

## Quality Management Affecting the Business Performance of Tourism in Chiang Rai Province

### การจัดการคุณภาพที่มีอิทธิพลต่อผลการดำเนินงานของธุรกิจการท่องเที่ยวในจังหวัดเชียงราย

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#### Abstract

This research aimed to (1) To study a level of quality management, market orientation, and business performance of tourism in Chiang Rai province, (2) To study a degree of uncertainty in tourism environments in Chiang Rai province, and (3) To study the quality management and market orientation that affect the business performance of tourism in Chiang Rai province. The sample sizes were totally 500 samples, including the technical managers, middle managers, and top managers. The Structural Equation Modeling was theoretically used in this research. The findings showed that the majority respondents were female aged between 41-50 years old. They earned a bachelor's degree or equivalent. Their average incomes were approximately 30,001-40,000 Thai baht. Their current positions were mostly associated with the middle managers. In general, an analysis of the quality management showed a high operation's level with the highest average of the roles of the top managers together with the quality policy. The market orientation showed a high level as a whole with the highest average of the responsibility toward a customer. The levels of business performance were relatively high with the maximum average of the market/product development, and the quality outcomes. Moreover, the uncertainty of the marketplace environment was in the rather high level with the maximum average of the customers' aspect. The additional results found that the government should help, assist, as well as support in terms of the marketing and information aspects. The empirical results derived from the SEM's model revealed that the quality management had the positive effects to not only the market orientation, but also the business performance. Likewise, the market orientation had the positive effect to the business performance.

**Keywords :** quality management, market orientation, business performance, uncertainty of the marketplace environment

### บทคัดย่อ

การวิจัยในครั้งนี้มีวัตถุประสงค์เพื่อ (1) ศึกษาการจัดการจัดการคุณภาพ การมุ่งเน้นตลาด และผลการดำเนินงานของธุรกิจการท่องเที่ยวในจังหวัดเชียงราย (2) ศึกษาความไม่แน่นอนของสิ่งแวดล้อมของธุรกิจการท่องเที่ยวในจังหวัดเชียงราย และ (3) ศึกษาการจัดการคุณภาพและการมุ่งเน้นตลาดที่มีอิทธิพลต่อผลการดำเนินงานของธุรกิจการท่องเที่ยวในจังหวัดเชียงราย ประชากรคือ ผู้บริหารระดับล่าง ระดับกลาง และระดับสูง เก็บข้อมูลโดยใช้แบบสอบถาม ขนาดตัวอย่าง จำนวน 500 ราย พบว่า ส่วนใหญ่เป็นเพศหญิง มีอายุระหว่าง 41-50 ปี มีระดับการศึกษาระดับปริญญาตรีหรือเทียบเท่า มีรายได้ต่อเดือน 30,001-40,000 บาท และตำแหน่งงานปัจจุบันเป็นผู้บริหารระดับกลาง ระดับการจัดการคุณภาพของธุรกิจ โดยภาพรวม อยู่ในระดับค่อนข้างมาก ด้านที่มีค่าเฉลี่ยสูงสุดคือ บทบาทของผู้บริหารระดับสูงและนโยบายด้านคุณภาพ ระดับการมุ่งเน้นตลาดของธุรกิจ โดยภาพรวม อยู่ในระดับค่อนข้างมาก ด้านที่มีค่าเฉลี่ยสูงสุดคือ ความรับผิดชอบต่อลูกค้า ระดับผลการดำเนินงานขององค์กร โดยภาพรวม อยู่ในระดับค่อนข้างมาก ด้านที่มีค่าเฉลี่ยสูงสุดคือ การพัฒนาตลาดและบริการ และคุณภาพของผลลัพธ์ และระดับความไม่แน่นอนของสิ่งแวดล้อมของธุรกิจ อยู่ในระดับค่อนข้างมาก ด้านที่มีค่าเฉลี่ยสูงสุดคือ ลูกค้า การวิเคราะห์โมเดลสมการเชิงโครงสร้าง พบว่า การจัดการคุณภาพมีอิทธิพลทางตรงเชิงบวกกับการมุ่งเน้นตลาด และมีอิทธิพลทางตรงเชิงบวกกับผลการดำเนินงานของธุรกิจ และการมุ่งเน้นตลาดมีอิทธิพลทางตรงเชิงบวกกับผลการดำเนินงานของธุรกิจ

