

## **Analysis of Components for Product Innovation and Value Creation of Social Business**

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### **Abstract**

Innovation affects organizations in technology development, with more than 90 percent of companies worldwide benefiting from building a business database. Moreover, more than 570 websites are created every minute, and more than eight billion networks are accessed by 2020. In this research the objective is to study the factor components of product innovation and the creation of added value of social enterprises. Researcher apply the theory of Diffusion of Innovation theory and review the product innovation and value-added. Population and sample size is social entrepreneurs in Thailand. A random sample of 200 samples size. Statistics in the research were the factor analysis. Result found that product innovation and value added have the factor loading higher than 0.50. Recommendations develop products at the corporate level or entrepreneurs to be able to create added value, such as creating new modern packaging formats, developing sales promotions through social media. Create a new marketing strategy create a marketing experience with consumers. At the community level, there should be a group to produce Provide the resources required for production. Do not produce duplicate products, share work, promote modern ideas. Open opportunities and listen to ideas from outside and new generations to join in creating modern ideas. Develop products to be able to compete with international by designing products to be able to respond to consumers in each country. At the national level, there are departments as well as to promote products to be able to compete with international is constantly evolving encourage quality products to meet national standards including packaging that must meet the needs of consumers in each region.

**Keywords:** Product Innovation, Value added, Social Business

### **1. Introduction**

According to study of Northeastern (2021) found that innovation affects organizations in technology development, with more than 90 percent of companies worldwide benefiting from building a business database. Moreover, more than 570 websites are created every minute, and more than eight billion networks are accessed by 2020. In accordance with Canada holmium 2020 and found that increasing productivity can help reduce costs. Improve the competitiveness of enterprises and create value and brand value promote new partners and new business relationships to improve productivity and profits.

When considering the impact of innovation on local development, it is a product, a new management process invented. And developed from the knowledge and experience of the community to solve occupational problems productivity enhancement and systematically enhancing health according to the social landscape of the community bring benefits to the economy and society in line with the

sufficiency economy and sustainable development. (Kaewket, 2012 and Chummee and Khammadee (2021)

Innovation for the development of Thailand when compared to neighboring countries or developed countries found Now, the use of in-house technology is just beginning. Therefore, the process of technology transfer must be accelerated. and creating innovations to happen quickly. Especially in the field of intellectual property management and management under new concepts and formats both in the industrial sector and at the local level by creating a process of participation between people and government agencies to drive innovation enough to quickly add value to the country's economy and society. OTOP is an example of innovation in management that can drive products. of Thailand to be at the forefront and in line with the needs of the world market, there must be a differentiation for the product. business plan and proactive market development which must be linked to the local government and may continue to develop to a high industrial level. (Kaewket, 2012)

If considering doing social business or community business at the regional level, it focuses on residential and cultural areas, that is, in the North, the community business grouping or Social Enterprise mainly focuses on preserving the local culture. To help the socially disadvantaged and minority groups, etc., which are transmitted through handicrafts, which are simple handicrafts or equipment, relying on skills and focusing primarily on utility. It is generally the product shown. culture and religion can be used in daily life. Products that are produced in large numbers. Much will convey the culture of the local people. (Maejo University, 2010)

For that reason, the researcher is interested in studying the variables and elements that affect innovation that affect the creation of added value for social business in order to find the variables and develop social business to create innovations for businesses that will be able to deliver Effects on creating added value for the economy and further increase the competitiveness at the national and international level.

## **2. Objective**

To study the factor components of product innovation and the creation of added value of social enterprises.

## **3. Theories and Literatures Reviews**

### **A. Diffusion of Innovation theory**

A Boston University study (2019) proposes that this theory, developed by EM Rogers in 1962, is one of the oldest social science theories. It originated from communication to describe how over time. An idea or product is driven and diffused. How does it spread (or spread) through a specific population or social system? The result of this diffusion is People who are part of a social system adopt new ideas, behaviors, or products. Adoption means that a person does something different than they used to (for example, buy or use a new product or use a new product). The key to adoption is that the person perceives an idea, behavior, or product as new.

