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Economic Returns to Travel and Hospitality Businesses in Hot Spring Attraction Areas in The Upper Northern Provinces of Thailand

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Abstract

The main objective of this present study was to examine economic returns to tourism business in hot springs attraction areas in the upper northern provinces of Thailand. Data were collected from 30 entrepreneurs and managers in tourism business. The instrument for data collection was a business financial information interview form. Data were analyzed through financial analyses. Results indicated that business types had an effect on economic returns. The spa businesses had the average net present value (NPV) of 5,742,440.81 baht, the internal rate of return (IRR) of 128.95%, benefit-cost ratio(B/C) of 1.53 times and payback period (PB) of 1.61 years. The food and beverage businesses had the average NPV of 495,455.35 baht, IRR of 62.21% , B/C of 1.34 times and PB of 1.97 years. The accommodation businesses had NPV of 9,739,357.81, IRR of 56.53% , B/C of 2.00 and PB of 1.85. The CBT has NPV of 2,312,388.42, IRR of 86.17%, B/C of 2.15 times and PB of 1.87 years. The other business had NPV of 4,241,483.16 baht, IRR of 75.68%, B/C of 1.69 times and PB of 1.92 years. Also, findings indicated that the top three economic returns for travel and hospitality businesses were spa business (S45), CBT tourism business (T46), and Food and beverage business (F46), respectively.

Keywords: Economic Returns, Travel and Hospitality Businesses, Hot Spring Attraction Areas, and The Upper Northern Provinces

JEL Classification Code: SP45, TO46, FB46

1. Introduction

Most hot springs are located in the small districts in the upper northern provinces. They are the most attractive place to promote local tourism in this area, particularly for those with special interests in healthcare. Travel and hospitality businesses in hot spring attraction; such as spa business, food and beverage business, accommodation business, community-based tourism business, and other business. This business also helps create jobs and income for the nearby community. Thus, it is important for driving the country's overall economy (Tata & Prasad, 2015).

While the local working people believes that doing business in the community earns a low income and is an unstable occupation, including lower social status than working in big cities. Moreover, it causes the value of localization to disappear because of a lack of community involvement in the travel and hospitality businesses in hot spring.

Most of the businesses in hot spring do not have the uniqueness because of a lack of overall wellness image

association with hot springs by not use raw materials from hot springs. The businesses are encouraged by the government to produce products, but the product's research and development of hot springs raw materials such as mineral water, mineral steam or mud have to go through the difficult process to ask the permission of the hot spring owner or managers. Therefore, the businesses in hot spring do not make the optimal use of the hot spring resources by only selling the normal products that is easily found in the other hot spring. For example, boiled eggs and use the mineral water for washing the feet of customers. There is only a mineral bath room, foot bath area without exceptional design of community-based tourism routes linked the hot spring attractions with the service point of nearby businesses. This may cause the low financial potential. Regarding to the decreasing the issue and empowering "Value Creation of the community business", the local entrepreneurs have to acquire the basic financial

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knowledge that can reduce the cost and increase the revenue by increasing tourists and their expenditure. For example, the sales can be increased by the service design and new local products which has a contemporary and unique style in order to extend the distinctive characteristics

2. Literature Review

2.1 Travel and Hospitality Business

Travel and hospitality businesses are economic activities managed by public, private, community and joint ventures.

There are several direct and indirect businesses related to the spa business. First, the businesses related to the food and beverage business. Second, the business related to accommodation business. Third, the businesses related to community-based tourism involving local guides, and fourth, the businesses related to souvenir business, grocery business, and egg business.

For the business management, owners or managers may operate an independent or a family own business; gathering as a group such as a group of housewives, a group of senior citizens; local enterprise; a cooperative group; limited company. A partnership networking may be joint ventures with the government or private sectors. As a result, the community would receive appropriate compensation and maintenance of local resources from external sectors.

The business scale is a key factor for long-term business survival; the larger the business scale is the more current stocks of resources such as assets, capacity, and employment. Additionally, employees are also key resources driving the business's profitability when they are productive and qualified. Also, the business scale does matter for long-term survival as Bercovitz & Mitchell, (2007) described that the larger-size company could likely be a factor for determining its financial stability and flexibility for long-term survival.