**คำสำคัญ :** การจัดการคุณภาพ การมุ่งเน้นตลาด ผลการดำเนินงานของธุรกิจ ความไม่แน่นอนของสิ่งแวดล้อม

## Introduction

From the 1980s onward, trade and service businesses have extended worldwide as a result of a fast and convenient communication. A global business competition has increased intensively. Organisations will have to adapt to the changing situations for increasing competence, creating flexibility and competitive ability, for instance, developing products and services and improving a management system by applying a quality management system which will make the quality more important. The quality is essential to the existence of the organisation and it becomes one of significant strategies for strengthening the competitive ability of the organisation and the country for developing and improving the quality of their products continuously through the effective management process including the performance of the products and organizations. The quality is important for business negotiations for the existence of the organization and the development of the ability to improve sales and profits in the future. These are the results of the qualitative performance especially in tourism business.

Tourism is important for a country development because it leads to an investment in serving tourists, builds up skilled workers, creates jobs and generates income for local people. The responsible departments have been trying to set up the tourism system by improving the quality management focussing on tourism markets in order to achieve the effective success. However, there are also problems with the management system for the implementation of quality management and market orientation which leads to efficient and effective performances including financial performance, market/product development and quality outcomes. Moreover, to succeed in business performance, the organization or business must pay attention to the uncertainty of the business environment even though it is not controllable.

Chiang Rai province basically gains a geographic advantage. It is the gateway to the commercial market and investment. It has tourism routes that can connect to many countries in Indochina such as R3A route that connects Thai, Laos and China and R3B for Thai, Myanmar and China. Besides, Chiang Rai has been continuously promoting tourism due to a variety of attractions and as its border lies between Myanmar and Laos, there is a large number of tourists, for instance, in 2015, there were 3,078,976 Thai and foreign tourists visited Chiang Rai with total revenue of 22,848.08 million baht. (Department of Tourism, 2016, p. 1) This value added tourism could increase income and develop economic sustainable tourism which allowed Chiang Rai to launch tourism strategic plan as follows ; (1) To develop and promote tourism mixed with ecology, history, arts and culture, and health. (2) To make Chiang Rai a tourism hub by land, water and air connecting with neighbouring countries. (3) To improve

tourism service and personnel to meet international standards. And (4) To improve public relations and tourism markets. (Chiang Rai Provincial Office of Tourism and Sport, 2014, p. 1)

Apart from the abovementioned significance, Chiang Rai also has the problems concerning quality management that affects the business performance of tourism locally. Therefore, there should be a research study of quality management, market orientation and tourism performance in Chiang Rai. With regards the above, the researcher is interested in studying the quality management that affects the business performance of tourism in Chiang Rai in order to see how the outcome would be.

### **Purposes**

(1) To study a level of quality management, market orientation, and business performance of tourism in Chiang Rai province.

(2) To study a degree of uncertainty in tourism environments in Chiang Rai province.

(3) To study the quality management and market orientation that affect the business performance of tourism in Chiang Rai province.

### **Hypothesis**

The researcher has studied the documents and related research studies as a guideline for studying the quality management and market orientation that affect the business performance of tourism including (1) concepts and theories of quality management, (2) theories of market orientation, (3) concepts of business performance and (4) marketing environments as the below details.

#### **1. Concepts and Theories of Quality Management**

Quality management is a process of using the management resources at maximum level to achieve the objectives of the organisation according to the processes of quality management starting from product design and services, manufacturing and delivering high quality and useful products to a customer with economical expense and ultimately yield customer satisfaction. The key of quality management is the process to achieve continuous quality improvement. To create quality in the organisation is not a duty and responsibility of a specific department, but it belongs to all members of the organisation who have to be involved in solving a problem.

