World Academy of Science, Engineering and Technology
International Journal of Humanities and Social Sciences
Vol:7, No:5, 2013

Problems and Obstacles to Value Creation of Thai Monk's Bowls: The Case Study of Ban-Baat Village, Bangkok

P. Techaratpong

Open Science Index, Humanities and Social Sciences Vol:7, No:5, 2013 publications.waset.org/14348/pdf

***Abstract*—**This research aims to study value-creation process of producing monk's bowls, Thai traditional handicrafts, which is facing problems in adapting to the changing society. It also aims to identify problems and obstacles to value creation. This research is based on a case study of monk's bowl manufactures from Ban-Baat Village, Bangkok. The conceptual framework is based on the model of value chain to analyze the process.

The research methodology is qualitative. This research found that the value-creation process of monk's bowls consists of eight activities contributing to adding *value* to the products and increasing profits to the producers in return. Five major problems and obstacles are found.

The research suggests that these problems and obstacles limit the manufacturers' potential for creating more valued product and lead to business stagnation. These problems should be addressed and solved with collaboration among the government, the private sector and the manufacturers.

***Keywords*—**Craft manufacturing, problems and obstacles, value chain, value creation.

I. Introduction

SINCE the 1990s, the *creative economy* has become a buzzword among policymakers around the world. An increasing realization of the convergence between information and technology and the disappearance of manufacturing industries has made creativity and culture a focus for economic development within the concept of value creation from ideas. The creative economy sees creativity as a source of economic growth and well-being. Creativity based on a country's culture, knowledge and talent, can become a competitive advantage, providing new or enhanced skills, identifying and creating new products to take to market and encouraging positive change and innovation [1]. The success of the creative industries in the United Kingdom, the United States of America, Japan and the Republic of Korea demonstrates the creative economy's potential as a growth sector able to make a significant contribution to employment and income generation. This has inspired many developing countries to adopt the concepts of the creative economy and promote their own creative industries in recognition of the interface between creativity and economics [2].

Thailand, a country strategically located in Southeast Asia, is no exception. Realizing that the world has become increasingly economic competitive and that its strength is unique cultures, the government aspires to launch National Creative Economy policy 2010-2012 and the 11th National Economic and Social Plan for 2012-2016 aiming to boost Thailand's economic growth by increasing its competitiveness through value-added products [3].

However, some Thai cultural heritage including local wisdom and cultural products are dying out due to an influx of modern technology and international cultural trends. Thailand is losing valuable cultural capital for value creation. Many Thai cultural products have lost their popularity and are in a critical situation. Thai traditional monk's bowls are one of them. Monk's bowls are a food container, one of eight necessities of a Buddhist monk.



Fig. 1 Monk's alm bowls from Ban-Baat

In *Rattanakosin* district, Bangkok, there are many communities relying on crafts production and was named after their products. The ancestors of *Ban-Baat* community who originated in Ayutthaya, the former capital of Thailand, moved to the area in 1767. *Ban Baat* or *Village of Monk's Bowls* is the only remaining village of three established for since King Rama I for the purpose of handcrafting monk's bowls [4]. For Thai people, monk's bowls reflect cultural aesthetics and strong belief in Buddhism [5]. As cheaper factory-made bowls

P. Techaratpong is lecturer at the Program of Cultural Management, the Faculty of Humanities and Social Sciences, Suansunandha Rajbhat University, Bangkok 10900, Thailand. (e-mail: pirada.at.cmssru@gmail.com).

Open Science Index, Humanities and Social Sciences Vol:7, No:5, 2013 publications.waset.org/14348/pdf

are now the norm, the artisanal tradition has shrunk to 5 families. Many of them faced problems and obstacles and could not adapt to the changing market. These artisans rely on tourism to keep their tradition alive. In the long run, not only these businesses may die out, but also the local wisdoms and traditions.

One of the ways to preserve local wisdoms and traditions is to promote value creation through culture and enhance the craft business by overcome problems and obstacles to its value creation process of products. Earning more income would, in turn, gives the business an opportunity to survive.



Fig. 2 A monk carrying monk's bowl to get food offering

II. Objectives

1.) To study the value creation of hand-made monk's bowls from the case study of Ban-Baat village.
2.) To identify problems and obstacles to value creation of hand-made monk's bowls from the case study of Ban-Baat village.