The profitability of the business is the key effecting long-term business survival. The greater the business's profit is, the greater chance of survival of the business it would be (Bercovitz & Mitchell, 2007).

2.2 Community Based Tourism Management

Community business tourism means small and micro-enterprise operated by a person or a group of persons who originate or reside in the community. (Sarinya Poomipoo, 2007)

1. Community business management can generate long-term profits consisting of a variety of activities that are the

of the product and service by local labor in order to attract more visitors and their return visit (Reypens et al., 2016).

Therefore, this research studied about the economic return of travel and hospitality businesses in hot spring attraction in the upper northern provincial cluster in order to adapt their business's finance effectively.

strengths of the business. There are natural resources, beautiful environment, interesting culture, traditions and community products, local raw materials, logistics, innovation, qualified human resources to attract quality customers.

2. Focusing on human values over benefits and the distribution of income for the community.

3. Taking into account social responsibility, fairness, generosity and distributing information among members as well as create environmental awareness among visitors. While most of the stakeholders are not the people from local communities, there is no sense of ownership of the tourist attraction. (Del Chiappa et al., 2016).

4. Emphasising on the principle of participation and distribution of benefits and funds to local people as a guarantee of the economic equality along with creating a welfare to the society because nowadays most local people cannot control their expenditures in order to balance their revenues and generate profits and be self-sufficient (Afuah, 2004).

Local business can be divided into 4 types.

1. Group 1: Very small businesses, which are family businesses or individual owned businesses, employed 1-5 people, earning less than 1.8 million baht per year.

2. Group 2: Small businesses consist of small enterprises and professional groups. There are a number of employments of 6-30 people with income of more than 1.8-50 million baht or more per year and most of them try to use their own funds (Athawongsa, 2017).

2.1 Occupational group is a group of people who originate or live in a community area. They have at least 6 members.

2.2 OTOP group is a group of local people who produce and sell OTOP products. They have at least 6 members.

2.3. Community enterprises that gather together at least 7 members and should register as community enterprises with the government .

3. Group 3: Medium-sized businesses are the agricultural cooperative businesses formed by a combination of 10 founding members. They have income more than 50-300 million baht per year.

4. Group 4: large businesses that employ more than 100 people and earn more than 300 million baht per year. (Thai Chamber of Commerce, 2017)

So, community business should learn their own characteristic especially the number of staff to save the cost of hiring staff for the business survival in the long term.

2.3 Hot spring Attraction

There are 96 hot springs developed for tourism in Thailand. (12 hot springs in Chiang Mai, 10 hot springs in Chiang Rai, 8 hot springs in Mae Hong Son, 2 hot springs in Lampang, 2 hot springs in Phrae, 2 hot springs in Nan) (Tatsuo, 2017)

Hot springs can be divided into 4 types as per its size. A very small hot spring with a size of 100 square two-meter -2 rai. A small hot spring with a size of 2-5 rai. Medium-sized hot spring with a size of 5-10 rai. A large hot spring with a size of more than 10 rai.

Hot springs can be divided into 4 types as per the hot spring management type. (Chuamuangphan, 2016; Tatsuo, 2017; Department of Mineral Resources, 2021) as follows:

1. A hot spring owned and managed by the government; most of them are located in the national park. The distinctive feature of the hot springs located in the national park is that they are natural and abundant natural resources. It is in harmony with the surrounding forest conditions and seems to be a one-stop attraction for people of all ages (Tourism for All). There are many national park activities for family visitors, young visitors, female visitors, elderly visitors, such as trekking, Thai massage or spa, restaurant, souvenir shop, accommodation and camping as well as organizing various recreational activities. These types of hot springs are valuable, charming and worth for visiting although accessibility is sometimes difficult and relatively remote to other linked attractions and local business.

2. A hot spring that is privately owned and managed by the private sector: the distinguished feature of private hot springs is the privacy and serenity due to the low number of customers compared to other hot springs. They are harmonious with hot springs with a special and comprehensive service (one stop service), which is often located near the main hot springs or tourist routes.

3. Community-owned and managed hot springs; the outstanding feature is the local value, with a diversity of cultures, local lifestyles, as well as traditions or rituals in each community that visitors will experience. The surrounding environment is local, natural and has the potential to accommodate local visitors. A small number of visitors travel to the hot springs in the community. (Liaorunruang, 2012). This community-owned and managed hot springs can be divided into 2 types.