#### **Concepts of quality management**

From the 1980s onward, trade, service business and finance have extended worldwide as a result of a fast and convenient communication. A global business competition has increased intensively. Organisations will have to adapt to the changing situations for increasing

competence, creating flexibility and competitive ability, for instance, developing products and services and improving a management system by applying the quality management system and the concepts of quality services for the ultimate quality. Besides, service quality has also drawn a significant intention from marketers and the public as it is a concept that can lead to success in the competition (Kanthachai & Taechamaneestit, 2015, p. 124 ; Kanthachai, 2015, p. 280). This made the quality of both products and services become more important. Thus quality plays important role to all human beings whose lives depend upon the quality of products or services produced by the others. Errors or defects in quality can cause much damage to humans. Organizations, selling products and services but lack of quality, will bring disgrace to themselves. This made many organisations closed down or went out of business. Many world leading organizations pay special attention to the quality management in competition by improving quality continuously. This included public organisations at present offer services that are different from those in the past. This is because the quality becomes a certain standard and important criterion for customers to choose from. The quality management includes (1) Quality context consisting of marketplace environment, manager's knowledge, role of top management and quality policy, and role of the quality department, (2) Quality practices consisting of quality training, product/service design, supplier quality management, quality data and reporting, and employee relations. (RaJu et al., 2000, p. 245 ; Carter et al., 2010, p. 12 ; RaJu & Lonial, 2001, p. 149)

#### The importance of quality management

The importance of quality management is (1) it helps reduce the expense due to the reduction of the waste and the increase of production, and (2) reduce the loss of working hours, for example, we don't need to spend time for checking the quality. It also gives high productivity. Organisation is accepted amongst the markets or customers regarding to products and services are of high quality and affordable. Therefore the organisation can continue to operate its business.

Such quality management will affect the determination of the tourism organization to generate product value and superior service to its clients or tourists continuously. This includes offering a better value to its clients or tourists. This is called "Market Orientation Theory" which is the original assumption of the first hypothesis.

$H_1$  : the quality management has a positive direct effect to the market orientation.

## 2. Market Orientation Theory

Market Orientation is the organizational culture that concentrates on the creation of continuous superior value for clients and, thus, market value to offer a better value for the customers. (Narver & Slater, 1990, p. 29) It includes the practice based on the marketing concept of customer-oriented and coordination leading up to each party engaging in activities which aim at the development of an understanding of the needs of the customers both at the present time and in the future. This also conveys the understanding of the customer's needs to all parties in the organisation that involve the activities designed to respond the needs of the customers. (Kohli & Jaworski, 1990, p. 1) In addition, this will be a collection of information of the customers and competitors systematically as well as data analysis for the development of marketing knowledge which can be used as a guideline to set up strategy, create understanding, design, selection and modification to meet the needs of the customers and competitors. (Hunt & Morgan, 1995, p. 11) From the study, we can conclude that market orientation means that the organisation concentrates on the creation of continuous superior value for clients and, thus, market tracking to offer the better value for the customers and to meet the needs of the customers effectively.

### Concept of Market Orientation

There are three basic elements of market orientation; (1) Intelligence Generation, (2) Intelligence Dissemination and (3) Responsiveness. (Kohli & Jaworski, 1990, p. 1) In addition, market orientation also consists of customer orientation, competitive orientation and Inter-functional coordination. (Narver & Slater, 1990, p. 29) Besides, market orientation involves the collection of marketing information including a data of the customers, competitors and market conditions affecting the success of the organization and creation of a sustainable competitive advantage to organizations or agencies. (Min & Mentzer, 2000, p. 765)

Market orientation is to generate marketing knowledge and disseminate to all staff in the organization including to respond the needs of the customers or tourists which will affect the performance of the organization or tourism business which leads to the second hypothesis.

$H_2$  : the market orientation has a positive direct effect to the performance.

## 3. Concept of the Performance

Performance or performance appraisal refers to the process of evaluation in various fields on workers who are valuably on duty within a certain timeframe. The evaluation is based on the same system and standard with practically effective and impartial criteria.