### B. Literatures Review

According to a study of Kositkanin (2021) and Chummee (2021), it was found that in terms of product innovation process innovation and behavioral innovation influencing the performance export operations because innovation has become important to business operations both domestically and internationally. Exporting companies must develop innovations in exports to keep up with rapidly changing markets. and affecting the ability to continue to operate sustainably Moreover, the factors that enable the concept of export innovation to be successfully applied in the organization must be the integration of marketing-oriented concepts to be successful.

Pierre and Fernandez (2018), who say that process innovation is the integration of business activities related to the image and activities of an organization, innovation management processes. project management Evaluation and selection specific resource allocation Project management, quality, time and cost management, professional and technological resource management.

A study by Pornparisa (2020) and Chummee and Khammadee (2021) reveals that, to sustain competitive advantage, Thai shoe industry entrepreneurs must adapt quickly to cope with the competition in the dynamic business world. Sustainable Agile Supply Chain Management It is a dynamic enhancement of potential enabling continuous agility capabilities. Utilize the organization's potential, resources, and personnel of the entire network together for maximum benefit. Systematic product lifecycle management Creating added value can reduce overall costs.

The results of a study by Jacobsen, et. al., (2021) and Chummee and Chanprasert (2021) suggest that value-added should consist of 1) product development processes, product improvement and assortment that respond to consumer demand, or 2) product use processes. that supports food management access to information, entertainment, sensory experiences, and finally more flexibility. social relations There is critical consideration in consumer use of these technologies, such as privacy concerns and the risk of misinformation influence. Finally, implications for the industrial adoption of interactive communication technologies are provided. food, as well as recommendations for future research.

### 3. Methodology

This research is applied research. Focus on finding answers in research through fact-finding. or find the relationship between data or variables with the aim of bringing the research results or findings to be used for real benefit Therefore, the method of conducting research requires cross-sectional research to be appropriate for a one-time study in a company that can collect data.

#### A. Population and Sample Size

The target population is social entrepreneurs in Thailand. By searching for demographic data from the Department of Business Development on September 15, 2021, there were a total of 295 social entrepreneurs in the country using the Craigie and Morgan sampling formula. A total of 165 cases were randomized. To prevent zero data loss, a total of 170 cases were collected from social enterprises in all regions of Thailand. In addition to having a small number of samples, the variables were not multiplied at all. However, the researcher determined to collect all samples until the required number was reached by using the concept of collecting samples from a small number of samples or small sample size. From the study, it was found that approximately 100-150 samples should be used for

analytical analysis. conceptual framework of structural equations Furthermore, the confirmation component analysis should have a minimum of 150 samples, while the minimum sample size for structural equation conceptual analysis should be at least 200 sample sizes. (Hoyle and Kenny, 1999)

#### B. Research Tools

This research uses questionnaires to collect data. It consists of a 7-part questionnaire structure.

#### C. Validity Test

The results of the questionnaire quality examination in terms of content validity, questionnaire coverage Suitability and clarity of use Language from 5 experts found that the consistency value is between 0.57 – 0.97 which meets the criteria. Therefore, every question in the questionnaire is consistent between the question and the objectives of the research to be measured are accurate in the content and have clarity of language and cover the content that the researcher wants to study can therefore be used to collect data for both researchers Has made improvements to the questionnaire according to the issues that experts advise, such as adding a subject to the question sentence. Fixed unofficial language Correct the words to be appropriate. The confidence value of the whole questionnaire was 1.00.

### 4. Statistics

Descriptive statistics are descriptive analysis of the details of the factors used in the analysis. It describes the general condition of the data collected and describes the general properties of the population studied.

Inferential Statistics apply factor analysis according to studies by Ngansathil (2001), Rogers (1987) and Zikmund (2000), it can be said that composition analysis has a primary goal. To split the initial data which is big data into smaller data or to reorganize the data itself. Therefore, in performing elemental analysis, it is found that the data is categorized using the elemental analysis method. and such statistical calculations Able to reduce the number of factors or variables to a few factors as well.

### 5. Results

#### A. Descriptive Results

The results of the research by descriptive statistics revealed that the population group was 166 males, representing 83%, 34 females, accounting for 17%, 132 had lower than a bachelor's degree, or 66% had a level education. The number of 68 graduates accounted for 34 percent, and 30 postgraduate students accounted for 15 percent. Recall the age analysis, it was found that between 41-50 years of age, 127 cases accounted for 63.5 percent, secondary. Down is aged between 30-40 years, accounting for 40 cases, 17%, and aged 51-60 years, 22 cases, accounting for 11%.