III. Methodology

The methodology of this research is qualitative. The method used was a literature review, document analysis, unanticipated observation and interviews due to the time limitations. The information presented in this study was from secondary sources - academic books, journals, critical articles from newspaper and other media to get initial background of the topic and the framework and to prepare the interview guidelines. The empirical data were collected from primary sources - non-participatory observations and interviews with the key informants: monk's bowl manufacturers, artisans, monk supply retailers and tourists who bought monk's bowl from Ban-Baat. Following the review of the concepts and information gathering, the data were analyzed in accordance with the chosen framework to get a better understanding of the value creation of the monk's bowl making and to explore problems and obstacle to the process.

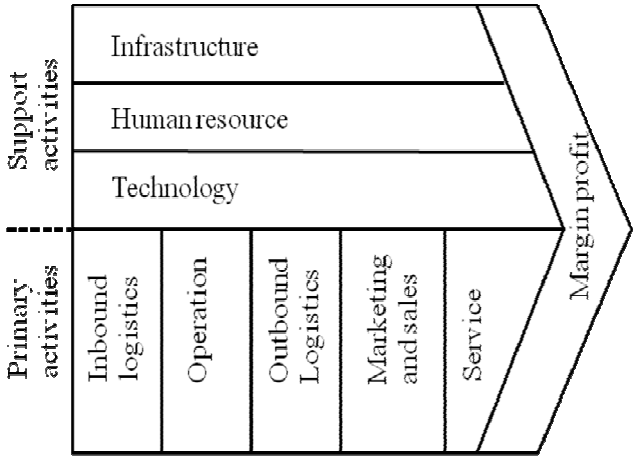


Fig. 3 The model of value chain Source: the model is adapted from Porter's value chain

This research's main conceptual framework was adapted from the concept of value chain, by Michael Porter, which was invented for business strategic planning by analyzing value creation of businesses and their products from the upstream suppliers to the downstream consumers [6]. It is also useful in identifying problems and obstacles to the process of value creation which, in turn, tend to limit business growth [7]. The concept is widely used by many international development organizations in analyzing value creation of products and business [8]. A value chain consists of 8 activities. Products go through these activities in order and each activity put some value on the products. The value added to the product will bring more profits to the producers in return.

IV. Research Results

The research found that the value creation process of monk's bowl making from the upstream suppliers to the downstream consumers could be divided into 2 activity groups or 8 activities. The first activity group is *the primary* activities since they add value to the product directly. The group is composed of 5 activities: *inbound logistics, operation, outbound logistics, marketing and sales and services.*



Fig. 4 Different models of hand-made bowls in various sizes

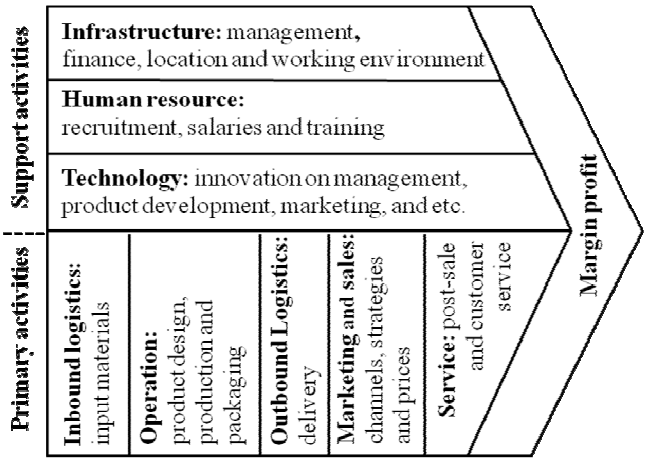


Fig. 5 Value chain of monk's bowl making from Ban-Baat village

At *Inbound logistics* stage, which regards input materials and suppliers, the manufacturers from Ban-Baat usually order the main materials, steel and stainless, from steel retailers around Hualumpong train station. It is convenient for the manufacturers because Ban-Baat community and the retailers are in the same neighborhood. The manufacturers need to store these materials due to the price fluctuation in accordance with oil price.

Operation activity covers product design, production and packaging. The manufacturers give little focus on product design due to their strict traditional belief. Some only minimize the size of the bowls to respond to demand from the tourist market. There are 5 monk's bowl models, but all of them have the same production procedures. The artisans transform the materials to monk's bowl by hammering the bowls together from eight separate pieces of steel. These eight separate pieces represent Buddhism's Eightfold Path. The joints are then fused with melted copper wire. The bowls are beaten, polished and burnt to make them stronger and more durable. The artisan may cut off some of the procedures or do additional procedures such as coating the bowl with black lacquer and/or painting designs. Typically, a large bowl takes around one week to finish. The manufacturers rarely make parcels due to lack of time and the idea that the customers are not interested in packaging. Occasionally, they only wrap up the bowls in boxes for travels.