3.1 Community-owned and managed hot springs

with 100% community management.

3.2 A hot spring that receives a budget from the sub-district administrative organization along with a community management. (Pichayakul, 2020)

4. Co-managed hot springs between two parties; in Chiang Mai, such as San Kamphaeng hot springs, Mae On district (it is co-managed between government and community) and Pong Kwao hot springs, Samoeng district (it is co-managed between state enterprise and private sector). This type of management aims to increase the management capacity to be more flexible and can generate good profits.

The businesses in hot spring attraction areas have to consider the different feature of each hot spring in order to make the financial best outcome and appropriate use.

2.4 Economic Returns

One of the business potential consists of financial management. The financial management concepts used in this research were net present value, Internal Rate of Return, Benefit-cost ratio and payback period.

NPV is the net present value, which is a technique for making investment decisions by comparing the cash flow and cash outflows in the project by taking both amounts into the present and net values. Thus, projects that should be invested are projects that have cash inflows at present value, at least equal to cash flows paid at present value of, say Net Present Value (NPV) = PV (cash inflow) - PV (cash flow paid). (Laophatchan & Tangkhachat, 2019).

$$NPV = CF_0 + \frac{CF_i}{(1+i)}$$

CF_i = is the cash flow of the project in year i

If the value is positive, then the business owner should conduct the business. If the value is negative, then the business owner should not operate the business. Moreover, the more the score is, the more economic returns, which means the profits or benefits of the business.

IRR is a discount rate that allows the present value of cash flows expected to be paid for the investment equal to the present value of the cash flows. The economic returns received from the project (Internal Rate of Return) or IRR are returns that make $PV(\text{cash flow}) = PV(\text{cash flow paid})$.

$$CF_0 + \frac{CF_i}{(1+i)} = 0$$

CF_i = is the cash flow of the project in the year i

If the value is positive, then the business owner should conduct the business. If the value is negative, then the business owner should not operate the business. Moreover, if there are more scores, the more economic return, which mean the profits or benefits of doing business.

The benefit-cost ratio (B / C) is an economic return analysis by comparing the benefit and cost of all projects by dividing the total project revenue by the total cost. Costs

will study the fixed costs such as regular employee salaries and temporary employee wages, rental fees, car rental, and other variable costs such as cost of food ingredients, life insurance, fuel costs, which can help assess the effectiveness of the project. If the value is positive, then the business owner should conduct the business. If the value is negative, then the business owner should not operate the business. There are more scores, the more the profit or benefit of that business operation.

The payback period (PB) is the amount of time (in years / months) that the period from the project beginning to the point that the project can generate cash flow. Net of the project is equal to the investment in assets for the project's operation at the beginning of the project. Thus, the

PayBack period = The number of years before the full return of capital + amount of return is not all received at the beginning of next year and then divided by cash flow expected to receive in that year. The businesses in hot spring attraction areas have to analyze NPV, IRR, B/C, PB for the best economic return.

Conceptual Framework

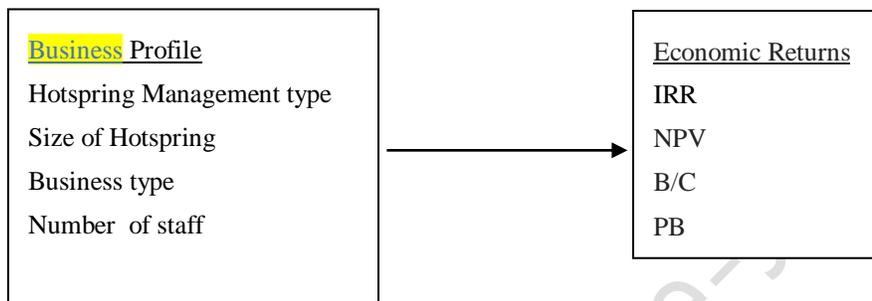


Figure 1 Conceptual Framework
Source: Authors

Research Problem

What is the economic return from travel and hospitality business in hot springs attraction in Thailand's upper northern provincial cluster.

Objective

To study the economic return from travel and hospitality business in hot springs attraction in Thailand's upper northern provincial cluster.