B. Exploratory Factor Analysis

Table 1: Exploratory Factor Analysis

Question	Factor Loading	
	Product Innovation	Value added
The development of new products with specific technical requirements and functionality that is completely different from the present	0.816	
Today's new product developments lead to improved user-friendliness for customers and improved customer satisfaction	0.771	
Developing new products with completely different components and materials	0.651	
Reducing the cost of manufacturing parts and materials of current products	0.555	
Increasing production quality in components and materials of current products	0.645	
The product is unique and different from other manufacturers		0.781
Creativity or research processes are used in product development		0.741
Your products meet the needs of customers		0.859
Your product is difficult to imitate		0.816

From Table 1, the results of the exploratory component analysis of product innovations, it was found that the weight of all 5 components was greater than 0.50, with an Eigenvalue greater than 1.00 in all components consistent with the constituent analysis of the conformity index assessment with the following criteria: Chi-square=3.22, df=2, P-value=0.013, RMSEA=0.050.

The results of the exploratory component analysis of competitiveness revealed that the three components were weighted greater than 0.50 with an eigenvalue greater than 1.00 in all components consistent with the confirmation component analysis of the conformity index assessment passed the following criteria: Chi-square=0.00, df=0, P-value=0.000, RMSEA=0.000.

The results of the exploratory component analysis of added value creation revealed that the weight of all 4 components was greater than 0.50 with an eigenvalue greater than 1.00, except for question 38, for the creative group or research process, causing the product to have unique characteristics found. as having a component weight of less than 0.50, therefore, it was eliminated from the conceptual analysis of conformance equations. When analyzing the corroborative elements of the assessment, the conformity index passed the following criteria: Chi-square=0.00, df=0, P-value=0.000, RMSEA=0.020.

6. Conclusion and Discussion

An exploratory component analysis of product innovation revealed that the element weight was greater than 0.50, consistent with the study of Supsanguanbun (2020). It was found that product innovation and process innovation with innovation development processes to similar new products, which is to find new ideas from a variety of data collection sources, such as a joint brainstorming of stakeholders; collecting information from customers or competitors, etc., and then consider selecting new ideas. under different organizational conditions and strategies After that, the concept is developed into a prototype product for use in market testing with a group of customers to obtain suggestions for improvement to a complete product that can effectively meet the needs of customers.

An exploratory component analysis of competitive advantage found that the component weight was greater than 0.50 consistent with the results of the study by (Pornparisa, 2020). Thai shoes must adapt quickly to cope with the competition of the dynamic business world. Sustainable agile supply chain management. It is a dynamic enhancement of potential enabling continuous agility capabilities. Utilize the organization's potential, resources, and personnel of the entire network together for maximum

benefit. Systematic product lifecycle management Create added value, can reduce overall costs, and meet the market and network. which is a stakeholder making it an agility enterprise.

Finally, an exploratory component analysis of value-added creation was found to have an element weight greater than 0.50, supported by the results of a study by Jacobsen, et. al., (2021) suggesting that value-added creation should consist of 1) development processes. Products improve products and assortments that meet consumer needs; or 2) product use processes that support food handling. access to information, entertainment, sensory experiences, and finally more flexibility social relations. There is some critical reflection in the consumer's use of these technologies.

## 7. Recommendations

1. Develop products at the corporate level or entrepreneurs to be able to create added value, such as creating new modern packaging formats, developing sales promotions through social media. Create a new marketing strategy create a marketing experience with consumers.
2. At the community level, there should be a group to produce Provide the resources required for production. Do not produce duplicate products, share work, promote modern ideas. Open opportunities and listen to ideas from outside and new generations to join in creating modern ideas. Develop products to be able to compete with international by designing products to be able to respond to consumers in each country.
3. At the national level, there are departments as well as to promote products to be able to compete with international is constantly evolving encourage quality products to meet national standards including packaging that must meet the needs of consumers in each region.
4. Strengthen social enterprise entrepreneurs to be able to compete at the national level. By taking the strengths of businesses that create added value into consideration, determining strengths and creating strengths for each business and make a business plan to suit each business Moreover, the business must be developed to be able to enter the national and international markets.

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