Fig. 6 Monk's alm bowls with painting decoration

Outbound logistics regards product delivery to the customers. The manufacturers normally sell their bowls to their customers including monks, officials and Thai and foreign tourists at their shop window which is at the place of production. In other cases, the manufacturers make the products to order and send them to the customers by post or sometimes send their products to monk supply retailers-- the middle man who resells them to the customer.

For *Marketing and Sales* activity, the manufacturers use a passive marketing strategy and rely on outsiders such as students who conduct research on Ban-Baat, the customers, the tourists, the government, and other media. For instance, Bangkok's Metropolitan bureau promoted the community for tourism through the project of '*Bangkok's communities*, which have proven successful, and many tourists promoted Ban-Baat as a tourist attraction via social media. The manufacturers only promote the story of Ban-Baat through pamphlets and by demonstrating their production near *Wat Saket* or Saket Temple, a famous tourist attraction, where tourists can usually observe the production process of the bowls and may become interested in the products. For sales channels, the manufacturers sell the bowls to customers directly or sell them to retailers. The manufacturers normally set the prices to cover the expenses; however, sometimes they need to sell the products at lower price to the retailers.



Fig. 7 Monk's alm bowls before polishing and burning

Open Science Index, Humanities and Social Sciences Vol:7, No:5, 2013 publications.waset.org/14348/pdf

Open Science Index, Humanities and Social Sciences Vol:7, No:5, 2013 publications.waset.org/14348/pdf

For *Service* activity, some of the monk's bowl manufacturers consider customer service and post-sales service as additional value to the products. They guarantee the quality of the bowls and provided initial advice on how to fix minor flaws. In a serious case, they will fix the products for free or return the money, if the customers are not satisfied with the products, in order to maintain the relationship with the customers [9].

The second activity group is support activities which indirectly contribute to value adding to the products. They are comprised of 3 activities: *infrastructure, human resource and technology*.

In *Infrastructure* activity, this topic covers location and environment, finance, and management. All the monk's bowl businesses are located in Ban-Baat community, in the old city's quarter. The community consists of hundreds of one to two storied wooden and masonry houses, lining along narrow alleys. The manufacturers produce and sell their products in homes and along the alleys. Due to limited working space, the owners allow the workers to work from home. For finance, a high share of the business owners used their personal or family savings to start and run their businesses and a low share of them used unofficial loans. Most of the expenses come from production costs and salaries. For management, like other general small and medium enterprises, the monk's bowl businesses are based on personal relationships and informality, as well as being actively managed by owners and have no strategic business plans.

For Human resource, which covers employee recruitment, training, and salary, almost all of the workers of the monk's bowl businesses are around the age of 40 to 60. These manufacturers and artisans are specialized in production. However, each of them is specialized only in certain procedures. The owners are facing lack of new workers, especially from younger generation. There are no trainings provided other than trainings in bowl making skills to new apprentices. The workers get their pay according to their work to maintain productivity.



Fig. 8 A demonstrating area and shop display of a manufacture near *Saket* Temple

Lastly, for *Technology*, which covers innovation in management, product development and other working procedures such as marketing, it has been found that the owners did not focus on product innovation due to their religiously conservative attitude. They tended to continue producing the bowls by traditional methods and from certain materials in accordance with Buddhism. Some had some minor changes in production, such as using polishing machine and applying painting decoration. In fact, there are plenty of chances and ways to create something new based on traditional skills, such as inventing new patterns and packaging. Since the monk's bowls businesses are small, new technology and innovation were not applied on management, marketing and other working procedures.

After analyzing the value creation of monk's bowl making through the value chain, a number of problems and obstacles to the process which prevent the manufacturers from extending their products and constraining their business growth were found. However, only the 5 important issues are highlighted as following.

A. Sales Problem

The monk's bowl businesses used price-based selling strategy resulting in price war. When one competitor lowered the price, the others slashed their prices to match. A price cut might boost the sales in a short term; however, it may cause devastating consequences in a long term since it lowers the perceived value of products and services, depreciate the brand and may discourage long-term value creation and investment.

B. Lack of Financial Access Problem

As the monk's bowl businesses are SMEs, the owners are facing challenges in getting access to finance, such as loans and credits, due to lack of collateral. This financial problem prevented owners from investing in research on product development, training, expanding or improving businesses.

C. Marketing Problem

The marketing of the monk's bowl business is rather inadequate. The manufacturers lack marketing skills and knowledge, budget and networks to do their own marketing. Most of the marketing promotions in forms of advertising and public relations were done by the outsiders. Therefore, the manufacturers are unable to determine their marketing strategy which has effects on the perceived value of the products and the business in the customers' view.