### The objectives of the performance appraisal

According to the modern concept of evaluation, the performance appraisal should contain at least three elements, namely ; (1) Being results oriented, (2) Focus on goals or objectives and (3) Having mutual goal setting between supervisor and employee. It is believed that if the employee is involved in setting up job targets or objectives, it can be used as a criterion to measure the success of the work.

### The importance of the performance appraisal

1) The importance to employees : employees basically want to know their work performance results if they are valuable in the eyes of their supervisors or if there are any weaknesses needed to be improved. If the performance appraisal and its results are informed, they will acknowledge their own performance. But if there is no assessment, employees will never know which parts they should maintain or improve. Employees with good performance will try to improve for better.

2) The importance to supervisors : the performance of each employee will affect the overall performance in responsibility of the supervisor. The performance appraisal is important to the supervisor because he or she will know how much valuable the employee is and will find the way to support and keep the employees or helps improve their performance including considers to move or switch the positions for the utmost benefits. If without the assessment, these things cannot be considered.

3) The importance to the organization: as the success of the organisation is the result of the performance of individual employee, therefore, the performance appraisal of employees will reflect the level of assigned work of each employee and what strengths or weaknesses are. Then the organization will seek to improve or allocate staff in accordance with their ability which will make the organization's operations efficient.

Since the performance appraisal is important and useful for the administration as mentioned above, all departments require the assessment within their own departments. Setting up the performance appraisal system is necessary and needed to be implemented carefully. This is to prevent the problems that might happen after the application has been applied. For example, there might be a resistance from the supervisors who assess the performance, non-acceptance of the assesses and results cannot be concluded after the assessment.

### The benefits of the performance appraisal

Not only does the performance appraisal aim to pay compensation to employees, but it is also worth the job development and administration as ; (1) it can be a tool to allocate the organisation's resources fairly, (2) it can be used to motivate and reward the employees

whose works are of standard or above standard, (3) it maintains internal fairness covering administration, payroll, compensation and personnel management. The effective management can be examined through the assessment to see if it focuses on the work or behaviour, (4) used as a tool for training and improving the employees as the assessment is one of the processes for employee development, (5) used as a tool for employees to follow the rules or regulations equally, (6) have the employees acknowledge their knowledge and ability in the eyes of the supervisors and/or colleagues including concerned people, (7) it is the fairness test for the supervisors because if they don't treat the employees fairly, skilled employees will leave them. Finally, they will have to work harder on their own, (8) analyse the problems such as the requirement for training, knowledge, ability, skills of employees and hiring process, and (9) the information used to prevent the administrative problems as the personnel department can analyse whether or not the performance appraisal of each department is fair. (Pphemchat, 2005 ; Saopayont, 2004)

In addition, the research shows that the quality management will not only affect the market orientation, but also influence the business performance which is the source of the third assumption.

$H_3$  : the quality management has a positive direct effect to the business performance.

However, the performance of the organisation also depends on the marketing environment which is uncertain and can affect the performance of the organisation or tourism business.

#### 4. Marketing Environment

Marketer must pay special attention to marketing environment because it affects the performance. The marketing environment consists of the following details ;

4.1 Task Environment includes (1) those involved manufacturing, (2) product distribution, (3) marketing promotion and (4) key operators or sales representatives.

4.2 Broad Environment includes six type environments, namely, (1) Demographic Environment, (2) Economic Environment, (3) Natural Environment, (4) Technological Environment, (5) Political - Legal Environment and (6) Social - Cultural Environment

These environments can create a powerful impact on those groups in the operating environment. Tourism entrepreneurs need to pay attention to the trends and developments of these environments and must be able to adjust to the environments quickly as well as adjust marketing plans to keep pace with time and circumstances.



From the study of the concept and theory above, it can be seen that the quality management influenced the market orientation and the performance of the organization or tourism business. The researcher is able to determine the hypothesis and conceptual framework as shown in figure 1.

#### Hypothesis

- (1) The quality management has a positive direct effect on the market orientation.
- (2) The marketing orientation has a positive direct effect on the performance.
- (3) The quality management has a positive direct effect on the performance.