3. Research Methodology

3.1 Population and Samples

A total of 330 businesses around hot springs was located in 11 areas in the upper northern provinces. The areas are Fang Hot Springs, Chiang Mai Province; Chae Son Hot Springs, Lampang Province; Pongki Hot Springs, Nan Province, and business entrepreneurs around co-management hot springs, namely San Kamphaeng Hot Springs and Pong Kwao hot springs, Chiang Mai. Private

hot springs include Rung Arun Hot Springs, Chiang Mai Province; Uang Fah Hot Spring, Chiang Rai; Phu Klon Hot Spring, Mae Hong Son Province. The community's hot springs include Doi Saket Hot Springs; Yangpu To Hot Spring Chiang Mai Province; Mae Chok Hot Spring, Phrae Province.

The sample was selected to get five subgroups of spa

business group, Food and beverage business, accommodation business, community-based tourism business and other business groups.

3.2 Sampling Technique

The researchers used purposive sampling method and random sampling of 30 businesses and determined the business codes according to business type and hot spring management by encoding as S11 S22 S33 S34 S45; F11 F22 F33 F34 F35 F46; A11 A22 A33 A34 A35 A36 A37 A48; T11 T22 T33 T34 T35 T46; O11 O12 O23 O35 O44

The first two letters referred to the type of business. S=Spa F= Food and Drink A=Accommodation T=Community Based Tourism O=Other

The first digit indicated the hot spring management.

1= public sector 2= private sector 3= community 4 = joint management

The second digit indicated the ordinal number of the business, for example:

S13 is the 3rd spa business in hot springs managed

3.5 Data Analysis

The researchers take the information from the interview to analyze the finance which are net present value (NPV) and should be positive, the internal rate of return (IRR) should be greater than 5.75% (Loan interest rate as of the month, Bank of Thailand, 2020), Benefit cost ratio (B/C) should be more than 1 time. Payback period (PB) should have a quick payback period. Analysis of economic return data to determine what factors (business type, size of hot spring, hot spring management type, number of staff

by the government.

3.3 Instrument

The interview was divided into five parts which were;

1. The Business detail
2. Fixed costs and variable costs of production (per year)
3. Cost of business operation
4. Annual income of the business
5. Expenses before operation launching

3.4 Data Collection

Data was collected through documentary approaches and interviewing the 30 relevant owners, or managers with the qualification of at least one year experiences in related tourism business surrounded hot springs attraction.

and year of business opening) that affects the best economic returns. Then, the researcher used the results of financial analysis of 30 travel and hospitality businesses to rank them, ordering the economic return of the highest value as the 1st order and choosing the three business with the highest economic return (IRR) that should be promoted and used as a model of the business in hot spring and analyzed the factors contributing to the high level of economic returns.

4. Research Finding

Part 1: The study of five spa businesses would be analyzed to define which one is the best finance by determining the tenure of the project for 10 years, using a prime loan interest rate of 5.75% per annum (Bank of Thailand, 2020) in estimating the present value. The costs are divided into three parts: Pre-opening costs include capital in fixed assets, cost before operation, net working capital; Operating costs include raw materials, labor costs, utility costs, repair and maintenance costs; Other expenses and income taxes. Business success is analyzed by a positive net present value (NPV), the internal rate of return greater than prime interest (IRR), the benefit cost ratio greater than 1 time (B/C) and fastest payback period (PB).

Table 1: The Result of Economic Return of Spa Businesses

Business Code	NPV (Bath)	IRR (%)	B/C (Time)	PB (Year)	Ranking
1. S11	15,524,795.24	151.24%	2.09	0.63	3
2. S22	141,303.34	214.41%	1.12	0.38	2
3. S33	200,758.71	22.31%	1.35	4.06	5
4. S34	236,213.32	34.86%	1.43	2.59	4
5. S45	12,609,133.45	221.92%	1.68	0.42	1
Average	5,742,440.81	128.95%	1.53	1.61	

Source: Authors

Analysis of Net Present Value (NPV) Project Internal Rate of Return (IRR) Benefit-Cost Ratio (B/C) Payback Time (PB) of five spa businesses around hot

spring attractions in the upper northern cluster, it was found that the best economic return No. 1 was S45 had the 1st highest economic return of 221.92% with a net present

value (NPV) of 12,609,133.45 baht. Benefit-Cost ratio (B/C) was 1.68 times, payback period (PB) was 0.42 years.