Fig. 9 A sticker promoting Ban-Baat and its products by students

D. Obstacle in Location and Working Environment

The issue on location and working environment could be a serious obstacle to value creation. As the manufacturers produce their product at their residence and along the alleys which were not designed for manufacturing purposes, the working space is limited and unorganized. In addition, it lacks safety system. The manufacturers are unable to increase their productivity or do value adding activities which need much larger space, such as burning the bowls to be glittery and more durable bowls called *diamond bowl,* to achieve greater profitability. Moreover, due to limited space, the owners allow their workers to work from home resulting in discontinuity of work.



Fig. 10 A glittery Diamond monk's bowl

E. Obstacle in Human Resource

Human resource issues could be one of the major obstacles to value creation. Firstly, the monk's bowl businesses are facing lack of craftsmen due to aging workers and lack of new workers. This results in discontinuity of work. Secondly, even though the manufacturers have expertise in production, some of them lack some necessary managerial, financial marketing knowledge and skills. Thirdly, the religiously conservative attitude of the owners precluded them from innovating and creating new products based on their traditional knowledge and skills in response to the changing market.

V. Conclusion

The value creation of monk's bowl in the value chain can be divided into 2 groups: the primary activities and the support activities, or 8 activities which includes *inbound logistics, operation, outbound logistics, marketing and sales services, infrastructure, human resource and technology.* These activities contribute to value adding to the final products, the bowls, directly and indirectly.

The businesses are facing a number of problems and obstacles to the process of value creation, but only 5 important issues are emphasized due to limited time and space: *sales problem*, *lack of financial access problem*, *marketing problem*, *obstacle in location and working environment* and *obstacle in human resource*. It is necessary that these issues be solved or remedied because they constrain value creation process, which in turn obstruct business growth. In the long term, they may affect the survival of the business.

VI. Discussion

From the 5 issues, the 3 most important and urgent are highlighted since they have significantly affected the value creation process of the monk's bowl business. These 3 following issues are quite common problems to general traditional crafts manufactures.

A. Sales Problem

The monk's bowl businesses used price-based selling strategy instead of product-based strategy to boost short-term sales. However, in a long term, this action inevitably results in price war. When one competitor lowered the price, the others slashed their prices to match. The manufacturers, therefore, earned less profit and even suffered a loss and the problem may discourage the manufacturers from value creation to products and investment. Moreover, price cut lowered the perceived value of products and services depreciate the brand in the view of the customers. Some customers view hand-made monk's bowl as ordinary cheap factory-made one. This is accordance with Dominique Turpin [10] in that price cut would lead to devastating consequences, incomparable to short-term sales increase, as it would put the business at risk. The sales problem is one of the most common issues for SMEs and needs to be addressed and solved.

Open Science Index, Humanities and Social Sciences Vol:7, No:5, 2013 publications.waset.org/14348/pdf

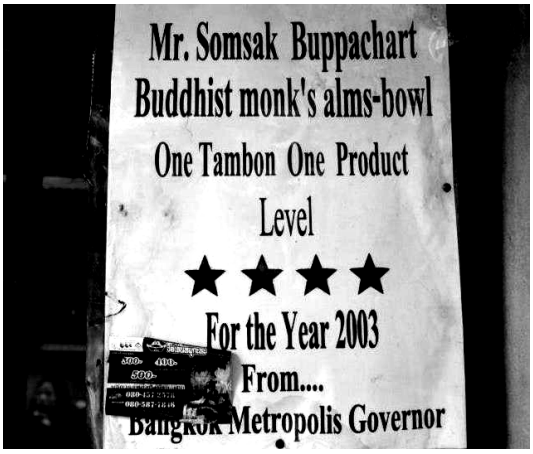


Fig. 11 A plate displaying reward given by Bangkok Metropolis governor to promote monk's bowls

B. Marketing Problem

Even though, like many other traditional handicraft nowadays, monk's bowls are inevitably involved in cultural tourism and its value are based on storytelling and depends on marketing, the marketing of the monk's bowl business is rather inadequate. The manufacturers lack marketing knowledge and skills, budget and networks to do their own marketing. Most of the marketing promotions in forms of advertising and public relations were done by the outsiders, such as the government, universities, media and tourists. Therefore, the manufacturers are unable to determine their marketing strategy or control messages, content, channels, and other elements of the promotions which have effects on the perceived value of the products and the business in the customers' view. The manufacturers' marketing strategy is fundamentally opposed to the idea of marketing promotion by David Ogilvy that *'When times are good, you advertise, and when times are tough, you must advertise* [10].' Since difficult situations create unusual opportunities, the manufacturers should take advantage of their tough time.