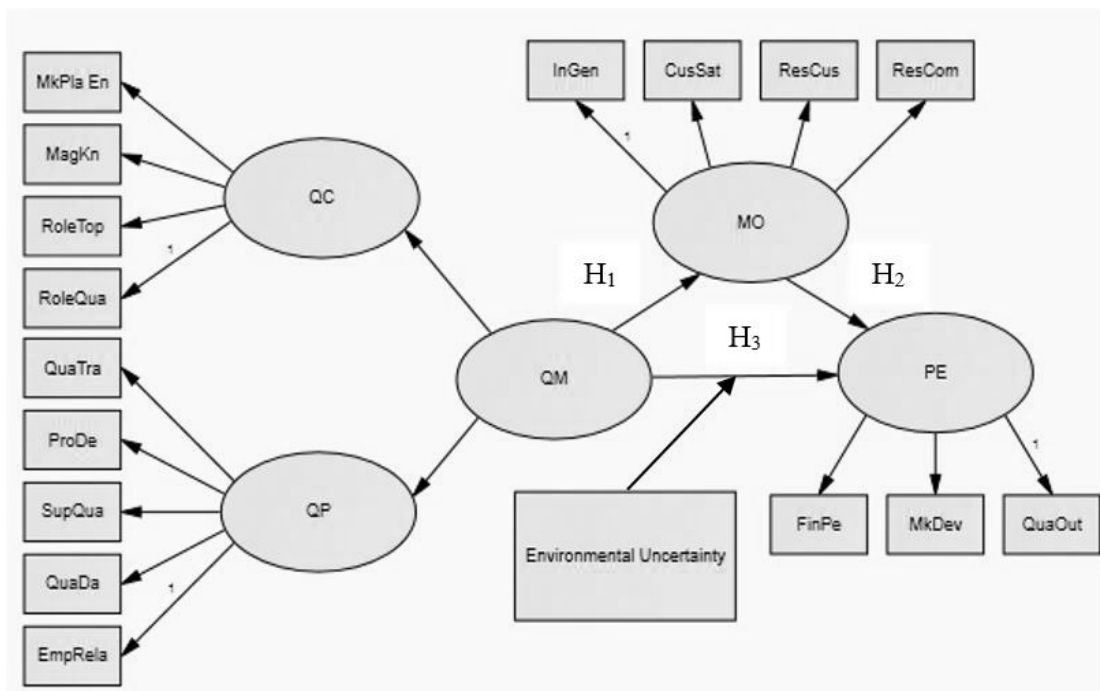


Figure 1 Hypothesis and Conceptual Framework

From Figure 1, the conceptual framework of this research is the concept of quality management that influences the performance of the tourism industry by asking the low, middle and top management about quality management which includes (1) Quality Context : QC comprising of Marketplace Environment : MkPla En, Manager's Knowledge : MagKn, Role of Top Management and Quality Policy : RoleTop and Role of the Quality Department : RoleQua, (2) Quality Practices : QP comprising of Quality Training : QuaTra, Product/Service Design : ProDe, Supplier Quality Management: SupQua, Quality Data and Reporting : QuaDa, Employee Relations : EmpReLa, Market Orientation: MO which includes (1) Intelligence Generation : InGen, (2) Customer Satisfaction : CusSat, (3) Responsiveness to Customers : ResCus and (4) Responsiveness to Competition : ResCom, and Performance : PE which includes (1) Financial Performance : FinPe, (2) Market/Product Development : MkDev and (3) Quality Outcomes : QuaOut). (RaJu et al., 2000, p. 245 ; Carter et al., 2010, p. 12 ; RaJu & Lonial, 2001, p. 149)

### **Benefits of the Research**

1. To know the level of quality management, market orientation and business performance of tourism in Chiang Rai province.

2. To know the degree of uncertainty in tourism environments in Chiang Rai province in order to guide the planning and development of tourism in Chiang Rai province.

3. To know the quality management and market orientation that affect the tourism in Chiang Rai province in order to use as the guidelines in quality management and business performance of tourism, moreover the research can be used as the guidelines in learning management, quality performance for business tourism, small and medium enterprise (SMEs), academic institutions/sectors and private agencies/sectors.