The SP45 business was in co-managed hot spring and using investments from the tourism authority of Thailand together with the San Kamphaeng Village Agricultural Cooperatives. The high cost of initial investment in equipment is 600,000 baht, welcome counter, chairs, bed linen, pillows, foot towels, which would have a massage mattress bed and 10 foot massage chair . The

number of masseuses was appropriate for the number of beds and the number of clients. This would help customers to receive services immediately.

Part 2: The study of six food and beverage businesses would be analyzed to define which one is the best finance by determining the tenure of the project for 10 years, using a prime loan interest rate of 5.75% per annum (Bank of Thailand, 2020) in estimating the economic returns.

Table 2: The Result of Economic Return of Food and Beverage Businesses

Business Code	NPV (Bath)	IRR (%)	B/C (Time)	PB (Year)	Ranking
1. F11	298,491.35	27.44%	1.20	3.08	5
2. F22	1,423,546.73	107.88%	1.66	0.82	2
3. F33	666,329.14	57.95%	1.81	1.61	3
4. F34	118,876.03	18.59%	1.08	4.22	6
5. F35	105,078.08	33.04%	1.06	1.49	4
6. F46	360,410.77	128.34%	1.25	0.62	1
Average	495,455.35	62.21%	1.34	1.97	

Source: Authors

The best economic return No. 1 was F46, which had the 1st highest economic return of 128.34% with a net present value (NPV) of 360,410.77 baht. Benefit-Cost ratio (B/C) was 1.25 times, payback period (PB) was 0.62 months. Benefit-Cost ratio of business in co-management hot springs attracted more customers and income while the low cost of fix assets affecting the better economic return.

Part 3: The study of eight accommodation businesses would be analyzed to define which one is the best finance by determining the tenure of the project for 10 years, using a prime loan interest rate of 5.75% per annum (Bank of Thailand, 2020) in estimating the economic returns.

Table 3: The Result of Economic Return of Accommodation Businesses

Business Code	NPV (Bath)	IRR (%)	B/C (Time)	PB (Year)	Ranking
1. A11	10,806,322.44	67.89%	1.78	1.35	3
2. A22	56,622,754.57	75.77%	2.09	1.27	2
3. A33	1,556,123.67	37.63%	2.30	2.60	8
4. A34	3,902,337.18	85.21%	2.39	1.14	1
5. A35	2,753,211.47	64.40%	2.13	1.49	4
6. A36	1,086,968.93	37.99%	2.40	2.59	6
7. A37	191,618.45	42.20%	1.35	1.97	5
8. A48	995,525.74	37.94%	1.59	2.45	7
Average	9,739,357.81	56.53%	2.00	1.85	

Source: Authors

The best economic return No. 1 was A34, which had the 1st highest economic return of 85.21% with a net present value (NPV) of 3,902,337.18 baht. Benefit-Cost ratio (B/C) was 2.39 times, payback period (PB) was 1.14 years. Benefit-Cost ratio of business in community hot springs could bring better economic returns in case if the income varied from selling room, tents rental fee, food and beverage, tour.

Part 4: The study of six community-based tourism businesses would be analyzed to define which one is the best finance by determining the tenure of the project for 10 years, using a prime loan interest rate of 5.75% per annum (Bank of Thailand, 2020) in estimating the economic returns.

Table 4: The Result of Economic Return of Community Based Tourism Businesses

Business Code	NPV (Bath)	IRR (%)	B/C (Time)	PB (Year)	Ranking
1. T11	659,953.79	30.82%	1.52	2.85	5
2. T22	2,586,171.62	84.98%	2.71	1.16	4
3. T33	169,134.33	12.92%	1.27	4.96	6
4. T34	3,412,653.70	107.86%	2.82	0.92	3
5. T35	417,108.47	110.61%	1.56	0.79	2
6. T46	6,629,308.60	169.84%	3.07	0.58	1
Average	2,312,388.42	86.17%	2.15	1.87	

Source: Authors

The best economic return No. 1 was T46, which had the 1st highest economic return of 169.84% with a net present value (NPV) of 6,658,438.92 baht. Benefit-Cost ratio (B/C) was 2.88 times, payback period (PB) was 0.58 years. Benefit-Cost ratio of business in co-management hot springs attracted more customers and income while the

low cost for using family workforce and own garden affects the better economic returns.