Fig. 12 An artisan is hammering a monk's alm bowl along an alley

C. Obstacle in Human Resource

Human resource issues could be one of the major obstacles to value creation as the businesses are based on human workers. Firstly, the monk's bowl businesses are facing lack of craftsmen due to aging worker base and lack of new workers especially from younger generation resulting in discontinuity of the work. Even the descendants of the manufacturers refused to inherit family businesses. This obstacle substantially limited the manufacturers' chances to increase their productivity, expand the business and even to pass down the local wisdom to the new generation. Secondly, even though the manufacturers have expertise in production, some of them lack some necessary managerial, financial marketing knowledge and skills. Consequently, the manufacturers lost an opportunity to improve their business. Thirdly, the religiously conservative attitude of the owners precluded them from innovating and creating new products based on their traditional knowledge and skills, in response to the changing market. The owners rely on tradition as unique selling points, but nowadays the traditional products lost their functionality and only fulfilled artistic needs. It is necessary to change the attitude due to the changing society. Research indicated that traditional craft manufactures faced the similar obstacle and it may lead to the businesses' struggle to survive [11].

The problems and obstacles found in the research can be used as a guide for policy makers to making a decision on solutions and remedies for the businesses. The research suggests that these problems and obstacles are reducing the manufacturers' potential to create a more valued product and increase profits. In fact, it may lead to business stagnation. Hence, it is essential that these problems be addressed and solved as soon as possible with collaboration from the government, the private sector and the manufacturers. If it is done properly, not only will the manufacturers gain more profits, but it will ultimately lead to cultural preservation. Moreover, this research could be extended to other topics, for instance, the adaptation of traditional crafts manufactures to the changing market.

ACKNOWLEDGMENT

P. Techaratpong thanks Sunandha Rajabhat University for sponsorship and financial support and also Asst. Prof. Weena Eiamprapai, Asst. Prof. Chaiwat Tantaragsee and Dr. Witthaya Mekhum for academic support.

REFERENCES

[1] J. Howkins, *The Creative Economy: how people make money from ideas* (Book style). London : Penguin, 2001, p. 4.
[2] Foreign Office, The Government Public Relations Department, Office of the Prime minister, *Inside thailand review 2010: creative Thailand* (Website style), 2010 Available from http://thailand.prd.go.th/ebook/review/content.php?chapterID=77
[3] UNCTAD, *Creative Economy report 2010*. Geneva-New York: UNDP, UNCTAD, 2010
[4] W. Mekhum & T. Srimarut, "*Impact on the transfer of local wisdom of metal handicraft in the production of monk's alm-bowls in Ban-Baat*

Open Science Index, Humanities and Social Sciences Vol:7, No:5, 2013 publications.waset.org/14348/pdf

community, Ban-Baat sub-district, Pom-prap-satru-phai district. (Unpublished work style)," 2007.
[5] A. Kenla, "Ban-Baat: fading religious community (Periodical style)," in *Green World*, Bangkok, vol.9, no.3, pp. 84-97, July 2000.
[6] M. Porter, *Competitive advantage: creating and sustaining superior performance with a new introduction* (Book style). NY : the Free Press, 1998, pp. 33-59.
[7] P. Simister, *Advantages & disadvantages of value chain analysis* (Online), 18 Aug. 2011. Retrieved from http://www.differentiateyourbusiness.co.uk/the-advantages-disadvantages-of-value-chain-analysis
[8] E. Dunn and L. Villeda, *Weaving micro and small enterprises into global value chain: the case of Guatemalan textile handicrafts* (Micro Report No. 31). DC: USAID, 2005. Retrieved from http://pdf.usaid.gov/pdf_docs/PNADI914.pdf
[9] K. Sangchai, Monk's alm-bowl manufacture. Private communication, May 2012.
[10] P.D. Turpin, *Price : the nuclear weapon of marketing!*, May 2012. Retrieved from http://www.imd.org/research/challenges/pricing-strategies-marketing-professor-turpin.cfm.
[11] A. Dokter, "*Kpando woodcarvers and potters: a baseline study and value chain analysis of craft artisans in Kpando district in Ghana* (Unpublished work style)," unpublished, 2010.

Open Science Index, Humanities and Social Sciences Vol:7, No:5, 2013 publications.waset.org/14348/pdf