### **Research Methodology**

#### Research Design

This research study is a quantitative research using the questionnaires to study the level of quality management, market orientation, business performance and uncertainty of tourism environments. In addition, this is to study the quality management and market orientation that affects the business performance of tourism and level of uncertainty of tourism environments for entrepreneurs to use as a guideline for effective operation so that the development can be adjusted for being sustainably self-reliant.

#### Population and Sample

The populations in this research are the technical, middle and top management of tourism industry in Chiang Rai province. 500 samples were chosen for collecting data using the questionnaires and determining the sample size by Roscoe's formula. The quota is divided for the first-line managers 204 persons, the middle managers 248 persons, and the top managers 48 persons.

#### Tools for Collecting Data

The tools for collecting data in this research were the questionnaires created by the researcher integrating with the concepts, theories and related literatures for the content in this research would be consistent. There were totally 6 parts ; Part 1 : Demography ; it was a multiple choice questionnaire. Parts 2-5 were about the quality management of tourism in Chiang Rai. They contained 7 levels of Rating Scale which were the Most – Much – Fairly much – Moderate – Fairly little – Little – the least and Part 6 was the additional information and recommendations about quality management of tourism industry in Chiang Rai province.

#### How to create and monitor research tools

The researcher has created the tools for collecting research data in the following order ; (1) study concepts, theories and related literatures, (2) determine the questions in the

questionnaires according to conceptual framework of this research, (3) have the experts check the integrity of the query, (4) edit the questionnaires in accordance with the instructions of the experts, (5) try out the questionnaires of the first edited 7 points rating scale with 30 low, middle and top management of other businesses to find the reliability. The Cronbach's Alpha Coefficient revealed at .942, (6) develop the completed tools used to collect data for the research and (7) after collecting the actual data with 500 low, middle and top management of tourism industry in Chiang Rai province to find the reliability, the Cronbach's Alpha Coefficient showed at .977

#### Data Analysis

In this research, the researcher analyzed the data using software packages to present descriptive information and developed the conceptual framework by AMOS model with Latent Variables. (DeVellis, 1991, p. 12)

#### Statistics used in the research

The research is described by descriptive statistics and multivariate statistical analysis of Structural Equation Model : SEM to answer each objective of the research.

### Conclusions

1. The analysis on general information of the respondents revealed that a majority was female aged between 41-50 years old with bachelor degree or equivalent, salary of 30,001-40,000 baht and the current position as the middle management.

2. The analysis on the level of quality management of tourism industry generally showed at the 'Fairly much' level. When considering on each aspect, we found that the aspect with the highest mean was the role of the top management and quality policy. The second highest score was the marketplace environment, the role of the quality department and the supplier quality management equally. The level of the market orientation of tourism industry in Chiang Rai province generally revealed at the 'Fairly much' level. When considering on each aspect, we found that the aspect with the highest mean was the responsiveness to customers. The second score was the customer satisfaction. This results can empirically answer the first hypothesis.

3. The analysis results of business performance showed that the tourism industry generally indicated at the "Fairly much" level. When considering on each aspect, we found that the aspect with the highest mean was the Market/Product Development and Quality Outcomes equally. The second score was the Financial Performance which can answer the second hypothesis.

4. The level of the uncertainty of tourism environments in Chiang Rai Province generally showed at the 'Fairly much' level. When considering on each aspect, we found that the aspect with the highest mean was the Customers. The second score was the General Economy. And the analysis on additional information and recommendations of quality management of tourism industry in Chiang Rai Province found that the government should assist in the promotion and support in marketing and information. Combined, the other organisations involved with tourism industry would be required to cooperate in developing for sustainable tourism in Chiang Rai. This included the service quality development of tourism.

5. Confirmatory Factor Analysis : CFA of quality management component model comprising of marketplace environment, manager's knowledge, role of top management and quality policy, role of the quality department, quality training, product/service design, supplier quality management, quality data and reporting and employee relations was consistent with the empirical data. Market orientation component model consisting of intelligence generation, customer satisfaction, responsiveness to customers and responsiveness to competition was consistent with the empirical data, and performance component model composing of financial performance, market/product development and quality outcomes was consistent with the empirical data. The second order confirmatory factor analysis of the component model of quality management, market orientation and performance was consistent with the empirical data.