Part 5: The study of five other businesses would be analyzed to define which one is the best finance by determining the tenure of the project for 10 years, using a prime loan interest rate of 5.75% per annum.

Table 5: The Result of Economic Return of Other Businesses

Business Code	NPV (Bath)	IRR (%)	B/C (Time)	PB (Year)	Ranking
1. O11	304,395.12	10.24%	1.06	5.98	5
2. O12	1,208,036.54	83.21%	1.86	1.12	1
3. O23	7,618,353.28	82.73%	3.07	1.14	2
4. O35	1,904,954.76	17.75%	1.34	4.52	4
5. O44	69,168.86	29.61%	1.02	3.13	3
Average	2,917,773.40	44.54%	1.45	3.17	

Source: Authors

The best economic return No. 1 was O12 has the 1st highest economic return of 83.21% with a net present value (NPV) of 12,208,036.54 baht. Benefit-Cost ratio (B/C) was 1.86 times, payback period (PB) was 1.12 years. OT12 is a welfare shop that sells eggs in the hot springs of the national park, which is a national park with a high number of visitors because it has been in service for 32 years, making it famous and high revenue as well as employing

two employees in the community, which has the low labor costs.

Part 6: The study of the five type of businesses (spa, food and beverage, accommodation, community based tourism, other) would be analyzed to define which one is the best finance.

Table 6: The Result of Economic Return According to The Type of Businesses

Type of businesses	NPV (baht)		IRR (%)		B/C (time)		PB (year)	
	Average	Ranking	Average	Ranking	Average	Ranking	Average	Ranking
S	5,742,440.81	2	128.95%	1	1.53	3	1.61	2
F	495,455.35	5	62.21%	4	1.34	5	1.97	4
A	9,739,357.81	1	56.53%	3	2.00	2	1.85	3
T	2,312,388.42	4	86.17%	2	2.15	1	1.01	1
O	2,917,773.40	3	44.54%	5	1.45	4	3.17	5
Average	4,241,483.16		75.68%		1.69		1.92	

Source: Authors

The result revealed that the type of hot springs affected the economic return. Related spa business surrounded co-management Hot Springs had the 1st highest economic return. The type of the businesses affected the economic return. The top three economic return businesses were spa business (S46), CBT tourism business (T46), and food and beverage (F46) according to the internal rate of return analysis.

Part 7: The study of the four size of hot spring (business in big hot spring, medium hot spring, small hot spring, very small hot spring) would be analyzed to define which one is the best finance.

Table 7: The Result of the Business's Economic Return According to The Size of Hot Springs

Size of hot spring	NPV (baht)		IRR (%)		B/C (time)		PB (year)	
	Average	Ranking	Average	Ranking	Average	Ranking	Average	Ranking
big hot spring	4,245,456.62	3	95.88%	3	2.06	2	1.63	3
medium hot spring	11,845,880.16	1	99.85%	2	1.62	4	1.14	1
small hot spring	6,709,998.40	2	157.37%	1	2.16	1	1.21	2
very small hot spring	969,702.29	4	57.63%	4	1.70	3	2.15	4
Average	5,942,759.37		102.68%		1.88		1.53	

Source: Authors

From the economic return, it was found that businesses around small hot springs had the highest the internal rate of return. 1 (157.37%) The highest benefit cost

ratio, 2.16 times, showing the relationship of benefit cost ratio and the internal rate of return.

The business in a medium-sized hot spring has the 2nd highest internal rate of return, but the 1st highest net

present value (11,845,880.16) and the fastest payback of 1.14 years. Therefore, the business should have cost reductions to adjust for higher economic returns.

Businesses in the large hot springs have lower than average economic returns and third-place net present values, resulting in low economic returns due to large area of hot spring. But it lacks operational efficiency because there is less business investment in the area to accommodate visitors. It causes problems for profitability and fixed asset management.

Businesses in small hot springs deliver the best economic returns and rank 1st in economic value, despite

their low cost and low visitor numbers. There is less debt burden and efficiency in earning profits and operations because of low investment. Therefore, businesses must adapt to the problems and sizes of each type of hot spring. The small hot springs are the most rewarding because entrepreneurs operate the business appropriately.

