businesses sustainably is divided into upstream, midstream, and downstream of the supply chain. Promotion of administration and management

of tourism and hospitality industries in Lampang province based on the concept of inclusive business, which is in line with public policy for the tourism and hospitality industries, exists for the benefit of the masses. From an economic point of view, government participation in this sector is important to manage market failures (Lemos Baptista et al., 2019). Surveys under various public projects focus on mutual benefits and satisfaction of citizens (Harilal et al., 2019). Promoting the development of strategies and policies for the tourism and hospitality industry requires government intervention and linkages in developing the necessary infrastructure to support communities under the guidelines for developing tourism and hospitality of communities (Sedarati et al., 2019).

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### **Conclusion**

Managing the tourism and hospitality industry under the concept of inclusive business to support society and drive the grassroots economy in each area is complex and linked to all sectors. There is diversity and difference. Working together requires adjusting new ways of thinking, processes, and ways to frame operations to be consistent with the local context. Perception process understanding and shared goals are key factors for success. Operations must arise from a sense of joint ownership and a participation process from all sectors, including the government, private sector, entrepreneurs and the local community sector.

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### **Recommendation**

This research is a qualitative research method that focuses on the process of analyzing, synthesizing and extracting lessons from business models under the concept of inclusive business both internationally and in Thailand. There are research issues and problems in many dimensions that need to be further developed in the next research, including the use of other research methods, such as PAR (Participatory Action Research) to appropriately apply approaches that are consistent with the area. And, the scope of the research population and stakeholder groups should also be expanded. In addition, there should be research that integrates teaching and learning in educational institutions with the management processes of the tourism and hospitality industries together with entrepreneurs in local areas to raise the quality of services and drive the grassroots economy more concretely.

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## Conflict of Interest

The authors declare that there is no conflict of interest.

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