Table 1 Statistic Comparison of Model Consistency with Empirical Data between Model Created in accordance with Hypothesis and Modified Model

No.	Test statistics	Model based on hypothesis	Modified model	Standard value	Consistency of model based on hypothesis	Consistency of modified model
1.	chi-square ( $X^2$ )	4757.835	296.296	-	-	-
2.	df	101	64	-	-	-
3.	p-value	.000	0.051	> 0.05	inconsistent	consistent
4.	$X^2/df$	74.107	2.99	$\leq 3.00$	inconsistent	consistent
5.	GFI	.587	0.968	> 0.90	inconsistent	consistent
6.	AGFI	.443	0.932	> 0.09	inconsistent	consistent
7.	CFI	.654	.992	$\geq 0.95$	inconsistent	consistent
8.	NFI	.650	.990	$\geq 0.95$	inconsistent	consistent
9.	RMR	.222	0.070	$\leq 0.08$	inconsistent	consistent
10.	RMSEA	.304	0.055	<0.08	inconsistent	consistent

From Table 1, the analysis on the Structure Equation Model for studying quality management affecting the business performance of tourism found that the model was consistent with the empirical data based on the statistics used to check consistency between the model and empirical data. The Chi-square was equal to 4757.835. Degree of freedom was 101. That meant the Chi-square was significantly different from zero. The analysis on Comparative Fit Index indicated that  $\chi^2/df$  was equal to 74.107. The Absolute Fit Index revealed GFI of .587. AGFI was .443. CFI was .654. NFI was .650. RMR was .222. And RMSEA was .304. Therefore, it is said that the experimental models above were not consistent with the empirical data. For the Relative Fit Index after adjusting the model and checking the consistency of the model and empirical data, the Chi-square revealed at 296.296. Degree of Freedom was 64. It meant that the Chi-square was significantly different from zero.

The analysis on Comparative Fit Index indicated that  $\chi^2/df$  was equal to 2.99 and RMSEA was 0.055. Thus it is said that the model was consistent with the empirical data. The Relative fit index showed CFI at .992 and NFI was .990. Therefore, it is said that the model was relatively consistent. The Absolute Fit Index revealed GFI of 0.968 and AGFI was 0.932 which was close to 1 and RMR was equal to 0.070 which was close to 0. They were consistent with the empirical data.

Table 2 The Hypothesis Testing Result

Hypothesis		Standardized estimate	S.E	C.R.	Result
$H_1$ QM	MO	.500	.025	19.672	consistent ***
$H_2$ MO	PE	.556	.039	14.355	consistent ***
$H_3$ QM	PE	.003	.012	.280	inconsistent

\*\*\* Statistical significant .001

From Table 2, the hypothesis test found that  $H_1$  the quality management had the positive direct effect on the market orientation and  $H_2$  the market orientation had the positive direct effect on the performance. They were consistent with the hypothesis at statistical significance of .001, which can answer the third hypothesis.

## Discussions

1. The study found that the analysis on the level of quality management of tourism in general was in the 'Fairly much' level. The aspect with the highest mean was the role of the top management and quality policy. The analysis on the level of the market orientation of tourism industry in Chiang Rai province generally revealed at the 'Fairly much' level.

The aspect with the highest mean was the responsiveness to customers. The analysis on the level of business performance of the tourism industry generally indicated at the 'Fairly much' level. The aspect with the highest mean was the market/product development and quality outcomes. It was consistent with Kanthachai (2015, p. 47) who found that the analysis on quality management in general indicated at the 'Fairly much' level. The aspect with the highest mean was the product design and services. The level of the market orientation generally revealed at the 'Fairly much' level. The aspect with the highest mean was the responsiveness to customers and the level of the business performance generally indicated at the 'Fairly much' level. The aspect with the highest mean was the quality outcomes. However, there was the exception about the level of quality management of tourism which showed the highest mean was not consistent.