Part 8: The study of the four style of hot spring managements (business in governmental hot spring, private hot spring, community hot spring, co-managed hot spring) would be analyzed to define which one is the best finance.

Table 8: The Result of Economic Return According to the Management of Hot Springs

Management of hot springs	NPV (baht)		IRR (%)		B/C (time)		PB (year)	
	Average	Ranking	Average	Ranking	Average	Ranking	Average	Ranking
Governmental	6,048,618.86	2	117.85%	2	1.90	2	1.46	2
Private	8,965,158.44	1	59.83%	4	1.60	4	2.05	4
Community	1,073,363.66	4	62.99%	3	1.86	3	2.03	3
Co-managed	4,877,055.93	3	138.79%	1	1.92	1	0.96	1
Average	5,241,049.22		94.87%		1.82		1.62	

Source: Authors

The result revealed that the style of hot spring management type affects financial returns. The business in the co-management effect high economic return, benefit cost ratio and payback period are ranked no. 1 and

businesses located in the government hot springs have a 2nd economic return and a business in the community's hot springs have the lowest net present value and a business in the private hot springs have the lowest economic return.

5. Discussions

Theoretical implication

Businesses in small hot springs deliver the best economic returns because of their low cost despite of the 3rd lowest rank in economic value. When the economic value is low, resulting in loss and no business expansion, in line with Jitrat et al., (2016), who said that small businesses have no liquidity and less debt burden and efficiency in earning profits and operations because of low investment.

Besides, the business should improve revenue performance. For example, promotional strategies, product differentiation as well as investment in research and development. This is in line with Kasetiam et al.,(2020) who said that old customers should be retained through promotional processes as well as increasing diversity in seeking new customer groups

The business should earn income from several channels, for example, accommodation business can earn from room sales, food service, tours, sales of souvenir, transport. For example, SP45 extends target customers from family including elderly people and has wide marketing network to increase sales channels. This is in the same direction as Sangsuwan et al. (2004) and Sukthohai Thammathirat University (2014), who stated that various sales channels and diversify customer groups helps increasing revenue, such as community business sell goods

and services to companies (Community to Business: CY2B). The community sells goods and services to customers directly by telephone (Community to Customer: CY2C). The community sells goods and services to employees (Community to Employee: CY2E). The community sells goods and services to the community (Community to Community: CY2CY). The findings are also consistent with the study of Parra-López (2009) that the business networks can help the marketing and economies of scales.

In the same direction as Reypens et al.(2016), mentioned that building the business marketing network helps to increase the competitiveness of the related tourism business. Therefore, there is a network between customers, communities, government sectors. And the private sector following the guidelines of Co-creation such as having a business network or joint management as a partnership between the community and the government or between communities and private sector or between the community and the sub-district administrative organization or the municipality and between businesses linking with hot spring attractions. As for joint management between two or more parties, it is necessary to formulate rules and regulations as a framework for mutual understanding,

mutual acceptance of various practices. Rules can help systematically manage the work, causing participation of

Practical/Managerial implication

The entrepreneur should consider investing in the spa, the food and beverage and the community based tourism business in the large-sized co-management Hotspring because of their better economic return. The business managers in hot spring should reduce cost such as cost of

Limitation and future research

Future research should study the other factors effecting the economic return such as business year of opening as well as the study of the business in Hotsprings in the other cluster in Thailand.

6. Conclusion

This study investigated the economic returns of travel and hospitality business in northern provinces with data collection from documentary analysis and interview. The result revealed that business type affected the economic return and the top three economic return businesses were spa business (S45), CBT tourism business (T46), and food and beverage business (F46).

The size of the hot spring affected the business's economic return. The small hot springs have a high economic return while businesses in large hot springs have

the public sector and private sectors and stakeholders to participate.

asset by sharing the resources with their networks and using the family workforce with own natural resources and increasing more income from selling various product and service (Cross products). Moreover, they should focus on the basics of accounting to prevent the business's failure.

slightly below average economic returns. This may be due to adaptation by using the maximum utilization of space to generate income. For example, S45 and T46 have the successful business because they do not abandon or deteriorate the buildings and have a variety of services with the cooperation of people in the community.

Hot spring management model affects economic returns. The co-managed hot springs have a high economic return because the businesses reduce costs from collaborating with agricultural cooperatives.

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