2. The study found that the analysis on the uncertainty of tourism environments in Chiang Rai revealed at the 'Fairly much' level. The aspect with the highest mean was the customers. The second highest score was general economy which was consistent with Kanthachai (2015, p. 47) who found that the level of the uncertainty of tourism environments was in the 'Fairly much' level. The aspect with the highest mean was the customers and the second one was general economy.

3. The study on the direct and indirect effect that affected the business performance of tourism in Chiang Rai found that the quality management had the positive direct effect on the market orientation and performance. And the market orientation had the positive direct effect on the performance. Besides, the quality management had the positive indirect effect on the performance which was consistent with Rayakao and Fongsuwan (2012, p. 58) who found that variables had the positive direct effect on the effectiveness which included supply chain management, logistics and market orientation respectively. When considering the overall influence of the variables that affected the effectiveness, it was found that the market orientation had the maximum overall influence. The second one was logistics and supply chain management had the minimum overall influence. It was consistent with Leekpai (2013, p. 60) who found that market orientation, entrepreneurial orientation and learning orientation had the positive direct effect on the innovativeness and the innovativeness had the positive direct effect on the organizational performance. It was also consistent with RaJu et al. (2000, p. 237) who found that structural equation modeling confirmed the nature of the variables including market orientation, organizational performance and strong relationship between the structures. This was consistent with RaJu & Lonial (2001, p. 140) who found that market orientation and the context of quality management influenced the organisational performance. However, while the market orientation had the positive

direct effect on the organisational performance, the context of the quality management had the indirect effect on the performance and influenced the market orientation which was consistent with Carter et al. (2010, p. 8) who found that the context of the quality management and quality practices which were a component of quality management had the direct effect on the performance of the hospital. This was also consistent with Hemsworth et al. (2005, p. 169) who found that quality management of purchasing practice had the direct effect on the information system operation and the purchasing organisational performance. Besides, it was consistent with Kanthachai (2015, p. 49) who found that quality management had the positive direct effect on market orientation and organisational performance. And the market orientation had the positive direct effect on the performance. Moreover, quality management had the positive indirect effect on the organisational performance. The scope of the study will reveal the similar results that are quality management has the positive direct effect on market orientation and organisational performance. And the market orientation has the positive direct effect on the performance. It means that the 3 main variables included quality management, market orientation and organisational performance are related with each other.

4. The study found that the hypothesis test showed that  $H_1$  the quality management had the positive direct effect on the market orientation and  $H_2$  the market orientation had the positive direct effect on the performance. They were consistent with the hypothesis at statistical significance of .001 which was consistent with Kanthachai (2015, p. 49) who found that quality management had the positive direct effect on market orientation. And the market orientation had the positive direct effect on the performance.

## Recommendation

1. The analysis on the uncertainty of tourism environments in Chiang Rai found that the uncertainty of tourism environments as mentioned was the Customers. The second one was General Economy. Therefore, tourism entrepreneurs should take a good care on their operation and pay special attention on the customers and general economy; for example supply the special program for the customers/tourist etc. This is because both environments cannot be controlled.

2. The study found that quality management and market orientation influenced the performance of tourism in Chiang Rai. With regard the customer satisfaction, tourism industry should convey information about the customer satisfaction to the employees at all levels as for creating a good feeling or positive attitude of the employees toward the business including products and services. Moreover, it can build morale for job performance of the employees.

3. The study found that quality management and market orientation influenced the performance of tourism in Chiang Rai. Regarding to the responsiveness to customers, tourism should have a plan on a technological advancement more than market research because the technological advancement has quickly changed. If the business cannot catch up with the change of technological advancement, it will not succeed as expected or it will go bankrupt or disappear from the market ultimately.

4. The study found that quality management and market orientation influenced the performance of tourism in Chiang Rai. Regarding to the responsiveness to competition, tourism should react immediately when the major competitors launch a campaign to the target markets aggressively. Nevertheless, business should analyse itself whether or not it is able to react suddenly. If it does not have enough potential to respond, the reaction should not be proceeded because it will be failed or even go bankrupt.

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